



May 12, 2020

Company Name: Resona Holdings, Inc.

Director, President and Representative Executive Officer: Masahiro Minami

(Code No.: 8308, 1st Section of the Tokyo Stock Exchange)

New Medium-term Management Plan

Resona Holdings, Inc. (“Resona”) hereby announces that today it has formulated a new Medium-term Management Plan that aims to establish “Resonance Model” and covers the three-year period beginning from fiscal year 2020.

In Japan, irreversible changes in the social structure are accelerating. These include demographic decline and graying, rapid digitalization, and the continued diversification of customer behavior. Moreover, in addition to the prolongation of a negative interest rate policy, the novel coronavirus pandemic, which has severely affected the global economy, is also having a major impact on economic trends in Japan. Currently, domestic economic activities, including consumption and production, have largely fallen into stagnation due to travel and social restrictions.

The environmental changes described above are expected to extend over the medium and long terms, with businesses facing a growing need to ensure their responsiveness in the face of unexpected situations. Given this, the Resona Group (the “Group”) has designated “contributing to the creation of a sustainable society while achieving sustainable corporate growth” as its medium- to long-term vision. Starting from this vision, the Group has taken a backcasting approach to formulate the new medium-term management plan.

In the new Medium-term Management Plan (the “Plan”), we have positioned establishing “Resonance Model” as our basic policy. This means starting from the issues confronting customers and society, we will provide new value to customers through diverse resonance generated by moving beyond conventional banking frameworks.

Under the Plan, we will continue to focus the collective efforts of the Group on becoming the “Retail No. 1” while remaining true to our basic stance that “Customers’ happiness is our pleasure.”

I. Vision

- “Retail No.1”
A “services group” that is most supported by regional customers as it walks together with them into the future

II. Basic Stance

- Customers’ happiness is our pleasure

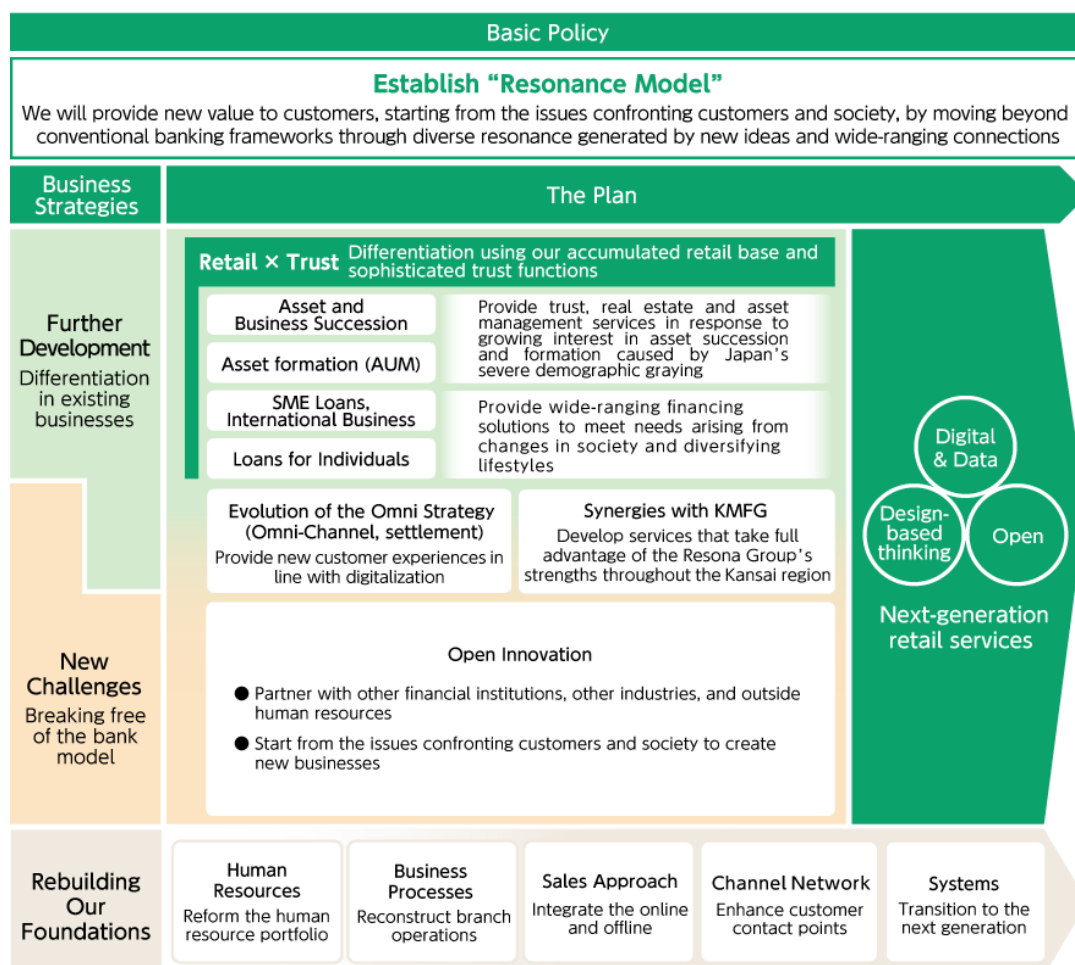
III. Plan Period

- FY2020 to FY2022 (FY ending March 31, 2021 to FY ending March 31, 2023)

IV. Key Points of the Plan

- We have designated as our medium- to long-term vision (for 2030) “contributing to the creation of a sustainable society” by adapting to changes in the environment and social structures while simultaneously “achieving sustainable growth” for the Group through resonance with customers and society
- To achieve this vision, we have designated as our basic policy establishing “Resonance Model” that provides new value to customers through diverse resonance generated by new ideas and wide-ranging connections

V. Overview of the Plan



VI. Basic Policy

- Establishing "Resonance model" means we will adapt to changing times and provide new value to customers, starting from the issues confronting customers and society, by moving beyond conventional banking frameworks through diverse resonance generated by new ideas and wide-ranging connections. By positioning the resonance model as a central axis of thinking and action for every employee, we will achieve the aims of the Plan.

1. Starting from the Issues Faced by Customers and Society

- Reexamine all the Group's business activities with a focus on addressing both the many-layered issues our customers are confronting and social issues.
- In addition to focusing on "what is troubling the customer," pay close attention to "why" in a continuous effort to examine how to solve such issues.
- Reexamine our customer relationships with an eye to changing the dynamic from a series of points of intersection to a continuous line based on lifestyles, life cycles, life events, and everyday changes in circumstances and thereby provide diverse services that go beyond finance.

2. Diverse resonance generated by new ideas and wide-ranging connections

- In light of accelerating digitalization and other changes in social structures, we will merge our conventional business model with three drivers* to adapt it and our management foundations to the changing times.
- Aware that the pace of change is now faster than previously anticipated, we will look for mechanisms, organizations, human resources, and methods that will enable us to implement strategy and concrete measures faster than ever before.

*Three drivers

- Building on the solid customer relationships the Group has established over the years under its focus on retail financial services, we will innovate our business model and management foundations using the drivers “Digital & Data,” “Design-based Thinking,” and “Open.”

Digital & Data	<ul style="list-style-type: none"> ● The area of foremost priority in adapting to change (Integrate human resources and technology to align our approach with the evolving perspectives of our customers) ● The starting point for shifting fixed management resources and for five foundational rebuilding aimed at innovation
Design-based Thinking	<ul style="list-style-type: none"> ● Integrate high-quality face-to-face data with wide-ranging digital data from high-frequency sources (Quickly grasp customer needs and changes, provide new insights, integrate with experience and professional wisdom) ● Data-based ⇒ Innovate sales approaches, standardize sales procedures, improve sales productivity
Open	<ul style="list-style-type: none"> ● Innovate problem-solving processes to create new possibilities (break free of the typical banker perspective) ● Establish and maintain rapid cycles of problem-solving that make thorough use of customer/user perspectives, communication, hypotheses, testing, verification, correction and improvement
Open	<ul style="list-style-type: none"> ● Handling everything in-house limits our ability to provide new value and enhance customer experience based on the customer’s perspective ● Actively bring in new ideas and outstanding insight and know-how while fostering co-creation with external partners

VII. Business Strategies

- We will work to thoroughly differentiate our traditional indirect financing operations (trust and commercial banking) through further development. At the same time, we will take on new challenges by pursuing new businesses based on innovative ideas to break free of the bank model. By doing so, over the medium to long term, we will evolve into a group that offers next-generation retail services and reform our earnings structure.
1. Further Development
- We will upgrade our succession business, which takes full advantage of the Resona Group’s retail sales capabilities and base, sophisticated trust services. At the same time, we will focus efforts on further evolving the Omni Strategy that we pushed forward under the previous medium-term management plan.
 - Throughout the Kansai region, where the Kansai Mirai Financial Group (“KMFG”) maintains its operating base, we will develop services and functions supported by Resona’s distinctive strengths in pursuit of synergy with the entire Resona Group.

Asset and Business Succession	<ul style="list-style-type: none"> ● Offer the Resona Group’s trust and real estate functions to respond to growing interest in asset and business succession caused by Japan’s severe demographic graying ● To serve as many customers as possible, concentrate management resources in asset and business succession while taking full advantage of informational assets provided by our retail base
Asset Formation (AUM)	<ul style="list-style-type: none"> ● Provide optimized consulting to ensure the trust and assurance of each customer in response to growing needs for asset formation in preparation for the coming “age of centenarians” ● Qualitatively reinforce human resources engaged in asset management consulting and sales while investing management resources in improving relevant departments’ capabilities related to long-term, stable asset management
SME Loans, International Business, Loans for Individuals	<ul style="list-style-type: none"> ● Utilize a sales approach focused on identifying issues to provide diverse solutions in response to needs related to responding to structural changes in society, procuring funding to deal with unforeseen circumstances, or supporting overseas expansion aimed at business growth

	<ul style="list-style-type: none"> ● Develop sophisticated human resources to handle wide-ranging solutions and maximize time spent on sales activities through operational reforms
<p>Omni-Channel, Settlement</p>	<ul style="list-style-type: none"> ● Provide new customer experiences through more convenient and useful services in response to needs related to digitalization's enhancement of lifestyles and productivity ● Invest management resources in digital fields to stay ahead of the curve, thereby accelerating the pace of business development and expanding our digital economic zones

2. New Challenges (Open Innovation)

- Through new ideas and wide-ranging connections, we aim to provide new value to customers and society while expanding the scope of the Resona Group's business and diversifying opportunities for earning profit.
- Starting from the issues customers and society are now confronting, we will leverage partnerships with other financial institutions, other industries, outside human resources and communities. We will also employ our corporate frameworks, which enable us to maintain a position as an "advanced banking service company" as defined under the Banking Act, as well as dedicated cross-functional teams that span multiple organizational units. In these ways, we will create new businesses in which we can effectively exercise the Resona Group's advantages.

VIII. Rebuilding Our Foundations

- To successfully further develop and take on new challenges in our businesses, we must deconstruct the high-cost structure of our retail businesses and effectively allocate management resources. Focusing on the three drivers, we will rebuild our business model and management foundations as we work to reinforce our sales capabilities and raise productivity.

Human Resources	<ul style="list-style-type: none"> ● Reform the human resource portfolio with an emphasis on diversity and specialization (adopt a multi-path personnel system: develop and hire specialized professionals, implement Omni-Advisor training for consultants for all as well as recurrent training) · 1,000 digital & IT specialists
Business Processes	<ul style="list-style-type: none"> ● Thoroughly streamline business processes and reconstruct them by shifting mindsets and digitalizing (Branch operations, corporate and lending operations) · Change the mission of the over 10,000 administrative staff that have supported Resona's growth <ul style="list-style-type: none"> ⇒ Shift everyone to consulting · Reduce operational costs through productivity improvement
Sales Approach	<ul style="list-style-type: none"> ● Transition to a system in which all employees are involved in sales and consulting in three years ● Integrate high-quality data from existing face-to-face business with wide-ranging digital data from high-frequency sources about customers' daily behavior in real time, and link these between channels <ul style="list-style-type: none"> ⇒ Secure new insights and timely negotiation opportunities, and evolve communication
Channel Network	<ul style="list-style-type: none"> ● Enhance customer contact points and reduce channel-related costs at the same time ● Based on the further development of area operations (reorganize areas and adjust each branch's mission), establish an even more robust network of manned channels that prosper alongside local communities while looking toward innovation through the integration of digital technologies and data ● Lower the break-even point through operational process reform, downsizing and replacement

Systems	<ul style="list-style-type: none"> ● Integrate management and IT as well as strategy and IT ⇒ Shrink existing systems with an eye to technological advancement. Build next-generation systems to meet the needs of changing times · Greatly increase speed, flexibility and applicability in strategy implementation · Greatly reduce Group system costs
---------	---

IX. Capital Management Policy

- Resona will pursue an optimal balance between financial soundness, profitability and shareholder returns and endeavor to enhance corporate value.

1. Financial Soundness

With regard to the target capital adequacy ratio in the final year of the Plan, while prioritizing the three items described below, we will secure sufficient equity capital under the current Japanese standard and aim for a common equity tier 1 ratio (excluding net unrealized gains on available-for-sale securities; based on regulations to be effective upon the enforcement of the finalized Basel 3) of approximately 10% under the international standard.

- 1) Further contributing to the development of regional communities and economies through the steady supply of funds and the provision of services, etc.
- 2) Securing capital as a trusted financial institution from a global perspective and realizing sustainable growth
- 3) Securing strategic flexibility to respond to investment opportunities and financial regulations

2. Profitability

- We will continuously engage in financial management conscious of capital efficiency, risk, cost and return, and aim to secure ROE exceeding 8%.

3. Shareholder returns

- We will maintain a stable dividend stream and work to enhance shareholder returns while considering such factors as the balance between financial soundness and profitability and opportunities for growth investments.
- Specifically, we will aim for a total shareholder return ratio of middle 40% range in the medium term.

X. Key Performance Indicators

- Key performance indicator targets for the final year of the Plan are as shown below.

Key Performance Indicators (KPIs)		FY2022
Realize medium-to long-term income structure reform	Net income attributable to owners of parent	JPY 160 bn
	Consolidated fee income ratio	Over 35%
	Consolidated cost income ratio	60% level
	ROE*1	8% level
	CET1 ratio*2	10% level
Realize a sustainable society	ESG index selected by GPIF*3	Aim to be adopted for all indexes

[FY2022 assumed conditions : Overnight call rate (0.05) %, Yield on 10Y JGB (0.05) %, Nikkei 225 23,000 yen]

*1. Net income / Total shareholders equity (simple sum of the balance at the beginning and the end of the term)

*2. Based on the finalization of Basel 3. Exclude unrealized gain on available-for-sale securities

*3. FTSE Blossom Japan Index, MSCI Japan ESG Select Leaders Index, MSCI Japan Empowering Women Index, S&P/JPX Carbon Efficient Index

**Medium-term Management Plan
(FY2020-FY2022)
- Establish “Resonance Model” -**



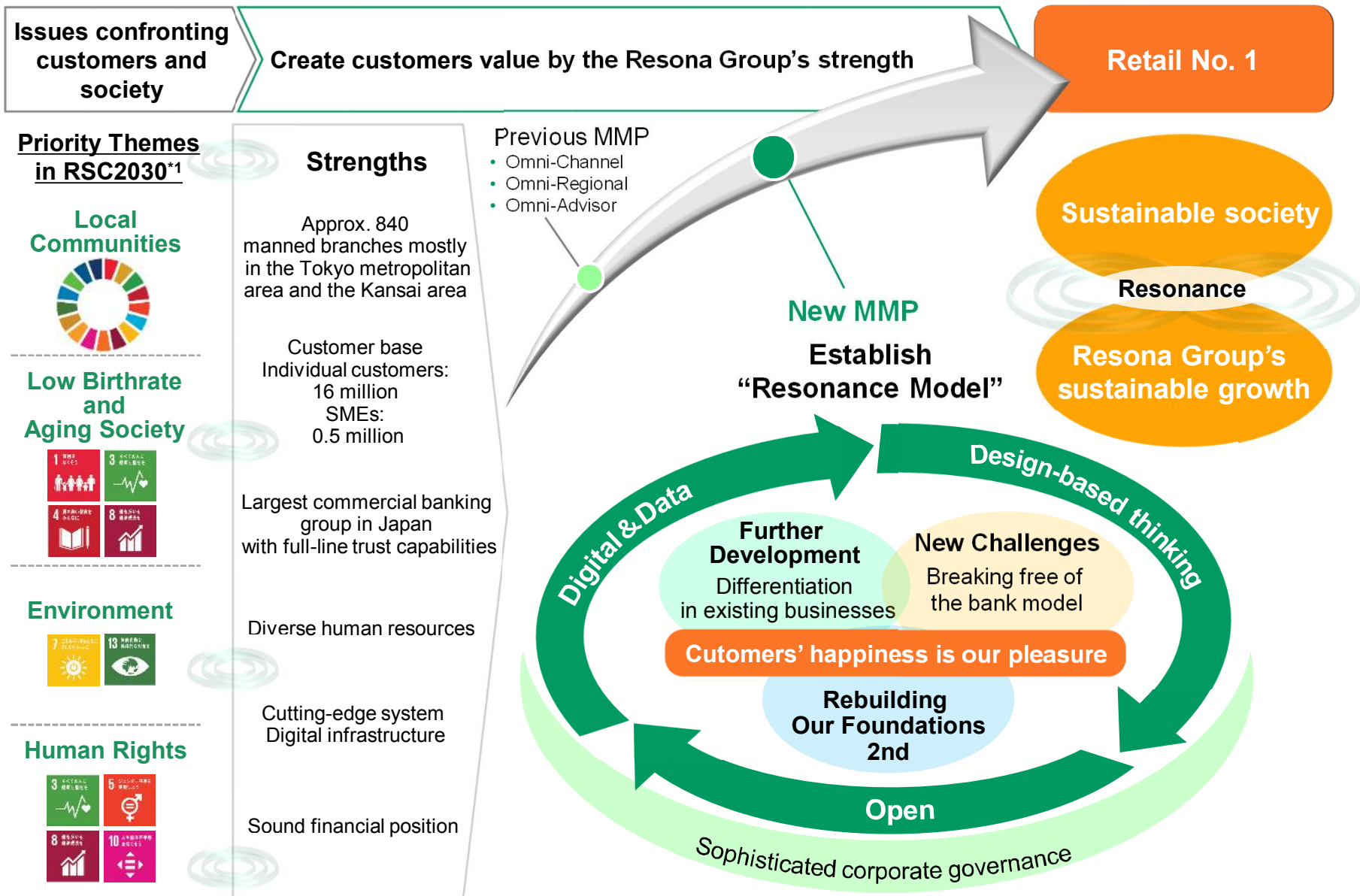
Resona Holdings

May 12, 2020

Contents

- P2 For Becoming the “Retail No. 1”
- P3 Establish “Resonance Model”
- P4 Business Strategy and Rebuild Foundations (Overview of the MMP)
- P5 KPIs
- P6 Roadmap for Securing Profit
- P7 Business Strategy **Further Development** Differentiate our Existing Businesses
- P8 Business Strategy **Further Development** x **New Challenges** Further Evolve our Omni Strategy
- P9 Business Strategy **New Challenges** Breaking Free of the Banking Model
- P10 Rebuild our Foundations to Reinforce our Sales Capabilities and Raise Productivity
- P11 Reallocate Human Resources to our Fields of Focus
- P12 Direction of Capital Management
- P13 Points of Focus in the New Medium-term Management Plan toward the 2030 Realization of SDGs

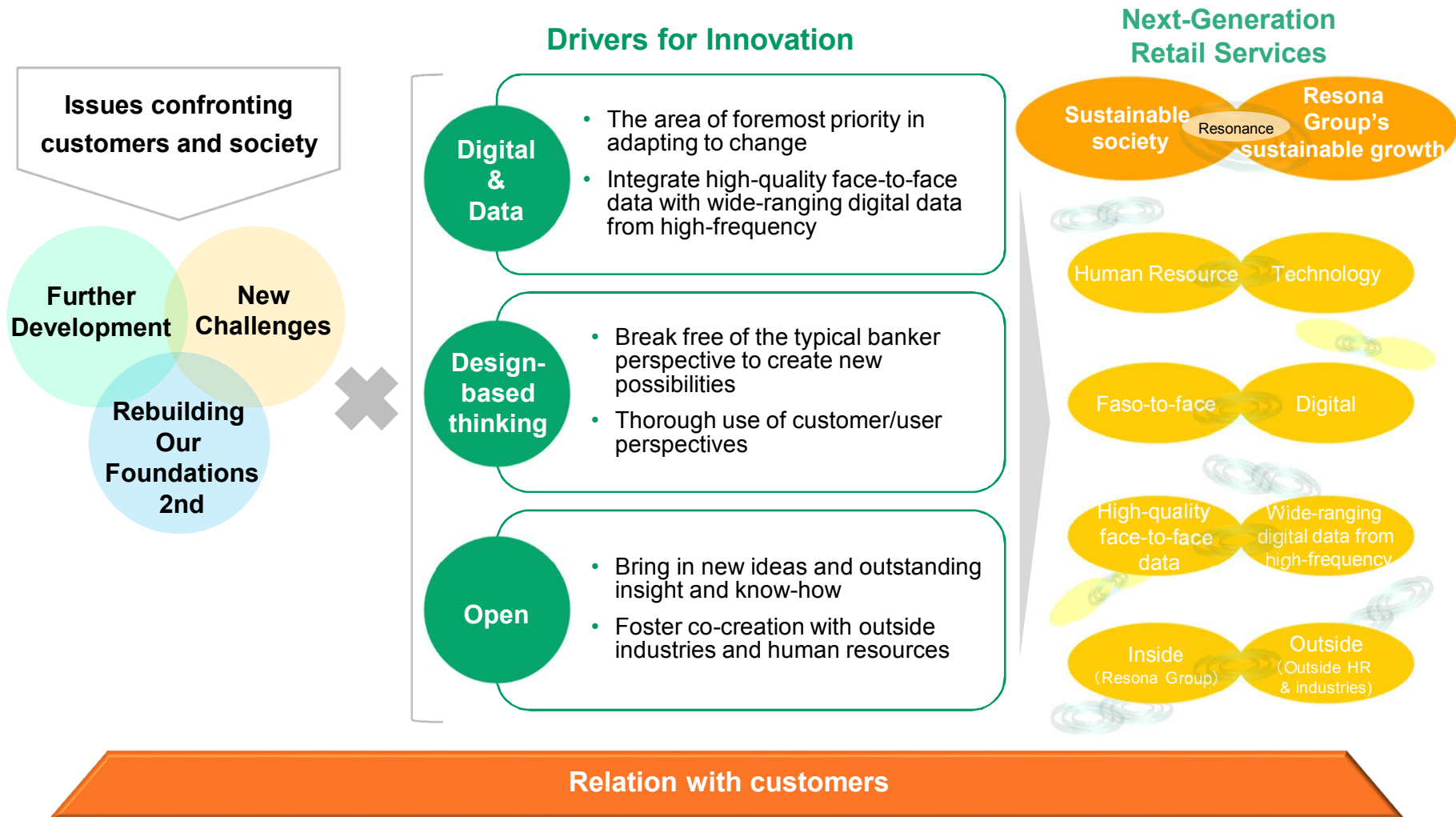
For Becoming the “Retail No. 1”



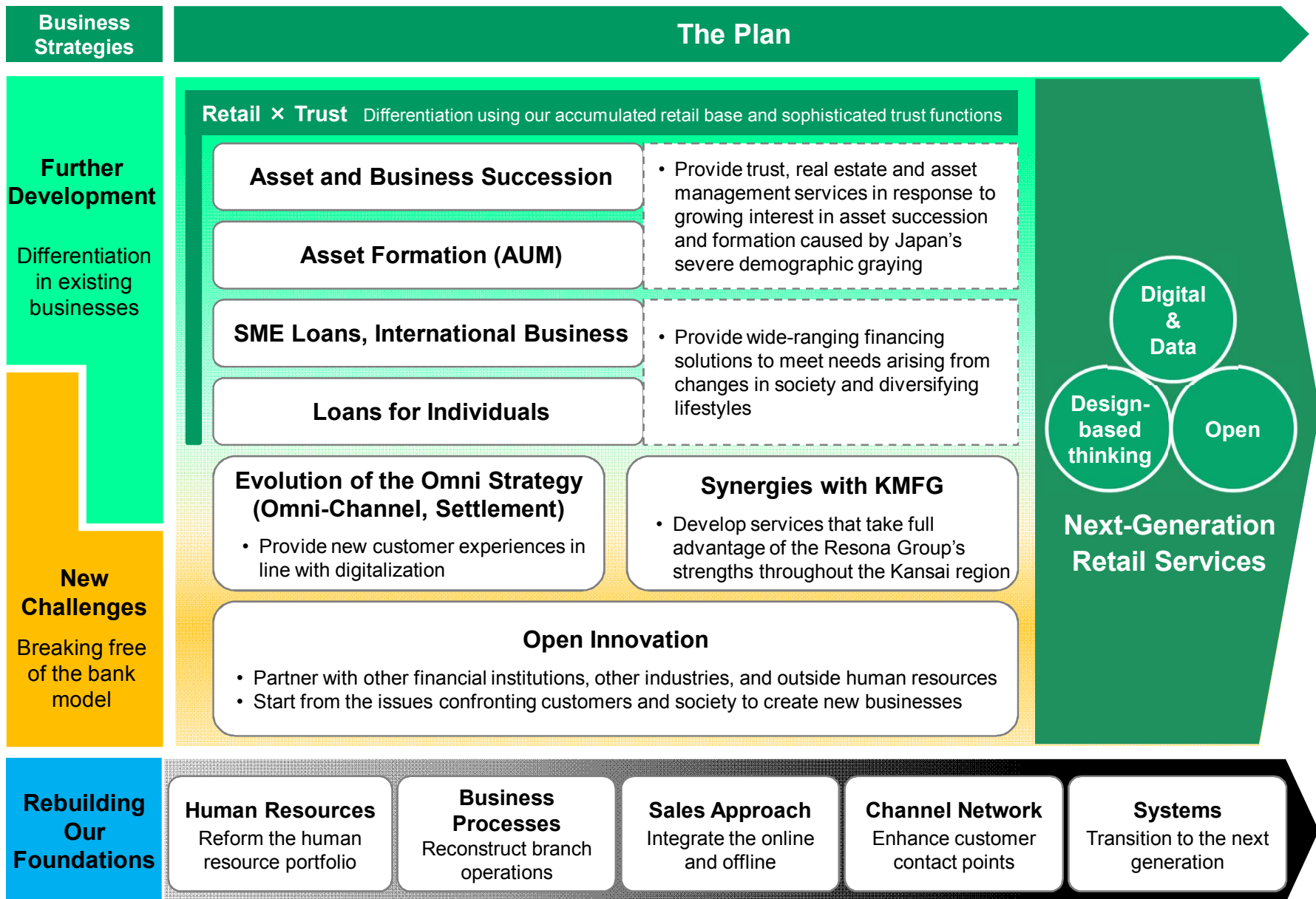
*1. Commitment Towards Achieving the Sustainable Development Goals 2030 (Resona Sustainability Challenge 2030) released in Nov. '18

Establish “Resonance Model”

We will provide new value to customers, starting from the issues confronting customers and society, by moving beyond conventional banking frameworks through diverse resonance generated by new ideas and wide-ranging connections



Business Strategy and Rebuild Foundations (Overview of the MMP)



KPIs

	FY2022
Realize medium- to long-term income structure reform	Net income attributable to owners of parent JPY 160 bn
	Consolidated fee income ratio Over 35%
	Consolidated cost income ratio 60% level
	ROE*1 8% level
	CET1 ratio*2 10% level
Realize a sustainable society	ESG index selected by GPIF*3 Aim to be adopted for all indexes

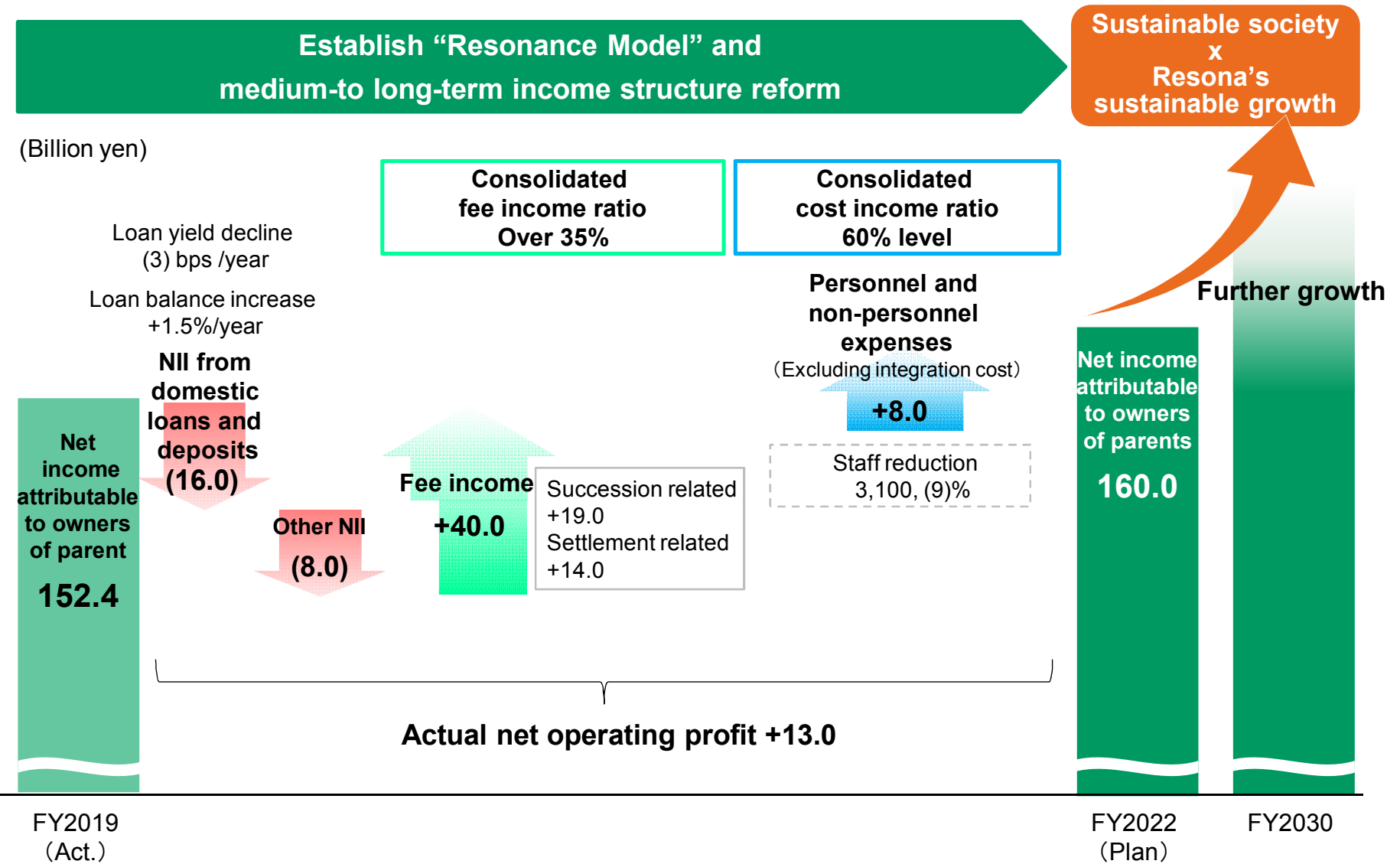
[FY2022 assumed conditions : Overnight call rate (0.05) %, Yield on 10Y JGB (0.05) %, Nikkei 225 23,000 yen]

*1. Net income / Total shareholders equity (simple sum of the balance at the beginning and the end of the term)

*2. Based on the finalization of Basel 3. Exclude unrealized gains on available-for-sale securities

*3. FTSE Blossom Japan Index, MSCI Japan ESG Select Leaders Index, MSCI Japan Empowering Women Index, S&P/JPX Carbon Efficient Index

Roadmap for Securing Profit



Business Strategy Further Development Differentiate our Existing Businesses

	Our focus	Main initiatives	Targets (vs. FY2019)
Asset and Business Succession	<p>Trust banking functions Commercial bank with real estate brokerage capability</p> <p style="text-align: center;">X</p> <p>Retail platforms Individual 1,600 mil, SMEs 0.5 mil.</p>	<ul style="list-style-type: none"> ■ Concentrate and reinforce specialist human resources ■ Act in collaboration with external partners ■ Engage in optimal proposals employing digital-based communications with specialists at head office departments <p>⇒ e.g. Build a sales support system which enables staff to provide customers with best solutions</p>	<ul style="list-style-type: none"> • # of new asset succession-related contracts 10,000 (+Approx. 3,900) • # of M&A contracts 250 (+Approx. 120) • # of real estate brokerage transactions 2,000 (+Approx. 1,000)
Asset Formation (AUM)	<p>Consulting based on the medium- to long-term perspective Omni-Advisors</p> <p style="text-align: center;">X</p> <p>Asset management capabilities Investment know-how from corporate pension expertise</p>	<ul style="list-style-type: none"> ■ Nurture professionals via programs provided at Resona Academy ■ Enhance the RAM structure ⇒ enhance its capabilities to perform medium- to long-term asset management ■ Offer personalized consulting services via the use of IT and digital solutions <p>⇒ e.g. Marketing taking advantage of real digital data</p>	<ul style="list-style-type: none"> • Bal. of asset formation support products*1 JPY6.6 tn (+Approx. JPY1.4tn) • AUM (RAM) JPY24 tn (+Approx. JPY2.2 tn)
SME Loans, International Business	<p>Sales approach focused on identifying issues Provide multiple and comprehensive value</p> <p style="text-align: center;">X</p> <p>Sophisticated solutions Assist to achieve SDGs</p>	<ul style="list-style-type: none"> ■ Engage in timely proposals via robust information sharing between branches and head office departments ■ Expand the volume of local transactions handled by RMBA and Bank Resona Perdania ■ Offer digital transactions for corporate customers in the start-up phase and other small-sized businesses <p>⇒ e.g. Resona Group App for corporate customers</p>	<ul style="list-style-type: none"> • Loans to SMEs JPY14.6 tn (+Approx. JPY0.8 tn)
Loans for Individuals	<p>Cost competitiveness Scale merits (Newly originate over JPY1.2 tn a year)</p> <p style="text-align: center;">X</p> <p>Promotion of multilateral transactions Proposal according to life stage</p>	<ul style="list-style-type: none"> ■ Thoroughly reduce redundant operational processes via digitalization ■ Enhance the content of the e-contract service that enables customers to complete procedures via non face-to-face channels ■ Promote bidirectional communications via the Resona Group App <p>⇒ e.g. Completion of housing loan procedures on Resona Group App</p>	<ul style="list-style-type: none"> • Residential housing loan JPY13.8 tn (+Approx. JPY0.9 tn)

*1. Investment trusts sold to individuals, FW, Insurance, Foreign currency deposits, Public bonds etc.

Business Strategy Further Development X New Challenges Further Evolve our Omni Strategy

Omni-channel, Settlement

Nurture and reinforce professionals in IT and digital fields x Open network ⇒ Strengthen IT consulting capabilities

Omni-Channel

Digital

✕

Face-to-face

Expand Group app: 2.2 million DL as of Mar. '20
⇒ Achieve 5 million DL as of Mar. '23

Reorganize approx. 840 manned branches
Reduce back office operations to virtually zero, enabling facilities to be used solely for consulting

Settlement

- Expand functions of RCP and Resona wallet app
- Build a B to B settlement platform for corporations
- Expand debit-card :
Number issued 2.01 million as of Mar. '20
⇒ Achieve 2.55 million as of Mar. '23

Pursue synergies with KMFG

【Group synergies】

(Billion yen)

Year	Value (Billion yen)
FY2019	+JPY3.0
FY2022 (Target)	+11.0
<div style="display: flex; justify-content: space-around;"> GOP +7.5 Expense +3.5 </div>	

Sales synergies

Functions Trust·Real estate	Products Group app, FW, Debit-card, RCP	Information M&A platform, Business plazas
<div style="border: 1px solid #0000FF; border-radius: 5px; padding: 5px; display: inline-block;"> Cost synergies </div>		
Channels Create joint branches at which multiple Group banks operate	Human resources Downsize and reallocate	
Systems <ul style="list-style-type: none"> Integrate MB's systems in two phases <ul style="list-style-type: none"> (1)FY'21 (planned): Unify customer service systems using the Resona open platform strategy (2)FY'25 (planned): Fully integrate MB's and Resona's systems 		

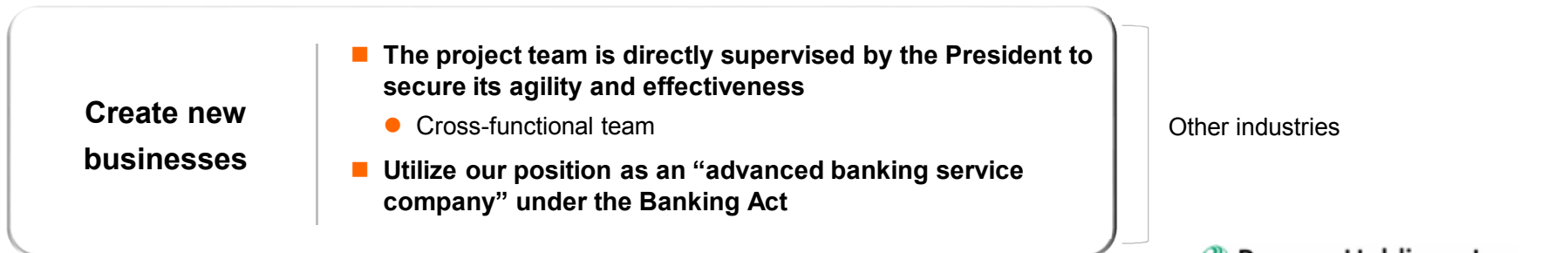
Business Strategy New Challenges Breaking Free of the Banking Model

Open innovation

Employ a broad range of external relationships to pursue co-creation



Deliver new value employing new ideas



Rebuild our Foundations to Reinforce our Sales Capabilities and Raise Productivity

Human Resources

- **Reform the human resource portfolio with an emphasis on diversity and specialization**
 - Adopt a multi-path personnel system, develop and hire specialized professionals, implement Omni-Advisor training for consultants for all as well as ongoing, recurrent training
 - 1,000 digital and IT specialists

Business Processes

- **Thoroughly streamline business processes and reconstruct them by shifting mindsets and digitalizing**
 - Change the mission of the over 10,000 administrative staff
 - Reduce operational costs through productivity improvement / Utilize CFT

Sales Approach

- **Transition to a system in which all employees are involved in sales and consulting**
- **Integrate high-quality data from existing face-to-face business with wide-ranging digital data from high-frequency sources about customers' daily behavior in real time, and link these between channels**

Channel Network

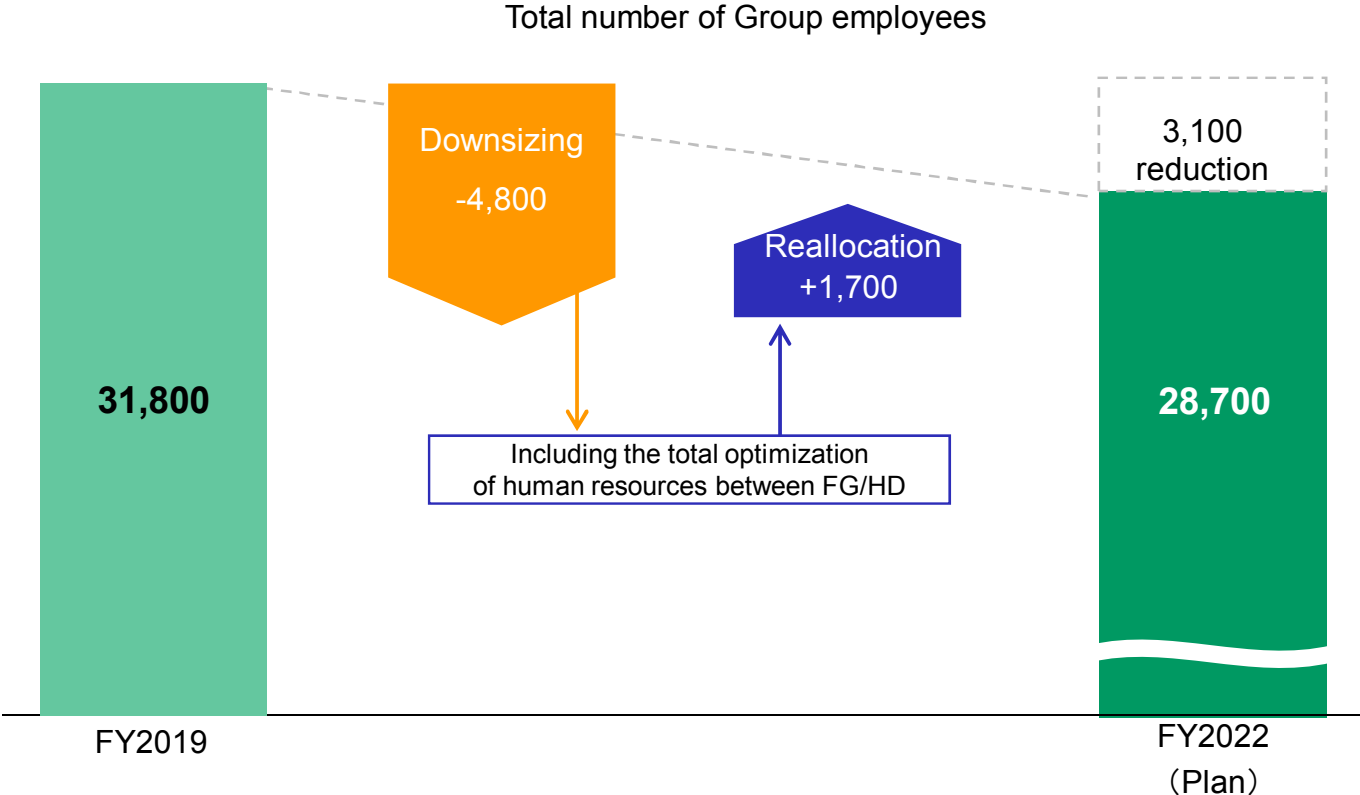
- **Enhance customer contact points and reduce channel-related costs at the same time**
 - Further development of area operations (consolidation of staffs for corporate customers and loan, reallocate staffs for individual customers)
 - Lower the break-even point through downsizing, replacement and B in B

Systems

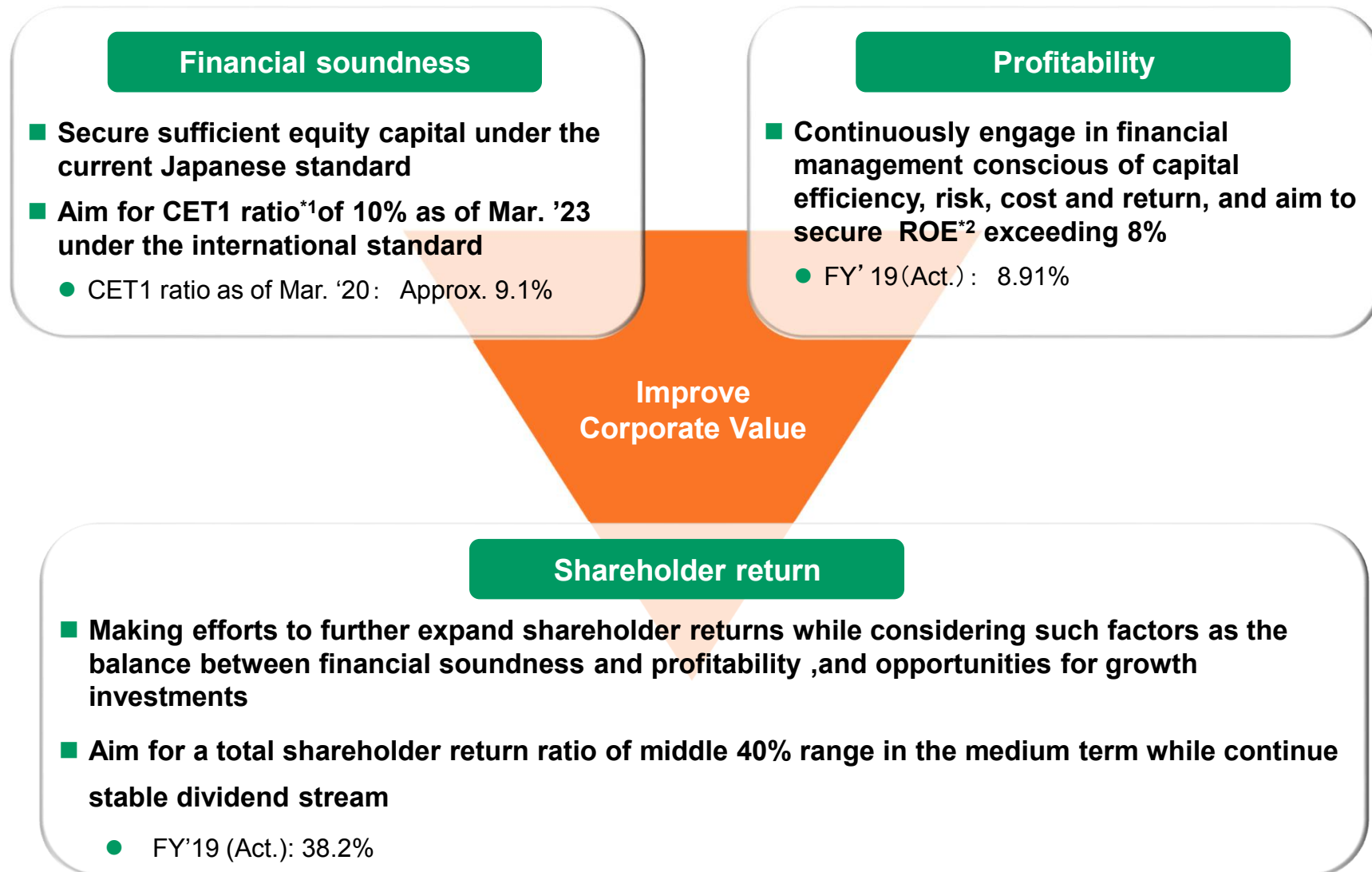
- **Shrink existing systems with an eye to technological advancement. Take first steps toward building next-generation systems**
 - Greatly increase speed, flexibility and applicability in strategy implementation
 - Greatly reduce Group system costs / Utilize CFT ⇒ Expand strategic investment

Reallocate Human Resources to our Fields of Focus

- **Reduce total headcount by 3,100 (9%) by raising productivity via channel reforms and branch digitalization**
 - Downsize the total number of Group employees to around 29,000, the level equivalent to the number prior to the integration of KMFG (natural decrease in step with retirement)
- **Reallocate human resources across the Group in a bold and flexible manner to our fields of focus (succession, Omni Channel, etc.) and new businesses (digital, IT, etc.)**
 - Optimize KMFG's human resource portfolio to help it raise productivity and operational efficiency at the earliest date via, for example, staff transfer to other fields of the Group's focus







Direction of Capital Management



*1. Based on the finalization of Basel 3. Exclude unrealized gains on available-for-sale securities

*2. Net income / Total shareholders equity (simple sum of the balance at the beginning and the end of the term)

Points of Focus in the New Medium-term Management Plan toward the 2030 Realization of SDGs

Theme	Expected issues customers will face in the next 10 years	Key policies under the new medium-term management plan
<p>Local Communities</p>  <p>All 17 goals</p>	<ul style="list-style-type: none"> ■ Adapt to a digitalized and global society <ul style="list-style-type: none"> ● Widespread use of cashless settlement ● Rapid advance of digitalization ● Need for supply chain maintenance 	<p>Settlement</p> <p>Omni-Channel</p>
<p>Low Birthrate and Aging Society</p> 	<ul style="list-style-type: none"> ■ Adapt to the low birth rate and graying society <ul style="list-style-type: none"> ● Need for ensuring smooth succession of assets and businesses as well as securing funds for life after retirement ● Human resource shortages 	<p>Succession</p> <p>Asset formation</p>
<p>Environment</p> 	<ul style="list-style-type: none"> ■ Respond to climate change risks <ul style="list-style-type: none"> ● Rising living expenses and housing costs ● Need for de-carbonization and preparation for natural disasters 	<p>Provide support for de-carbonization</p> <p>Green finance</p> <p>Loan exemptions for those hit by natural disasters</p>
<p>Human Rights</p> 	<ul style="list-style-type: none"> ■ Adapt to diversifying value systems and working styles <ul style="list-style-type: none"> ● Need to meet higher skill requirements and develop second careers ● Need to expand hiring of foreigners and elderly people 	<p>Measures for diversity & inclusion</p> <p>Develop human resources capable of meeting diversifying customer needs for sophisticated solutions</p>

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

[HD] Resona Holdings, [RB] Resona Bank, [SR] Saitama Resona Bank,
[KMFG] Kansai Mirai Financial Group, [KMB] Kansai Mirai Bank, [MB] Minato Bank
[RAM] Resona Asset Management, [RMBA] Resona Merchant Bank Asia

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 development and 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.