

Roundtable Discussion among Outside Directors

Focused on accelerating the realization of “Retail No. 1,” the current medium-term management plan (MMP) was launched in 2023 in conjunction with the establishment of the Group’s Purpose and Long-Term Vision.

Here, we introduce a summary of a roundtable discussion in which the Chairperson of the Board of Directors and the Chairpersons of three committees exchanged their opinions regarding the implementation of the MMP and the Group’s efforts to embody the Purpose and Long-Term Vision.



Chiharu Baba
Chairperson of
Compensation Committee

Fumihiko Ike
Chairperson of
the Board of Directors

Kimie Iwata
Chairperson of
Nominating Committee

Masaki Yamauchi
Chairperson of Audit Committee
Member of Nominating Committee

Striving to Achieve Further Improvement in Corporate Value after the Close of the First Year under the MMP



Ike Reflecting on our past year of discussions since the launch of the current MMP, we have tended to focus on the numerical results compiled by Resona Holdings in connection with its subsidiary bank’s banking operations, rather than overarching subjects affecting the entire Group.

To repay the public funds and effect a revival, Resona implemented a number of reforms. I, like many, consider this to be a unique example of a success story. However, discussions among outside directors and with President Minami to assess what our conventional banking business will look like in the next 10 years have served to revive our sense of crisis regarding the future of this business as well as problems the financial industry as a whole is now confronting.

Fundamentally, although the conventional operations undertaken by the Group banks are integral to Group operations, we will cease to see substantial growth in the banking business if we are content to limit our efforts to building on these existing operations. We would like to regularly address this issue at Board of Directors meetings going forward. In addition, I am keenly aware, as Chairperson, of the need to transform Resona Holdings’ mode of operations, even if only little by little. So, today, I would like to hear what you think about this subject.

Yamauchi Our mission is to enhance the corporate value of the Resona Group. The Long-Term Vision and the Purpose, both of which were established at the start of the MMP, have served as a basis for the Board of Directors’ approach to fulfill the above mission. Although directors, including myself, have engaged in intensive discussions to this end, I think that there remain a number of subjects requiring more in-depth discussion.

Ike All too often after I first assumed the office of Chairperson,

I held back when addressing executives, wary of weighing them down and hampering their ability to execute their duties. When a Board of Directors meeting has been convened to examine matters that are currently preoccupying executives—often items related to day-to-day banking operations—topics related to overarching strategies can easily get pushed aside. Moving forward, our discussions need to be looking ahead toward a future beyond the remaining two years of the MMP. Although discussions of this kind may place a lot of the burden of day-to-day operations on executives, I ask them to cooperate so that the Board of Directors can address overarching subjects more in depth.

Iwata I think the boards of directors at many companies are facing similar issues regarding the focus of their meetings. Unlike executive meetings, our meetings should emphasize a long-term perspective. This is of particular importance for the Board of Directors because we regularly need to enter into deliberations with an eye to the situation five to 10 years in the future. Moreover, it is essential to leverage a broad perspective. The role of Resona Holdings is to devise ways to realize “Beyond Finance,” an integral component of the Purpose. Accordingly, we need to discuss how to leverage the Group’s strengths and discover business opportunities in fields unfamiliar to it or areas beyond the framework of finance. These are exactly the subjects our Board of Directors is being called upon to address.

Baba With Group banks about to expand into non-banking businesses, Resona Holdings’ role is to consolidate the Group’s overall capabilities in order to enhance corporate value. To this end, we need to determine what our business should look like in the future in the context of realizing “Beyond Finance” in line with the Purpose. In addition, we need to robustly discuss how to allocate management resources across the entire Group to promote business development.

Yamauchi As just mentioned, Resona Holdings should be taking a more clear-cut approach to developing long-term strategies. Although vigorous discussions have been undertaken to address these topics, even though the Board of Directors has determined general direction the Company should take, it has yet to clarify specific goals for the Group and pathways leading to such goals. These goals and pathways must be identified and confirmed by the Board of Directors and reassessed by it on, at minimum, an annual basis in light of the constantly evolving business environment. I also expect that through the confirmation and reassessment processes mentioned above, the Board of Directors could deliberate specific methods for achieving said goals and thereby contribute to the enhancement of the Group’s corporate value.

The Role of Resona Holdings’ Board of Directors

Iwata Over the past year on diverse occasions, I have seen a growing number of people contributing their opinions with regard to the roles to be taken by Resona Holdings’ Board of Directors. Such topics have also been discussed at sessions outside Board

Roundtable Discussion among Outside Directors



of Directors meetings attended by President Minami. I think that, since assuming the office of Chairperson, Director Ike has played a major role in facilitating this trend by sharing his views on issues the Group was confronting.

In addition, in April 2024, Kansai Mirai Financial Group was merged into Resona Holdings. This placed the four banks in parallel under the latter's direct supervision. As a result, we have been prompted to shift our focus to discussions of how best to configure the Group's mode of corporate governance and the role Resona Holdings should fulfill. We have yet to reach definitive conclusions and need to continue addressing these matters.

As mentioned by Director Yamauchi, we have yet to clearly identify ideals regarding what the Resona Group should look like. We must ensure that such ideals are robustly discussed at Resona Holdings, including by its executives. This is a major part of our duties as directors.

Ike Having developed a full understanding of Resona's unique historical background, speaking from my external viewpoint, I now believe that many Group employees are constrained by deep-seated psychological inhibitions amassed in the course of the Resona's endeavors to complete the repayment of public funds, with the experience of laboring at this monumental task prompting them to keep plugging away until the goal is met. But now, they are expected to take on various challenges in line with the Purpose and the Long-Term Vision. Our mission as directors is, therefore, to help them steadily break free from this mindset.

No matter how much you build on it, the conventional business model will no longer suffice when striving to catch up with changes in society. We need to take a step forward toward a structural and drastic change. Of course, this change will not be accomplished overnight. We need to take a steadfast approach, achieving one small accomplishment after another.

Yamauchi I believe that we should increase the weighting placed on discussions regarding the strategic positioning of various measures now under way and new challenges we are about to take on. I expect that the Group could achieve fresh growth if outside directors were enabled to regularly discuss these matters among themselves and leverage their diverse expertise to this end.

Baba When it comes to enhancing corporate value via the

rebalancing of the Group's business portfolio, appropriate engagement in risk-taking endeavors is imperative. In the aftermath of the injection of public funds, Resona had to be strongly focused on properly managing risks. Despite its unique background, for the Group to improve corporate value, it will be critically important for it to appropriately engage in risk-taking endeavors in light of the radically evolving business environment.

To date, I have offered my opinions regarding the need to develop various frameworks, such as a risk appetite framework, in order to optimize the allocation of management resources. Recently, executives began striving to reorganize and upgrade these frameworks in order to adapt to and accommodate changes. I expect their efforts to pay off. Of course, the Board of Directors needs to discuss how to fully utilize these frameworks going forward. In any case, the commencement of the above efforts can be considered one of the positive results arising from discussions led by Chairperson Ike, who has been acutely aware of various issues the Group is confronting.

Ike In this regard, I feel that we have been moving in the right direction. The Board of Directors has reached a clear conclusion about reorganizing the differing modes of risk-taking endeavors used at various departments in the course of day-to-day operations, based on feedback from executives, looking to unify these modes as part of an overarching strategic planning framework. This suggests, I believe, that executives are acting, in a greater or lesser degree, on conclusions reached by the Board of Directors and opinions contributed by outside directors.

Iwata When it comes to governance functions afforded by the Board of Directors, it is important to strike a balance between the "defensive" and "offensive" aspects of governance. However, it is good for the Board to have launched discussions regarding "offensive" governance, transitioning away from the previous focus placed solely on discussions regarding "defensive" governance. At the same time, I feel the lack of my own experience in "offensive" governance and, therefore, need to raise my ability to handle topics in this area.

Although the Board of Directors is certainly moving in the right direction, it has yet to take a deeper look into risks arising from risk aversion. I feel that the Board has many things to deliberate going forward.



Roles the Board of Directors and Each Committee Need to Take On

Yamauchi Looking at the Audit Committee, I believe that its members need to shift their thinking on how the Company should deal with risks. Risk management is absolutely necessary. However, reports submitted to a committee of this kind will naturally be focused on risk management. For them to properly discuss areas in which the Group should engage in risk-taking endeavors, committee members need to be more conscious of risks arising from risk aversion, just as Director Iwata commented, and address an even broader range of topics. Even in the course of deliberating "defensive" risk management, I would like to facilitate discussions regarding ideals for what the Resona brand should look like, a subject that goes beyond maintaining compliance. This will, I believe, enable committee members to shift their awareness of risk handling.

Ike It is understandable that the Audit Committee tends to take a defensive approach. However, I expect the committee to provide executives with ideas related to "offensive" governance as part of its current engagement with the presidents of subsidiaries, including Group banks. I would urge the committee to do so as this will inspire all of them and, eventually, bring a fresh perspective to topics discussed at the Board of Directors.

Personally, I feel that the focus of discussions at the Board of Directors shifted in various ways over the course of the past two years. I expect Director Iwata to continue to take the lead in discussions by the Nominating Committee when it comes to enabling Resona Holdings to exercise robust governance over the entire Group and the structures that must be built to this end.

Iwata Thank you. I am excited to launch discussions regarding topics of this kind before the committee begins to examine the lineup of candidates for officers to be appointed in FY2025.

Ike When I was serving as a Nominating Committee member, I participated in the assessment of each officer. I consider this assessment approach to be extremely beneficial as it enables outside directors to engage with a diverse range of officers, including those representing younger generations, in a way that transcends boundaries. I would also like Ms. Iwata to provide unfettered opinions in her capacity as an outside director in the course of this assessment in order to foster the shared sense of crisis among officers and help them develop an overarching vision for the future of the Group.

Baba Today's discussions helped me understand that fostering a shared awareness of consolidated management among all Group members is a task to be tackled by the Board as well as by each committee as they take on across-the-board initiatives to expand into new business fields. To facilitate this awareness, in 2023 the Compensation Committee updated compensation systems in place at each Group company by universally incorporating evaluation indicators relative to the Group's consolidated performance.

Subjects That Need to Be Discussed to Realize the Purpose

Ike On the back of this radically evolving society, we are beginning to see changes in the players in the financial industry.



However, entering into fields completely unrelated to conventional banking businesses cannot be considered a realistic choice for the Resona Group. As outside directors, we must engage in ongoing discussions to help the Group identify promising business fields and areas where opportunities abound. Accordingly, our discussions going forward will be centered on topics related to fortifying the Group's core strength in day-to-day banking operations while seeking out fresh opportunities. We should not only protect this strength but also reinforce it on many fronts.

Baba Because SMEs constitute a supermajority in Japan's business sector, I believe that, even though the Group itself is a private corporation, its efforts to deliver solutions to them can be considered a kind of public service. If the Group promotes its business model in this area and realizes its potential to the fullest, its corporate value will naturally increase as its role as a financial institution is fulfilled. Going forward, I would like to engage in robust discussions to enable the Group to further promote this business model.

Iwata I believe that the creation of value "Beyond Finance" will be a three-layered endeavor. The first layer consists of the further development of the Group's existing businesses to create new value. This layer constitutes a vast majority. The second layer is the exploration of opportunities in finance-related fields where the Group's presence is insignificant or even nonexistent. The third and last layer is the exploration of the Group's possibilities in non-financial fields. However, I believe that none of us are positioned to offer a right answer regarding where to search for such possibilities. In any case, the Group needs to take on these challenging tasks in order to genuinely upgrade its business models while enabling employees to transform their mindset.

Ike We directors are now developing a shared recognition of how the Group will deliver value "Beyond Finance," even though our individual perception of this subject varied widely when the current management team was initiated. Going forward, I would like to facilitate ongoing discussions with regard to how to improve corporate value. I would also like to ask each committee chairperson to continue working with me to enable Resona Holdings' Board of Directors to operate more effectively.

Corporate Governance

Cutting-Edge Corporate Governance Structure

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

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

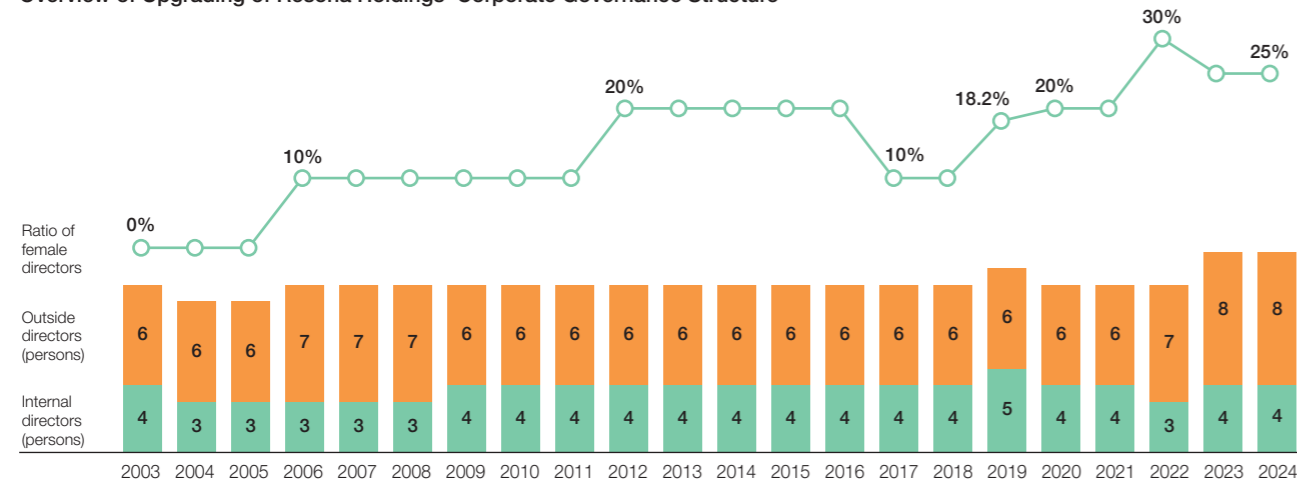
and be chaired by outside directors. Similarly, the policy requires outside directors to constitute the majority of the Audit Committee, which, in principle, shall be chaired by an outside director.

Of the 12 directors currently constituting the Board of Directors, eight are independent outside directors, who together account for the majority and possess extensive knowledge and/or experience in corporate management. The Resona Group aims to avoid making decisions based solely on established norms within the banking industry. Instead, it seeks to incorporate external perspectives and engage in multifaceted discussions to reach the right conclusions through the exchange of a diverse range of opinions. By doing so, the Group strives to achieve sustainable growth and improvement in corporate value.

Resona Bank and Saitama Resona Bank have similarly secured clear separation between management supervision and business execution by adopting the company with an audit and supervisory committee system. Moreover, all Group banks, including Kansai Mirai Bank and Minato Bank, have appointed to their boards multiple qualified individuals as highly independent outside directors.

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

Overview of Upgrading of Resona Holdings' Corporate Governance Structure



Board of Directors	2003 Transitioned to a company with committees system (currently known as a company with a nominating committee, etc., system)* * First among domestic banks 2003 Independent outside directors formed majority in the Board of Directors
Chairperson	Executive director 2020 Non-executive director 2022 Independent outside director
Nominating Committee	2007 Introduced a succession plan 2012 Committee members consist solely of independent outside directors
Compensation Committee	2004 The directors' retirement benefit system was abolished, and the Board of Directors introduced a performance-based compensation system 2010 Introduced a share-based compensation system 2012 Committee members consist solely of independent outside directors
Audit Committee	2016 Introduced a double reporting line system
Other	2005 Presidents of Group banks began concurrently serving as executive officers at Resona Holdings 2019 Resona Bank and Saitama Resona Bank adopted the company with an audit and supervisory committee system

Basic Approach to Corporate Governance

Resona Holdings has established the "Basic Corporate Governance Policy" to facilitate the sustained growth and improvement of the corporate value of the Resona Group over the medium and long term.

- The Company, as the holding company of the financial services group, shall maximize the corporate value of the Group.
- The Company shall respect all stakeholders, including shareholders, and aim at achieving excellent corporate governance so that

it can make decisions rapidly and decisively in response to environmental changes, including economic and social changes.

- The Company shall develop a structure to enable the Group to rally its overall capabilities to pursue business operations that embody the Purpose and the Corporate Mission, which together constitute the cornerstone of business management, and realize the Long-Term Vision, which defines ideals regarding what it should look like in the long term.

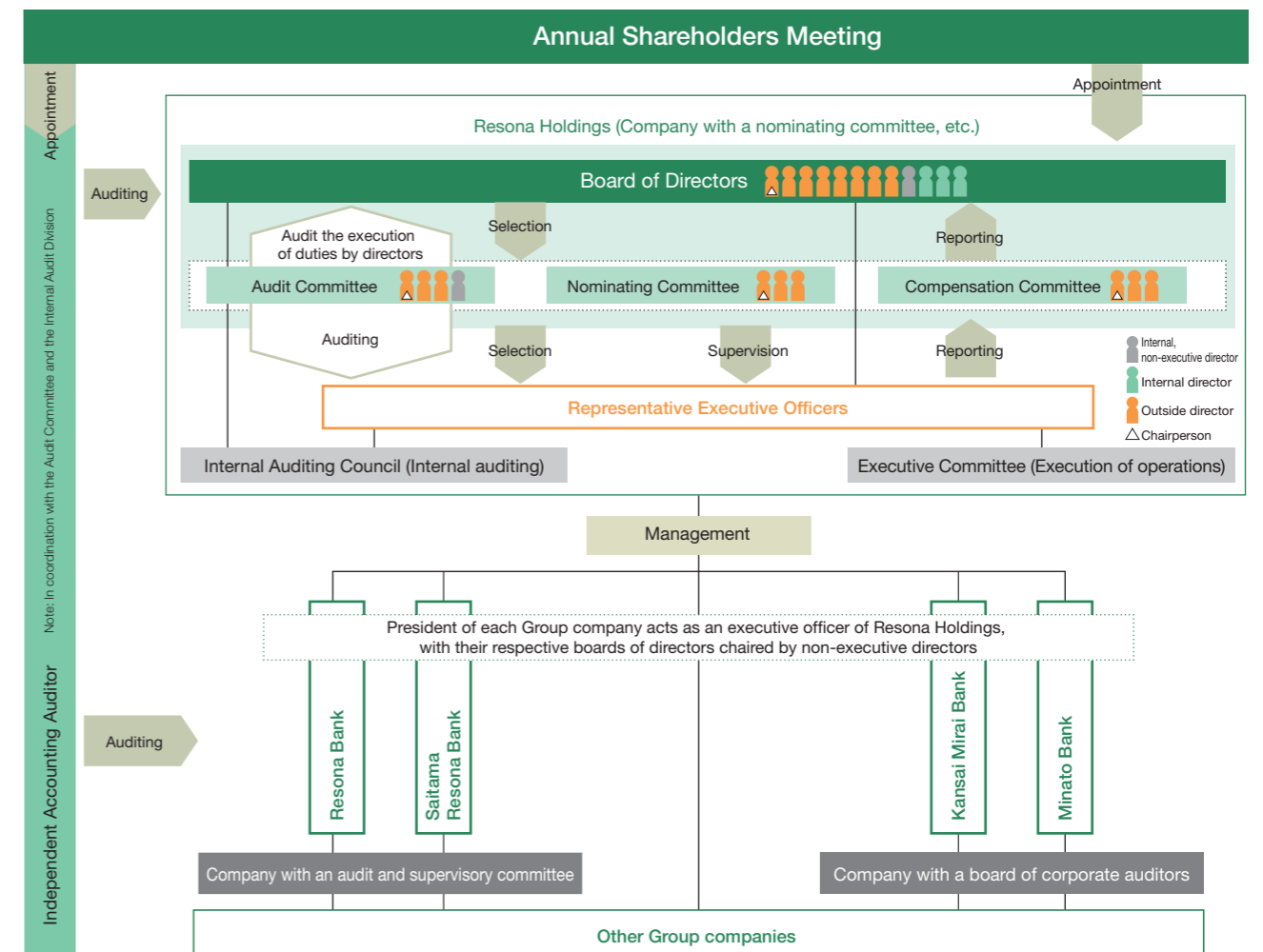
The Company's Corporate Governance System

- Based on the aforementioned basic approach to corporate governance, the Company shall clearly separate the management supervision function from the business execution function and adopt the form of a "company with a nominating committee, etc.," as a corporate governance system because the Company determines that this system can enhance the supervision and decision-making functions of the Board of Directors.
- The Company shall fully utilize external views in its business management and secure transparency and fairness in management

by ensuring the Board of Directors, on which highly independent outside directors constitute a majority, and the three committees (Nominating Committee, Compensation Committee and Audit Committee) fulfill their functions.

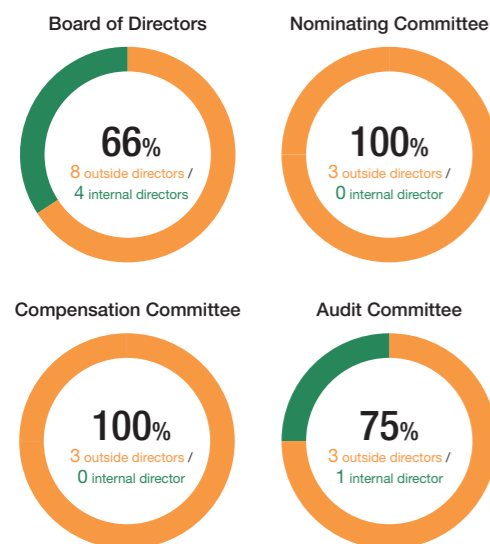
- The Company shall ensure the autonomy of its subsidiaries and instruct the subsidiaries to manage their business activities based on the aforementioned basic approach to corporate governance so that the Group will grow together with regional communities.

Group Corporate Governance Framework



Supervisory Structure

Ratio of Outside Directors



Chairperson of the Board of Directors and Composition of Each Committee

(◎: Chairperson of the Board of Directors or Committee; ○: Committee member)

	Board of Directors	Nominating Committee	Compensation Committee	Audit Committee
Chiharu Baba	Outside director		◎	
Kimie Iwata	Outside director	◎		
Setsuko Egami	Outside director	○	○	
Fumihiko Ike	Outside director	◎		
Sawako Nohara	Outside director		○	
Masaki Yamauchi	Outside director	○		◎
Katsuyuki Tanaka	Outside director			○
Ryuji Yasuda	Outside director			○
Hisahiko Oikawa	Internal director			○

Outline of the Board of Directors and Each Committee

Board of Directors	<ul style="list-style-type: none"> Number of directors: 12 (8 outside directors, 4 internal directors) Chair: Outside director (since June 2022) Number of meetings held: 18 Attendance rate: 100% Feature: Attendance of the presidents of Resona Bank, Saitama Resona Bank, Kansai Mirai Bank and Minato Bank as observers, with the aim of enhancing the effectiveness of Group management
Nominating Committee	<ul style="list-style-type: none"> Number of committee members: 3 (consisting only of outside directors, with the President occasionally attending meetings as an observer in light of the nature of agenda items under discussion) Number of meetings held: 12 Attendance rate: 100% Main agenda items discussed: The composition of Group officers, the content of succession plans, the monitoring of succession plans, etc.
Compensation Committee	<ul style="list-style-type: none"> Number of committee members: 3 (consisting only of outside directors, with the President occasionally attending meetings as an observer in light of the nature of agenda items under discussion) Number of meetings held: 9 Attendance rate: 100% Main agenda items discussed: Next compensation system for Group officers, the operation and monitoring of the compensation system, etc.
Audit Committee	<ul style="list-style-type: none"> Number of committee members: 4 (3 outside directors, 1 internal director) Committee chair: Outside director Number of meetings held: 13 Attendance rate: 96.2% Main agenda items discussed: The strengthening of corporate group audits, a structure for compliance management, the status of progress in the development of business models aimed at realizing "Retail No. 1," the enhancement of human capital management, a risk management structure aligned with internal and external environments, the creation of a structure for ensuring appropriate responses to revisions of financial regulations, accounting systems and other relevant laws and regulations, the maintenance of a management structure aimed at preventing accounting fraud and securing the appropriateness of financial and tax affairs, etc.



The Evaluation of the Board of Directors' Effectiveness

As set out in Article 9 (Self-Assessment) of the Basic Corporate Governance Policy, the Company's Board of Directors conducts a self-evaluation of its overall effectiveness based upon each director's opinions regarding the roles, functions and operation of the Board of Directors.

Based on the results of such evaluation, the Board of Directors discusses its operations over the course of the next fiscal year, using its findings to inform the PDCA cycle entailed in the determination and execution of the measures to be taken each fiscal year, with the aim of improving its effectiveness on a continual basis.

Outline of Self-Evaluation

Methods Used in and Focus of Evaluation	<ul style="list-style-type: none"> The execution of the FY2023 self-evaluation was entrusted to an external evaluation firm. Outline of the self-evaluation Questionnaires prepared by the external evaluation firm were distributed, anonymously filled out and collected Interviews were conducted by the external firm based on questionnaire results Based on the final report issued by the external firm, discussions involving only outside directors were held, with deliberations focused on the Board of Directors' operations over the next fiscal year The subject was then deliberated on by the entire Board of Directors The outside directors and the President exchanged opinions regarding how the Board of Directors should operate going forward Annual agenda items were considered and determined based on conclusions reached via the above discussions
Main Questionnaire Items	<ul style="list-style-type: none"> Management challenges, the roles and functions of the Board of Directors The size and composition of the Board of Directors The operational status of the Board of Directors The effectiveness of responses to issues identified via self-evaluation conducted in the previous fiscal year The composition, roles and operational status of the Nominating, Compensation and Audit committees The system supporting outside directors Relationships with investors and shareholders The overall effectiveness of the Company's governance structure and the Board of Directors' operations Self-assessments of each Director's performance

Outline of Evaluation Results

Building on findings from the self-evaluation undertaken in the previous fiscal year, the Board of Directors has identified, via the FY2023 self-evaluation, "following up on the status of the newly launched medium-term management plan (MMP)" as the main subject to be tackled going forward while implementing the initiatives described below.

Main Initiatives	<ol style="list-style-type: none"> Discussions regarding "offensive governance" aimed at improving corporate value as well as discussions on "defensive governance" Main topics discussed: The status of the Cross-Functional Teams (CFTs) tasked with creating new businesses, organic growth investment (business process reforms and human resource strategies), inorganic growth investment (the enhancement of the settlement business as well as the Group's functions to deliver solutions), data science development and data utilization, the strengthening of consolidated management of Group companies (one-platform, multi-regional strategy) Improvement of the Board of Directors' operations Main initiatives: The review of meeting materials to clarify points to be discussed in connection with each agenda items, the exchange of opinions among chairpersons of boards of directors at Group entities
Evaluation Results	<ul style="list-style-type: none"> Questionnaire results suggested that progress was made regarding the clarification of roles and functions to be borne by boards of directors at the Group's subsidiary banks while identifying improvements in the content of agenda items, points being discussed, the quality of meeting materials and other aspects of the Board of Directors' operations. Overall, respondents have concluded that the effectiveness of the Board of Directors is high. Interviews also revealed that the Board of Directors' composition is considered appropriate, with each director being actively involved in and invigorating discussions by drawing on their experience, expertise and multilateral perspectives, while boards of directors at Group entities have been collaborating ever more closely. These assessments granted high ratings to measures being undertaken to improve the Board of Directors' effectiveness. The Chairperson of the Board of Directors earned constantly high ratings and is deemed to be fulfilling his roles in an appropriate manner. The FY2023 self-evaluation thus concluded that the functions of the Board of Directors were robust.
Initiatives for FY2024	<ul style="list-style-type: none"> The Group has entered a phase of profound transition reflecting the radically evolving external environment due to such factors as the shift of Bank of Japan monetary policy, as well as significant changes in the internal environment, including the management integration of Kansai Mirai Financial Group. Against this backdrop, the Board of Directors needs to determine a consistent growth story for the medium to long term time frame in order to realize the Purpose, which was established in 2023, and the Long-Term Vision. If the Group is to sustainably improve its corporate value, it is important to enhance its consolidated governance functions. To that end, Resona Holdings' Board of Directors needs to further improve the effectiveness of its operations as the Company plays a central role in Group governance. Looking ahead, therefore, the Board will continue striving to appropriately implement a PDCA cycle informed by an evaluation of that effectiveness.

Regarding the Board of Directors' Operations during FY2024

- Thorough focus on the role of the Board of Directors of the holding company
 - Based on a recognition that the Board's role is to leverage a medium- to long-term perspective to discuss the direction the Group needs to take going forward, the Board will engage in deliberations regarding the Group's future initiatives involving even longer time frames as well as its growth stories in order to realize its Purpose and Long-Term Vision.
- Pursuit of functions as a monitoring board
 - The Board will increase the amount of time allocated to each topic by narrowing down the number of agenda items.
 - As part of its monitoring function, the Board will also strive to exercise even more efficient and effective supervision over business management by, for example, implementing cross-divisional oversight and clarifying issues recognized in the course of receiving reports from CxOs, who together support Group governance.
- The development of a structure supporting in-depth discussions
 - The Board will endeavor to secure regular opportunities for outside directors to exchange opinions with one another and with the CEO, thereby fostering mutual understanding that will facilitate in-depth discussions based on a shared awareness and recognition of issues confronting the Group.

Main Agenda Items Addressed and Initiatives Undertaken by the Board of Directors (FY2023)

April 2023	May	June	July	August	September	October	November	December	January 2024	February	March
Set Scope 3 target	Formulated the medium-term management plan (MMP)	Status of risk management and risk countermeasure implementation	Policy on Customer-Oriented Business Conduct		Revised plan	Consolidation of leasing companies	Merger of KMFG	Capital and business alliance with Digital Garage	Response to failure of the Zengin Net System	Organizational revision	Annual plan
The Resona Group human resource strategy	Established the Group's Purpose	Status of credit risk management	Policy for measures to secure operational resilience		Results of verification of policy-oriented stockholdings	Development status of AML structure	Upgrading of Group governance	Status of credit risk management		Outsourcing contracts to be signed in the next fiscal year	Formulation of the Risk Appetite Statement
FY2022 self-evaluation of the Board of Directors' effectiveness	Sustainability-related initiatives	Direction of ALM measures in preparation for yen interest rate hikes			How the stock price is trending and the status of IR activities		Status of risk management and risk countermeasure implementation	Policy for outsourcing contracts to be signed in the next fiscal year		Employee awareness surveys	Revision of the plan for reducing policy-oriented stockholdings
		Operation of CFT measures to create new businesses	Initiatives to strengthen the consolidated management of the Group		Inorganic growth strategies executed in countries abroad	Current status of and strengthening of data science utilization	IT governance	Business process reforms	Strategic business alliance with regional financial institutions	Capital and business alliance with Digital Garage	
						Facility tour (Resona Garage)	Study session (shift of monetary policy)	Facility tour (Osaka Business Park, a base tasked with back-office operations)			
						Facility tour (Ueno Branch/the dealing room in Resona Bank)	Meeting hosted by the Chairperson of the Board of Directors				

Legend:
■ Agenda items
■ Free discussion sessions
■ Other

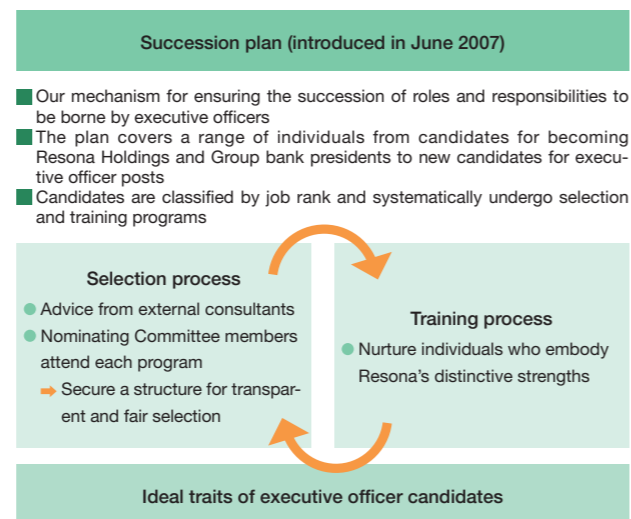
Resona Succession Plan

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

The scope of the succession plans covers various candidates for the Company and its subsidiary banks, ranging from those who are presidents to those who are new candidates for executive officer positions. The process of selecting and nurturing successors is carried out at a measured pace according to a schedule. The Group ensures the objectivity of this process by obtaining the advice of external consultants which, in turn, informs some key selection programs. Evaluations of candidates undergoing the process are reported to the Nominating Committee. In addition to receiving reports on candidate evaluations, members of the Nominating Committee come into direct contact with candidates as part of the process, evaluating candidates' characters from various aspects. The activities of the Nominating Committee are reported to the Board of Directors, of which outside directors are the majority, and are discussed from diverse perspectives. Through the entire process, which is highly transparent, each potential director's capabilities and competencies are closely studied and

enhanced where appropriate.

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



Compensation for Directors and Executive Officers

Overview of Compensation Policy

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

1. Basic Approach

- Compensation systems in place at the Resona Group are designed to provide recipients with sound incentives for supporting its sustainable growth and a medium- to long-term improvement in corporate value in addition to securing proper supervisory functions.
- Remuneration for directors and executive officers is, in principle, determined by the Compensation Committee, which consists only of outside directors who are independent from management, following objective and transparent procedures.

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

- ① Position-based compensation
The position-based portion is determined by the nature and scope of responsibilities held by each individual.
- ② Annual incentive
Executive officers are offered an annual incentive in line with the Resona Group's annual performance and individual achievements.

In principle, the performance-based portion of this incentive is more heavily weighted for individuals in higher positions than it is for those in lower positions.

③ Medium- to long-term incentive
Executive officers are also offered a medium- to long-term incentive in line with the Group's performance over the medium-term management plan (MMP) period.

In principle, the performance-based portion of this incentive is more heavily weighted for individuals in higher positions than it is for those in lower positions.

④ Duty-based additional compensation
Directors who concurrently serve as executive officers or act as members of the Nominating, Compensation or Audit Committee are offered duty-based additional compensation based on responsibilities associated with the recipient's duties. This compensation is also paid to directors and executive officers who concurrently serve as directors or corporate auditors at Group banks, etc.

⑤ Additional allowance
Outside directors who chair the Board of Directors, the Nominating Committee, Compensation Committee or Audit Committee are offered an additional allowance based on the burdens arising from these responsibilities.

Compensation System for Directors

Name	Type	Calculation methods, etc.	Payment method
Position-based compensation	Fixed compensation Cash compensation	• Determined based on responsibilities associated with the recipient's position and duties	Paid monthly

In addition to the compensation described above, the officers named below are eligible to receive the following compensation.

- Duty-based additional compensation: Fixed compensation paid to individuals who are appointed to act as members of the Nominating, Compensation or Audit Committee or concurrently serve as directors or corporate auditors at Group banks, etc.
- Additional allowance: Fixed compensation paid to outside directors who are appointed to chair the Board of Directors, the Nominating Committee, Compensation Committee or Audit Committee

Compensation System for Executive Officers

Name	Type	Calculation methods, etc.	Payment method
Position-based compensation 33%-65%	Fixed compensation	• Determined based on responsibilities associated with the recipient's position and duties	Paid monthly
Annual incentive 19%-33%	Variable compensation (performance-based compensation)	• Calculated based on assessments of 1) the Group's financial and 2) non-financial performance as well as 3) individual achievements in the previous fiscal year Allocable amount varies from as low as zero to as high as 1.7 times the standard amount ①The Group's financial performance: Assessed based on the degree of achievement relative to the following assessment indices stipulated for annual plans · Resona Holdings' net income attributable to owners of parent · Resona Holdings' consolidated core income Note: Allocable amount will be reduced to zero if the Common Equity Tier (CET) 1 ratio falls short of a certain level ②The Group's non-financial performance: Assessed based on annual corporate achievements relative to Long-Term Sustainability Targets ③Individual achievements: Assessed based on annual individual achievements and other factors · Medium- to long-term targets · Annual targets · Initiatives to foster and spread a risk culture $\text{①Financial performance assessments } 50\% + \text{②Non-financial performance assessments } 10\% + \text{③Individual performance assessments } 40\% = \text{Annual incentive}$	Paid annually Paid based on assessments of corporate and individual performance achieved in the previous fiscal year
Medium- to long-term incentive 16%-33%		Non-cash compensation	• Calculated in line with a performance-linked coefficient determined based on consolidated ROE, relative TSR and ESG indices in the final year of the MMP The performance-linked coefficient varies from as low as zero to as high as 170% $\text{Consolidated ROE} \times \text{Relative TSR} + \text{ESG indices} = \text{Medium- to long-term incentive}$

In addition to the compensation described above, officers named below are eligible to receive the following compensation.

- Duty-based additional compensation: Paid in a fixed amount to individuals who concurrently serve as directors at Resona Holdings or directors or corporate auditors at Group banks, etc.

Resona Holdings Directors

Outside Directors (8 members)



Chiharu Baba
Outside Director and Chairperson of Compensation Committee

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



Kimie Iwata
Outside Director and Chairperson of Nominating Committee

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



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

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



Fumihiko Ike
Outside Director and Chairperson of the Board of Directors

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



Sawako Nohara
Outside Director and Member of Compensation Committee

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



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

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



Katsuyuki Tanaka
Outside Director and Member of Audit Committee

Registered as attorney-at-law in 1993. Currently acting as Partner at Tokyo Seiwa Sogo Law Office. Assumed the current position of Outside Director of the Company in 2023.



Ryuji Yasuda
Outside Director and Member of Audit Committee

Joined McKinsey & Company, Inc. in 1979. Became a Professor of the Graduate School of International Corporate Strategy of Hitotsubashi University in 2004. Assumed the position of Outside Director of Kansai Mirai Financial Group, Inc. in 2018. Assumed the current position of Outside Director of the Company in 2023.

Internal Directors (4 members)



Masahiro Minami
Group CEO, Director, President and Representative Executive Officer

Assumed the position of Executive Officer and General Manager of Omni-Channel Strategy Division and Group Strategy Division of the Company in 2017. Assumed the position of Director and Executive Officer in 2019. Assumed the current position of Director, President and Representative Executive Officer of the Company in 2020.



Shigeki Ishida
Group CSO, Director, Deputy President and Executive Officer

Assumed the position of Executive Officer in charge of Credit Risk Management Division of the Company in 2017. Assumed the current position of Group CSO, Director, Deputy President and Executive Officer in charge of Group Strategy Division (overall supervision as well as corporate and lending business reform) of the Company in 2024. Concurrently serving as Director of Resona Bank, Ltd.



Mikio Noguchi
Group CIO, Group CPRO, Director and Executive Officer

Assumed the position of Executive Officer in charge of Information Technology Planning Division of the Company in 2017. Assumed the current position of Director and Executive Officer in charge of Information Technology Planning Division, Omni Channel Strategy Division and Group Strategy Division (systems reform) of the Company in 2020. Concurrently serving as Senior Managing Executive Officer of Resona Bank, Ltd.



Hisahiko Oikawa
Director and Member of Audit Committee

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

Skills Expected of Directors

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

In line with this policy, the Company has defined the skills,

experience and knowledge expected of each candidate for Director as described below, with the draft for the nomination of such candidates being discussed at and determined by the Nominating Committee.

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

Reasons for Selecting Each Skill Item

Organizational management

Experience in organizational management is considered essential to enabling the Board of Directors to appropriately exercise its supervisory functions over top management members and other executives and deliberate strategies for the entire Group.

Legal/Compliance/Risk management

The Company believes that compliance and risk management together constitute an essential management foundation. Therefore, expertise in legal matters, compliance and risk management is considered essential to fostering a worthy corporate culture and ensuring the appropriate recognition and management of increasingly diverse and complex risks confronting the Group amid radical changes in the environment.

Finance/Accounting

The Company considers expertise in finance and accounting essential to establishing a solid financial position and realizing the appropriate allocation of financial capital supporting sustainable growth, as well as to securing the reliability of financial reporting.

IT/Digital

The Company believes that advancing IT and DX strategies is integral to its pursuit of growth. Therefore, expertise in IT and digital technologies is considered essential to strengthening cybersecurity, increasing the sophistication of IT governance and facilitating the further acceleration of the implementation of DX strategies.

Sustainability

The Company considers expertise in sustainability essential to accelerating SX-related initiatives across the Group in light of its aim to help realize a sustainable society and achieve sustainable improvement in corporate value.

Diversity & Inclusion

The Company has positioned diversity & inclusion as the cornerstone of its human resource strategies. Accordingly, expertise in diversity & inclusion is considered essential to creating an organization in which diverse human resources respect each other, inspire one another and thereby contribute to improvement in corporate value.

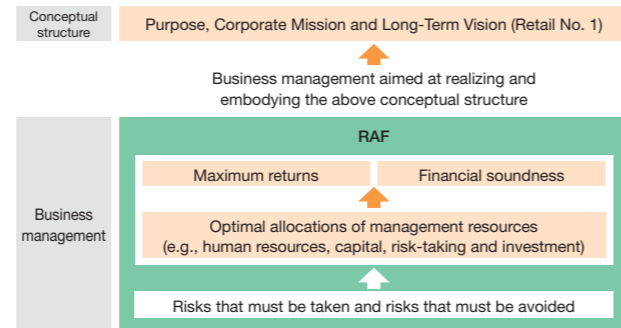
Globalization

Expertise in globalization is considered essential to navigating the Group amid a radically evolving and increasingly complex business environment and enabling it to achieve sustainable growth based on a global perspective that encompasses its operations in their entirety.

Risk Appetite Framework (RAF)

Positioning of the RAF

The Resona Group has defined the RAF as a framework for integrated business management focused on ensuring the optimal allocation of management resources, achieving both maximum returns and financial soundness, and supporting the realization and embodiment of the Group's conceptual structure.



Risk Appetite Policy

The Board of Directors has established the Risk Appetite Statement to clarify roles and responsibilities related to risk appetite and to provide a basic policy regarding risks that must be

taken and risks that must be avoided by the Resona Group.

Based on this policy, the Group determines risk appetite policies for both its medium-term management plan (MMP) and annual plan.

The RAF in Operation

Looking at the specific mode of RAF operation, the Group is running a PDCA cycle involving the assessment of the environment (e.g., changes in top risks and the business environment), the formulation of MMP and annual plans, monitoring the status of such plans and the implementation of additional actions, exercising the basic policy on risk appetite at every stage. Through this process, the Group aims to ensure both maximum returns and financial soundness.

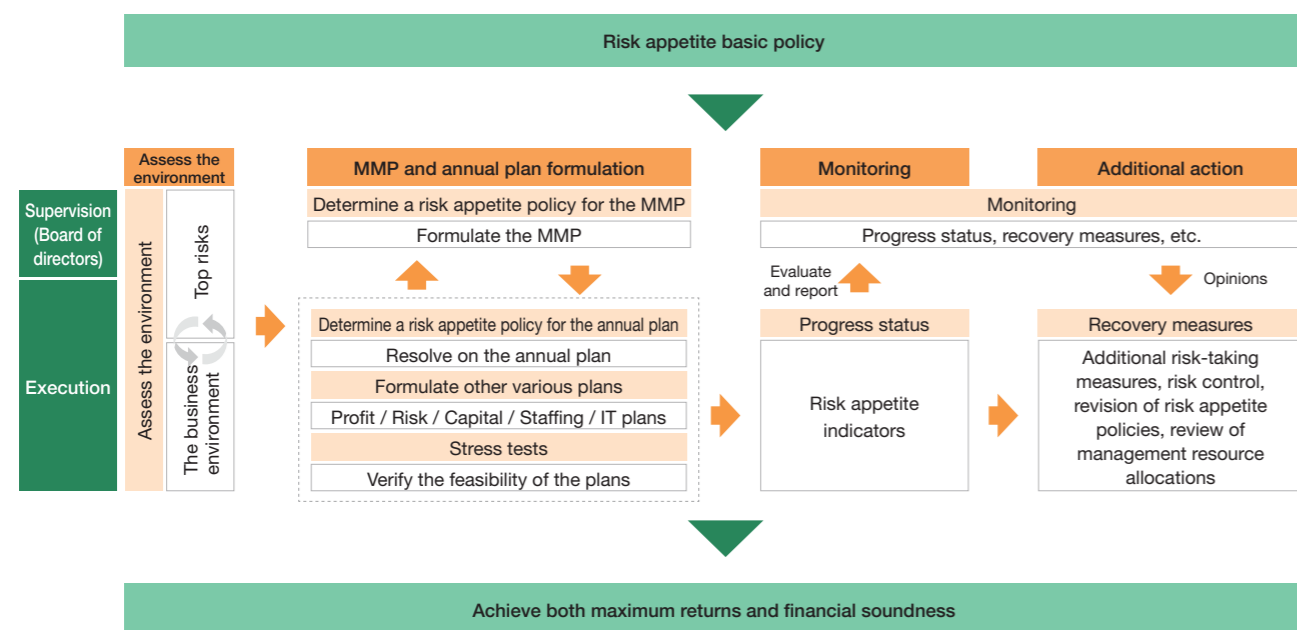
When formulating an MMP, the Group sets risk appetite indicators while the Board of Directors exercises monitoring over the appropriateness of allocations of management resources and risk-taking endeavors aimed at achieving management targets relative to such indicators.

Also, the Group has made it a rule to review the RAF when it formulates strategies (e.g., under the MMP) or revises them in light

of changes in the internal and external environments or the need to upgrade its mode of business management.

Objectives	Risk appetite indicators
Achieve management targets	Indicators considered most important for the Group , representing its commitment to each stakeholder group (Net income, ROE, core income, CET1 capital ratio, etc.)
Optimally allocate management resources	Indicators for measuring the appropriateness of allocations of management resources and risk-taking endeavors specified by the MMP
Maximize returns	Indicators for the degree of achievement relative to estimates for returns in the Group's areas of business focus specified under the MMP
Maintain soundness	Indicators for confirming whether the Group avoids assuming levels of risk in excess of its economic capital to maintain its financial soundness

The RAF in Operation



Risk Management

Risk Management System

Basic Approach to Risk Management

We deeply regret the serious concern and inconvenience that the application for an injection of public funds in May 2003 caused the people of Japan, our customers and other stakeholders.

Consequently, we have established the three risk management principles to enhance our risk management systems and methods as well as risk control. The Resona Group conducts its risk management activities with an eye to securing the soundness of operations and enhancing profitability.

Three Risk Management Principles

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

Risk Management Policies and Systems

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

As it aims to appropriately handle these risks in adherence to the three risk management principles, Resona Holdings has established the Group Risk Management Policy. This policy is intended to clarify types and definitions of risks to be managed and the organizational structure for risk management as well as the fundamental risk management framework, with the aim of developing a robust risk management system for the Group.

Specifically, the policy classifies risks as shown in the table below, and stipulates that risk management divisions specializing in each risk category must be in place in addition to divisions tasked with comprehensively managing enterprise risks (comprehensive risk management divisions), ensuring that optimal risk

management methods are used by these divisions in light of risk characteristics.

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

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

Primary Risk Category, Definition and Management Methods

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

Group Management by Resona Holdings

Qualitative Risk Management

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

When making decisions on important matters related to risk management, Group companies confer with the Company in advance and base their decisions on those consultations or decide

matters through the exchange of opinions, and report those decisions to the Company as necessary.

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

Quantitative Risk Management

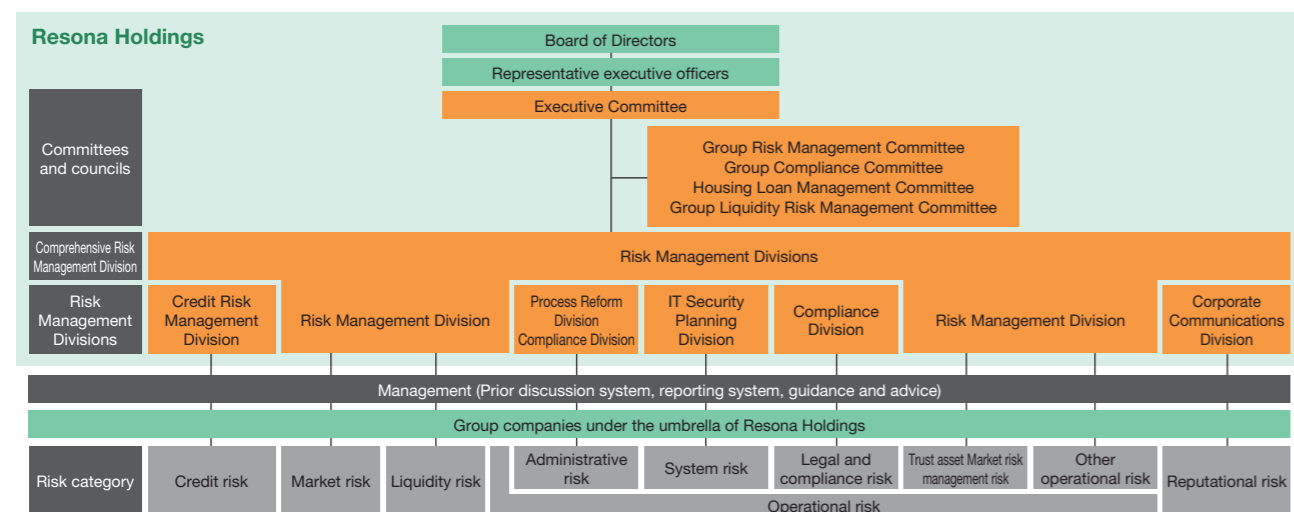
The Company and the Group banks have in place comprehensive risk management systems, as described later, with the aim of quantitatively assessing risks and controlling them within the tolerable limits.

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

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

As shown in the chart below, we have formed risk management divisions by risk category within the Company for managing each type of risk on a Groupwide basis.

Group Risk Management System



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

Top Risk

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

Top risks are determined via discussion at the Executive

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

Top Risks for the Resona Group

Top risks	Main risk scenarios
Deterioration in competitiveness, etc., due to changes in social and industrial structures	<ul style="list-style-type: none"> • The nullification of the effect of strategic investment executed thus far due to evolving conditions in the competitive environment • Deterioration in the Group’s strategic execution capabilities due to a lack of essential human resources • Loss of growth opportunities, the emergence of stranded assets and other issues due to delays in the response to climate change and biodiversity issues, etc., and thus negatively impacting corporate value
Changes in the earnings structure and deterioration in profitability, etc., due to the revision of laws, regulations, government policies, etc.	<ul style="list-style-type: none"> • Changes in the earnings structure due to the introduction or revision of laws and regulations as well as shifts in monetary policies • Deterioration of corporate value due to the absence of information disclosure practices that can be considered by external stakeholders to be sufficient
Increase in credit-related expenses	<ul style="list-style-type: none"> • Deterioration in the corporate performance of transactional clients in the face of radical shifts in monetary and economic environments, the enforcement of economic sanctions upon the materialization of geopolitical risks, disruption of supply chains, etc. • The deterioration of performance in sectors to which the Group extends massive credit and the resulting decline in the corporate performance of transactional clients operating in such sectors
Deterioration in unrealized gains on available-for-sale securities	<ul style="list-style-type: none"> • Deterioration in unrealized gains on available-for-sale securities due to stock price plunges, interest rate hikes or other phenomena arising from a shift in monetary and economic environments, delays in responding to changes in monetary policy or growth in geopolitical risks
Destabilization of foreign currency funding	<ul style="list-style-type: none"> • Increase in costs associated with foreign currency funding and other detrimental financing conditions arising from turmoil in financial markets, growth in geopolitical risks, unexpected cash outflows, the deterioration of market liquidity, etc.
Operational suspension, etc., due to the emergence of a serious incident at the Group’s own key bases or vendor facilities	<ul style="list-style-type: none"> • The suspension of settlement and other services or the leakage of customer information as a result of a failure of important infrastructure, including third-party owned infrastructure, due to human error, system failure, cyberattack, etc.
Operational suspension, etc., due to the violation of laws and regulations, compliance-related failure	<ul style="list-style-type: none"> • The receipt of an operational suspension order due to flaws in the Group’s countermeasures aimed at preventing money laundering, etc. • The deterioration of corporate value due to corporate conduct that runs contrary to the Group’s policy of pursuing customer-oriented business conduct or improper response to human rights-related issues
Operational suspension, etc., due to the occurrence of natural disasters	<ul style="list-style-type: none"> • Operational suspension or other serious consequences, including a threat to human life, due to a major natural disaster, such as an earthquake, massive wind or flooding, or a pandemic

Comprehensive Risk Management and Capital Allocation

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

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

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

management of the Group.

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

For risks that cannot be identified or quantified by the VaR method, the Company and the Group banks conduct qualitative assessment through various stress testing and the use of risk-assessment mapping. In this way, the Group aims to enhance the quality of its comprehensive risk management.

Stress Tests

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

Stress tests being carried out in the course of formulating a management plan employ multiple stress scenarios, including

some deemed highly likely to materialize and some that would gravely impact the Group’s operations. In this way, the Group measures the possibility of an increase in losses associated with its risk-weighted assets and fluctuations in profit due to deterioration in revenues over a period spanning multiple fiscal years.

Stress tests are utilized to evaluate the stability of the Group’s revenues, assess how its capital adequacy would be impacted by the assumed stresses and prevent excessive risk-taking.

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

Compliance

Basic Activities

The Resona Group defines compliance as the strict observance not only of laws and regulations, but also of social norms. This includes striving to live up to the expectations of our customers and society as a whole. Based on these concepts, the Group has positioned compliance as a key management issue.

Moreover, we have established the Resona WAY and the

Resona STANDARD, which together represent our corporate philosophy structure and are designed to provide specific guidance regarding the actions we take to embody our Purpose (how we contribute to society) and Corporate Mission (what we aim to be in society), with the aim of realizing our Long-Term Vision (what we should look like in the future).

Group Management System

The Compliance Division at Resona Holdings controls Group compliance and works with compliance divisions at Group companies to strengthen compliance systems Groupwide. Moreover, the

Group Compliance Committee discusses various compliance-related issues, with representatives from each Group bank included as committee members.

Management of Customer Information

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

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

Initiatives to Prevent Money Laundering, Etc.

The Resona Group is well aware of the growing risk of criminal activities that exploit financial services along with the growing public call for the prevention of such activities. Accordingly, the Group considers the prevention of money laundering and financing for terrorism as well as compliance with economic sanctions (hereinafter collectively referred to as "financial crime countermeasures") to be important management issues. As we aim to maintain compliance with laws, regulations and other rules, imposed by various authorities while countering financial crimes, we have formulated a financial crime countermeasures policy for the Group. At the same

time, we have continued to develop our organizational structure as well as training and personnel systems to educate our directors and employees and nurture a robust pool of human resources.

In light of the recent strengthening of international regulations against financial crimes, the Group has been engaged in thoroughgoing initiatives in this field. As part of these initiatives, we have announced our AML policy aimed at clarifying the Group's stance on and structure for countering such crimes.

Elimination of Anti-Social Forces

The Resona Group believes that preventing and eradicating transactions with anti-social forces are critically important to its public mission and social responsibility as a financial institution. Based on this belief, the Group's basic approach is to not engage in transactions with anti-social forces and to prevent them from intervening in transactions with customers through our corporate activities or

by imposing unjust demand on us. The Group has set specific internal rules and regulations. It also provides ongoing training and education on these compliance issues for directors and employees. In addition, we have formed cooperative relationships with external specialist organizations to prevent and terminate transactions with anti-social forces.

Initiatives to Prevent Corruption

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

The Resona STANDARD stipulate such precepts as "Do not misuse your position or authority for personal gain or advantage" (III-2),

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

Internal Auditing

Group Internal Auditing

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

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

management activities.

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

Organization

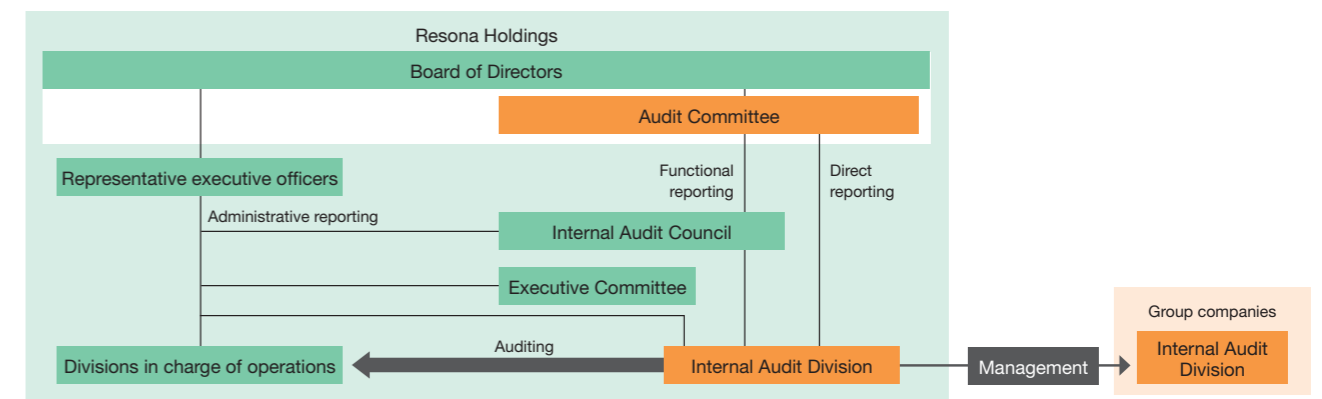
The Company and Group companies have established independent internal audit divisions and other bodies under each board of directors.

Moreover, we have formed the Internal Audit Council, separate from the Executive Committee, to serve the Company and Group companies by discussing important matters related to internal auditing.

The Internal Audit Division of the Company reports to the Board

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

Resona Holdings' Internal Auditing System



Functions and Roles

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

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

secures the approval of each respective board of directors.

The internal audit divisions at the Company and Group companies conduct audits based on the Annual Internal Audit Basic Plan.

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

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