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Corporate Governance

Establishing a Transparent Governance Structure to Improve Corporate Value



Yoko Takaya

Executive Officer in charge of the
Corporate Governance Office

A “Glass-Walled Board Room” Supporting Management Transparency

I consider the above headline the best expression to describe the Resona Group's stance regarding corporate governance.

Transparent management is the cornerstone of our business operations and, therefore, an integral part of the Group's identity. This identity was formed by our predecessors who, two decades ago, dedicated their utmost efforts to overcome the management crisis with a conviction that the Company would never remain viable or be considered worthy of social recognition unless it was successful in executing needed governance reforms.

Guided by this conviction, Resona Holding transitioned to the company with committee system (currently a company with a nominating committee, etc.) in 2003. At the same time, its Board of Directors reshaped its composition, with the majority of new membership accounted for by outside directors who are independent from management. The execution of these two moves is evidence of the Company's pioneering approach to governance reforms.

Needless to say, however, transitioning to a company with a nominating committee, etc., does not necessarily guarantee the

enhancement of governance functions. Governance reform is not merely about changing organizational design. Rather, it is important to identify what value this new framework can create and how it will facilitate in-depth discussion and well-informed decision making that will, in turn, drive genuine corporate growth.

At each Board of Directors meeting, attendees engage in serious discussions focused on incorporating external viewpoints and the objective perspectives offered by customers, shareholders and investors. In doing so, they also strive to remain free of constraints arising from internal politics and industry norms. This approach has remained unchanged since 2003.

Members of the Board of Directors, who are tasked with exercising management supervision, exchange unfettered opinions with executives in the course of these discussions. This, in turn, enables them to maintain a sound relationship of trust with executives as a group ensuring against overly cozy associations. I personally feel that the above relationship provides us with a valuable foundation supporting medium- to long-term improvement in corporate value.

Where Resona Is in Terms of Corporate Governance

The Board of Directors, as well as three committees (Nominating, Compensation and Audit committees), exercise their respective functions to secure proper management supervision while helping executives engage in appropriate risk-taking

The Board of Directors consists of 10 directors, including seven independent outside directors, three of whom are women. From 2020, the Board appointed a non-executive director as its Chairperson. From 2022, this position has been filled by an independent outside director.

Independent outside directors are equipped with diverse knowledge and background. These individuals include corporate managers, ex-government officials, legal affairs specialists, and IT experts. Every year, the Nominating Committee drafts the list of

outside directors in light of management strategies.

The Nominating and Compensation committees consist only of independent outside directors. Meanwhile, the majority of the Audit Committee's membership comprises independent outside directors, with an independent outside director serving as the committee chairperson.

In addition, with the purpose of securing clear separation between supervisory and executive functions, both Resona Bank and Saitama Resona Bank have adopted a company with an audit and supervisory committee system. The boards of directors in place at the above two Group banks, as well as Kansai Mirai Bank and Minato Bank, include multiple outside directors independent from management.



Our Board room is glass-walled, not only providing a venue conducive to meaningful discussion among members of top management but constantly serving as a symbol of management transparency, a quality that has been nurtured over the course of the Resona Group's history of taking on one tough challenge after another.

Basic Approach to Corporate Governance

Resona Holdings has established the “Basic Corporate Governance Policy,” as outlined below, to facilitate the sustained growth and improvement of the corporate value of the Resona Group over the medium and long terms.

- The Company, as the holding company of the financial services group, shall maximize the corporate value of the Group.
- The Company shall respect all stakeholders, including shareholders, and aim at achieving excellent corporate governance so that it can make decisions rapidly and decisively in response to

environmental changes, including economic and social changes.

- The Company shall develop a structure that enables all Resona Group members to engage in business operations in a concerted manner and, to this end, has positioned the Group's “Purpose” together with the “Corporate Mission (Resona Group Management Philosophy)” as a cornerstone of business management, aiming to realize the “Long-Term Vision,” which represents ideals regarding what the Group should look like over the long term.

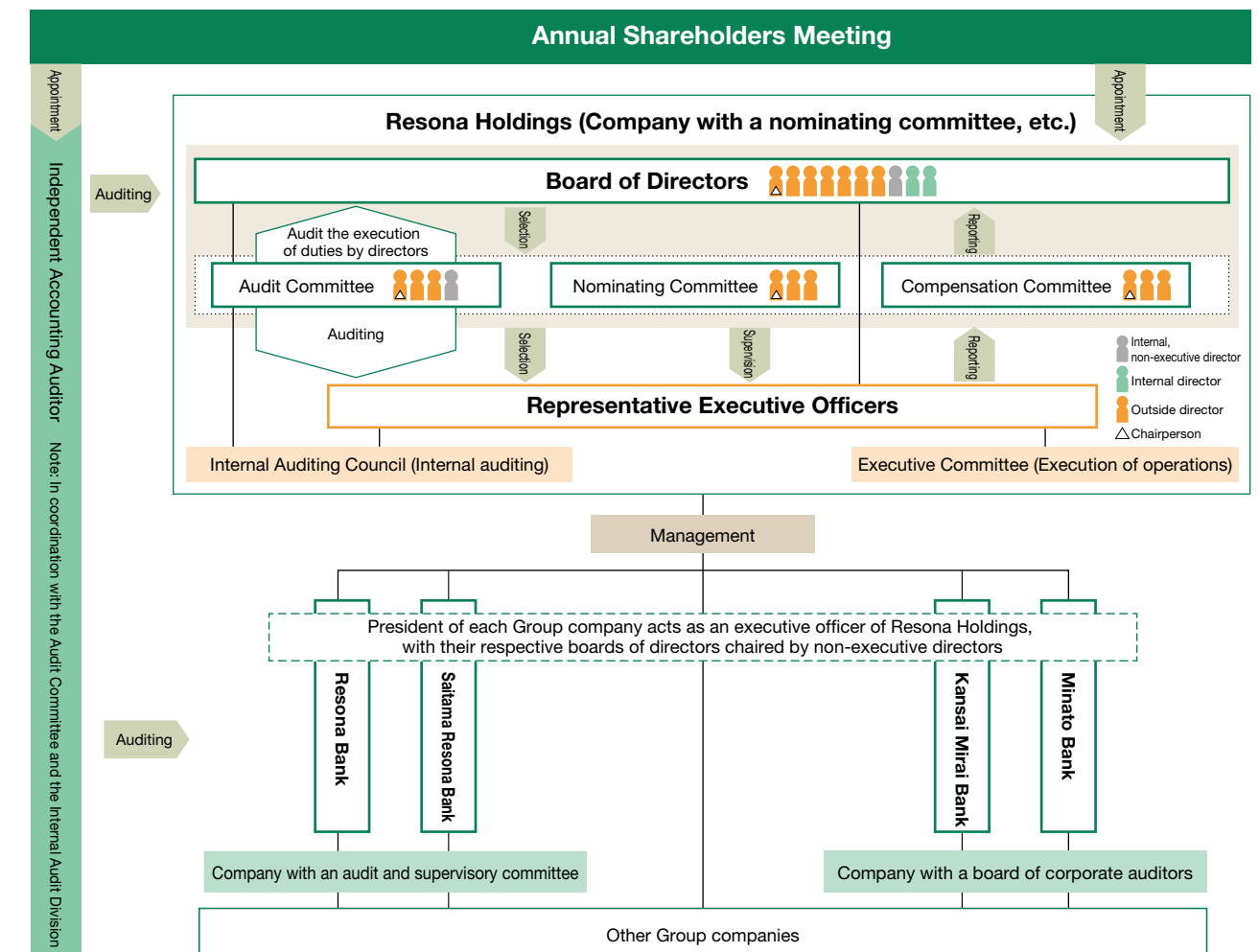
Corporate Governance System

- Based on the above-mentioned basic approach to corporate governance, the Company shall clearly separate the management supervision function from the business execution function, and adopt the form of “company with a nominating committee, etc.” as a corporate governance system because the Company determines that this system can enhance the supervision and decision-making functions of the Board of Directors.
- The Company shall fully utilize external views in its business management and secure transparency and fairness in management

by requiring the Board of Directors, on which highly independent outside directors constitute a majority, and the three committees (the nominating committee, the compensation committee and the audit committee) fulfill these functions.

- The Company shall ensure the autonomy of its subsidiaries and instruct the subsidiaries to manage their business activities based on the aforementioned basic approach to corporate governance so that the Group will grow together with regional communities

Corporate Governance Framework

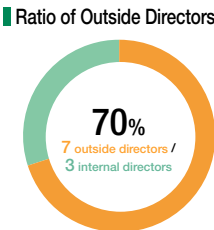


Board of Directors

Mission of the Board of Directors

As a board of directors of a company with a nominating committee, etc., Resona Holdings' Board of Directors is being called upon to fulfill an important mission. This mission can be broken down into two tasks: 1) deliberating and determining the medium- to long-term direction the Group should take, 2) and exercising proper supervisory functions over executives. In each Board of Directors

meeting, attendees equipped with diverse knowledge and experience exchange their unreserved opinions while applying multi-lateral perspectives to the pursuit of constructive discussions, with the aim of navigating the Group in the right direction.



Operations of the Board of Directors

- Number of meetings held: 17 (FY2024)
 - Chairperson: Fumihiko Ike (Independent Outside Director)
- Strove to enhance the effectiveness of the Board of Directors' operations by implementing initiatives to invigorate discussions while building a proper supporting system for outside directors
- Enabled Group bank presidents, who concurrently serve as executive officers of the Company, to attend Board of Directors meetings as observers and, as necessary, provide explanations to directors
 - Held prior briefings for outside directors to help them resolve questions and uncertainties regarding agenda items to be discussed at upcoming Board of Directors meetings

- Provided updates on the status of relevant executive discussions while clearly stating points requiring an opinion from the Board, thereby ensuring that directors accurately understand each agenda item to be discussed at Board of Directors meetings
- Allocated dedicated staff at Corporate Governance Office to provide each outside director with timely follow-up assistance, with the aim of facilitating their active engagement in discussions
- Held separate meetings attended by Group CEO and outside directors to enable them to exchange their opinions (six times)
- Held study sessions aimed at addressing various topics encompassing both financial and non-financial fields while organizing tours of Group business bases (four times)

The Board of Directors' PDCA Cycle

The Company's Board of Directors periodically executes a self-evaluation of its overall operations. Drawing on the results of this self-evaluation, the Board of Directors deliberates and plans its activities for the subsequent fiscal year in addition to determining

and implementing initiatives for the present fiscal year. Through the operation of a PDCA cycle like this, the Board is ceaselessly striving to enhance the effectiveness of its operations.

Board of Directors' Activities in FY2024

- Focused on addressing the following matters to realize the Purpose and Long-Term Vision. The main agenda items discussed over the course of FY2024 were as outlined below.
 - Implemented theme-specific discussions to address such key issues as "analysis of competitiveness" and "development of next-generation management platforms" for the Group
 - Expanded the scope of reports to be delivered by each C-suite officer regarding their tasks, with the aim of monitoring the status of response to cross-organizational issues the Resona Group is confronting
 - Endeavored to develop a system for facilitating in-depth discussions by, for example, (i) holding meetings attended by the Chairperson of the Board along with the chairpersons of each committee and (ii) holding meetings attended by Group CEO and outside directors

Plan related	<ul style="list-style-type: none">Formulation of revised plans and risk limitation plans (September)Formulation of initial annual plans and risk limitation plans (March)
Shareholders and customers	<ul style="list-style-type: none">Customer-oriented business conduct (July)Status of policy-oriented stockholdings (September)Status of Company stocks and reporting on IR activities (September)
Sustainability, governance and IT system	<ul style="list-style-type: none">Status of sustainability initiatives (May)Updating of the Environmental Policy (September)IT governance (October)Integration of Minato Bank's back-office systems (December)Results of employee awareness surveys (February)Reporting on stewardship activities (March)

Risk management, compliance and internal audits	<ul style="list-style-type: none">Risk management and operational status (May, November)Credit risk management and operational status (June, December)Results of compliance awareness surveys (February)Group compliance programs (March)Formulation of the Internal Audit Basic Plan (March)
Free discussion sessions	<ul style="list-style-type: none">Analysis of competitiveness—"Where Resona is now" (September, November)Status of the development of next-generation management platforms (October)Capital management direction the Company should take under the next medium-term management plan (MMP) (November)Top risks identified in the initial plan (December)Status of review of materiality (December)Direction the Company should take in reviewing its mode of human resource management (January)

The Board of Directors' Operations in FY2025

- Set Board of Directors agendas by clarifying the following matters in light of the Board's roles and functions
 - Determining the overall direction of the Group,
 - responding to cross-organizational issues across Group entities and divisions,
 - optimally allocating management resources via the formulation of the business portfolio,
 - developing common platform functions for the Group,
 - building internal control systems, and
 - serving as a consolidated outlet of information disclosure targeting external recipients
- Effective operations of the Board of Directors
 - Expand such informational events as tours of Group business bases and study sessions with lectures by internal and external specialists while holding separate meetings outside regular Board of Directors meetings to enable directors to exchange their opinions
 - Operate a proper PDCA cycle to set agenda items for the Board of Directors and manage the status of its discussions

Nominating Committee

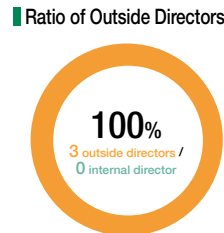
Mission of the Nominating Committee

The Nominating Committee not only drafts proposals for the selection and dismissal of directors but also formulates succession plans to solidify the composition of the Group officer structure through the nomination of candidates for a broad range of positions, so that the Group can attain sustainable growth and medium- to long-term improvement in corporate value. Resona Holdings' Nominating Committee is unique in its involvement in the nomination of key personnel for the entire Group as well as for the

Company itself. In FY2024, the committee strove to secure a robust pool of managerial personnel for the Group over the medium to long term and, to this end, monitored the status of diversity in its officer structure, including the representation of women, along with the presence or absence of specialists in IT, DX and other fields. Furthermore, the committee engaged in deliberation regarding the further enhancement of selection and training programs for future officer candidates.

Outline of the Nominating Committee

Composition (as of June 30, 2025)		Results of FY2024 activities
Chairperson	Kimie Iwata (Outside Director)	Number of meetings held: 10
Committee members	Masaki Yamauchi (Outside Director) Jiro Seguchi (Outside Director)	Main agenda items discussed: The composition of Group executive officers Succession plans



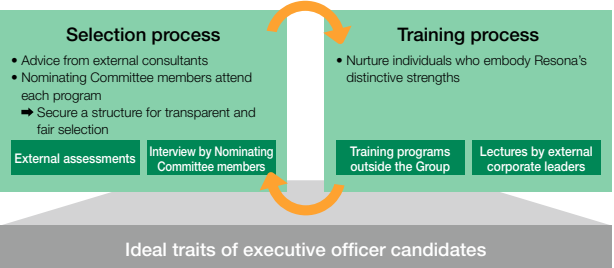
Resona Succession Plan

Aiming for sustained improvements in corporate value, the Company and its subsidiary banks introduced succession plans in 2007 that serve as a mechanism to ensure the successions of roles and responsibilities associated with president and officer positions at these Group entities and secure the transparency of the process of selecting and nurturing directors.

The scope of the succession plans covers various candidates for the Company and its subsidiary banks, ranging from those who are presidents to those who are new candidates for executive officer positions. The process of selecting and nurturing successors is carried out at a measured pace according to a schedule. The Group ensures the objectivity of this process by obtaining the advice of external consultants which, in turn, informs some key selection programs. Evaluations of candidates undergoing the process are reported to the Nominating Committee. In addition to receiving reports on candidate evaluations, members of the Nominating Committee come into direct contact with candidates as part of the process, evaluating candidates' characters from various aspects.

Succession Plan (introduced in June 2007)

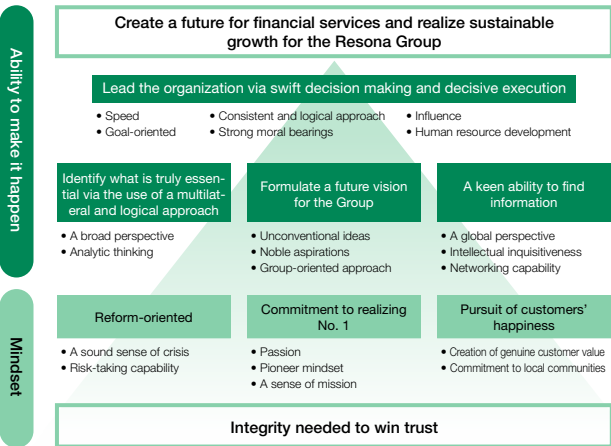
- Our mechanism for ensuring the succession of roles and responsibilities to be borne by executive officers
- The plan covers a range of individuals from candidates for becoming Resona Holdings and Group bank presidents to new candidates for executive officer posts
- Candidates are classified by job rank and systematically undergo selection and training programs



The activities of the Nominating Committee are reported to the Board of Directors, of which outside directors are the majority, and are discussed from diverse perspectives. Throughout the entire process, which is highly transparent, each potential director's capabilities and competencies are closely studied and enhanced where appropriate. As part of their assessment, Nominating Committee members conduct face-to-face interviews. These interviews take into account the Company's past experience regarding the outcomes of the selection and nurturing process and are considered a profoundly important part of the succession plans.

In addition, the Company has set forth seven competencies that define the ideal candidate for the position of director. Every component of this selection and nurturing process is designed to identify persons who meet this definition. By ensuring that the directors in the Nominating Committee as well as the other directors share common ideals regarding candidates, the Company clarifies standards for the evaluation and nurturing of successors and thereby aims to realize impartiality during the entire process.

Ideal Traits of Executive Officer Candidates



Compensation Committee

Mission of the Compensation Committee

The Compensation Committee designs, manages and monitors the officer compensation system. This system is designed with due consideration given to balancing 1) solid governance, 2) robust incentives for officers and 3) ensuring retention, with the aim of enabling the Group to achieve sustainable growth and medium- to long-term improvement in corporate value. Resona Holdings’ Compensation Committee is unique in its involvement in the deliberation and monitoring of officer compensation for the entire Group as well as that for the Company itself. In FY2024, the committee

engaged in the planning of the next officer compensation system. To this end, the committee organized items for discussion regarding stance for determining the level of compensation for key personnel within the Group and developed a schedule for such discussion. Furthermore, the committee deliberated the appropriateness of current evaluation systems with an eye to avoiding a central tendency bias in individual ratings by conducting spot evaluations focused on addressing essential items.

Outline of the Compensation Committee

Composition (as of June 30, 2025)		Results of FY2024 activities
Chairperson	Sawako Nohara (Outside Director)	Number of meetings held: 8
Committee members	Katsuyuki Tanaka (Outside Director)	Main agenda items discussed:
	Shie Lundberg (Outside Director)	Deliberation and determination of the officer compensation system Management and monitoring of the officer compensation system

Ratio of Outside Directors



Compensation for Directors and Executive Officers

The Company’s compensation policy is determined by the Compensation Committee, which consists solely of independent outside directors. Its basic stance for the determination of compensation is as outlined below.

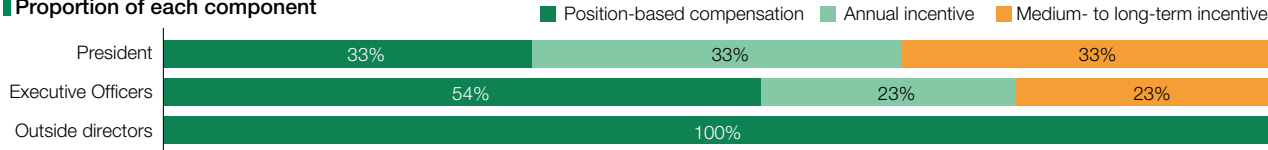
- Compensation systems in place at the Resona Group are designed to provide recipients with sound incentives for supporting its sustainable growth and a medium- to long-term improvement in corporate value in addition to securing proper supervisory functions.
- Remuneration for directors and executive officers is, in principle, determined by the Compensation Committee, which consists only of outside directors who are independent from management, following objective and transparent procedures.

In line with the basic stance described here, compensation for Group officers consists of, in general, 1) position-based compensation, 2) an annual incentive, and 3) a medium- to long-term incentive. As for compensation for the President of the Company, each of the above three components accounts for one third of the total amount, meaning that compared with the compensation packages afforded to other officers, the performance-linked component is proportionally larger. In contrast, for non-executive directors who are tasked with providing management supervisory functions, compensation consists only of a position-based component not linked with performance.

Compensation System

Name	Type	Calculation methods, etc.	Payment method
Position-based compensation	Fixed compensation	• Determined based on responsibilities associated with the recipient's position and duties	Paid monthly
Annual incentive (Allocable amount varies from as low as zero to as high as 170% the standard amount)	Variable compensation (performance-based compensation)	• Calculated based on assessments of ① the Group's financial and ② non-financial performance as well as ③ individual achievements in the previous fiscal year ① The Group's financial performance: Assessed based on the degree of achievement relative to the following assessment indices stipulated for annual plans • Net income attributable to owners of parent / Consolidated core income ② The Group's non-financial performance: Assessed based on annual corporate achievements relative to Long-Term Sustainability Targets ③ Individual achievements: Assessed based on annual individual achievements and other factors • Medium- to long-term target/ annual target / initiatives to foster and spread a risk culture <div>① Financial performance assessments 50% + ② Non-financial performance assessments 10% + ③ Individual achievements assessments 40% = Annual incentive</div>	Paid annually Paid based on assessments of corporate and individual performance achieved in the previous fiscal year
Medium- to long-term incentive (The performance-linked coefficient varies from as low as zero to as high as 170%)		• Calculated in line with a performance-linked coefficient determined based on consolidated ROE, relative TSR and ESG indices in the final year of the MMP <div>Consolidated ROE × Relative TSR + ESG indices = Medium- to long-term incentive</div>	Paid once every three years (In principle, upon the closure of the MMP period)

Proportion of each component



Audit Committee

Mission of the Audit Committee

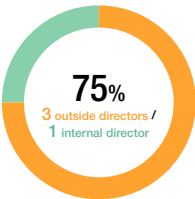
The Audit Committee supports the Board of Directors in carrying out its supervisory functions as a mandatory body tasked with auditing executive officers and directors in their execution of duties. Through the proper implementation of these tasks, the Audit Committee fulfills its responsibility to establish and maintain a high-quality corporate governance system. Furthermore, the

committee monitors and verifies the development and management status of internal control systems while taking full advantage of information gleaned via audit activities to aid the Board of Directors in deliberating the development and management of internal control systems. In these and other ways, the committee fulfills an active role in corporate governance.

Outline of the Audit Committee

Composition (as of June 30, 2025)		Results of FY2024 activities
Chairperson	Masaki Yamauchi (Outside Director)	Number of meetings held: 14
Committee members	Katsuyuki Tanaka (Outside Director)	Main agenda items discussed:
	Jiro Seguchi (Outside Director) Yukinobu Murao (Director)	Audits of the execution of duties by executive officers and directors Proposals regarding the selection, dismissal or non-renomination of accounting auditors

Ratio of Outside Directors



Main agenda items discussed or verified in FY2024

Primary audit items	Main items discussed or verified
Strengthening of corporate group audits based on the Group's business management structure	• Status of the Company's initiatives to upgrade its mode of group governance • Status of initiatives to strengthen IT governance • Status of back-office system integration conducted for Minato Bank
Compliance management structure	• Status of initiatives to foster a good corporate culture • Initiatives to promote customer-oriented business conduct • Status of the strengthening of measures against money laundering and financial crimes
Progress status of the development of business models aimed at realizing "Retail No. 1"	• Status of initiatives undertaken by DX-related departments to realize more stable business operations • Status of business process reform initiatives
Enhancement of human capital management	• Status of initiatives to optimally allocate human resources across the Group
Risk management structure aligned with internal and external environments involving a greater degree of volatility and uncertainty	• Status of the Company's initiatives to upgrade its mode of risk management in line with changes in the business environment • Status of initiatives to enhance the effectiveness of risk governance • Status of the Company's initiatives to upgrade its mode of internal audits
Structure for ensuring appropriate response to the revision of financial regulations, accounting systems, laws and regulations, etc.	• Status of financial reporting aimed at improving the quality of internal control • Status of the Company's approach to financial management in the context of enhancing corporate value in light of changes in the business environment
Management structure for preventing accounting fraud and ensuring the appropriateness of finance and tax affairs	• Key Audit Matters (KAM) • Status of communications between accounting auditors and Audit Committee members, top management members, etc.

Detailed status of activities

Item	Frequency
Board of Directors meetings	Board of Directors meeting: Reporting on the content of discussions by the Audit Committee (11 times a year)
Executive officers, etc.	Exchange of opinions with representative executive officers (twice a year), the exchange of opinions with representatives from each Group bank (once a year), the review of reports received from each executive officer and the exchange of opinions with them (one to three times a year)
Internal Audit Division	Review of reports received from the executive officer in charge of the division and the exchange of opinions with said person, etc. (ten times a year)
Full-time Audit Committee members and full-time corporate auditors from Group banks	Review of reports on daily activities of audit and supervisory committees and boards of corporate auditors (twice a year)
Group companies	Exchange of opinions with representative directors of Group companies (three Group companies per year)
Accounting auditors	Exchange of opinions regarding the status of accounting audits, etc. (five times a year on a face-to-face basis, twice a year on a document basis)

Resona Holdings Directors (as of June 30, 2025)

Outside Directors (7 members)



Kimie Iwata
Outside Director and Chairperson of Nominating Committee

Joined the Ministry of Labour in 1971. Assumed the office of Representative Director, Executive Vice President of Shiseido Company, Limited in 2008. Assumed the current position of Outside Director of the Company in 2019.



Fumihiko Ike
Outside Director and Chairperson of the Board of Directors

Joined Honda Motor Co., Ltd. in 1982. Assumed the position of Chairman and Representative Director in 2013. Assumed the current position of Outside Director of the Company in 2021.



Sawako Nohara
Outside Director and Chairperson of Compensation Committee

Joined Mitsubishi Petrochemical Co., Ltd. in 1980. Assumed the position of Representative Director and President of IPSe Marketing, Inc. in 2001 (incumbent). Assumed the current position of Outside Director of the Company in 2022.



Masaki Yamauchi
Outside Director, Chairperson of Audit Committee and Member of Nominating Committee

Joined Yamato Transport Co., Ltd. in 1984. Assumed the position of Representative Director, President and Executive Officer of Yamato Transport Co., Ltd. in 2011 and Representative Director, Executive Officer and President of Yamato Holdings Co., Ltd. in 2015. Assumed the current position of Outside Director of the Company in 2022.



Katsuyuki Tanaka
Outside Director, Member of Compensation Committee and Member of Audit Committee

Registered as attorney-at-law in 1993. Currently acting as Partner at Tokyo Seiwa Sogo Law Office. Assumed the current position of Outside Director of the Company in 2023.



Jiro Seguchi
Outside Director, Member of Nominating Committee and Member of Audit Committee

Joined The Bank of Tokyo, Ltd. in 1986. Assumed the position of Representative Director and President of Merrill Lynch Japan Securities Co., Ltd. in 2010. Assumed the current position of Outside Director of the Company in 2025.



Shie Lundberg
Outside Director and Member of Compensation Committee

Joined Booz Allen Hamilton Inc. in 1996. Assumed the position of Outside Director of Resona Bank, Ltd. in 2022. Assumed the current position of Outside Director of the Company in 2025.

Internal Directors (3 members)



Masahiro Minami
Group CEO, Director, President and Representative Executive Officer

Assumed the position of Executive Officer and General Manager of Omni-Channel Strategy Division and Group Strategy Division of the Company in 2017. Assumed the position of Director and Executive Officer in 2019. Assumed the current position of Director, President and Representative Executive Officer of the Company in 2020.



Shigeki Ishida
Group CRO, Group CCO, Director, Deputy President and Executive Officer

Assumed the position of Executive Officer in charge of Credit Risk Management Division of the Company in 2017. Assumed the current position of Director, Deputy President and Executive Officer of the Company in 2023.



Yukinobu Murao
Director and Member of Audit Committee

Assumed the position of Executive Officer in charge of Corporate Administration Division, Risk Management Division and Compliance Division of Saitama Resona Bank, Ltd. in 2020. Assumed the current position of Director and Member of Audit Committee of the Company in 2025. Concurrently serving as Director of Resona Bank, Ltd.

Skills Expected of Directors

The basic policy for corporate governance provides that the Board of Directors shall consist of Directors possessing diversified and extensive knowledge.

Skills comprising experience and knowledge expected particularly of Directors at the Company have been discussed and defined by the Nominating Committee. These definitions are not intended to represent the attributes of each Director but instead to clarify skills expected of each individual in light of their backgrounds and fields of their specialties. In addition, skill items have been set regarding matters vital for supervising the Group's core operations as well as others related to strategic fields (areas of focus in terms of the pursuit of the "Retail No. 1" financial services group). As a result, the Company successfully secured a diverse and robust composition for its Board of Directors over the course of FY2024, with each Director proactively contributing their opinions and suggestions at Board of Directors and other meetings.

Skills comprising experience and knowledge expected of Directors are as described below.

		Organizational management	Legal/Compliance/ Risk management	Finance/ Accounting	Areas of focus in terms of the pursuit of the "Retail No. 1" financial services group			
					IT/Digital	Sustainability	Diversity & Inclusion	Globalization
Masahiro Minami		●	●	●	●	●	●	●
Shigeki Ishida			●					
Yukinobu Murao			●	●				
Kimie Iwata	Outside Director	●				●	●	
Fumihiko Ike	Outside Director	●	●		●			●
Sawako Nohara	Outside Director		●		●		●	
Masaki Yamauchi	Outside Director	●				●		
Katsuyuki Tanaka	Outside Director		●					
Jiro Seguchi	Outside Director	●		●				●
Shie Lundberg	Outside Director		●		●		●	●

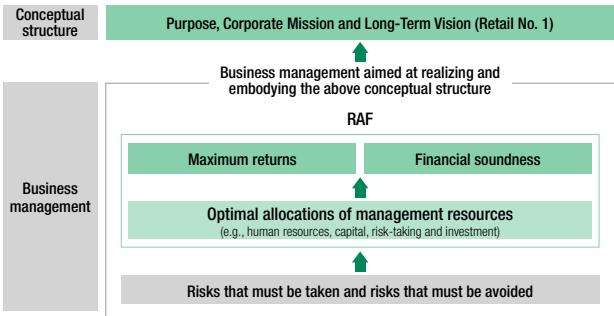
Reasons for Selecting Each Skill Item

Organizational management	Experience in organizational management is considered essential to enabling the Board of Directors to appropriately exercise its supervisory functions over top management members and other executives and deliberate strategies for the entire Group.
Legal/Compliance/ Risk management	The Company believes that compliance and risk management together constitute an essential management foundation. Therefore, expertise in legal matters, compliance and risk management is considered essential to fostering a worthy corporate culture and ensuring the appropriate recognition and management of increasingly diverse and complex risks confronting the Group amid radical changes in the environment.
Finance/Accounting	The Company considers expertise in finance and accounting essential to establishing a solid financial position and realizing the appropriate allocation of financial capital supporting sustainable growth, as well as to securing the reliability of financial reporting.
IT/Digital	The Company believes that advancing IT and DX strategies is integral to its pursuit of growth. Therefore, expertise in IT and digital technologies is considered essential to strengthening cybersecurity, increasing the sophistication of IT governance and facilitating the further acceleration of the implementation of DX strategies.
Sustainability	The Company considers expertise in sustainability essential to accelerating SX-related initiatives across the Group in light of its aim to help realize a sustainable society and achieve sustainable improvement in corporate value.
Diversity & Inclusion	The Company has positioned diversity & inclusion as the cornerstone of its human resource strategies. Accordingly, expertise in diversity & inclusion is considered essential to creating an organization in which diverse human resources respect each other, inspire one another and thereby contribute to improvement in corporate value.
Globalization	Expertise in globalization is considered essential to navigating the Group amid a radically evolving and increasingly complex business environment and enabling it to achieve sustainable growth based on a global perspective that encompasses its operations in their entirety.

Risk Appetite Framework (RAF)

Positioning of the RAF

The Resona Group has defined the RAF as a framework for integrated business management focused on ensuring the optimal allocation of management resources, achieving both maximum returns and financial soundness, and supporting the realization and embodiment of the Group’s conceptual structure.



Risk Appetite Policy

The Board of Directors has established the Risk Appetite Statement to clarify roles and responsibilities related to risk appetite and to provide a basic policy regarding risks that must be taken and risks that must be avoided by the Resona Group.

Based on this policy, the Group determines risk appetite policies for both its medium-term management plan (MMP) and annual plan.

The RAF in Operation

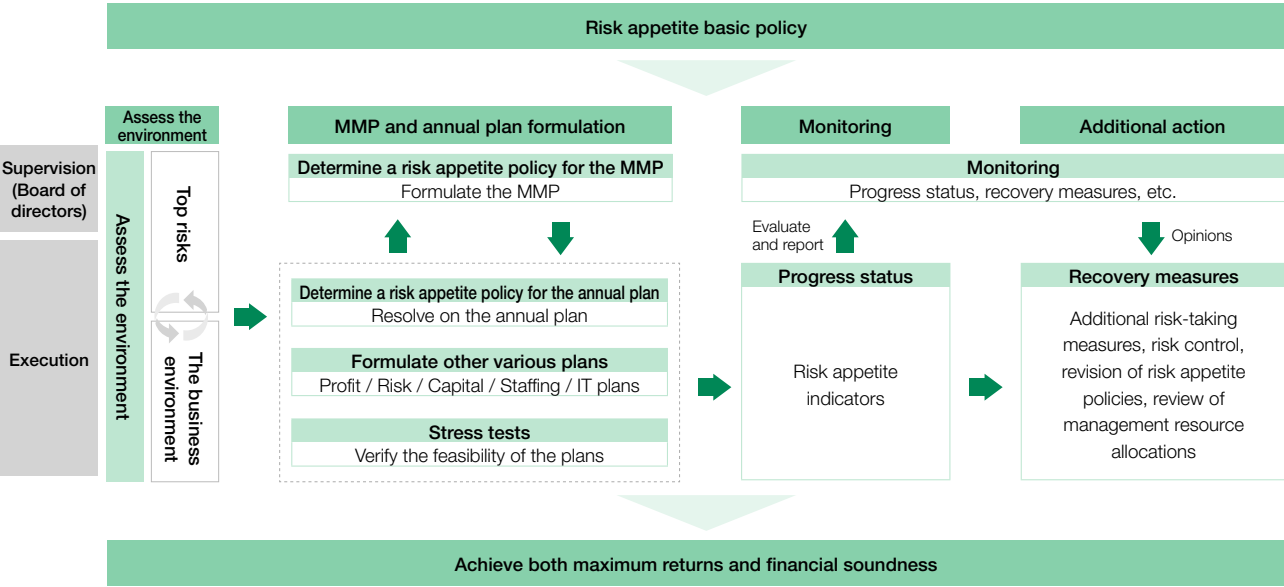
Looking at the specific mode of RAF operation, the Group is running a PDCA cycle involving the assessment of the environment (e.g., changes in top risks and the business environment), the formulation of MMP and annual plans, monitoring the status of such plans and the implementation of additional actions, exercising the basic policy on risk appetite at every stage. Through this process, the Group aims to ensure both maximum returns and financial soundness.

When formulating an MMP, the Group sets risk appetite indicators while the Board of Directors exercises monitoring over the appropriateness of allocations of management resources and risk-taking endeavors aimed at achieving management targets relative to such indicators.

Also, the Group has made it a rule to review the RAF when it formulates strategies (e.g., under the MMP) or revises them in light of changes in the internal and external environments or the need to upgrade its mode of business management.

Objectives	Risk appetite indicators
Achieve management targets	Indicators considered most important for the Group, representing its commitment to each stakeholder group (Net income, ROE, core income, CET1 capital ratio, etc.)
Optimally allocate management resources	Indicators for measuring the appropriateness of allocations of management resources and risk-taking endeavors specified by the MMP
Maximize returns	Indicators for the degree of achievement relative to estimates for returns in the Group's areas of business focus specified under the MMP
Maintain soundness	Indicators for confirming whether the Group avoids assuming levels of risk in excess of its economic capital to maintain its financial soundness

The RAF in Operation



Risk Management

Risk Management System

Basic Approach to Risk Management

We deeply regret the serious concern and inconvenience that the application for an injection of public funds in May 2003 caused the people of Japan, our customers and other stakeholders. Consequently, we have established the three risk management principles to enhance our risk management systems and methods as well as risk control. The Resona Group conducts its risk management activities with an eye to securing the soundness of operations and enhancing profitability.

Three Risk Management Principles

- ① We will not assume levels of risk in excess of our economic capital.
- ② We will deal promptly with losses that we have incurred or expect to incur.
- ③ We will take risks appropriate for our earnings power.

Risk Management Policies and Systems

The Resona Group is exposed to various types of risk, including those associated with business strategies, the violation of laws and regulations and systems failures as well as those related to business outsourcing (e.g., suspensions of operations and information leaks involving vendors).

As it aims to appropriately handle these risks in adherence to the three risk management principles, Resona Holdings has established the Group Risk Management Policy. This policy is intended to clarify types and definitions of risks to be managed and the organizational structure for risk management as well as the fundamental risk management framework, with the aim of developing a robust risk management system for the Group.

Specifically, the policy classifies risks as shown in the table below, and stipulates that risk management divisions specializing in each risk category must be in place in addition to divisions tasked with comprehensively managing enterprise risks (comprehensive risk

management divisions), ensuring that optimal risk management methods are used by these divisions in light of risk characteristics.

As stipulated by the Group Risk Management Policy, Resona Bank, Saitama Resona Bank, Kansai Mirai Bank and Minato Bank (the “Group banks”) have established risk management policies that are tailored to their operations, unique characteristics and the risks they must address while maintaining risk management divisions handling risks in each risk category as well as comprehensive risk management divisions.

Principal Group companies other than the banks have also established risk management policies that are tailored to their own operations, special characteristics and risks. These policies establish guidelines for avoiding risks outside their fundamental business areas. These Group companies have also established risk management departments for managing different categories of risk and risk management divisions for comprehensive risk management.

Primary Risk Category, Definition and Management Methods

Risk Category	Definition	Risk Management Methods
		Comprehensive risk management (setting risk limits, assessing risk, allocation of risk capital, stress tests, etc.)
Credit risk	Risk of losses that arises when the value of assets (including off balance sheet assets) declines or is destroyed as a result of the deterioration of the financial position of obligors	Setting risk limits, credit rating system, portfolio management, credit analysis and management, etc.
Market risk	Risk of losses that may occur when the prices of assets and liabilities (including off-balance sheet assets and liabilities) change because of fluctuations in market risk factors, including interest rates, foreign currency exchange rates and stock prices	Setting risk limits, setting loss limits, setting position limits, etc.
Liquidity risk	Risk of losses that may occur when a party has difficulty in raising the necessary funds or is forced to raise such funds at higher-than-normal rates	Recognition of liquidity emergencies, response system for emergencies, guidelines for liquidity risk management indicators, etc.
Operational risk	Risk of losses that may occur when internal processes, personnel and/or systems function improperly or fail to function and when external factors result in such losses	Control self-assessments (CSAs), analysis of loss data, risk indicators, etc.
Reputational risk	Risk of losses that may occur when the media reports rumors, false information or unfounded assertions have a detrimental effect on a company's reputation	Dissemination of timely and appropriate information, monitoring of media, etc., preparation of crisis management systems

Group Management by Resona Holdings

Qualitative Risk Management

The Company provides Group banks and other Group companies (hereinafter collectively “Group companies”) with direction and suggestions regarding risk management policies, standards and systems that must be shared by all Group members.

When making decisions on important matters related to risk management, Group companies confer with the Company in advance and base their decisions on those consultations or decide

matters through the exchange of opinions, and report those decisions to the Company as necessary.

Based on the framework described above, the Company maintains a firm grip on risk management policies, standards and systems in place at each Group company, thereby ensuring qualitative risk management for the Group.

Quantitative Risk Management

The Company and the Group banks have in place comprehensive risk management systems, as described later, with the aim of quantitatively assessing risks and controlling them within the tolerable limits.

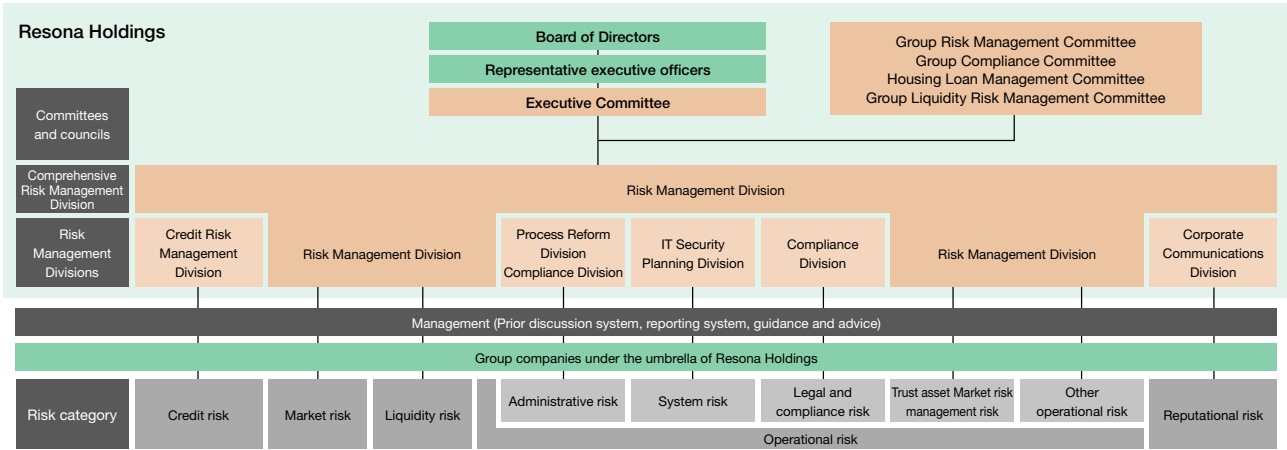
Furthermore, the Company maintains the quantitative management of risks each Group company is handling through prior consultation on limits and guidelines or through the exchange of opinions.

Group companies must report to the Company regarding risk

conditions and their management on a regular and as-needed basis so that the holding company can provide guidance and advice as necessary.

As shown in the chart below, we have formed risk management divisions by risk category within the Company for managing each type of risk on a Groupwide basis.

Group Risk Management System



Group Risk Management Framework Operated by Resona Holdings	
① Prior discussion system	Each Group company engages in prior discussion with Resona Holdings in the following cases: <ul style="list-style-type: none">• When it seeks to formulate or amend risk management policies and other policies and rules deemed important in terms of risk management• When it seeks to establish limits on and/or guidelines regarding various risks• When it makes a decision on an important risk management matter
② Reporting system	<ul style="list-style-type: none">• Each Group company provides Resona Holdings with periodic reporting on risks it is confronting and its risk management status• Each Group company reports to Resona Holdings whenever an important risk management issue arises
③ Guidance and advice	<ul style="list-style-type: none">• Resona Holdings presents Group companies with unified risk management policies, standards and frameworks for the entire Group• Based on reporting from each Group company, Resona Holdings issues risk management-related guidance and advice to it as necessary

Top Risk

The Company has positioned risks that are deemed to possess a high possibility of impacting heavily on the Resona Group as top risks in order to develop a consistent risk management structure, placing the foremost emphasis on managing these risks.

Top risks are determined via discussion at the Executive

Committee, the Board of Directors and other important bodies. Through top risk management, the Company helps Group members share risk recognition while striving to enhance risk governance, prevent the emergence of significant risks, ensure swift response to risk materialization and curb the spread of risk repercussions.

Top Risks for the Resona Group

Top risks	Main risk scenarios
Deterioration in competitiveness, etc., due to changes in social and industrial structures	<ul style="list-style-type: none">• The nullification of the effect of strategic investment executed thus far due to evolving conditions in the competitive environment• Deterioration in the Group's fundraising capabilities due to the intensification of competition aimed at winning depositors• Deterioration in execution capabilities to achieve strategic purposes due to a lack of essential human resources, delays in the enhancement of productivity, etc.• Loss of growth opportunities, the emergence of stranded assets and other issues due to delays in the response to climate change and biodiversity issues, etc., and thus negatively impacting corporate value
Changes in the earnings structure and deterioration in profitability, etc., due to the revision of laws, regulations, government policies, etc.	<ul style="list-style-type: none">• Changes in the Group's risk profile or worsening risk returns due to the introduction of or revisions to laws and regulations as well as shifts in monetary policies• Deterioration of corporate value due to the absence of information disclosure practices that can be considered by external stakeholders to be sufficient
Increase in credit costs	<ul style="list-style-type: none">• Deterioration in the corporate performance of transactional clients in the face of radical shifts in monetary and economic environments, the enforcement of economic sanctions upon the materialization of geopolitical risks, disruption of supply chains, etc.• The deterioration of performance in sectors to which the Group extends massive credit and the resulting decline in the corporate performance of transactional clients operating in such sectors
Deterioration in unrealized gains on available-for-sale securities	<ul style="list-style-type: none">• Deterioration in unrealized gains on available-for-sale securities due to stock price plunges, interest rate hikes or other phenomena arising from a shift in monetary and economic environments, delays in responding to changes in monetary policy or growth in geopolitical risks
Destabilization of foreign currency funding	<ul style="list-style-type: none">• Increase in costs associated with foreign currency funding and other detrimental financing conditions arising from turmoil in financial markets, growth in geopolitical risks, unexpected cash outflows, the deterioration of market liquidity, etc.
Operational suspension, etc., due to the emergence of a serious incident at the Group's own key bases or vendor facilities	<ul style="list-style-type: none">• Suspension of important business functions related to settlement and other services due to human error or negligence, system failure, etc.• Suspension of the Group's service functions or the leakage of customer information as a result of cyberattacks or other phenomena affecting important infrastructure, including third-party-owned infrastructure
Operational suspension, etc., due to the violation of laws and regulations, compliance-related failure	<ul style="list-style-type: none">• The receipt of an operational suspension order due to flaws in the Group's countermeasures aimed at preventing money laundering, etc.• The deterioration of corporate value due to corporate conduct that runs contrary to the Group's policy of pursuing customer-oriented business conduct or improper response to human rights-related issues
Operational suspension, etc., due to the occurrence of natural disasters	<ul style="list-style-type: none">• Operational suspension or other serious consequences, including a threat to human life, due to a major natural disaster, such as an earthquake, massive wind or flooding, or a pandemic

Comprehensive Risk Management and Capital Allocation

Comprehensive risk management divisions have been formed within the Company and the Group banks, and these divisions are each responsible for the comprehensive risk management of their respective Group company or bank.

Each Group bank measures the volume of credit risk, market risk and operational risk using such risk management indicators as value at risk (VaR¹) and establishes risk limits (makes risk capital allocations) on these types of risk. Risk management is conducted to control risk within these established limits.

When the Group banks set their risk limits, the Company verifies the details of the limits to be established to confirm the soundness of the Group as a whole. Also, the Company receives periodic reports from the Group banks regarding the status of risk management and

confirms the status of comprehensive risk management of the Group.

In addition, although the Company is constantly working to improve the quality of risk measurement through various means, including the application of the VaR method, there are risks that cannot be quantified by statistical risk management methods. The Group strives to study and understand the incompleteness and specific weak points of the VaR method, thereby assessing and recognizing the impact of such limitations on risk measurement.

For risks that cannot be identified or quantified by the VaR method, the Company and the Group banks conduct qualitative assessment through various stress testing and the use of risk-assessment mapping. In this way, the Group aims to enhance the quality of its comprehensive risk management.

Stress Tests

The Group carries out a variety of stress tests, each assuming a massive economic deceleration, turmoil in financial markets or other similar scenario aimed at confirming its resilience against and capital adequacy in a stressful environment and thereby verifying the appropriateness of its management plan and assessing the impact of differing risk factors on its operations.

Stress tests being carried out in the course of formulating a management plan employ multiple stress scenarios, including some

deemed highly likely to materialize and some that would gravely impact the Group's operations. In this way, the Group measures the possibility of an increase in losses associated with its risk-weighted assets and fluctuations in profit due to deterioration in revenues over a period spanning multiple fiscal years.

Stress tests are utilized to evaluate the stability of the Group's revenues, assess how its capital adequacy would be impacted by the assumed stresses and prevent excessive risk-taking.

¹ VaR, or value at risk, is a risk management indicator that is calculated using statistical methods to measure the maximum loss that may occur within a specified confidence interval (probability) and over a specified period.

Compliance

Basic Activities

The Resona Group defines compliance as the strict observance not only of laws and regulations, but also of social norms. This includes striving to live up to the expectations of our customers and society as a whole. Based on these concepts, the Group has positioned compliance as a key management issue.

Moreover, we have established the Resona WAY and the

Resona STANDARD, which together represent our corporate philosophy structure and are designed to provide specific guidance regarding the actions we take to embody our Purpose (how we contribute to society) and Corporate Mission (what we aim to be in society), with the aim of realizing our Long-Term Vision (what we should look like in the future).

Group Management System

The Compliance Division at Resona Holdings controls Group compliance and works with compliance divisions at Group companies to strengthen compliance systems Groupwide. Moreover, the

Group Compliance Committee discusses various compliance-related issues, with representatives from each Group bank included as committee members.

Management of Customer Information

The protection of customer information is one of the most important factors that enable customers to use the Group's services with peace of mind. We strive to properly manage customer information by publicizing the Promise to Protect Personal Information of All

Group Companies, establishing a framework for protecting against leakage or loss of personal information and conducting ongoing and thorough employee education.

Initiatives to Prevent Money Laundering, Etc.

The Resona Group is well aware of the growing risk of criminal activities that exploit financial services along with the growing public call for the prevention of such activities. Accordingly, the Group considers the prevention of money laundering and financing for terrorism as well as compliance with economic sanctions (hereinafter collectively referred to as "financial crime countermeasures") to be important management issues.

As we aim to maintain compliance with laws, regulations and other rules imposed by various authorities while countering financial crimes, we have formulated a financial crime countermeasures

policy for the Group. At the same time, we have continued to develop our organizational structure as well as training and personnel systems to educate our officers and employees and nurture a robust pool of human resources.

In light of the recent strengthening of international regulations against financial crimes, the Group has been engaged in thoroughgoing initiatives in this field. As part of these initiatives, we have announced our anti-money laundering (AML) policy aimed at clarifying the Group's stance on and structure for countering such crimes.

Elimination of Anti-Social Forces

The Resona Group believes that preventing and eradicating transactions with anti-social forces are critically important to its public mission and social responsibility as a financial institution. Based on this belief, the Group's basic approach is to not engage in transactions with anti-social forces and to prevent them from intervening in transactions with customers through our corporate

activities or by imposing unjust demand on us. The Group has set specific internal rules and regulations. It also provides ongoing training and education on these compliance issues for officers and employees. In addition, we have formed cooperative relationships with external specialist organizations to prevent and terminate transactions with anti-social forces.

Initiatives to Prevent Corruption

Having clarified its approach to the prevention of corruption as part of efforts to fulfill its corporate social responsibilities, the Resona Group established the Policy on the Prevention of Corruption to provide a set of action guidelines to be thoroughly observed by all Group members.

The Resona STANDARD stipulates such precepts as "Do not misuse your position or authority for personal gain or advantage" (III-2), "Refrain from offering gifts or entertainment that could

possibly induce public distrust or draw suspicion" (VII-2) and "Maintain transparent and clean relationships with politicians and government officials" (VII-3) in addition to featuring specific examples of desirable ways of thinking and situations that require caution. As such, the Group is striving to ensure that its prohibition against any form of corrupt act, including the provision or receipt of bribes, is upheld by all.

Internal Auditing

Group Internal Auditing

We believe that internal auditing plays an extremely important role in realizing the Resona Group's Corporate Mission. Accordingly, we have established internal audit divisions at Resona Holdings and at main Group companies.

In order to ensure sound and appropriate operations and to gain social trust in the business management systems established by the Company and Group companies, the internal audit divisions serve the essential function of facilitating improvements in corporate value by verifying and evaluating the systems from an independent standpoint and providing assurance or advice as needed in all management activities.

The Company's Internal Audit Division has introduced auditing methods in conformity with the Institute of Internal Auditors (IIA),¹ a leading international association in the field of internal audits, thereby practicing risk-based audits and ensuring that its peers at Group companies follow suit. In addition, the division monitors the activities of internal audit divisions at such companies while striving to improve the quality of internal audits by, for example, providing various information and training and supporting employees seeking qualification as certified internal auditors and/or to acquire other audit-related certification.

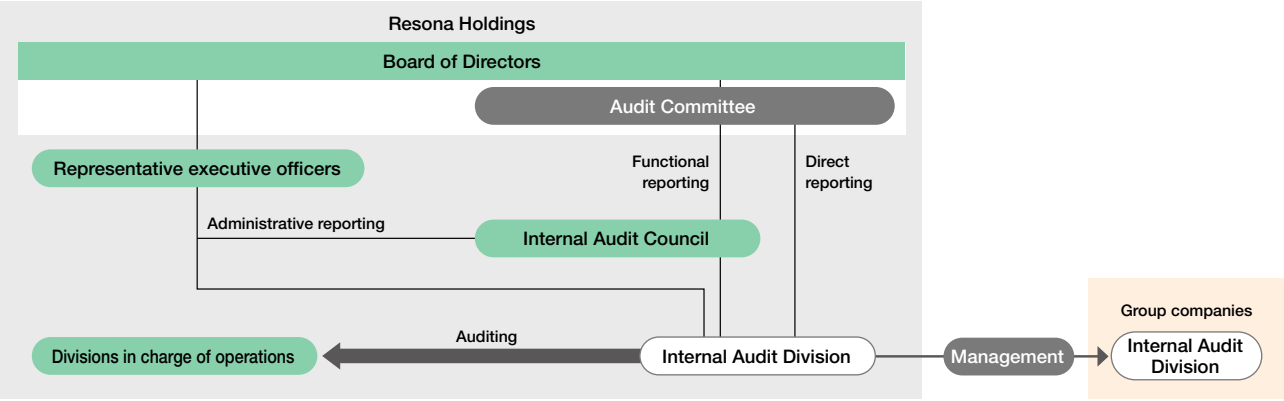
Organization

The Company and Group companies have established independent internal audit divisions and other bodies under each board of directors.

Moreover, we have formed the Internal Audit Council to serve the Company, while Group companies hold Audit Meetings. These bodies discuss important matters related to internal auditing and provide reports on audit results.

The Internal Audit Division of the Company reports to the Board of Directors and the Audit Committee for its functions and to the representative executive officers for its administration. In addition, by ensuring a direct reporting line from the Audit Committee to the Internal Audit Division, we strengthen the monitoring and check and balance functions the Company exerts over the representative executive officers and representative directors of the Group companies.

Resona Holdings' Internal Auditing System



Audit Management

To guide the drawing up of plans for internal auditing, the Internal Audit Division of the Company formulates the Annual Internal Audit Basic Plan for the Company and the Group, including the Group's annual policies, the targets of auditing and key items, and secures the approval of the Board of Directors after discussion with the Audit Committee.

The internal audit division of each Group company formulates its Annual Internal Audit Basic Plan based on the business management policies of the Internal Audit Division of the Company and

secures the approval of each respective board of directors.

The internal audit divisions at the Company and Group companies conduct audits based on the Annual Internal Audit Basic Plan.

The results of the internal audits of the Company are reported to the Board of Directors and representative executive officers. The results of the internal audits of Group companies are reported to their respective boards of directors and representative directors as well as the Company.

¹ An organization that formulates professional standards for internal auditors, engages in the research of theories and practices associated with internal auditing and promotes other activities aimed at providing leadership for the global profession of internal auditing.