

# Investor Relations Meeting for FY2023

- Business Results and Future Management Direction -

Beyond Finance,  
for a Brighter Future.

RESONA GROUP



Resona Holdings

May 20, 2024



- Abbreviations and definitions of the figures presented in this material are as follows:

[HD] Resona Holdings<sup>\*1</sup>

[RB] Resona Bank

[SR] Saitama Resona Bank

[KMB] Kansai Mirai Bank<sup>\*2</sup>

[MB] Minato Bank

<sup>\*1</sup> Resona Holdings merged and absorbed with [KMFG] Kansai Mirai Financial Group in April 2024

<sup>\*2</sup> [KU] Kansai Urban Banking Corporation and [KO] Kinki Osaka Bank merged on April 1, 2019

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Negative figures represent items that would reduce net income.

Figures include data for internal administration purpose.

The forward-looking statements contained in this material may be subject to material change due to the following factors.

These factors may include changes in the level of stock price in Japan, any change related to the government's and central bank's policies, laws, business practices and their interpretation, emergence of new corporate bankruptcies, changes in the economic environment in Japan and abroad and any other factors which are beyond control of the Resona Group.

These forward-looking statements are not intended to provide any guarantees of the Group's future performance. Please also note that the actual performance may differ from these statements.

# Points We Would Like to Communicate

1

**Operating results for FY2023 exceeded forecasts** [105.9%] as we made progress in building foundations toward achieving "Profitability surpassing MMP target"

2

Our aim for FY2024 is to **be a year ahead of schedule in achieving the MMP targets**, excluding one-off costs associated with the integration of MB

3

Our FY2024 target calls for **achieving a JPY7.0 bn\*1 increase core income** compared with the annual target set under the MMP, including an additional capital allocation existing outside the MMP that was formulated in response to changes in the environment

Achieve higher top-line income by leveraging both net interest income and fee income

4

Made steady progress in capital utilization in both **organic** and **inorganic** growth fields in order to improve corporate value

ROE\*2 of 7.2% in FY2023  $\Rightarrow$  ROE of 7.3% in FY2024 (target), we also anticipate another significant increase if there are further rate hikes

5

Announced a **new plan for the reduction of policy-oriented stock holdings** with the purpose of securing management resources that can be allocated to measures to achieve further improvement in corporate value

Cut back on their book value by 2/3 or more and reduce their fair value-based ratio to consolidated net assets to 10% level

6

**Steadily increased the value of shareholder returns**

1H of FY2023: JPY35.9 bn  $\Rightarrow$  2H of FY2023: JPY40.7 bn  $\Rightarrow$  1H of FY2024: JPY46.9 bn (forecast)

\*1. Excluding the impact of the transforming two leasing companies into our wholly owned subsidiaries

\*2. Based on stockholders' equity

## **Review of FY2023 and Forecast for FY2024**

## **Initiatives to Improve Corporate Value**

## **Capital Management**

## **Aiming to Be a Company That Contributes Most to SX of Retail Customers (ESG Initiatives)**

**Reference Material (Financial Highlights, MMP, Business Strategies and Other)**

## **Review of FY2023 and Forecast for FY2024**

# Outline of Financial Results for FY2023

## ■ Net income attributable to owners of parent : JPY158.9 bn

- Down JPY1.4 bn, or 0.9%, YoY, Progress rate against the full year target\*1 : 105.9%
- ROE (stockholders' equity) : 7.2%, ROE (TSE standard) : 6.0%

## ■ Actual net operating profit : JPY211.3 bn, Up JPY15.6 bn, or 7.9%, YoY

### Core income\*2 (actual basis excluding extraordinary factors\*3,4)

: JPY158.7 bn, Down JPY4.8 bn, YoY

### Progress rate against the full year target\*5 : 105.8%

## ● Gross operating profit : JPY627.4 bn, Up JPY27.4 bn, or 4.5%, YoY

- Net interest income from domestic loans and deposits : Down JPY2.0 bn, YoY  
Average loan balance : +3.74%, YoY, Loan rate : down by 3bps, YoY  
[Excluding loans to the Japanese government and others]  
Average loan balance : +3.08%, YoY, Loan rate : down by 3bps, YoY

### A turnaround in 2H toward profit growth

[1H : Down JPY2.7 bn, YoY, 2H : Up JPY0.7 bn, YoY]

- Fee income : Up JPY4.8 bn\*3, YoY

### Achieved fourth consecutive year of annual growth in profit and hit a historic high

- Net gains on bonds (including futures) : Up JPY21.3 bn, YoY  
Increased due to a reaction to the measures taken in the previous year to restore soundness, etc.

## ● Operating expenses : JPY416.5 bn, increased by JPY11.8 bn\*4, YoY

### Enhanced investment in human resources and IT while controlling funds invested within the planned budget

## ■ Credit costs : JPY35.6 bn (cost), increased by JPY19.7 bn, YoY 93.8% against the full year budget of JPY38.0 bn

## ■ Completion of the merger of HD and KMFG (Apr. 1, 2024)

## ■ Announced the new plan for reduction of policy-oriented stock holdings

## ■ Annual DPS in FY2024 (forecast) : 23 yen (1 yen increase, YoY)

## ■ Share buyback up to JPY20.0 bn

HD consolidated (JPY bn)	FY2023	YoY change				FY2024 Target	
		(a)	(b)	Rate of change (c)	1H (d)		2H (e)
Net income attributable to owners of parent	(1)	158.9	(1.4)	(0.9)%	(0.1)	(1.3)	165.0
EPS (yen)	(2)	67.77	+0.29	+0.4%			
BPS (yen)	(3)	1,184.76	+119.45	+11.2%			
ROE(stockholders' equity)	(4)	7.2%	(0.3)%				+7.3%
ROE(TSE standard)	(5)	6.0%	(0.5)%				
Gross operating profit	(6)	627.4	+27.4	+4.5%	+21.7	+5.7	
Net interest income	(7)	421.6	+2.3		(7.3)	+9.6	
NII from loans and deposits <sup>*5</sup>	(8)	332.1	(2.0)		(2.7)	+0.7	
Interest on yen bonds, etc. <sup>*7</sup>	(9)	30.9	+5.4		+2.6	+2.8	
Interest on borrowings from trust account	(10)	(4.2)	*3 (2.5)		(1.8)	(0.6)	
Fee income	(11)	213.5	+4.8		(2.9)	+7.8	
Fee income ratio	(12)	34.0%	(0.7)%				
Trust fees	(13)	25.4	+3.8		+2.2	+1.5	
Joint management designated money trust	(14)	4.4	*3 +2.4		+1.8	+0.6	
Fees and commission income	(15)	188.1	+1.0		(5.1)	+6.2	
Other operating income	(16)	(7.7)	+20.1		+31.9	(11.7)	
Net gains on bonds (including futures)	(17)	(26.4)	+21.3		+32.2	(10.9)	
Operating expenses (excluding group banks' non-recurring items)	(18)	(416.5)	(11.8)	(2.9)%	(3.0)	(8.8)	
Cost income ratio (OHR)	(19)	66.3%	(1.0)%				
Actual net operating profit	(20)	211.3	+15.6	+7.9%	+18.7	(3.0)	
Core income (actual basis)	(21)	158.7	(4.8)	(2.9)%	(7.9)	+3.1	
Net gains on stocks (including equity derivatives)	(22)	60.1	+6.2		(14.4)	+20.6	
Credit costs	(23)	(35.6)	(19.7)		(2.5)	(17.1)	
Other gains, net	(24)	(12.9)	(4.1)		(3.0)	(1.1)	
Net income before income taxes and non-controlling interests	(25)	223.0	(2.0)	(0.9)%	(1.2)	(0.7)	
Income taxes and other	(26)	(64.6)	(1.3)		+0.9	(2.3)	
Net income attributable to non-controlling interests	(27)	0.6	+1.9		+0.1	+1.8	

\*1. Full year target of FY2023: JPY150.0 bn    \*2. Net interest income from domestic loans and deposits + Interest on yen bonds, etc. + Fee income + Operating expenses

\*3. Impact of the joint management designated money trust : Up JPY2.4 bn (interest of borrowings due to trust account : Down JPY2.4 bn)

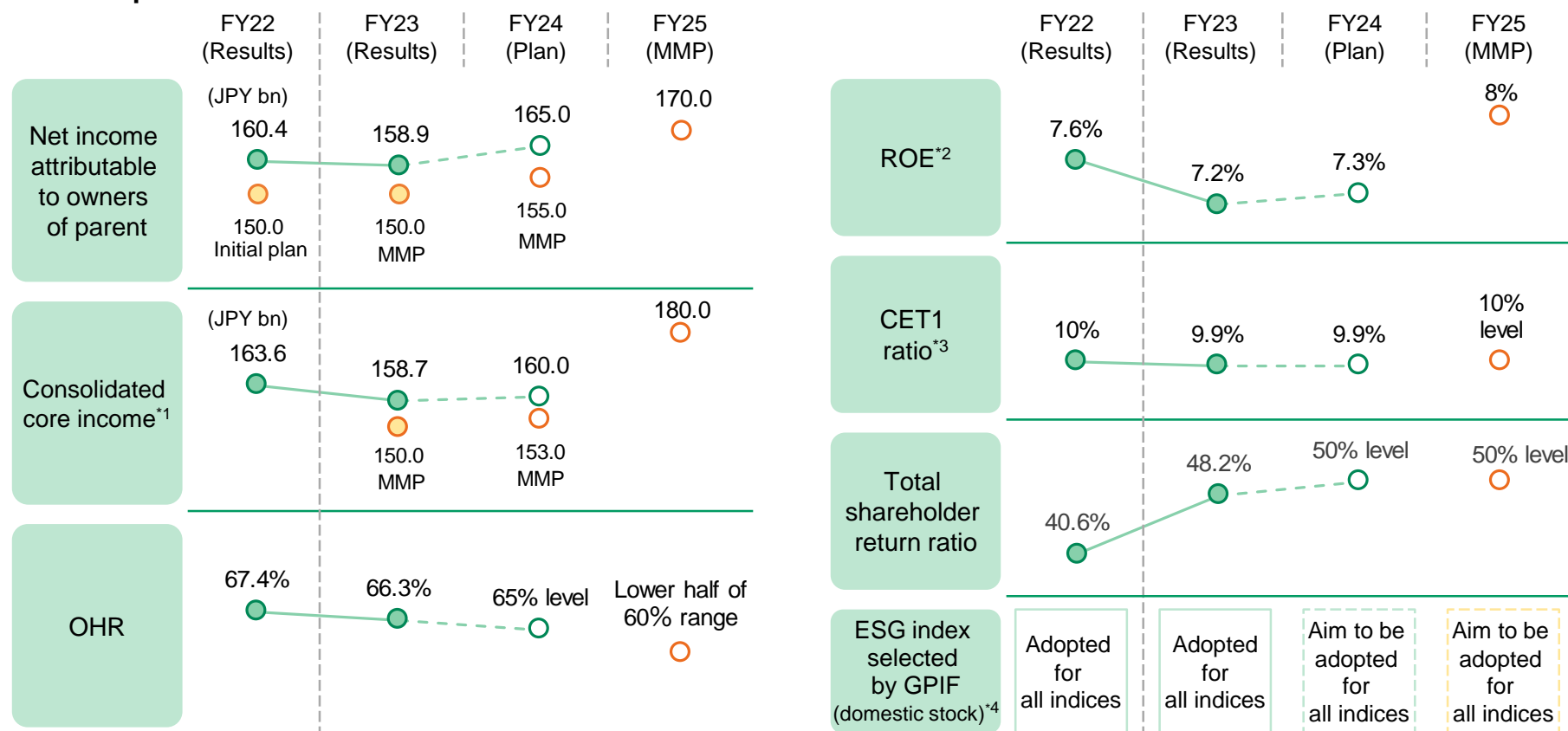
\*4. Factor of the transforming two leasing companies into our wholly owned subsidiaries (4Q) : Down JPY1.1 bn    \*5. Full year core income target of FY2023: JPY150.0 bn

\*6. Total of non-consolidated domestic banking accounts of group banks, deposits include NCDs

\*7. Interest on yen bonds and income from interest rate swaps

# Progress Status under the MMP

- In FY2023, net income attributable to owners of parent was 105.9% in excess of our initial annual target, building on progress in initiatives aimed at achieving “Profitability surpassing MMP target.”
- Similarly, consolidated core income was 105.8% in excess of our target, making a good start in FY2024 after gaining momentum in 2H of FY2023.
- Maintained robust control on and kept the CET1 ratio flat against the MMP target even as we steadily pushed ahead with capital utilization



\*1. Net interest income from domestic loans and deposits + Interest on yen bonds, etc. + Fee income + Operating expenses,

Figures of FY23 and FY24 are actual basis(excluding impact of the joint management designated money trust and the transforming two leasing companies into our wholly owned subsidiaries)

\*2. Net income / Total shareholders equity (simple sum of the balance at the beginning and the end of the term/2) \*3. Based on the full enforcement of the finalized Basel 3 regulations under the international standard; excluding net unrealized gains on available-for-sale securities \*4. FTSE Blossom Japan Index, FTSE Blossom Japan Sector Relative Index,

MSCI Japan ESG Select Leaders Index (until FY22), MSCI NIHONKABU ESG Select Leaders Index (from FY23),

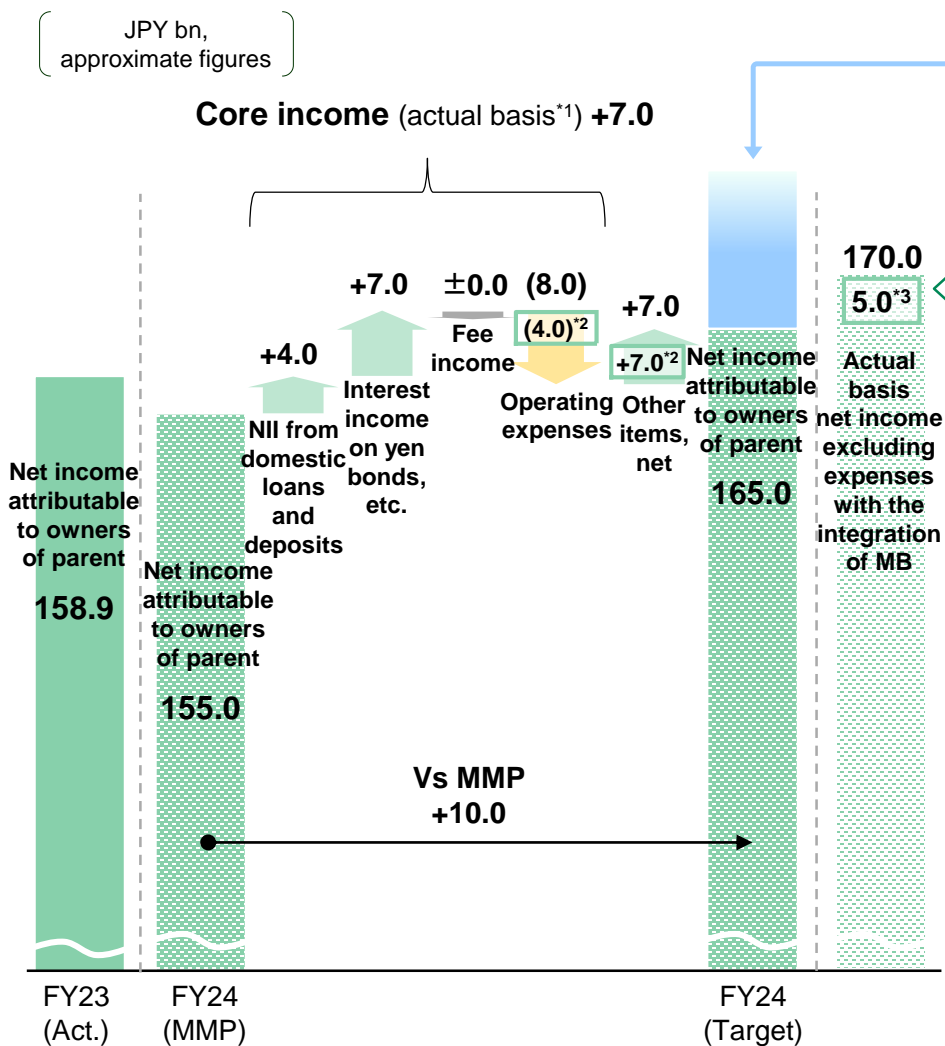
S&P/JPX Carbon Efficient Index series, MSCI Japan Empowering Women Index and Morningstar Japan ex-REIT Gender Diversity Tilt Index

# Rationale for FY2024 Earnings Targets (vs FY2024 in MMP)

HD  
Consolidated

## ■ FY2024 earnings targets aim to, in effect, achieve the MMP target (JPY170.0 bn in FY2025) a year ahead of schedule

- Core income is expected to increase by JPY7.0 bn (actual basis<sup>\*1</sup>) due to growth in NII in terms of both volume and rates



### Expected upsides and downsides

- [ + ] ◆ Greater-than-expected net gains on stocks due to a rise in their fair value, etc.
- [ - ] ◆ Growing expenses reflecting the acceleration of upfront investment and structural reforms aimed at securing future growth
- [ + ] ◆ Further hikes in interest rates

**In effect, achieve the MMP target a year ahead of schedule**

### FY2024 (MMP) vs FY2024 (annual target): Primary variables

**Core income +JPY7.0bn (actual basis<sup>\*1</sup>)** (JPY bn)

- |       |   |       |
|-------|---|-------|
| [ + ] | ◆ Negative interest rate cancellation   | +10.0 |
|       | ◆ Growing funding demand and resulting growth in the volume of corporate loan | +4.0  |
|       | ◆ Timely management of securities in line with changes in the environment     | +7.0  |
|       | ◆ Growing proceeds from sale of policy-oriented stock holdings                | +9.0  |
| [ - ] | ◆ ALM costs associated with rising interest rates, etc.                       | (7.0) |
|       | ◆ Constantly higher costs for foreign currency funding                        | (5.0) |
|       | ◆ Growth in base costs, etc., due to inflation                                | (4.0) |

**Income before income taxes +14.0**

**Net income +10.0**

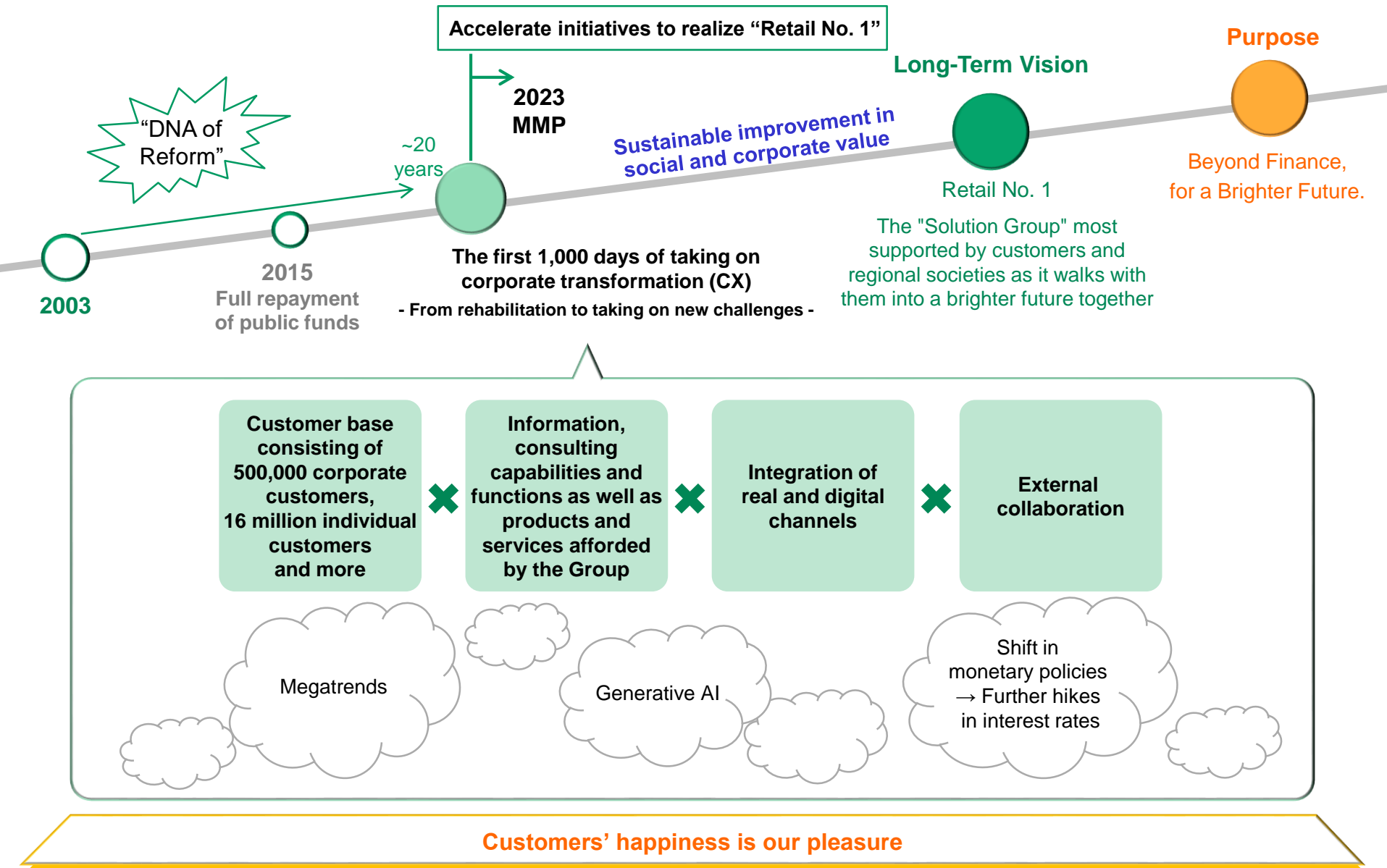
\*1. Excluding extraordinary factor (the transforming two leasing companies into our wholly owned subsidiaries)

\*2. Factor of the transforming two leasing companies into our wholly owned subsidiaries (gross operating profit : +JPY7.0 bn, operating expenses : JPY(4.0) bn \*3. Expenses of JPY5.0 bn in connection with the integration of MB in FY24 (After taxes basis)



## **Initiatives to Improve Corporate Value**

# The Resona Group's Ideals and the Direction It is Aiming For

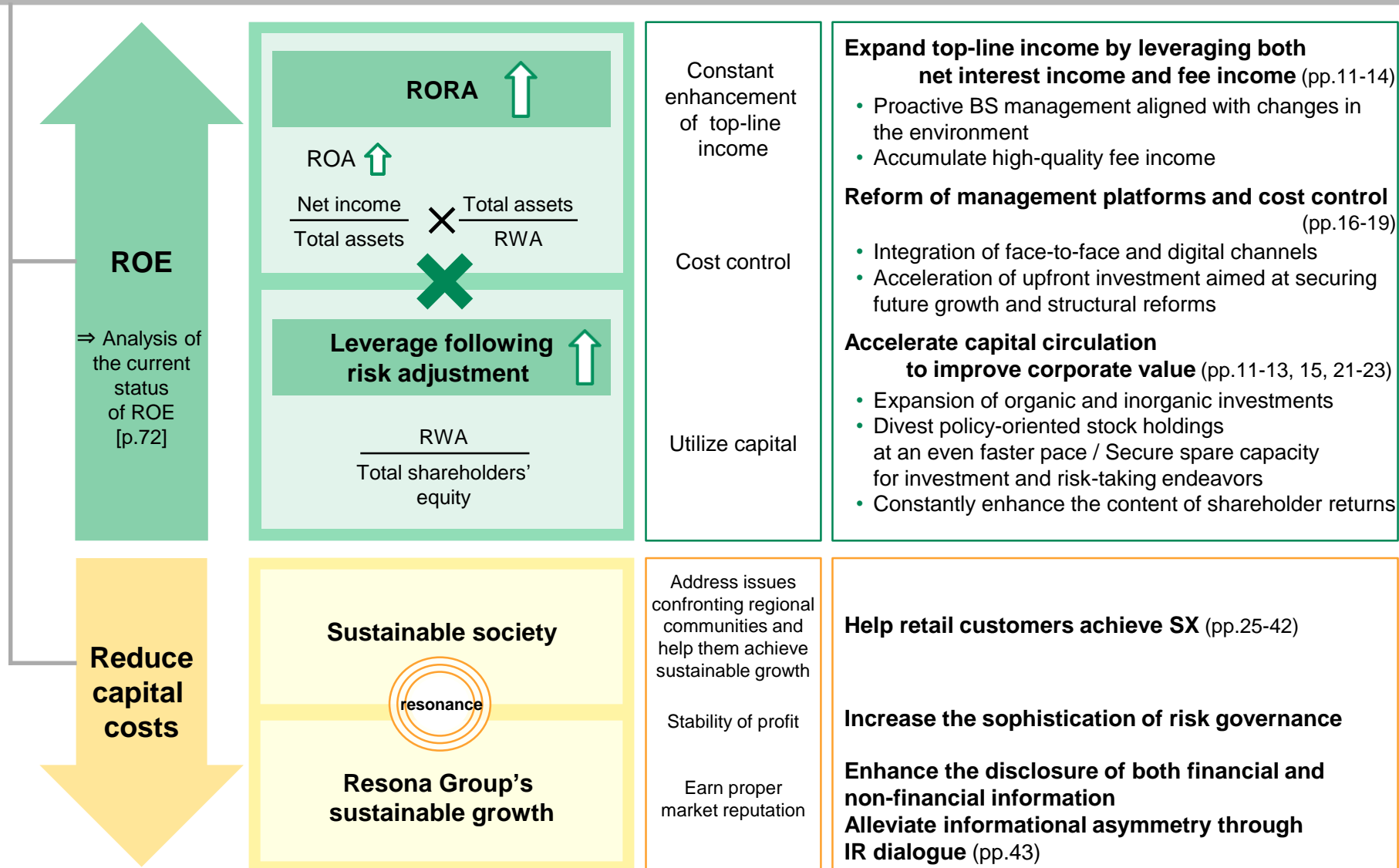


# Financial and Non-Financial Approaches to Improve Corporate Value

## Resona's sustainability management

- Business endeavors that start with addressing issues confronting customers and regional communities

- High-quality, stable profit



# Roll Out the Two Businesses in the Deflation Recovery Environment



[JPY bn, [ ] represents YoY change]

**FY23**

**FY24 (Plan)**

<b>Expand net interest income</b>	<b>[Net interest income from domestic loans and deposits*<sup>1</sup>]</b>	<b>332.1 [ (2.0) ]</b>		<b>340.3 [ +8.1 ]</b>	✓ Achieved a turnaround to growth in full-year core income in terms of both volume and rates
		164.8 [ (2.7) ] 1H	167.3 [ +0.7 ] 2H		
	<b>[Interest on yen bonds, etc.*<sup>2</sup>]</b>	<b>30.9 [ +5.4 ]</b>		<b>35.5 [ + 4.6 ]</b>	✓ Aim to secure a consistent growth track for profit by further expanding our appetite
		14.4 [ +2.6 ] 1H	16.5 [ +2.8 ] 2H		
<b>Expand the volume of fee income</b>	<b>[Fee income*<sup>3</sup>]</b>	<b>211.0 [ +2.3 ]</b>		<b>222.0 [ +10.9 ]</b>	✓ Aim to achieve a fifth consecutive year of annual growth in profit and hit another historic high
		104.0 [ (4.8) ] 1H	106.9 [ +7.1 ] 2H		

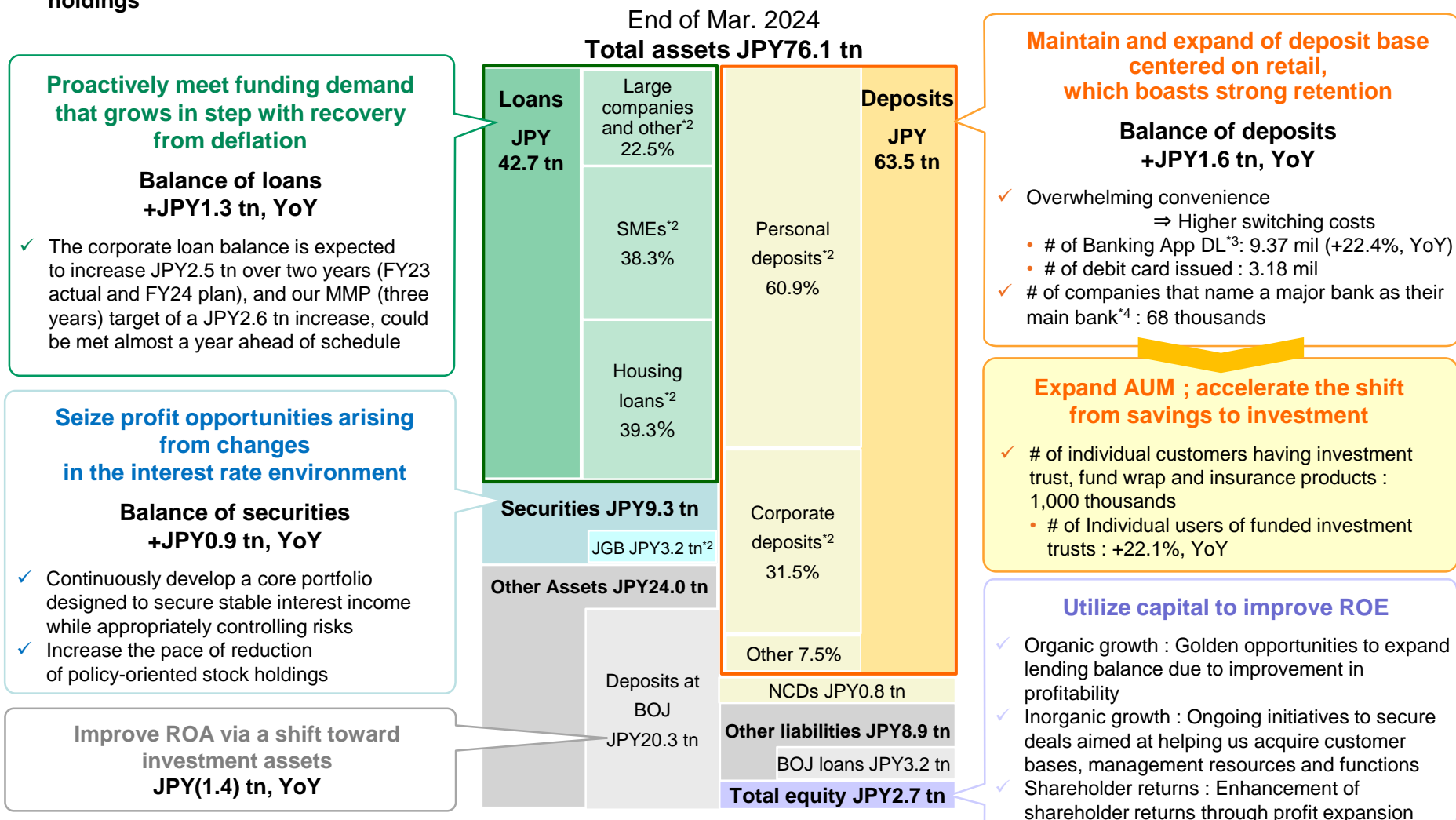
\*1. Total of non-consolidated domestic banking accounts of group banks, deposits include NCDs

\*2. Interest on yen bonds and income from interest rate swaps

\*3. Excluding impact of the joint management designated money trust

# BS Management Approach Aligned with Possible Hikes in Yen Interest Rates

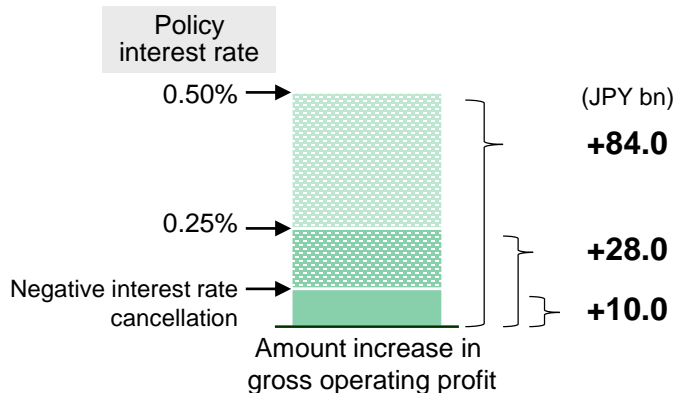
- Work on (i) upgrading RAF<sup>\*1</sup> and (ii) strengthen BS management to achieve “Profitability surpassing MMP target”
- Turnaround and raise ROA via a revival of the deposit-lending business and a securities portfolio designed to support stable interest income
- Accelerate growth investment and structural reforms by strategically utilizing capital created via the reduction of policy-oriented stock holdings



\*1. Risk Appetite Framework \*2. Total of group banks \*3. Including external group \*4. TEIKOKU DATABANK (2023)

# Possible Impact on Earnings while JPY Interest Rate Hikes (provisional calculation)

If the policy interest rate rises to 0.50%, ROE is expected to reach 9-10%

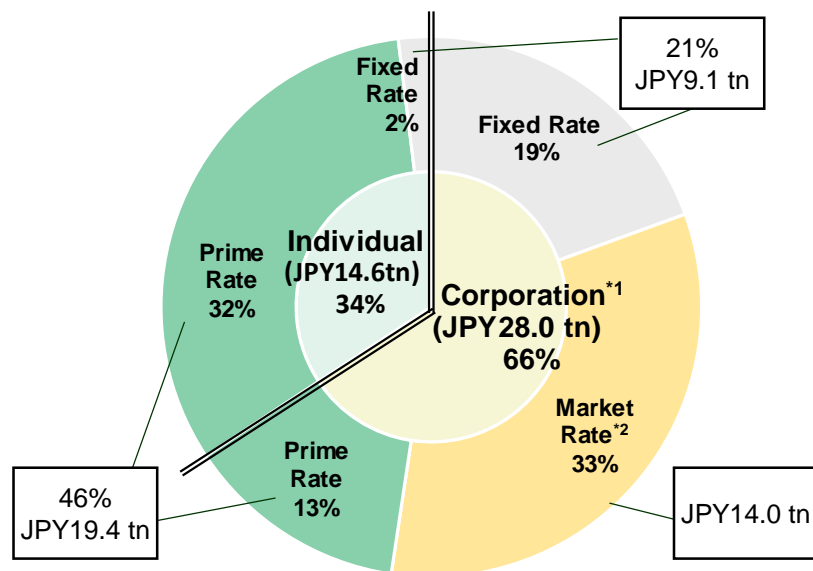


[Assumption for provisional calculation]

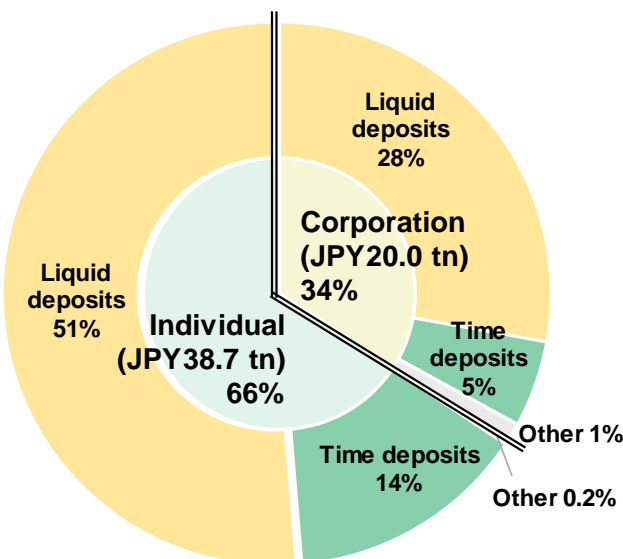
- ✓ Balance sheet at the end of March, 2024: Unchanged
- ✓ Reflecting the impact on loans, investment bonds and time deposits with interest rates that will be updated within a year, as well as savings accounts, deposits at the Bank of Japan and interest rate swaps
- ✓ Annual basis after the impact of interest rate hikes has completely materialized
- ✓  $ROE = \frac{\text{Net income (FY24 plan)} + \text{Impact of the interest rate hikes}}{\text{Total shareholders equity (simple sum of the balance at the beginning and the end of the term/2)(FY24 plan)}}$

Note: Excludes the impact of inflation, etc., on operating expenses and credit costs

## Composition of loan portfolio



## Composition of deposits<sup>\*3</sup>

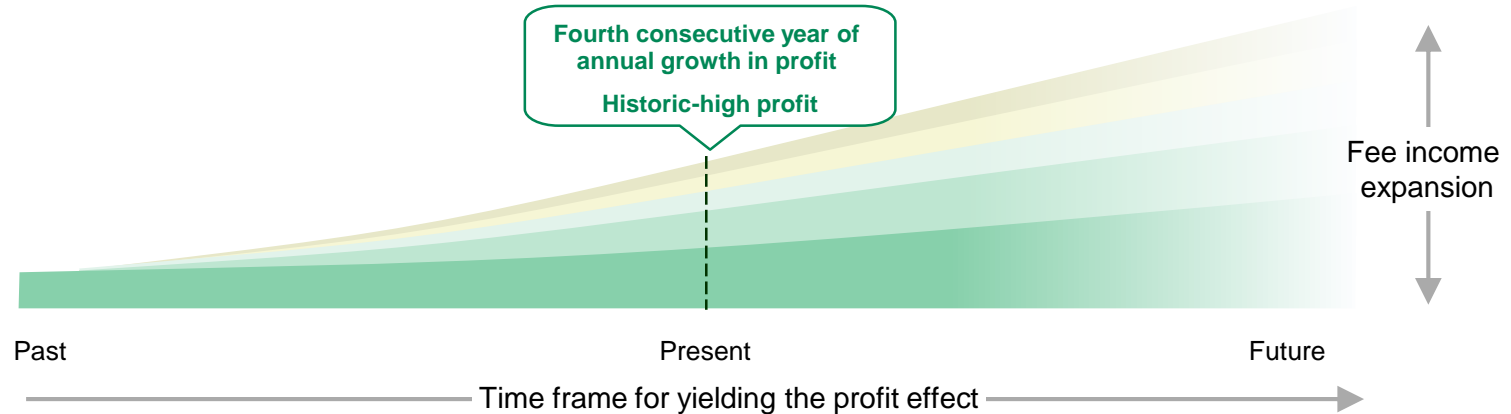


\*1. Including apartment loans \*2. Market rate-linked loans include the fixed-rate (spread) loans maturing in less than one year

\*3. Domestic individual deposits + Domestic corporate deposits

# Accumulate High-Quality Fee Income

Constantly introduce new businesses ⇒ Secure a robust recurring fee structure covering a broad range of sources



## An example of the effects of accumulating profit

	FY2017	FY2020	FY2023
◆ Fund wrap income* <sup>1</sup> (Fed. 17-) [ Balance of fund wrap* <sup>1</sup>	JPY2.0 bn JPY220.0 bn	JPY5.6 bn JPY536.8 bn	JPY9.0 bn JPY800.3 bn ]
◆ Debit card income	JPY1.5 bn	JPY3.3 bn	JPY5.9 bn
◆ Succession trust income	JPY4.1 bn	JPY4.9 bn	JPY6.5 bn
◆ M&A income	JPY2.3 bn	JPY2.8 bn	JPY4.0 bn
<hr/>			
◆ Number of APP DL* <sup>1</sup> (Feb. 18-)	65 thousands	3.67 mil	9.37 mil
◆ Number of alliance companies utilizing Financial Digital Platform (Jun. 20-)	—	1 financial group 2banks	6 financial group 7banks

\*1. Including corporation and external group

# Proactively Execute Inorganic Growth Strategies

Expand inorganic growth investment aimed at improving ROE

## Creating new value through co-creation

Winning customers not yet reached  
by Resona will

**[1] Enhance our customer base**

Securing specialist and  
other human resources will

**[2] Enhance our management  
resources**

Strengthening businesses that have affinity with  
existing banking operations as well as those that  
transcend the framework of finance will

**[3] Enhance our functions**

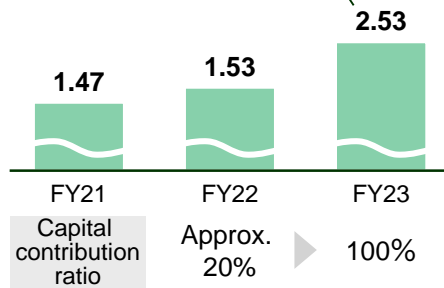
## FY2023 results

### Transforming two leasing companies\*<sup>1</sup> into our wholly owned subsidiaries

ROIC 10% level

[Net income of total of two leasing companies]

(JPY bn) Including approx. JPY0.8 bn\*<sup>2</sup>  
from one-off factors



April 1, 2024  
Merger of two companies  
Renamed  
**Resona Leasing**

Step up collaboration with Group banks  
Realize greater synergies

### Strengthening the capital and business alliance with Digital Garage

ROIC Prospected to be 10% level (6th year)

#### Digital Garage (DG)

One of Japan's largest payment system providers  
Over 1 million member stores

Data marketing

Cumulative number of startups  
invested in over 400 companies

Dec. 2023 Strengthening the capital  
and business alliance

Capital  
contribution  
ratio

Approx.  
2%

Approx.  
12%

✓ Deepening of settlement and  
financial businesses

✓ Aim to create new values which is  
"beyond finance"

Apr. 1, 2024

Strengthen the integrated  
management structure  
Transfer 20% of shares in RKS\*<sup>3</sup> to DG

Launch startup investment  
CVC fund worth  
JPY13.0 bn

\*1. DFL Lease, Shutoken Leasing

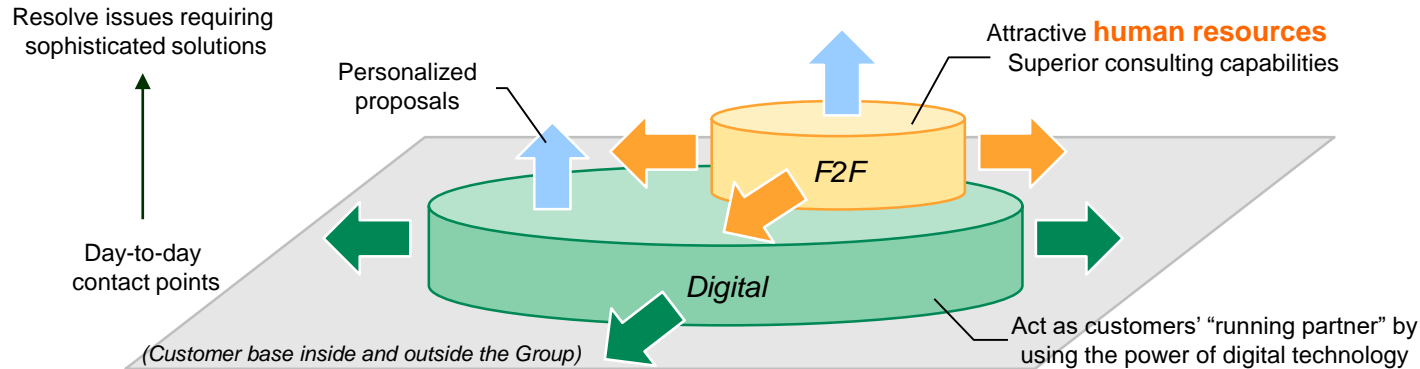
\*2. Shutoken Leasing: Special dividends from the former subsidiary

\*3. Resona Kessai Service



# Integration of Face-to-Face and Digital Channels

100% of day-to-day transactions can be completed via digital channels  
 × Face-to-face channels serve for special occasions



Won prizes three times  
 2020, 2021 and 2023

**Nurture human resources who can deliver “a sense of excitement that exceeds mere satisfaction”**

## Nurture and secure professionals

### Multi-path personnel system<sup>\*1</sup>

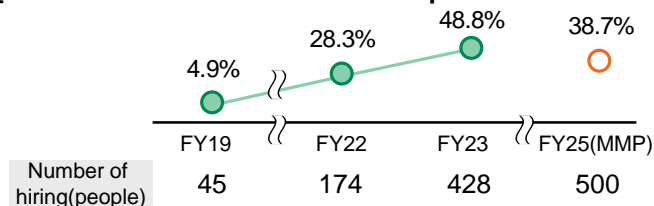
- A system equipped with 20 career courses and designed to enable all employees to become professionals

### In-house and external training aimed at improving the abilities of employees when addressing the diverse issues customers are facing

- Approx. 470 graduates from Resona Academy (1st round: Jul. 2019; 9th round: Nov. 2024 (scheduled))

### Review our hiring portfolio

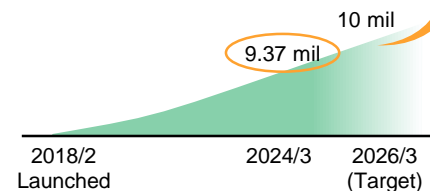
[Ratio of individuals recruited as specialists or mid-career hires<sup>\*2</sup>]



**Maximize time used to address issues customers are facing**

## Bidirectional communications via our largest transactional channel / App

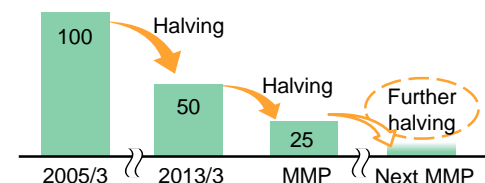
[Number of App DL(including external group)]



- ✓ Anytime from anywhere
- ✓ Also helps raise the efficiency of our clerical work

## Exhaustive overhaul of business processes via the use of AI and digital technologies

[Volume of clerical work<sup>\*3</sup> (specific index)]



- ✓ Change missions assigned to human resources

Enhance top-line income

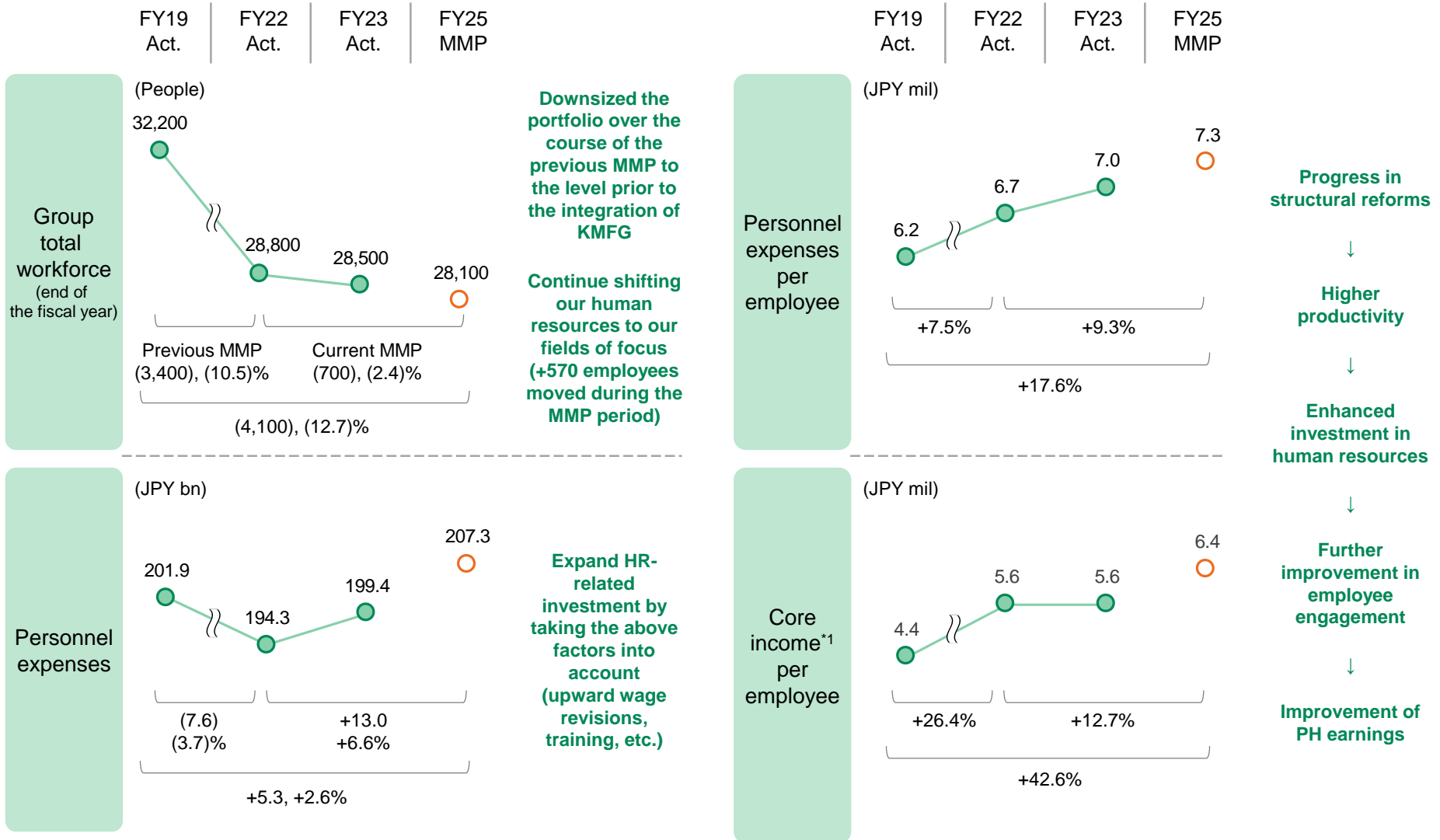
<sup>\*1</sup> In place at RB, SR and some other Group companies

<sup>\*2</sup> Ratio of individuals recruited as specialists or mid-career hires to total number of hires

<sup>\*3</sup> Volume of clerical work handled at branches (RB)

# Upfront Investment in Human Capital

## Enhance investment in human resources supporting sustainable growth and structural reforms (CX)

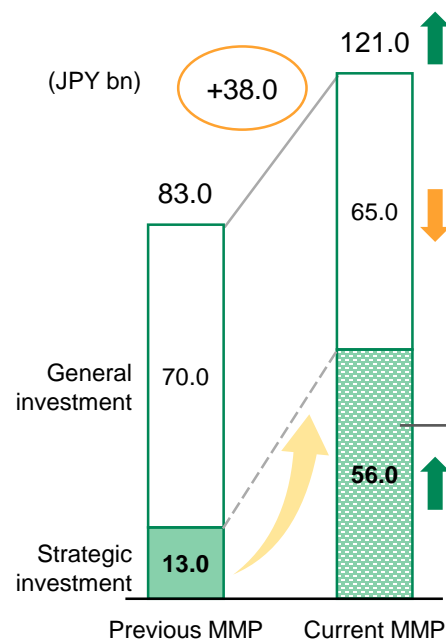


# Upfront Investment in Intellectual Capital (IT)

## Develop next-generation IT / systems supporting sustainable growth and structural reforms (CX)

### ■ Expand strategic investment aimed at strengthening our capabilities to achieve CX and growth in top-line income

[Amount of IT investment]

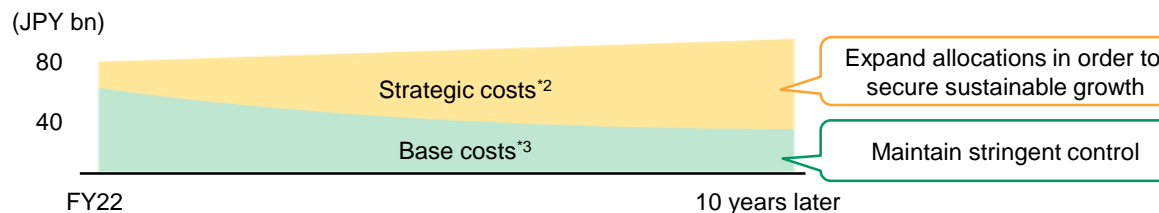


	Previous MMP	Current MMP	FY23 (Act.)
Strategic investment (breakdown)	13.0	56.0	27.5
Challenge area <sup>*1</sup>	6.0	33.0	10.0
System integration of MB	6.0	20.0	17.0
Others	1.0	3.0	0.5

### Overview of key measures and expected effects

- Improvement in productivity via process reforms / enhancement of top-line income
  - Expected effects (from FY22 to a 10 years later)
    - Double pension asset balance (+JPY5 tn)
    - Streamline the majority of existing operations
    - Double loan origination amount per year (+JPY1 tn)
    - Reduce workload (screening related) by 60%
    - Operational reforms within lending sections → Maximize time spent in direct customer communication
- Integrate MB's back-office operations and systems: Jan. 25 (scheduled)
  - Digitize branch-counter operations (introduce tablets, location-free customer reception)
  - Halve the volume of branch-counter and back-office operations (utilize the Group's universal platform)

[IT Cost] ※Visualizing the plan



\*1. Development of lending- and loan-related systems, the development of trust and pension management systems, new businesses, etc.

\*2. Depreciation costs of strategic investment and general investment (additional investment), etc.

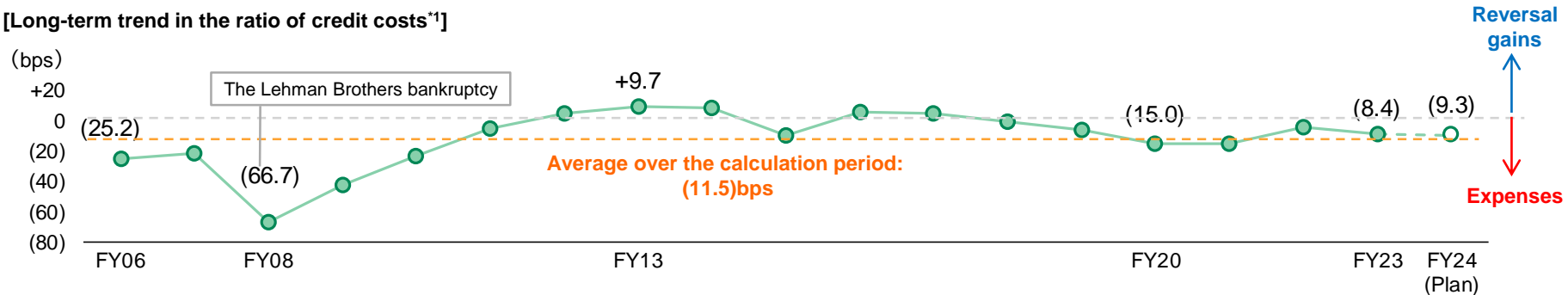
\*3. Maintenance costs, depreciation costs of general investment (existing investment), etc.

# Credit Costs Control

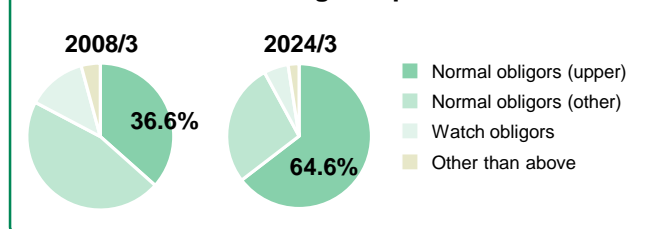
Dispersed credit portfolio ⇒ Anticipate that a certain degree of risk control is feasible even when interest rates rise

- Average ratio of credit costs recorded over the long term (including during the aftermath of the Lehman Brothers bankruptcy) is (11.5)bps. Risk resilience among SMEs is on an improvement track.

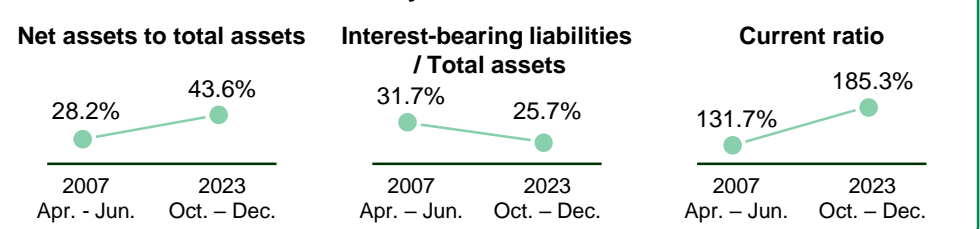
[Long-term trend in the ratio of credit costs\*1]



Credit rating composition\*2



Stability ratios of SMEs\*3

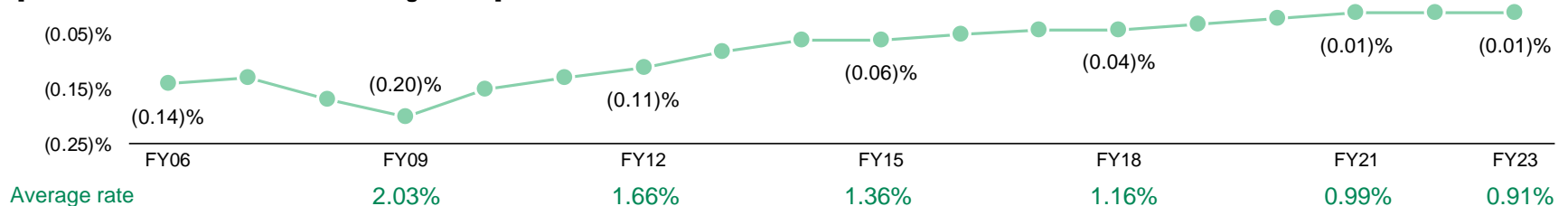


- High-quality housing loan portfolio

Long-term loans backed by collateral

Stringent screening model ⇒ Substantial stress to screening interest rates

[Trends in the net loss ratio of housing loans\*4]



\*1. Credit costs / (Loans and bills discounted + acceptances and guarantees), (Simple average of the balances at the beginning and end of the term), HD consolidated basis

\*2. RB+SR, based on the credit amounts \*3. Financial Statements Statistics of Corporation (4 quarters moving average), Capital: 10 to 100 million yen

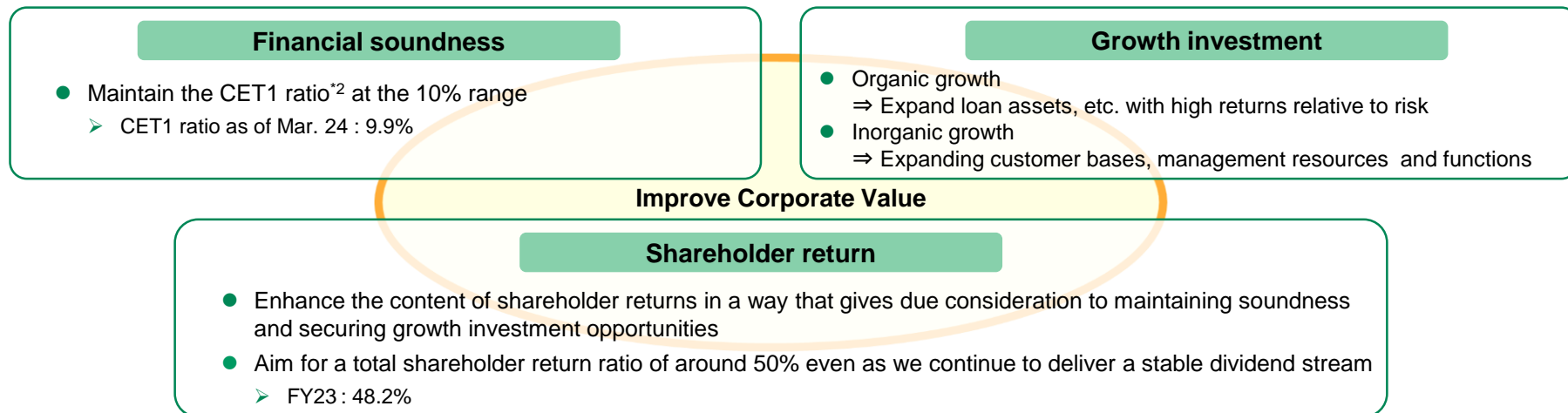
\*4. Housing loans guarantee subsidiaries' subrogation ratio x (1-collection after subrogation), residential housing loans + apartment loans

# Capital Management

# Capital Management

■ Enter a new phase in which we can step up the utilization of capital ⇒ **Aim for ROE\*1 of 8%**

➢ ROE : FY23 (act.) 7.2%, FY24 (target) 7.3%

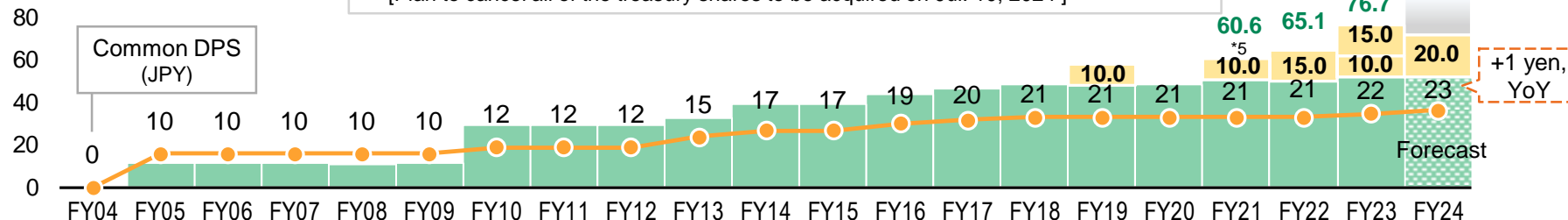


■ Enhance shareholder returns (released in May 2024)

[Trends in shareholder returns]

- Total dividend amount
- Share buyback\*3

(JPY bn)



\*1. Net income attributable to owners of parent / Total shareholders equity (simple sum of the balance at the beginning and the end of the term/2)

\*2. Based on the full enforcement of the finalized Basel 3 regulations under the international standard; excluding net unrealized gains on available-for-sale securities

\*3. The amount of treasury stock acquisition is rounded to the nearest hundred million yen \*4. Excluding treasury shares

\*5. Implement share buyback (JPY40.9bn, 88 mil. shares) to neutralize dilutive effect on EPS from making KMFG a wholly owned subsidiary of HD in from May to June 2021



# The New Plan for Reduction of Policy-Oriented Stock Holdings

Create new value to be delivered to customers/

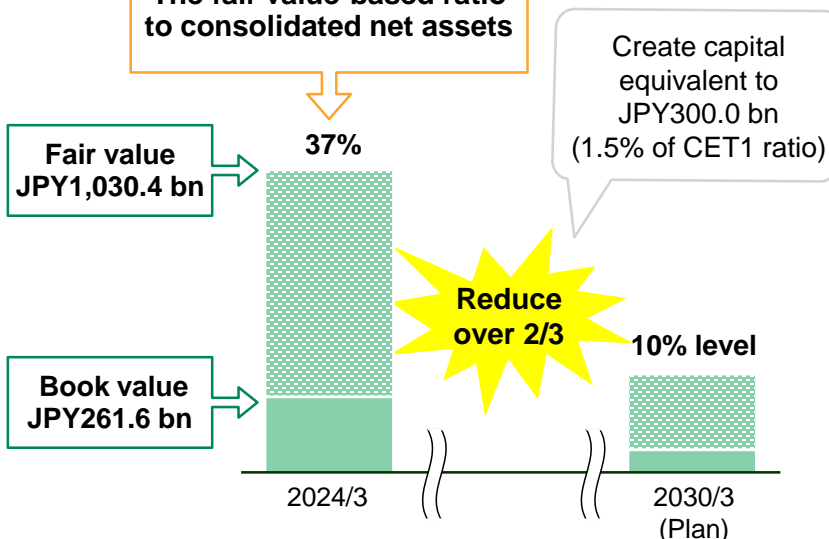
Create management resources that can be allocated to growth investment and structural reforms

Drastically increase the pace of reduction of policy-oriented stock holdings\*1

**Reduce over 2/3**

of book value\*2 by the end of March 2030

The fair value-based ratio to consolidated net assets



Reduce the fair value-based ratio to consolidated net assets **to 10% level** by the end of March 2030

Will reduce the ratio to the 20% level in three years in the best-case scenario

Accelerate investment aimed at securing sustainable growth

Address issues confronting our customers and society as a whole

**New challenges**  
Structural reforms and the strengthening of foundations, which are both necessary to realize CX

< Specific fields in which we utilize capital >

- Organic growth fields
  - ✓ Meet growing funding demand in an inflationary environment while strengthening our capabilities to extend sustainable financing and deliver equity solutions
- Inorganic growth fields
  - ✓ Raise our ability to handle deals that could help us acquire customer bases, management resources and functions
- Structural reforms and strengthening of foundations
  - ✓ Expand IT- and HR-related investment while securing funds for structural reforms

Expand income

Improve capital efficiency

Deliver even greater shareholder returns

\*1. Policy-oriented stocks are classified into (i) policy investment stocks and (ii) strategic investment stocks, according to the purpose of holding. Of these, (i) policy investment stocks are targeted for reduction of the balance. All listed shares held by group banks are (i) policy investment stocks

\*2. Total of group banks. Acquisition cost basis. The presented figures include marketable securities only



**Aiming to Be a Company That Contributes Most to  
SX of Retail Customers  
(ESG Initiatives)**

# Long-Term Sustainability Indicators

Aiming for sustainable improvement in social and corporate value

		FY2022	FY2023	FY2030 (target levels)
Value for customers and society	<b>Value Creation Capability Indicator</b> Number of cases where solutions are provided	10.5 mil cases	11.8 mil cases	20.0 mil cases
	<b>Retail Transition Financing Target (Cumulative total)</b>	JPY1.8 tn	JPY3.7 tn	JPY10 tn
Environmental value	<b>Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio</b>	-	-	( 2050: Net zero )
	Interim target for the energy sector (Portfolio carbon intensity)	139 gCO <sub>2</sub> e/kwh [FY2021]	(Undergoing compilation of FY22 performance) To be disclosed in the integrated report 2024 in Jul. 2024	100~130gCO <sub>2</sub> e/kWh
	<b>Carbon Neutrality Target (Scope 1 &amp; 2)</b>	vs FY2013 (43)% [FY2021]	vs FY2013 (56)% [FY2022]	Net zero
Social value	<b>Targets for the Empowerment and Promotion of Women</b> Ratio of female directors and executive officers <sup>*1</sup> Ratio of female senior managers <sup>*2</sup> Ratio of female line managers <sup>*2</sup>	15.3% 13.4% 31.4%	12.1% <sup>*3</sup> 14.8% 32.8%	30% or more 20% or more 40% or more
Value for employees	<b>Well-Being Indicator</b> Ratio of positive responses in questionnaires regarding a sense of fulfillment felt in work and private life as part of employee surveys	69.3%	70.0%	Increase the ratio of positive responses

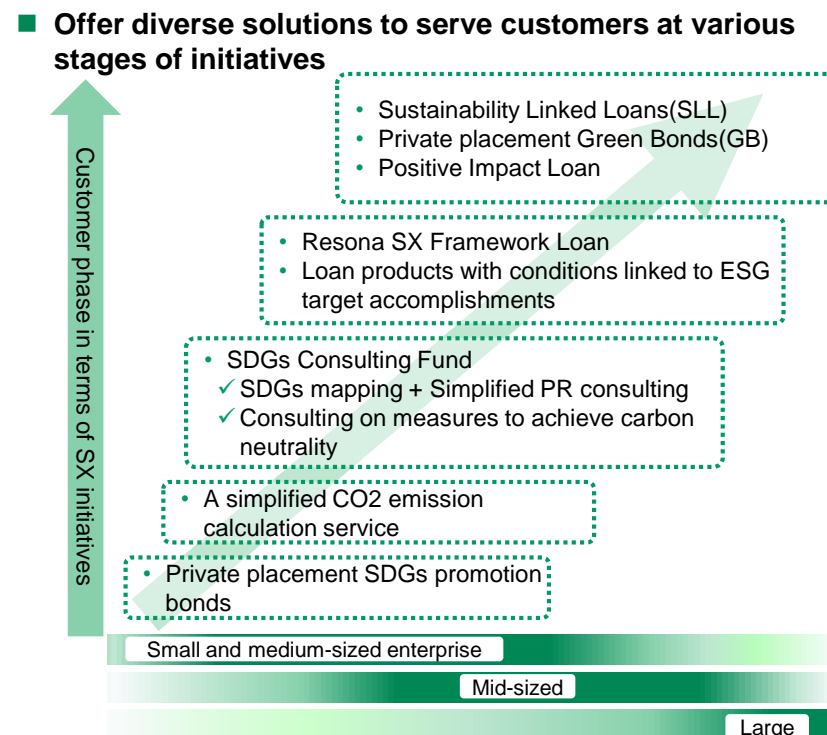
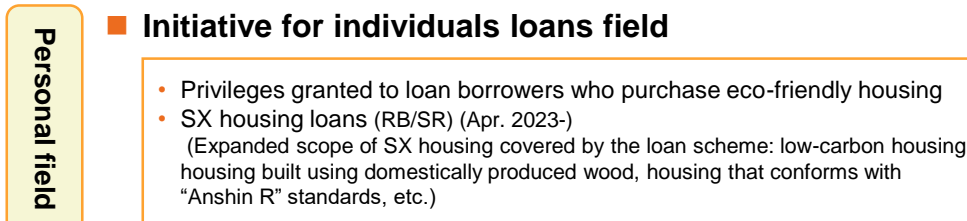
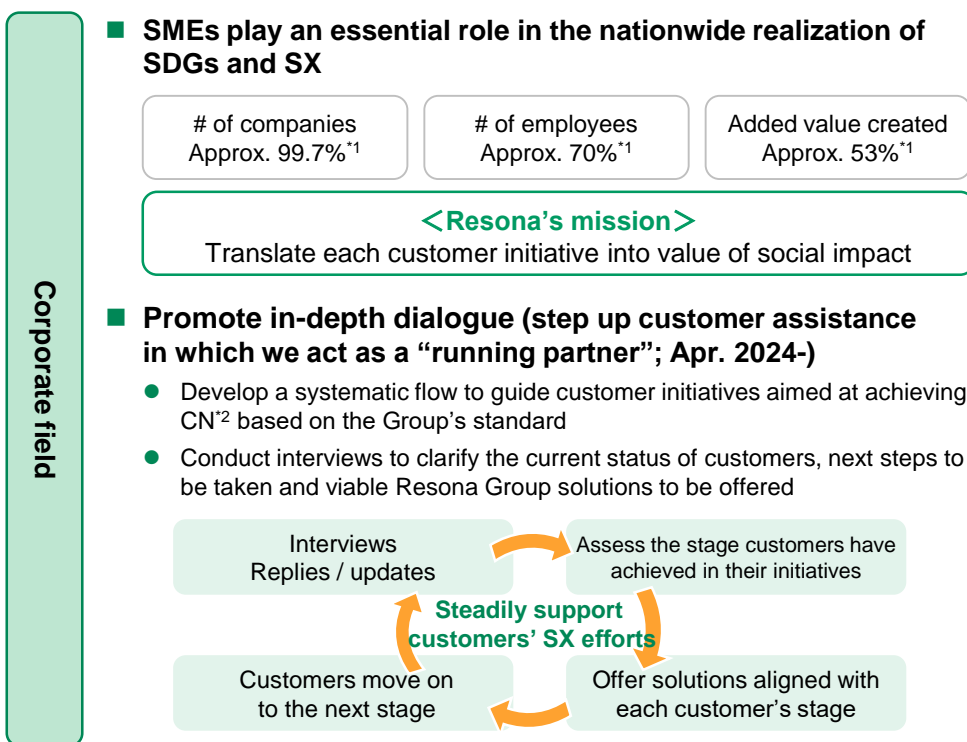
\*1. HD   \*2. Sum of HD, RB, SR, KMB and MB, figures until FY23 include KMFG   \*3. As of Apr. 1, 2024

# E (Environment): Retail Transition Finance

Enhance assistance to retail customers and continuously act as their “running partner,” helping them update their awareness and transform their modes of behavior

**FY23 transaction volume : JPY1.9 tn : The progress rate is 64.1% towards the MMP target (JPY3 tn / 3years)**

**Cumulative total (Apr. 2021-) of JPY3.7 tn (Target for FY30: cumulative total of JPY10 tn)**



Offer information on legal regulations, subsidy programs and other industry trends for construction and real-estate businesses

**Facilitate the popularization of eco-friendly housing**

<sup>\*1</sup>. The Small and Medium Enterprise Agency “2023 White Paper on Small and Medium Enterprises in Japan”    <sup>\*2</sup>. Carbon Neutrality

# E (Environment): Carbon Neutrality (1) -Scope1&2-

## Initiatives to reduce greenhouse gas (GHG) emissions (Scopes 1 & 2) arising from the Group's energy use

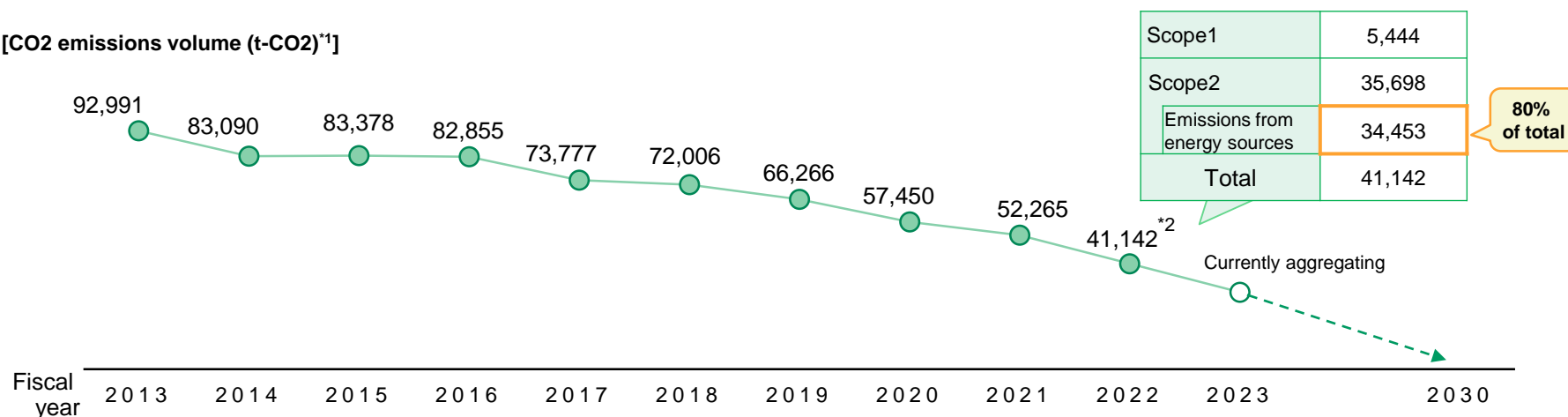
### ■ Measures to achieve our carbon neutrality target (reducing CO2 emissions to net zero by the end of FY2030)

- Steadily reduce the volume of CO2 emissions via the proactive introduction of clean energy, such as renewable energy, with the utmost priority placed on reducing emissions attributable to electricity use, the source of 80% of our emissions
- Completed the switchover of energy sources at energy-intensive facilities, such as head offices and back-office centers, by the end of FY2022 and shifted our focus in FY2023 to promoting similar switchovers at branches
- Aim to achieve a 100% switchover to renewable energy sources, etc., at facilities for which energy is directly procured by the Group by the end of FY2025

### [Results of renewable energy introduction]

FY2021				FY2022				FY2023			
RB	SR	KMB	MB	RB	SR	KMB	MB	RB	SR	KMB	MB
Resona Gr Osaka HQ	HQ 2 branches	Biwako bld.	HQ	System and administrative Center	5 branches	Shinsaibashi HQ 49 branches	Seishin bld.	127 branches	Urawa-chuo bld. 83 branches	20 branches	8 branches

### [CO2 emissions volume (t-CO2)\*1]



\*1. Scope 1&2 CO2 emissions attributable to Group banks are calculated based on methods stipulated by Japan's Energy Saving Act for statutory periodic reporting. Emission volumes attributable to energy use are calculated by multiplying the volume of energy use by the basic emission factors or the adjusted emission factors of each electricity supplier. \*2 FY2022 results are independently verified by Deloitte Tohmatsu Sustainability Co., Ltd., a third-party agency.

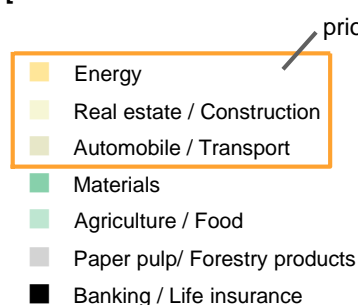
# E (Environment): Carbon Neutrality (2) -Scope3-

## Initiatives to reduce GHG emissions (Scope 3, Category 15) from our investment and financing portfolio

- **Committed to achieving net zero by 2050** in terms of GHG emissions from our investment and financing portfolio
- **Identified interim targets to be achieved by the end of FY2030 for investees/borrowers in the energy sector**

Initiatives undertaken thus far	Identification of interim targets in May 2023
<ul style="list-style-type: none"> <li>Identified “Real estate / Construction,” “Automotive / Transportation” and “Energy” as priority sectors in light of such factors as the potential impact of climate change on carbon-related sectors specified by the TCFD<sup>*1</sup>, the size of our portfolio, and a sector-based analysis of financed emissions determined using simple calculation methods.</li> <li>Further analyses, including quantitative risk assessments, were also conducted.</li> </ul>	<ul style="list-style-type: none"> <li>Implemented the assessment and analysis of financed emissions, emphasizing the energy sector over other priority sectors as it has already seen advances in the development of measurement methods and data accumulation</li> <li>Measurements of three sector components were conducted<sup>*2</sup>: “Electric power,” “Oil / Gas” and “Coal.”</li> </ul>

### [Breakdown of financed emissions by sector]



### [Energy sector (Electric power, Oil/Gas, Coal) of financed emissions]

※ The results for the end of Mar. 2023 are currently being aggregated.  
They will be disclosed in the integrated report to be issued in Jul. 2024.

	Scope subject to GHG emission calculation	Indicators	Results(2022/3)	Amount of investments and loans
<b>Electric power</b>	Power generation Scope1	Physical carbon emission intensity	<b>139</b> gCO <sub>2</sub> e/kWh	JPY276.0 bn
<b>Oil / Gas</b>	Mining Scope1-3	Absolute volume	<b>0.17</b> MtCO <sub>2</sub> e	JPY7.4 bn
<b>Coal</b>	Mining Scope1-3	Absolute volume	—	(Not applicable)

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

<b>Concepts behind target setting for the energy sector</b>	<ul style="list-style-type: none"> <li>The current carbon emission intensity, which amounts to 139gCO<sub>2</sub>e/kWh, falls short of the standard for 2030 envisioned in the 1.5°C scenario (NZE2050),<sup>*3</sup> due mainly to the general termination of new project financing for coal-fired power generation businesses and proactive lending to domestic borrowers engaged in renewable energy-related businesses.</li> <li>On the other hand, the energy sector is an infrastructure component supporting all industries as well as people’s daily lives. Accordingly, pursuing the decarbonization of this sector is essential to helping retail customers achieve decarbonization.</li> <li>Therefore, we will strive for the popularization of renewable energy, which is integral to nationwide decarbonization, while supporting power generation businesses endeavoring to achieve transition and technological innovation. In these ways, we aim to reduce emissions from the energy sector to a level that is substantially lower than the global standard stipulated in the 1.5°C target.</li> </ul>
<b>Interim targets</b>	Carbon emission intensity in FY2030: 100 to 130gCO <sub>2</sub> e/kWh

\*1. The Company’s sector classification consists of “Energy,” “Real estate/Construction,” “Automobile/Transport,” “Materials,” “Agriculture/Food,”

“Paper pulp/Forestry products,” and “Banking/Life Insurance.” \*2. Calculated with reference to methods developed by the PCAF

\*3. Comparison with the 2030 carbon emission intensity (165gCO<sub>2</sub>e/kWh) envisioned in the NZE2050(WEO2022)

# E (Environment): Carbon Neutrality (3) -Scope3-

## Initiatives to reduce GHG emissions (Scope 3, Category 15) from our investment and financing portfolio

### ■ Basis for the calculation of financed emissions

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

	Formula	Coverage ratio*1	Data quality score*2
<b>Energy sector</b>	$\sum \left( \text{Carbon emission intensity of investees/borrowers (gCO2e/kWh)} \times \frac{\text{Value of investment/financing by the Company for investees/borrowers}}{\text{Total value of investment/financing by the Company for all investees/borrowers subject to calculation}} \right)$	85%	2.1
<b>Oil/Gas sector</b>	$\sum \left( \text{Volume of emissions from investees/borrowers (MtCO2e)} \times \frac{\text{Value of investment/financing by the Company for investees/borrowers}}{\text{Sum of borrowings and capital held by investees/borrowers}} \right)$	100%	3.0

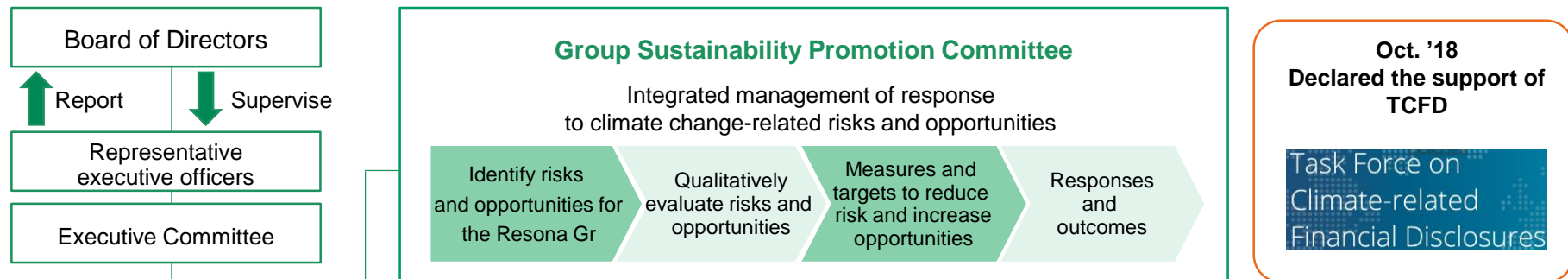
### ■ Initiatives to be undertaken going forward

- ◆ To achieve our interim targets regarding the energy sector, we will proactively extend credit to corporations engaged in renewable energy-related businesses that will, in turn, facilitate the smooth transition of all other customers. Simultaneously, we will actively pursue dialogue with investees/borrowers and provide them with follow-up consulting on their initiatives.
- ◆ We will annually disclose the status of financed emissions associated with the “Energy,” “Oil / Gas” and “Coal” sectors while considering the assessment of financed emissions from priority sectors other than the energy sector and the formulation of interim targets for them.
- ◆ We are aware of the need to expand the scope of financed emission assessments to, ultimately, encompass our overall portfolio, including credit extended to retail customers, and will thus be striving to reduce emissions from this portfolio. Accordingly, we will continue to act as a “running partner” for retail customers and assist them in the transition of their awareness and modes of behavior. By doing so, we will strive to assess and reduce the volume of financed emissions associated with credit extended for retail customers.

\*1. By sector, based on loans    \*2. Data-quality scores defined by PCAF

# E (Environment): Our Response to Global Warming & Climate Change

Board of Directors proactively pursue Resona Sustainability Challenge 2030 and step up climate change countermeasures



Reflect outcomes of discussions on risks and opportunities from climate change in the Group strategies and risk management

- Impact on our largest asset class, loans
- Help corporate and individual customers mitigate and adapt to climate change through financial services

Minimize the risks	Loan initiatives	<ul style="list-style-type: none"> <li>Proactively engage with corporate customers who have yet to fully commit to environmental issues, encouraging them to step up their initiatives</li> <li>Clarify our stance on lending to businesses that may exert a seriously negative impact on the environment, such as enforcing general rule of abstaining from extending new loans to coal-fired thermal-generation projects and extending new loans to coal mining projects (MTR method<sup>*1</sup>), etc.</li> </ul>	
	Investment initiatives	<ul style="list-style-type: none"> <li>Incorporate an ESG-oriented viewpoint into investment decision-making process</li> <li>Maintain constructive dialogue and engagement with investees</li> </ul>	
Expand the opportunities	Conserving the environment through our products and services	<p>[Individual customers]</p> <ul style="list-style-type: none"> <li>✓ R246 ESG</li> <li>✓ Offer benefits to loan customers who purchase eco-friendly housing (housing loans)</li> </ul>	<p>[Corporate clients]</p> <ul style="list-style-type: none"> <li>✓ Simplified CO2 emissions calculation service</li> <li>✓ Loan products with conditions linked to ESG target accomplishments</li> <li>✓ SX Framework Loan</li> </ul>
		<p>[The ratio of lending for the energy and utility sector<sup>*3</sup> to the entire portfolio]</p> <p><b>1.3%</b> (As of Mar. 31, 24)</p>	

[CDP scores<sup>\*2</sup>]

**Resona HD** A-  
SMFG A-  
MUFG A-  
Mizuho FG A-  
SMTH B

<sup>\*1</sup>. A method used for the surface mining of coal seams in mountain areas. The use of the MTR method entails deforestation, and soil from the mountain top is usually dumped in valleys, rivers and other nearby locations. <sup>\*2</sup>. "CDP Climate Change 2023" on the CDP's website, as of May 1, 2024 <sup>\*3</sup>. Lending to energy and utility sectors based on definitions under TCFD recommendations

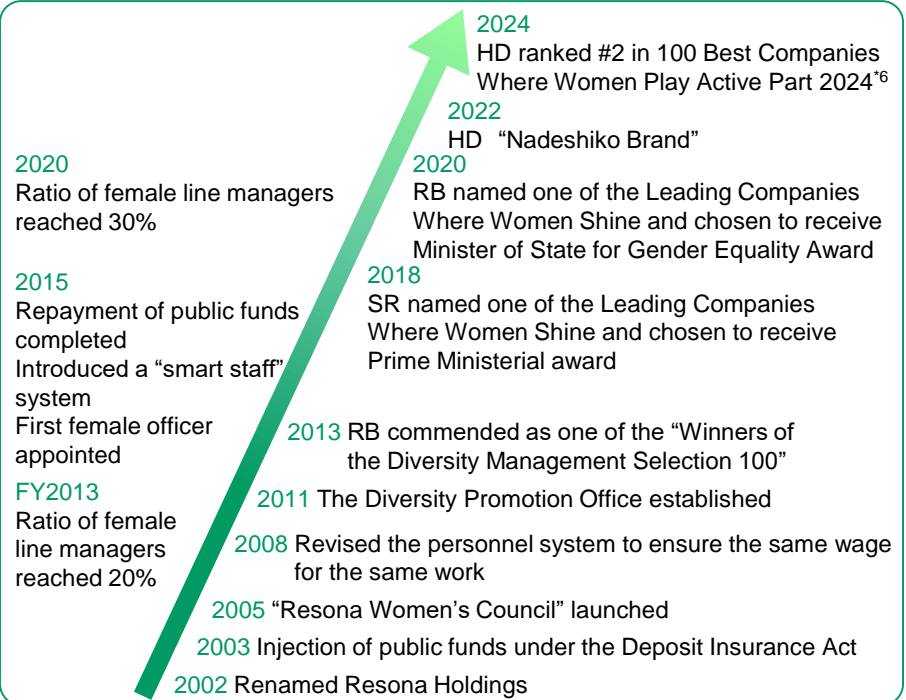
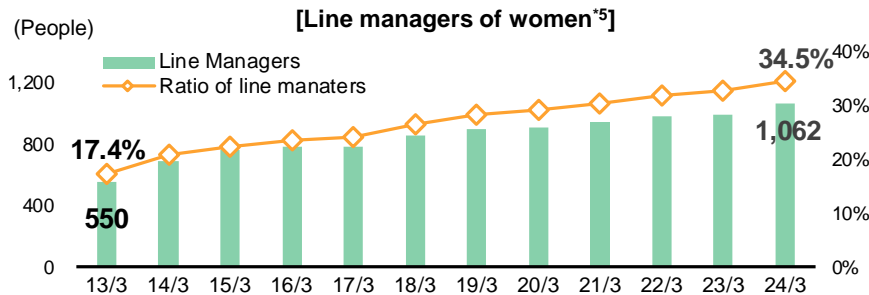
# S (Society): Diversity & Inclusion (1)

## Creating corporate value by drawing on diversity

- Step up the empowerment of women, to date a source of strength for the Group, ensuring that they serve as a driving force of value creation

Ratio of women	2024*1	FY2030 Target
Directors and executive officers*2	12.1%	30% or more
Senior managers*3	14.8%	20% or more
Line managers*3	32.8%	40% or more

(Reference) The ratio of female managers nationwide\*4:  
General manager or equivalent positions 8.0%, Manager or equivalent positions 11.6%



### External evaluation

The “2024 J-Win Diversity Award” Executive Award (HD)



Ranked #2 in 100 Best Companies Where Women Play Active Part 2024\*6 (HD)

Awarded the excellent health and productivity management corporation 2024 (HD, KMFG)



Obtained Eruboshi Certification (all group banks)



Obtained Platinum Kurumin (all group banks)



Awarded the highest gold rating in the PRIDE Index (for 7 consecutive years) (HD)



\*1. Directors and executive officers as of Apr. 1, 2024, senior managers and line managers as of the end of March \*2. HD  
\*3. Sum of HD, RB, SR, KMB and MB, figures until FY23 include KMFG \*4. Ministry of Health, Labour and Welfare, 2023.7.31 Press Release  
\*5. RB+SR \*6. Based on a Survey 2024 of Workplace Opportunities for Female Workers undertaken by Nikkei WOMAN



# S (Society): Diversity & Inclusion (2)

## Main initiatives and the status of their progress

### ■ 13th Resona Women's Council (Apr. 23-Mar. 24)

- Members: approx. 20 people from group banks and companies
  - Members consist of diverse individuals (in terms of rank, age, etc.) from a range of Group companies and serving terms spanning one year who regularly meet on a monthly basis
  - Engage in bottom-up activities, i.e., delivering proposals on women's networking, the enhancement of women's career awareness, the revision of various personnel systems, the implementation of operational improvement measures and the planning of new products

A picture taken at the meeting



#### [Main achievements deriving from Resona Women's Council]

- Enhancement of childcare leave-related programs
- Institution of a mentoring system
- Introduction of a reinstatement support program
- Establishment of the Job Return System
- Launch of a system enabling transition from full-time to part-time employee status and vice versa<sup>\*1</sup>

### ■ Expand the scope of employees eligible for the mentoring system for female manager candidates

- The mentoring system for newly appointed female department or branch managers has been in place since 2012
- In FY22, women who have been newly appointed as manager candidates and assigned to positions immediately below department or general managers, are now included in the scope of eligibility to the system

### ■ Changes in eligibility requirements for those applying for special working arrangements for child rearing- or nursing care-related reasons (Apr. 2024-)

- Revised the conventional system in order to develop an environment that enables both male and female employees to work over the long term with confidence, pursue their desired careers and fully realize their potential without being forced to leave the workforce (Example: Lengthened the period in which employees are allowed to work shorter hours to take on child rearing and nursing care)

### ■ Step up initiatives to encourage male employees to play greater roles in child rearing

- Established a framework allowing cessation from work for childcare upon childbirth in line with the revision of relevant laws in Oct. 2022

#### < The Resona Group's response >

- Designated the first 14 days of postnatal paternity leave as paid leave and promoted the utilization of such leave along with five days of childbirth leave granted upon a spouse giving birth

#### [Male employees' status of childcare-related leave]

FY	2017	2018	2019	2020	2021	2022	2023
Ratio of employees taking spousal paternity leave (%)	100	100	100	100	100	100	100
Ratio of male employees taking childcare leaves(%)	-	-	-	-	80.3	98.2	100.8

### ■ Made Resona Mi Rise a wholly owned subsidiary of HD

- In Apr. 24, Resona Mi Rise, which is engaged in the proactive hiring of people with disabilities, became a wholly owned subsidiary of HD
- Staff of this subsidiary stationed at the Paper Form Registration Office in Otsu City, Siga Prefecture, are tasked with scanning paper forms processed at branches to help reduce the volume of clerical work previously handed by branches

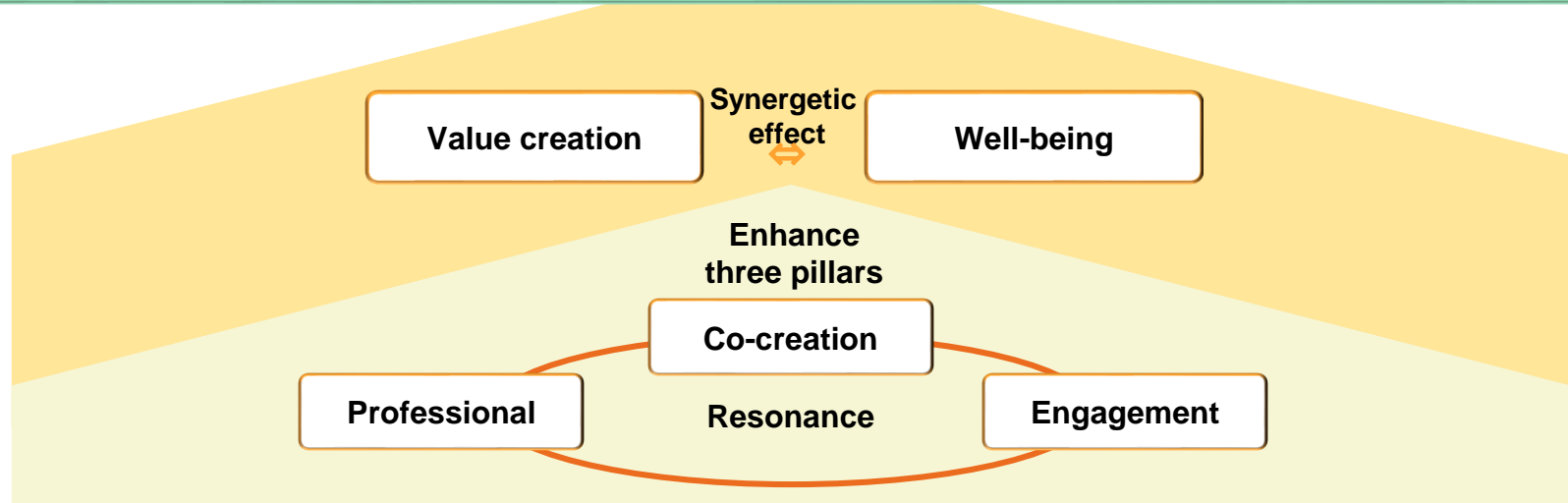


Employees at work

<sup>\*1</sup> Upgraded from the "smart staff" system, which was introduced in 2015 to enable applicants to work shorter working hours or be assigned more limited jobs compared with full-time employees

# S (Society): Overview of Our Human Resource Strategy

**HR vision: Create a prosperous future by working with diverse partners from within and outside the Group whose aspirations resonate with ours**



## Six strategic drivers (Measures / Non-financial targets ⇒ p.34)

[1] Leadership

[2] Transcending boundaries

[3] Speciality

[4] Employee autonomy & support

[5] Job fulfillment

[6] Worker friendliness

Aiming for “Co-creative / Engaged Professional”,  
investment in human capital to : +JPY33.0 bn (during the current MMP period)

✓ Improve wages

✓ Strengthen training

✓ Step up hiring etc.

**Apr. 2021- New personnel system\***

✓ Multi-path  
(20 distinct job categories)

✓ Option of delayed retirement

▶ Empower diverse people to succeed

<Organizational culture> Integrity Diversity & Inclusion Taking on the challenge of reform

\*1. In place at RB, SR and some other Group companies

# S (Society): Six Drivers for Realizing Human Resource Strategy (1)

Drivers	Non-financial targets	FY22	⇒	FY23	/	FY30	Our policy for FY24 initiatives
[1] Leadership	◆ Ratio of women line manager	31.4%	⇒	32.8%		40%	✓ Continue implementing assistance programs aimed at empowering women
	◆ Ratio of mid-career employees hired as managers	10.2%	⇒	11.7%		18%	✓ Enhance the recruitment of mid-career hires and help them earn success
[2] Transcending boundaries	◆ Ratio of mid-career employees newly hired as senior managers, including those from different sectors*1	42%	⇒	44%		100%	✓ Enhance the content of “boundary-transcending” training programs based on in-house postings ✓ Invigorate the alumni network
[3] Speciality	◆ # of human resources with highly specialized expertise*2 [Of which, high-ranking qualifications via in-house specialist certification systems]	2,481 [+42]	⇒	2,468 [+50]		3,000	✓ Invest in human resources (HR) with an eye to recruiting and nurturing specialists ✓ Strengthen employees' consulting skills
[4] Employee autonomy & support	◆ Cumulative total # of individuals selected via in-house job postings (FY21~FY30)	684	⇒	1,194		4,000	✓ Step up career development assistance and increase the number of career opportunities offered to employees through in-house job postings ✓ Provide employees with supportive measures aligned with their individual needs and help them achieve growth (introduce and utilize an HR system**3)
[5] Job fulfillment	◆ Ratio of positive responses in employee awareness surveys	(i) 66%	⇒	(i) 69%		Increase the ratio	✓ Strengthen connections between the Purpose and individual employee action
	(i) A sense of fulfillment in work (ii) Openness of workplace communications	(ii) 79%		(ii) 80%			✓ Execute HR-related investment to improve wages while invigorating communications
[6] Worker friendliness	◆ Ratio of annual paid leave utilized	77.6%	⇒	83.1%		88%	✓ Reform and streamline our business processes ✓ Help employees balance work and family duties while assisting them in their health improvement efforts

\*1. Training involving overseas assignment, external secondment or external dispatchment

\*2. Individuals who have acquired high-ranking qualifications via in-house specialist certification systems or other similar qualifications

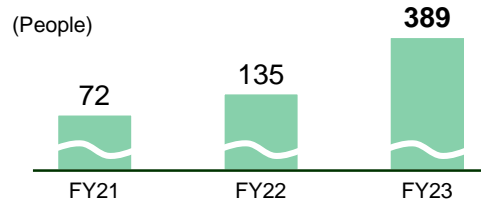
\*3. Learning management system, talent management system

# S (Society): Six Drivers for Realizing Human Resource Strategy (2)

## [1] Leadership

- ◆ Enhanced the content of training for department and branch managers
- ◆ Stepped up the recruitment of mid-career hires in addition to implementing follow-up training and hosting interaction meetings

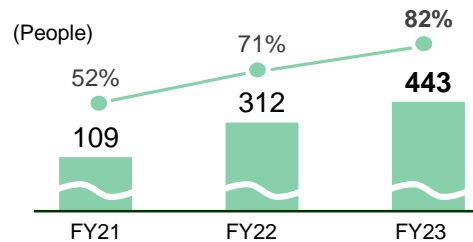
### [Number of mid-career hires]



## [2] Transcending boundaries

- ◆ Developed the alumni network (Apr. 2024-)
- ◆ Enhanced “boundary-transcending” programs (e.g., externally dispatching employees)

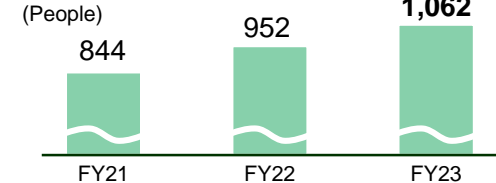
### [Participants in external training / Ratio of opportunities afforded via in-house posting]



## [3] Speciality

- ◆ Expand investment aimed at developing specialist human resources (e.g., external training, assistance to employee efforts to acquire high-profile certification)
- ◆ Step up the development of DX- and IT-related human resources

### [Individuals earmarked for specific specialist courses]

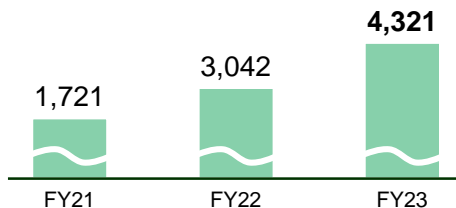


## [4] Employee autonomy & support

- ◆ Expand investment aimed at supporting self-motivated learning
- ◆ Enhance career development assistance (e.g., enhancement of internship and in-house job-posting programs)

### [Participants in Career Colleges and Career Fairs]

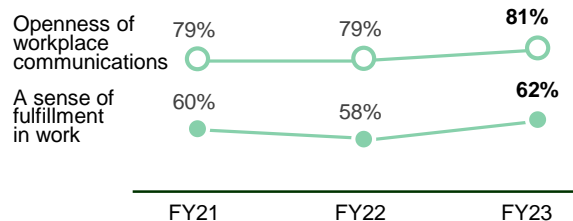
(Cumulative total since Apr. 2021; people)



## [5] Job fulfillment

- ◆ Increase opportunities offered to enable employees to share their ideas about the Purpose (⇒ p.36)
- ◆ Vitalize communications (e.g., interactions among younger employees and the use of in-house SNSs)

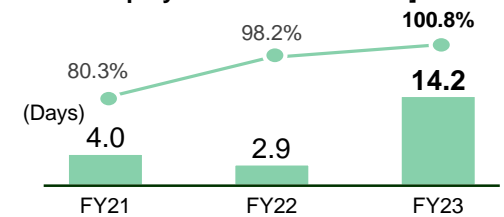
### [Moments in which employees in their 20s feel a sense of job fulfillment and their opinions regarding the openness of our corporate culture\*1]



## [6] Worker friendliness

- ◆ Promote health management (host walking events and training sessions)
- ◆ Step up assistance to employees striving to balance work and family duties (Revise the conventional system that grants special arrangements to employees engaged in child rearing or nursing care)

### [Number of days of paternity leave utilized by male employees / Utilization ratio]



\*1. Ratio of positive responses gathered in the course of awareness surveys

# Social (S): Entrenchment of the Purpose

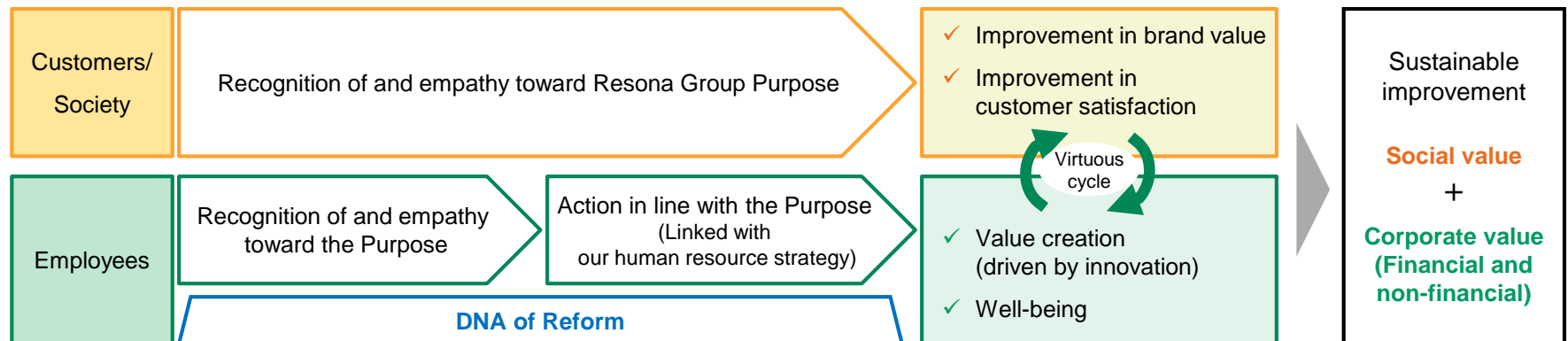
Accelerate the sustainable improvement of social and corporate value through the entrenchment of the Purpose

Resona Group  
Purpose

Beyond Finance, for a Brighter Future.

⇒ Resona Group's  
Conceptual Structure (p.77)

## A path toward sustainable improvement in value



### ■ Initiatives to ensure the entrenchment of the Purpose

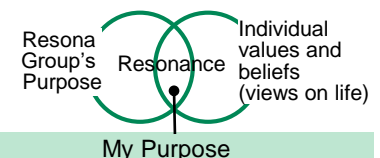
- Customers / Society
  - Gain public recognition of our corporate activities informed by the Purpose
  - TV commercials and web advertisements
- Employees
  - Implement training, prepare tools and content aimed at securing employee understanding
  - Dialogue between top management and employees, the enhancement of employee performance evaluation and commendation systems

### ■ Launch a “My Purpose” project that empowers 30,000 employees to establish their own Purposes

- Aim to enable all employees to establish their own versions of the Purpose\*1
  - Encourage each employee to autonomously practice the Purpose by hosting workshops and training sessions, etc.  
⇒ Improve employee engagement
- Well-Being indicator :  
70.0% in FY2023 (+0.7% year on year)  
⇒ Aim for further improvement



A “My Purpose” workshop



\*1. Individuals' desires regarding how they aim to contribute to society as a member of the Resona Group

# Social (S): Social Contribution and Regional Vitalization Initiatives

Implement initiatives that transcend the framework of finance in our market areas:  
Utilize the framework of an “advanced banking service company” under the Banking Act

Saitama  
Prefecture

Regional Design Laboratory of Saitama

Make Saitama Prefecture the most livable prefecture in Japan

## Overview of businesses

### □ Consulting on town development

- ✓ Addressing such social issues as the utilization of rivers and the management of public facilities

### □ “Hometown tax payment” for corporations

- ✓ Commissioned by more than one third of municipalities\*1 in Saitama to handle relevant operations

### □ Business incubation assistance

- ✓ Risona Koedo Terrace (formerly Kawagoe Branch: Registered Tangible Cultural Property of Japan)
  - Operate bases in Saitama to incubate businesses and attract public attention to local brands
  - Grand opening on Wednesday May 15, 2024 !



Kansai  
Region

Mirai Reenal Partners

Help regional communities create and communicate their attractiveness in order to vitalize the Kansai area's economy

## Overview of businesses

### □ Consulting based on the REENAL method

Incubation of  
new businesses

Visualization of  
business processes

### □ Assisting customers' digitalization and other DX efforts

### □ Cloud funding involving product purchases

- ✓ Warakado Hiroba
- ✓ Customers of KMB and MB put their products on cloud funding
- ✓ More than 2,300 people extended support to 61 projects



わらかとひろば  
Warakado Hiroba

(Examples of projects)



\*1. Commissioned by 24 local governments out of the prefectural government and 63 municipalities in Saitama (as of Apr. 30, 2024)

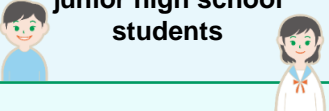

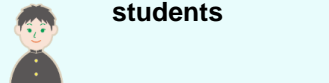

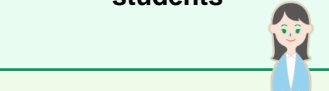

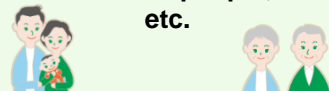



# Social (S): Helping Raise Financial Literacy

Promote financial and economic education tailored to meet needs in each age group in order to enhance our asset formation support functions

## Main initiatives

### ■ Initiatives that leverage strengths and resources we possess as a financial group

 <p>Elementary and junior high school students</p>	<ul style="list-style-type: none"> <li>● <b>Resona Group Kids' Money Academy (2005-)</b></li> <li>● <b>Resona Teens' Money Academy (2018-)</b></li> </ul> <p>We offer programs in which elementary school students can learn about such topics as the role of banks through quizzes and games developed by Group employees, as well as programs designed to enable junior high school students to gain financial literacy and learn how to wisely handle their money as well as how the economy works.</p>	
 <p>High school students</p>	<ul style="list-style-type: none"> <li>● <b>On-site lectures</b></li> </ul> <p>Implement programs designed to instill literacy related to life planning, asset formation and other topics to meet various needs of schools</p> <ul style="list-style-type: none"> <li>● <b>Economics Koshien</b></li> </ul> <p>Hosted regional tournaments for the "Economics Koshien" (high school championship), a quiz event in which young people from regions nationwide pit their knowledge of financial and economic topics against one another</p>	
 <p>University students</p>	<ul style="list-style-type: none"> <li>● <b>On-site lectures and coordinated lectures</b></li> </ul> <p>Provide lectures on the prevention of financial problems and the formation of assets while enabling students striving to become teachers to hold mock lectures, etc.</p> <ul style="list-style-type: none"> <li>● <b>Endowed lectures</b></li> </ul> <p>These lectures entail discussions not only of such topics as finance and regional economies but sustainability-related subjects</p>	
 <p>Businesspeople, etc.</p>	<ul style="list-style-type: none"> <li>● <b>Seminars held for the employees of corporate customers, such as business operators who entrust their pension assets to us</b></li> </ul> <p>Seminars designed to help audiences understand the necessity of and tips on asset formation</p> <ul style="list-style-type: none"> <li>● <b>Seminars aimed at enabling the elderly to defend themselves from special fraud</b></li> </ul> <p>Hold seminars in collaboration with police departments and local governments, etc., to prevent special fraud</p>	

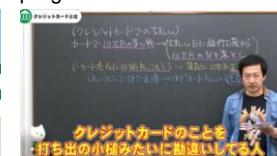
### ■ Disseminate information via SNSs and YouTube

### ■ Released a new educational video discussing financial and economic topics (Mar. 2024-)

- Accommodate customer needs (around 90% of questionnaire responses from customer households engaged in child rearing indicate their need for financial and economic education<sup>\*1</sup>)
- Video programs for junior and high school students were produced via tie-ups with popular lecturers at cram school Yoyogi Seminar

New

<A screenshot from the video program>



<sup>\*1</sup> Based on responses from 5,064 parents who are members of Resona Club (a point service program run by the Group) and raising children who are younger than university age

# G (Corporate Governance): Sophisticated Corporate Governance System

The first Japanese banking group which adopted a committee-based corporate governance structure in 2003 for management transparency and objectivity

## Board of Directors

### ■ Majority of the Board members are independent outside directors

[% of companies listed on TSE\*\*] 11.3%

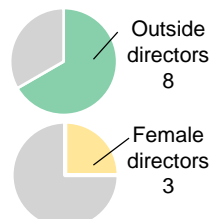
### ■ Ratio of female directors: 25%

[Avg. % of companies listed on TSE Prime\*2] 13.6%

### ■ Chairperson of the Board of Directors

Independent outside director appointed for chairperson from Jun. 2022

[% of companies listed on TSE Prime\*3] 3.6%



## Nominating Committee

## Compensation Committee

## Audit Committee

### ■ Independent outside directors only

- Introduced and operated succession plan from 2007
- Utilize outside consultants, etc. while involving members of the nominating committee

### ■ Independent outside directors only

- Revised the remuneration for directors and executive officers in 2023 and introduced "ESG indices" as evaluation criteria

### ■ Majority of independent outside directors

- Introduced double report line system in 2016

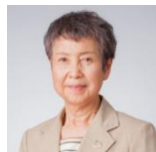
## Outside directors\*4



**Chiharu Baba**

Chairperson,  
Compensation  
Committee

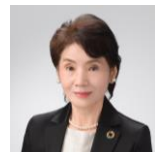
(Former Deputy President of Mizuho Trust & Banking)



**Kimie Iwata**

Chairperson,  
Nominating Committee

(Former Deputy Director-General Human Resource Development Bureau Ministry of Labor)  
(Former Director & Executive Vice President of Shiseido)



**Setsuko Egami**

Member, Nominating  
Committee  
Member, Compensation  
Committee

(Former Professor, Faculty of Sociology, Musashi University)



**Fumihiko Ike**

Chairperson of  
the Board of Directors

(Former Chairperson of Honda Motor)



**Sawako Nohara**

Member,  
Compensation  
Committee

President of IPSe Marketing



**Masaki Yamauchi**

Chairperson,  
Audit Committee  
Member,  
Nominating Committee

(Former Chairperson of Yamato Holdings)



**Katsuyuki Tanaka**

Member,  
Audit Committee

Attorney-at-law (Tokyo Seiwa Law Office)



**Ryuji Yasuda**

Member,  
Audit Committee

Management consultant (Former professor at Hitotsubashi University Graduate School)

## Internal directors\*4



**Masahiro Minami**

President and  
Representative  
Executive Officer  
and Group CEO



**Shigeki Ishida**

Deputy President  
and Executive Officer  
and Group CSO



**Mikio Noguchi**

Executive Officer  
Group CIO and  
Group CPRO



**Hisahiko Oikawa**

Member,  
Audit Committee

\*1. Tokyo Stock Exchange (Jul. 2023) \*2. Japan Research Institute (Oct. 2023) \*3. Dai-ichi Life Research Institute (Oct. 2022)

\*4. Nominees for directors at the 23th Ordinary General Meeting of Shareholders to be held in Jun. 2024



# G (Corporate Governance): Roles, Skills, and Expertise Required to Directors

Strengthening supervisory and decision-making functions  
through active discussions at Board of Directors meetings, which are rich in diversity

- The skills (experience / knowledge) especially expected of nominees for directors are defined as follows.  
Candidates were discussed and decided by the nominating committee.

		Organizational management	Legal Compliance Risk management	Finance Accounting	Priority field for the "Retail No. 1" Financial Services Group			
					IT Digital	Sustainability	Diversity & Inclusion	Global
Masahiro Minami		●	●	●	●	●	●	●
Shigeki Ishida			●					
Mikio Noguchi					●			
Hisahiko Oikawa			●					
Chiharu Baba	Outside directors	●	●	●				●
Kimie Iwata	Outside directors	●				●	●	
Setsuko Egami	Outside directors		●			●	●	
Fumihiko Ike	Outside directors	●	●		●			●
Sawako Nohara	Outside directors		●		●		●	
Masaki Yamauchi	Outside directors	●				●		
Katsuyuki Tanaka	Outside directors		●					
Ryuji Yasuda	Outside directors		●	●				●

# G (Corporate Governance): Initiatives for Corporate Governance Evolution

## Our initiatives to improve the effectiveness of the Board of Directors' operations

### Outside directors' meetings

- ✓ Outside directors conducted meetings on evaluation of the Board of Directors. Actively discussed to further improve the effectiveness of the Board of Directors.

### Free discussion sessions

- ✓ Utilize input from outside directors into such key activities as strategies in a timely manner
- ✓ In FY2023, we regularly held free discussion sessions focused primarily on following up on the newly launched MMP, with the aim of taking an "offensive governance" approach.

### Onsite tours

- ✓ Facilitate understanding of the Resona Group's business operations
- ✓ Held joint tours of RB's branches (in Tokyo) and Osaka Head Office in November and December 2023, respectively, with the inclusion of RB's outside directors into participants

## Succession Plan (introduced in Jun. 2007)

- Our mechanism for ensuring the succession of roles and responsibilities to be borne by executive officers
- The scope of the plan covers various candidates for HD and group banks, ranging from those who are presidents to those who are new candidates for executive officers
- Candidates are classified by job rank and systematically undergo selection and training programs

### Selection process

- Advice from external consultants
- Nominating Committee members attend each program
- Secure a structure for transparent and fair selection

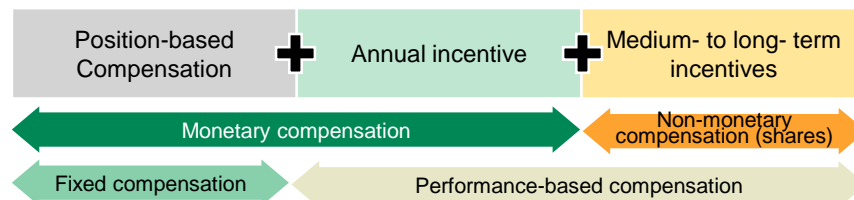
### Training process

Nurture individuals who embody Resona's distinctive strength

Ideal traits of executive officer candidates

## Remuneration for directors and executive officers

### ■ Compensation system for executive officers



### Annual incentive

#### Annually examine the status of specific key indices in terms of consistency with MMP targets

#### Financial performance assessments

Net income attributable to owners of parent

Consolidated core income

#### Non-financial performance assessments

Assessed based on annual corporate achievements relative to Long-Term Sustainability Targets

#### Individual achievements

Medium- to long-term targets

Annual targets

Initiatives to foster and spread a risk culture

### Medium-to long-term incentives

- ✓ Enhance linkage with shareholder value
- ✓ Encourage efforts employing medium- to long-term perspectives to improve corporate value
- ✓ Scores granted by ESG evaluation agencies are adopted as ESG indices, with the aim of securing objectivity

Consolidated ROE (Based on shareholders' equity)

Relative TSR (Relative to peers in the banking industry)

ESG indices

#### "Board Benefit Trust"

- ✓ Utilize a trust scheme
- ✓ Grant shares
- ✓ Enhance linkage with performance

# ESG-Based Recognitions and Initiatives

## Status of inclusion into ESG-based stock indices\*1

[ESG indexes selected by GPIF (domestic stock)]

Aim to be included in all indices below during the current MMP period



FTSE Blossom  
Japan



FTSE Blossom  
Japan Sector  
Relative Index

2024 CONSTITUENT MSCI NIHONKABU  
ESG SELECT LEADERS INDEX



2024 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)



FTSE4Good

2024 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX



## ESG-related external evaluations

### MSCI

(Seven-grade system  
from AAA to CCC)

**A**

### FTSE

(Full score is set at 5)

**3.5**

### MSCI (WIN)

(Full score is set at 10)

**7.7**

### S&P

(Decile ranking system)

**7**

(Carbon Efficient Index)

## Our support for ESG-related initiatives at home and abroad



\*1. Please refer to our corporate website for details⇒ <https://www.resona-gr.co.jp/holdings/english/sustainability/award/index.html>

# Communications with Shareholders and Investors

Promote constructive stakeholder dialogue to sustainably improve our social and corporate value

## Results of dialogues held in FY2023

General Meeting of Shareholders	For institutional investors and analysts				Presentation meetings for individual investors
	ZOOM webinars discussing financial results	Investor relations meetings	IR meetings focused on specific themes*1	Individual interviews	
Around 400 attendees (including viewers of livestreaming)	Four	Two	Two	Around 240	Six
CEO, CFO, etc.	CFO	CEO, CFO	Three outside directors and officers in charge of relevant departments	Of these, meetings hosted by the CEO: Around 50	Of these, meetings hosted by the CEO: Two

## Feedback to management

- Periodic reports are furnished to the Board of Directors and the Executive Committee
- Deliver feedback to management on an as necessary basis without limiting methods when subjects are considered to require timely sharing

### An example of items taken up for in-depth internal discussions in response to opinions from shareholders and investors

- Provide the small meeting hosted by outside directors
- Improve the content of IR materials (e.g., disclosure of ROE based on the TSE's standard)
- Accelerate the pace of divesting policy-oriented stock holdings
- Methods for shareholder returns, etc.

The small meeting hosted by outside directors



## Resona WAY (Resona Group Corporate Promises)

### Customers

Resona cherishes relationships with customers.

### Shareholders

Resona cherishes relationships with shareholders.

### Society

Resona places importance on its ties with society.

### Employees

Resona highly regards employees' dignity and personality.

\*1. Including the implementation in Apr. 2024

## **Reference Material (Financial Highlights)**

# Breakdown of Financial Results for FY2023

(JPY bn)	Resona Holdings (Consolidated)		Total of group banks		Resona Bank								Difference (a)-(c)	
	(a)	YoY (b)	(c)	YoY (d)	Resona Bank (e)	YoY (f)	Saitama Resona Bank (g)	YoY (h)	Kansai Mrai Bank (i)	YoY (j)	Minato Bank (k)	YoY (l)		
Gross operating profit	(1)	627.4	+27.4	567.2	+23.0	326.8	+16.9	108.8	+1.1	89.6	+2.1	41.8	+2.7	60.2
Net interest income	(2)	421.6	+2.3	412.6	(0.3)	218.0	(6.6)	83.3	+1.6	77.5	+2.1	33.6	+2.5	9.0
NII from domestic loans and deposits	(3)	332.1	(2.0)	332.1	(2.0)	172.8	(0.5)	65.7	(1.0)	67.8	(0.7)	25.7	+0.3	
Interest on yen bonds, etc.	(4)	30.9	+5.4	30.9	+5.4	18.1	+0.7	8.0	+3.3	2.5	+0.2	2.2	+1.0	
Net gains on cancellation of investment trusts *1	(5)	3.1	+2.9	3.1	+2.8	1.1	+1.1	0.1	+0.1	1.5	+1.2	0.2	+0.2	—
Interest on borrowings from trust account	(6)	(4.2)	(2.5)	(4.2)	(2.5)	(4.2)	(2.5)							
Fee income	(7)	213.5	+4.8	164.6	+3.9	110.6	+5.1	30.4	+0.0	13.2	(1.6)	10.1	+0.4	48.9
Fee income ratio	(8)	34.0%	(0.7)%	29.0%	(0.4)%	33.8%	(0.1)%	28.0%	(0.2)%	14.8%	(2.2)%	24.2%	(0.5)%	
Trust fees	(9)	25.4	+3.8	25.4	+3.7	25.3	+3.7	0.0	(0.0)	0.0	+0.0	—	—	(0.0)
Joint management designated money trust	(10)	4.4	+2.4	4.4	+2.4	4.4	+2.4							
Fees and commission income	(11)	188.1	+1.0	139.1	+0.2	85.3	+1.4	30.4	+0.0	13.2	(1.6)	10.1	+0.4	48.9
Other operating income	(12)	(7.7)	+20.1	(9.9)	+19.3	(1.8)	+18.4	(4.9)	(0.5)	(1.1)	+1.7	(1.9)	(0.2)	2.1
Net gains on bonds (including futures) *1	(13)	(26.4)	+21.3	(26.4)	+21.3	(14.5)	+19.3	(7.0)	+0.0	(2.5)	+2.0	(2.2)	(0.1)	0.0
Operating expenses (excluding group banks' non-recurring items)	(14)	(416.5)	(11.8)	(384.8)	(8.0)	(212.0)	(5.7)	(76.0)	(2.5)	*2 (64.3)	+1.3	(32.3)	(0.9)	(31.7)
Cost income ratio (OHR)	(15)	66.3%	(1.0)%	67.8%	(1.3)%	64.8%	(1.6)%	69.8%	+1.6%	71.7%	(3.2)%	77.4%	(3.0)%	
Actual net operating profit	(16)	211.3	+15.6	182.4	+15.0	114.7	+11.2	32.8	(1.4)	25.3	+3.4	9.4	+1.8	28.9
Core income	(17)	160.0	(3.5)	142.8	(0.5)	89.5	(0.3)	28.2	(0.2)	19.3	(0.8)	5.7	+0.9	17.2
Core income (actual basis)	(18)	158.7	(4.8)	140.3	(3.0)	87.0	(2.8)	28.2	(0.2)	19.3	(0.8)	5.7	+0.9	18.4
Core net operating profit (excluding gains on cancellation of investment trusts) *3	(19)			209.4	(4.3)	130.7	(7.3)	40.8	+1.1	26.3	+0.0	11.5	+1.8	
Net gains on stocks (including equity derivatives)	(20)	60.1	+6.2	60.6	+6.3	45.4	(0.1)	14.1	+7.4	0.2	(1.2)	0.7	+0.2	(0.4)
Credit costs	(21)	(35.6)	(19.7)	(29.6)	(14.5)	(19.9)	(10.3)	(3.7)	(1.6)	(4.3)	(3.8)	(1.6)	+1.3	(6.0)
Other gains, net	(22)	(12.9)	(4.1)	(12.4)	(3.8)	(5.4)	(1.1)	(3.9)	(2.4)	(2.3)	+0.2	(0.6)	(0.4)	(0.4)
Net income before income taxes	(23)	223.0	(2.0)	200.9	+2.9	134.8	(0.4)	39.2	+1.9	18.9	(1.4)	7.9	+2.9	22.0
Income taxes and other	(24)	(64.6)	(1.3)	(57.3)	(0.9)	(38.9)	(0.4)	(11.5)	(0.1)	(3.5)	+1.6	(3.3)	(1.9)	
Net income attributable to non-controlling interests	(25)	0.6	+1.9											
Net income (attributable to owners of parent)	(26)	158.9	(1.4)	143.6	+2.0	95.9	(0.8)	27.7	+1.7	15.3	+0.1	4.6	+0.9	

\*1. Losses on cancellation of investment trusts are posted in the net gains on bonds since net of the losses and dividends from investment trusts become negative  
FY22 (RB/SR): Losses on cancellation of investment trusts: JPY(3.2) bn, dividends from investment trusts: + JPY1.7 bn → net amount: JPY(1.4) bn

\*2. Exclude goodwill amortization by KMB, JPY(0.7) bn, related to acquisition of former Biwako Bank

\*3. Actual net operating profit - Gains on cancellation of investment trusts - Net gains on bonds

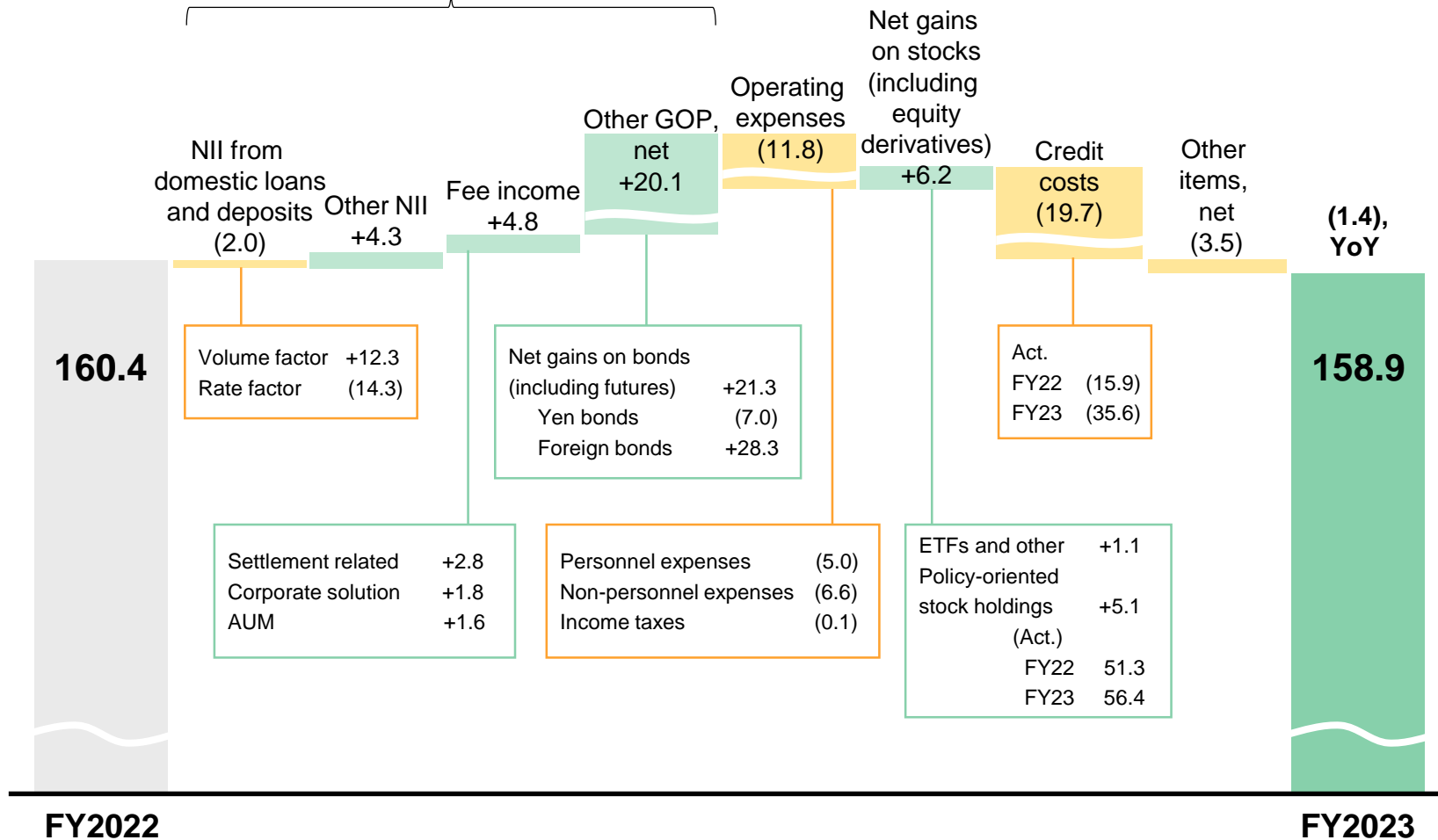
# Factors for the Changes in Net Income Attributable to Owners of Parent (YoY Comparison)

HD  
Consolidated

(JPY bn)

Actual net operating profit +15.6

Gross operating profit +27.4



# Trend of Loans and Deposits (Domestic Account)

Total of  
Group Banks

## Average loan / deposit balance, rates and spread

### FY23 (YoY)

[Excluding loans to the Japanese gov. and others]

Average loan balance : +3.08%, Loan rate : (3) bps

=> FY24 (Plan) +4.23% +0 bps

### Growth in corporate loan balance gained greater momentum, while net interest income made turnaround (FY24 +4bps, YoY)

Avg. bal. (YoY change) : FY22 +2.1% => FY23 +4.1% => FY24 +6.4%

( Avg. bal. : Trillion Yen Income/Cost : Billion Yen )		FY2023		FY2024	
		Act. (a)	YoY <sup>3</sup> (b)	Plan (c)	YoY <sup>3</sup> (d)
Loans	Avg. bal. (1)	41.29	+3.74%	41.30	+0.01%
	Rate (2)	0.81%	(0.03)%	0.85%	+0.04%
	Income (3)	334.9	(2.5)	351.6	+16.7
Corporate banking business unit <sup>1</sup>	Avg. bal. (4)	22.81	+2.99%	24.02	+5.30%
	Rate (5)	0.79%	(0.02)%	0.82%	+0.03%
Corporate Loan	Avg. bal. (6)	19.67	+4.14%	20.95	+6.48%
	Rate (7)	0.75%	(0.01)%	0.79%	+0.04%
Personal banking business unit <sup>2</sup>	Avg. bal. (8)	14.23	+1.16%	14.49	+1.82%
	Rate (9)	1.03%	(0.03)%	1.00%	(0.03)%
Deposits (Including NCDs)	Avg. bal. (10)	62.39	+2.20%	63.94	+2.48%
	Rate (11)	0.00%	(0.00)%	0.01%	+0.01%
	Cost (12)	(2.7)	+0.5	(11.3)	(8.5)
Loan-to-deposit	Spread (13)	0.80%	(0.03)%	0.83%	+0.02%
	Net interest income (14)	332.1	(2.0)	340.3	+8.1

\*1. Corporate loans (excluding loans to HD) + apartment loans, Figures are for internal administration purpose

\*2. Residential housing loans + other consumer loans, Figures are for internal administration purpose \*3. Average balance : rate of change

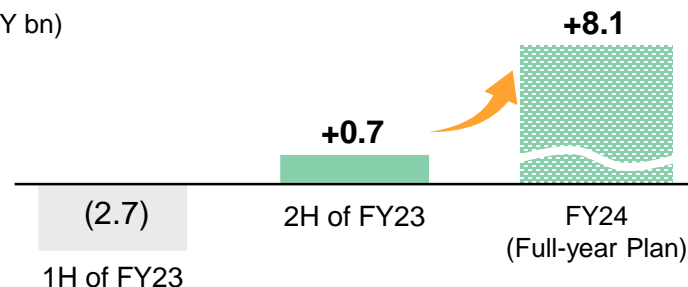
\*4. Corporate banking business unit (excluding apartment loans) + public corporation, etc.

## Net interest income from domestic loans and deposits

- NII from domestic loans and deposits began to grow, achieving a turnaround in 2H of FY23; plans call for expanding NII from these operations by +JPY8.1 bn in FY24

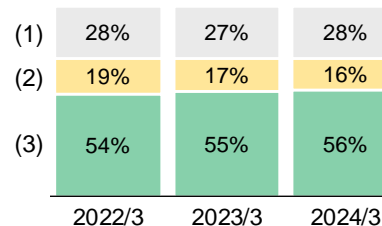
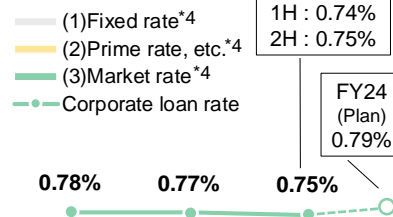
[Trends in NII from domestic loans and deposits (YoY change) ]

(JPY bn)

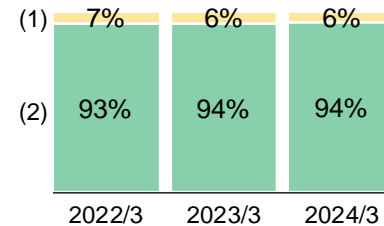
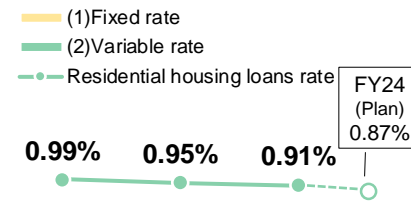


## Loan rate on a stock basis and composition by interest rate type

### [Corporate loan]



### [Residential housing loan]



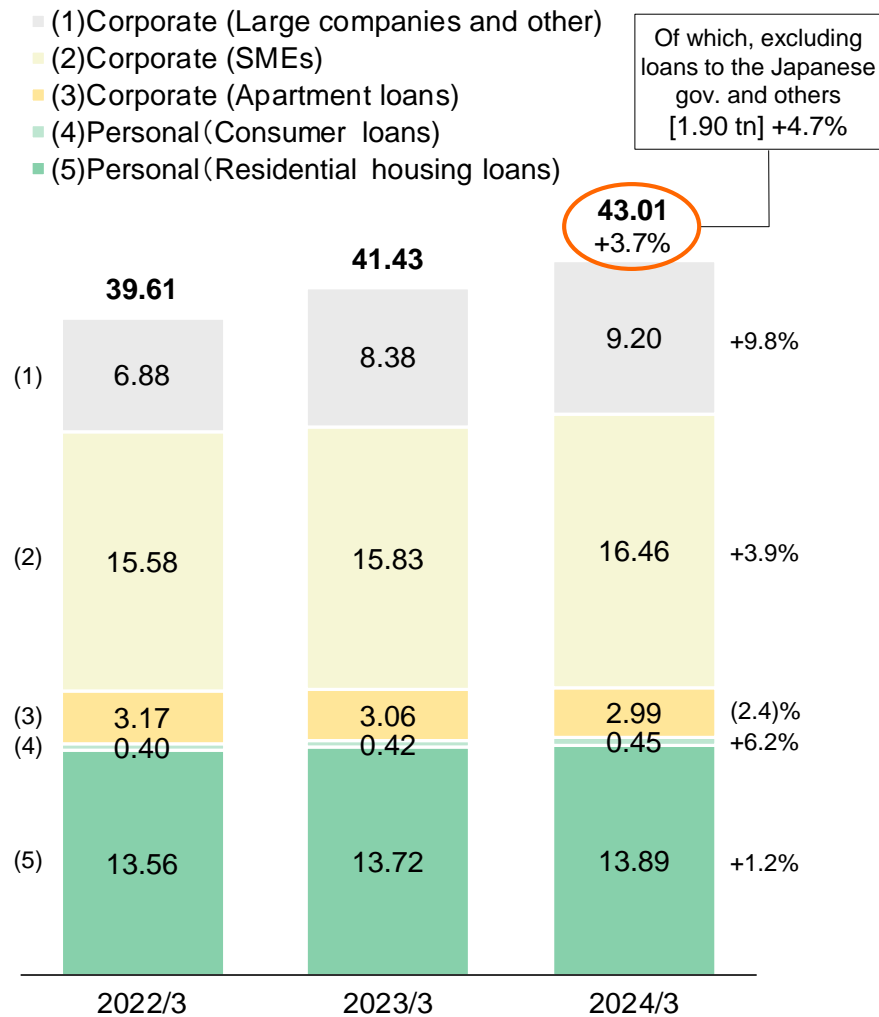


# Term-end Balance of Loans and Deposits

Total of  
Group Banks

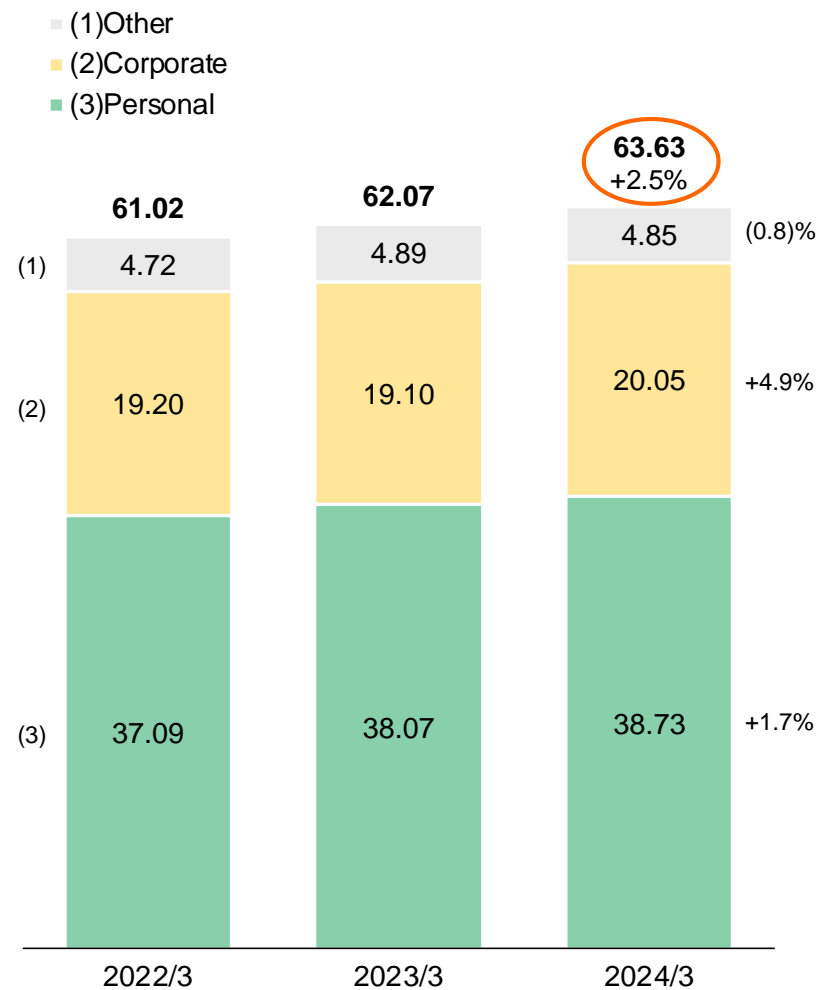
## Term-end loan balance

[ JPY tn, % represents YoY change ]



## Term-end deposit balance

[ JPY tn, % represents YoY change ]

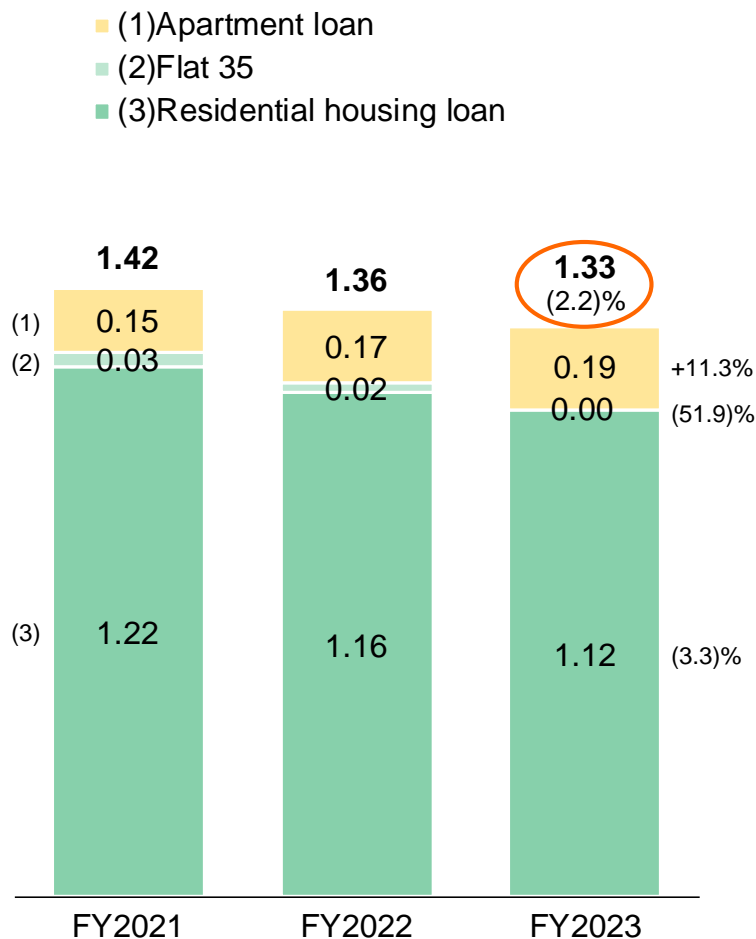


# Housing Loan Business

Total of  
Group Banks

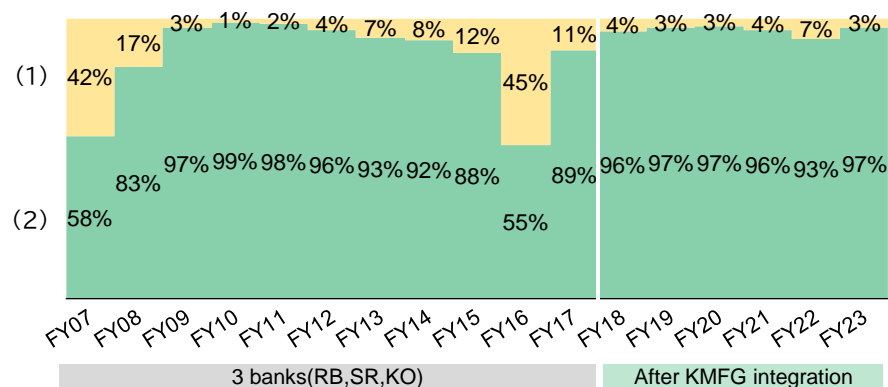
## New housing loan origination

[ JPY tn, % represents YoY change ]



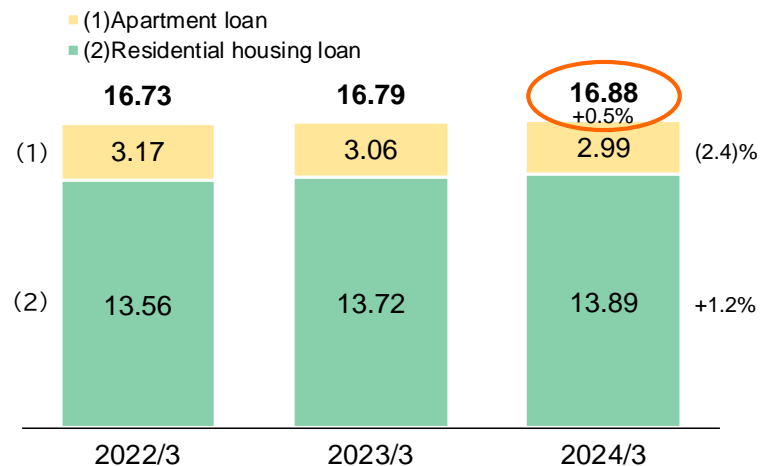
## Composition of newly originated residential housing loans by interest rate type

- (1) Share of fixed rate residential housing loans  
 (2) Share of variable rate residential housing loans



## Term-end housing loan balance

[ JPY tn, % represents YoY change ]



# Fee Income

HD  
Consolidated

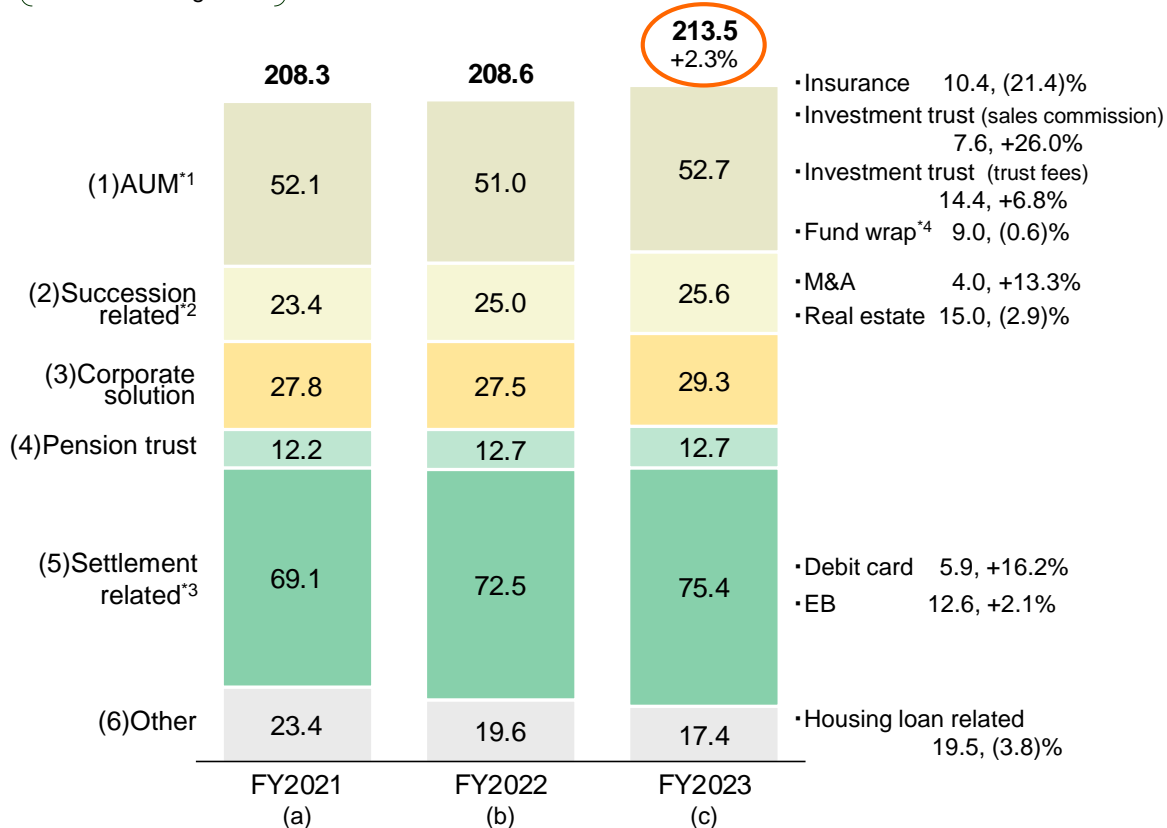
## ■ Significant increase in 2H of FY23

1H of FY23 : JPY105.8 bn (down JPY2.9 bn, or 2.7%, YoY) ⇒ 2H of FY23 : JPY107.6 bn (up JPY7.8 bn, or 7.8%, YoY)

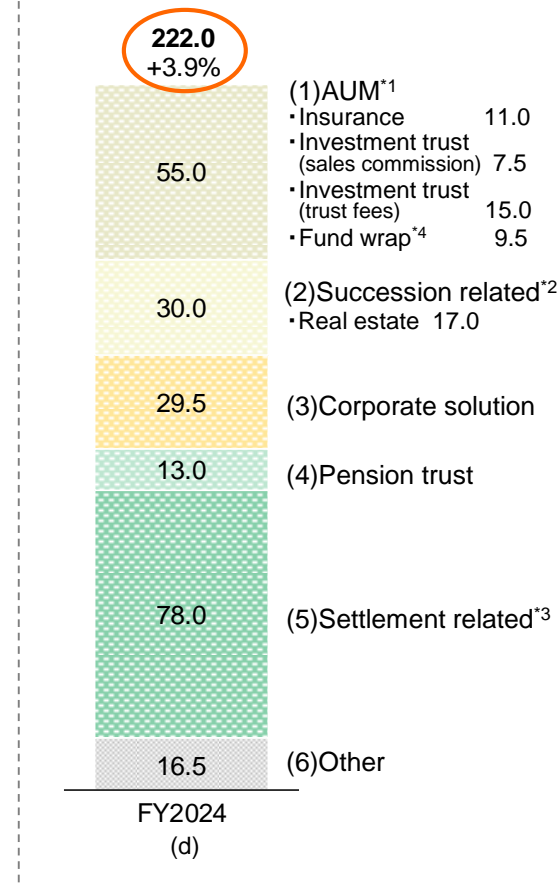
## ■ Increased driven by growth in settlement related (up JPY2.8 bn, or 3.9%, YoY) , corporate solution (up JPY1.8 bn, or 6.6%, YoY), etc.

Will achieve even stronger results in FY24 after accomplishing a fourth consecutive year of annual growth in profit, hitting a historic high

[JPY bn, % represents  
YoY change]



[Plans]



\*1. Insurance and investment trust (sales commission/ trust fees), fund wrap, securities trust and fee income earned by Resona Asset Management related trust, real estate and M&A income \*3. Fees and commission from domestic exchange, account transfer, EB, debit card, etc. and fee income earned by Resona Kessai Service and Resona Card \*4. Including fee income earned by Resona Asset Management

\*2. Asset and business succession

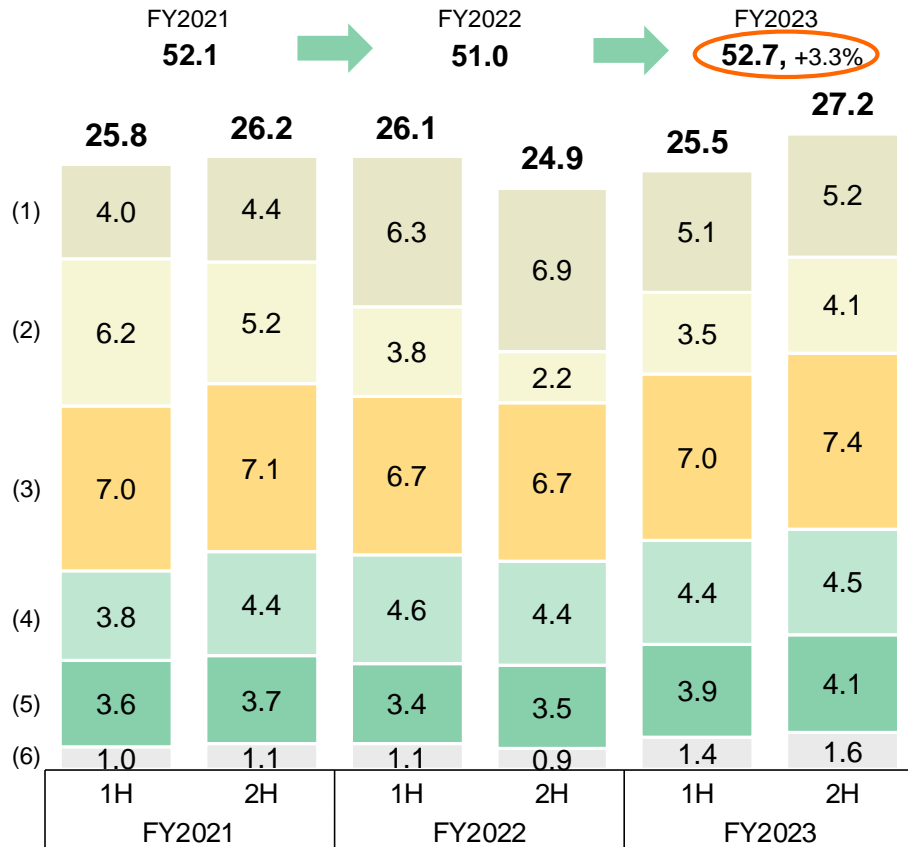
# Major Fee Businesses(1) (AUM)

HD  
Consolidated

## AUM income

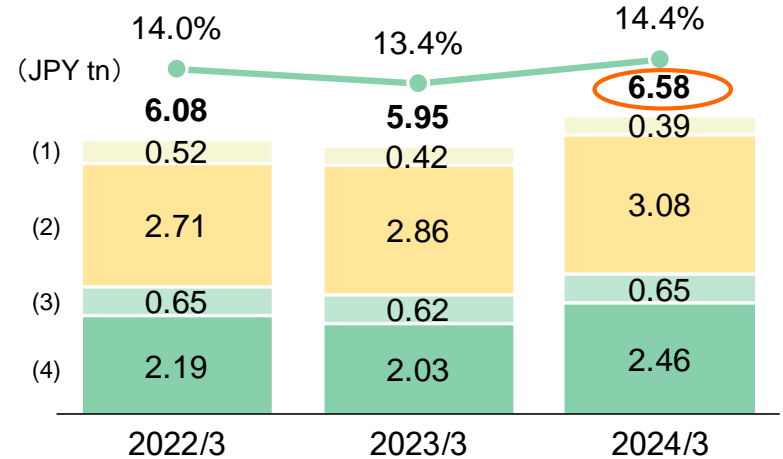
- (1) Insurance
- (2) Investment trust (sales commission)
- (3) Investment trust (trust fees)
- (4) Fund wrap
- (5) Resona Asset Management
- (6) Securities trust

(JPY bn)



## Balance of asset formation support products sold to individuals

- (1) Foreign currency deposits, Public bonds, etc.
- (2) Insurance
- (3) Fund wrap \*1
- (4) Investment trusts \*1
- Asset formation support product ratio \*2



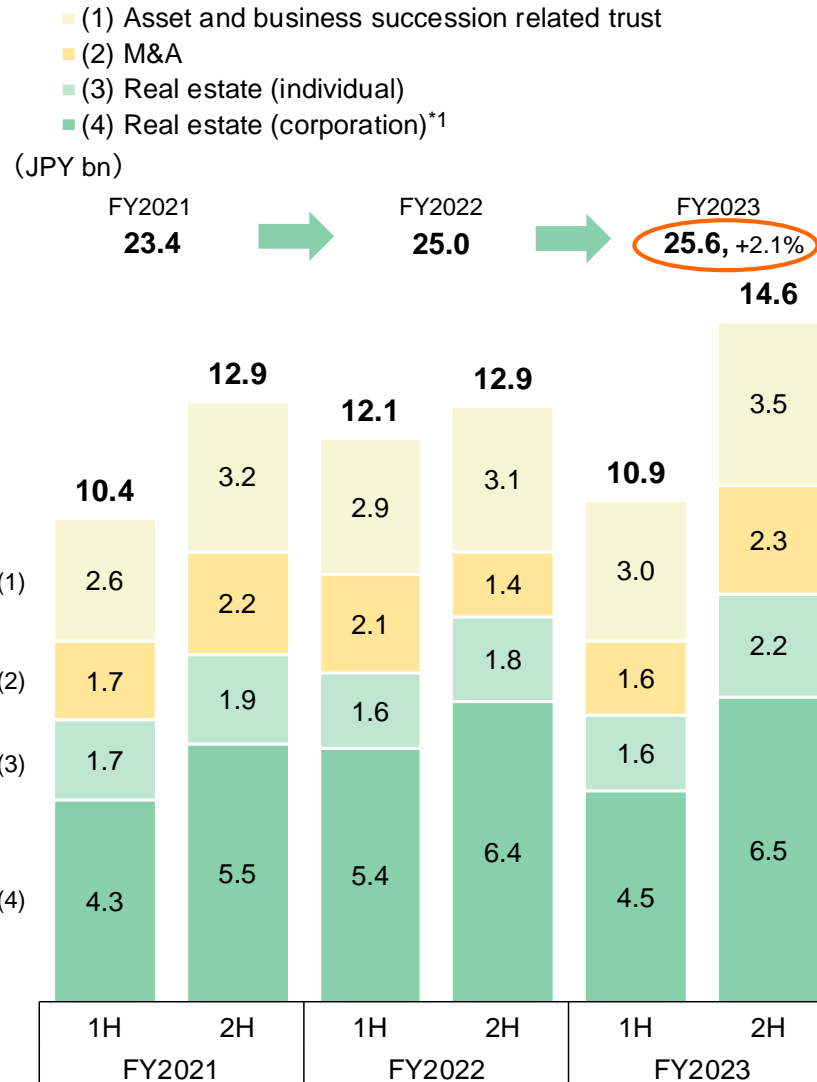
- **Balance of fund wrap\*1,3: Mar. 24 JPY800.3 bn, +7.5%, YoY**  
Of which, external group JPY90.8 bn
- **Change in balance of investment trust and fund wrap : FY23 Approx. +JPY440.0 bn**
  - Net inflow (new purchase – withdrawal and redemption):  
Approx. JPY(41.0) bn
- **Number of individual customers having investment trust, fund wrap and insurance products : Mar. 24 1,000 thousands, +22 thousands, YoY**
  - Of which, NISA account holders\*4: 436 thousands, +9.9%, YoY\*5
- **iDeCo participants\*6: Mar. 24 190 thousands, +11.1%, YoY**
- **Securities trust (total assets in custody) : Mar. 24 JPY47.5 tn**

\*1. Based on market value \*2. Balance of asset formation support products sold to individuals / (balance of asset formation support products sold to individuals and yen deposits held by individuals) \*3. Including corporation and external group \*4. NISA, Junior NISA, Cumulative NISA \*5. After adjusting for the impact of the review of aggregation standards from the end of March 2024 \*6. iDeCo participants + members giving investment instructions

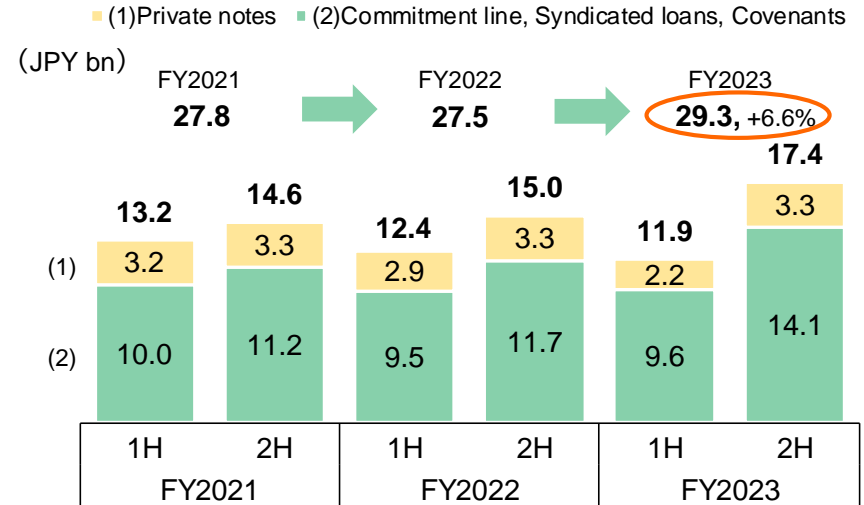
# Major Fee Businesses(2) (Succession, Corporate Solution, Pension Trust)

HD  
Consolidated

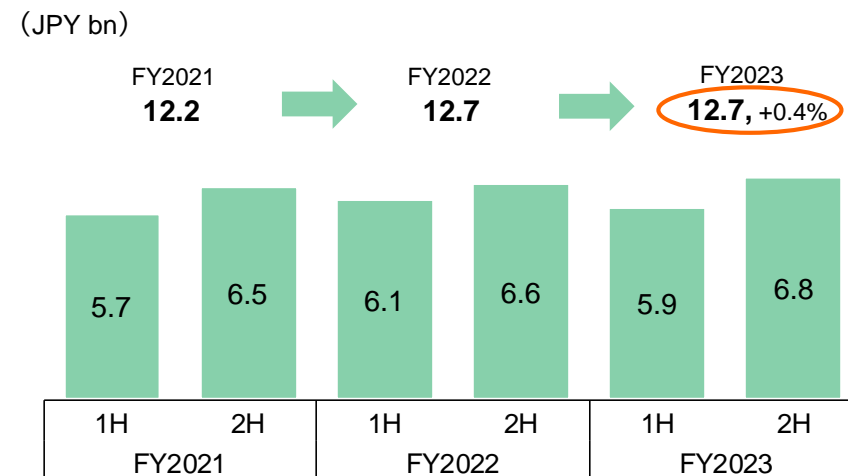
## Succession related income



## Corporate solutions business income



## Pension trust income



\*1. Excluding gains from investments in real estate funds

## Credit costs

- Increasing in FY23 was mainly attributable to (i) the absence of reversal gains (recorded in connection with the upgrading of major clients in FY22) and (ii) the additional recording of allowance for future risks associated with overseas subsidiaries

(JPY bn)	FY2021	FY2022	FY2023	FY2024 Plan
	(a)	(b)	(c)	(d)
HD consolidated (1)	(58.7)	(15.9)	(35.6)	(40.0)

Total of group banks (2)	(61.2)	(15.0)	(29.6)	(36.5)
General reserve (3)	(7.2)	(3.1)	(1.4)	
Specific reserve and other items (4)	(53.9)	(11.9)	(28.1)	
New bankruptcy, downward migration (5)	(66.0)	(45.2)	(40.8)	
Collection/upward migration (6)	12.0	33.2	12.7	

Difference (1) - (2) (7)	2.4	(0.8)	(6.0)	(3.5)
HL guarantee subsidiaries (8)	6.5	1.4	2.5	
Resona Card (9)	(1.4)	(1.7)	(2.0)	

<Credit cost ratio>

		(bps)
HD consolidated* <sup>1</sup> (10)	(14.8)	(3.9)
Total of group banks* <sup>2</sup> (11)	(15.1)	(3.6)

(Note) Positive figures represent reversal gains

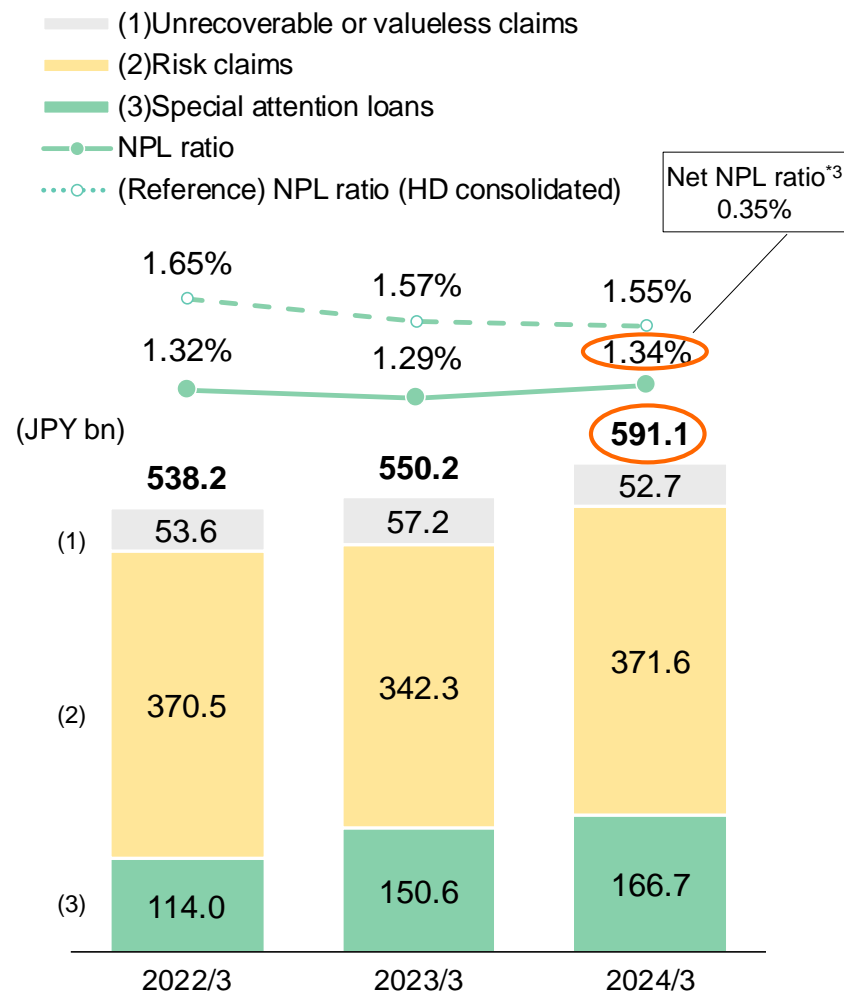
\*1. Credit costs / (Loans and bills discounted + acceptances and guarantees), (Simple average of the balances at the beginning and end of the term)

\*2. Credit costs / total credits defined under the Financial Reconstruction Act, (Simple average of the balances at the beginning and end of the term)

\*3. Net of collateral, guarantees and loan loss reserves

## NPL balance and ratio (Total of group banks)

(Financial Reconstruction Act criteria)



## Securities portfolio\*1

(JPY bn, before hedging)	2022/3	2023/3	2024/3	Net unrealized gains
	(a)	(b)	(c)	(d)
Available-for-sale securities (1)	4,159.5	3,886.8	3,948.8	663.3
Stocks (2)	305.9	283.8	261.6	768.7
Bonds (3)	2,940.1	2,400.2	2,215.8	(65.8)
JGBs (4)	1,137.3	645.3	539.3	(39.7)
Average duration (years) (5)	9.3	12.8	11.9	—
Basis point value (BPV) (6)	(1.15)	(0.78)	(0.60)	—
Local government and corporate bonds (7)	1,802.8	1,754.9	1,676.4	(26.0)
Other (8)	913.3	1,202.6	1,471.4	(39.5)
Foreign bonds (9)	562.5	721.5	1,002.1	(38.0)
Average duration (years) (10)	6.2	5.8	5.5	—
Basis point value (BPV) (11)	(0.26)	(0.30)	(0.41)	—
Investment trusts (Domestic) (12)	346.8	474.1	466.9	(3.0)
(Net unrealized gains) (13)	521.2	472.9	663.3	
Bonds held to maturity (14)	2,934.7	3,899.0	4,609.2	(164.7)
JGBs (15)	1,856.1	2,278.2	2,737.0	(130.9)

### ■ JGBs (available for sale securities, c-5 and 6, d-4) after hedging in 2024/3

Average duration: 9.2 year, BPV: JPY(0.24) bn, Net unrealized gains: JPY(29.2) bn  
(Foreign bonds are partially hedged by domestic investment trusts (bear fund) and other)

\*1. Acquisition cost basis. The presented figures include marketable securities only

\*2. Policy-oriented stocks are classified into (i) policy investment stocks and (ii) strategic investment stocks, according to the purpose of holding. Of these, (i) policy investment stocks are targeted for reduction of the balance. All listed shares held by group banks are (i) policy investment stocks

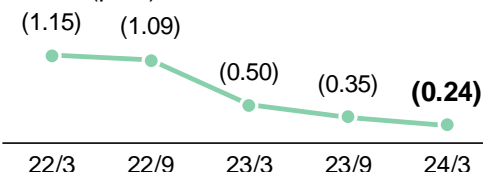
## Secure flexibility to develop our future interest income portfolio

- Divest low-margin foreign and yen bonds that have been hedged  
⇒ Reduce negative spread risks and future hedging costs, improve unrealized losses
- Yields in foreign bonds improved due to new investment
- Expand our interest income position in line with changes in the environment to constantly increase interest income from yen bonds, etc.

➢ Interest on yen bonds, etc. : FY23 JPY30.9 bn, +JPY5.4 bn, YoY  
⇒ FY24 (plan) JPY35.5 bn, +JPY4.6 bn, YoY

[BPV of JGBs (available-for-sale securities) after hedging]

(JPY bn)



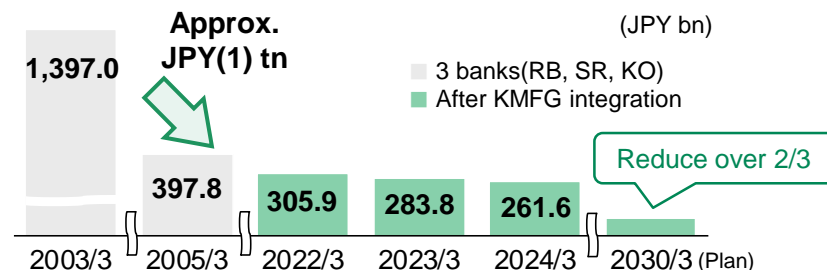
## Status of policy-oriented stock holdings\*2

### ■ FY23 (Act.)

Balance of listed stocks disposed (acquisition cost basis) : JPY22.2 bn,  
Net gain on sale: JPY57.0 bn (HD consolidated: JPY56.5 bn)

- The previous plan aimed for a reduction of JPY44.2 bn over two years (an achievement rate of 55%, in excess of the annual average target)

⇒ Conclude the previous plan two years ahead of schedule and launch a new six-year plan starting from FY24



# Capital Adequacy Ratio

- CET1 ratio (International standard, the full enforcement of the finalized Basel 3, excluding net unrealized gains on available-for-sale securities) as of Mar. 31, 2024 was 9.90%
- The finalized Basel 3 was applied from the end of March 2024

## Capital adequacy ratio

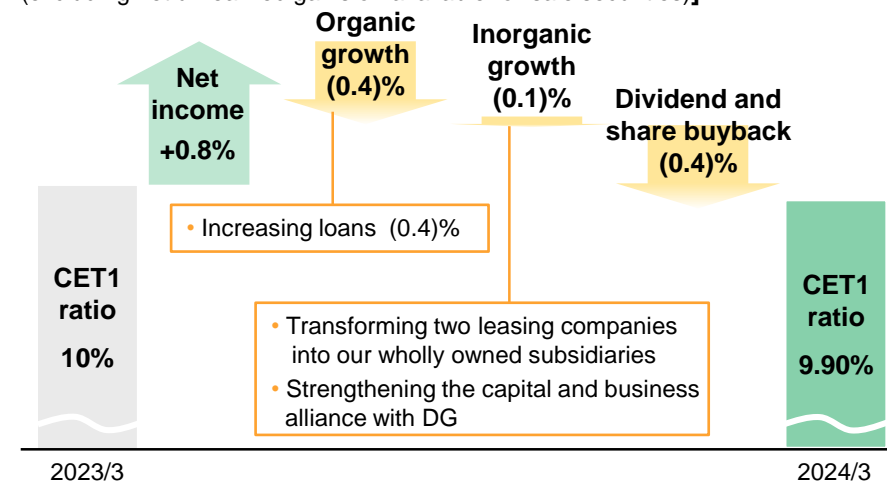
		2024/3	YoY <sup>*1</sup>
<b>CET1 ratio (International std.)</b> (Excluding net unrealized gains on available-for-sale securities)	<b>Full enforcement (1)</b>	<b>9.90%</b>	<b>(0.1)%</b>
(Reference)	Full enforcement (2)	12.10%	
CET1 ratio (International std.)	Transitional arrangements (3)	15.38%	
(Reference)	Full enforcement (4)	10.34%	
CAR (Domestic std.)	Transitional arrangements (5)	12.85%	

### [International standard, the full enforcement]

( JPY bn )		2024/3	YoY <sup>*1</sup>
<b>Common Equity Tier1 capital</b>	<b>(6)</b>	<b>2,639.2</b>	<b>+226.0</b>
Stockholders' equity	(7)	2,199.6	+84.2
Net unrealized gains on available-for-sale securities	(8)	480.5	+137.9
Regulatory adjustments	(9)	(99.8)	(18.0)
<b>Risk weighted assets (full enforcement)<sup>*2</sup></b>	<b>(10)</b>	<b>21,802.6</b>	<b>+1,226.1</b>
Credit risk weighted assets	(11)	17,279.4	
Market risk	(12)	266.9	
Operational risk	(13)	863.1	
Floor adjustment	(14)	3,393.1	

## Factors for changes in CET1 ratio

[International standard, the full enforcement  
(excluding net unrealized gains on available-for-sale securities)]



- Changes in Common Equity Tier1 capital (JPY bn)
  - Stockholders' equity +84.2
    - Net income attributable to owners of parent +158.9
    - Share buyback (completed in Jun. and Dec. 2023) (25.0)
    - Dividends distributed (50.9)
- Changes in risk weighted assets
  - Increasing loans +976.2
  - Related to the above inorganic growth +198.3

\*1. Comparison with trial calculation based on the finalization of Basel 3 as of the end of March 2023

\*2. Including risk weighted assets equivalent to market value of policy-oriented stock holdings



# Earnings Targets for FY2024

HD Consolidated  
Total of Group Banks

## HD consolidated

(JPY bn)		Full-year	YoY change
Net income attributable to owners of parent	(1)	165.0	+6.1
Difference	(2)	16.0	+0.7
Core income (actual basis) <sup>*1</sup>	(3)	160.0	+1.3

## DPS

		DPS	YoY change
Full-year dividend (forecast)	(4)	23.0 yen	+1.0 yen
Interim dividend	(5)	11.5 yen	+0.5 yen

## Total of group banks / Each group bank (non-consolidated basis)

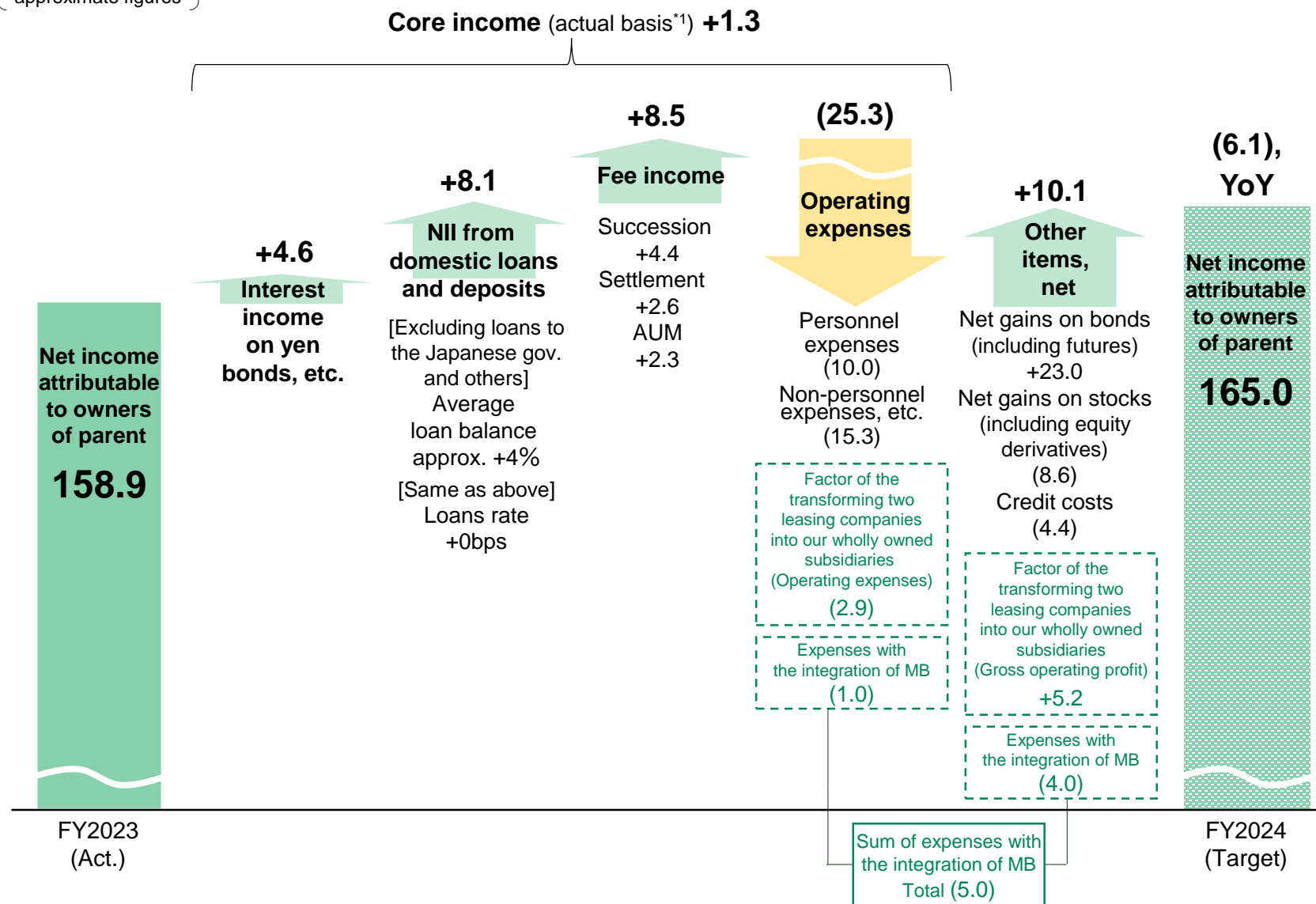
(JPY bn)		Total of group banks		RB		SR		KMB		MB	
		Full-year	YoY change	Full-year	YoY change	Full-year	YoY change	Full-year	YoY change	Full-year	YoY change
Gross operating profit	(6)	608.0	+40.8	352.0	+25.2	118.0	+9.2	94.0	+4.4	44.0	+2.2
Operating expenses	(7)	(406.0)	(21.2)	(228.5)	(16.5)	(79.0)	(3.0)	(64.0)	+0.3	(34.5)	(2.2)
Actual net operating profit	(8)	202.0	+19.6	123.5	+8.8	39.0	+6.2	30.0	+4.7	9.5	+0.1
Net gains on stocks (including equity derivatives)	(9)	51.5	(9.1)	43.0	(2.4)	6.5	(7.6)	0.5	+0.3	1.5	+0.8
Credit costs	(10)	(36.5)	(6.9)	(24.0)	(4.1)	(6.0)	(2.3)	(3.5)	+0.8	(3.0)	(1.4)
Income before income taxes	(11)	209.0	+8.1	145.0	+10.2	37.5	(1.7)	23.0	+4.1	3.5	(4.4)
Net income	(12)	149.0	+5.4	103.0	+7.1	26.0	(1.7)	17.5	+2.2	2.5	(2.1)

\*1. Net interest income from domestic loans and deposits + Interest on yen bonds, etc. + Fee income + Operating expenses, excluding extraordinary factors (the transforming two leasing companies into our wholly owned subsidiaries (operating expenses))

# Rationale for FY2024 Earnings Targets (YoY change)

HD  
Consolidated

JPY bn,  
approximate figures



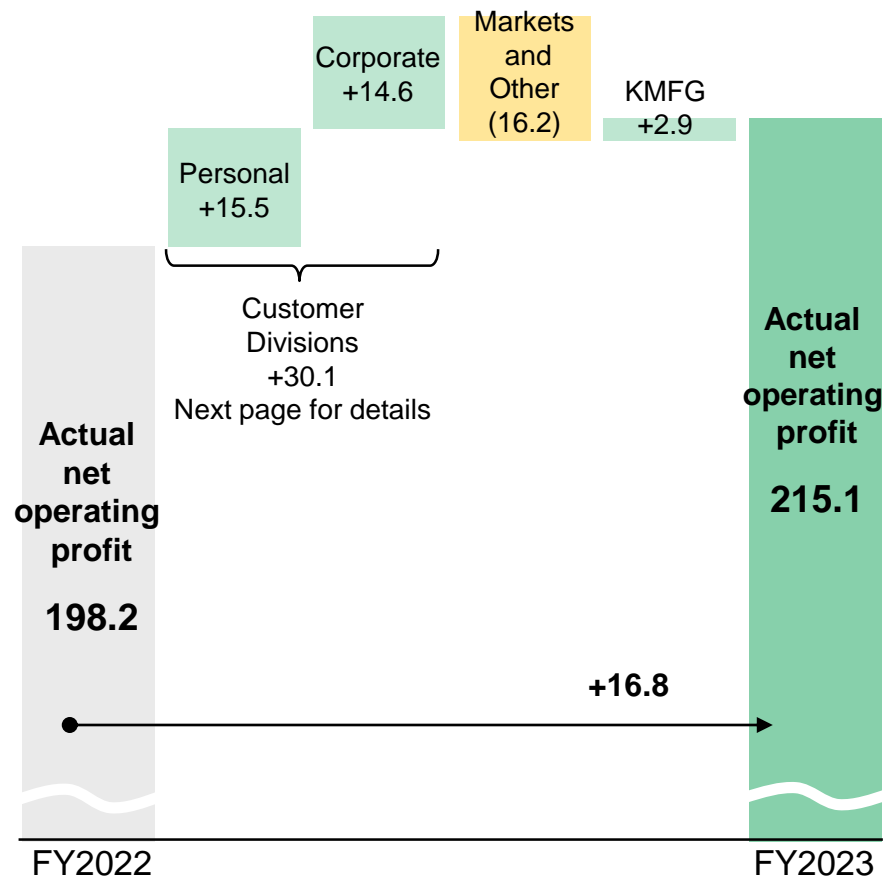
\*1. Excluding extraordinary factors (impact of the joint management designated money trust in FY23, the transforming two leasing companies into our wholly owned subsidiaries (operating expenses))

# Outline of Financial Results of Each Segment

HD  
Consolidated

(JPY bn)		FY2023	YoY Change
<b>Customer Divisions</b>	Gross operating profit (1)	517.8	+40.3
	Operating expense (2)	(313.0)	(10.1)
	Actual net operating profit (3)	204.8	+30.1
<b>Personal Banking</b>	Gross operating profit (4)	210.4	+21.7
	Operating expense (5)	(156.6)	(6.1)
	Actual net operating profit (6)	53.8	+15.5
<b>Corporate Banking</b>	Gross operating profit (7)	307.3	+18.5
	Operating expense (8)	(156.4)	(3.9)
	Actual net operating profit (9)	150.9	+14.6
<b>Markets and Other</b>	Gross operating profit (10)	(24.6)	(13.7)
	Operating expense (11)	(2.7)	(2.6)
	Actual net operating profit (12)	(26.9)	(16.2)
<b>KMFG</b>	Gross operating profit (13)	137.9	+2.0
	Operating expense (14)	(100.8)	+0.9
	Actual net operating profit (15)	37.1	+2.9
<b>Total</b>	Gross operating profit (16)	631.2	+28.5
	Operating expense (17)	(416.5)	(11.8)
	Actual net operating profit (18)	215.1	+16.8

(JPY bn)



## Definition of management accounting

1. “Customer Divisions” and “Markets and Other” segment refer to the HD Consolidated subsidiaries, except KMFG consolidated subsidiaries.
2. Gross operating profit of “Markets” segment includes a part of net gains/losses on stocks.  
“Other” segment refers to the divisions in charge of management and business administration.

# Outline of Financial Results of Customer Divisions

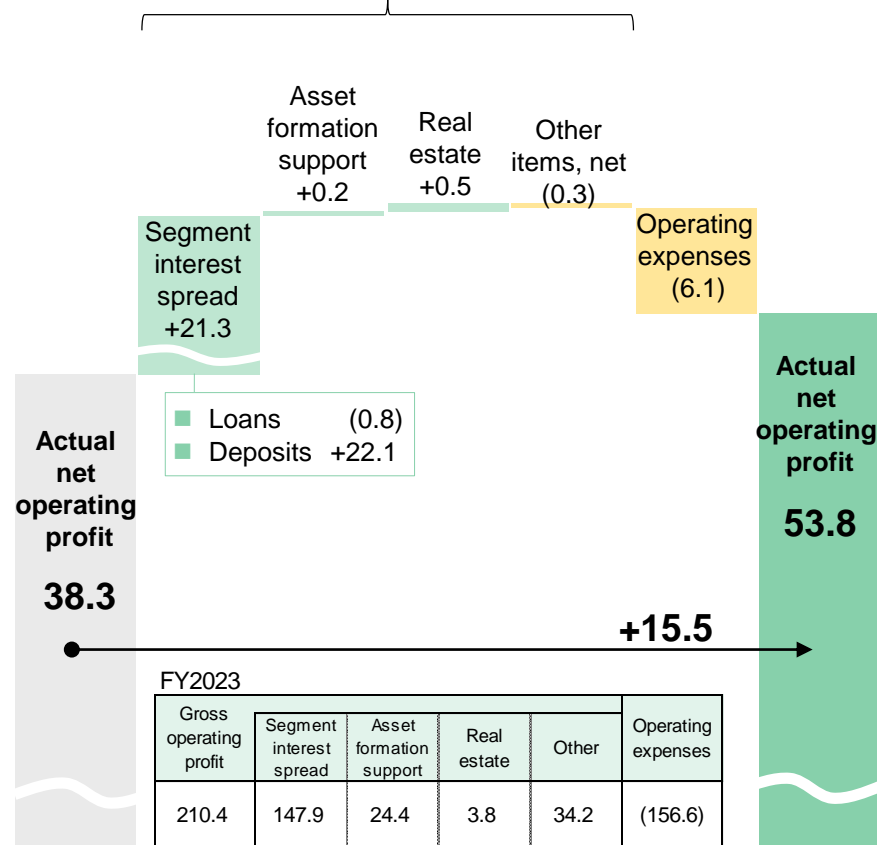
HD Consolidated  
(exclude KMFG)

## Personal Banking Segment

■ Actual net operating profit : Up JPY15.5 bn, YoY

(JPY bn)

Gross operating profit +21.7



FY2022

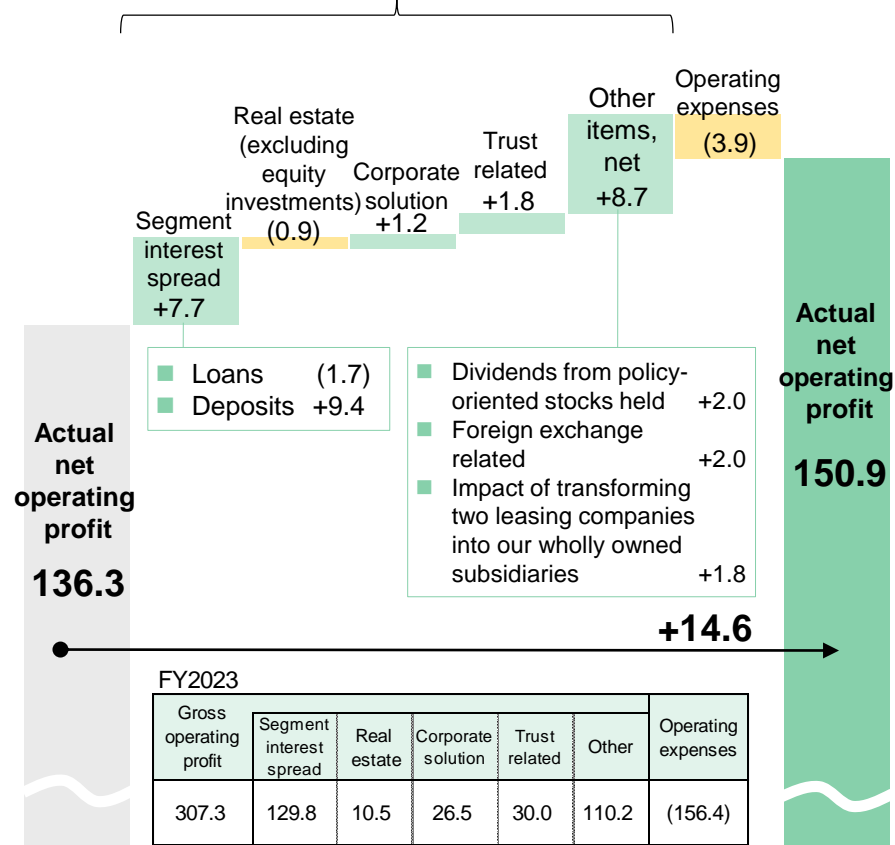
FY2023

## Corporate Banking Segment

■ Actual net operating profit : Up JPY14.6 bn, YoY

(JPY bn)

Gross operating profit +18.5



FY2022

FY2023

## **Reference Material (MMP, Business Strategies)**

# Overview of the MMP

**Accelerate initiatives to realize “Retail No. 1”: The first 1,000 days of taking on corporate transformation (CX)  
-From rehabilitation to taking on new challenges-**

◆ Adapt to changes in light of such trends as SX, DX, etc.

◆ Further accelerate income and cost structure reforms

## Strengthening of Value Creation Capabilities

◆ Striving for the further development of businesses backed by the group's inherent strengths and creating new value

**Further Development and New Challenges**

- Strengthening our consulting capabilities in terms of both quality and quantity
- Leverage the combined capabilities offered by all Resona Group companies (customer bases and service functions)
- Utilizing technologies and data



**Co-creation and Expansion of Value**

- Expanding customer bases, management resources and functions
  - ✓ Financial digital platform
  - ✓ Inorganic investment

<Value to be delivered>

<Areas of business focus>

Ever more diverse issues confronting our customers require ever more sophisticated solutions

Circulation of businesses and assets

Facilitation

Transition of social structure

- SME loans
- Business and asset succession
- Cashless and DX
- Asset formation support
- Corporate pensions
- Housing loans

## Development of Next-Generation Management Platforms

◆ Further strengthening the consolidated management of Group companies and executing integrally reforms of management platforms

**Governance**

- Strengthen Group governance
- Upgrade our mode of risk governance
- Pursue the thorough practice of customer-oriented business conduct

**Human capital**

- Realize value creation and well-being
- Resonance of the three pillars (engagement, professionalism and co-creation)

**Intellectual capital**

- Business processes: Exhaustive overhaul
- Channels: Integration of face-to-face and digital channels
- Systems: Pursuing generalization, openness and streamlining

**Transitioning from striving to qualitatively and quantitatively enhance capital to a new phase in which we can fully utilize it**

# Roadmap for Securing Profit

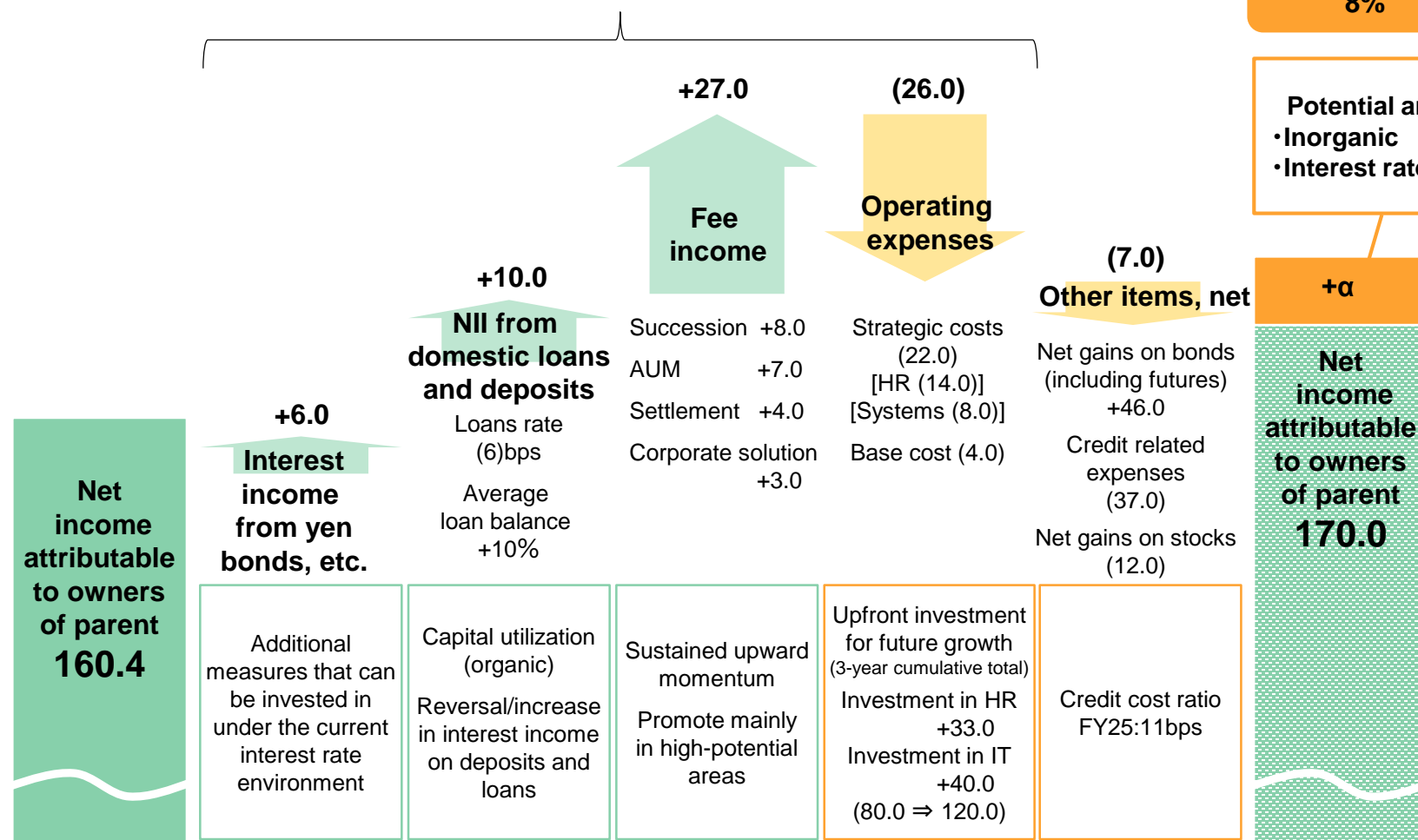
Aim for growth in core profit that will exceed outlays associated with forward-looking investment aimed at improving employee engagement and productivity, with our plan calling for achieving an ROE of 8%

(JPY bn)

Core income [including Interest on yen bonds, etc.] +17.0

ROE target  
8%

Potential and upside  
• Inorganic  
• Interest rate hikes etc.



FY2022  
(Act.)

FY2025  
(Target)

# Business for SMEs

Steadily increase our asset balance by addressing issues customers are facing in addition to leveraging a tailwind arising from changes in the environment

## Resona's unique features

The customer base and networks centered on the two major metropolitan areas



Full-line of trust functions



Customer-relations capabilities backed by our deep roots in communities

## External environment

Low birthrate and aging society

Business succession

DX and productivity improvement

Climate change

Decarbonization

Macroeconomics

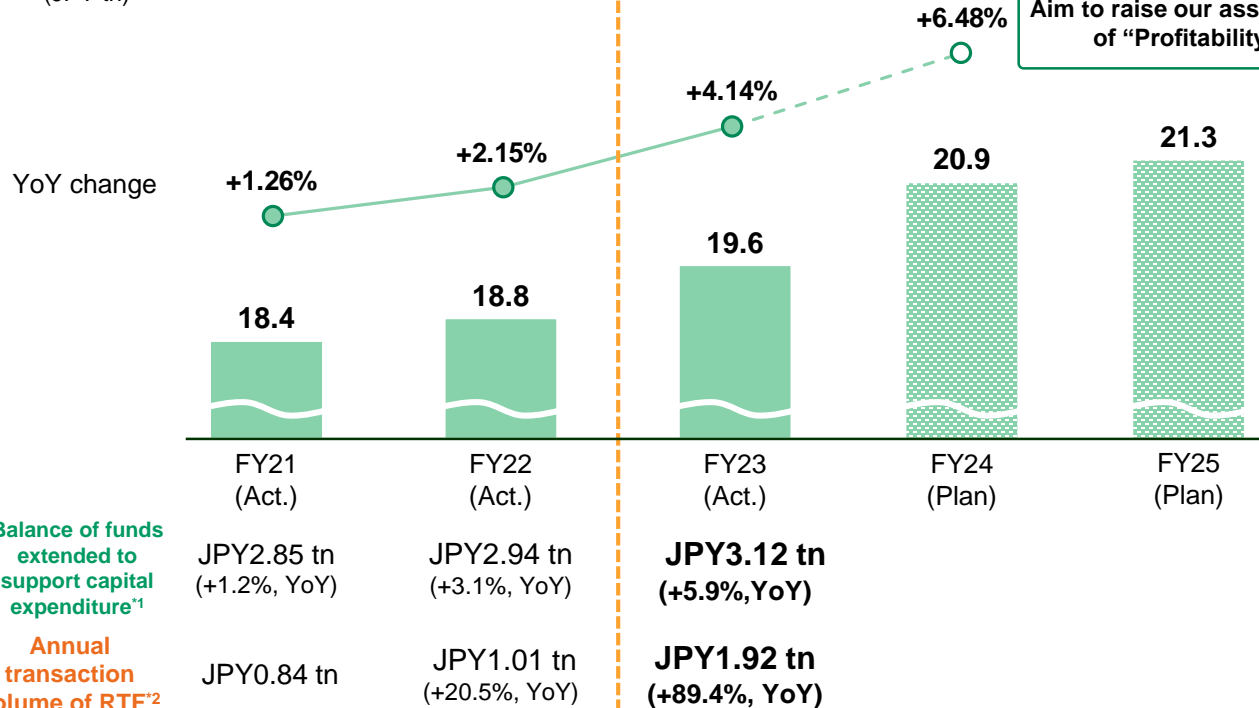
Interest rate hikes

Depreciation of the yen

Inflation

## [Trends in average balance of corporate loan]

(JPY tn)



MMP targets are expected to be almost met in FY24  
Aim to raise our asset balance via the achievement of "Profitability surpassing MMP target"

Utilize capital in organic growth fields

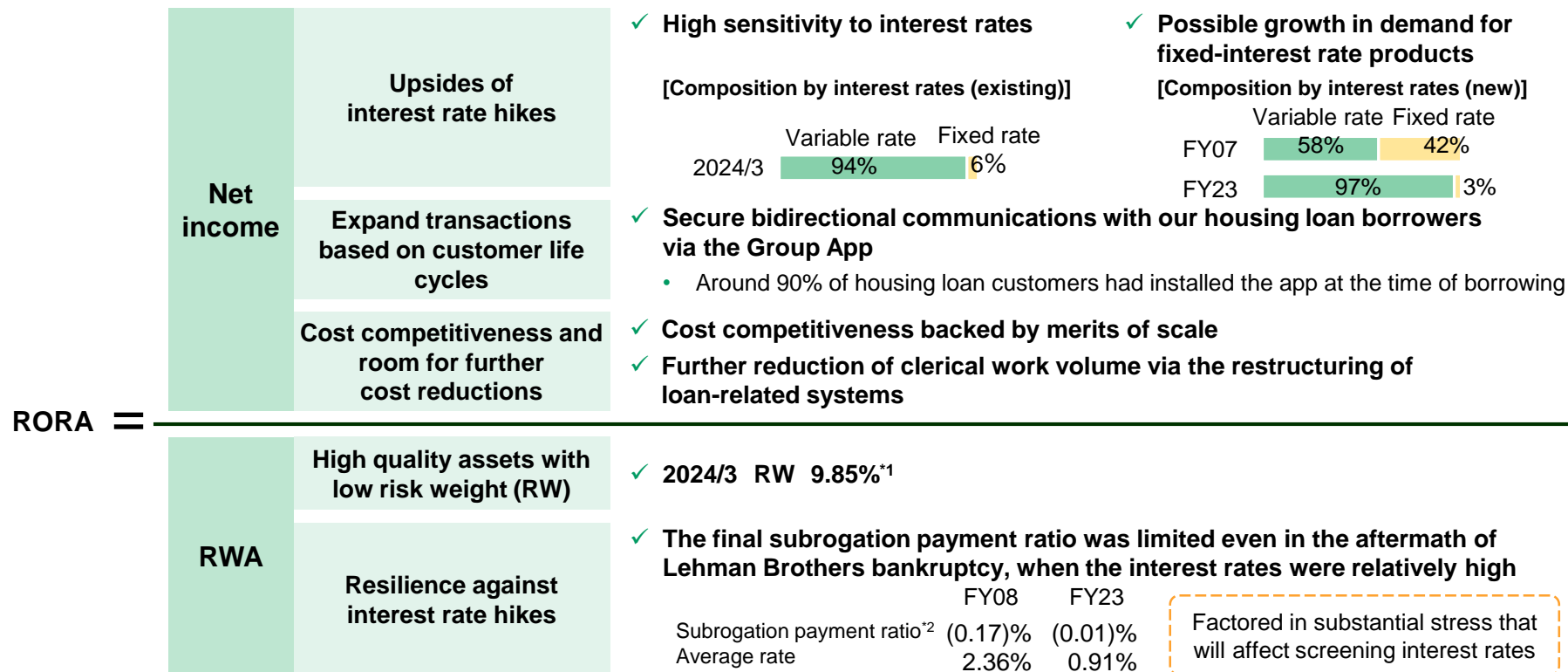
Dialogue with customers  
Early assessment of impacts / needs (e.g., preferences regarding interest rates)

\*1. Total of group banks, ending fiscal year balance \*2. Retail Transition Finance



# Housing Loan Business

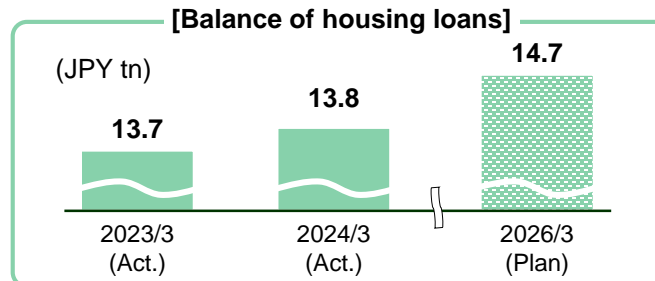
## A high-quality portfolio equipped with profitability (high RORA)



### ■ A frontrunner of housing loans

- Balance of JPY13.8 tn om Mar. 31, 2024 (+1.2%, YoY)

No.1 in Japan  
as of Sep. 30, 2023



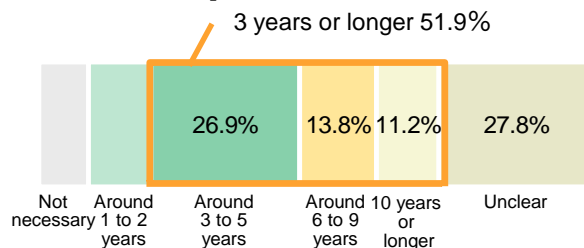
\*1. RB, as of Mar. 31, 2024, non-default

\*2. Housing loans guarantee subsidiaries' subrogation ratio x (1-collection after subrogation), residential housing loans + apartment loans

# Business and Asset Succession Business

One-stop solutions that leverage our unique strength  
as a commercial bank equipped with full-line trust banking capabilities

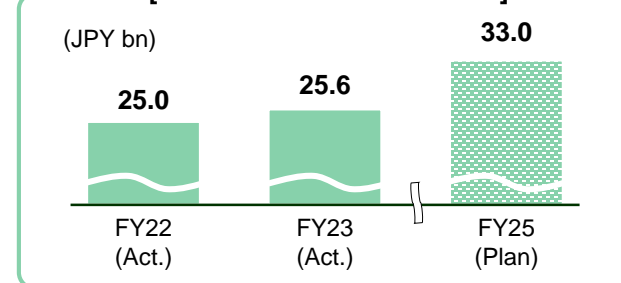
[Period of time necessary to complete transition to successors\*1]



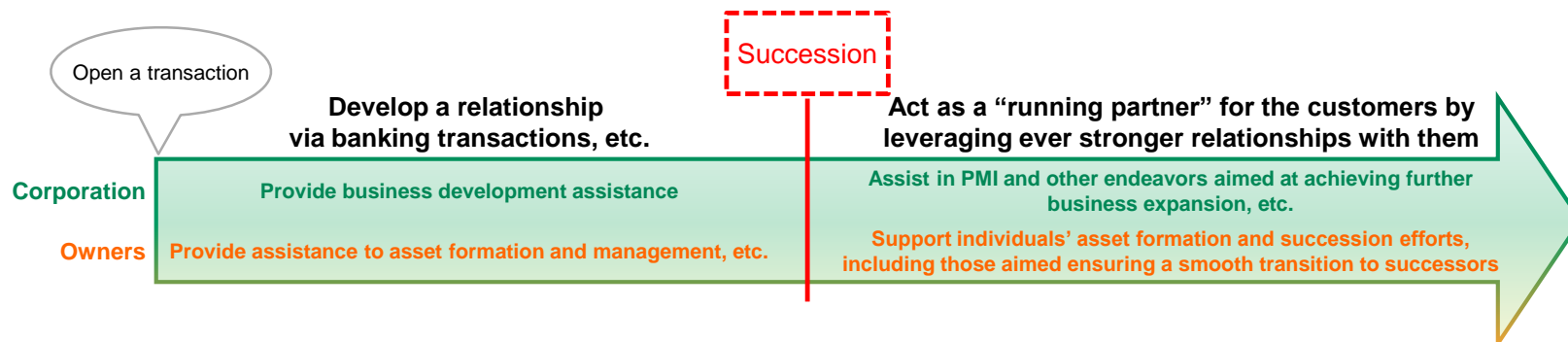
[Trends in the appointment of business successors by source\*2]

	2022	2023
Taken over by a family member	37.6%	33.1%
Internal promotion	33.3%	35.5%
M&A, etc.	18.6%	20.3%
Appointed an external individual	7.1%	7.2%
Ongoing management by the founder	3.4%	3.9%

[Succession related income]



Boast particular strength in providing medium- to long-term assistance  
that transcends the conventional scope of succession and acting as customers' "running partner"



\*1. The third edition of Business Succession Guidelines issued by the Small and Medium Enterprise Agency

\*2. TEIKOKU DATABANK (2023) \*3. RB, SR, KMB, MB, Resona Research Institute, Resona Corporate Investment

# Cashless and DX Solution

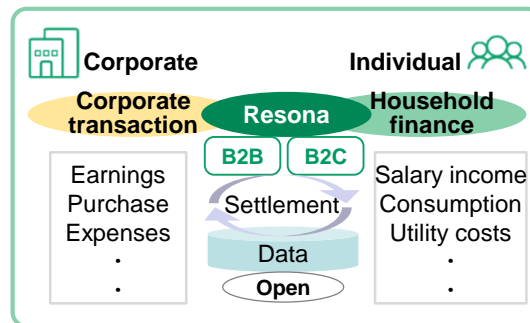
## Offer convenience for household finance and corporate transactions

### [Expansion in the cashless market after the COVID-19 pandemic]

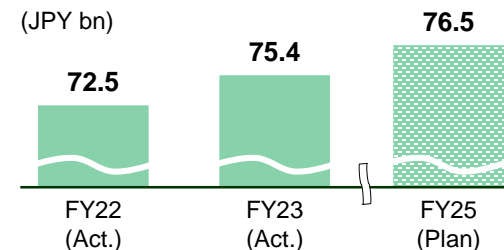
	[2016]	[2023]
Cashless ratio*1	20.0%	39.3%
Amount handled*1	JPY60 tn	JPY126 tn

### [Emerging issues associated with corporate settlement]

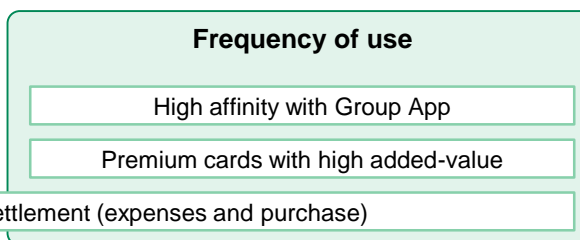
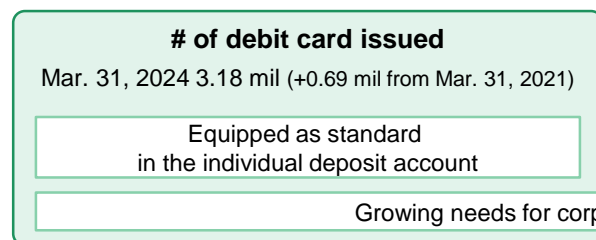
- ✓ Secure conformity with the revised Electronic Book Storage Act and the Eligible Invoice Storage System (the "Invoice System")
- ✓ Digitalization support



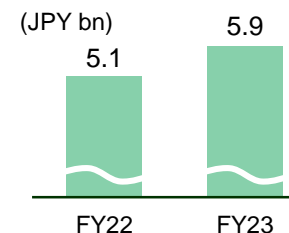
### [Settlement related income]



## Assist corporate and individual customers in their transition to cashless operations via the provision of debit cards

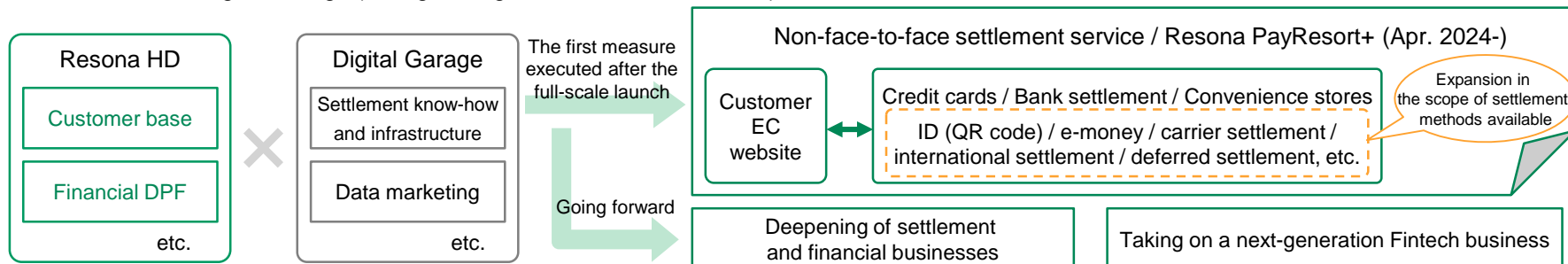


### [Debit card income]



## Accommodate evolving needs for even more diverse settlement methods via external collaboration

- Co-creation with Digital Garage (strengthening the alliance in Dec. 2023)



\*1. Ministry of Economy, Trade and industry

# Integration of Face-to-Face and Digital Channels

Address diverse issues customers are facing by leveraging both face-to-face and digital channels

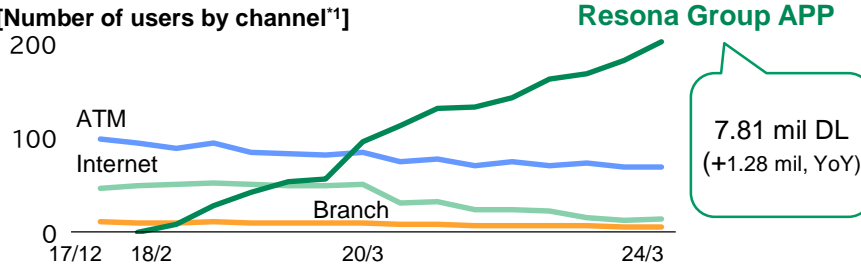
Deliver new value  
via the use of digital channels



Deliver added value that can be offered  
only via face-to-face channels

- The app becomes the largest transactional channel due to its superior convenience

[Number of users by channel\*1]



- Boast relatively high profitability and enjoy expansion in related income while contributing to operational streamlining

[Comparison between app/IB users\*2 and other users (Mar. 2024)]

Gross operating profit per user  
Average number of products  
in transactions

+2.3 times  
+1.7 times

[App/IB usage ratio]

Installment time deposits (account openings)  
Foreign currency deposits (account openings)  
Investment trusts (purchases)

	2018/3	2024/3
Installment time deposits (account openings)	33%	93%
Foreign currency deposits (account openings)	16%	89%
Investment trusts (purchases)	54%	83%

- Robust channels and networks consisting of manned branches, the largest of their kind in Japan

	2020/3	2024/3
Number of manned branches	830	818(1.4)%
Number of bases*3	822	666(18.9)%

(MMP target)

Constantly strive to optimize  
Group networks

- Downsizing, replacement, BinB, the use of joint branches among Group entities, etc.

Non-personnel expenses:  
JPY(1.5) bn/year

- Shift branch mission from clerical work to the provision of solutions

(MMP target)

Overhaul  
business processes

Integrate consulting  
and procedures

Time spent in direct customer  
communications  
+30 minutes per branch employee/day\*4

Usage ratio of branch-counter tablets\*5  
50%

\*1 Number of ATM users in Dec. 2017: 100 (daily number of users at RB branches) \*2 Individuals who use app/IB once a month or more \*3 Number of manned branches – Number of joint bases (BinB, joint branches used among Group entities, etc.) \*4 Additional time spent by approx. 5,000 employees tasked with providing solutions via branch-counter services at three banks (RB, SR and KMB). This will be created via the consolidation of back-office operations, etc. \*5 Ratio of the number of transactions accommodated via Resona Group tablets to the number of branch-counter transactions undertaken by individual customers

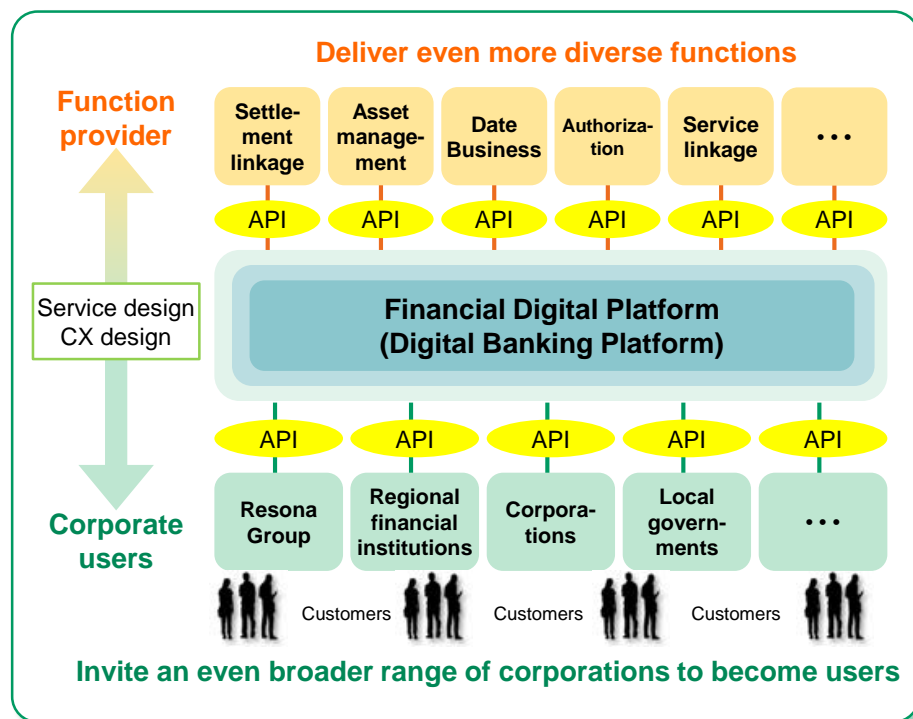
# Financial Digital Platform

Co-creation through wide-ranging external collaboration that transcends the conventional framework

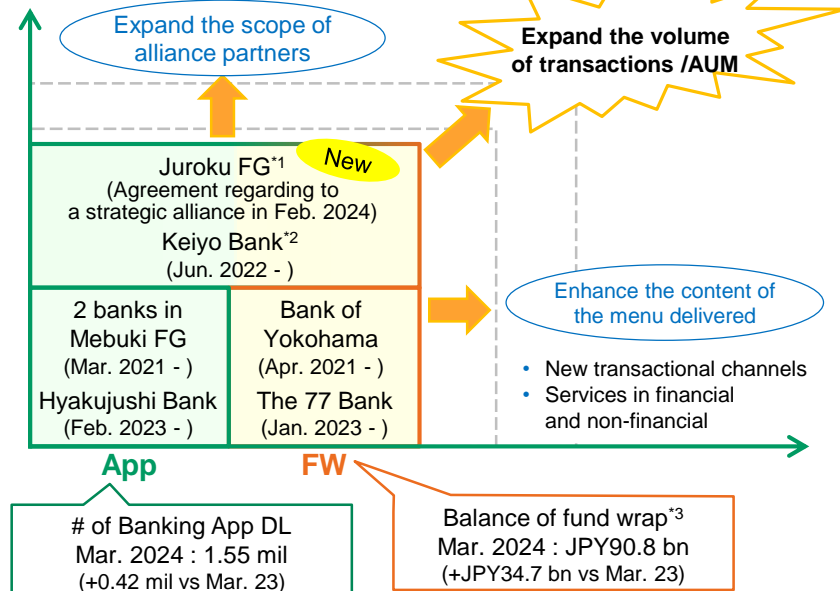
## Financial Digital Platform -Vision-

Develop and expand an ecosystem that ensures win-win relationships for all platform participants

- Engage in co-creation with leading companies in the field of banking systems
  - Established FinBASE in tandem with IBM Japan and NTT DATA
  - Act in collaboration with the above two partners in the exploration of new participants and the pursuit of agile development, etc.



## Roll out Resona Group solutions to regional financial institutions



## Capital and business alliances aimed at enhancing platform functions

- Data analysis: BrainPad Inc. (Feb. 2022-)
- Settlement: Digital Garage (strengthened alliance in Dec. 2023)  
Both companies' settlement / financial solutions are available to their respective customers  
→ Considering the provision of these solutions to other customers outside the Group (non-face-to-face corporate settlement services, etc.)

In Apr. 2024, RB, Shizuoka Bank and BrainPad together entered into an "individual agreement" based on a basic agreement regarding the commissioning of businesses aimed at upgrading Shizuoka Bank's mode of data utilization.

⇒ Aim to maximize value arising from data utilization and thereby strengthen the signatories' capabilities to address region-specific issues

\*1. The App and FW will be released going forward

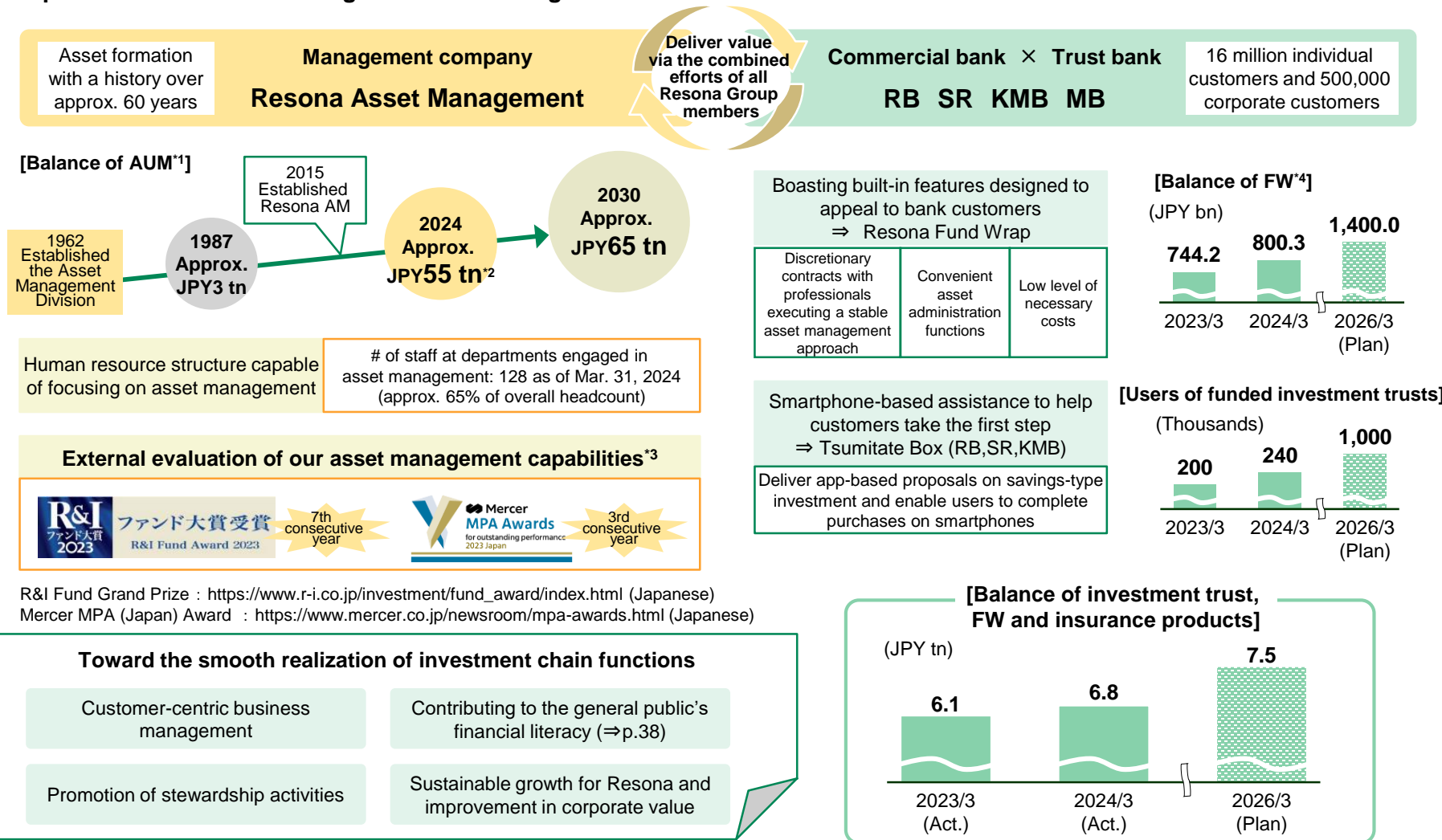
\*2. The App will be released going forward

\*3. Including corporation

# Asset Formation Support (1)

Provide retail customers with access to the asset management know-how we have nurtured through 60 years of corporate pension asset management

## ■ Expand value delivered through the asset management business



\*1. Including AUM held by Resona's precursors: Daiwa Bank, Asahi Trust Bank, Daiwa Trust Bank and Resona Trust Bank

\*2. Total balance of assets managed under discretionary investment contracts and investment trust assets for which we act as an asset manager as of Mar. 31, 2024 \*3. Including products provided by Resona Bank for pension asset management \*4. Including corporation and external group

# Asset Formation Support (2) [Corporate pension]

Deliver value backed by Resona's unique strength as a commercial bank equipped with full-line trust banking and pension management capabilities

## Issues confronting business corporations

Ongoing improvement in wages, the widespread trend toward the upward revision of retirement age

Assistance to employees' asset formation endeavors

Realization of well-being

Building national strength through asset management



## Issues confronting individual customers

The advance of the ultra-aging society

Anxiety regarding the public pension systems and the lack of relevant knowledge

Autonomous asset formation



Resona's strength

Commercial bank × Trust bank

## Deliver value to corporate customers

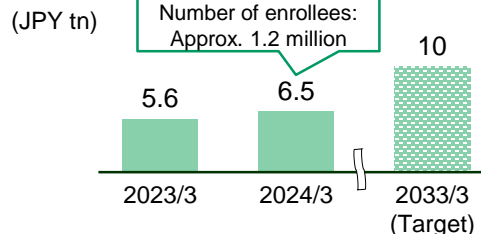
### ■ Consulting on pension plans

- Deliver proposals to customers ranging from SMEs to large corporations based on issues they are confronting (upward revisions of wages and retirement age)

### ■ Strengthen trust functions by training 30,000 employees

- Enable branch employees to enhance their ability to deliver proposals and conclude deals by providing training (ranging from introductory programs for newly appointed individuals to executive programs), etc.

#### [Balance of corporate pension-related assets]



## Deliver value to individual customers

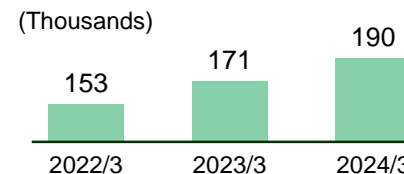
### ■ Comprehensive advice on asset formation

- Seminars for employees of business corporations who entrust their pension assets to us
- Solutions delivered by dedicated sales teams tasked with visiting corporate customers' workplaces

### ■ Enhancement of functions afforded via and the lineup of asset formation products

- FW, Tsumitate Box, etc.(⇒p.69)

#### [iDeCo participants\*1]



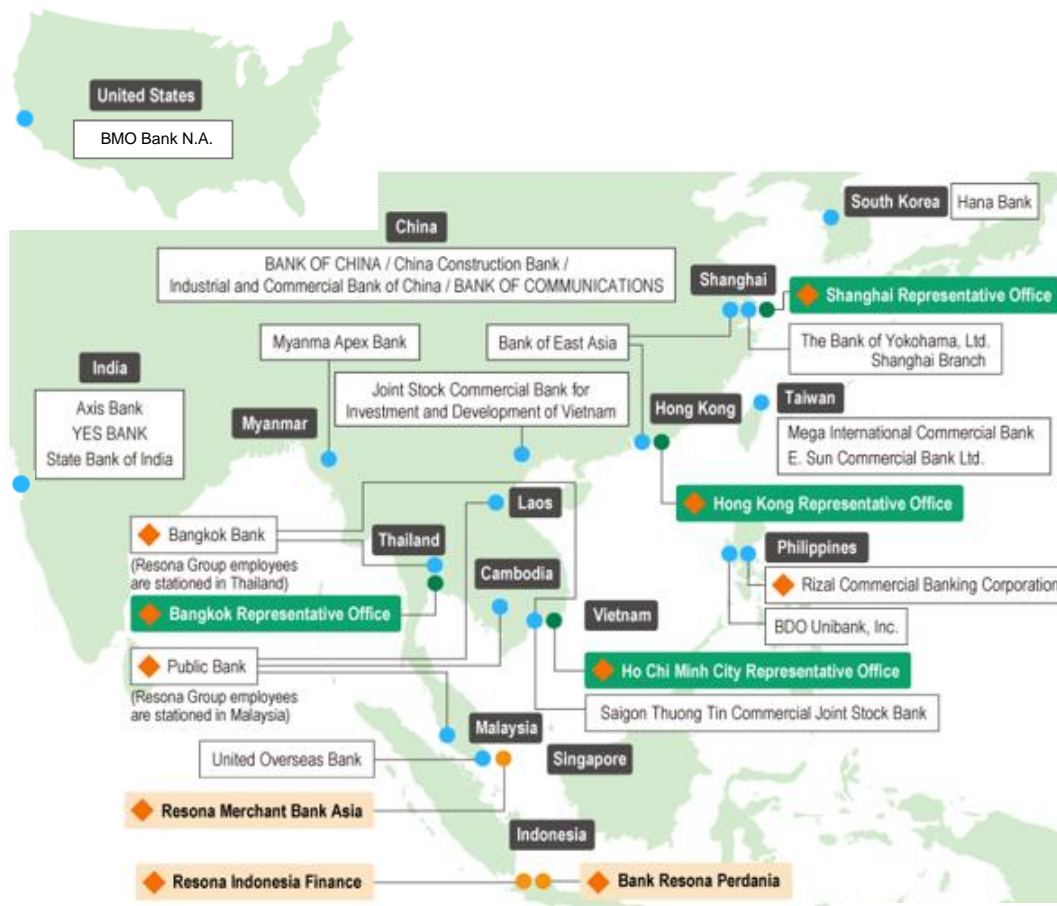
\*1. iDeCo participants + members giving investment instructions, total of group banks



# International Business

Help customers align with changes in the business environment via the use of our overseas network

- Resona Group employees stationed at 10 overseas bases to cover the entire Asia region and the U.S.
- Provide a wide range of consultations concerning overseas expansion, financing, etc.



As of Mar. 31, 2024

## ■ Provide solutions via local subsidiaries

- Bank Resona Perdania (Indonesia)
  - Boasting a business track record spanning more than 65 years and full-fledged banking functions serving locals
- Resona Merchant Bank Asia (Singapore)
  - Lending, M&A assistance, consulting, etc. in ASEAN, Hong Kong and India

## ■ Extend support via representative offices and partner banks

- Provide information to customers in line with their needs in connection with local laws, regulations, tax systems, business customs, etc.
  - Plans call for newly establishing representative offices in two locations in 2024
    - ✓ Hanoi Representative Office
    - ✓ Los Angeles Representative Office

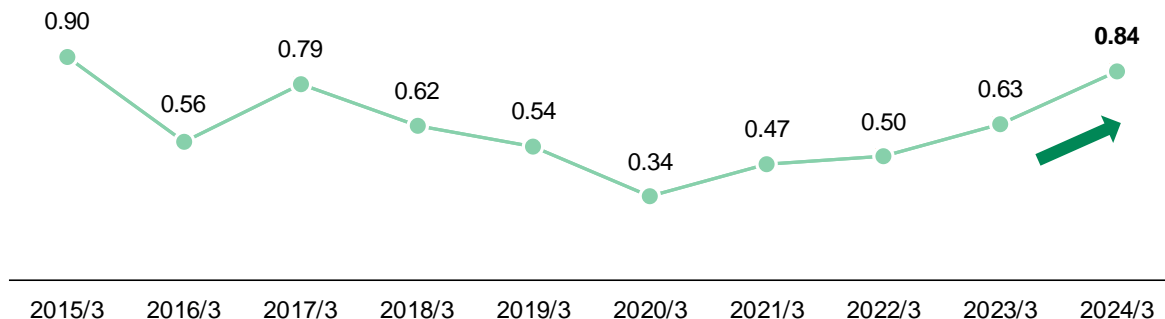
- Overseas representative offices
- Resona Merchant Bank Asia
- Bank Resona Perdania
- Resona Indonesia Finance
- Partner banks, etc.
- ◆ Offices with Resona Group employees



# Analysis of Current Status with the Aim of Improving Corporate Value

## ■ PBR is currently on a recovery track

[Trends in PBR]



- Aim for improvement in corporate value by both raising ROE and reducing capital costs

$$\text{PBR} = \frac{\text{ROE} \times \text{Leverage following risk adjustment}}{\text{Capital costs}}$$

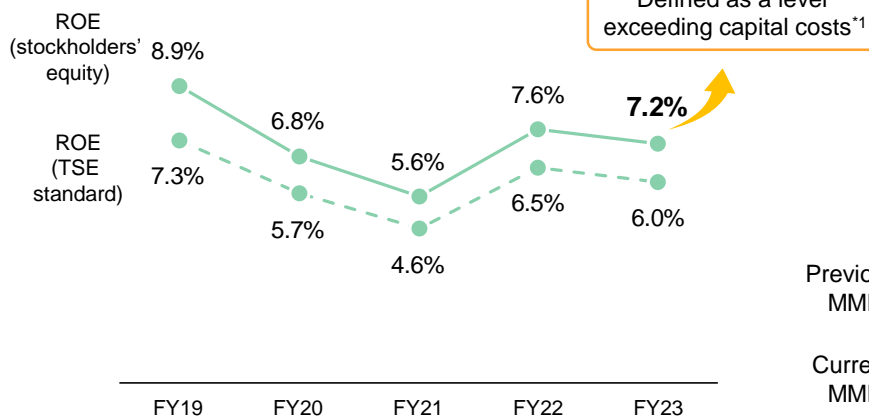
ROE [ RORA × Leverage following risk adjustment ]

Capital costs [ Cost of shareholders' equity – The expected growth rate ]

## ■ The current MMP aims for a target ROE of 8% through the strengthening of the RAF and proactive BS management

- Previous MMP period: Profit/loss conditions were negatively impacted by such factors as the radical expansion of BS, growth in the balance of assets with low utilization and the recording of credit costs for major clients as well as costs for measures to improve the soundness of our foreign bond portfolio.
- Current MMP period: Aim to improve risk return through more proactive engagement in risk-taking endeavors

[Trends in ROE]



			RORA		Leverage following risk adjustment		Total assets (In terms of accounting)
			Net income		RWA*2		
			RWA*2		Total shareholders' equity		
		ROE =		×			
	FY19	8.9%	=	0.7%	×	11.9 times	60.5 tn
	FY20	6.8%	=	0.6%	×	11.3 times	73.6 tn
	FY21	5.6%	=	0.5%	×	10.7 times	78.1 tn
	FY22	7.6%	=	0.7%	×	9.9 times	74.8 tn
	FY23	7.2%	=	0.7%	×	9.7 times	76.1 tn

Previous MMP (FY19-FY21)  
Current MMP (FY22-FY23)

\*1. Calculated based on the CAPM (an estimate formulated independently by the Company)

\*2. Based on the finalization of Basel 3

## **Reference Material (Other)**

# Resona Group at a Glance

- Financial services group with a customer base of 16 mil individuals and 0.5 mil corporations and a full line of trust functions
- Extensive channel network centered on the Tokyo metropolitan area and Kansai region

## Corporate structure

(As of April 1, 2024)



## Customer base and business scale

[Individual customers]

**16 mil**

[Corporate clients]

**0.5 mil**

[Deposits]

**JPY63 tn**

[Loans]

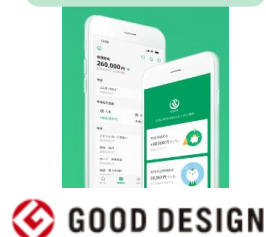
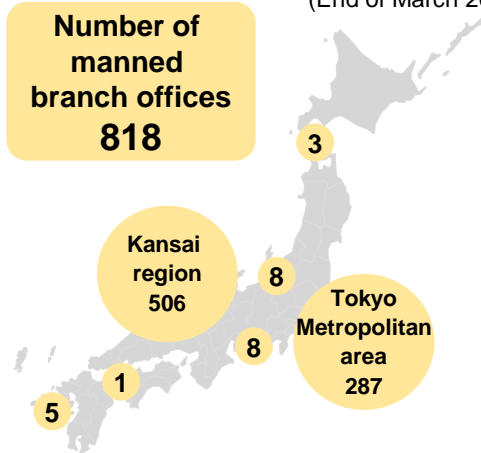
**JPY42 tn**

## Network position

Number of  
App DL  
**9.37 mil**

Number of  
manned  
branch offices  
**818**

(End of March 2024)



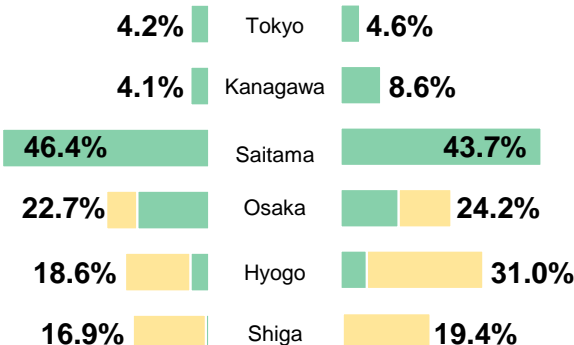
## Market share<sup>\*1</sup>

[Deposits]

[Loans]

(End of March 2024)

RB+SR KMB+MB



**GDP #1**

**GDP #4**

**GDP #5**

**GDP #2**

**GDP #6**

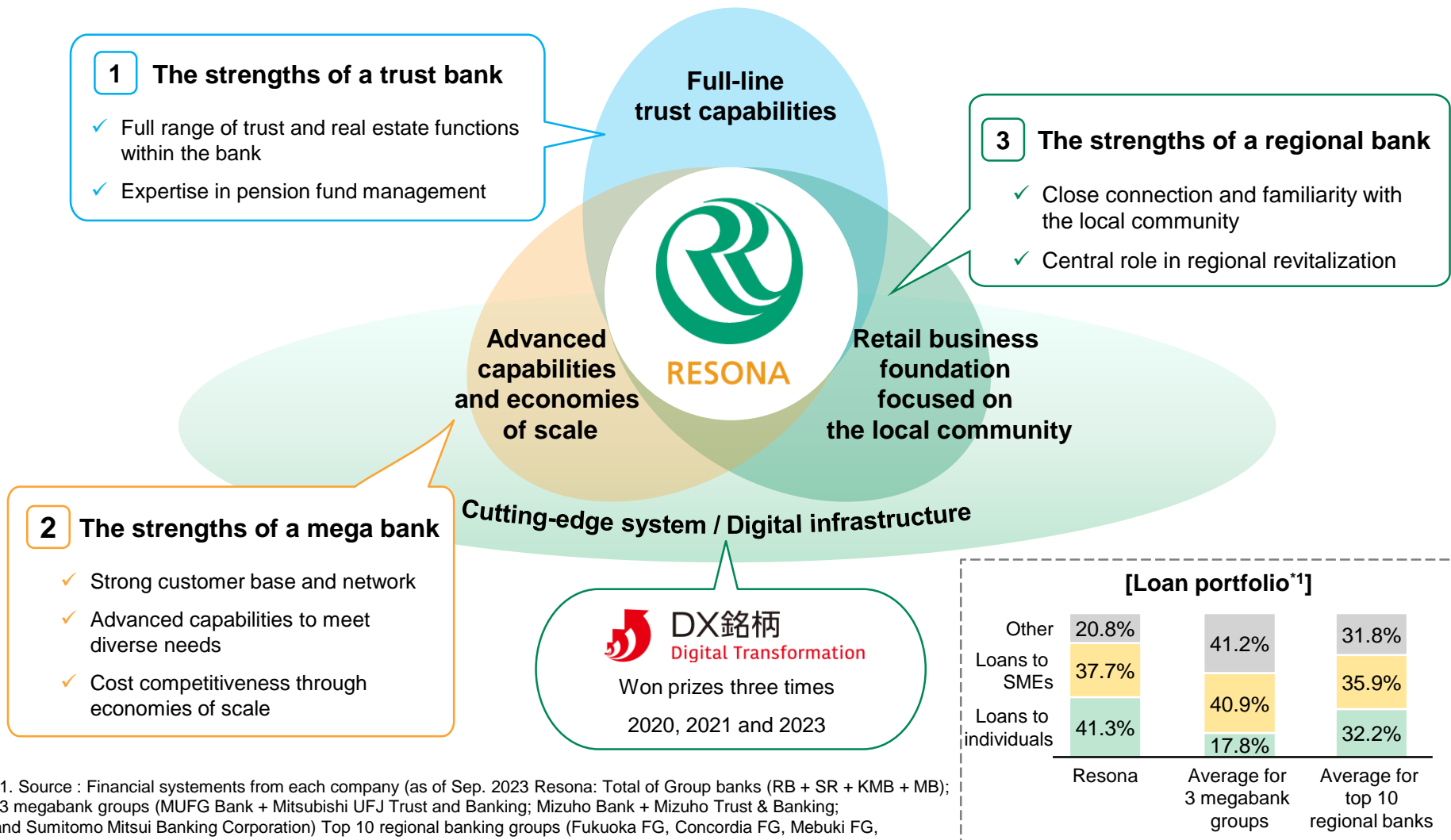
**Per capita  
income #8**

\*1. Total of group banks, market share based on deposits, and loans and bills discounted by prefecture (domestically licensed banks from BOJ)

# Resona Group's Feature at a Glance

A unique position that combines three strengths

The largest retail-focused bank with full-line trust capabilities in Japan



\*1. Source : Financial statements from each company (as of Sep. 2023 Resona: Total of Group banks (RB + SR + KMB + MB);

\*3 megabank groups (MUFG Bank + Mitsubishi UFJ Trust and Banking; Mizuho Bank + Mizuho Trust & Banking; and Sumitomo Mitsui Banking Corporation) Top 10 regional banking groups (Fukuoka FG, Concordia FG, Mebuki FG, Chiba Bank, Hokuhoku FG, Shizuoka FG, Hachijuni Bank, Nishi-Nippon FHD, Kyushu FG, North Pacific Bank).

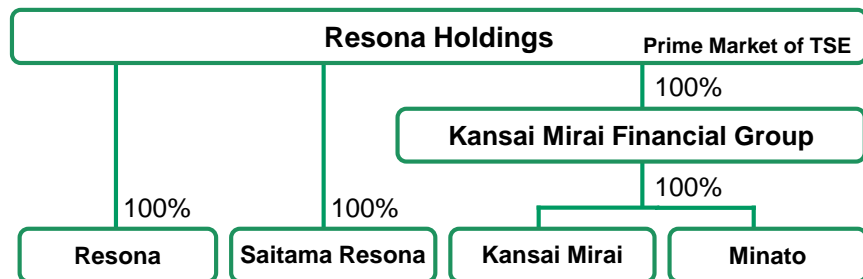
Figures are based on financial statements from each company in Sep. 2023.

# Strengthen the Consolidated Management of the Group

Leverage the combined capabilities offered by all Resona Group companies  
⇒ Improve the corporate value of Group companies

~ 2024/3

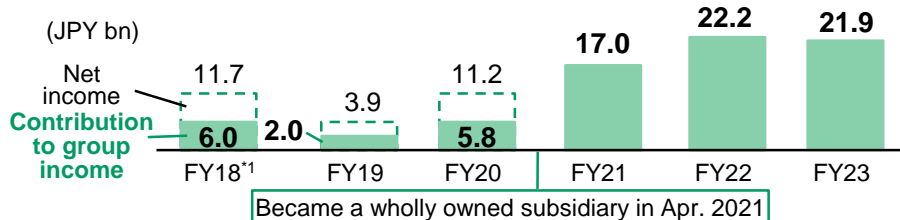
## KMFG functions contributed to speedy post-merger integration (PMI)



### ■ KMFG leads the way in the start of the largest regional banking group in the Kansai area

- Rollout of Group products and services ⇒ Realize top-line synergies
- Unify the mode of back-office operations throughout the Group while reforming branch-counter infrastructure ⇒ Realize cost synergies
  - Complete the integration of KMB's back-office operations and systems within a one-and-a-half-year time frame
  - Restructure the branch networks of KMB and MB via the use of the branch-in-branch (BinB) method, etc.
- Invigorate the interaction of human resources across the Group and remove boundaries among them

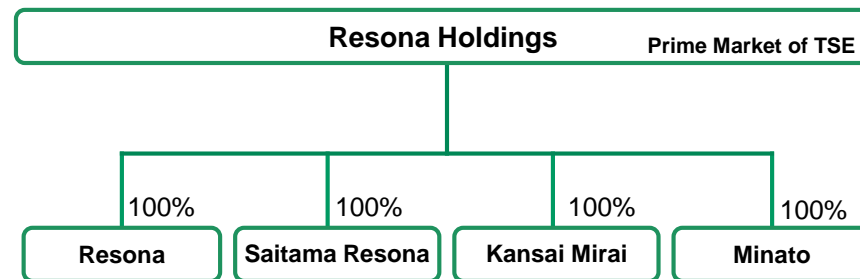
## Expansion of contribution to group income



\*1. Excluding gain from negative goodwill

2024/4 ~

## Shifting to a new organizational structure to facilitate fresh growth



### ■ Strengthen Group governance

- Upgrade on a consolidated management of Group companies
- Facilitate speedier and simple decision making
- Empower each subsidiary bank to execute effective growth strategies

### ■ Toward the establishment of a “one-platform, multi-regional strategy”

Deliver value optimized to suit the characteristics of the customers and regions we serve

- ✓ Each Group bank pursues individual strategies

Deliver value universally offered by all Group companies

- ✓ Real estate, pension management, trust banking, apps, DX, data utilization, etc.

The Group's universal platforms  
~Overwhelming cost competitiveness~

- ✓ Upgrading governance systems / unifying indirect departments and systems, etc.

# Resona Group's Conceptual Structure

The Resona Group's conceptual Structure expresses how we contribute society (Purpose), what we aim to be in society (Corporate Mission), what we aspire to be (Long-term Vision), and how we act (Resona Way / Resona Standards).

## Beyond Finance, for a Brighter Future.

In a world that keeps changing,  
we're here to provide peace of mind  
so that we can welcome the future  
with hope and confidence.

To achieve this,  
we think beyond the framework of finance  
to address different challenges  
alongside each region.

At Resona,  
we persistently strive towards reform and  
creativity  
for a brighter future  
- one that is hopeful and reassuring,  
just as it is exciting.

### Retail No. 1

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



**Purpose**  
How we  
contribute to  
society

**Corporate  
Mission**  
What we aim to  
be in society

**Long-Term Vision**  
What we aspire to be

**Corporate Promises / Behavior Guidelines**  
( Resona WAY / Resona STANDARD )  
How we act

The Resona Group aims at  
becoming a true "financial services  
group full of creativity."

Towards this goal,  
the Resona Group will:

- 1) live up to customers' expectations,
- 2) renovate its organization,
- 3) implement transparent management, and
- 4) develop further with regional societies.

### Resona WAY

Customers and Resona  
Shareholders and Resona  
Society and Resona  
Employees and Resona

### Resona STANDARD

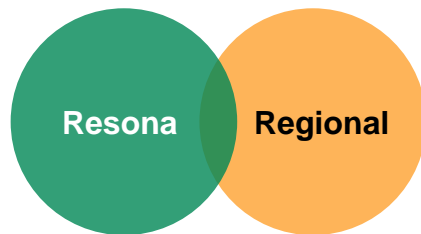
For Customers  
Taking on  
the Challenge of Reform  
Sincere and Transparent Action  
Responsible Business Conduct  
Realizing Job Fulfillment  
For Shareholders  
Trust of Society

# Resona Group's Brand Identity

The Resona Group's corporate name was derived from the Latin word (resonus) meaning "resonate" or "resound" in English.

We attach great importance to customers' voice.  
By adopting the corporate name Resona, we want to express our desire to build stronger ties with our customers by "resonating" or "resounding" with them.

Group Logo expresses the resonance between the "R" in Resona and the "R" in the Group's key word "Regional."



**RESONA**

The two "Rs" inside a perfect circle to express a sense of security and trust.

Green suggests "gentleness" and "transparency" and orange creates a sense of "familiarity" and "warmth."

# Measures to Build Multifaceted Business Relationships with Customers

Total of  
Two Banks  
(RB, SR)

Visible progress has been made through the increase in the number of “Resona Loyal Customers”

Customer segments based on the depth of transactions with Resona Group banks	Number of Customers (thousands)			Top-line Income Per Customer *	Avg. # of Products Cross-sold
	2019/3	2024/3	Change		
<b>Premier</b> AUM or Apartment loan exceeding JPY50 million (1)	55.8	73.6	+ 17.8	67.4	7.86 +0.08
<b>Housing Loan</b> With housing loan for own home (2)	523.5	543.4	+ 19.8	24.1	5.00 +0.06
<b>Asset Management</b> AUM exceeding JPY10 million (3)	683.7	847.1	+ 163.4	6.8	4.79 (0.00)
<b>Potential I</b> AUM exceeding JPY5 million (4)	723.0	809.0	+ 85.9	2.2	3.64 (0.00)
<b>Potential II</b> AUM below JPY 5 million/ 3 or more products sold (5)	4,553.1	4,733.2	+ 180.0	* 1	4.13 +0.03
<b>Resona Loyal Customers (RLCs)</b> (6)	6,539.3	7,006.4	+ 467.1	4.3	4.26 +0.03
<b>Potential III</b> AUM below JPY 5 million/ 2 or fewer products sold (7)	4,661.5	4,014.0	(647.4)	0.1	1.67 +0.00

Increase life-time profits by upgrading customer segments and by increasing the number of products

Number of Products Sold

Higher Profit

Upgrade Segments

Lower Profit

Profit Matrix  
by Customer Segment  
and Number of  
Products sold  
(Illustrative)

\* Indexed to average top-line income per client for Potential II segment = 1



# Basic Concepts on the Exercise of Voting Rights of Policy-Oriented Stocks

- **Resona group has established the “Policy for the Voting Right Exercise Standards of Holding Policy-Oriented Stocks” in relation to exercise the voting rights of policy-oriented stocks. We have built a process to individually judge and verify the approval or disapproval of all proposals.**

- Fundamental concepts on the exercise of voting rights (Described in “Standards for the Exercise of Voting Rights of Policy-Oriented Stocks”)

The Resona Group will exercise voting rights of policy-oriented stocks based on the following policy:

1. Irrespective of interests of transactions with clients, make an effort to vote yes or no on an individual basis from the viewpoint of sustainably improving corporate value;
2. Not to exercise voting rights in a manner to resolve certain political or social problems; and
3. If any scandal or an anti social act is committed by a company or corporate manager, etc., exercise voting rights with the intention of contributing to the improvement of corporate governance.

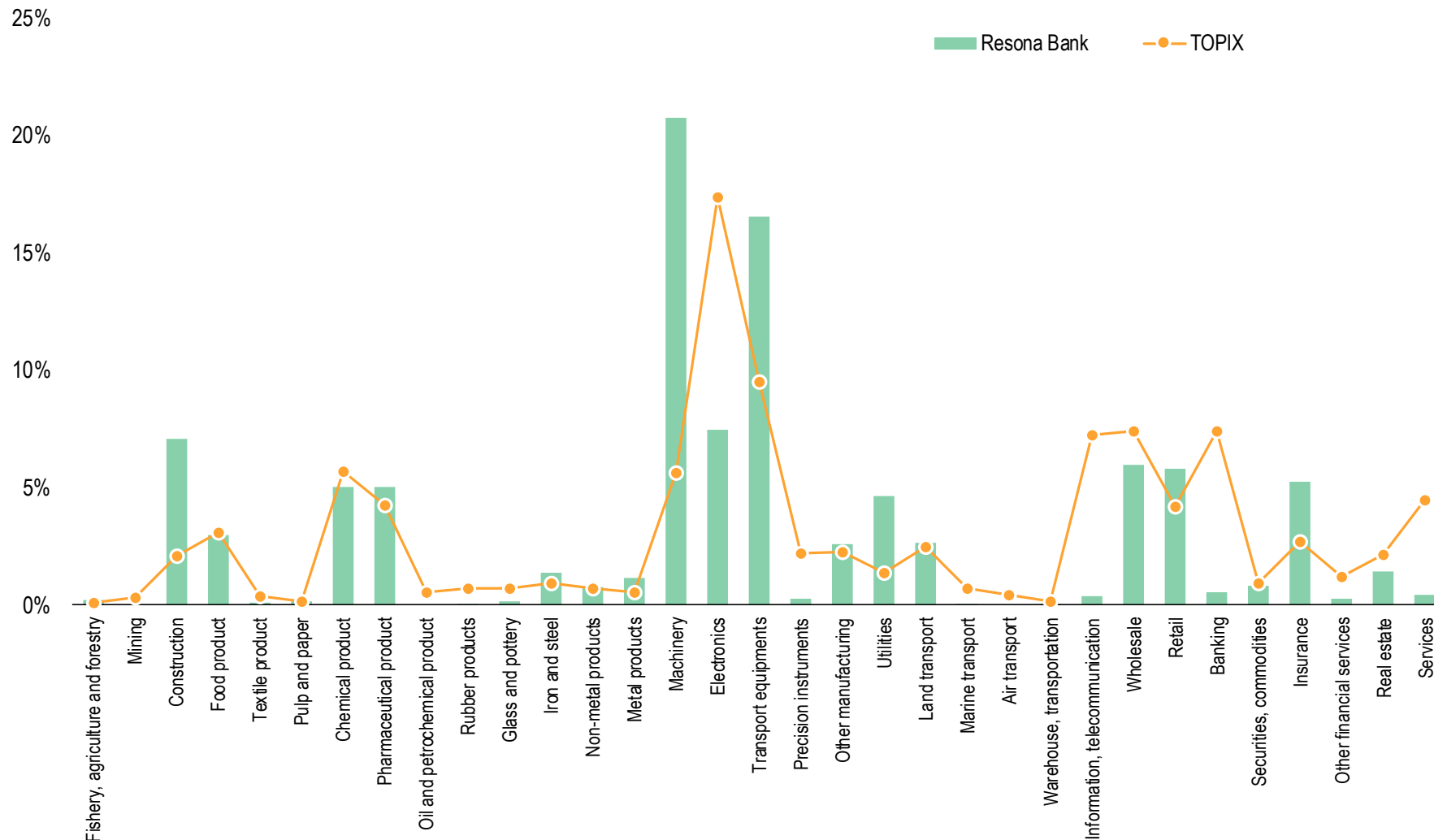
- Guidelines for the Exercise of Voting Rights

With the aim of exercising its voting rights in an appropriate and efficient manner, the Group will abide by the following guidelines:

1. Base voting judgments on the following points:
  - a. whether the way the vote is cast helps the Company and/or the investee achieve sustainable and long-term growth in corporate value;
  - b. whether the way the vote is cast is consistent with the overall interest of shareholders.
2. In particular, before casting a yes or no vote on one of the following types of agenda items, give due consideration to whether voting contributes to growth in the investee’s corporate value:
  - a. shareholder proposals;
  - b. introduction or renewal of anti-takeover measures;
  - c. agenda items proposed by a corporation that was found to be implicated in a scandal or an antisocial act;
  - d. approval of financial statements not backed by an unqualified opinion issued by the accounting auditor;
  - e. dismissal of directors, accounting auditors, etc.
3. When a vote is cast in opposition to the Company’s intention, the Board of Directors will review the status of the exercise of voting rights to confirm whether these guidelines were fully observed. The Company will also strive to increase the sophistication of its exercise of voting rights by, for example, revising these guidelines.

# Stocks Held by Industry (March 31, 2024)

RB



# Business Results by Major Group Business Segments

## Management accounting by major group business lines (FY2023)

(JPY bn, %)

Resona Group Business Segments		Profitability			Soundness	Net operating profit after a deduction of credit cost										
		Net profit after a deduction of cost on capital	Risk-adjusted return on capital	Cost to income ratio	Internal CAR	Actual net operating profit								Credit costs		
						RVA <sup>*1</sup>	RAROC	OHR			Gross operating		Operating			
											profit	YoY Change	expense	YoY Change		YoY Change
Customer Divisions	(1)	52.4	14.7%	60.4%	9.3%	174.2	+12.8	204.8	+30.1	517.8	+40.3	(313.0)	(10.1)	(30.6)	(17.3)	
	Personal Banking	(2)	34.8	29.2%	74.4%	10.1%	53.8	+17.5	53.8	+15.5	210.4	+21.7	(156.6)	(6.1)	(0.0)	+2.0
	Corporate Banking	(3)	17.5	12.0%	50.8%	9.1%	120.3	(4.7)	150.9	+14.6	307.3	+18.5	(156.4)	(3.9)	(30.5)	(19.3)
	Markets	(4)	(31.8)	(34.1)%	(36.0)%	16.7%	(24.4)	(17.9)	(24.4)	(17.9)	(17.9)	(16.3)	(6.4)	(1.6)	-	-
	KMFG	(5)	(20.1)	6.2%	73.0%	10.4%	31.6	+0.7	37.1	+2.9	137.9	+2.0	(100.8)	+0.9	(5.5)	(2.1)
Total		(6)	(42.0)	8.3%	65.9%	9.8%	179.4	(2.8)	215.1	+16.8	631.2	+28.5	(416.5)	(11.8)	(35.6)	(19.7)

\*1. RVA: Resona Value Added (Net profit after a deduction of cost on internally allocated capital)

# Consolidated Subsidiaries and Affiliated Companies (1)

## Major consolidated domestic subsidiaries (excluding group banks)

(JPY bn)

Name		Line of business	Capital contribution ratio	Fiscal year	Net income	YoY change
Resona Guarantee (1)	Credit guarantee (Mainly mortgage loan)	Japan's highest class of residential housing loan guarantee balances	Resona Holdings 100%	FY23 (Mar.31 2024)	10.7	(0.2)
Kansai Mirai Guarantee (2)			Kansai Mirai Bank 100%	FY23 (Mar.31 2024)	0.8	(0.1)
Kansai Sogo Shinyo (3)			Kansai Mirai Bank 100%	FY23 (Mar.31 2024)	1.1	(0.3)
Minato Guarantee (4)			Minato Bank 100%	FY23 (Mar.31 2024)	0.3	(0.7)
Resona Card (5)	Credit card Credit guarantee	1.5 million card members	Resona Holdings 77.5% Credit Saison 22.4%	FY23 (Mar.31 2024)	1.2	(0.1)
Minato Card (6)	Credit card	Provide local customers with settlement solutions	Minato Bank 100%	FY23 (Mar.31 2024)	0.0	(1.0)
Resona Kessai Service (7)	Collection service Factoring	Collection services with 50 million cases annually	Resona Holdings 100% [Resona Holdings 80%, Digital Garage 20%*1]	FY23 (Mar.31 2024)	0.5	(0.0)
Resona Research Institute (8)	Business consulting service	Management consulting with 1,100 project annually	Resona Holdings 100%	FY23 (Mar.31 2024)	0.3	+0.0
Resona Capital (9)	Venture capital	IPO support, SME business succession, re-growth support	Resona Holdings 100%	FY23 (Mar.31 2024)	0.1	+0.0
Minato Capital (10)	Operation and management of investment funds	Support for agriculture and tourism related business, growing company, business succession	Minato Bank 100%	FY23 (Mar.31 2024)	0.0	(0.0)
Resona Innovation Partners (11)	Corporate venture capital	Facilitate the creation of novel financial services through investment in venture startups	Resona Holdings 100%	FY23 (Mar.31 2024)	(0.0)	
Resona Corporate Investment (12)	Private equity	SME business succession support through share acquisition	Resona Group 100%	FY23 (Mar.31 2024)	0.0	(0.0)
Resona Business Service (13)	Back office work Employment agency	Practices quick and accurate operations	Resona Holdings 100%	FY23 (Mar.31 2024)	0.0	(0.0)
Resona Asset Management (14)	Investment management business	Business started in Sep. 2015 utilizing 50 years of RB pension management expertise	Resona Holdings 100%	FY23 (Mar.31 2024)	3.5	+0.3

\*1. As of April 1, 2024

# Consolidated Subsidiaries and Affiliated Companies (2)

## Major consolidated domestic subsidiaries (excluding group banks)(Continued)

(JPY bn)

Name		Line of business		Capital contribution ratio	Fiscal year	Net income	YoY change
Shutoken Leasing	(15)	Leasing business	Made consolidated subsidiaries in Jan. 2024 Further strengthen collaboration with other Group companies ⇒ "Renamed Resona Leasing" via merger on Apr. 1, 2024	Resona Holdings 100%	FY23 (Mar.31 2024)	1.9	+0.6
DFL Lease	(16)		Resona Holdings 100%	FY23 (Mar.31 2024)	0.5	(0.0)	
Kansai Mirai Leasing	(17)		Providing regional customers with solutions utilizing leasing functions	Kansai Mirai Bank 100%	FY23 (Mar.31 2024)	0.3	+0.2
Minato Leasing	(18)			Minato Bank 100%	FY23 (Mar.31 2024)	0.1	+0.0
Resona Mi Rise	(19)	Bank assistance business	Providing opportunities for a wide range of human resources to thrive	Resona Group 100% [Resona Holdings 100%* <sup>1</sup> ]	FY23 (Mar.31 2024)	0.0	+0.0
Regional Design Laboratory of Saitama	(20)	Assist in the resolution of region-specific issues	Driving in line with the development of "wide, deep, and long" customers, involving local communities	Saitama Resona Bank 100%	FY23 (Mar.31 2024)	0.0	+0.1
Mirai Reenal Partners	(21)	Consulting Crowdfunding	Solving customer problems together	Kansai Mirai Financial Group 100% [Kansai Mirai Bank 65%, Minato Bank 35%* <sup>1</sup> ]	FY23 (Mar.31 2024)	(0.0)	(0.0)
Resona Digital Hub	(22)	Assist in the promotion of DX	Support for driving-type DX toward the "vision" of customers	Resona Holdings 93.3%	FY23 (Mar.31 2024)	(0.2)	+0.0
FinBASE	(23)	Financial digital platform	Promoting an open platform for financial services	Resona Holdings 80%	FY23 (Mar.31 2024)	0.0	(0.0)
Loco Door	(24)	Assist in the regional vitalization	Achieving regional vitalization by combining education and agriculture	Resona Holdings 100%	FY23 (Mar.31 2024)	(0.0)	(0.0)
Total						21.7	(1.3)

\*1. As of April 1, 2024

# Consolidated Subsidiaries and Affiliated Companies (3)

## Major consolidated overseas subsidiaries

(JPY bn)

Name	Line of business	Capital contribution ratio	Fiscal year	Net income	YoY change	
P.T. Bank Resona Perdania (25)	Banking business (Indonesia)	Oldest Japan-affiliated bank in Indonesia	Resona Group 48.4% (Effective control approach)	FY'23 (Dec.31 2023)	(2.2)	(2.5)
P.T. Resona Indonesia Finance (26)	Leasing business (Indonesia)		Resona Group 100%	FY'23 (Dec.31 2023)	(0.1)	(0.0)
Resona Merchant Bank Asia (27)	Finance, M&A (Singapore)	Became consolidated subsidiary Jul. 2017; direct financing and M&A brokerage, etc.	Resona Group 100%	FY'23 (Dec.31 2023)	0.1	(0.0)
Total					(2.2)	(2.6)

## Major affiliated companies accounted for by the equity method

Name	Line of business		Capital contribution ratio	Fiscal year	Net income	YoY change
Custody Bank of Japan (28)	Trust banking business (Mainly asset administration)	One of the largest asset size in Japan	Resona Group 16.6% Sumitomo Mitsui Trust HD 33.3%	FY23 (Mar.31 2024)	0.3	(0.1)
NTT Data Sofia (29)	IT system development	Became affiliated company accounted for by the equity method in Oct. 2017; responsible for the system development of the group	Resona Holdings 15% NTT Data 85%	FY23 (Mar.31 2024)	0.3	+0.1
Resona Digital I (30)			Resona Holdings 49% IBM Japan 51%	FY'23 (Dec.31 2023)	0.2	+0.1
DACS (31)		Became affiliated company accounted for by the equity method in Jul. 2022; DX support for Resona group and our customers	Resona Holdings 30% NTT Data 70%	FY23 (Mar.31 2024)	0.0	(0.0)
Total					1.0	+0.0

## Established on April 1, 2024, as a consolidated subsidiary

Name	Line of business		Capital contribution ratio
Resona Real Estate Asset Management (32)	Real estate investment advisory	Tasked with the real estate asset management business of the Resona Group	Resona Bank 100%

\*1. Fiscal year end of the overseas subsidiaries (25)-(27) and Resona Digital I (30) are December 31. HD's consolidated business results reflect the accounts of these subsidiaries settled on Dec. 31.

# Maturity Ladder of Loan and Deposit (Domestic Operation)

Total of  
Two Banks  
(RB, SR)

## Loans and bills discounted

[End of March 2023]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	(1)	0.9%	0.8%	6.5%	13.9%	22.3%
Prime rate-based	(2)	41.4%	0.0%			41.4%
Market rate-based	(3)	34.0%	2.1%			36.1%
Total	(4)	<b>76.4%</b>	<b>3.0%</b>	6.5%	13.9%	100.0%

Loans maturing  
within 1 year

79.4%

[End of March 2024]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	(5)	0.8%	0.9%	8.0%	12.8%	22.6%
Prime rate-based	(6)	40.5%	0.0%			40.6%
Market rate-based	(7)	34.9%	1.7%			36.7%
Total	(8)	<b>76.3%</b>	<b>2.7%</b>	8.0%	12.8%	100.0%

Loans maturing  
within 1 year

79.0%

[Change in FY2023]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	(9)	(0.1)%	+0.0%	+1.4%	(1.0)%	+0.2%
Prime rate-based	(10)	(0.8)%	+0.0%			(0.8)%
Market rate-based	(11)	+0.9%	(0.3)%			+0.5%
Total	(12)	<b>(0.1)%</b>	<b>(0.2)%</b>	+1.4%	(1.0)%	-

Loans maturing  
within 1 year

(0.3)%

## Deposits

[End of March 2023]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	(1)	32.7%	2.6%	10.4%	36.1%	<b>82.0%</b>
Time deposits	(2)	8.6%	5.2%	3.3%	0.7%	17.9%
Total	(3)	41.3%	7.8%	13.7%	36.9%	100.0%

[End of March 2024]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	(4)	32.7%	2.6%	10.6%	36.8%	<b>82.9%</b>
Time deposits	(5)	8.4%	4.7%	2.9%	0.8%	17.0%
Total	(6)	41.2%	7.3%	13.6%	37.7%	100.0%

[Change in FY2023]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	(7)	(0.0)%	+0.0%	+0.1%	+0.6%	<b>+0.8%</b>
Time deposits	(8)	(0.1)%	(0.5)%	(0.3)%	+0.1%	(0.8)%
Total	(9)	(0.1)%	(0.4)%	(0.1)%	+0.7%	-

# Migrations of Borrowers (1H of FY2023)

RB

■ Exposure amount basis\*1

		End of September 2023									Upward Migration	Downward Migration
		Normal	Other Watch	Special Attention	Potentially Bankrupt	Effectively Bankrupt	Bankrupt	Other	Collection, Repayments	Assignments, Sale		
End of March 2023	Normal	98.2%	1.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.7%	0.0%	-	1.1%
	Other Watch	12.7%	78.3%	1.7%	4.4%	0.1%	0.1%	2.8%	2.8%	0.0%	12.7%	6.2%
	Special Attention	4.8%	2.2%	87.3%	4.6%	0.3%	0.0%	0.9%	0.9%	0.0%	7.0%	4.9%
	Potentially Bankrupt	0.6%	4.0%	0.9%	85.2%	4.7%	1.4%	3.4%	3.4%	0.0%	5.4%	6.1%
	Effectively Bankrupt	0.2%	0.5%	0.0%	0.9%	80.5%	11.4%	6.4%	5.6%	0.8%	1.7%	11.4%
	Bankrupt	0.0%	0.0%	0.0%	1.5%	0.0%	89.0%	9.5%	1.0%	8.5%	1.5%	-

\*1. Above table shows how a borrower belonging to a particular borrower category as of the end of March 2023 migrated to a new category as of the end of September 2023.

Percentage points are calculated based on exposure amounts as of the end of March 2023.

New loans extended, loans partially collected or written-off(including partial direct written-off) during the period are not taken into account.

"Other" as of the end of September 2023 refers to those exposures removed from the balance sheet due to collection, repayments, assignments or sale of claims.



# Migrations of Borrowers (2H of FY2023)

RB

■ Exposure amount basis\*1

		End of March 2024									Upward Migration	Downward Migration
		Normal	Other Watch	Special Attention	Potentially Bankrupt	Effectively Bankrupt	Bankrupt	Other	Collection, Repayments	Assignments, Sale		
End of September 2023	Normal	99.1%	0.4%	0.0%	0.0%	0.0%	0.0%	0.4%	0.4%	0.0%	-	0.4%
	Other Watch	6.3%	87.6%	0.9%	1.9%	0.1%	0.1%	3.1%	3.1%	0.0%	6.3%	3.0%
	Special Attention	3.2%	6.8%	83.8%	5.3%	0.5%	0.1%	0.3%	0.3%	0.0%	10.0%	5.8%
	Potentially Bankrupt	1.0%	2.3%	0.9%	88.2%	3.2%	0.2%	4.3%	2.5%	1.8%	4.2%	3.3%
	Effectively Bankrupt	0.2%	0.4%	0.0%	5.3%	72.0%	9.1%	13.0%	6.4%	6.6%	5.9%	9.1%
	Bankrupt	0.0%	0.0%	0.0%	1.3%	0.0%	90.6%	8.1%	3.0%	5.1%	1.3%	-

\*1. Above table shows how a borrower belonging to a particular borrower category as of the end of September 2023 migrated to a new category as of the end of March 2024.

Percentage points are calculated based on exposure amounts as of the end of September 2023.

New loans extended, loans partially collected or written-off(including partial direct written-off) during the period are not taken into account.

"Other" as of the end of March 2024 refers to those exposures removed from the balance sheet due to collection, repayments, assignments or sale of claims.

# Swap Positions by Remaining Periods

HD  
Consolidated

■ Notional amounts of interest rate swaps (deferred hedge accounting applicable) by remaining period

(JPY bn)

	Mar. 31, 2024				Mar. 31, 2023			
	Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total
Receive fixed rate/ Pay floating rate (1)	330.0	1,124.1	1,020.0	2,474.1	400.0	930.1	600.0	1,930.1
Receive floating rate/ Pay fixed rate (2)	178.7	329.5	45.0	553.3	51.7	478.5	282.4	812.7
Net position to receive fixed rate (3)	151.2	794.5	975.0	1,920.7	348.2	451.5	317.5	1,117.3

# Responses to the Ongoing International Discussion over Further Tightening of Financial Regulation

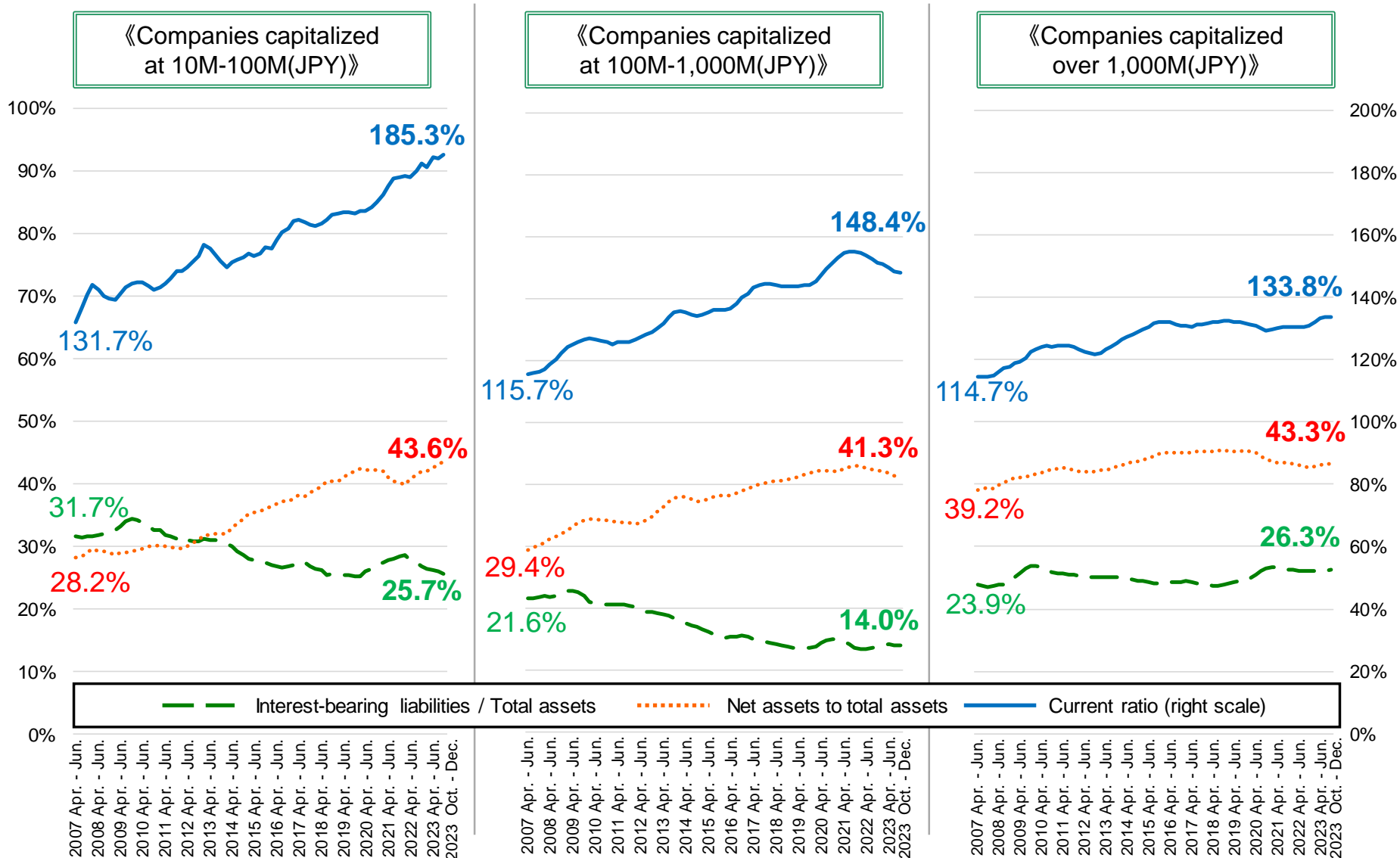
## Major items of financial regulation being discussed internationally / Impact on Resona

- Regulations based on the finalized Basel 3 took effect from the closure of FY2023 operating results. However, these regulations are currently considered to have no major impact on the Company's operations.

Major regulatory items	Outline of regulation	Important updates
<p>Finalization of Basel 3</p> <ul style="list-style-type: none"> <li>• Review of Standardized Approach (SA) (Credit and operational risks)</li> <li>• Review of IRB approach</li> <li>• Capital floor based on SA</li> </ul>	<p>Reviewing credit risk calculation method to enhance the risks sensitivity and improve comparability. Reviewing operational risk calculation method to reflect loss data.</p> <p>New capital floor rule requiring a reference to the SA (final output floor calibration : 72.5%).</p>	<ul style="list-style-type: none"> <li>• Impact of Basel 3 finalization has already been factored into each strategy.</li> <li>• Common Equity Tier 1 (CET1) capital ratio based on finalized Basel 3 (excluding net unrealized gains on available-for-sale securities) is 9.90%</li> </ul>
<p>Liquidity regulations (LCR/NSFR)</p>	<p>[LCR] Requiring banks to hold high-quality liquid assets to prepare for significant outflow of funds under a severe stress.</p> <p>[NSFR] Requiring banks to hold certain capital and liabilities for the risk of having illiquid assets.</p>	<ul style="list-style-type: none"> <li>• Minimum requirements are applicable to banks subject to the International standard.</li> </ul>
<p>Leverage ratio</p>	<p>Introduced to complement capital adequacy ratio requirements. Tier 1 capital as a numerator. Exposure amount, not RWA, to be a denominator.</p>	
<p>IRRBB (Interest rate risk in the banking book)</p>	<p>To strengthen the interest rate risk management by measuring the decline in economic value of equity (<math>\Delta</math>EVE) and net interest income (<math>\Delta</math>NI) under certain interest rate shock scenarios.</p>	<ul style="list-style-type: none"> <li>• Pillar 2 regulation. The threshold of <math>\Delta</math>EVE is set at within 15% of Tier 1 capital (in case of domestic standard banks, within 20% of Total capital), the figures are within the threshold.</li> </ul>
<p>Various capital buffers G-SIBs/D-SIBs, TLAC</p>	<p>Capital buffer requirements include capital conservation buffer, counter-cyclical buffer and SIBs' buffer. TLAC requires banks to hold additional capacity to absorb loss.</p>	<ul style="list-style-type: none"> <li>• Capital buffers are applicable to G-SIBs/D-SIBs, and banks subject to the International standard. TLAC is applicable to G-SIBs and other.</li> </ul>
<p>Response to the end of announcement of euro/yen TIBOR</p>	<p>The announcement of euro-yen TIBOR will be terminated at the end of Dec. 2024</p>	<ul style="list-style-type: none"> <li>• In anticipation of this move, we will promote the phased switchover of standard interest rates for lending and other assets.</li> </ul>

# Stability Ratios of Japanese Companies

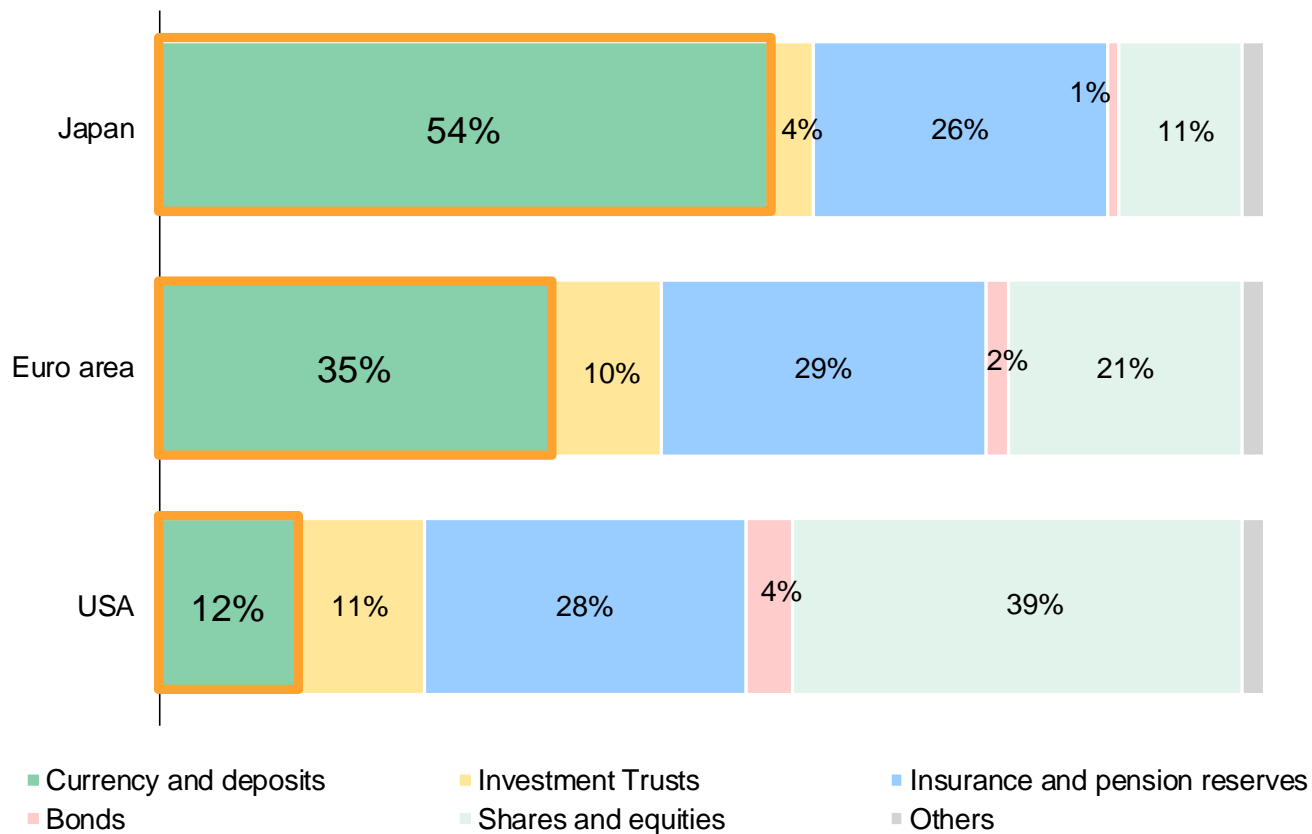
Trends in stability ratios of Japanese companies\*1



\*1. Financial Statements Statistics of Corporation (4 quarters moving average)

# Proportion of Financial Assets

## Financial assets held by households\*1



\*1. Prepared based on "Flow of Funds: Overview of Japan, the United States, and the Euro area" in Aug. 2023, Bank of Japan Research and Statistics Dept

# Long Term Business Results

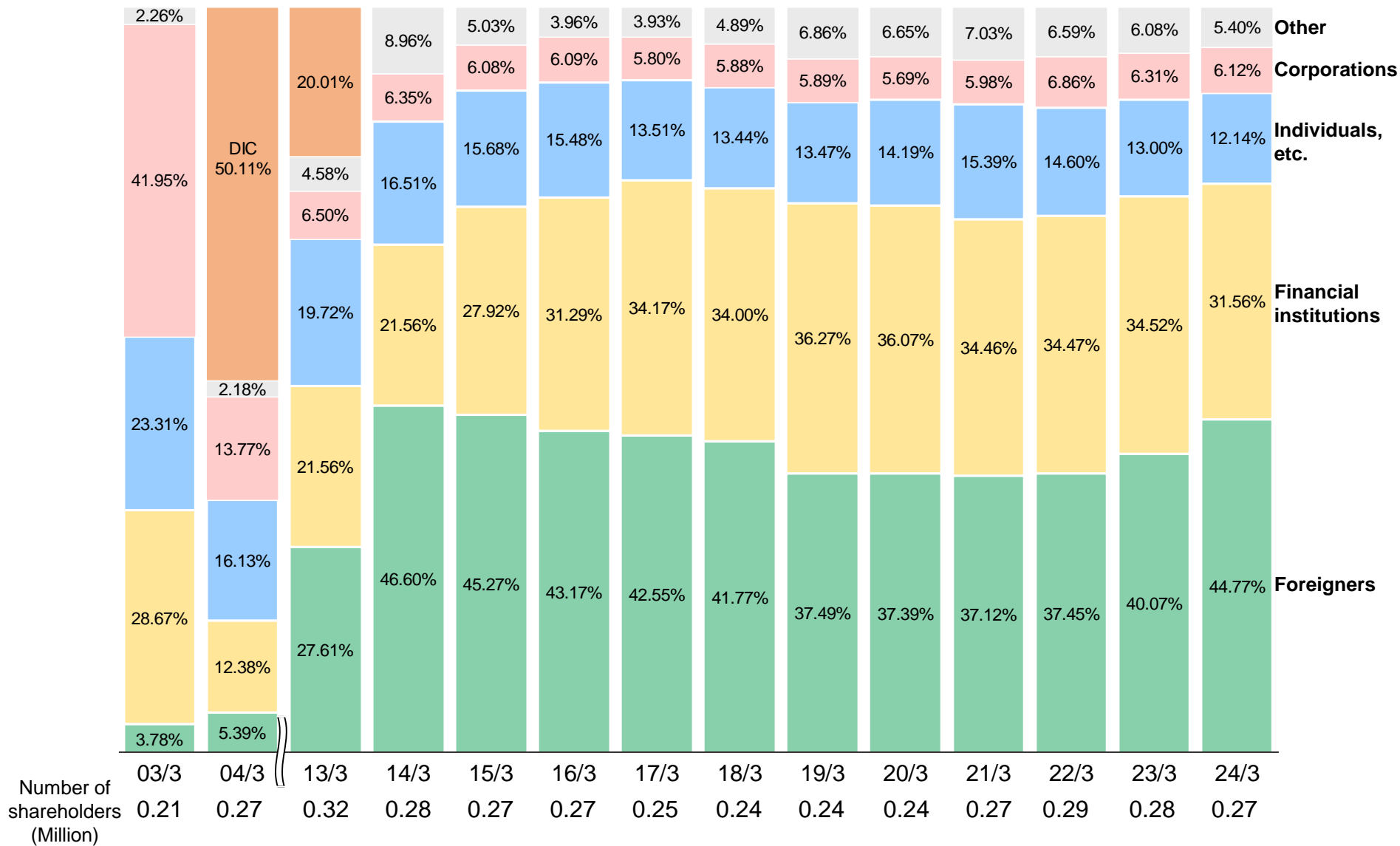
		3 banks (RB,SR,KO)				After KMFG integration							
		(JPY bn)	FY2014	FY2015	FY2016	FY2017	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
PL	Consolidated	Gross operating profit	632.4	619.5	563.1	552.5	661.3	644.1	658.6	639.1	601.9	600.0	627.4
		Net interest income	425.9	401.3	377.9	368.3	454.2	435.9	431.1	417.4	429.1	419.3	421.6
		Fee incomes**1	169.2	168.7	160.6	168.0	187.7	193.8	190.2	191.4	208.3	208.6	213.5
		Operating expenses	(357.7)	(347.5)	(362.4)	(360.6)	(442.6)	(439.4)	(426.5)	(425.8)	(427.2)	(413.0)	(423.1)
		Net gains/(losses) on stocks	44.5	(6.5)	25.1	16.7	21.4	10.1	0.5	46.9	45.5	54.1	65.6
		Credit related expenses	22.3	(25.8)	17.4	14.7	10.1	(1.3)	(22.9)	(57.4)	(58.7)	(15.9)	(35.6)
		Net income attributable to owners of parent	211.4	183.8	161.4	236.2	244.2	175.1	152.4	124.4	109.9	160.4	158.9
		BS	Total of group banks	Term end loan balance	27,755.5	27,932.1	28,412.0	28,992.1	35,478.5	36,282.9	36,738.2	38,942.3	39,617.0
Loans to SMEs and individuals	23,454.9			23,645.8	24,163.8	24,728.4	30,473.3	31,161.3	31,318.9	32,407.7	32,730.0	33,052.5	33,803.4
Housing loans**2	13,125.0			13,188.0	13,356.3	13,331.6	15,968.5	16,223.1	16,342.6	16,610.7	16,735.4	16,790.8	16,889.0
Residential housing loans	9,905.1			10,015.1	10,218.6	10,267.5	12,374.7	12,683.6	12,912.2	13,321.5	13,562.2	13,723.1	13,897.9
NPL ratio	1.51%			1.51%	1.35%	1.18%	1.26%	1.18%	1.14%	1.12%	1.32%	1.29%	1.34%
Stocks (Acquisition amount basis)	330.6			351.5	348.3	343.8	365.4	353.8	336.9	325.2	305.9	283.8	261.6
Unrealized gains/(losses) on available-for-sale securities	573.1			460.1	555.4	649.4	672.8	598.3	420.7	615.3	521.2	472.9	663.3
Business	Total of group banks			Balance of Investment products sold to individuals	3,791.5	3,751.7	3,645.7	3,618.6	4,569.7	4,762.3	4,585.8	5,128.7	5,564.5
		Investment trust/ Fund wrap	2,070.9	1,871.1	1,759.3	1,733.7	2,178.4	2,222.4	2,017.0	2,533.1	2,845.7	2,666.9	3,111.4
		Insurance	1,720.6	1,880.6	1,886.3	1,884.9	2,391.2	2,539.8	2,568.7	2,595.6	2,718.7	2,866.3	3,081.5
		Housing loan**2	1,352.9	1,292.7	1,481.4	1,174.9	1,418.4	1,577.7	1,506.3	1,506.0	1,421.2	1,361.8	1,331.0
		Residential housing loans	1,042.2	1,011.7	1,198.7	939.0	986.6	1,225.5	1,232.7	1,314.1	1,225.3	1,168.3	1,128.8
		Real estate business (Excluding equity)	11.2	13.5	13.7	13.1	13.1	13.3	12.5	10.6	13.5	15.4	15.0
Remaining public fund balance		128.0	Fully repaid in June 2015										

\*1. Fees and commissions income plus trust fees    \*2. Includes apartment loans (Origination includes Flat35)

## Credit Rating Information (Long Term)

	Moody's	S&P	R&I	JCR
<b>Resona Holdings</b>	-	-	AA-	AA
<b>Resona Bank</b>	A2	A	AA-	AA
<b>Saitama Resona Bank</b>	A2	-	AA-	AA
<b>Kansai Mirai Bank</b>	-	-	-	AA
<b>Minato Bank</b>	-	-	-	AA

# Composition of Resona HD's Common Shareholders





# Proactively Communicating with Our Shareholders and Investors (1)

## Resona Group Website



[Investor Relations]

View IR presentation materials from here



Usability and sufficiency  
of information of IR site  
are highly evaluated



# Proactively Communicating with Our Shareholders and Investors (2)

## Resona Group Integrated Report (issued annually in July)

This publication provides an easy-to-understand overview of the Resona Group's features and initiatives aimed at achieving sustainable value creation.

