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# **2nd Three-year Management Plan**

## **~ Change Gears for “Kansai” ~**

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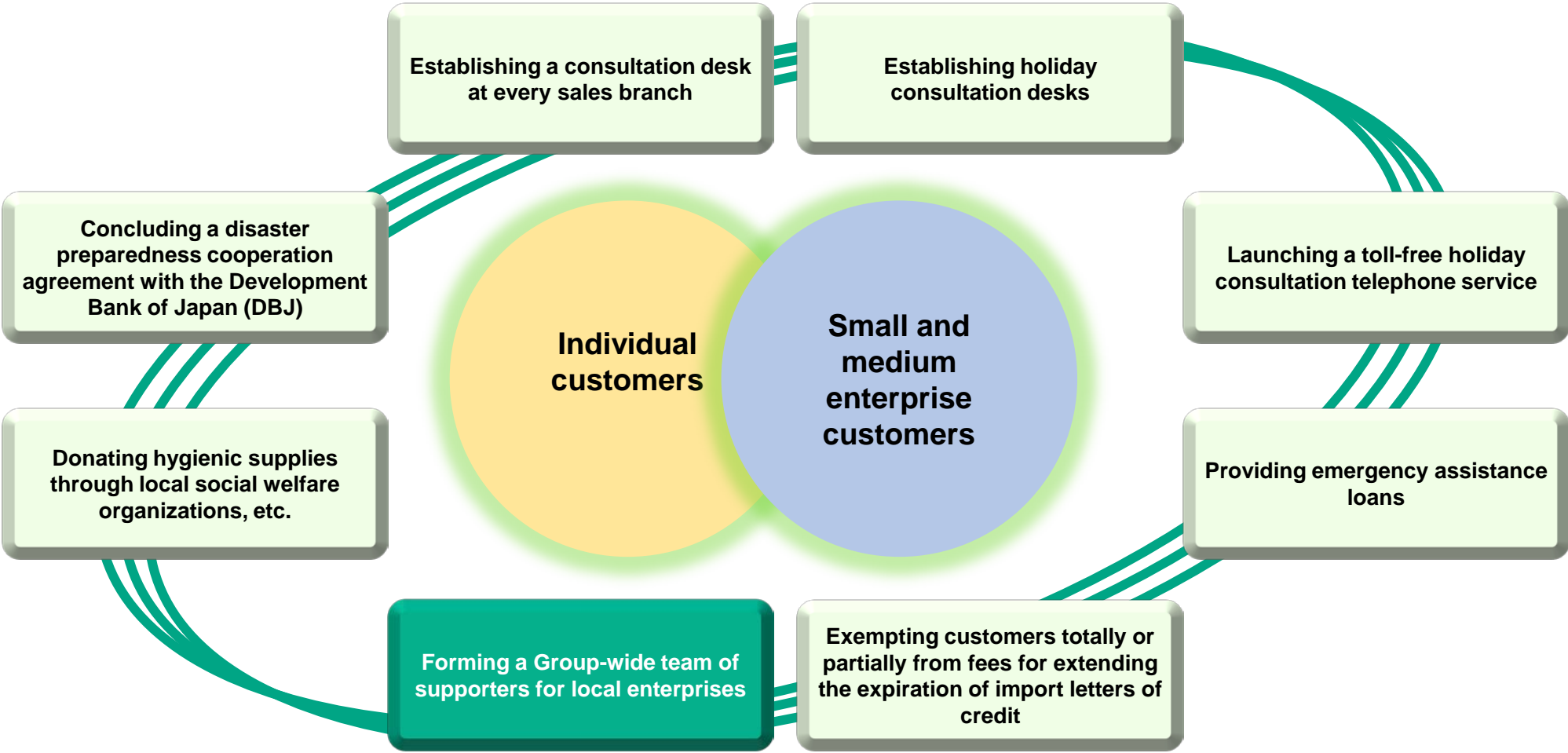


**Kansai Mirai Financial Group**

**Our Initiatives to Continue Underpinning the Kansai Economy ~Providing Full Support for Customers' Efforts to Maintain the Foundation for Their Business and Lives~**

- The spread of the COVID-19 pandemic has stagnated economies worldwide.
- The Kansai economy has been placed in an extremely severe situation due to domestic economic stagnation, in addition to the sudden decline in the number of international tourists, which had rapidly increased for years before the pandemic.
- As a bank operating in the entire Kansai region, Kansai Mirai Bank will **support our customers in finance plus something extra**, so that they can maintain the foundation for their business and lives.

**[Our initiatives to date\*]**



\*As of April 30, 2020

Note: For details of these initiatives, refer to news releases on the websites of the Kansai Mirai Financial Group, Kansai Mirai Bank, and Minato Bank.

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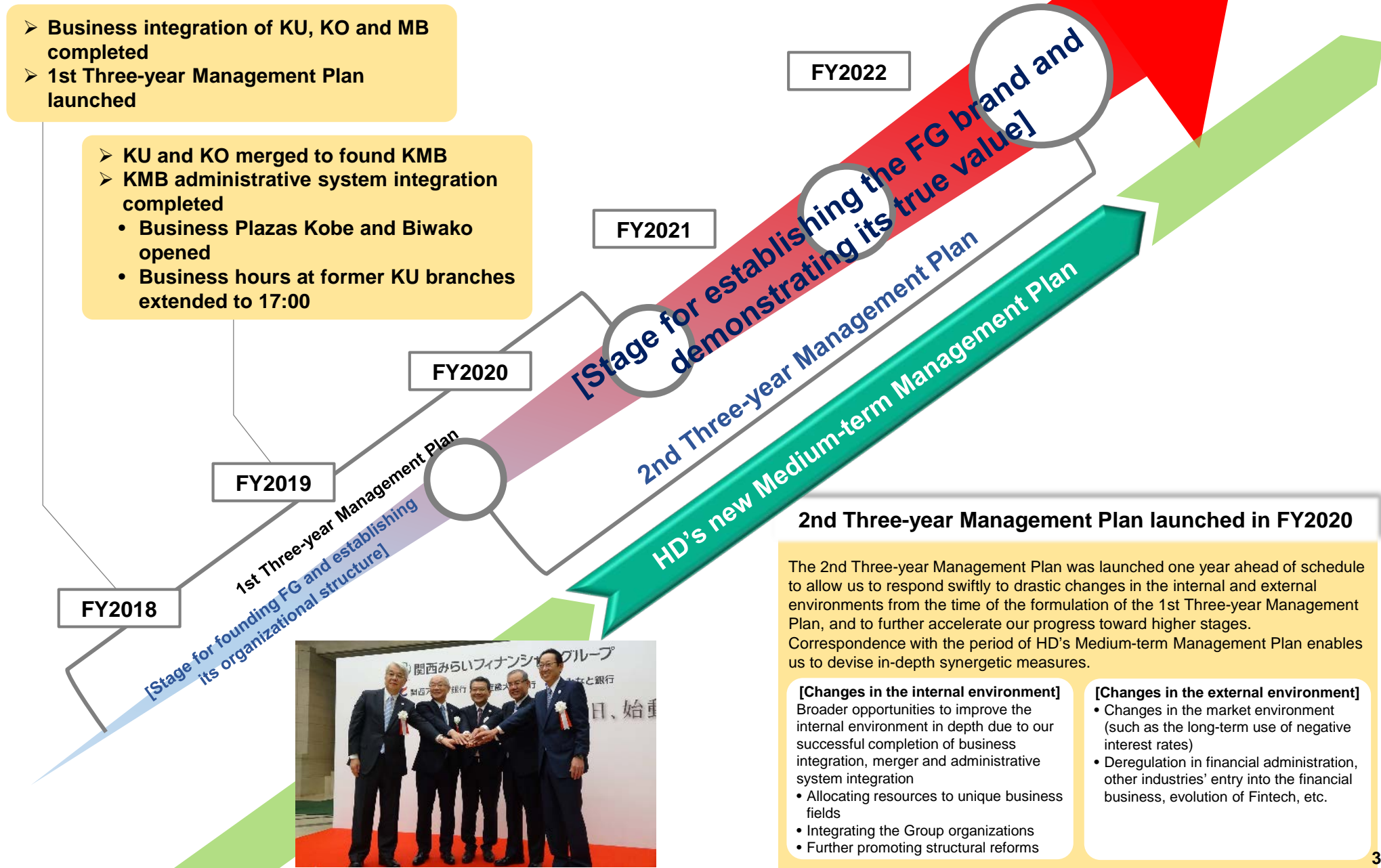
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[Glossary for this document]

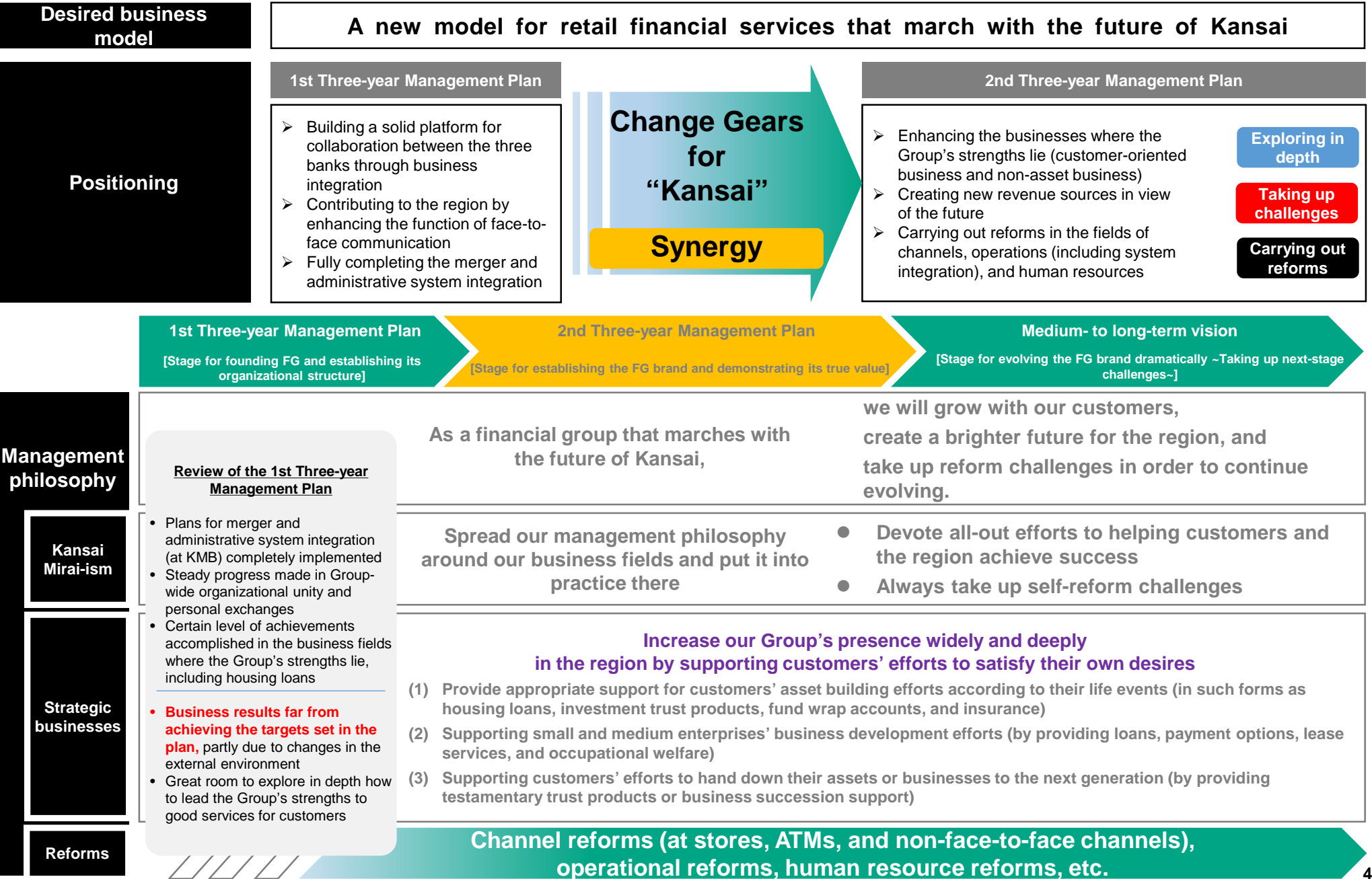
FG	Kansai Mirai Financial Group, Inc.
KMB	Kansai Mirai Bank, Limited
MB	Minato Bank, Ltd.
KO	Former Kinki Osaka Bank, Ltd.

KU	Former Kansai Urban Banking Corporation
HD	Resona Holdings, Inc.
RB	Resona Bank, Ltd.
Our Group	Group of all FG-affiliated companies, including the subsidiaries of KMB and MB

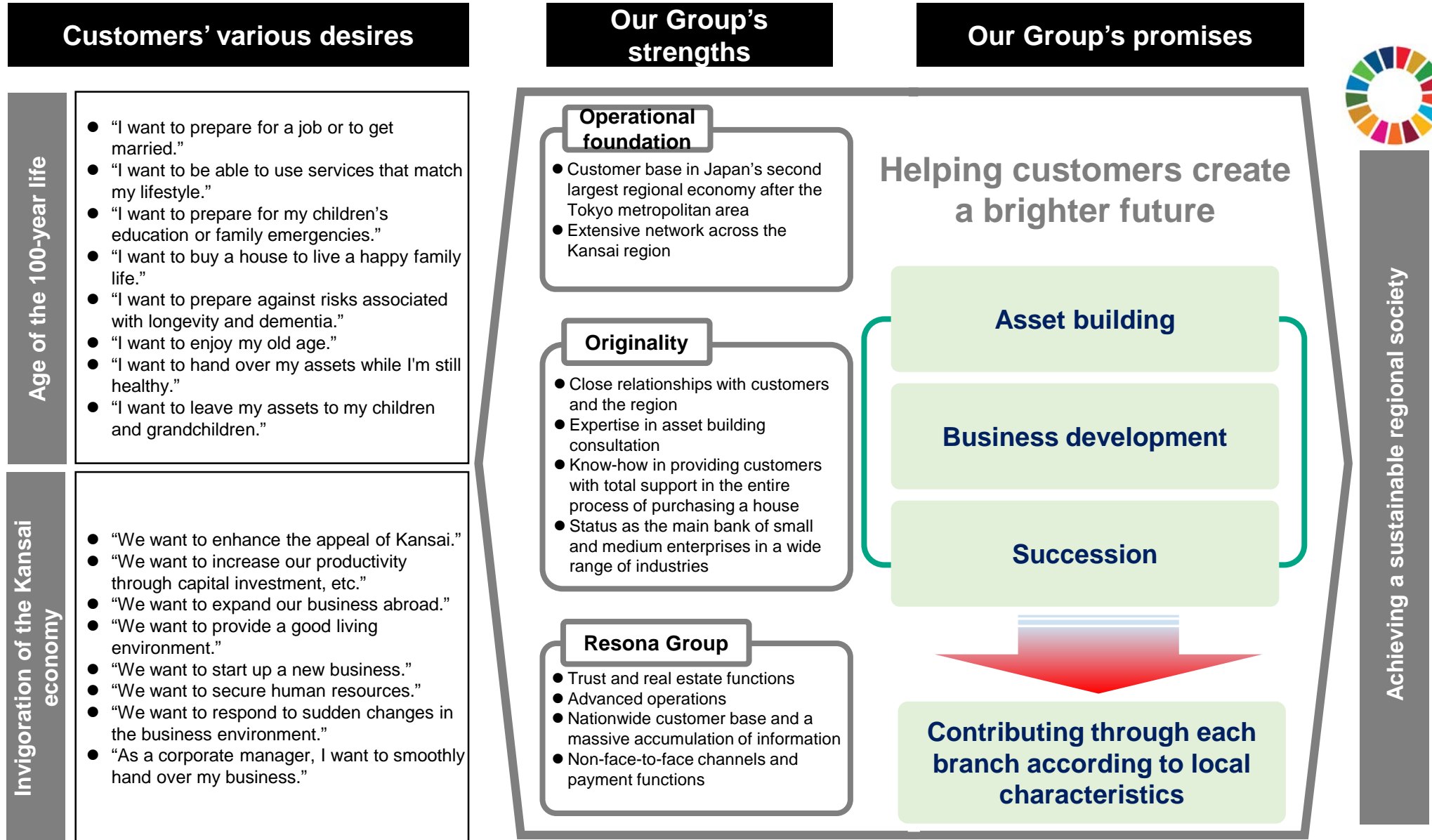
# 1. Transition to the 2nd Three-year Management Plan



2. Overall Picture of the Plan

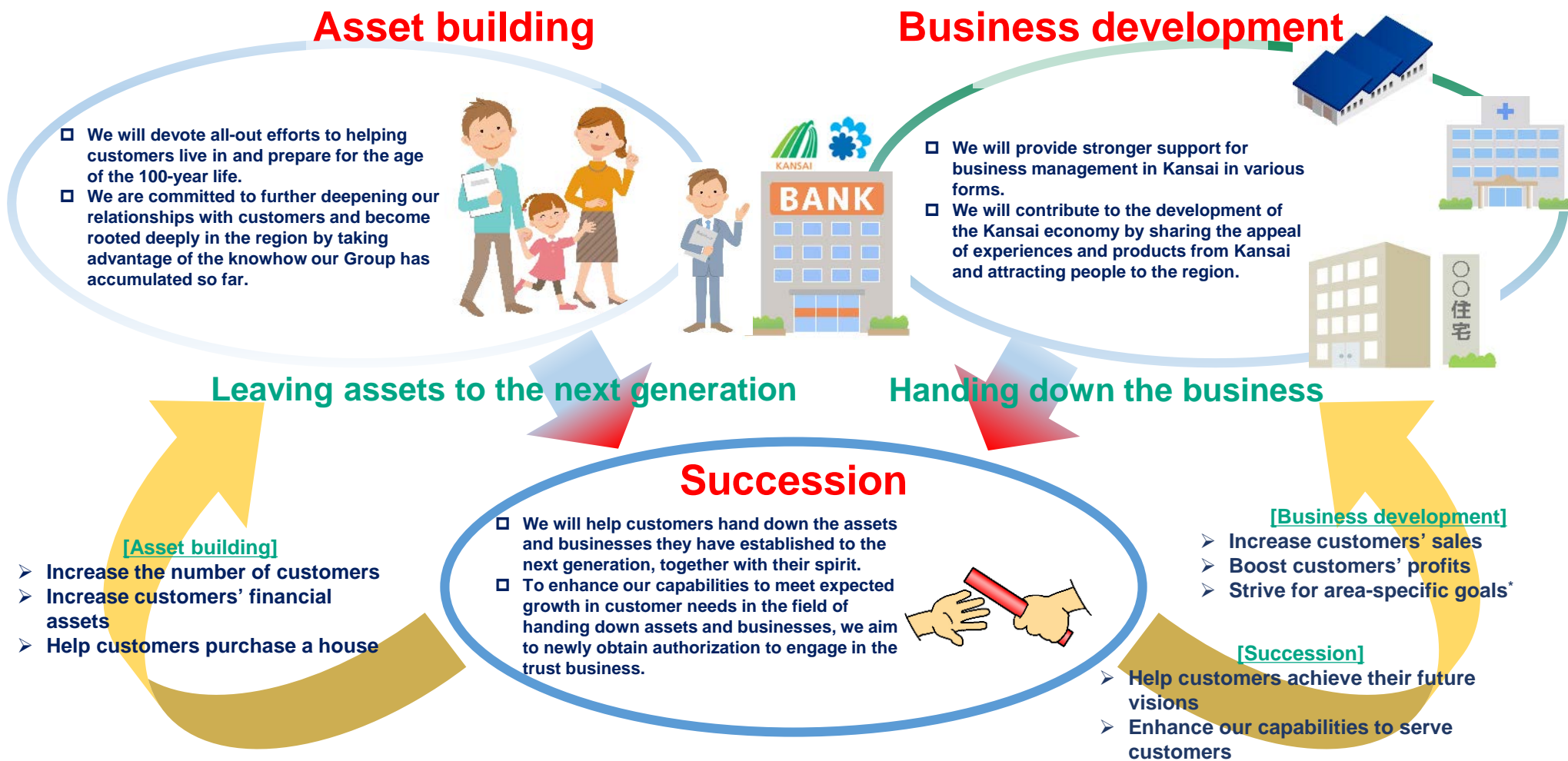


### 3. Shift to Customer-oriented Business



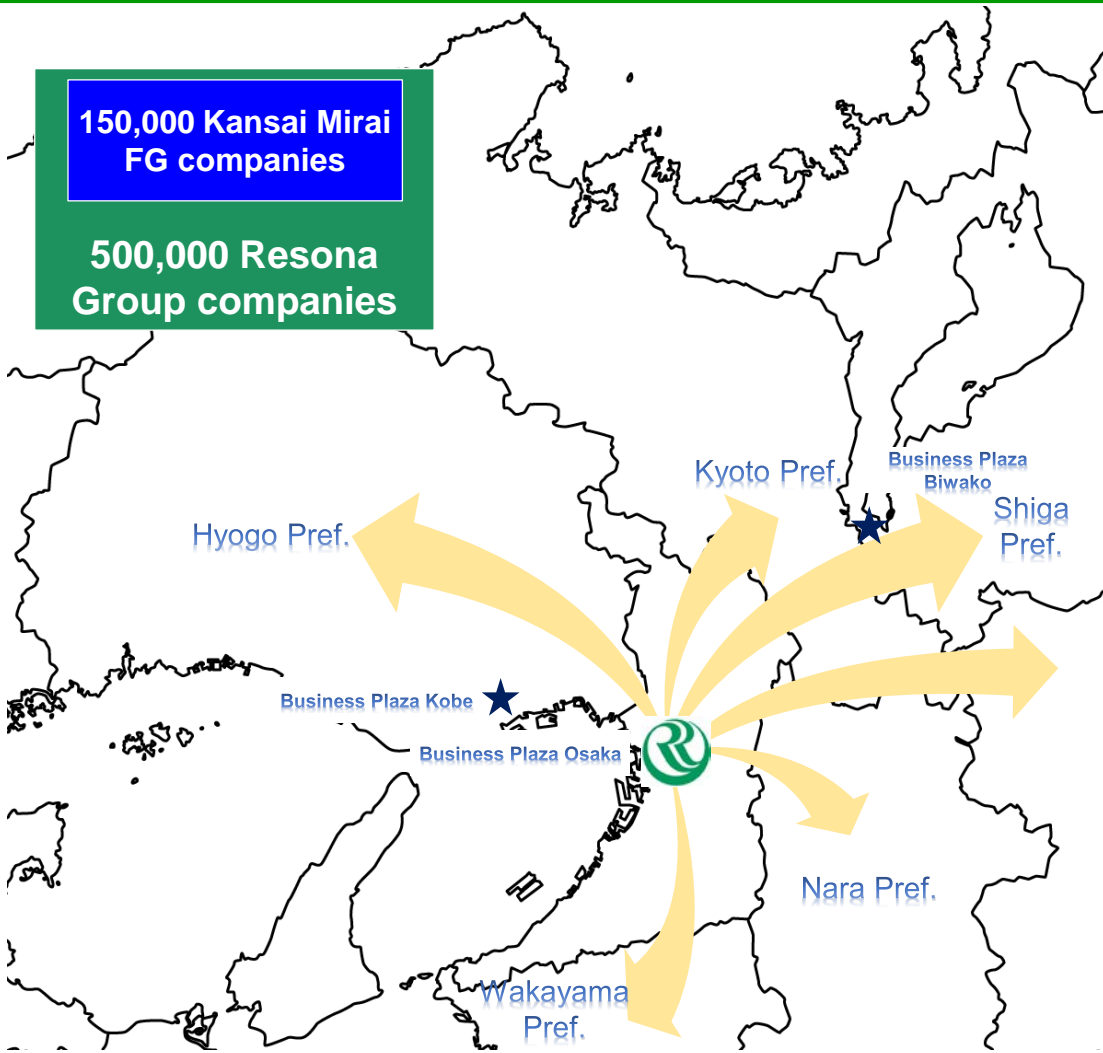
# 4. Helping Customers Create a Brighter Future ~Our Commitment to Customers and Kansai~

- We will become a financial group indispensable to customers by supporting customers' efforts to satisfy their own desires, and consequently increasing our Group's presence widely and deeply in the region.
- More specifically, we will help customers satisfy their own desires to increase their assets, further develop their businesses, or hand down the assets or businesses they have established so far, for example.



\* Each branch sets its own goals according to local characteristics.

# 5. Strategies for the Kansai Region Centered on Osaka



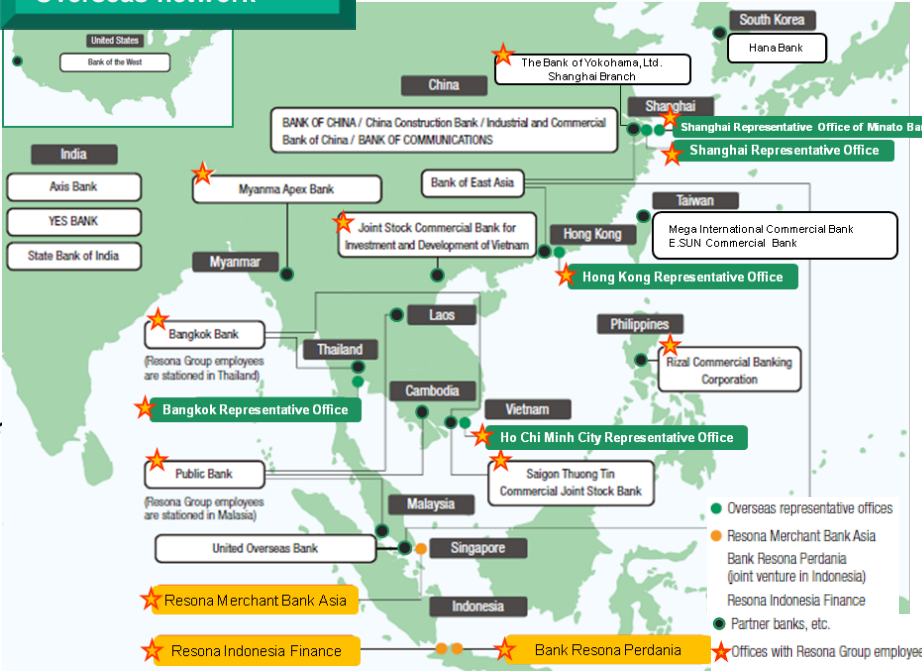
150,000 Kansai Mirai  
FG companies

500,000 Resona  
Group companies

- Extensive network across the Kansai region
- Resona Group's network covering not only major cities in Japan but also cities abroad
- Resona Group's common platform

Providing Group-wide services  
across the Kansai region

Resona Group  
• Business Plaza Tokyo  
• Business Plaza Saitama  
• Overseas network



## Major upcoming events

FY2021	World Masters Games 2021 Kansai
FY2023	Kita-Osaka Kyuko Railway line to be extended and Kita-Umeda Station (tentative name) to open
FY2024	Osaka Metro Chuo Line to be extended and the second-term Umekita development project area to open
FY2025	Expo 2025 Osaka, Kansai
FY2027	Second-term Umekita development project area to be entirely completed
FY2029	Osaka Monorail line to be extended (construction started in FY2019)
FY2031	JR / Nankai Naniwasuji Line to be put into operation

## 5. (1) Strategy for the Hyogo area

- We aim to become the “first call” bank by using our branch network, which is the largest of its kind in the prefecture, to achieve further in-depth development of our community-based business models, and by supporting customers’ efforts to satisfy their desires in the cutting-edge fields of succession business, foreign exchange, occupational welfare services, regional development, etc.
- We will provide customers with convenience to give them a higher level of satisfaction by introducing functional features that the Resona Group offers its customers, including fund wrap accounts and group apps.

Concept: “Achieve complete mastery of Hyogo Prefecture”

Aiming to increase our market share in Hyogo Prefecture by achieving further in-depth development of our community-based business models under the regional headquarters system

Major upcoming events	
FY2024	Redevelopment project in the new port jetty west area (an aquarium to open in 2021)
	Redevelopment project in front of JR Tarumi Station to be completed
FY2025	Redevelopment project in the JR Nishinomiya Station west area to be completed
FY2026	First stage of the redevelopment project in the Sannomiya area (a bus terminal) to be completed

Our promises to our customers

- By providing **occupational welfare services**, we will help Hyogo Prefecture-based enterprises in **personnel affairs, labor and employee welfare** and support workers in Hyogo Prefecture in their efforts to **put their life plans into action**.
- Exploring in depth



Our Group’s promises in the Hyogo area

● Providing and disseminating information

- We will provide government, corporate and individual customers with solutions based on the seamless collection and use of area and real estate information (by **forming a Community Development Supporters’ Club [at MB]**).
- We will provide business matching services, as well as product creation matching services in collaboration with technological advisors, by taking advantage of the Group’s nationwide network.

● Supporting overseas business expansion

- We will help customers launch overseas operations by utilizing the Resona Group’s overseas network across Asia and Business Plaza Kobe.



In terms of the main bank market share,\*  
**the Resona Group is ranked top in the prefecture.**

\* Total share of the Resona Group

Taking up challenges

## 5. (2) Strategy for the Shiga area

- In this area where there are no megabanks, our Group provides its original services that can be differentiated from services provided by megabanks or local financial institutions by making full use of the functions of the Resona Group, which has extensive networks nationwide and abroad.
- In addition to using the functions of the Resona Group, we will significantly increase the number of salespersons who engage in thorough face-to-face communication in their sales activities.
- We will provide customers with a higher level of convenience by offering new non-face-to-face services through the Resona Group App and a website dedicated to housing loan users.

**Concept: “Serve as a bridge between Shiga Prefecture and a brighter future”**

**Playing an indispensable role in Shiga Prefecture by fully utilizing the information and infrastructure of the Group and serving as a bridge that connects customers in Shiga Prefecture to the Kansai and Kanto regions and the world**

### Major upcoming events

FY2022	National Tree Planting Ceremony to be held
FY2023	Hikone General Sports Park to be completed
	Shinmeishin Expressway to open entirely
FY2024	National Sports Festival to be held in Shiga

### Our promises to our customers

We will increase the number of salespersons in Shiga Prefecture

**by about 100**

to provide more thorough services.



### Our Group’s promises in the Shiga area

#### ● Industrial and regional promotion

- We will do our best until “**Kansai Mirai**” becomes a **byword for business matching**. **Taking up challenges**
- We will exchange human resources with relevant governmental organizations and help customers **start up businesses, attract companies, or launch overseas operations**.

#### ● Providing and disseminating information

- As a financial institution close to Expo 2025 Osaka, Kansai, we will provide local enterprises with information, and serve as a coordinator that can offer them business opportunities.
- The Resona Group will make Group-wide efforts to share the appeal of Shiga Prefecture with Kansai and the rest of Japan in order to contribute to **raising public awareness of Shiga Prefecture**. **Taking up challenges**

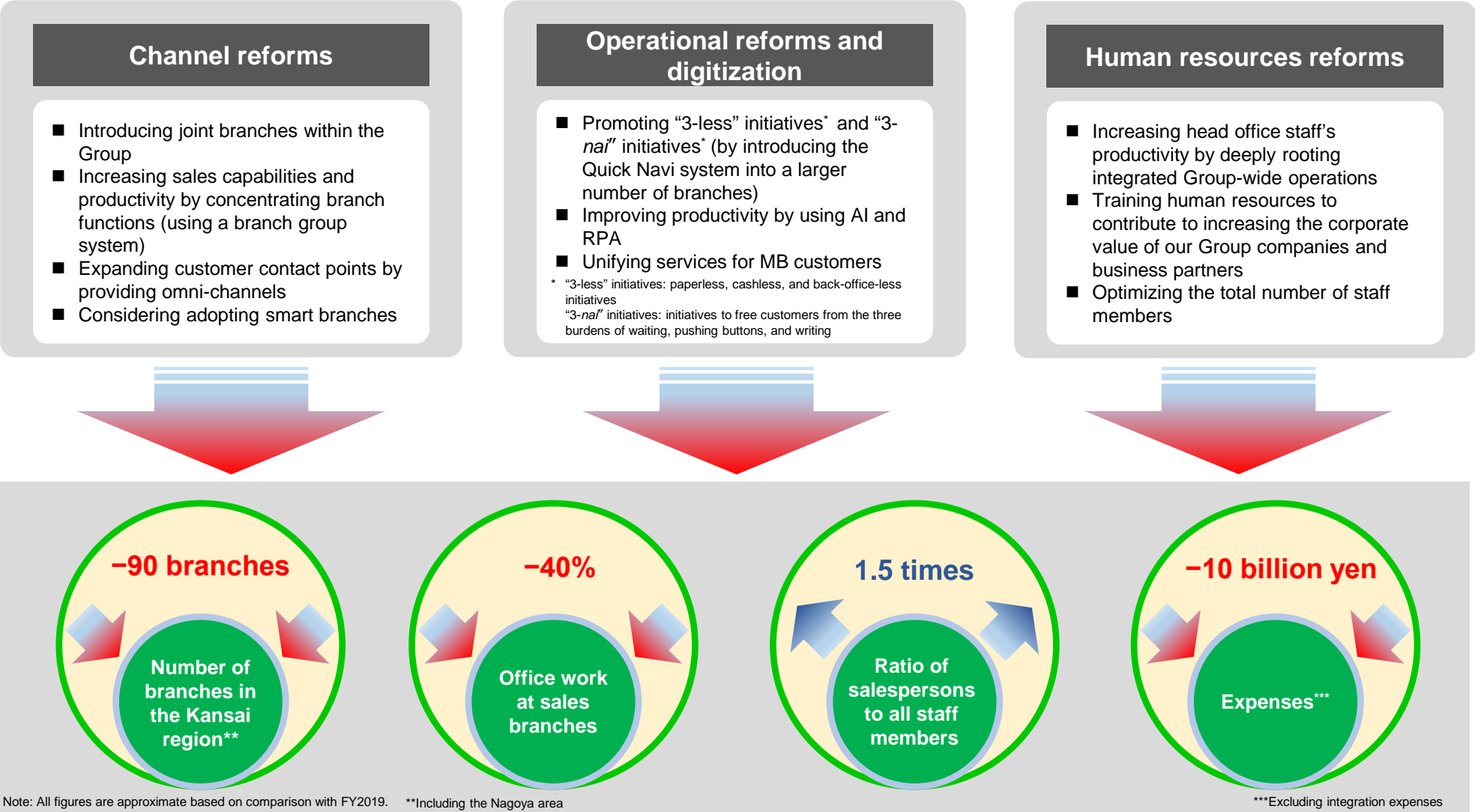


**We will strive to increase the number of people working in Shiga Prefecture.**

6. Reform Measures

Carrying out reforms

- To fully support our customers' efforts to satisfy their own desires, we will review channels, operational efficiency, and human resource reforms from scratch, and promote business foundation reforms and structural reforms.



Establishing the business foundation for strongly promoting strategic businesses

- We have looked for room for productivity improvement through integration and merger, with the aim of ensuring contact points with and convenience for customers.
- We will strive to simultaneously cut branch costs and enhance branch operational efficiency to achieve low-cost operations as early as possible.

### Optimizing overlapping branches and ATMs

- ❑ Promoting the establishment of **joint branches** mainly in Osaka Prefecture (and considering including RB branches in Kansai in this initiative)
- ❑ **Closing branches during the daytime** to increase the efficiency of branch operations according to local characteristics, the surrounding environment, etc.
- ❑ Considering more widely and thoroughly adopting **smart branches**, such as cashless branches and branches dedicated to consultation services
- ❑ **Optimizing the number of ATMs** in consideration of the Group-wide increase in the number of cash points and other factors, against the backdrop of the spread of cashless payment and services provided on mobile apps

### Introducing a branch group system by concentrating branch functions

- ❑ Introducing the branch group system to improve productivity and enhance the efficiency of branch operations by increasing sales capabilities
- ❑ Providing full banking service in close collaboration within the branch group

Productivity improvement	<ul style="list-style-type: none"><li>• Building a strong promotion system by establishing sales styles targeting corporate and individual customers</li><li>• Making promotion activities even more effective by designating territories</li><li>• Increasing our ability to meet the needs of our customers by collecting knowledge about financing (which will also contribute to human resource development)</li></ul>
Efficiency enhancement	<ul style="list-style-type: none"><li>• Making personnel affairs and office work more efficient by intensifying office work for financing</li></ul>

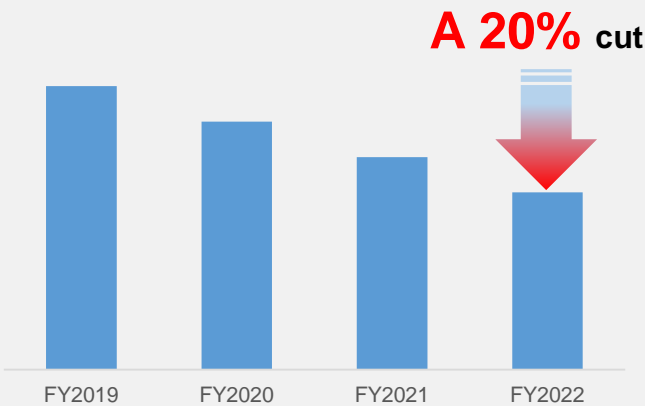
### Number of branches in the Kansai region\*

Estimated change in the number of branches from the end of FY2019 to the end of FY2022\*\*

370 → 280

\*Including the Nagoya area  
\*\*The figures are approximate.

### Changes in branch costs



- KMB's administrative system integration was completed in October 2019.
- To ensure that the administrative system integration will steadily produce the desired effects, we aim to achieve low-cost operations by implementing operational reform and digitization measures that are integrated with channel reforms, and reduce office work at sales branches by approximately 40% from FY2019 in three years.

**Major specific measures for operational reforms and digitization**

**Measure 1: Reforming the reception system at branches**

Installing tablets at the branch reception and digitizing various notifications

**Measure 2: Introducing Quick Navi into a larger number of branches**

Increasing the number of branches with Quick Navi from 50 at the end of March 2020 to **100**

**Measure 3: Abolishing the use of seals**

Spreading the way of opening accounts without using seals, and abolishing transactions with seals at branches

**Measure 4: Enhancing tablet functions**

Using only tablets to complete such tasks as implementing the asset management procedure while visiting customers, purchasing investment trusts, and concluding insurance contracts

**Measure 5: Simplifying the financing procedure**

Digitizing draft documents and contracts, and making it a standard as early as possible to digitize financial data using an OCR



**Expected effects**

**Our Group's promises**

- We will reduce wait time at branches.
  - We will reduce the burdens on customers of writing and affixing seals.
  - We will increase the quality of administrative work.
- Reducing the movement and transfer of actual objects
  - Streamlining cash-related administrative work at branches
  - Drastically reducing back-office work
  - Increasing paperless transactions
  - Introducing smart branches

- In integrating MB's administrative systems, we have adopted a new policy of following an integration process that comprises the two steps of unifying customer services and introducing the Resona system as a common system, in order to provide customers with Resona Group products and services earlier than scheduled in the previous policy.
- As step 1 in the new integration policy, we will promote the unification of customer services based on the Resona Group's open platform strategy, and from FY2020 onward, MB will provide the advanced products and services that the Resona Group has so far developed.

MB administrative system integration project

- Unification of customer services (step 1)
- Standardization of the Resona system (step 2)

Unifying customer services based on the Resona open platform strategy (common use of ATMs, storefront services, asset management, the Resona Group app, the Resona debit card [Visa debit], etc.)

Unifying the Minato system with the Resona system (accounting system integration, etc.)

FY2020

FY2021

FY2022

From FY2023

2nd Three-year Management Plan

Step 1: Unification of customer services (Resona open platform strategy)

Step 2: Standardization of the Resona system

- As the first move in step 1: unification of customer services, we will begin to provide Resona fund wrap accounts (scheduled for fall 2020).



- In addition, we plan to provide the Resona Group app, the Resona debit card (Visa debit), etc.

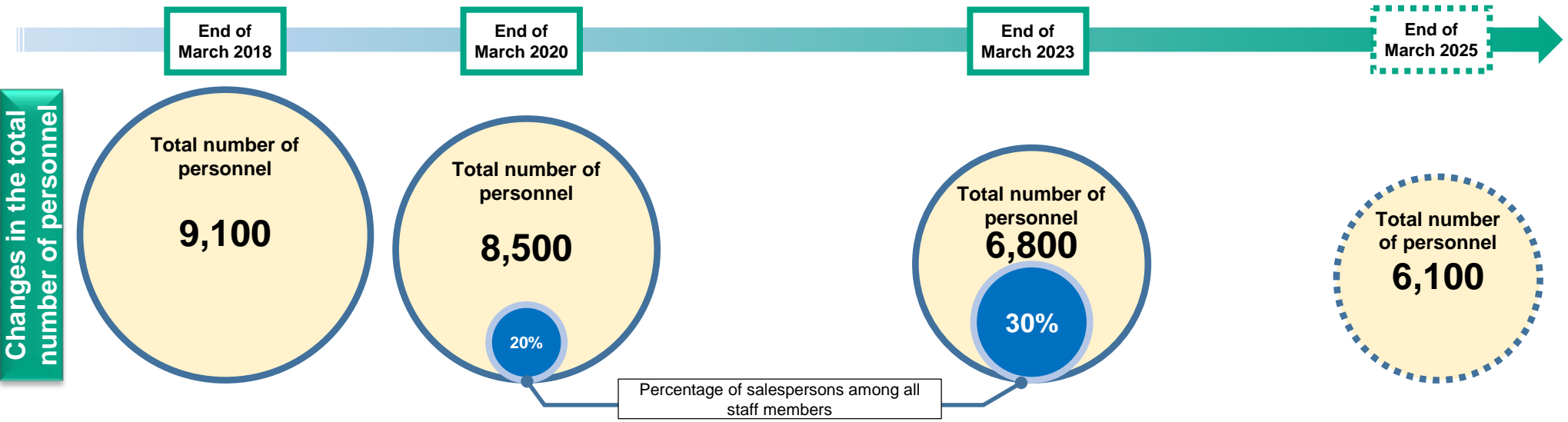


- As step 2, to further advance Group management and achieve low-cost operations, we plan to standardize the Resona system around 2025. In the step, the overall Resona system will be introduced into MB.
- To achieve success in standardizing the Resona system, we will reduce the overall cost and diversify the risks involved in administrative system integration by reviewing our products and services, streamlining the system, and implementing structural reforms during the period of the 2nd Three-year Management Plan.

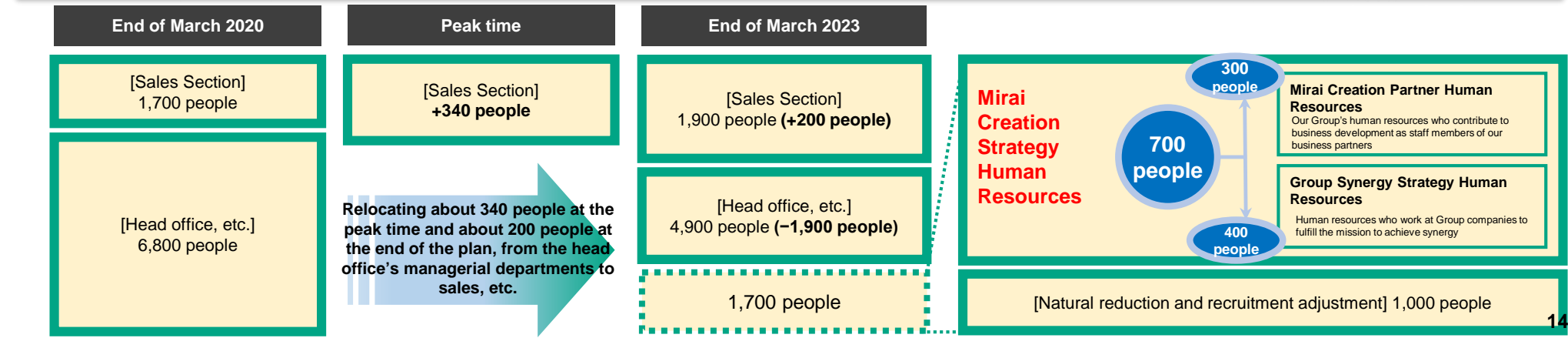
6. (3) Human resources reforms ~personnel size rationalization and personnel relocation~

Carrying out reforms

- We will strive to rationalize the total size of our personnel in line with our business size by increasing productivity. We will also enhance our capabilities to help customers satisfy their own desires by expanding the fields of staff members' working as **Mirai Creation Strategy Human Resources** inside and outside the Group.
  - ① Personnel size rationalization: Rationalizing the total size of personnel through natural decrease due to retirement, etc. and recruitment adjustment
  - ② Development of **Mirai Creation Strategy Human Resources**: Developing human resources who can demonstrate their abilities inside and outside the Group; in particular, fostering about 300 human resources who can make in-depth contribution to our customers' business development

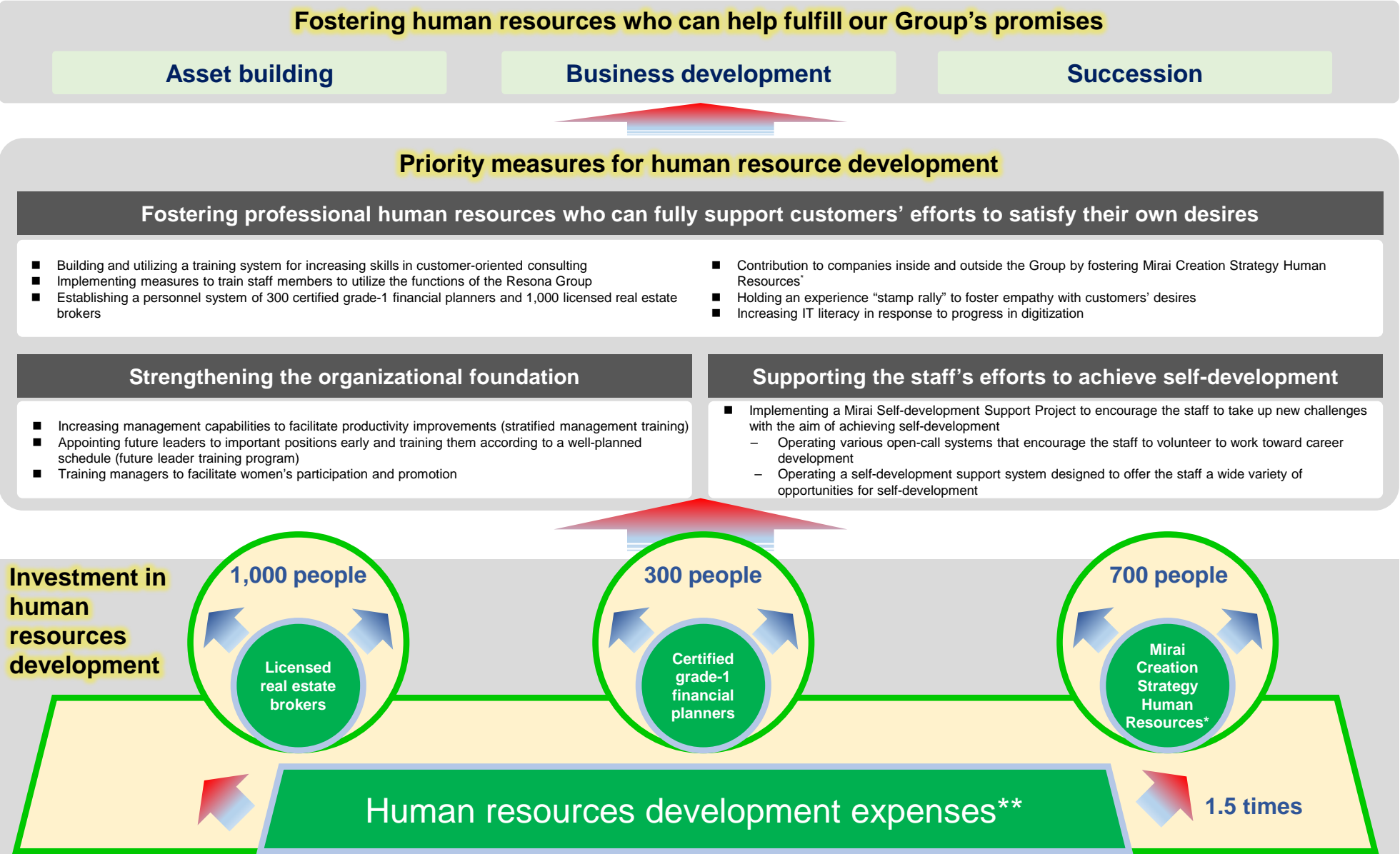


Overview of personnel rationalization and relocation during the management plan period



# 7. Human Resource Development

- To foster human resources who can help fulfill our Group's promises, we will actively invest in human resources development and promote Group-wide cooperation in developing human resources.



\*General term for strategic human resources who can contribute to increasing the corporate value of Group companies and business partners      \*\*Per staff member, when compared with FY2019

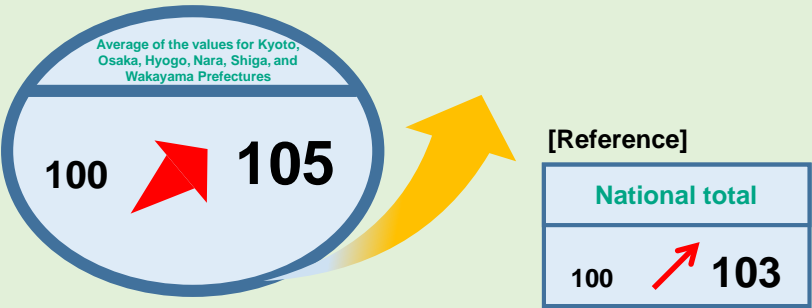
## 8. Numerical Targets and Returns for Shareholders

### Long-term indicator

### Change Gears for “Kansai” Raise the Kansai Mirai Index value ~Enhance the appeal of Kansai~

Aiming to ensure that the index value for the region during the coming three years will rise faster than the national total during the same period

[Result for the past three years]



Index of people	Index based on the sum of each prefecture's total population and the number of international visitors to the prefecture with the value of 2016 designated as 100
Index of health	Index based on the healthy life expectancy (simple average of both sexes) in each prefecture with the value of 2010 designated as 100
Index of industry	Index based on each prefecture's working population with the value of 2016 designated as 100
Kansai Mirai Index	Simple average of the above three indices

### Returns to shareholders

Continuing to stably pay dividends to shareholders  
(with an expected dividend payout ratio of about 30%)

### Our Group's business indicator values

		FY2019 (results)	FY2022 (plan)
People	Annual number of executed housing loan contracts	12,500	14,400
	Balance of investment trusts, insurance, and fund wrap accounts	1.5 trillion yen	2.0 trillion yen
	Number of business matching cases	4,300	5,800
Health	Balance of loans to healthcare related businesses	180.0 billion yen	240.0 billion yen
	Market share in terms of deals with regional core hospitals	35%	40%
	Number of devices with the Group app installed	130,000	500,000
Industry	Number of new loan customers	2,800	5,000
	Number of loans provided based on evaluation of business viability	300	400
	Number of business succession service users	1,800	2,000

### Financial indicators

	FY2019	FY2022	FY2024
Consolidated fee income ratio	20%	25%	25%
Consolidated expense ratio*	About 80%	65% to below 70%	60% to below 65%
Return on equity (ROE)**	About 1%	About 4%	About 5%
Equity ratio**	About 8%	About 8%	8% to below 8.5%

\*Excluding integration expenses \*\*Consolidated values

**Forward-looking statements contained in this document do not reflect the impact of the COVID-19 pandemic.**

**In addition, the statements are also subject to significant change due to the following specific factors: changes in stock prices in Japan; changes in government or central bank policies; developments and changes in laws and regulations, customary practices and their interpretations; the occurrence of further corporate bankruptcies; changes in the economic conditions of Japan and other countries; and other factors that cannot be controlled by individual companies.**

**Please note that the forward-looking statements contained in this document are not guarantees of future performance or other trends, and may differ from actual results.**