Section 1

Value Creation Story

CEO MESSAGE

躍進
Breakthrough

Masahiro Minami
Group CEO, Director, President and Representative Executive Officer, Resona Holdings, Inc.

FY2024 has been a period of profound transition for Japan's financial industry due to the Bank of Japan (BOJ) lifting its negative interest rate policy and putting an end to radical monetary easing. This, in turn, has ushered in a movement toward a new world of moderate inflation.

Against this backdrop, Japanese society is confronting ongoing challenges arising from an aging population with a low birthrate and shrinking workforce while feeling the effects of such mega-trends as the growing public call for decarbonization. Meanwhile, the breathtaking advance of technologies like generative AI is leading to major changes on various fronts.

Amid this environment, new industries and innovative businesses must be incubated in order to secure fresh growth. At the same time, the revitalization of regional communities is a matter of urgency. Japan has entered into an important era in which financial groups like ourselves are called on to leverage both financial and non-financial solutions to address these challenges. Therefore, we need to flexibly and agilely adapt to changes, with an eye to meeting the needs of future generations, even as we avoid being overly constrained by conventional value systems and industry norms.

I believe that changes are not always threats. They often signal the beginning of a new era of opportunity that will allow us to take on new challenges. FY2025 is the final year of the current medium-term management plan (MMP), and I have made the word "Breakthrough (躍進)" a key theme of my communications to the Groups' 30,000 officers and employees. With "Transformation & Challenge" as keywords and "Breakthrough" as the theme for this fiscal year, I would like to lead our collective efforts to reach the next stage of growth for the Group. In addition to reclaiming strong earnings power, we will accelerate structural reforms on the back of shifts in monetary policies, with an eye to realizing next-generation retail financing. Thus, we are rallying the overall strengths of the Group to take a step forward toward realizing "Retail No. 1."

Responsibility of Top Management

Taking ongoing changes in the business environment into account, I believe a CEO's most important responsibility is to accurately assess changes and blaze a path toward the future. Specifically, I deem it important to consider the following three perspectives in leading the Resona Group to the next stage of growth.

First, we need to maintain an accurate understanding of the current era. We have seen the emergence of an unexpectedly competitive environment due to the shifts in monetary policies, the fusion of financial and non-financial businesses, the disappearance of sector boundaries, and the rapid advancement of technologies. These developments are, in turn, clouding the future outlook and often contributing to disruptive changes. Amidst a changing environment, our customers' financial behavior has been evolving, even as they confront more diverse and complex issues requiring ever more sophisticated solutions.

Constantly finding ways to satisfy the evolving needs of our customers is a cornerstone of our business. Accordingly, we must approach changes as new growth opportunities. In addition, we need to actively pursue ongoing learning even as we swiftly adapt to the changing landscape. These are the only ways we can remain viable. Therefore, I urge all officers and employees across the Group to adopt a growth-oriented mindset and break free of the shackles of preconceived notions. It is now time for us to remake ourselves through these endeavors and come together to overcome the challenges coming our way.

Second, we need to ensure a shared recognition among all officers and employees of the direction the Group should take. In 2023, the Resona Group established its Purpose, "Beyond Finance, for a Brighter Future." This represents our commitment to contributing to the sustainable development of society as a whole through the creation of value that transcends the scope of finance.

For any corporation, its purpose must reflect both its starting point and where it aims to be, that is, its final goal. I deem it important to continuously strive to identify resonance between the Group's Purpose and each officer and employee's value system and personal convictions. Accordingly, we will continue promoting a "My Purpose" Project that empowers 30,000 employees to establish their own purposes (➡p. 87). The realization of the Purpose will require persistent effort. Nevertheless, we intend to persevere in the face of challenges to achieve it and thereby secure a foundation for the overall growth of the Group.

Third, we need to enhance corporate governance while improving the solidity of the stakeholder trust we earn. The causative factors leading to the 2003 "Resona Shock," were, ultimately, found to be corporate governance and risk management issues. Our desire to remain a company deserving stakeholder trust is precisely why we are so strongly focused on pursuing highly transparent management irrespective of circumstances. Resona Holdings has adopted a company with a nominating committee system. Of the 10 directors currently serving as members of the Board, seven are outside directors who are independent from management. As such, we have built a framework for securing management transparency and objectivity. Within this framework, the Board of Directors engages in vigorous discussions encompassing diverse perspectives and takes a serious approach to enhancing the effectiveness of Group governance and internal control.

Starting with addressing issues our customers and society as a whole are confronting, we are seeking to thoroughly reconfigure our business approach. We will continue doing so and, above all, fulfilling our responsibilities as a financial group deserving stakeholder trust.

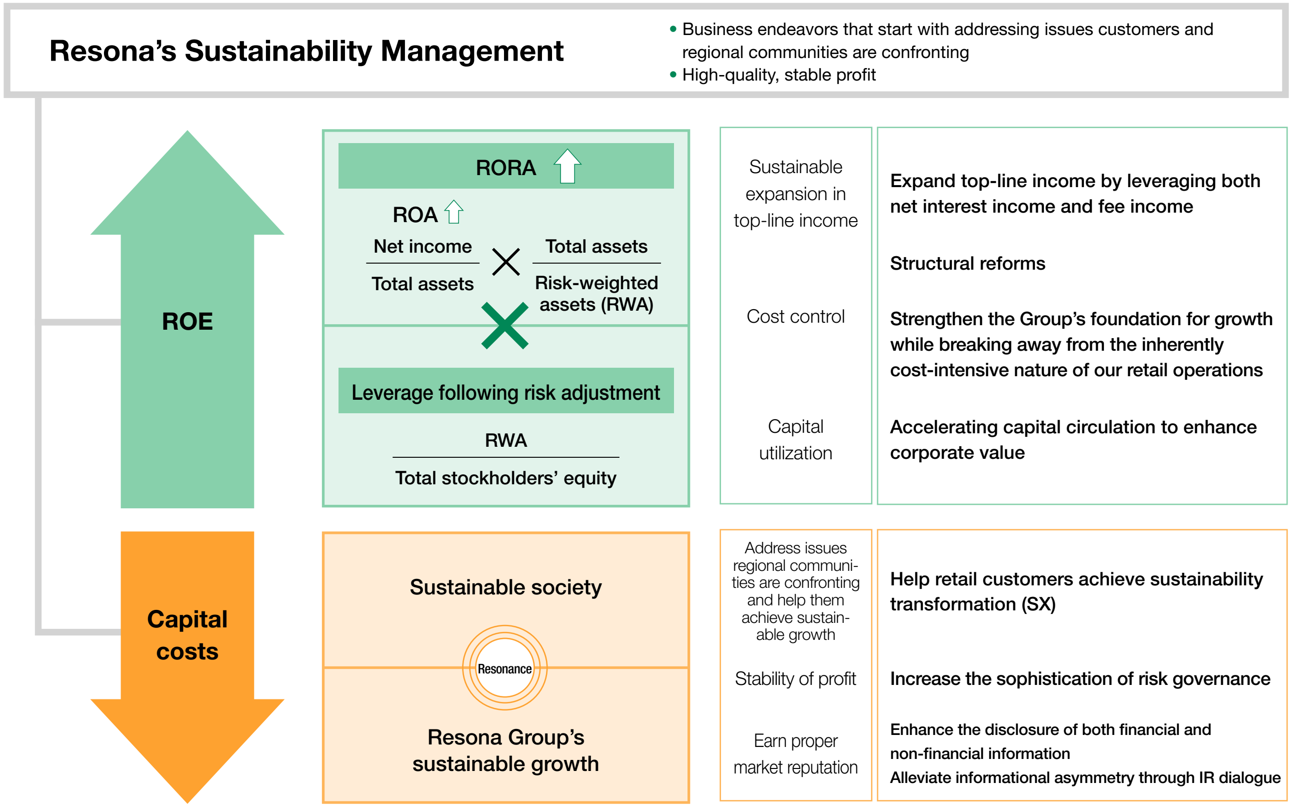
Toward Securing Sustainable Improvement in Corporate Value

In FY2024, the price book-value ratio (PBR) of Resona Holdings' stock recovered to 1 time for the first time in nine years, while our market capitalization reached ¥3 trillion. Due to rising stock prices and other positive factors, public expectations for the Resona Group have steadily grown stronger. Nevertheless, there remain a number of issues that must be overcome to realize "Retail No. 1." From the perspective of securing sustainable improvement in corporate value, I consider both "enhancing ROE" and "reducing the cost of capital" to be key to improving PBR as an aspect of market valuation.

With regard to enhancing ROE, restoring our formerly strong earnings power is essential. Specifically, we will enhance ROA via the use of two principal income sources, namely, net interest income and fee income. We will also push ahead with a stable transition to a next-generation model, to this end increasing the sophistication of our hybrid approach, which integrates the face-to-face and digital channels. At the same time, we will accelerate process reforms as well as the digital transformation (DX) of in-house operations. These reforms are expected to enable us to innovate the customer experience while drastically improving productivity. Furthermore, as we enter into a phase of capital utilization, we will strive for sustainable improvement in ROE by getting a virtuous cycle of capital circulation on track via, for example, inorganic growth investment.

From the perspective of reducing the cost of capital, we will endeavor to develop a stable, high-quality profit structure so that we can meet ever-stronger stakeholder expectations even as we skillfully manage risks amid the present era of growing uncertainty. To achieve our goal of "becoming the most significant contributor to customer success in SX," we will also step up our ESG-related initiatives.

In FY2025, we began disclosing our ROE target based on the Tokyo Stock Exchange standard in response to requests from a number of investors with whom we engaged in dialogue. Going forward, we will continue to sincerely take heed of stakeholder feedback while enhancing the content of financial and non-financial information disclosure. In these ways, we will practice highly transparent and trustworthy business management.



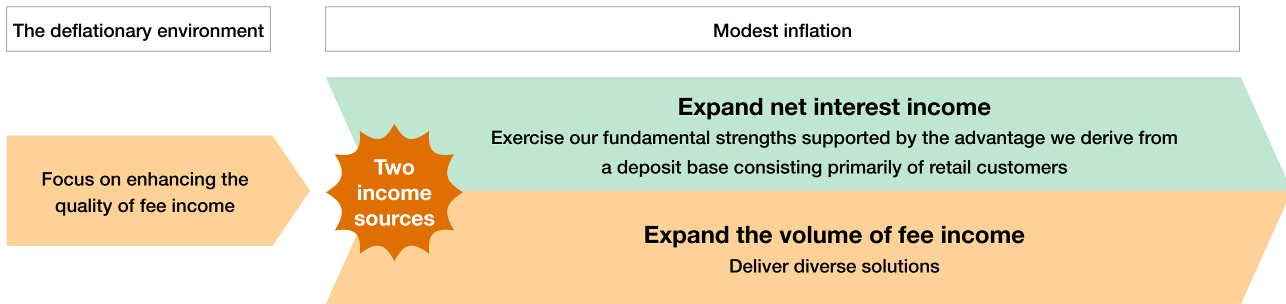
Restoring Our Earnings Power—Fully Utilizing Two Income Sources

Now, let's move on to the specific description of our aims going forward. First and foremost, we will strive to restore our formerly strong earnings power. This does not, of course, simply mean that we will blindly pursue maximum earnings. As always, we intend to start with addressing issues confronting our customers and society as whole and, in doing so, uncover opportunities to secure "proper" profit. In short, we aim to ensure that our profit is always based on our customers' best interests and earned in a way that resonates with the Resona Group's reason for being. Premised on these endeavors, we will employ two primary engines.

First, we will enhance the deposit and loan business, the core of indirect finance, along with securities management, amid the reinstatement of the world with interest rates. This is how we will stably improve net interest income while taking full advantage of the Group's inherent strengths backed by a stable deposit base boasting strong retention.

Second, we will increase fee income from diverse sources we have assiduously developed in the low-interest rate environment. Specifically, we have introduced new businesses by employing a medium- to long-term perspective and leveraging the combination of face-to-face and digital channels. These efforts have enabled us to secure a number of fresh sources of income and thereby succeed in achieving all-time highs in fee income for the fourth consecutive fiscal year. At present, these income sources constitute a solid profit base which will, in turn, support our operations in the future.

In sum, it is important to constantly develop the best mix of income sources that bolster next-generation retail financing without overly relying on interest rates based on a medium- to long-term perspective even as we fully take advantage of benefits arising from interest rate hikes.



Structural Reforms

Our traditional business frameworks and processes have undoubtedly been what has enabled the Resona Group to achieve rehabilitation following its financial crisis and corporate growth to date. However, given rapid changes now affecting our business environment, transitioning to a next-generation retail financing business via the adoption of new ways of thinking, frameworks, processes and systems is unavoidable. This is the impetus behind the launch of structural reforms and an aspect of the major challenges we need to overcome.

We have defined the three-year period of the current MMP as the first 1,000 days of taking on corporate transformation (CX). In this regard, we are executing "frontline reforms," "middle- and back-office reforms," "investment in human capital" and "workstyle reforms." Through these reforms, we aim to restructure a foundation for the Group's overall growth while breaking away from the inherently cost-intensive nature of our retail operations. At long last, the cost income ratio of the Resona Group is expected to fall within the 50% range in FY2025. Through profit growth backed by the two principal income sources and the positive effects of structural reforms, we intend to aim for a cost income ratio in the 40% range within five years.

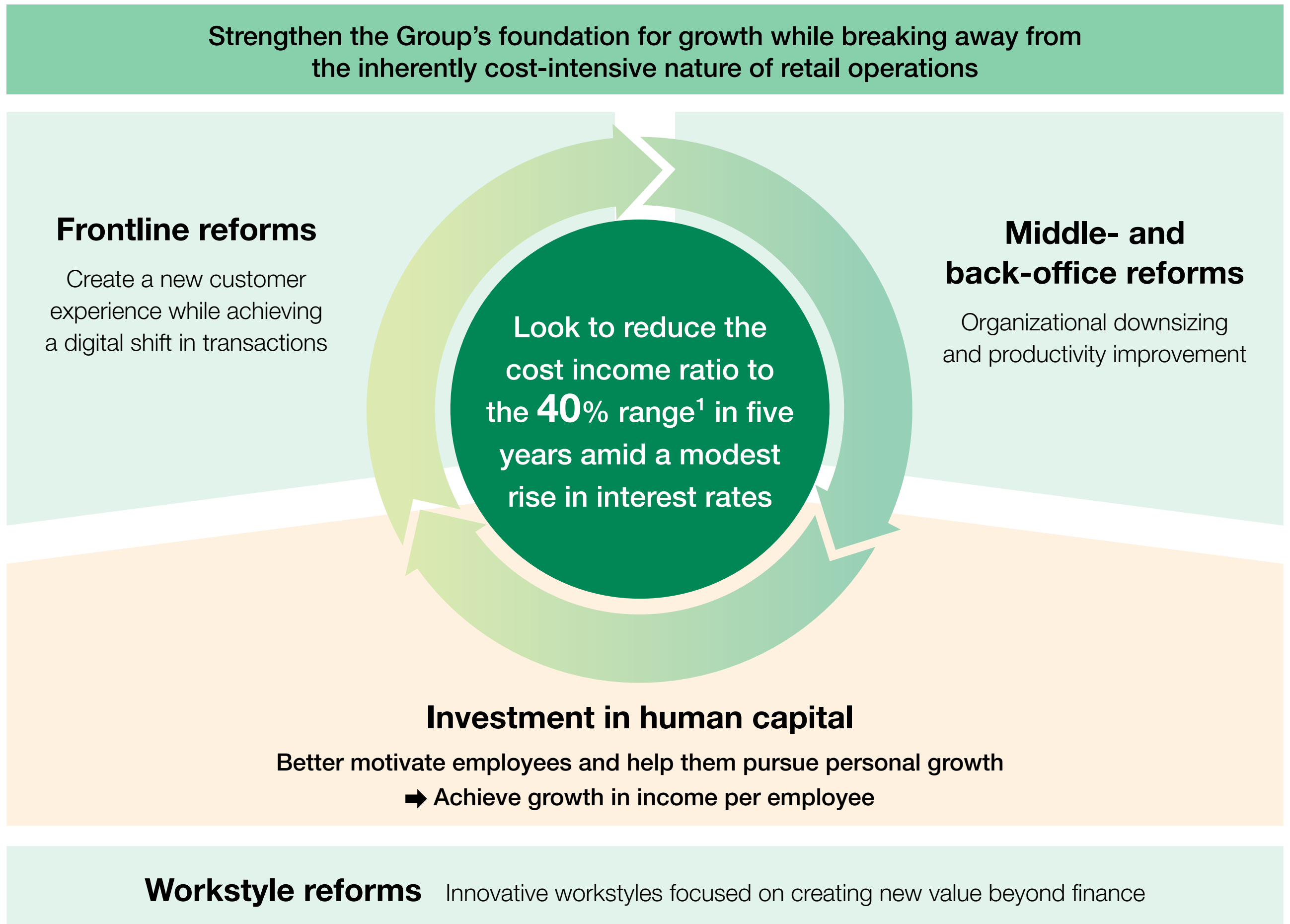
Let me start by discussing frontline reforms. The aim of these reforms is to innovate contact points with customers through the integration of face-to-face and digital channels. As the result of these reforms, day-to-day transactions will be fully digital. On the other hand, face-to-face consulting will still be required when an in-depth, specialized approach is called for. We expect the latter endeavor to set the Group apart from the competition. To realize this worldview, both enhancing and securing close coordination between the face-to-face and digital channels are essential. We will therefore deploy digital technologies to upgrade our face-to-face channels while augmenting the consulting capabilities and financing expertise of frontline staff. At the same time, we will update our digital channels to innovate customer experience and enhance our ability to deliver new value.

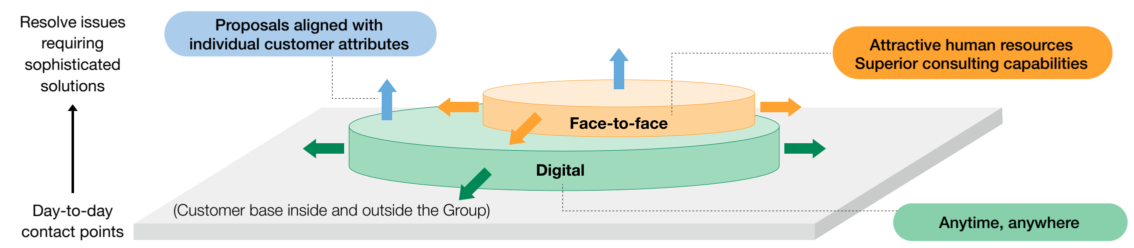
Enhancing the Resona Group's contact points with customers is vital to ensuring that we remain capable of addressing issues customers and society as a whole are confronting—the starting point of our businesses. We will take full advantage of these contact points with the aim of acquiring high-quality information through face-to-face channels while collecting multilateral data with high frequency via digital channels. This information and data will enable us to increase the accuracy of customer profiling and the formulation of forecasts. Furthermore, by utilizing data as part of our ongoing efforts to further enhance and optimize value to be delivered to each customer, we will ensure that we remain the financial group of choice for customers.

As for middle- and back-office reforms, we completed the integration of back-office operations and systems in place at Minato Bank in January 2025, establishing a foundation for the Group's transition to the single platform. Looking ahead, we will promote the centralization of back-office operations in our pursuit of a "one-platform, multi-regional strategy." Our concept for these reforms is to "make it simple." We will also push ahead with DX- and AI-driven business process reengineering (BPR) as part of these efforts, with the aim of accelerating the downsizing of middle- and back-office departments within the Group.

With regard to workstyle reforms, I recognize that the Group lags behind its peers in spending on these in-house reforms. However, we have already begun fully allocating funds to this area. Through these reforms, we are striving to break away from our conventional, familiar business processes while executing thorough streamlining that spares nothing, leaving no stone untouched. The reforms will also involve the simultaneous introduction of generative AI as standard. As we do so, we will redefine each employee's missions, reshuffle our portfolio of human resources, and empower each individual to expand their capacities, with the aim of significantly increasing our overall organizational abilities.

By taking on these and other new challenges, we will raise our capabilities to deliver value to customers and enhance productivity to an overwhelming degree in order to bolster the Group's sustainable growth. We will thus strive for a major breakthrough. To this end, I will call for all Group members to be on the same page regarding the value of taking on new challenges.





Accelerating Capital Circulation to Enhance Corporate Value

Since fully repaying the public funds in 2015, the Resona Group has pushed ahead with the qualitative and quantitative enhancement of capital. Moreover, when the current MMP was launched in 2023, our Common Equity Tier 1 (CET1) capital ratio exceeded 10% (based on regulations to be effective upon the full enforcement of the finalized Basel 3; excluding unrealized gain on available-for-sale securities). This suggests that the Group has finally entered a phase of capital utilization. Going forward, we will invest in both organic and inorganic growth measures while maintaining a focus on securing financial soundness and enhancing the content of shareholder returns. We will thus develop a capital circulation structure that enables the Group to enhance its corporate value.

In light of changes in the business environment, we partially updated our shareholder return policy in May 2025. While maintaining

Financial soundness

- Maintain CET1 capital ratio[2] at the 10% range

Growth investment

- Organic ▶ Enhance higher risk-return loan assets, etc.
- Inorganic ▶ Enhance customer bases, management resources and functions

Enhancement of corporate value ▶ **FY2025 target for ROE based on the TSE standard: 8.4%**

Shareholder returns

- Enhance the content of shareholder returns while giving due consideration to maintaining financial soundness and securing opportunities for growth investment
- Aim for a total shareholder return ratio of around 50% as well as a new DOE target even as we steadily increase the volume of cash dividends
  ▶ FY2029 target for DOE[3]: Around 3%

1 The interest rate scenario: BOJ policy rate of 1%
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 Dividend on equity ratio

our total shareholder return target of around 50%, we have newly set a dividend on equity ratio (DOE) target of 3% for FY2029 as a dividend-related indicator. This target is discussed in greater detail in the CFO Message (➡p. 14). Our intention behind the setting of this target is to focus on robustly and steadily increasing the volume of dividends through means other than share buybacks, which had been our primary measure for enhancing shareholder returns. Looking ahead, we will steadily work to secure profit growth even as we optimize the number of shares outstanding through the expansion of the volume of share buybacks, with the aim of sustainably raising EPS.

With regard to growth investments, we are now leaning toward undertaking organic growth measures amid the return of the world with interest rates. We are especially focused on securing a high-quality loan balance. This is a natural trend. On the other hand, we recognize that it is time to develop a profit mix for optimal next-generation retail financing. For us to remain capable of ceaselessly and swiftly meeting increasingly diverse and complex customer needs, we must proactively utilize external insights and networks, including those afforded by partners from different sectors. Similarly, forming strategic alliances through capital utilization is essential to securing new profit opportunities.

Becoming the Most Significant Contributor to the Success of Retail Customers' SX Efforts

The Resona Group aims to become the most significant contributor to securing the success of its retail customers' SX efforts. Accordingly, we provide "running partner"-type support to customers pursuing progress in this area. These efforts are not limited to the provision of financial services. Rather, our efforts aim to genuinely embody the Resona Group's reason for being, that is, to contribute to the resolution of social issues and the sustainable development of regional communities. In this light, we have identified Long-Term Sustainability Indicators that encompass value for customers, value for the environment, value for society, value for employees and other diverse perspectives. These targets are set for FY2030, with the aim of enhancing our initiatives to address issues in environmental, social and governance (ESG) areas. The specific descriptions of such initiatives are discussed in the CSO/CSuO Message (➡p. 38) and CHRO Message (➡p. 62). Here, I will share my strong aspiration to lead the Group's initiatives to address social (S) issues through investment in human capital and the revitalization of regional communities.

Investment in Human Capital

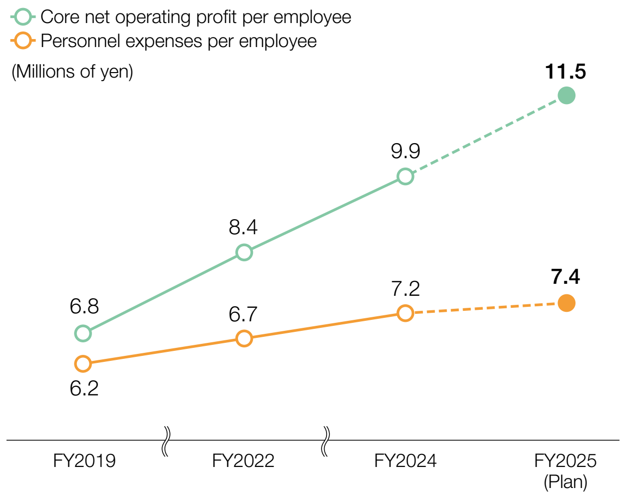
The business environment surrounding us is evolving radically and constantly. To adapt to these changes and secure a stronger competitive edge into the future, we need to help each employee realize their full potential while rallying the overall strengths of our organization. We are currently seeing a rise in per-capita personnel expenses in step with progress in our human resource strategy. At the same time, growth in these expenses has been outstripped by the rate of expansion in core net operating profit per employee. Thus, investment in human capital is now yielding stable results.

As the CEO, I strive to reach out to each Group officer and employee to urge them to step up their focus on realizing their own version of the Group's Purpose, "Beyond Finance, for a Brighter Future." Their personal versions of the Purpose would likely include better serving their customers, cultivating a high level of job satisfaction, achieving tangible personal growth and striving for other personally important goals, regardless of financial reward. Accordingly, we endeavor to systematically implement human resource management that better motivates those engaged in self-directed learning, those who constantly take on new challenges, those capable of delivering higher value to customers and those exercising leadership in implementing reforms across the entire Group, while striving to ensure that all employees feel appropriately compensated with regard to wages.

In FY2025, we decided to introduce an employee share benefit trust system for those in senior management positions. This move is intended to align the interests of next-generation top management candidates with those of shareholders and thereby facilitate a medium- to long-term improvement in corporate value while helping enhance recipients' awareness of the importance of participating in business management.

Investment in human capital is essential to securing a foundation supporting the Resona Group's sustainable growth and, therefore, an integral part of our efforts to remain the financial group of choice for customers in an era of radical changes like this moment. We will strive to be a front runner in next-generation retail financing, with 30,000 Group officers and employees on the same page about the value of taking on new challenges.

Personnel Expenses Per Employee and Core Net Operating Profit Per Employee[1]



1 Consolidated core net operating profit (excluding net gains on cancellation of investment trusts) / Total number of employees

Contributing to the Development of Regional Communities and the Creation of a Brighter Future

In July 2024, Resona Holdings became a title partner for B.LEAGUE, a professional male basketball league in Japan. Since its founding in 2015, B.LEAGUE has been navigating a challenging path, with "Transformation and Challenge" as keywords and a strong commitment to contributing to the revitalization of regional communities. We find B.LEAGUE's aspiration to be a contributor to a brighter future for these communities to resonate with our own history and philosophy. We consider having a partner like this to be a wonderful opportunity to identify what prompts us to take on new challenges and pulls together our 30,000 Group officers and employees in ways that transcend the scope of their duties.

Sports help communities nurture interpersonal ties while bringing vitality and hope. By helping regional community members connect with each other through sports, we hope to play diverse roles in building a vibrant society. At present, business matching contracts have already been signed between our Group banks and club teams nationwide. This is but the beginning of synergetic effects arising from our partnership with B.LEAGUE. In addition, "Resona Group Kids' Money Academy," a long-running educational program covering financial and economic topics that recently marked its 20th anniversary, now includes collaborative classes that welcome B.LEAGUE members. Through this program, we are together endeavoring to deliver value "Beyond Finance" to the children who will lead the future of their communities.

We have also identified "JOIN THE HOPE" as the catchphrase symbolizing our co-sponsorship of B.LEAGUE and aspiration to help create an exciting future. Going forward, we will work in tandem with this partner to contribute to the vitalization of regional communities and the creation of a brighter future in a manner that embodies the Resona Group's Purpose.

Final Words

Over the course of more than 120 years, we have been amassing a track record of strength as a specialist retail financing. Now, we will take full advantage of this strength and will continue to move forward while staying true to our fundamental stance, "Customers' happiness is our pleasure."

The Group has also maintained the "DNA of Reform," which it has long nurtured through ongoing endeavors to take on and overcome one challenge after another. This "DNA" constitutes our foundation and serves as a source of power as we blaze a path toward the future. In this era where clarity and certainty are lacking, we are determined to ceaselessly play our part in creating hope for the next generation. This is our mission and exactly why we continue to take on new challenges beyond the scope of finance without fear of change.

In these ways, we will rally the might of our 30,000 officers and employees in relentless endeavors aimed at creating a brighter future. We encourage our stakeholders to expect great things from the Resona Group going forward.

CFO Message

Accelerating a Virtuous Cycle of Capital Utilization and Profit Growth to Sustainably Improve Corporate Value

Narunobu Ota
Group CFO
and Executive Officer,
Resona Holdings

Review of Results for the Fiscal Year Ended March 2025 (FY2024) and the Outline of FY2025 Annual Plan

In the fiscal year ended March 31, 2025, the Japanese economy remained on a modest recovery track, while the Bank of Japan (BOJ) made a shift in its monetary policy. Against this backdrop, net income attributable to owners of parent amounted to ¥213.3 billion, an increase of ¥54.3 billion from the previous fiscal year. Thus, we achieved net income exceeding ¥200.0 billion for the first time in seven fiscal years since FY2017.

We are presently aiming for net income attributable to owners of parent of ¥240.0 billion, a year-on-year increase of ¥26.7 billion, for FY2025. This target is based on an assumption that the policy rate will be kept at 0.5%. In addition, our consolidated gross operating profit target is set at ¥800.0 billion. We will achieve this target and hit a record high for this indicator for the first time in 19 fiscal years since FY2006 by taking full advantage of the accumulation of positive effects arising from interest rate hikes while expanding the loan balance and other assets.

In FY2024, our ROE based on total stockholders' equity, which is set as a KPI for the medium-term management plan (MMP), amounted to 9.3%. Having thus satisfied our 8% target for the final year of the MMP a year ahead of schedule, we are now aiming for an ROE of 10% for FY2025. Furthermore, in FY2025 we began disclosing an ROE target value based on the TSE standard. When calculated using this standard, our ROE in FY2024 amounted to 7.8%, while our ROE target is set at 8.4% for FY2025.

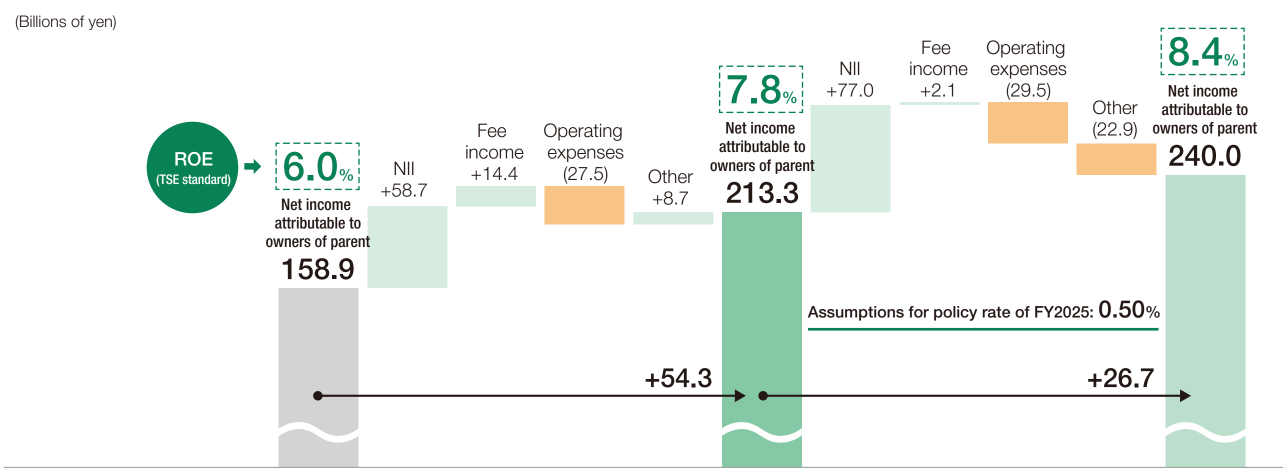
Moving on, I will discuss factors contributing to differences between FY2024 results and FY2025 plans. In FY2024, we were able to raise core net operating profit by expanding top-line income and offsetting growth in operating expenses via the use of the two income sources, namely, net interest income (NII) and fee income. With the inflationary environment taking hold, expense management is of greater importance than ever before. To secure a solid path toward sustainable growth in the future, we will push ahead with the DX-driven overhaul of our business processes even as we continue to undertake proactive investment in human resources and IT infrastructure. Through these initiatives, we aim to stably achieve positive outcomes in terms of enhancing operational productivity and efficiency.

Looking at factors associated with non-recurring gains and losses, the divestment of our policy-oriented stockholdings progressed, while credit costs remained low. Also, we collectively recognized expenses arising from the integration of Minato Bank's back-office operations and systems in the fourth quarter, taking advantage of favorable financial results backed by excess profit as well as robust income from our main business. Moreover, we executed a strategic reshuffling of our securities portfolio. Through these and other measures, we have striven to increase our future profitability. After absorbing the outflows arising from the activities named above, net income attributable to owners of parent still exceeded our target (as announced in November 2024) by more than 20%.

Looking at our FY2025 annual plan, we expect full-year operating results to benefit from the ongoing robustness of top-line income supported by the two income sources and include year-on-year profit growth due to the absence of losses on bonds and extraordinary losses recorded in FY2024. On the other hand, this plan factors in the impact of U.S. tariffs, an increase in geopolitical risks and other variables that could make the business environment murkier. Accordingly, our assumptions include the reduction of net gains on stocks and growth in credit costs, and, therefore, are generally prudent in terms of the extent of extraordinary gains we could earn.

On the facing page, the factors contributing to differences between FY2024 results and FY2025 plans are presented in the form of a bar graph and table. Please note that the Breakdown of "Other items" includes the details of a substantial year-on-year change.

Formulation of FY2025 Plan Based on FY2024 Results (YoY Change in Net Profit)



Breakdown of "Other items"	FY2023	YoY	FY2024	YoY	FY2025 (Plan)
Net gains on bonds (including futures)	(26.4)	(13.5)	(39.9)	+39.0	(0.9)
Net gains on stocks (including equity derivatives)	60.1	+26.9	87.1	(35.1)	52.0
Credit costs	(35.6)	+24.0	(11.5)	(27.5)	(39.0)
Other gains, net	(12.9)	(16.6)	(29.5)	+22.5	(7.0)

Initiatives to Improve Corporate Value

Next, I will discuss our initiatives to improve corporate value. To improve the price book-value ratio (PBR), an indicator for measuring market ratings, it is important to pursue both 1) higher ROE and 2) lower capital costs. Here, I deliver supplementary information regarding our ROE target in addition to sharing our analysis results on its two primary components: return on risk-weighted assets (RORA) and leverage following risk adjustment. The actual ROE result is presented based on total stockholders' equity.

Over the course of the first two years of the previous MMP period, despite recovering in the final year of the MMP, ROE was on a downturn trend. Due to a substantial increase in the deposit balance during the COVID-19 pandemic, the Group's balance sheet had expanded rapidly, with the volume of low-profitability assets becoming larger. Amidst these circumstances, we recognized a considerable volume of credit costs while executing measures to improve the soundness of the foreign bond portfolio. These and other factors, in turn, resulted in an ongoing decline in RORA, keeping ROE low.

Under the current MMP, we have taken a more proactive balance sheet management approach with the aim of improving risk return. In FY2024, the volume of loans grew substantially, while the Group benefitted from a significant increase in net interest income, which was robustly supported by a tailwind arising from interest rate hikes. In addition, fee income hit an all-time best for the fourth consecutive fiscal year. These are primary factors contributing to a higher RORA, which, in turn, enabled us to raise ROE. We will strive to achieve even better results in FY2025.

While the world with interest rates is taking hold, financial institutions like us are now confronting the major issue of securing stable deposits. In this regard, however, the Resona Group's competitive edge will remain viable as it has the advantage of a robust branch network rooted in the Tokyo metropolitan and other urban areas as well as a solid customer base encompassing a great number of retail customers. Accordingly, we will continue striving to increase highly sticky deposits by delivering overwhelming service convenience backed by digital technologies while taking full advantage of our existing network of physical branches and other face-to-face customer contact points.

$$\text{PBR} = \frac{\text{ROE}\ \ \left(\text{RORA} \times \text{Leverage following risk adjustment}\right)}{\text{Capital costs}}$$

$$\underset{\text{(stockholders' equity)}}{\text{ROE}} = \underbrace{\frac{\text{Net income}}{\text{RWA}^1}}_{\text{RORA}} \times \underbrace{\frac{\text{RWA}^1}{\text{Total stockholders' equity}}}_{\text{Leverage following risk adjustment}}$$

	ROE (stockholders' equity)		RORA			Leverage following risk adjustment	Total assets (accounting basis)
	FY2019 8.9%	=	0.7%		×	11.9 times	¥60.5 trillion
Previous MMP	FY2020 6.8%	=	0.6%	↓	×	11.3 times	¥73.6 trillion
Previous MMP	FY2021 5.6%	=	0.5%	↓	×	10.7 times	¥78.1 trillion
Previous MMP	FY2022 7.6%	=	0.7%	↑	×	9.9 times	¥74.8 trillion
Current MMP	FY2023 7.2%	=	0.7%	→	×	9.7 times	¥76.1 trillion
Current MMP	FY2024 9.3%	=	0.9%	↑	×	9.6 times	¥77.3 trillion

1 Based on the full enforcement of the finalized Basel 3 regulations

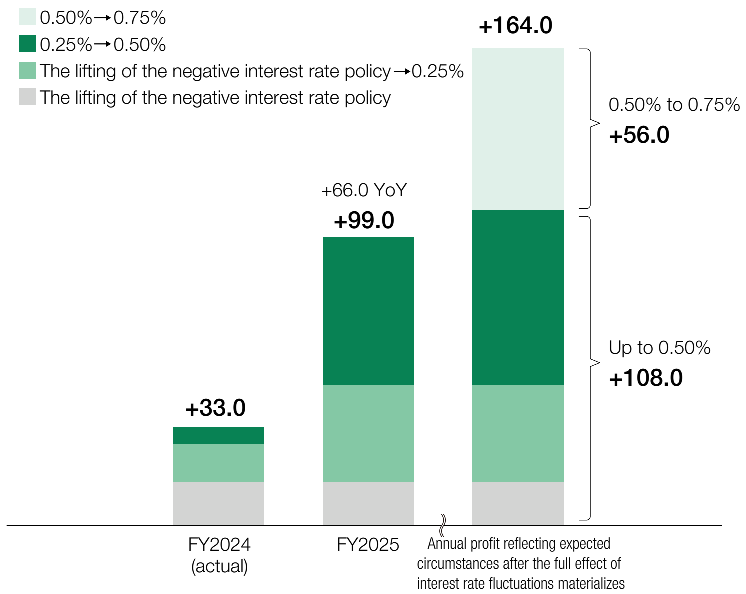
Impact of the Yen Interest Rate Hikes on Profit (provisional calculation)

The Resona Group's balance sheet is often considered by investors to be relatively sensitive to interest rates. Because of this, I have received questions from a number of people regarding how much the Group's profit will be affected if the BOJ's monetary policy shifts even further. The provisional calculation of the impact of such a shift could differ greatly depending on various assumptions, which include a number of variables from the timing and pace of a monetary policy shift to the degree of such a shift. As a reference, we disclose the estimated impact of the policy rate hike on gross operating profit (compared with the FY2023 level) as below. This reference is formulated using a simplified calculation method that does not take changes in the balance of assets and liabilities into account.

If the BOJ had raised the policy rate to a maximum of 0.5%, top-line income for FY2024 would have benefitted from a positive effect of ¥33.0 billion. The cumulative total profit effect to be available over the course of the two fiscal years leading up to the end of FY2025, is estimated at around ¥99.0 billion. The impact on the single-year top-line income for FY2025 alone could, therefore, amount to ¥66.0 billion, twice as much as the hypothetical impact on FY2024 top-line income. Furthermore, if we fully enjoy benefits arising from the policy rate hike to a maximum of 0.5%, the two-year cumulative positive effect will amount to ¥108.0 billion.

In addition, if the policy rate were to be raised further to 0.75%, the positive effects would include an additional increase of ¥56.0 billion in top-line income, with the overall cumulative profit effect totaling ¥164.0 billion. If this scenario comes into play, we could expect to record an ROE of 10% based on the TSE standard, considering the current level of capital. As fluctuations in the balance of assets and liabilities are not considered in the above estimates, we may well enjoy even greater upsides. That being said, these estimates are merely a result of the analysis of the policy-rate sensitivity of our top-line income based on certain assumptions. Readers are advised to consider the fact that our calculations exclude possible growth in operating expenses, credit costs, etc. on the back of persistent inflation.

Possible Increase in Gross Operating Profit Due to Policy Rate Hikes (from FY2023 Levels)



Assumptions used in calculations

- Balance sheet: unchanged
  (The lifting of the negative interest rate policy to the hike of the policy rate to 0.25%: as of March 31, 2024; 0.25% to 0.50%: as of September 30, 2024; 0.50% to 0.75%: as of March 31, 2025)
- Reflecting the impact on loans, investment bonds and term deposits with interest rates that will be updated within a year as well as savings account deposits, BOJ deposits and interest rate swaps

Note: Primary factors excluded from provisional calculations

Upsides
- Growth in the balance of loans and investment bonds (volume factor)
- Impact on loans with interest rates that will not be updated within a year

Upsides/Downsides
- Fluctuations in beta of loans and deposits

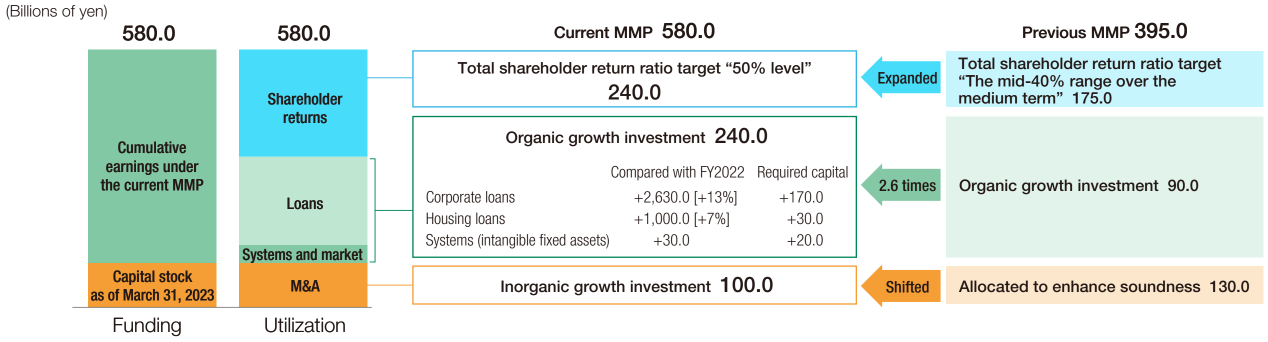
Downsides
- Growth in operating expenses and credit costs due to inflation

Capital Allocation

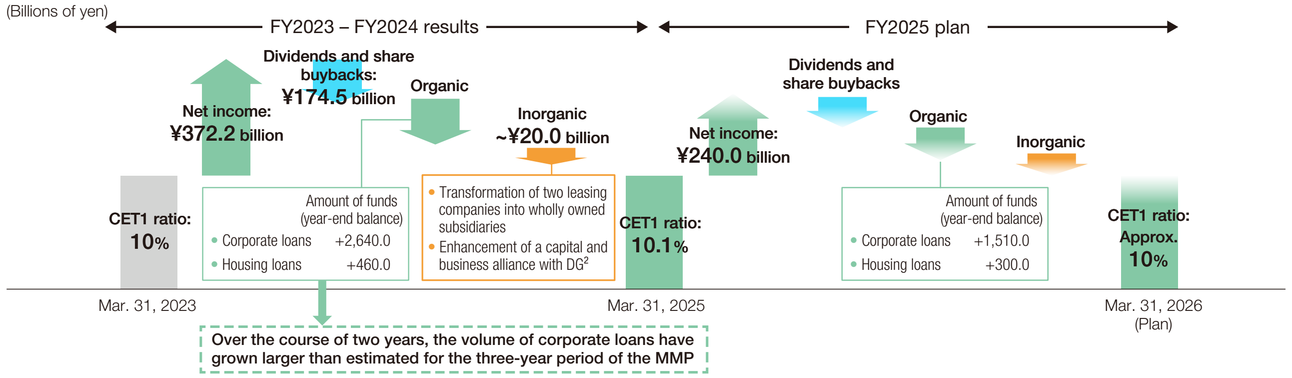
Under the current MMP, we have entered into a phase of full capital utilization, transitioning away from our traditional focus, which, until the close of the previous MMP, had been placed on achieving the qualitative and quantitative enhancement of capital. Our goal now is to pursue improvement in corporate value by utilizing capital to undertake growth investment and to enhance the content of shareholder returns in a way that maintains financial soundness. The two graphs presented at the top of the facing page show an overview of capital allocations envisioned at the time of the formulation of the current MMP as well as how we will utilize capital based on operating results achieved thus far over the course of the first two years of this MMP and our plan for FY2025. As profit has remained higher than planned, the volume of growth investment has expanded faster than estimated at the time of the formulation of the MMP, especially with regard to organic growth investment, an area in which we are leaning toward the enhancement of high-quality loans mainly targeting corporate borrowers.

Taking these factors into account, our Common Equity Tier 1 (CET1) capital ratio[1] amounted to 10.18% as of March 31, 2025, stably within the 10% range. Looking ahead, we will enhance the content of shareholder returns while maintaining a robust level of financial soundness. Simultaneously, we will promote capital utilization in both organic and inorganic growth fields so that we can report sustainable growth in operating results to our stakeholders.

Capital Allocations Envisioned at the Time of Formulation of the Current MMP



Capital Utilization Based on Two-Year Operating Results (FY2023 – FY2024) under the Current MMP and Annual Plan for FY2025



Shareholder Return Policy

In May 2025, we partially revised our shareholder return policy in light of changes in internal and external environments. Here, I explain our thoughts behind this move.

Until the end of FY2024, we had positioned enhancing the content of shareholder returns as an issue that must be tackled to optimize the number of shares outstanding as part of capital management. Therefore, we had traditionally focused on undertaking share buybacks to enhance the content of shareholder returns even as we gave due consideration to balancing funds allocated to these measures with the volume of dividends.

When revising our shareholder return policy, we took into account the three points described below in light of changes in internal and external environments: 1) we may anticipate stable growth in our earnings power on the back of the return of the world with interest rates; 2) we could face greater volatility in extraordinary gains and losses over the course of the period covered by our plan for the divestment of policy-oriented stockholdings (until March 31, 2030); and 3) we need to increase the dividend-based appeal of our shares. As a result, our revised policy is to stably increase the volume of dividends, with a DOE of approximately 3% newly defined as a dividend-related indicator for FY2029, even as we continuously aim for our total shareholder return target of around 50%.

The Company also intends to stay focused on divesting its policy-oriented stockholdings until March 31, 2030. Given this, the deadline for the achievement of our DOE target is set at FY2029 so that the volume of dividends may be increased at a steady pace regardless of the volume of gains on policy-oriented stocks to be divested during the above period. Thus, over the course of five years going forward, we will endeavor to increase our DOE to approximately 3%, roughly 1.5 times the current level. If needed, we may also consider revising our DOE target by giving due consideration to the level of profit, the status of stock prices, feedback from the market and other input. In line with our renewed policy, we will also continue to undertake share buybacks. Thus, through the expansion of profit and the optimization of the number of shares outstanding, we will stably increase earnings per share (EPS).

Actions to Enhance Shareholder Returns as Announced in May 2025

FY2024	Increased year-end dividends per share: **Up ¥2 from the forecast (¥11.5 → ¥13.5)** Resulting in an **YoY increase of ¥3** per share in full-year dividends **(FY2023: ¥22 → FY2024: ¥25)**
FY2025	Dividend forecast per share: Full-year dividends of **¥29, up ¥4 YoY (FY2024: ¥25 → FY2025: ¥29)** A maximum of ¥30.0 billion budget set aside for share buybacks Funds set aside for share buybacks: Up to **¥30.0 billion** Share buyback period: May 14 to July 31, 2025

1 Based on the full enforcement of the finalized Basel 3 regulations under the international standard; excluding net unrealized gains on available-for-sale securities
2 Digital Garage, Inc.

CFO Message

Reduction in Policy-Oriented Stockholdings

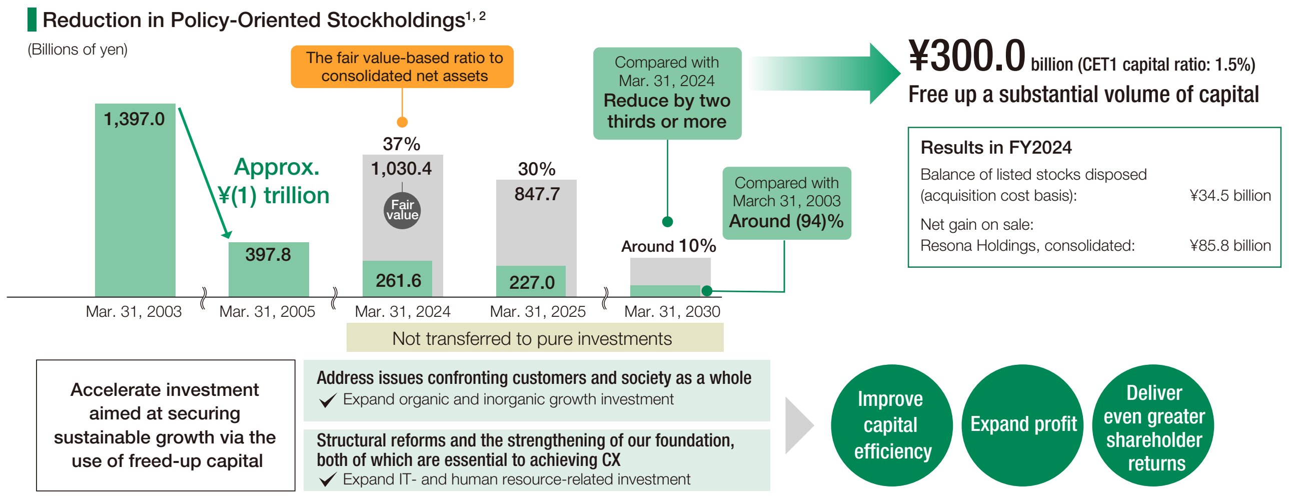
Since the 2003 injection of public funds, we have shrunk our holdings of policy-oriented stocks via a course of financial reform, well ahead of other Japanese banks, achieving a reduction amounting to approximately ¥1 trillion (acquisition cost-basis, as of March 31, 2005). Even after this accomplishment, we have been engaging in robust negotiations with corporate customers to reduce our holdings of such stocks. In FY2024, we launched a new six-year plan to this end.

The new plan is focused on securing the management resources necessary for the creation of new customer value even as we achieve sustainable growth for ourselves. We will utilize capital freed up via the reduction of policy-oriented stocks to secure our ability to address issues customers and society as a whole are confronting as well as to accelerate structural reforms and the strengthening of our foundations, both of which are essential to achieving CX (corporate transformation). The new plan will also facilitate the virtuous cycle of capital circulation that will, in turn, yield upsides on profit. Drawing on this positive effect, we will sustainably expand the volume of shareholder returns.

Under the new plan, we aim to reduce our policy-oriented stockholdings on an acquisition cost basis by two thirds or more by the end of March 2030. We also aim to reduce them by approximately the same amount on a fair value-basis. Accordingly, we will decrease the fair value-based ratio of these stockholdings to consolidated net assets to around 10%. We expect this ratio to decline to the 20% level as early as March 31, 2027, and continue to fall thereafter. Over the course of FY2024, the first year of the plan, we reduced policy-oriented stockholdings totaling ¥34.5 billion on an acquisition cost-basis.

Also, we autonomously exercise voting rights associated with policy-oriented stocks in accordance with the "Basic Concepts on the Exercise of Voting Rights" and "Guidelines for the Exercise of Voting Rights" while providing the Board of Directors with reports on the status of the exercise of such rights on an annual basis.

Reduction plan (Announced in May 2024)	Reducing the acquisition cost-based balance by **two thirds or more** by March 31, 2030, from the balance as of March 31, 2024 ➡ Decrease the fair value-based ratio of these stockholdings to consolidated net assets to **around 10%** (expecting this ratio to decline to the 20% level as early as March 31, 2027 and continue to fall thereafter)



Dialogue with Shareholders and Investors

We deem it extremely important to maintain constructive dialogue with shareholders and investors. Seeking to secure sustainable corporate growth and medium- to long-term improvement in the Group's corporate value, we strive to ensure that our shareholders and investors have an accurate understanding of, confidence in and are able to fairly evaluate the Group's management strategy and financial condition. This is why we engage them in various forms of discussion to garner their input, which we reflect in our actions.

In FY2024, we proactively created a growing number of opportunities for such dialogue. For institutional investors, we held financial results briefings, individual meetings, small-scale meetings and other events to ensure ongoing dialogue. We similarly took a proactive approach to overseas investor relations (IR) dialogues. Through these activities, the number of investors we interviewed grew a substantial 1.4 times from the previous fiscal year. For individual investors, we held online briefings and shareholder seminars while reaching out to them via streaming on YouTube. In these and other ways, we leveraged face-to-face and digital channels to enhance opportunities for investors to stay up-to date with our operational status.

Opinions voiced by shareholders and investors are regularly reported to the Board of Directors and other bodies to improve our management strategy. At the same time, we endeavor to facilitate internal understanding of the market reputation of and market expectations regarding the Resona Group's business performance. Currently, vigorous discussion is under way to formulate a new MMP to be launched in FY2026. Looking ahead, we will continue heeding opinions, insights and other input from shareholders and investors as we address these and other topics.

1 The Company's policy-oriented stocks are classified into (1) policy investment stocks and (2) strategic investment stocks, according to the purpose of holdings. Of these, (1) policy investment stocks are targeted for reduction of the balance. All listed shares held by group banks are (1) policy investment stocks.
2 Sum of Group banks, the acquisition cost-based balance of securities whose market value is available

Outline of Financial Results for FY2024

Net income attributable to owners of parent was ¥213.3 billion, up ¥54.3 billion year on year. This represents 121.8% of the target of ¥175.0 billion (as announced in November 2024).

Consolidated gross operating profit increased ¥64.1 billion from FY2023 to ¥691.6 billion, while core net operating profit (excluding net gains on the surrender of investment trusts) rose ¥50.1 billion to ¥288.5 billion. Actual net operating profit increased ¥36.5 billion to ¥247.9 billion.

Net interest income rose greatly, up ¥58.7 billion year on year, to ¥480.4 billion, benefiting from the business environment's transitioning back to the world with interest rates. Looking at a breakdown, net interest income from domestic loans and deposits increased ¥17.7 billion year on year due to the higher balance of loans and improvement in rates. In addition, interest income on yen bonds, etc., increased ¥6.1 billion year on year, while interest on due from Bank of Japan (BOJ) rose ¥31.8 billion. In sum, these operating results were backed by the robustness of the Group's deposit procurement base even as it benefited from changes in the interest rate environment.

Fee income rose ¥14.4 billion year on year to ¥227.9 billion, hitting all-time best for the fourth consecutive fiscal year.

Net gains on bonds (including futures) registered as net losses of ¥39.9 billion due mainly to expenses associated with the strategic reshuffling of the securities portfolio in anticipation of further hikes in interest rates.

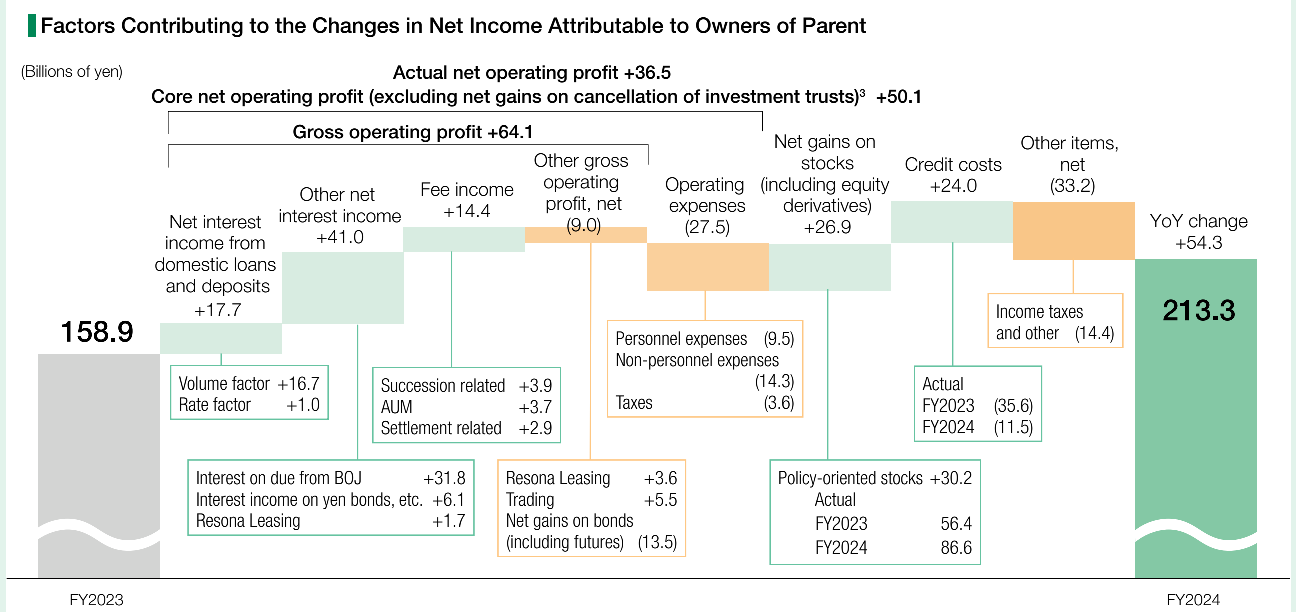
We also recorded operating expenses of ¥444.1 billion, a year-on-year increase of ¥27.5 billion. Although expenses increased due primarily to the enhancement of investment in human resources and IT infrastructure, their total amount has been under control and fell within our plan. The cost income ratio improved 2.1 percentage points year on year to 64.2%.

Net gains on stocks (including equity derivatives) increased ¥26.9 billion year on year to ¥87.1 billion, reflecting progress in the divestment of policy-oriented stock holdings.

Credit costs decreased ¥24.0 billion from the previous fiscal year to net costs of ¥11.5 billion. Thus, the volume of these costs remained low, representing only 28.9% of annually planned costs (¥40.0 billion), on the back of such factors as reversal gains recorded in connection with the upgrading of some major clients.

(Billions of yen)

Resona Holdings consolidated	FY2024	YoY change
Net income attributable to owners of parent	**213.3**	**+54.3**
Earnings per share (EPS) (yen)	92.39	+24.61
Book-value per share (BPS) (yen)	1,188.70	+3.94
ROE (based on total stockholders' equity)	9.3%	+2.0%
ROE (based on the TSE standard)	7.8%	+1.8%
Gross operating profit	691.6	+64.1
Net interest income	480.4	+58.7
Net interest income from domestic loans and deposits[1]	349.9	+17.7
Interest income on yen bonds, etc.[2]	37.1	+6.1
Fee income	227.9	+14.4
Fee income ratio	32.9%	(1.0)%
Other operating income	(16.8)	(9.0)
Net gains on bonds (including futures)	(39.9)	(13.5)
Operating expenses (excluding Group banks' non-recurring items)	(444.1)	(27.5)
Cost income ratio (OHR)	64.2%	(2.1)%
Actual net operating profit	247.9	+36.5
Core net operating profit (excluding net gains on cancellation of investment trusts)[3]	288.5	+50.1
Core income[4]	175.7	+14.4
Net gains on stocks (including equity derivatives)	87.1	+26.9
Credit costs	(11.5)	+24.0
Other gains, net	(29.5)	(16.6)
Income before income taxes and non-controlling interests	293.9	+70.9
Income taxes and other	(79.1)	(14.4)
Net income attributable to non-controlling interests	(1.4)	(2.0)



1 Total of Group banks, banking-book basis (including NCDs)
2 Interest income on yen bonds and income from interest rate swaps
3 Actual net operating profit - Net gains on cancellation of investment trusts - Net gains on bonds (spot)
4 Net interest income from domestic loans and deposits + Interest on yen bonds, etc. + Fee income + Operating expenses; actual basis, excluding expenses recorded by Resona Leasing: ¥(1.1) billion and ¥(4.8) billion for FY2023 and FY2024, respectively.

Roundtable Discussion between an Institutional Investor and Outside Directors

Outside Directors' Role in Supporting the Realization of the Resona Group's Purpose and Long-Term Vision

How should the Board of Directors be leading the Group's efforts to realize its Purpose and Long-Term Vision? The Chairperson of the Board, along with chairpersons of Nominating, Compensation and Audit committees, addressed this subject with a focus on the role of outside directors, with Mr. Masanaga Kono from the Tokyo Office of Marathon Asset Management Ltd. taking part in discussion to offer his insights.

Profile

Masanaga Kono

As the representative of Japan research at the Tokyo Office of Marathon Asset Management Ltd. (hereinafter "Marathon"), Mr. Kono takes on such tasks as conducting research into and engaging with Japanese business corporations. London-based Marathon is known for its global, long-term investment strategies undertaken in line with an investment philosophy focused on the "Capital Cycle" hypothesis. Using capital cycle analysis to identify investment opportunities, this firm has been successfully outperforming the market over the long term.

The Realization of the Purpose and the Next Medium-Term Management Plan (MMP)

Kono: The Resona Group is striving to embody its Purpose, "Beyond Finance, for a Brighter Future." A deeper look into this Purpose in terms of services that the Group intends to provide in areas outside of finance naturally gives rise to great expectations for the ways in which outside directors will contribute to its management team by drawing on their diverse expertise outside the finance field. Could you share your views and thoughts with regard to how you, as outside directors, will contribute to the realization of this Purpose? What are your priorities in these tasks?

Ike: Historically, Japanese business corporations have espoused a management approach that is conscious of stakeholder interests. We can see that this approach has taken deep root in corporate culture, with a number of major enterprises remaining loyal to such traditional philosophies as "Sampo-yoshi" (good for the seller, good for the buyer and good for society). And, in recent years, the importance of purpose-driven management and stakeholder engagement has become a subject of vigorous public discussion. Elsewhere, many companies are already embracing a purpose in the form of a corporate credo or management philosophy. In any case, there's no point in adopting a "purpose" merely because it is the trendy thing to do. Rather, I think one of the most important missions for our Board of Directors is to fully comprehend the spirit of the Purpose and determine the specific path the Group should take to realize it.

Iwata: During the Board of Directors meetings and outside directors' meetings where we discussed the Purpose, I repeatedly pointed out that we had to clarify what exactly was meant by the phrases "Beyond Finance" and a "Brighter Future." Through these diverse discussions, I came to understand that the concept of "Beyond Finance" is a three-layered structure. The first layer refers to banking and other existing core businesses. The second layer refers to non-banking financial businesses and other peripheral operations. The third layer refers to operations totally outside the financial field.

Previous to these discussions, I assumed that "Beyond Finance" simply meant endeavoring to develop operations in the third layer as part of Resona Holdings' ongoing policy of breaking away from the bank model. However, things started to click after I realized that the executives were intent on working on all three layers, giving me a much more comprehensive understanding or what is really meant by "Beyond Finance." I now understand this component of the Purpose refers to the Group's ideal business portfolio. With regard to this portfolio, however, I believe that the Board of Directors has yet to refine the details. Accordingly, we must continue discussing this subject. Also, a "Brighter Future" means the Group's ideal for a future society it aspires to help create through services "Beyond Finance." In FY2026, the Group expects to introduce a new MMP to take over from the current one. In line with this schedule, we are engaged in the review of our definitions of materiality. I now feel that our discussions on these matters are essential in terms of clarifying what must be done to realize a "Brighter Future."

Ike: I believe that our Board of Directors should operate on an annual schedule designed to facilitate discussions employing a long-term perspective aimed at realizing the Purpose. Resona Holdings updates its MMP once every three years, while the Board of Directors engages in in-depth discussions dealing with such subjects as the formulation of the Purpose and specific strategies to achieve it.

I also deem it important to monitor the implementation status of each MMP after its launch in the form of periodic reports on quantitative results as well as other outcomes relative to medium- to long-term targets. Accordingly, I intend to engage in deliberations

on specific strategies and other issues deemed particularly important by outside directors and, to this end, remain attentive to what the Group has accomplished thus far under the Purpose and the Long-Term Vision. This is essential to rigorously monitoring the likelihood of its success in these endeavors.

Although the Board of Directors' discussions are expected to focus on the formulation of the next MMP over the course of FY2025, the present economic environment is substantially different from what we saw three years ago, when the current MMP was formulated. It is thus essential that we exercise caution. Japan's financial institutions have long been operating in a deflationary environment. Therefore, the focus of previous discussions was on increasing top-line income in a world without interest rates. And, the current MMP is based on this scenario. However, thanks to the return to a world with interest rates and resulting changes in the business environment, the Group was able to achieve its initial MMP target a year ahead of schedule. However, it is important to assess whether or not issues identified three years earlier have been genuinely resolved without relying on changes in assumptions.

Nohara: I believe that we need to work even harder to improve our monitoring of the status of medium- to long-term strategies. Although we are usually furnished with monthly reports on financial results and other materials featuring the status of various projects discussed at regular monthly Board of Directors meetings, I sometimes find these materials lacking in details regarding progress made in the broader sense of the Group developing services "Beyond Finance." In the course of formulating the next MMP, we need to develop an overarching vision that can be shared among all members of the Board with regard to the nature of the portfolio the Group would like to develop. Once the MMP is introduced, we also need to rigorously monitor its outcomes. I think that it is important for outside directors to take the initiative in these discussions.

Kono: Looking at the environment surrounding financial institutions, despite the return of the world with interest rates, these institutions are being called upon to reduce their fees for various procedures to nearly zero. At the same time, the general public has become accustomed to seeing the introduction of one hassle-free service after another, raising expectations for even greater convenience. Against this backdrop, the Resona Group has identified "Beyond Finance" as the way to answer the question of how to increase its economic value while achieving stable profit growth.

Today, the Group could be at risk of losing its growth potential and ability to fully reward its stakeholders unless it succeeds in expanding its businesses outside its existing scope of operations and begins providing an even broader range of services "Beyond Finance." Failing to do so may cause the Group to become obsolete. That being said, identifying the course of action that will enable the Group to go "Beyond Finance" is a monumentally hard task and I can understand how the members of the Board are struggling to determine the best path.

Yamauchi: The formulation of the Purpose enabled the Group to clarify the direction it should take going forward. The Board is now expected to direct the so-called selection and concentration for the Group's new market entries toward specific business fields. Board of Directors meetings are attended by both executives who have long been focused on financial fields as well as outside directors with non-financial backgrounds. The exchange of opinions between these two types of Board members will certainly facilitate better conclusions with regard to the selection of business fields. Currently, all Board members are striving to develop a consensus regarding the path leading to the Group's goals and the volume of funds necessary to accomplish these goals. We have also planned agenda items to be regularly deliberated upon by the Board throughout FY2025 to ensure that the quality of discussion is constantly improved.

Capital Management Aimed at Supporting the Realization of "Beyond Finance"

Kono: As part of capital management, the Group's Board of Directors is now expected to address the setting of a target ROE as a KPI. However, I believe that, prior to setting such a target, the Board should discuss the volume of capital necessary to achieve it. Generally speaking, it is preferred to increase the volume of shareholder returns when there is a capital surplus. If the Group deems it necessary to invest a certain amount, it also needs to provide stakeholders with a plausible justification for setting aside the requisite volume of capital. On the other hand, shareholders, as well as employees, can only enjoy greater returns if the Group successfully develops a structure for securing profit and delivering commensurate distributions through the allocation of sufficient capital and human resources. That being said, it may not be easy to readily determine in the present moment the volume of capital and types of human resources that will be required in five to ten years in order to enable the Resona Group to go "Beyond Finance" and achieve its Purpose. In this regard, could you describe your areas of focus?

Iwata: The Resona Group's history is pretty unique as its utmost priority in the post-"Resona Shock" era was firmly on the early repayment of public funds. Only recently has the Group succeeded in securing a volume of equity capital sufficient to cover other activities. Thus, until now the Group has not been able to fully allocate funds to various other areas, such as shareholder returns. Other areas of shortfall include investment in employees and other intangible assets. For many years, the Group has had to take a restrictive approach to investment in human resources and IT infrastructure. It's now time to increase allocations to these areas. The Board's most imminent issues going forward are, therefore, delivering shareholder returns and investing in intangible assets as well as determining its priorities in these two endeavors. Furthermore, as the primary methods of securing shareholder returns are cash dividends and share buybacks, we intend to discuss these methods more in depth at Board of Directors meetings to determine the optimal balance between the two. In connection with share buybacks, as the number of shares outstanding has grown extremely large in the course of repaying public funds, we now need to determine the optimal number. With regard to dividends, in order to win over individual shareholders, it is important to carefully plan the volume of dividends to be paid, taking into consideration such factors as the dividend payouts being offered by competitors.

Ike: At Board of Directors meetings, our focus should be on not only discussions of individual agenda items related to shareholder returns, such as the volume of dividends and share buybacks, but also overarching discussions aimed at determining the nature of the business portfolio the Group should develop in order to go "Beyond Finance," as suggested by Mr. Yamauchi and Ms. Iwata. These subjects naturally require deliberation on the allocation of management resources as well as capital management. In this sense, I intend to vigorously play my part in facilitating discussions leveraging a broader perspective in the course of formulating the next MMP.

Yamauchi: There are concerns about the negative effect of formulating KPIs, such as an ROE target, as these could prompt employees to develop a superficial focus on achieving numerical results. I believe that roles of Board members, especially outside directors, include exercising check-and-balance functions to avoid such situations.

Iwata: As far as Resona is concerned, KPIs are set at appropriate levels and robustly managed by the Board of Directors. On the other hand, executives seem to feel pressured by their responsibility to pursue a number of KPIs relative to each issue. Unless these numerous KPIs are streamlined, employees may become overly preoccupied with them. This may, in turn, divert their focus from accomplishing truly essential missions.

Nohara: When an organization is preoccupied with how to achieve KPIs, its front-line employees tend to focus only on areas related to said KPIs. The Group needs to encourage employees to autonomously develop novel ideas and, in order to better motivate them to do so, I deem it necessary to develop an environment that empowers them to freely exercise their unique strengths, instead of just setting KPIs for a number of detailed tasks.

Kono: It is important to ensure that employees understand the true significance of achieving KPIs and what changes the Group aims to effect as a result. Isn't it?

Providing Sound Incentives through Officer Compensation

Kono: As part of the officer remuneration system, some people are strongly in favor of linking compensation with share prices as this approach is considered conducive to meeting shareholder needs. On the other hand, providing excessively high compensation to officers might cause them to be more protective, serving as an incentive for adopting a conservative management approach so that they may better cling onto their positions. In this regard, could you describe the status of discussions by the Board of Directors regarding the provision of sound incentives in the form of officer compensation?

Nohara: We consider this subject a key theme that must be addressed by our Compensation Committee. Having served as a compensation committee chairperson myself at another company, I am keenly aware of the issues arising from seniority-based, lifelong employment systems that have long been in place at many Japanese corporations. This tradition naturally results in an officer compensation system that grants higher compensation to those individuals holding higher titles, and these titles, in reality, do not necessarily correspond to the content of said individuals' duties and responsibilities. Also, I found many corporations to still maintain vague standards for performance evaluations. How to properly link the amount of compensation with individual recipients' level of responsibility

and the scope of their operations is an important topic deserving intensive discussion. Personally, I believe that the proportion of share-based compensation should be increased in light of recent trends in the business sector. In conclusion, I deem it important to better motivate officers by enhancing the overall volume of compensation through the use of share-based compensation even as we strive to align their interests with shareholder interests.

The Operation of the Board of Directors and the Selection of Outside Director Candidates

Kono: Please share your thoughts on the operation of the Board of Directors.

Ike: For the Board of Directors to enhance the effectiveness of its operations, the proactive involvement of internal directors in discussion is just as important as the presence of outside directors. Looking at how monthly meetings are structured, each session typically involves explanations given by executive officers in response to questions or suggestions from outside directors. In any case, Board of Directors meetings are intended to be a place for all Board members, regardless whether they are internal or outside directors, to play their part in vigorous discussions. Therefore, the proactive involvement of internal directors is no less important in terms of enhancing the effectiveness of the Board's operations. In addition, outside directors sometimes raise questions or voice opinions due to their lack of understanding of the financial business. Internal directors are expected to correct the direction of the Board's discussions whenever such questions or opinions cause it to lose focus on the topics at hand. This approach ensures that the Board addresses agenda items in more depth.

Yamauchi: Through their attendance at Board of Directors meetings and the exchange of opinions with executives, outside directors with non-financial backgrounds are similarly expected to help correct the direction the Board's discussions take. Although it may be time consuming, I believe that by engaging in in-depth deliberations, the Board of Directors can improve its effectiveness.

Kono: I think it is good for the Group to provide shareholders with explanations of the factors that led to the selection of the current lineup of outside directors. I therefore urge the Group to proactively publicize relevant information. For example, providing more detailed disclosure of selection criteria for director candidates through the notice of convocation of General Meeting of Shareholders would be helpful for shareholders trying to decide on the level of confidence they have in each candidate when voting.

Iwata: Mr. Kono's suggestion reminded me of the importance of providing in-depth explanations on individual outside director candidates regarding what they can do for the Resona Group, instead of simply disclosing their fulfillment of certain criteria as a mere formality. Looking ahead, accordingly, we will discuss our mode of information disclosure.

Ike: Some external companies disclose the details of each candidate's accomplishments in terms of director duties and their visions regarding what responsibilities they intend to fulfill on behalf of shareholders.

Iwata: Exactly. These descriptions are typically outlines of directors' personal achievements along with self-evaluations. Resona has yet to publicly issue such details, and I would like to urge the Group to address shortfalls in this area and enhance the content of relevant information disclosure. In this regard, I expect the Group to begin by implementing a personal evaluation system for individual directors and then document the rationales for the selection of director candidates based on results of this evaluation.

Kono: As mentioned by Mr. Ike, a growing number of businesses began to disclose detailed backgrounds and the achievements of director candidates. I consider this approach to be quite beneficial to investors like us, especially when we engage with asset owners who entrust their assets with us, because such information helps them understand why we may vote for or against the election of particular candidates.

The Importance of the Purpose in Terms of Preventing Misconduct

Kono: While a corporate purpose is key to successful strategic planning, its functions are instrumental to the prevention of misconduct. Mr. Yamauchi, I would like to have your insight as the chairperson of the Audit Committee regarding causative factors of corporate misconduct. Some people can become obsessed with serving their self-interests or might focus solely on securing profit for business units they belong to. As a result, such individuals might consider the use of illicit business practices permissible. In cases like this, individuals involved in the misconduct rarely feel a sense of guilt, making it hard to eradicate the recurrence of similar incidents. Please share your thoughts on the check-and-balance functions offered by outside directors as part of their expected role in preventing misconduct.

Yamauchi: The Audit Committee operates in collaboration with the Internal Audit Division. Although I concurrently serve as an outside director at other companies, I appreciate the robustness of Resona's in-house structure for monitoring the status of operations and identifying areas in which issues are present. In summary, I consider the Group's check-and-balance system quite solid and well-functioning. As mentioned by Mr. Kono, misconduct on the part of individual employees obsessed with pursuing their self-interest can be addressed and curtailed by internal control functions. I am more concerned about types of misconduct carried out by an organization as a whole. This is the last thing a company should tolerate and will result in the loss of the trust it has earned from society. Therefore, we need to pay close and constant attention to what is really going on at each workplace and business unit.

The Audit Committee receives monthly reports from various departments' representatives, while the Internal Audit Division carries out a variety of audit activities to confirm the status of issues and matters of concern. Needless to say, maintaining these mechanisms is important. However, I also deem it important to enable each employee to take pride in their duties, think for themselves about how to best leverage Resona's unique strength and clearly define their own version of Purpose. These things are of fundamental importance. Accordingly, the Group needs to work even harder to ensure that the Purpose is fully understood by all. I am convinced that the entrenchment of the Purpose will help the Group prevent the occurrence of misconduct.

What Issues Should Resona Tackle in Order to Go "Beyond Finance?"

Kono: Please share your thoughts on the Resona Group's corporate culture.

Iwata: Generally speaking, I found Resona's corporate culture to be quite commendable. The most impressive aspect of this corporate culture is the deep-seated entrenchment of the Group's basic stance—"Customers' happiness is our pleasure," which has become an integral part of employee mindset. It is vital to pass down this corporate culture, which underpins Resona's strength, from generation to generation, irrespective of the changes the future may hold due to such factors as the launch of new business, the diversification of workstyles or growth in the presence of mid-career hires in its workforce. Another noteworthy aspect of its corporate culture is the supportive atmosphere it offers for those who take on new challenges. Having executed a variety of reform initiatives to overcome the "Resona Shock," the Group is, I believe, now truly confident about its ability to achieve reforms.

Nohara: For the Group to go "Beyond Finance," it is extremely important to spread a corporate culture conducive to innovation within its workforce. I have served as an advisor to major IT enterprises and government agencies and, based on my experience gained in the research of growth strategies executed by business corporations at various stages of their development, have provided them with insights into such strategies. In my capacity as outside director, I intend to draw on this experience to help Resona promote an innovation-oriented corporate culture. From this perspective, I highly appreciate the Group's human resource strategy, under which it annually organizes issues to be addressed and accordingly updates measures to be implemented. For example, the Group has identified "nurturing leader candidates equipped with outstanding management skills" as an issue to be addressed in FY2025. Addressing this issue, the Group is now striving to effect a shift in its human resource management approach, introducing a more flexible personnel system designed to better recognize the value created by individual employees performing their duties and accommodate said employees' diverse perspectives on work in light of changes in internal and external environments. This shift is, in turn, expected to help create an innovation-oriented corporate culture. As an outside director, I will robustly monitor the progress of this shift and do my best to help facilitate the entrenchment of this human resource strategy.

Kono: I believe that the Group should foster a corporate culture in which hard-working employees are fully recognized and rewarded. It is important to promote a culture of this kind as it leads to a virtuous cycle that better motivates employees. Having entered into a new phase of capital utilization, the Group is being called upon to support employees' pursuit of happiness in the course of its efforts to realize the Purpose, because doing so is as important as securing the happiness of shareholders. In this regard, I have great expectations for what Resona can do going forward. Thank all of you for having me here today.

Track Record Spanning more than 120 Years as a Retail Business Specialist

Daiwa Bank
1918
Osaka Nomura Bank established

Head Office of Osaka Nomura Bank (Azuchi-machi, Osaka, 1918)

Kyowa Bank
1945
Japan Saving Bank established by merging nine savings banks

Head Office of Japan Saving Bank at the time of inauguration (Shiba, Tokyo, 1945)

Saitama Bank
1900
Kurosu Bank established

A framed work of calligraphy that reads "Moral Bank," the nickname of Kurosu Bank (written by Eiichi Shibusawa)

Kansai Urban Banking Corporation
1922
Yamashiro Mutual Bank established

Employees of Yamashiro Mutual Bank

Kinki Bank
1942
Kinki Mutual Bank established by merging five mutual banks in Osaka

Head Office of Kinki Mutual Bank at the time of inauguration (Kawara-machi, Osaka, 1942)

Osaka Bank
1950
Osaka Fixed Bank established

Head Office of Osaka Fixed Bank (Edobori, Osaka, 1950)

Minato Bank
1949
Shichifuku Mutual Bank established

Shichifuku Mutual Bank at the time of opening (Moto-machi, Kobe, 1949)

1991 Merger
Asahi Bank (Kyowa Bank + Saitama Bank)

Resona Holdings
2001 Daiwa Bank Holdings established

2003 Merger and divestiture
Resona Bank
Saitama Resona Bank

2024
Merged with Resona Holdings

Kansai Mirai Financial Group
2018 Became fully operational
2021 Made a wholly owned subsidiary of Resona Holdings

2000 Merger
Kinki Osaka Bank (Kinki Bank + Osaka Bank)

2010 Merger
Biwako Bank

2019 Merger
Kansai Mirai Bank

Resona Holdings
Resona Bank
Saitama Resona Bank
Kansai Mirai Bank
Minato Bank

20 Years of Cultivating "DNA of Reform"

2003

- Injection of public funds under the Deposit Insurance Act
  Public funds peaked at ¥3,128.0 billion
- The "Resona Reform" initiated under the new management structure
  Governance reforms
  Structured a strong governance system with a majority of outside directors and was the first banking group in Japan to become a company with a nominating committee, etc.
  Financial reforms
  Decisive disposal of non-performing loans (NPLs), major reduction of policy-oriented stock holdings and sweeping reorganization of affiliated companies

2004

- Accelerated service and operational reforms
  Launched programs to eliminate waiting time and keep all branches open until 5 p.m. on weekdays
  Introduced next-generation branches and "Quick Navi" services

2005

- Returned to profitability (consolidated net income of ¥365.5 billion)
- Initiated "Resona Kids' Money Academy" to provide children with financial and economic education

2006

- Resumed payment of dividends on common stock

2009

- At the height of the financial crisis, the Resona Group recorded consolidated net income of ¥123.9 billion, the highest among domestic banks
- Resona Bank and Resona Trust & Banking merged, resulting in the creation of a commercial bank equipped with full-line trust banking capabilities

2010

- Relocated Tokyo Head Office from Otemachi, Chiyoda-ku to Kiba, Koto-ku

2011

- Executed a capital increase, including through the public offering of common stock based on the "Resona Capital Restructuring Plan," while simultaneously repaying a portion of public funds (¥813.5 billion)

2012

- Employee volunteer organization "Re: Heart Club" launched
- Opened "Seven Days Plazas," which operate 365 days a year, becoming the first among major domestic banks to offer outlets of this kind

Re:Heart

2013

- Communication character "Resonya" is born

2015

- Full repayment of public funds
  Building on the results of our efforts to restore management soundness, we completed the full repayment of the public funds that had underpinned our rehabilitation and growth, a 12-year endeavor.
- Resona Asset Management established
- Established "The Resona Foundation for Future"

2017

- Began offering "Resona Fund Wrap"
- Resona Merchant Bank Asia launched operations

2018

- "Resona Group App" services released
- Management integration involving Kansai Mirai Financial Group (KMFG) initiated
- Commitment toward Achieving the Sustainable Development Goals 2030—Resona Sustainability Challenge 2030—established

2020

- Open platform for co-creation enhanced
  Transcending the traditional framework of banking operations, we contribute to the enhancement of convenience and experience value for customers in every region as well as the vitalization of regional economies by making our co-creation platform (financial digital platform) available to diverse partners, including those from different sectors.
- "Resona Garage," a base for open innovation and co-creation, launched

2021

- Long-Term Sustainability Targets established
  (expanded into Long-Term Sustainability Indicators in 2023)

2023

- The Resona Group's Purpose and Long-Term Vision established

Beyond Finance,
for a Brighter Future.

RESONA GROUP

2024

- Kansai Mirai Financial Group merged with Resona Holdings
- Resona Leasing inaugurated
- Became a B.LEAGUE title partner

Issued *The Resona Group—20 Years of Taking on the Challenge of Reform,* the Group's first book tracing its corporate history (September 2023)

This book begins by outlining why the Group had to be injected with public funds right after its inauguration, with four chapters and special features detailing its 20 years of various reforms aimed at achieving a revival.

The Resona Group's 20th Anniversary Special Website (Japanese only)
https://www.resona-gr.co.jp/20th

A History of Specialization in the Retail Field × "DNA of Reform"

Social capital

An extensive channel network centered in the Tokyo metropolitan area and the Kansai area

16 million individual customers and 500,000 corporate customers

Largest retail/commercial banking group in Japan with full-line trust banking capabilities

Our Unique Features

An unparalleled position supported by three strengths

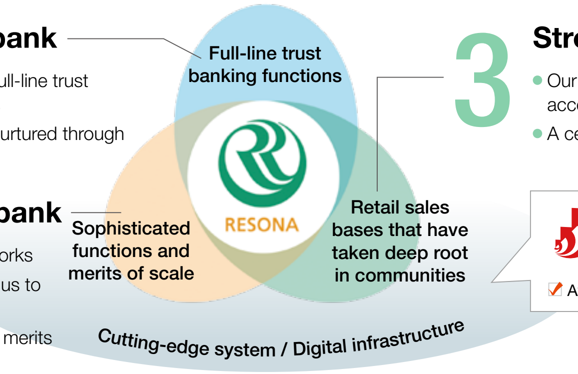
Largest retail/commercial banking group in Japan with full-line trust banking capabilities

1 Strength as a trust bank

- A banking group equipped with full-line trust banking and real estate functions
- Asset management capabilities nurtured through pension asset management

2 Strength as a megabank

- Robust customer base and networks
- Sophisticated functions enabling us to accommodate diverse needs
- Cost competitiveness backed by merits of scale



3 Strength as a regional bank

- Our deep roots in communities make us accessible to residents
- A central player in regional vitalization

DX銘柄 Digital Transformation

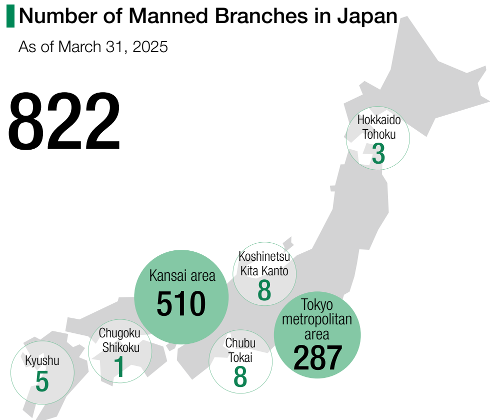
Awarded three times (2020, 2021 and 2023)

Network / Position

Number of Manned Branches in Japan

As of March 31, 2025

822

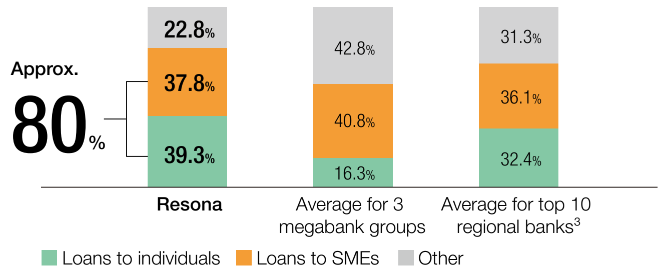


Loan and Deposit Market Share[1] As of March 31, 2025

Deposits		Loans	
4.0%	Tokyo	4.8%	GDP 1st in Japan
3.9%	Kanagawa	8.6%	GDP 4th in Japan
46.8%	Saitama	44.2%	GDP 5th in Japan
22.4%	Osaka	24.0%	GDP 2nd in Japan
18.4%	Hyogo	31.0%	GDP 6th in Japan
17.0%	Shiga	19.3%	Added value per business site (Manufacturing sector) 2nd in Japan

Loan Portfolio[2] As of March 31, 2025

The Resona Group focuses on retail loans. Loans to individuals and SMEs account for approximately 80% of its loan portfolio.



Human capital

Diversity in human resources

Diversity in Human Resources

20 career courses (multipath personnel system)[4]

Employees can choose their career path from 20 courses designed to equip them with specialist skills in particular business fields

Client relations/ Lending and FX	Services	Business turnaround	Private banking
Corporate solutions	Management consulting	Real estate	Trust/ Pension
Corporate planning	Asset management	Markets	Risk management
Finance	Data scientist	DX specialist	IT specialist
Facility management	Legal affairs	AML/CFT specialist	Audit

Number of employees with certification	March 31, 2025
FP 1st grade	1,374
FP 2nd grade	13,775
Real estate notary	5,865

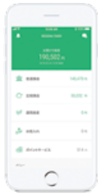
Intellectual capital

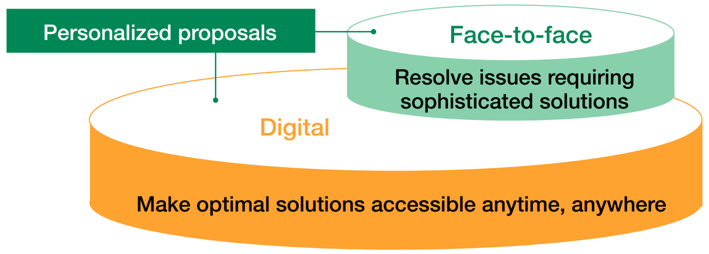
Cutting-edge system / Digital infrastructure
Sales approach / Business processes

Integration of Digital and Face-to-Face Channels

As of March 31, 2025

Group App downloads	10.98 million
By Group customers	9.00 million
By other customers	1.98 million





Financial capital

Sound financial position

Sound Financial Position

As of March 31, 2025

Capital adequacy ratio (consolidated basis of Resona Holdings, Japanese domestic standard)	12.79%
NPL ratio (Total of Group banks, Financial Reconstruction Act criteria)	1.17%

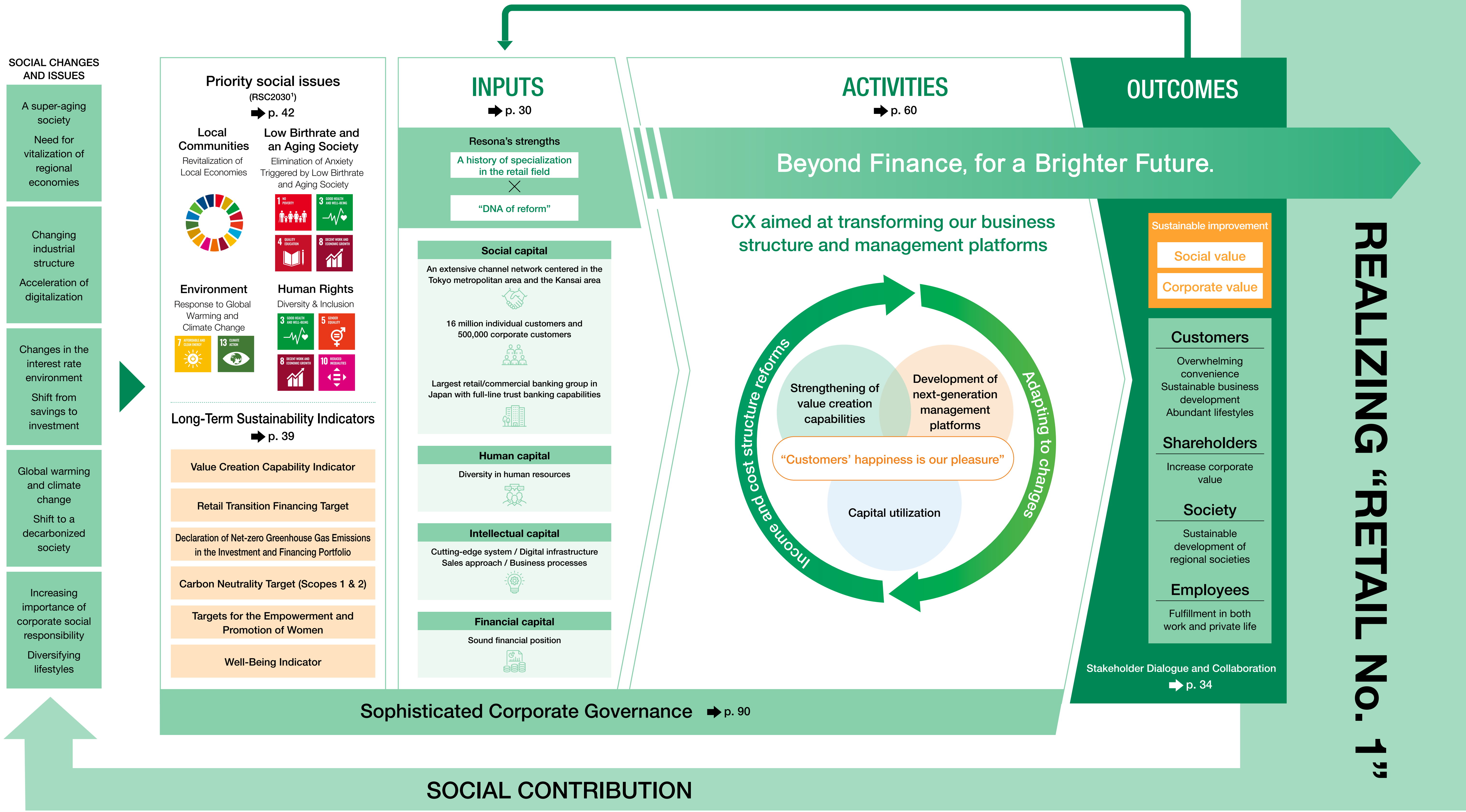
Credit Rating (Long Term) As of March 31, 2025

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

1 Total of Group banks, market share based on deposits, and loans and bills discounted by prefecture (domestic banks licensed by BOJ).
2 Source: Financial statements from each company
3 Top 10 regional banking groups in terms of consolidated total assets
4 The system is open to employees at Resona Bank, Saitama Resona Bank and some other Group companies

Value Creation Model

Our value creation model starts with addressing issues customers and society as a whole are confronting. While leveraging strengths we have cultivated thus far, we will tackle corporate transformation (CX) for the Resona Group itself in order to create value that transcends the conventional framework of financial services. By doing so, we will help resolve the increasingly diverse issues requiring ever more sophisticated solutions that our customers and regional societies are confronting in order to secure sustainable improvement in social and corporate value. This is how we realize "Retail No. 1"—our Long-Term Vision—even as we strive to embody our Purpose, "Beyond Finance, for a Brighter Future."



1 Resona Sustainability Challenge 2030 announced in November 2018 to represent Resona's commitment to facilitating global efforts aimed at achieving SDGs.

Stakeholder Dialogue and Collaboration

We practice stakeholder dialogue and collaboration (engagement) on three fronts: ① Relevant departments in place at each Group company directly engage with key stakeholder groups to address specific themes; ② Relevant departments in place at each Group company conduct intragroup engagement based on input gleaned via dialogue with stakeholders and ESG evaluation agencies; and ③ Relevant departments in place at each Group company participate in and declare support for various initiatives. Taking advantage of a variety of methods, we are striving to maintain robust engagement so that we can accurately assess opinions, expectations and other inputs from diverse stakeholders and reflect such inputs in business management in order to enhance the qualitative and quantitative aspects of our corporate value.

① Dialogue and Collaboration with Key Stakeholder Groups

The Resona Group has established the Resona WAY (the Resona Group Corporate Promises), which translates its Corporate Mission into a basic stance toward each stakeholder group. With the aim of achieving sustainable improvement in social and corporate value, relevant departments at each Group company work to engage in constructive stakeholder dialogue in line with the Resona WAY.

Resona WAY (Resona Group Corporate Promises)	Direction of Dialogue and Collaboration (Co-Creation of Value) and Main Initiatives

Customers

Resona cherishes relationships with customers.

We strive to deliver ever better services and solutions, including those designed to assist in our customers' pursuit of SX, by drawing on feedback gleaned in the course of customer communications via multilateral channels, including bank counters, sales staff, call centers and our corporate website.

Resona Policy on Fiduciary Duty
https://www.resona-gr.co.jp/holdings/english/about/strategy/fiduciary/

Main Initiatives
- Customer-Oriented Business Conduct ➡p. 86
- Initiatives to strengthen our asset formation support functions
https://www.resona-gr.co.jp/holdings/english/about/strategy/asset_formation_support/
- Creating frameworks for heeding customer opinions (questionnaires, call centers, etc.)


Resona staff engaging in customer dialogue

Shareholders

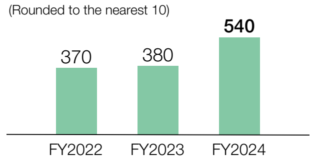
Resona cherishes relationships with shareholders.

We work to achieve sustainable growth for the Group and medium- to long-term improvement in corporate value by maintaining in-depth and constructive dialogue with shareholders and investors via the General Meeting of Shareholders, shareholder seminars and other IR activities.

Basic Policy for Promoting Constructive Dialogue with Shareholders and Investors
https://www.resona-gr.co.jp/holdings/english/investors/ir/dialogue/

Main Initiatives
- Holding the General Meeting of Shareholders and shareholder seminars
- IR events for individual investors
- Engaging in dialogue with domestic and overseas institutional investors and analysts

Number of investors interviewed (cumulative total)
(Rounded to the nearest 10)




An outside directors' meeting

Society

Resona places importance on its ties with society.

We endeavor to help realize a sustainable society by engaging in social contribution activities, providing financial and economic education and participating in government-private collaboration aimed at vitalizing regional communities.

Number of Employees Participating in Re: Heart Club[1] Activities

2012– Cumulative total: Approx. 74,000


Group employees engaged in a forest development project titled Kansai Mirai Bank Forest Creation

Initiatives to revitalize regional communities

Taking a Groupwide approach to connecting with our customers at Expo 2025 Osaka

The Resona Group has striven to kindle public anticipation for the Expo while also engaging in various initiatives to support the success of the event and the growth of its customers.

Main Initiatives
- Osaka Pavilion "Reborn Challenge"
Supporting 38 exhibitions by 43 companies, including Resona's corporate customers, throughout the entire Expo period (26 weeks) through participation in pavilions aimed at drawing public attention to technologies possessed by SMEs and startups

©Expo2025

Employees

Resona highly values employees' dignity and personality.

We work to develop and ensure an employee-friendly workplace environment in which everyone can feel a greater sense of job fulfillment via awareness surveys targeting the entire workforce and the direct exchange of opinions between management and employees, with the aim of becoming a model bank for future generations.

Main Initiatives
- Employee questionnaires
- Town hall meetings in which employees and members of top management exchange opinions
- Resona Women's Council ➡p. 73
- "My Purpose" Project ➡p. 87

② Intragroup Engagement and Collaboration

Based on input gleaned via engagement with stakeholders and ESG evaluation agencies, relevant departments at Group companies engage in dialogue themed on business strategies, ESG issues and other subjects in an effort to push ahead further with their initiatives and enhance the content of information disclosure. The status of progress and improvement in these initiatives is reported to the Board of Directors, the Executive Committee, the Group Sustainability Promotion Committee and other bodies.

③ Participation in Initiatives

In light of requests from international society and our role as a financial institution, we promote across-the-board efforts to realize a sustainable society and, to this end, participate in and declare our support for various initiatives at home and abroad.

1 A volunteer organization run by Resona Group employees