

CSO/CSuO Message

CSO: Chief Strategy Officer
CSuO: Chief Sustainability Officer



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In the face of an increasingly uncertain business environment, corporations are being called upon to reconsider why they are promoting sustainability and how they will improve corporate value.

Social Division and Antagonism Exert an Economic Impact That Also Affects Sustainability —

In a society where people's value systems are becoming increasingly diverse, we are being called upon to maintain a keen awareness of the risk of social division and antagonism. Currently, looming geopolitical tensions and the decoupling of economic zones are not only impacting financial markets but also contributing to overall uncertainty in the outlook for the Japanese economy.

These conditions are also impacting sustainability. People's perceptions of what constitutes sustainability vary greatly by country and region, as do relevant legal regulations. We are now encountering a growing number of circumstances in which conventional

norms are no longer applicable. Given this environment, the difficulty of formulating a long-term business outlook has increased.

Taking these complex circumstances into account, it is up to me as the officer in charge of formulating the Company's strategies and promoting sustainability to tackle this reality head on and take action to blaze our path toward the future. I am striving to fulfill this important mission entrusted to me by the CEO and have taken on board "flexibly adapting to changes" and "determining the long-term direction" as two essential components of the Company's growth strategies.

Flexibly Adapting to Changes

The pace at which AI, DX and other digital technologies are advancing has accelerated beyond all expectations. In addition, the scope of business operations affected by these technological advancements is expanding rapidly, precipitating fundamental changes in customer behavior and expectations. At the same time, ongoing demographic aging coupled with a low birthrate is having long-term effects on the structure of regional economies and funding demand.

The changes described above call for the redesign of our business and service models, a process that requires a flexible and agile management approach. We should not only be striving to accommodate changes but to discover opportunities arising from such changes. We consider this openness to opportunity to be an essential quality for financial institutions going forward.

For more details on our initiatives, please also refer to the CDIO Message (➡p. 74) and CPRO Message (➡p. 75).

Determining the Long-Term Direction

Promoting sustainability is an essential management issue and we recognize that our approach should not be swayed by changes in the external environment. It is essential to chart our course to the future as envisioned in our Purpose and Long-Term Vision.

As a company responsible for providing finance, a component of social infrastructure, we are in a position to address evolving customer needs while supporting social sustainability.

In this light, "flexibly adapting to changes" and "determining the long-term direction" are not contradictory endeavors. Rather, the two must be integrated to enable us to improve our corporate value.

"Starting with addressing issues confronting customers and society as a whole, we seek to thoroughly configure our business approach and practice such approach." Never a mere sentiment, this is an enduring description of what we do and are. We make decisions and take action in accordance with this principle even as we strive to improve our corporate value by "flexibly adapting to changes" and "determining the long-term direction."

Our sustainability initiatives also need to involve practical action aimed at enhancing the Company's competitiveness in the form of new financial services designed to deliver a brighter future for customers and society as a whole. These initiatives must go beyond merely ensuring robust risk management or earning a more solid reputation.

To achieve the Company's "Retail Transition Financing Target," we are focused on facilitating in-depth dialogue with customers while strengthening our ability to deliver solutions.

To date, the Group has been engaged in sustainability-related dialogues with several tens of thousands of SME customers. As a result, we have been able to identify bottlenecks hampering such customers' efforts to promote sustainability and to upgrade our solutions year by year.

We also constantly upgrade the way we engage in dialogue itself, taking a trial-and-error approach that we constantly update. In sum, our endeavors help us steadily accumulate insights that, in turn, provide us with a new source of competitiveness.

Source of Competitiveness—“Connection” and “Co-Creation”

The fact that the ultimate source of business competitiveness lies in human capital requires no debate. The combination of diverse human resources equipped with a range of knowledge, experience and value systems provides businesses with the flexibility, creativity and power needed to deliver new value even in an era of radical changes like this moment.

These topics are elaborated on in the CHRO Message (→p. 62). Accordingly, I will point out the fact that our connections with customers and society as a whole constitute yet another essential source of the Company's competitiveness.

The Company boasts 16 million individual customers as well as 500,000 corporate customers. These figures do not simply represent the number of transactions but are a testament to our deep involvement, as a financier, in people's daily lives and corporate activities.

In the past, the Company was confronted by adversities arising from a management crisis involving the injection of public funds. This substantially damaged the Company's financial value, negatively impacting the trust and confidence of customers. However, we were nevertheless allowed to continue operations. We believe this was because over the years we had built and nurtured connections with customers. These connections were considered sufficiently valuable and worthy of being preserved for the sake of society.

This experience now serves as a cornerstone for all of us, prompting us to regularly revisit such questions as “What is trust?” and “What is a business's reason for being?”

We now consider these “connections,” along with “co-creation,” to be a future source of power as we enter an era in which businesses are called upon to redefine their genuine value from the perspective of sustainability.

At the moment, we are amid a phase of broadening and deepening these connections. We are working not only to strengthen our relationship with customers but also to nurture new connections with a diverse range of stakeholders, such as business partners, regional communities, administrative agencies, educational institutions, startups, and NPOs. We believe that co-creation involving these stakeholders will be key to adapting to changes and enhancing our value creation capabilities.

These relationships, which enable us to engage in co-creation with an even broader range of stakeholders, are not necessarily formal business alliances; rather, they are connections that allow us to address social issues while creating new services and enriching our relationship with customers. In this way, we are creating a cycle that builds deeper bonds of trust with society.

We are convinced that the endeavors described above will not only lead to improvements in financial results but also enable the Company to stably enhance its social, human and intellectual capital.

The Long-Term Sustainability Indicators presented below play an important role in management's assessment of the Group's progress and pursuit of ongoing sustainability initiatives. Please refer to the detailed explanations of these items that are presented later in this report.

Long-Term Sustainability Indicators

		FY2023	FY2024	FY2030 (target levels)
Value for customers and society	Value Creation Capability Indicator Number of cases where solutions are provided	11.8 million cases	12.9 million cases	20.0 million cases
	Retail Transition Financing (RTF) Target (cumulative total balance of funds extended in RTF)	¥3.7 trillion	¥5.7 trillion	¥10 trillion
Environmental value	Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio	—	—	2050 Net zero
	Interim target for the energy sector (Portfolio carbon intensity)	150gCO ₂ e/kWh (FY2022)	145gCO ₂ e/kWh (FY2023)	100 to 130gCO ₂ e/kWh
	Carbon Neutrality Target (Scopes 1 & 2)	From FY2013 level (69)%	From FY2013 level (76)% (provisional value)	Net zero
Social value	Targets for the Empowerment and Promotion of Women Ratio of directors and executive officers ¹ Ratio of senior managers ² Ratio of line managers ²	12.1% ³ 14.8% 32.8%	11.7% ⁴ 16.5% 34.4%	30% or more 20% or more 40% or more
	Well-Being Indicator Ratio of positive responses in questionnaires regarding a sense of fulfillment felt in work and private life as part of employee surveys	70.0%	72.1%	Increase the ratio of positive responses
Value for employees				

¹ Resona Holdings

² Sum of Resona Holdings and the four Group banks; figures for FY2023 include Kansai Mirai Financial Group

³ As of April 1, 2024

⁴ As of April 1, 2025