Resona Group

Resona Holdings, Inc.
(Tokyo Head Office) 5-65, Kiba 1-chome, Koto-ku, Tokyo 135-8582, Japan
TEL: 81-3-6704-3111
(Osaka Head Office) 2-1, Bingomachi 2-chome, Chuo-ku, Osaka-shi, Osaka 540-8608, Japan
TEL: 81-6-6268-7400
https://www.resona-gr.co.jp/holdings/english/

Resona Group Integrated Report 2025

Resona Holdings

The Resona Group's Conceptual Structure

The Resona Group's Conceptual Structure expresses how we contribute to society (Purpose), what we aim to be in society (Corporate Mission), what we aspire to be (Long-Term Vision) and how we act (Resona WAY / Resona STANDARD).

Beyond Finance, for a Brighter Future.

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

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

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

The Resona Group aims at becoming a true "financial services group full of creativity."
Toward this goal, the Resona Group will:
1) live up to customers' expectations,
2) renovate its organization,
3) implement transparent management and
4) develop further with regional societies.

Purpose
How we contribute to society

Corporate Mission
What we aim to be in society

Long-Term Vision
What we aspire to be

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

Retail No. 1

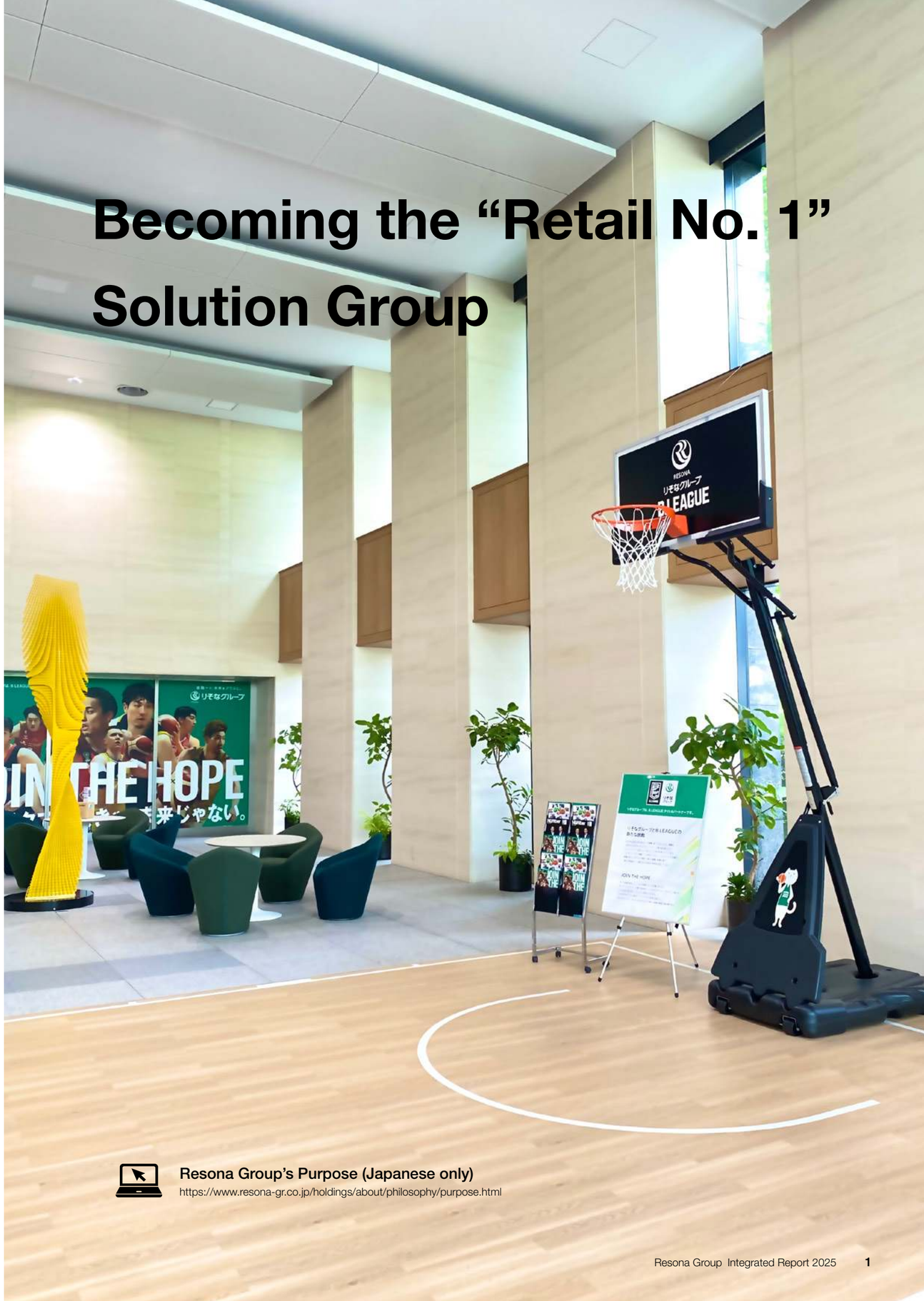
The "Solution Group" most supported by customers and regional societies as it walks with them into a brighter future together

Resona WAY

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

Resona STANDARD

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



Resona Group's Purpose (Japanese only)
https://www.resona-gr.co.jp/holdings/about/philosophy/purpose.html

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To Be a Good Company

"A corporation's reason for being is to deliver value to customers and the market. We therefore need to go back to the basics of business management and seriously ask ourselves a fundamental question: What do we offer society through our existence?

For the Resona Group to grow sustainably, it must aim to be a good company consisting of employees with good personalities."

These quotes from former Chairman Eiji Hosoya are featured at the top of the Resona STANDARD (Resona Group's Behavior Guidelines), which provides specific examples of action to be taken to embody the Corporate Mission and the Resona WAY, to this day serving as a cornerstone for all Group employees.

Eiji Hosoya
Deceased former Chairman

In June 2003, when the Resona Group was injected with public funds, he stepped aside from his former position as Vice President of East Japan Railway Company and assumed the office of Chairman at Resona Holdings to spearhead the "Resona Reform."

"Mindset Reform" led by former Chairman Eiji Hosoya

"Resona's norms may not necessarily align with 'common sense' notions of people outside the organization"

"Insights come from frontlines"

"Be rigorous, tell the truth, act now"

Section
1

Value Creation Story

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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 megatrends 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.

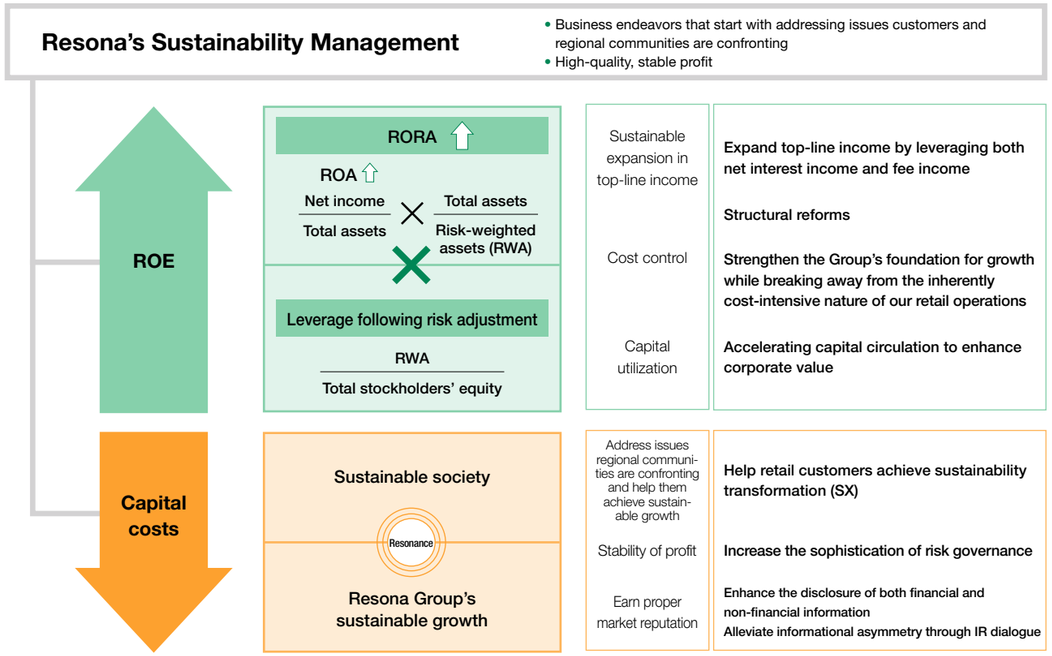
Toward Securing Sustainable Improvement in Corporate Value

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.



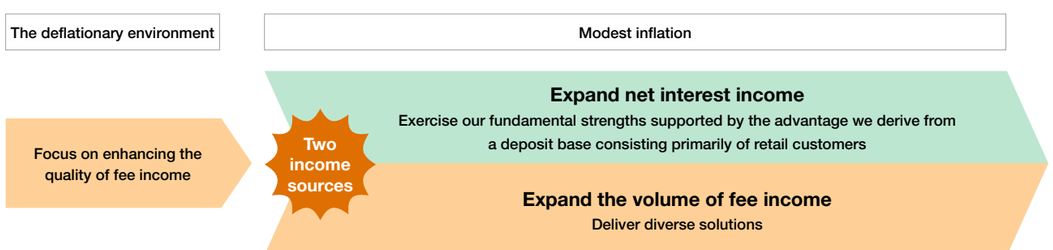
Restoring Our Earnings Power—Fully Utilizing Two Income Sources

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.

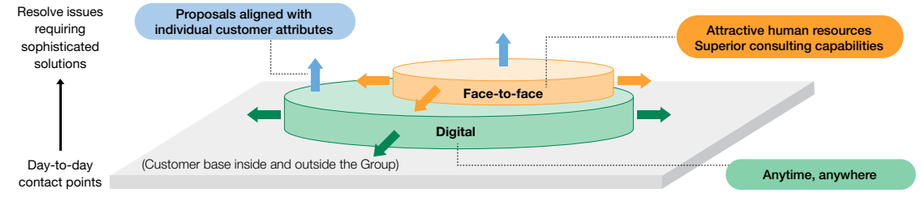
Let me start by discussing frontline reforms. The aim of these reforms is to innovate contact points with customers through the integration of face-to-face and digital channels. As the result of these reforms, day-to-day transactions will be fully digital. On the other hand, face-to-face consulting will 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.

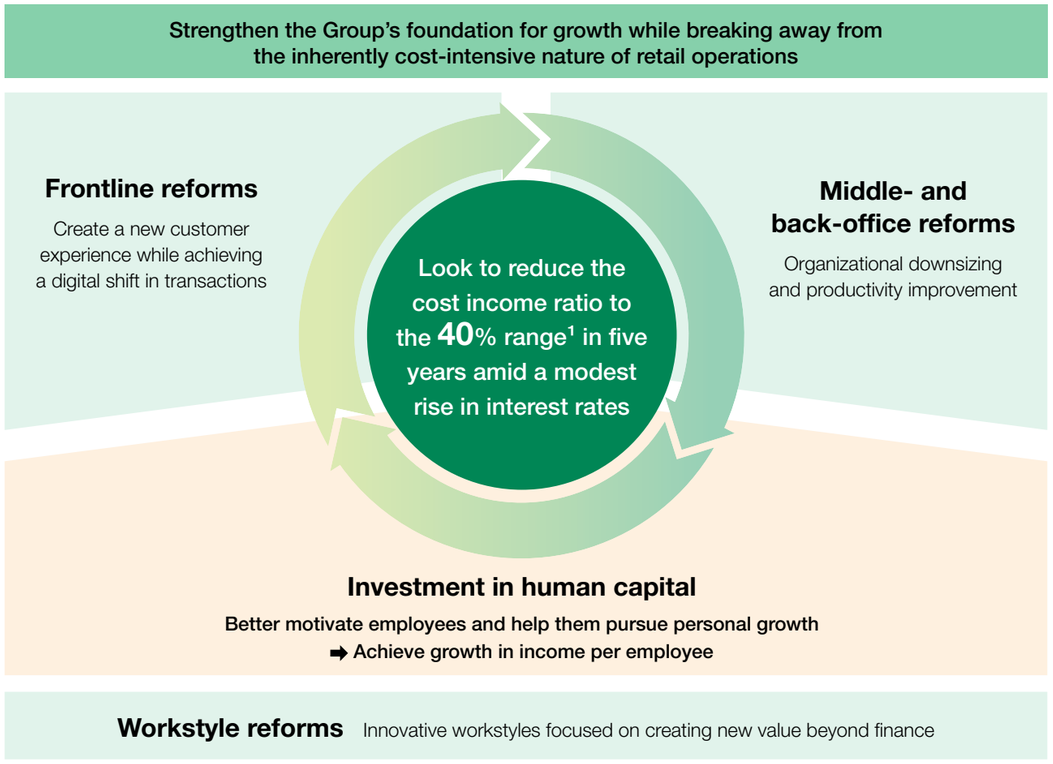
Enhancing the Resona Group's contact points with customers is vital to ensuring that we remain capable of addressing issues customers and society as a whole are confronting—the starting point of our businesses. We will take full advantage of these contact points with the aim of acquiring high-quality 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

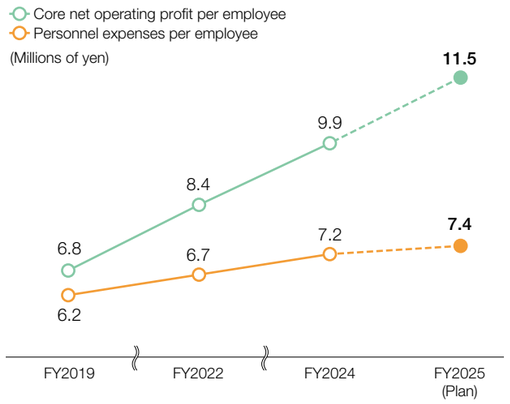
The business environment surrounding us is evolving radically and constantly. To adapt to these changes and secure a stronger competitive edge into the future, we need to help each employee realize their full potential while rallying the overall strengths of our organization. We are currently seeing 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 Virtious 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.

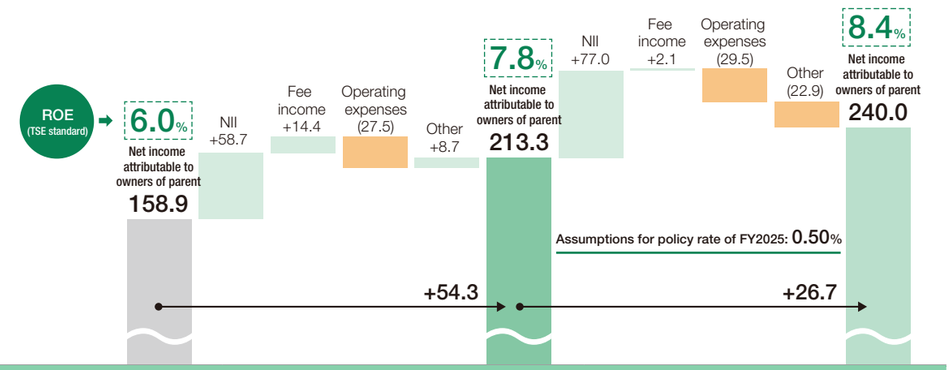
Looking at factors associated with non-recurring gains and losses, the divestment of our policy-oriented stockholdings progressed, while credit costs remained low. Also, we collectively recognized expenses arising from the integration of Minato Bank's back-office operations and systems in the fourth 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)

(Billions of yen)



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.

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

		RORA		Leverage following risk adjustment		Total assets (accounting basis)
	ROE (stockholders' equity)	= Net income / RWA[1]		× RWA[1] / Total stockholders' equity		
	FY2019 8.9%	= 0.7%		× 11.9 times		¥60.5 trillion
Previous MMP	FY2020 6.8%	= 0.6%	↓	× 11.3 times		¥73.6 trillion
	FY2021 5.6%	= 0.5%	↓	× 10.7 times		¥78.1 trillion
	FY2022 7.6%	= 0.7%	↑	× 9.9 times		¥74.8 trillion
Current MMP	FY2023 7.2%	= 0.7%	→	× 9.7 times		¥76.1 trillion
	FY2024 9.3%	= 0.9%	↑	× 9.6 times		¥77.3 trillion

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

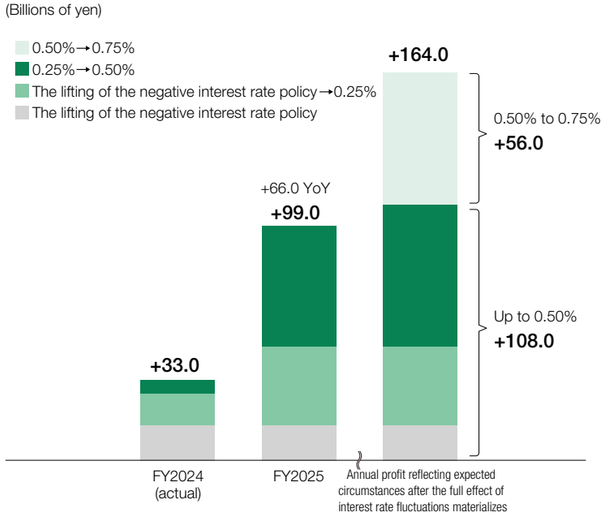
Impact of the Yen Interest Rate Hikes on Profit (provisional calculation)

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

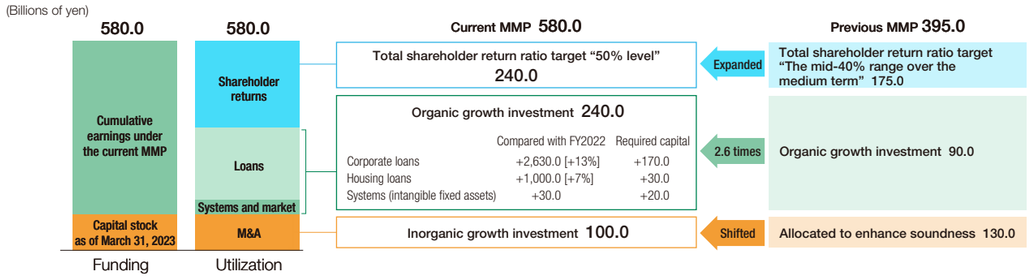
Downsides
- Growth in operating expenses and credit costs due to inflation

Capital Allocation

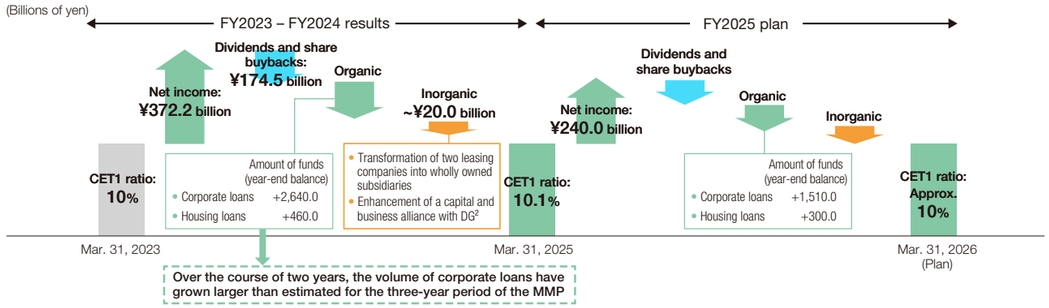
Under the current MMP, we have entered into a phase of full capital utilization, transitioning away from our traditional focus, which, until the close of the previous MMP, had been placed on achieving the qualitative and quantitative enhancement of capital. Our goal now is to pursue improvement in corporate 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.

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.

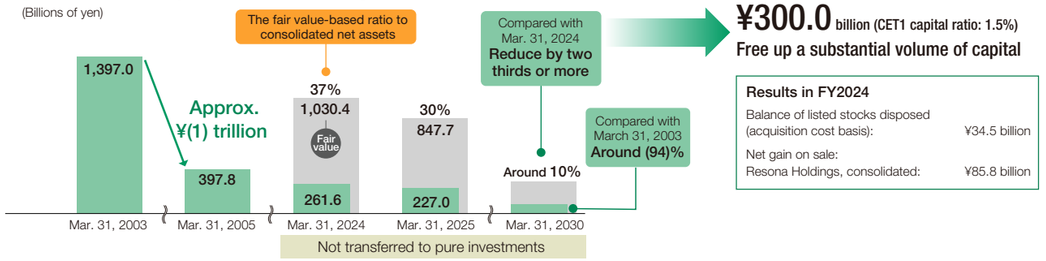
Also, we autonomously exercise voting rights associated with policy-oriented stocks in accordance with the “Basic Concepts on the Exercise of Voting Rights” and “Guidelines for the Exercise of Voting Rights” while providing the Board of Directors with reports on the status of the exercise of such rights 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)**

Reduction in Policy-Oriented Stockholdings[1, 2]



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%.

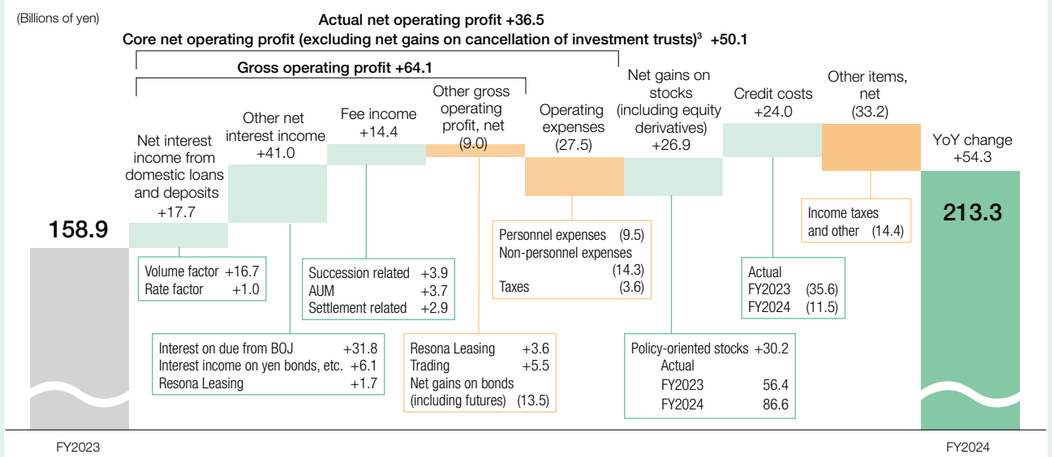
Net gains on stocks (including equity derivatives) increased ¥26.9 billion year on year to ¥87.1 billion, reflecting progress in the divestment of policy-oriented stock holdings.

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)

Factors Contributing to the Changes in Net Income Attributable to Owners of Parent



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

Roundtable Discussion between an Institutional Investor and Outside Directors

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

2000 Merger
Kinki Osaka Bank

2010 Merger
Biwako Bank

2019 Merger
Kansai Mirai Bank

Resona Holdings
2001 Daiwa Bank Holdings established

2003 Merger and divestiture
Resona Bank
Saitama Resona Bank

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

2024
Merged with Resona Holdings

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

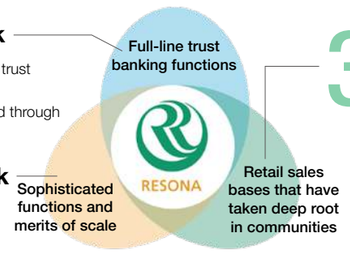
- A banking group equipped with full-line trust banking and real estate functions
- Asset management capabilities nurtured through pension asset management

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



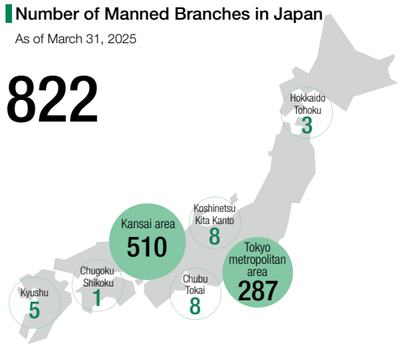
DX銘柄
Digital Transformation
✓ Awarded three times (2020, 2021 and 2023)

Network / Position

Number of Manned Branches in Japan

As of March 31, 2025

822

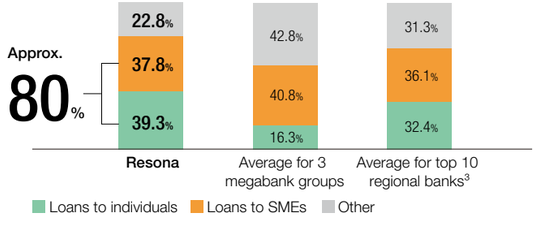


Loan and Deposit Market Share[1] As of March 31, 2025

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

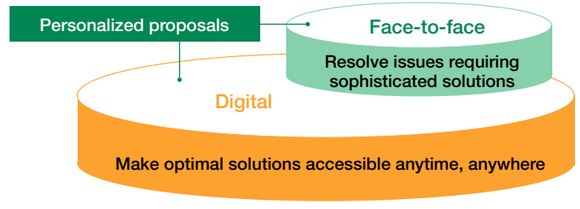
Cutting-edge system / Digital infrastructure
Sales approach / Business processes

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."

SOCIAL CHANGES AND ISSUES

- A super-aging society
- Need for vitalization of regional economies
- Changing industrial structure
- Acceleration of digitalization
- Changes in the interest rate environment
- Shift from savings to investment
- Global warming and climate change
- Shift to a decarbonized society
- Increasing importance of corporate social responsibility
- Diversifying lifestyles

Priority social issues

(RSC2030[1])

➡ p. 42

Local Communities
Revitalization of Local Economies

Low Birthrate and an Aging Society
Elimination of Anxiety Triggered by Low Birthrate and Aging Society

Environment
Response to Global Warming and Climate Change

Human Rights
Diversity & Inclusion

Long-Term Sustainability Indicators

➡ p. 39

- Value Creation Capability Indicator
- Retail Transition Financing Target
- Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio
- Carbon Neutrality Target (Scopes 1 & 2)
- Targets for the Empowerment and Promotion of Women
- Well-Being Indicator

INPUTS

➡ p. 30

Resona's strengths

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

Human capital

Diversity in human resources

Intellectual capital

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

Financial capital

Sound financial position

ACTIVITIES

➡ p. 60

Beyond Finance, for a Brighter Future.

CX aimed at transforming our business structure and management platforms

Income and cost structure reforms

Adapting to changes

Strengthening of value creation capabilities

Development of next-generation management platforms

"Customers' happiness is our pleasure"

Capital utilization

OUTCOMES

Sustainable improvement

- Social value
- Corporate value

Customers

Overwhelming convenience
Sustainable business development
Abundant lifestyles

Shareholders

Increase corporate value

Society

Sustainable development of regional societies

Employees

Fulfillment in both work and private life

Stakeholder Dialogue and Collaboration

➡ p. 34

Sophisticated Corporate Governance ➡ p. 90

REALIZING "RETAIL No. 1"

SOCIAL CONTRIBUTION

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

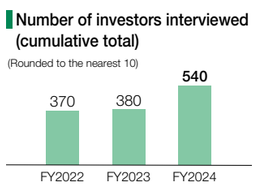
Resona cherishes relationships with shareholders.

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

RESONA Re:Heart

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

OSAKA, KANSAI, JAPAN EXPO2025

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 of various initiatives at home and abroad.

1 A volunteer organization run by Resona Group employees

Section
2

Value Creation Initiatives

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CSO/CSuO Message

CSO: Chief Strategy Officer
CSuO: Chief Sustainability Officer

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

Nobuki Iwadate
Group CSO,
Group CSuO and Executive Officer,
Resona Holdings

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

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

These conditions are also impacting sustainability. People's perceptions of what constitutes sustainability vary greatly by country and region, as do relevant legal regulations. We are now encountering a growing number of circumstances in which conventional norms are no longer applicable. Given this environment, the difficulty of formulating a long-term business outlook has increased.

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

Flexibly Adapting to Changes

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

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

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

Determining the Long-Term Direction

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

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

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

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

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

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

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

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

Source of Competitiveness—"Connection" and "Co-Creation"

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

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

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

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

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

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

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

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

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

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

Long-Term Sustainability Indicators

		FY2023	FY2024	FY2030 (target levels)
Value for customers and society	**Value Creation Capability Indicator** Number of cases where solutions are provided	11.8 million cases	**12.9 million cases**	**20.0 million cases**
	Retail Transition Financing (RTF) Target (cumulative total balance of funds extended in RTF)	¥3.7 trillion	**¥5.7 trillion**	**¥10 trillion**
Environmental value	**Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio**	—	**—**	**2050 Net zero**
	Interim target for the energy sector (Portfolio carbon intensity)	150gCO₂e/kWh (FY2022)	**145gCO₂e/kWh (FY2023)**	**100 to 130gCO₂e/kWh**
	Carbon Neutrality Target (Scopes 1 & 2)	From FY2013 level (69)%	**From FY2013 level (76)% (provisional value)**	**Net zero**
Social value	**Targets for the Empowerment and Promotion of Women** Ratio of directors and executive officers[1] Ratio of senior managers[2] Ratio of line managers[2]	12.1%[3] 14.8% 32.8%	**11.7%**[4] **16.5%** **34.4%**	**30% or more** **20% or more** **40% or more**
Value for employees	**Well-Being Indicator** Ratio of positive responses in questionnaires regarding a sense of fulfillment felt in work and private life as part of employee surveys	70.0%	**72.1%**	**Increase the ratio of positive responses**

1 Resona Holdings
2 Sum of Resona Holdings and the four Group banks; figures for FY2023 include Kansai Mirai Financial Group
3 As of April 1, 2024
4 As of April 1, 2025

Toward the Creation of a Sustainable Society

Governance

A Basic Framework Enabling the Board of Directors to Supervise Sustainability Initiatives

The Board of Directors has established important policies regarding how the Resona Group will respond to the expectations of society and live up to the trust placed in it through its business activities and how it will create resonance between a sustainable society and its own sustainable growth.

Based on these policies, executives have identified issues (materiality) of particular priority for the Group as well as indicators and targets (i.e., Long-Term Sustainability Indicators) to ensure that management can directly promote and control initiatives to address such materiality.

Progress in these initiatives is being overseen by the Group Sustainability Promotion Committee, which meets quarterly and consists of executives.

Specifically, the committee determines annual in-house KPIs for a number of indicators and targets, monitors them throughout the year, and carries out an overall review and verification at the end of each year. The results of these activities are annually reported to the Board of Directors in accordance with criteria established by the Board regarding agenda items to be submitted to its meetings.

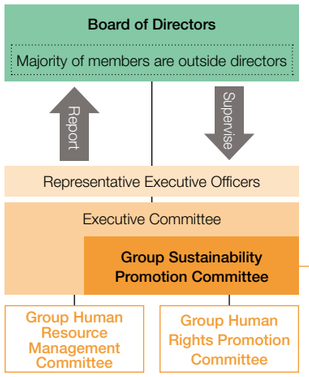
In addition, matters deemed particularly important are addressed by the Board on an as necessary basis. In this way, we have secured a robust structure that ensures proper supervision over sustainability initiatives.

With outside directors constituting its majority, the Board of Directors addresses reports from executives and engages in multifaceted discussions to issue opinions and instructions, with the aim of pushing ahead further with sustainability initiatives.

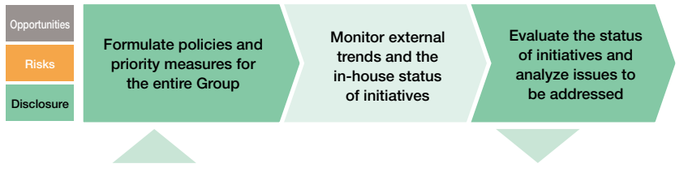
Furthermore, by including skills related to “sustainability” and “diversity & inclusion” among those particularly expected of director candidates (➡p. 97), we have established a framework to equip the Board of Directors with members boasting a range of specialist experience and knowledge.

With the aim of promoting sustainability initiatives across the entire Group, the Sustainability Promotion Committee is chaired by the President of Resona Holdings and consists of such executives as presidents of Group banks, officers in charge of corporate planning departments, risk management departments, corporate sales departments and individual sales departments as well as the president of Resona Asset Management.

To each of its meetings, the committee invites an external specialist to serve as an advisor with the aim of supplementing objectivity and specialist knowledge with regard to the promotion, management and evaluation of initiatives. The opinions and advice provided by this specialist are reflected in committee deliberations.



- Meets on a quarterly basis, with a Representative Executive Officer serving as the chair
- Established and operates a PDCA framework under which sustainability promotion initiatives are assessed under three categories (“opportunities,” “risks” and “disclosure”) to enable top management members to share the recognition of internal and external environments and steadily address relevant issues



Business strategies for and risk management activities undertaken by Group companies

Sustainability-Related Policies Determined by the Board of Directors

	Resona Group Sustainability Basic Policy	Resona Group Environmental Policy	Resona Group Human Rights Policy
Main items	• Promoting Sustainability through Business Activities • Developing a Management Structure Supporting the Promotion of Sustainability • Participation of All Officers and Employees and Dissemination of the Policy • Engagement with Business Partners and Suppliers • Building Relationships of Mutual Trust with Society • Governance	• Scope of Application • International Norms, Rules and Initiatives Supported by the Group • Environmental Commitment • Engagement with Stakeholders • Dissemination of the Policy and Education • Disclosure • Governance Structure • Periodic Review of the Policy	• Scope of Application • Applicable International Norms • Commitment to Respecting Human Rights • Human Rights Due Diligence • Grievance Mechanism • Engagement with Stakeholders • Dissemination of the Policy and Education • Disclosure • Governance Structure • Periodic Review of the Policy

Process for Determining Compensation for Executive Officers in Step with the Evaluation of Their Sustainability-Related Achievements

The Company’s policies for the determination of compensation for directors and executive officers are determined by the Compensation Committee, whose membership consists exclusively of independent outside directors.

The compensation system in place for executive officers takes into account ESG indicators and, to this end, utilizes evaluations conducted by an external firm to determine the content of medium- to long-term incentives. Among these are such environmental indicators as GHG emissions volumes as well as the presence or absence of information disclosure in line with the TCFD recommendations, with progress against each quantitative target measured to inform evaluation results.

In addition, evaluation criteria for determining the content of annual incentives under this system include the annual results of initiatives related to the achievement of Long-Term Sustainability Targets. As such, compensation for executive officers is linked to evaluations granted to the recipients in terms of sustainability initiatives. (➡p. 94)

Main Content of Relevant Agenda Items Submitted to and Other Subjects Discussed by the Board of Directors (July 2024 to June 2025)

- Top risks addressed in FY2024 (including our response to climate change and biodiversity, etc.)
- Revision of the Resona Group Environmental Policy (clarification of a stance centered on reducing negative environmental impacts throughout the value chain)
- Outcomes of FY2024 sustainability initiatives and issues to be addressed going forward
- Status of dialogue with institutional investors and points to be considered in order to enhance our activities

Main Opinions Contributed by Board Members on Outcomes of FY2024 Sustainability Initiatives and Issues to Be Addressed Going Forward

Main Achievements

- Achieved in-house KPIs, including the Retail Transition Financing Target
- Assessed the current status of decarbonization initiatives undertaken by corporate customers
- Strengthened intraregional collaboration leveraging opportunities afforded by Expo 2025 Osaka, Kansai
- Enriched educational content to enhance the general public’s financial literacy and strengthened collaboration with external organizations to promote SDGs awareness among students
- Initiated a Groupwide response to the enactment of the revised Act for Eliminating Discrimination against Persons with Disabilities
- Maintained our ongoing inclusion in ESG index selected by GPIF (domestic stock), etc.

Issues That Must Be Addressed Going Forward and Priority Measures

- Step up collaboration between frontline sales staff and external partners to stimulate demand among SME customers
- Strengthen external collaboration to assess trends regarding SX in Japan and overseas
- Assess the current status of decarbonization initiatives undertaken by corporate customers while engaging in ongoing dialogues
- Review materiality and long-term KPIs in light of changes in society
- Upgrade information disclosure in accordance with standards issued by the Sustainability Standards Board of Japan (SSBJ), etc.

⬇

Steadily make immediate progress and implement preparatory measures over the medium to long term

Main Opinions Voiced by Outside Directors

- With regard to the empowerment of women, the number of female managers and senior managers has increased steadily, albeit slowly, and the Group’s efforts in this area can be considered robust. On the other hand, increasing the representation of female officers will demand even more progressive measures. The Group’s related endeavors therefore need to be accelerated.

Main Topics Discussed by the Group Sustainability Promotion Committee and the Executive Committee (FY2024)

- Setting of in-house KPIs for FY2024 and annual progress in the achievement of such KPIs
- Review and evaluation of FY2024 initiatives as well as how to respond to issues going forward
- In-house KPIs for FY2025
- Identification and examination of points to be discussed in the course of reviewing materiality

- Content of information to be disclosed in the Integrated Report (FY2023)
- Status of ESG-related external ratings and measures to be undertaken to enhance information disclosure
- Status of response to the enactment of the revised Act for Eliminating Discrimination against Persons with Disabilities
- Initiatives related to financial and economic education and measures to be undertaken going forward, etc.

⬇

FY2024 Highlights

In the course of setting in-house KPIs at the beginning of the fiscal year, some internal officers stated that “it is necessary to deliberate whether the present composition of KPIs and the levels they are set at are appropriate in light of current changes in society.”

As a result of the above discussions, we have concluded that the materiality and long-term indicators need to be reviewed as these constitute the basis for in-house KPIs. This, in turn, caused us to launch a review of materiality.

With regard to these discussions, the external advisor provided us with advice, stating that “present issues regarding sustainability are quite diverse and complex; it is important to clarify what the Resona Group values as a corporation in responding to such issues.”

Furthermore, with regard to the review of materiality, the Board of Directors requested that a sufficient amount of time be allocated for discussions at the planning stage. In accordance with this request, the review of materiality was included in agenda items to be addressed twice via free discussion sessions in FY2024.

Toward the Creation of a Sustainable Society

Strategy Material Social Issues That Should Be Tackled by Resona

For the Resona Group to sustainably improve its corporate value, it must enhance both its economic and social value.

In an increasingly complex society, we are being called upon to help people move forward toward a better future with confidence and hope. We aspire to fulfill this mission irrespective of changes in society. Accordingly, our business approach is thoroughly configured to always start with addressing issues confronting customers and society as a whole. This approach constitutes the core of our strategy.

Guided by the aspiration described above, we are striving to enhance our ability to deliver value from the aspects of economic and social value. As part of these efforts, from among a variety of social issues we have identified important items (materiality) that are of particular priority for the Group, selected with reference to the Corporate Mission, the Group's value chain and strength, awareness of these issues among top management members and employees, and other input.

Selection process for important social issues (materiality)

Analysis of social issues → Affinity with the Resona Group (Corporate Mission; Value chain, Resona's strength; Support of officers and employees) → **Priority social issues (materiality)**

Priority social issues (materiality)

- **Local Communities**
  Revitalization of Local Economies
- **Low Birthrate and Aging Society**
  Elimination of Anxiety Triggered by Low Birthrate and Aging Society
- **Environment**
  Response to Global Warming and Climate Change
- **Human Rights**
  Diversity & Inclusion

Main Opportunities and Risks

Opportunities	Risks

Relationships between Social Issues and Resona's Areas of Business Focus

Strengthening of Value Creation Capabilities

Loans | Succession | Asset Formation Support | Housing Loans | Cashless / DX Solutions | Financial Digital Platform | Inorganic Strategy

Long-Term Sustainability Indicators

- **Value Creation Capability Indicator**
  Number of cases where solutions are provided
- **Retail Transition Financing (RTF) Target (cumulative total balance of funds extended in RTF)**
- **Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio**
  - Interim target for the energy sector (Portfolio carbon intensity)
- **Carbon Neutrality Target (Scopes 1 & 2)**
- **Targets for the Empowerment and Promotion of Women**
  Ratio of female directors and executive officers, female senior managers
  Ratio of female line managers
- **Well-Being Indicator**
  Ratio of positive responses in questionnaires regarding a sense of fulfillment felt in work and private life as part of employee surveys

Development of Next-Generation Management Platforms

Governance | Human Capital | Intellectual Capital

Toward the Creation of a Sustainable Society

Strategy Supporting Customer Efforts to Promote Sustainability Transformation (SX)

The Resona Group believes that its corporate growth must always be in step with the growth of its customers and their local communities, regardless of changes in society.

Accordingly, we consider opportunities and risks associated with important social issues (materiality) of priority for the Group to be always linked with opportunities and risks for customers.

In order to sustainably enhance the Group's corporate value, adapting to major structural changes in society, such as the growing need to achieve SX and DX, is essential. Furthermore, the Group's efforts in these areas should not be limited to its own operations, but include helping its customers and their local communities to do the same.

To this end, the Group is promoting SX within the framework described below.

A Framework for Promoting SX

Changes in social structure arising from the growing call for sustainability

Long-Term Vision: **Retail No. 1**

Purpose: **Beyond Finance, for a Brighter Future.**

Roles to be fulfilled by the Resona Group

- Use its services and solutions to assist customers, mainly in the retail field, in their efforts to promote SX
- Effect a significant movement toward SX for society as a whole by supporting corporate and individual customers undertaking initiatives

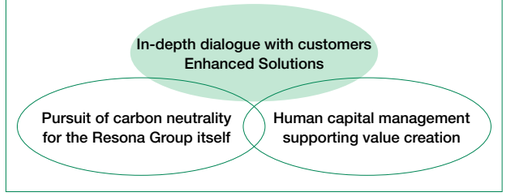
Our vision

- In striving to update the Group's business model, we help customers embrace new lifestyle norms so that together we can adapt to change.
- We aim to become the most significant contributor to customer success in SX.

Materiality
Long-Term Sustainability Indicators

Local communities' SX

Sustainability activities aimed at accelerating SX



Customers' SX

Corporate customers	• Adapt to structural changes in society, such as the growing call for carbon neutrality, while creating greater competitiveness
Individual customers	• Ensure robust preparedness against future anxiety regarding economic or social crisis • Adopt lifestyles that give due consideration to social concerns in both consumption and residential choices

Within the above framework, we have positioned "in-depth dialogue with customers" and "enhanced solutions" as two drivers that directly aid customers in their SX efforts.

The majority of the Group's customers consist of SMEs and individual customers. Because the business environments that SMEs typically operate in differ widely from what large enterprises face, helping an SME promote SX requires in-depth dialogue aimed at fully understanding their unique circumstances and identifying bottlenecks hampering their efforts to achieve SX. Moreover, we need to be able to offer enhanced solutions that enable them to take the first step and steadily move forward toward future business growth. We thus consider these two drivers of importance.

In-Depth Dialogue with Customers

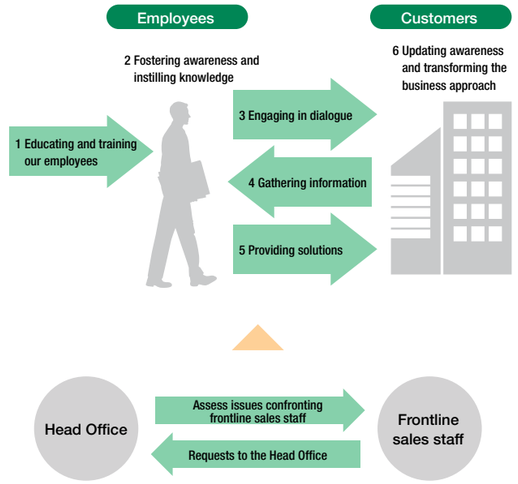
As illustrated in the diagram on the right, the Group has taken various organizational actions aimed at supporting customer efforts to update their awareness and transform how they approach their business (arranged into six steps). Every year, we specify a step for particular focus and identify associated annual in-house KPIs.

When our actions fail to yield expected outcomes, we examine each step and analyze its flaws. This ensures that we are able to constantly improve and upgrade our initiatives.

In FY2024, we launched interviews with SME customers based on a flow of model initiatives we established in accordance with our own standards to help them promote initiatives to achieve carbon neutrality and, to this end, steadily move forward from their current situation.

As a result, we distributed customer questionnaires, acquiring more than 20,000 responses on a consolidated basis in line with our particular focus on helping customers assess their current situation and identify the steps they should take next.

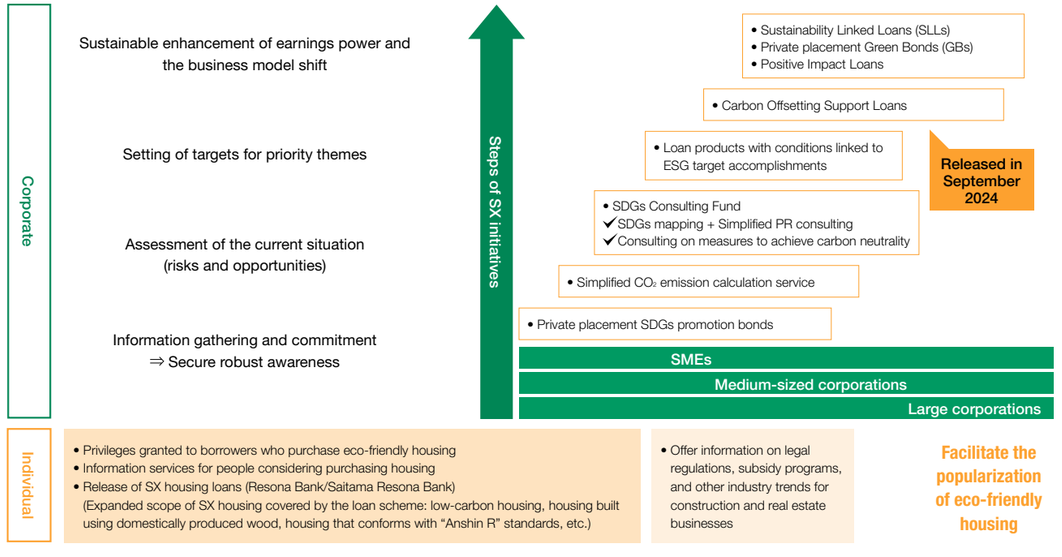
To enhance our organizational action capabilities, we have also undertaken detailed interviews with frontline sales staff to assess issues they are confronting and ask them to submit requests to the Head Office as part of efforts to extend even more robust support to these individuals from the Head Office.



Enhanced Solutions

The status of sustainability efforts undertaken by SMEs and the management resources they can afford to allocate to such efforts vary greatly by company. With this in mind, we strive to assess the current situation of each via dialogue while, at the same time, constantly upgrading solutions aimed at helping them steadily take the next step.

In September 2024, we began delivering "Carbon Offsetting Support Loans," a loan product designed to provide borrowers with a comprehensive set of assistance services. These range from those supporting the calculation of GHG emissions (based on the volume of activities) as well as carbon-offsetting solutions aimed at helping borrowers address GHG emissions that remain in place even after successful reduction efforts to the provision of information disclosure-related assistance packages.



Relevant items included in Long-Term Sustainability Indicators — **Retail Transition Financing Target** ➡ p. 56

Strategy Climate Change

The Resona Group could be affected materially by either transition to a decarbonized society or the progression of global warming.

With this in mind, we have identified climate change response as an important social issue (materiality) that should be prioritized by the Group. Based on our recognition of opportunities and risks arising from climate change, we are endeavoring to reduce the volume of greenhouse gas (GHG) emissions associated with our investment and financing portfolio as well as the volume of GHG emissions from our own energy use.

Business Opportunities and Risks Arising from Climate Change

To measure the impact of climate change, which is highly unpredictable, we have undertaken qualitative and quantitative evaluations of opportunities and risks based on two different scenarios involving, respectively, a 1.5°C and a 4°C rise in global temperatures.

This evaluation includes the assessment of estimated impact in the short-, medium- and long-terms, which are defined, respectively, as approximately 5-, 15- and 35-year periods.

1.5°C Scenario (reference: IEA Net-Zero Emissions by 2050, IPCC RCP2.6 and other publicly approved scenarios)

Projected developments

- GHG emissions from businesses are severely restricted by government-led policies and laws.
- Advances in and the popularization of low-carbon technologies enhances the availability of low-carbon alternatives to existing products and services.
- Frequency of sudden occurrences of abnormal weather remains virtually unchanged.

Impact on the financial industry: Financing streams will be ever more focused on measures to alleviate climate change impact.

Time frame: Short to long term

Projected financial impact

Opportunities	Product and service markets		Growing funding needs among businesses for the development of low-carbon products and services and capital expenditure aimed at reducing their GHG emissions Increased opportunities for the Group to offer financial services due to growing public awareness of climate change
Opportunities	Resource efficiency, energy sources, and market resilience		Reduction in business costs due to enhanced resource and energy efficiency Shift to low-carbon energy sources and the resulting alleviation of the future impact of carbon price surge Growth in the Group's corporate value due to the implementation of a sustainability-focused business model
Risks	Transition risks	Policy and legal	Introduction of stringent government-led policies and regulations negatively affecting the operations of corporate customers and reducing the value of the Group's loan assets
Risks	Transition risks	Technology and market	Advances in low-carbon technologies and changes in consumer preferences prompting a shift to alternative products and services and negatively affecting the operating results of corporate customers, resulting in a reduction in the value of the Group's loan assets
Risks	Transition risks	Reputation	A decline in Resona Holdings' share price due to inconsistencies between strategy and actions or insufficient disclosure of information about climate change
Risks	Physical risks	Acute	Virtually unchanged frequency of sudden occurrences of abnormal weather (hence, no major financial impact is expected)
Risks	Physical risks	Chronic	No chronic and irreversible climate change (hence, no major financial impact is expected)

4°C Scenario (reference: IPCC RCP8.5 and other publicly approved scenarios)

Projected developments

- Without notable breakthroughs in climate change countermeasures, the volume of overall GHG emissions continues to grow at the current pace.
- Due to an increase in the number of sudden occurrences of abnormal weather, society suffers even more significant damage.
- Chronic and irreversible changes, such as a sea level rise, affect economic activities undertaken by businesses and individuals.

Impact on the financial industry: Financing streams will be ever more focused on measures to adapt to climate change effects.

Time frame: Short to long term

Projected financial impact

Opportunities	Product and service markets		Growing demand for funding for public projects and capital expenditure aimed at alleviating physical damage attributable to abnormal weather
Opportunities	Resource efficiency, energy sources, and market resilience		Reduction in business costs due to enhanced resource and energy efficiency
Risks	Transition risks		No significant breakthroughs in climate change countermeasures (hence, no major financial impact is expected)
Risks	Physical risks	Acute	Reduction in the value of the Group's loan assets due to the impact of climate change, such as the suspension of business induced by damage to corporate customers' facilities, the absence of such customers' employees due to damage to their homes, or a decline in the value of collateral assets due to such damage Suspension of the Group's operations due to damage to its facilities or injuries to its employees because of a disaster
Risks	Physical risks	Chronic	

In-Depth Qualitative Analysis of Climate Change Scenarios

We recognize that the risks and opportunities described above could result in a significant financial impact on our portfolio of loans, which represents the Group's largest asset.

Based on this recognition, we have selected priority sectors requiring urgent action from among carbon-related sectors specified by the TCFD. Targeting these sectors, we conducted an in-depth analysis of climate change scenarios.

Currently, these priority sectors comprise ① "Energy / Utility," ② "Transportation / Automotive" and ③ "Real estate development / Construction."

Process Used to Select Priority Sectors

Assess climate change impact by sector	With reference to information published by the TCFD, the United Nations Environment Programme Finance Initiative (UNEP FI) and the Sustainability Accounting Standards Board (SASB), assess the magnitude of the climate change impact on sectors deemed susceptible
Account for credit amounts by sector	In addition, take into account the proportion[1] of assets relevant to each sector included in the Group's portfolio
Reflect the portfolio-based GHG emissions volume	Take into account the relative proportions of GHG emissions volumes (Scopes 1 + 2 and Scope 3) from each sector in the portfolio
Determine priority sectors	Determine priority sectors based on the results of the above processes

	Climate change impact	Portfolio size	Scale of GHG emissions volumes	Selection results
Energy / Utility	Large	Small	Large	Priority sector (①)
Transportation/Automotive	Large	Medium	Large	Priority sector (②)
Real estate development / Construction	Medium	Large	Medium	Priority sector (③)
Material	Large	Small	Large	Not selected[2]
Agriculture / Food	Medium	Small	Small	Not selected
Pulp / Forestry products	Large	Small	Small	Not selected

Formulation of Scenarios for Each Priority Sector and the Qualitative Analysis of Developments in Climate Change-Related Risks

Targeting each priority sector, we formulated scenarios and conducted a qualitative analysis regarding the magnitude of climate change impact and the timing of its materialization.

1 Identify important factors associated with risks and opportunities	With reference to information published by the TCFD, the UNEP FI and the SASB, conduct surveys and identify important factors considered to exert a profound impact on risks and opportunities affecting each sector
2 Assume the future status of society and possible impact on each sector	Analyze important factors identified via 1 left and assume the magnitude of climate change impact and the timing of its materialization based on highly objective parameters recommended by the International Energy Agency and other bodies that support a scientific approach. Incorporate findings from this analysis into the "Five Forces Analysis"[3] to hypothesize the future status of society and thereby assess the impact on priority sectors
3 Formulate scenarios and conduct qualitative analysis	Formulate certain scenarios and assess developments in climate change-related risks in each sector

1 Important Factors Associated with Risks and Opportunities in Each Sector

① Energy / Utility		② Transportation / Automotive		③ Real estate development / Construction	
Policy	Introduction and/or heightening of carbon tax	Policy	Introduction and/or heightening of carbon tax	Policy	Introduction and/or heightening of carbon tax
Legal	Tightening of GHG emission regulations	Legal	Tightening of GHG emission regulations	Legal	Strengthening of environment-related building regulations
Market	Popularization of renewable energy	Market	Rising energy prices	Market	Shift in customer needs to buildings with higher environmental performance
Reputational	Higher customer awareness regarding the need to address environmental concerns	Technology	Transition to electric vehicles	Acute	Increasingly frequent occurrences of flooding and other natural disaster damage
Acute	Surging expenses for the reinforcement of disaster countermeasures and the emergence of physical damage	Acute	Operational impact of a catastrophic disaster		
		Chronic	Damage to railroads due to heat expansion and rising air conditioning expenses (transportation)		

2 The Future Status of Society and Possible Impact on Each Sector

Priority sectors	Scenario	Future status of society	Impact on sector
① Energy / Utility	1.5°C	Initiatives aimed at achieving carbon neutrality advance significantly, leading to the introduction of a carbon tax and the growing popularization of renewable energy	The use of renewable energy gains popularity at an ever-faster pace with the move toward carbon neutrality
	4°C	Physical risks rise due to the continued dependence on fossil fuels	While fossil fuel demand grows solidly, the sector is affected by frequent occurrences of damage arising from abnormal weather and surging disaster countermeasure costs
② Transportation / Automotive	1.5°C	Initiatives aimed at achieving carbon neutrality advance significantly, leading to the introduction of a carbon tax, the popularization of renewable energy and EVs and the acceleration of modal shift in the transportation sector	Toward carbon neutrality, the use of eco-friendly vehicles and rail cars gains growing popularity, resulting in the acceleration of modal shift
	4°C	Physical risks rise as the transition to a low carbon society fails to gain further momentum	While the market environment remains unchanged, the sector is affected by frequent occurrences of damage arising from abnormal weather and surging disaster countermeasure costs
③ Real estate development / Construction	1.5°C	Initiatives aimed at achieving carbon neutrality advance significantly, leading to the enforcement of carbon taxation, the introduction of building materials with low carbon footprint and the growing popularization of renewable energy	The construction of facilities designed to reduce environmental burden progresses at an ever-faster pace
	4°C	Rising physical risks lead to growing demand for buildings with greater disaster resilience	While the construction of facilities with greater resilience against flooding and other disasters progresses, the sector is affected by frequent occurrences of damage arising from abnormal weather and surging disaster countermeasure costs

1 Large: More than ¥5 trillion; Medium: ¥1 trillion to ¥5 trillion; Small: Less than ¥1 trillion
2 Not selected due to differing risk characteristics associated with each type of material and the resulting segmentation of the portfolio
3 A method of sector analysis accounting for impacts attributable to sellers, buyers, newcomers and alternatives, with policies considered as an element affecting all other factors

Toward the Creation of a Sustainable Society

Climate change

3 Developments in Climate Change-Related Risks

Low risk Medium risk High risk

Priority sectors	Transition risks: 1.5°C Scenario					Physical risks: 4°C Scenario				
	2030	2035	2040	2045	2050	2030	2035	2040	2045	2050
① Energy / Utility										
② Transportation / Automotive										
③ Real estate development / Construction										

Priority sectors	Transition risks: 1.5°C Scenario	Physical risks: 4°C Scenario
① Energy / Utility	Risk becomes constantly high around 2030 based on an assumption that the use of fossil fuel will decrease due to the enforcement of carbon taxation, across-the-board efforts to achieve carbon emission reduction targets and changes in the energy mix	Risk becomes constantly high from 2030 onward based on an assumption that monetary damage arising from flooding will increase approximately 20%, and then subsides to medium in line with an assumed increase in crude oil prices (approximately 30%) in 2040 and resulting growth in revenue
② Transportation / Automotive	Risk remains medium based on an assumption that demand for vehicles with internal combustion engines (ICEs) will significantly decline around 2030 due to carbon taxation and the enforcement of stricter regulations on such vehicles However, risk becomes constantly high from 2035 onward due to the enforcement of domestic regulations on the marketing of new ICE vehicles in the 2030s, provided that falling demand is not compensated for by demand for eco-friendly vehicles	Risk rises to and remains medium from 2030 onward based on an assumption that monetary damage arising from flooding will increase approximately 20%
③ Real estate development / Construction	Risk remains low based on an assumption that an increase in costs attributable to a possible increase in the regulatory pressure to lower energy consumption intensity will be offset by growing revenue backed by rising demand for net-zero energy buildings (ZEBs) in 2040	Risk becomes constantly high from 2030 onward based on an assumption that monetary damage arising from flooding will increase approximately 20%

In-Depth Quantitative Analysis of Climate Change Scenarios

Based on the qualitative analysis, we conducted a quantitative analysis of the impact on the Group's financial performance of transition and physical risks.

Transition Risks (1.5°C Scenario)

The characteristics and magnitude of transition risks' financial impact vary by sector. Also, these factors may be altered going forward by measures undertaken by businesses pursuing carbon neutrality. Accordingly, our qualitative analysis has targeted priority sectors selected via qualitative analysis.

In addition, we have positioned "introduction and/or heightening of carbon tax" as an important risk factor to be used as an assumption for our scenario in light of the universal impact of such taxation on each sector. Moreover, in reference to publicly approved scenarios, we have assumed a 1.5°C rise in global temperature to assess the resulting future impact on our clients. In this way, we estimated our exposure to credit risks that may emerge during the period leading up to 2050.

Target Sectors	All the priority sectors (① " Energy / Utility," ② "Transportation / Automotive" and ③ "Real estate development / Construction")
Assumptions for the Scenario	The assumed impact on the Group's credit risk exposure is based on additional expenses that would be incurred by clients due to the introduction and/or heightening of carbon tax as well as future business responses to the growing public call for carbon neutrality
Reference Scenarios	IEA Net-Zero Emissions by 2050 and IPCC RCP2.6
Analysis Period	Present to 2050
Risk Indicator	Estimated increase in credit costs
Analysis Results	Credit costs could increase during the period leading up to 2050 by a maximum of around ¥93.0 billion

Physical Risks (4°C Scenario)

Physical risks are considered to have a differing degree of impact on clients depending on the locations of both their businesses and real estate properties pledged as collateral for loans in addition to sector-specific characteristics of their operations. Taking this into account, our quantitative analysis targeted business corporations in general.

Due to restrictions in data available for analysis, we have positioned flood damage resulting from the materialization of acute risk as an important factor to be used as an assumption for our scenario. In reference to publicly approved scenarios, we have thus estimated the impact of a 4°C rise in global temperature on the business performance of our clients and real estate properties pledged as collateral for loans, determining its impact on the Group's credit risk exposure during the period leading up to 2050.

Target Sectors	Business Corporations in General
Assumptions for the Scenario	Based on analyses of hazard maps and natural disaster models, we have estimated the frequency of flooding arising from the materialization of acute risk and resulting growth in flood damage. Having assessed the impact of the above factors on the business performance of clients and their real estate properties pledged as collateral for loans, we have thus determined the extent to which the Group's credit exposure would be affected.
Reference Scenarios	IPCC RCP8.5
Analysis Period	Present to 2050
Risk Indicator	Estimated increase in credit costs
Analysis Results	Credit costs could increase during the period leading up to 2050 by a maximum cumulative total of around ¥14.0 billion

Action to Be Taken Based on Results of Scenario Analysis

The results of the preceding scenario analysis suggest that the impact of transition and physical risks on credit costs can be considered limited. However, we believe that these results are not indicative of the full impact on the Group's overall risk exposure as the above analysis has taken into account only a portion of the relevant risk factors while using various assumptions in the course of damage estimation.

The analysis of climate change impact requires the study of a diverse range of risk factors and their intertwining relationships. Moreover, the spillover effect of climate change-related risks could evolve, depending on various underlying factors. Therefore, we will continue striving to enhance the accuracy of our analysis.

At the same time, even though we are in the process of developing more precise analysis methods, we are convinced that climate change is highly likely to have a financial impact on our loan assets, the largest category of assets in the Group's possession.

Accordingly, we clearly recognize that the opportunities and risks our clients face will directly affect the Group.

The majority of the Group's loan assets are accounted for by loans furnished to individual and SME customers. This suggests that climate change-related lending risks are dispersed throughout our overall portfolio. However, it was confirmed that, compared with large corporations, the status of SMEs' climate change responses varies widely by company, indicating a diverse range of underlying issues confronting this customer group.

Looking ahead, we will not only increase the sophistication of scenario analysis but also upgrade the methods used to assess and monitor the volume of financed emissions even as we engage in in-depth customer dialogue and enhance our solutions. In this way, we will assist our customers in their pursuit of carbon neutrality.

Collaboration with Stakeholders Other Than Investees (Participation in Initiatives)

The realization of carbon neutrality requires overcoming a number of hurdles. This also necessitates collaboration with stakeholders other than our investees and borrowers.

To help realize carbon neutrality throughout society, we participate in a variety of initiatives.

PCAF

PCAF Partnership for Carbon Accounting Financials

An international initiative aimed at facilitating the calculation and disclosure of indirect GHG emissions arising from investment and financing.

In FY2023, the Company became a signatory and began participating in the PCAF in order to continuously increase the sophistication of its methods for the measurement and disclosure of financed emissions.

GX League

GX League

Consisting of business corporations that proactively take on green transformation (GX) and, to this end, strive to bring together the strength of like-minded players from public, academic and financial sectors as well as their own, in order to promote discussions regarding the transformation of the current socio-economic systems as a whole and the creation of new markets.

In March 2022, the Company announced its support of GX League and, in April 2023, began participating in its activities.

Sustainability Data Standardization Consortium

SDSC 一般社団法人 サステナビリティデータ標準化機構 Sustainability Data Standardization Consortium

A general incorporated association established to facilitate the disclosure of sustainability-related information, with the particular goal of assisting SMEs in all aspects of their decision making.

In FY2023, the Company became a member of the SDSC's board and has since taken part in its activities to encourage unlisted SMEs to disclose sustainability-related information and implement sustainability-oriented business management.

Relevant Items Included in Long-Term Sustainability Indicators	
	Retail Transition Financing Target ➡ p. 56 **Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio ➡ p. 57** **Interim target for the energy sector (Portfolio carbon intensity) ➡ p. 58**

Reducing GHG Emissions from the Company's Energy Use

If we are to help our customers understand the importance of carbon neutrality initiatives and help them navigate the various difficulties that will come their way, we need to lead the way by reducing the volume of our own energy-related CO_2 emissions.

Also, most of the energy used in the course of our business activities is accounted for by electricity. As a member of several regional communities, we need to play our part in the popularization of renewable energy by proactively using it.

Taking these factors into account, the Resona Group has set the Carbon Neutrality Target in 2021 and is striving to reduce the volume of CO_2 emissions from its energy use.

Relevant Items Included in Long-Term Sustainability Indicators	
	Carbon Neutrality Target (Scope 1, Scope 2) ➡ p. 59

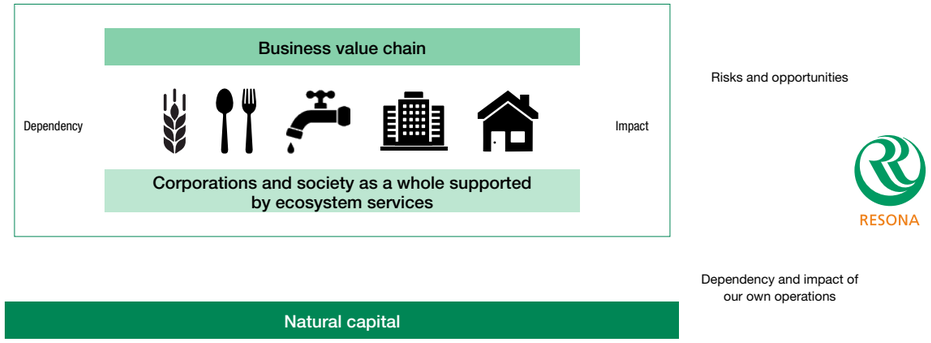
Toward the Creation of a Sustainable Society

Strategy Nature-Related Issues

Relationship between Businesses, Including Financial Institutions, and Natural Capital

Financial institutions, like ourselves, not only affect natural capital through direct business operations but also maintain a broad and in-depth relationship with such capital through their lending to and investment in corporate and individual customers. Accordingly, these institutions have a responsibility to ensure that nature-related issues are handled properly.

Risks and opportunities arising from our clients' dependency and impact on natural capital are directly linked with risks and opportunities the Resona Group itself faces. With this in mind, the Group promotes the careful analysis of its portfolio of loans, which represents its largest asset, via the use of the LEAP Approach Guidance[1] stipulated under the TNFD's information disclosure framework.



Nature-Related Risks and Opportunities for Clients

Risks / Opportunities		Consequences arising from businesses with high dependency	Consequences arising from businesses with high impact
Risks	Physical risks (chronic)	• Shortage of raw material supply and resulting growth in procurement costs due to the loss of natural capital and the deterioration of its value	• Reputational risks arising from the Group's involvement in the loss of natural capital
	Physical risks (acute)	• Damage suffered by the Group's business sites and the resulting deterioration of its operating results due to abnormal weather and climate-related disasters of growing magnitude	
	Transition risks	• Growth in costs and the suspension of business operations due to the need to respond to shifts in government policies and the strengthening of legal regulations in connection with the restoration and preservation of natural capital	• Growth in the cost of responding to shifts in government policies and the strengthening of legal regulations in connection with the restoration and preservation of natural capital • Reputational risks arising from inconsistencies between the Group's strategy and actions or its failure to engage in robust initiatives and information disclosure
Opportunities	Resource efficiency, products and services	• Transition to more efficient services and processes with lower dependence on natural resources and energy and improved resilience against resource shortages • Development of resource-saving products and services as well as green solutions • Acquisition of new business opportunities arising from the proper assessment of the economic value of regional natural resources	

Heat Map Analysis

Using ENCORE,[2] a tool specialized in nature-related risk analysis, we have conducted a heat map analysis of each sector in order to assess its degree of dependency and impact and also determined the proportion of the Group's financing portfolio accounted for by each sector.

We analyzed the degree of dependency and impact by type of natural capital based on industry groups in accordance with the Global Industry Classification Standard (GICS).

We also used a six-grade rating system encompassing "Very High," "High," "Medium," Low," Very Low" and "N/A."

As it did in the previous fiscal year, the analysis confirmed that the Group's portfolio includes no disproportional financing to sectors with high dependency and impact.

In our analysis, we will narrow our focus from wider sectors that show disproportionally high dependency and impact down to sectors that account for relatively large proportions of our financing portfolio. After doing so, we will consider conducting value chain mapping, sector-based risk identification, and sector-based location analysis.

Degree of Dependency and Impact by Sector

Sector	Industry group	Six-grade ratings on dependency								Six-grade ratings on impact								Proportions in the financing portfolio (up to 30%)
		Atmo-sphere	Habitat areas	Geograph-ical features of inland areas	Minerals	Geograph-ical features of ocean areas	Soil and sedi-ments	Species	Water	Atmo-sphere	Habitat areas	Geograph-ical features of inland areas	Minerals	Geograph-ical features of ocean areas	Soil and sedi-ments	Species	Water	
Energy	Energy	L	L	L	-	L	L	VL	L	H	H	H	H	H	H	H	H	
Materials	Materials	M	H	M	H	L	H	M	M	H	H	H	H	H	H	H	H	
Industrials	Capital Goods	L	L	VL	VL	L	L	VL	L	H	H	H	H	H	H	H	H	
	Commercial & Professional Services	-	VL	VL	-	-	VL	VL	VL	L	VL	VL	L	-	VL	L	L	
	Transportation	L	L	L	L	L	M	L	L	H	H	H	H	H	H	H	H	
Consumer Discretionary	Automobiles & Components	L	L	VL	-	L	VL	VL	L	L	L	L	L	-	L	L	L	
	Consumer Durables & Apparel	L	L	L	L	L	M	L	L	M	H	M	M	M	H	M	H	
	Consumer Services	VL	VL	VL	-	L	L	VL	L	L	L	L	L	VL	L	L	L	
	Consumer Discretionary Distribution & Retail	VL	VL	VL	-	-	L	VL	VL	L	L	L	L	VL	L	L	L	
Consumer Staples	Consumer Staples Distribution & Retail	VL	VL	VL	-	-	L	VL	VL	L	L	L	L	VL	L	L	L	
	Food, Beverage & Tobacco	H	H	VH	VH	M	VH	H	H	M	M	M	L	M	M	M	M	
	Household & Personal Products	VL	VL	-	-	L	-	VL	VL	L	L	L	L	-	L	L	L	
Health Care	Health Care Equipment & Services	VL	VL	VL	-	-	L	VL	VL	L	L	L	L	VL	L	L	L	
	Pharmaceuticals, Biotechnology & Life Sciences	VL	VL	VL	-	VL	VL	VL	L	L	L	VL	L	-	L	L	L	
Financials	Banks	-	VL	VL	-	-	VL	-	-	VL	VL	VL	VL	-	VL	VL	VL	
	Financial Services	-	VL	VL	-	-	VL	-	-	VL	VL	VL	VL	-	VL	VL	VL	
	Insurance	-	VL	VL	-	-	VL	-	-	VL	VL	VL	VL	-	VL	VL	VL	
Information Technology	Software & Services	-	VL	VL	-	-	VL	VL	-	L	VL	VL	L	-	VL	L	L	
	Technology Hardware & Equipment	VL	VL	VL	-	L	L	VL	VL	L	L	L	L	VL	L	L	L	
	Semiconductors & Semiconductor Equipment	-	VL	-	-	-	-	VL	-	L	L	VL	L	-	L	L	L	
Communica-tion Services	Telecommunication Services	VL	VL	M	M	-	M	VL	VL	L	L	L	L	L	L	L	L	
	Media & Entertainment	VL	VL	L	M	-	M	VL	VL	L	VL	VL	L	VL	VL	L	L	
Utilities	Utilities	M	M	M	M	-	M	L	M	M	H	M	M	M	M	M	H	
Real Estate	Real Estate Management & Development	VL	VL	VL	-	-	VL	VL	VL	M	M	L	L	L	M	M	M	

VH Very High | H High | M Medium | L Low | VL Very Low | - N/A

Initiatives to Preserve Biodiversity

Protecting regional natural resources available only when the natural environment is flourishing is instrumental to enhancing the resilience of the community and vitalizing its economy. To that end, we engage in initiatives that involve employees and customers willing to play their part in preserving biodiversity even as we help these participants raise their environmental literacy.

"Resona cultivates bonds"—Tree planting project

Cultivating Saitama Resona's forest

Forest development activities undertaken by Kansai Mirai Bank

An Operation Cleanup covering coastal areas along three channels

1 Guidance on the identification and assessment of nature-related issues: The LEAP approach (issued by the TNFD in October 2023)
2 Exploring Natural Capital Opportunities, Risks and Exposure

Toward the Creation of a Sustainable Society

Strategy Our Response to Human Rights-Related Issues

The Resona Group recognizes that its business activities may contribute to a direct or indirect negative impact on human rights. Accordingly, in addition to striving to prevent the occurrence of the negative impact on human rights, the Group endeavors to provide remedies through appropriate procedures if such an impact occurs.

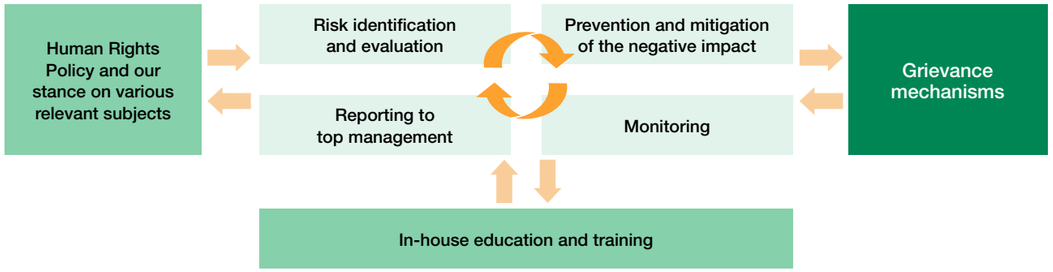
We also strive to identify human rights-related issues deemed particularly important for the Group through a human rights due diligence process and stakeholder engagement and periodically review these issues.

Initiatives to Ensure Respect for Human Rights

The Group has established a Human Rights Policy that stipulates its intention to respect the human rights of all stakeholders and, based on this policy, has developed a framework for ensuring respect for human rights.

We have also named “borrower companies” and “employees” as stakeholder groups requiring particular priority, with human rights due diligence focused on assessing their status. For “suppliers,” we have established and announced our policies and stance regarding how we ensure respect for human rights.

Establishment and Management of Human Rights Due Diligence Process (PDCA)



		Response to human rights risks and human rights due diligence	Grievance mechanisms
Customers	Borrowers	• “Basic Stance on Lending” clearly describes our stance regarding how we ensure respect for human rights • Conduct interviews with borrower companies to assess their status of labor management, human resource development and initiatives to ensure respect for human rights (as part of efforts to assess the degree of customer commitment to addressing ESG issues through business operations)	• Grievances received by branches as well as those gleaned via our corporate websites and our Customer Consultation Center are reported to the Compliance Committee on a quarterly basis. After investigating each reported case in a manner that honors the consulter’s intention, we implement remedies to address the issue identified via such investigation.
	Individuals	• Policy on Customer-Oriented Business Conduct and Personal Information Protection Declaration	
External businesses		• Policy regarding Purchasing Activities and Declaration on Partnership Building • Questionnaires targeting vendors	• Established the Resona Legal Counsel Hotline through which an external law office accepts reports
Employees		• Assessment of the status of employees at home and abroad • Establishment of the Customer Harassment Response Policy • Establishment of the Harassment Prevention Policy • Human rights-related training and education based on the policies named above	• The Resona Legal Counsel Hotline and the Resona Compliance Hotline (internal and external hotlines) are in place

Initiatives to Ensure Compliance with the Act for Eliminating Discrimination against Persons with Disabilities

We strive to ensure that our services offered at branches are accessible to all people, regardless of whether they have disabilities, to this end implementing various initiatives.

For example, we have compiled and distributed a “Customer Reception Handbook” that features our basic stance toward the realization of an inclusive society, along with cases of exemplary customer reception involving branch visitors in need of support, including elderly customers. By doing so, we are striving to help employees raise their awareness regarding, and skills to accommodate, such customers.

Furthermore, opinions voiced by customers are consolidated on a quarterly basis and reported to top management on a semi-annual basis or more frequently if necessary so that proper measures are executed to address areas requiring improvement.

Indicators and targets associated with such human rights-related issues as diversity & inclusion are presented in “Value Creation Initiatives Undertaken by Diverse Human Resources” (➡p. 72).

Strategy Initiatives to Enhance the General Public’s Financial Literacy

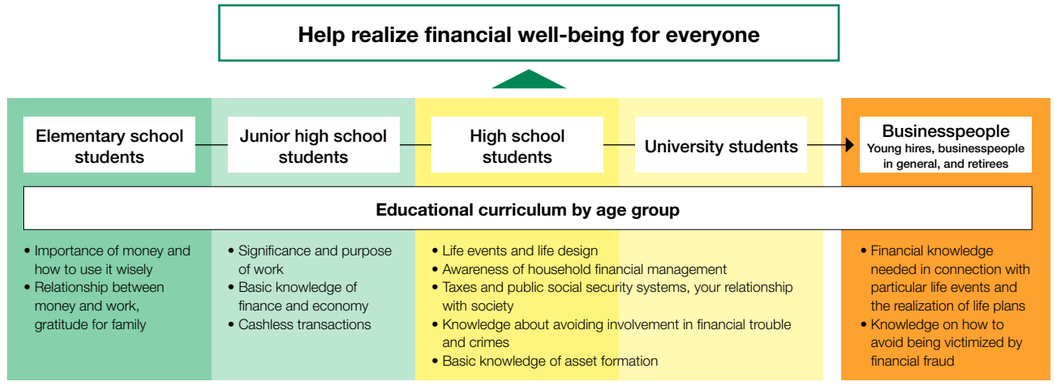
Money plays an important role, it allows anyone to obtain economic security, fulfill their dreams, and remain true to their authentic self in the course of pursuing their life plans.

Accordingly, autonomous and independent life design requires diverse knowledge and literacy on how to wisely deal with money.

Today, citizens increasingly need to acquire a range of knowledge in order to adapt to changes in society, which range from uncertainty about future finances due to an aging population with a low birthrate to a growing rate of financial fraud and the rising popularity of cashless settlement.

The Group therefore aims to help realize a society in which everyone can enjoy financial well-being by enhancing our age group-based curriculum of financial and economic education.

Overview of Our Financial and Economic Education Initiatives



Initiatives Under Way in Both Face-to-Face and Digital Channels

The Group aims for the early realization of financial well-being for all people and, to this end, is enhancing relevant initiatives in both face-to-face and digital channels. Specifically, we provide face-to-face, in-depth learning programs while distributing digital-based content that can be accessed at anytime from anywhere.

Face-to-face

- Kids’ Money Academy for elementary school students
- On-site lectures for junior high school, high school and university students
- Asset management seminars for businesspeople, seminars held in collaboration with local governments, police departments, etc., with the aim of discussing how to defend against financial crimes

Update the content of our video programs based on input from face-to-face channels regarding what customers really want to know

Digital

- Creation and streaming of educational videos for the younger generations ranging from infants to high school students https://www.resonabank.co.jp/kojin/kinyukyoiku/movie.html (Japanese only)
- Deliver follow-up services via remote branches to customers who open NISA accounts

Collaboration with Expo 2025 Osaka, Kansai

On-site lectures for students about to embark on school trips involving visits to Expo 2025 Osaka, Kansai

We planned and implemented special lectures for junior high school students about to visit Expo 2025 Osaka, Kansai, as part of their school trips. These lectures included imparting basic knowledge of cashless settlement and tips on how to wisely manage their spending within the allowances given to them by parents. (Collaboration with Kinki Nippon Tourist Co., Ltd.)

Exhibited “RESOTERRA” as part of Virtual Expo

Our educational content, which was created based on a concept of “Sustainability × Finance,” was exhibited in a virtual venue of Expo 2025 Osaka, Kansai. (➡p. 54)

Toward the Creation of a Sustainable Society

Strategy Sustainability Education

The young people and children who will lead society in the future have the right to know about climate change, the loss of biodiversity, environmental pollution, widening economic dividends and other major issues that possibly threaten social sustainability.

As a company supported by the environment and society while engaging in economic activities, the Resona Group is striving to educate younger generations on a variety of social issues and invite them to think together about how to resolve these issues.

Assessing Environmental and Social Issues from the Economic and Financial Perspective

Sponsoring Collaborative Courses and Endowed Courses for University Students

We sponsor collaborative courses and endowed courses in partnership with universities. These courses address such topics as sustainability initiatives undertaken by businesses and investors, regional circular and ecological spheres, and the role of finance.

- Sophia University: "Issues and Possibility of SDGs—From the Perspective of Businesses and Investors"
- Kansai University: "Assessing SDGs from Practical Finance"

Participating in Virtual Expo by Exhibiting "RESOTERRA"

We participated in the Virtual Expo pavilion of Expo 2025 Osaka, Kansai, exhibiting content designed to help visitors learn about what can be done in the future via "Sustainability × Finance."

Based on a concept that "the individual's choice translates into the power to change the future," this content allows visitors to play games to virtually experience the solution of environmental and social issues through ESG investment, with action taken by all players affecting the future of the Earth.

Deepening Our Thoughts and Ideas to Yield Economic Value from Sustainability Initiatives

Co-Sponsoring the "SDGs QUEST Mirai Koshien"

We serve as a co-sponsor of Kansai area and Saitama Prefecture tournaments of SDGs QUEST Mirai Koshien, a nationwide high school championship in which students form teams, spontaneously study SDGs, and competitively pitch ideas regarding actions aimed at contributing SDGs.

To support the high school students who take on the challenges described above, prior to competition we co-host study sessions aimed at imparting tips on how to create innovative ideas and disseminate such ideas in collaboration with the sponsor of this championship. (Kansai area tournaments)

Holding the Resona SDGs Idea Contest

Since FY2021, Resona Bank has been holding the annual SDGs Idea Contest for students. For the FY2024 round of this event, "Resolving Region-Specific Issues × Innovation" was chosen as the theme for the contest. Prior to the final match, Resona Bank staff served as supporters for teams about to advance to the final, helping them deepen their ideas in preparation for the match and facilitating discussions to assess social issues from a more practical perspective.

Risk Management Management of Risks and Impact

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 recognized as being relevant to sustainability include "Deterioration in competitiveness, etc., due to changes in social and industrial structures," "Changes in the earnings structure and deterioration in profitability, etc., due to the revision of laws, regulations, government policies, etc.," and "Operational suspension, etc., due to the occurrence of natural disasters."

We have also identified such main risk scenarios as "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., that negatively impact corporate value," "Deterioration of corporate value due to the absence of information disclosure practices that can be considered sufficient by external stakeholders," and "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."

Top risks are determined via discussion at the Executive Committee, the Board of Directors and other important bodies. Through top risk management, the Company is striving to enhance risk governance, prevent the emergence of significant risks, ensure swift response to risk materialization and curb the spread of risk repercussions.

We have also clarified 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 establishing a structure enabling us to manage various risks by using methodologies aligned with their characteristics (➡p. 99).

To address credit risk, which is considered to have a particularly strong impact on the Group's operations, we are working to step up risk management via, for example, "Initiatives for Socially Responsible Investing and Lending" described below.

Initiatives for Socially Responsible Investing and Lending

https://www.resona-gr.co.jp/holdings/english/sustainability/management/sri/

Loan Business

In line with the Group Credit Policy adopted based on a Board of Directors resolution, the "Basic Stance on Lending" clarifies the Group's intention to maintain a dialogue with customers who have not yet fully committed to addressing social and environmental issues with the purpose of encouraging their involvement. In addition, it explains the Group policy of abstaining from financing projects associated with coal-fired thermal power generation, except when it finds compelling reasons for financing such projects, such as to realize economic restoration following a disaster. The Group is engaged in the screening and selection of candidate projects accordingly.

In December 2020, we updated the above document to include a policy of not extending new loans to projects deemed to possibly exert a major negative impact on the environment, such as coal mining employing specific mining methods.

Investment

In connection with trust assets managed by Resona Asset Management, the "Responsible Investment Policy" mandates that, in addition to assessing investees' financial performance, the Group exercise due diligence in confirming their non-financial performance, for example, the sufficiency of their initiatives aimed at addressing ESG issues to help them enhance corporate value and achieve sustainable growth from a medium- to long-term perspective. Through such endeavors, the Group is increasing the value of trust assets.

Furthermore, the Responsible Investment Committee strives to ensure the appropriateness of the Group's investment initiatives by consolidating insights offered by committee members, including officers in charge of trust asset management divisions.

Overview of the "Basic Stance on Lending"

	Policy	Business description
Stance on Lending Across Sectors	Prohibition of lending to the following borrowers	• Those involved in child or forced labor or human trafficking, etc.
	Prohibition of lending to the following projects or businesses	• Businesses that exert a seriously negative impact on wetland sites designated by the Ramsar Convention, the World Heritage Sites designated by UNESCO • Businesses in violation of the Washington Convention
	Due consideration given to environmental and social impacts in the course of lending to the following businesses	• Businesses that negatively affect indigenous local communities and other areas of high conservation value • Businesses that entail the involuntary resettlement of residents resulting from the appropriation of land
Stance on Lending to Specific Sectors	Prohibition of lending to the following borrowers	• Those involved in the development, manufacture or possession of nuclear weapons, chemical weapons, biological weapons, cluster bombs and / or other weapons of mass destruction
	Prohibition of lending to the following projects or businesses	• Coal-fired power generation (except where there are compelling reasons, such as to realize restoration following a disaster) • Coal mining projects employing the Mountain Top Removal (MTR) method
	Due consideration given to environmental and social impacts in the course of lending to the following businesses	• Large-scale hydroelectric power generation • Palm oil farm development • Oil and gas extraction and pipeline construction • Wood and paper pulp production and timber harvesting

Sustainability Initiatives Undertaken by Resona Asset Management

Resona Asset Management, a Group company tasked with asset management, has issued the Sustainability Report.
https://www.resona-am.co.jp/investors/pdf/sus_report2024-2025en.pdf

Toward the Creation of a Sustainable Society

Indicators and Targets

Retail Transition Financing Target

Cumulative Total of Transition Financing from FY2021 to FY2030: ¥10 Trillion

Financing Coverage

Financing aimed at helping retail customers update their awareness, transform their modes of behavior and stably move forward from their current situation (Including financing for such green projects as renewable energy generation, as well as large-scale corporate financing involving third-party verification)

FY2024 results: Approximately ¥1.9 trillion (Cumulative total since FY2021: Approx. ¥5.7 trillion)

Breakdown of Financing

Investment and financing aimed at supporting or facilitating initiatives to promote social or business sustainability

Investment and financing requiring recipients to use such funds for the resolution of social issues

(Main examples)
- Sustainability Linked Loans, SME loans with conditions linked to ESG target accomplishments
- Loans aimed at facilitating social infrastructure development and regional vitalization, etc.
- SDGs Consulting Fund, Private placement SDGs promotion bonds
- SDGs- and ESG-related funds[1]

Financing in environment-related fields

Investment and financing aimed at supporting or facilitating initiatives to address environmental issues

(Main examples)
- Financing for renewable energy power generation businesses, including project finance and private placement Green Bonds
- Sustainability Linked Loans, SME loans with conditions linked to ESG target accomplishments (setting targets in environment-related fields)
- Housing loans with conditions linked to conformity with prescribed energy-saving standards
- SDGs- and ESG-related funds[1] (to help tackle environmental issues)

Review of FY2024 Accomplishments and Future Initiatives

In FY2024, the amount of funds extended in retail transition financing was approximately ¥1.9 trillion, virtually unchanged from the previous fiscal year, bringing the cumulative four-year total to roughly ¥5.7 trillion. This represented a progress ratio of 57% against our target of ¥10 trillion.

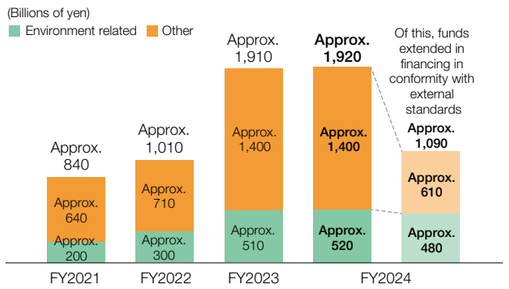
The breakdown of such financing has not changed substantially. The volume of financing in the environment-related and other fields was on par with the level recorded in the previous fiscal year, while the proportion of such financing in conformity with external sustainability standards[2] remains flat year on year. In the environment-related field, funds extended as financing in conformity with external sustainability standards, such as the Green Loan Principles, accounted for more than 90%.

With regard to the provision of non-financing solutions, we have focused on engaging with SME customers to assess the status of their initiatives to achieve carbon neutrality via interviews. These efforts, in turn, encouraged customers to utilize our simplified CO_2 emission calculation service, with the number of cases in which this service was delivered growing approximately threefold.

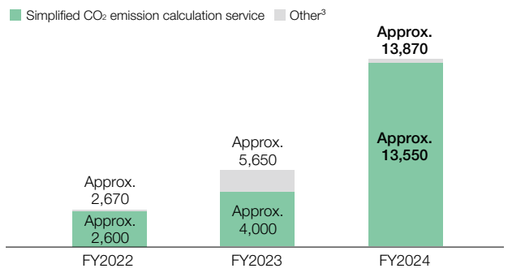
On the other hand, the number of SMEs that regularly assess the volume of their CO_2 emissions remains low. It was also confirmed that the status of their initiatives varies greatly, depending on the size of their operations.

We will continue to facilitate in-depth dialogue with customers while strengthening our ability to deliver solutions.

Amount of Transition Financing Extended



Number of Cases in Which Non-Financial Solutions Were Delivered



Indicators and Targets

Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio

Aiming for Net-zero Emissions in Terms of GHG Emissions from the Investment and Financing Portfolio by 2050

Calculation of GHG Emissions from the Investment and Financing Portfolio

Financed emissions represent indirect GHG emissions associated with investment and financing undertaken by financial institutions and account for the largest proportion of emissions attributable to such institutions' activities.

In order to promote the measurement, monitoring and reduction of financed emissions, the Group calculates portfolio-related GHG emissions volumes in accordance with standards formulated by the PCAF,[4] an international initiative, prioritizing carbon-related sectors specified by the TCFD.

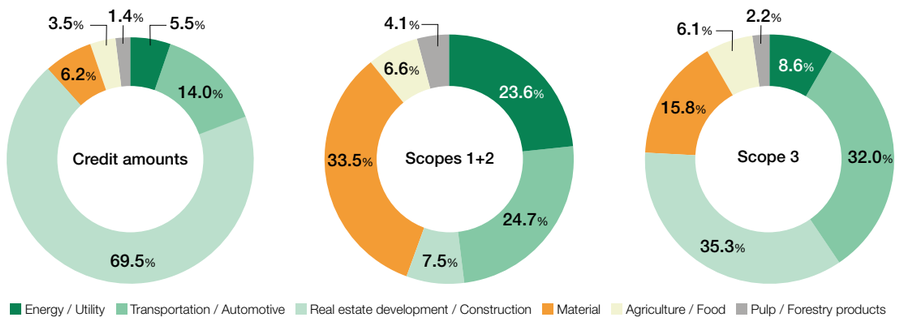
As the above calculation is performed using a simplified method based mostly on estimated values provided by the PCAF database, the Group recognizes the possibility of deviation from the actual volume of GHG emissions.

In addition, loans to SME customers account for the majority of the Group's loan balance. Looking ahead, we will promote in-depth dialogue with customers and step up our supportive efforts to act as their "running partner," with the aim of facilitating the widespread practice of emissions-related disclosure among business corporations while helping them adopt more sophisticated methods for the calculation of emissions volumes.

Financed Emissions Calculated Based on the PCAF Standards

Sector	Credit amounts (billions of yen)	Portfolio-related GHG emissions volume (Mt-CO_2e)		Measurement Scopes 1+2 Scope 3 coverage ratio (%)
		Scopes 1+2	Scope 3	
Energy / Utility	571.9	4.3	6.2	90.4
Transportation / Automotive	1,461.8	4.5	23.1	99.5
Real estate development / Construction	7,278.6	1.4	25.5	98.2
Material	644.4	6.1	11.4	96.3
Agriculture / Food	371.6	1.2	4.4	99.7
Pulp / Forestry products	143.8	0.7	1.6	100.0
Total	10,472.1	18.2	72.2	97.9

Composition by Sector



Overview of Measurement

Target assets	• Loans (corporate financing, project financing), corporate bonds
Target sectors	• Carbon-related sectors specified by the TCFD (excluding the financial sector)
Target years	• Credit amounts: Value as of March, 31, 2024 • Financial and emissions data from clients: Data available for the most recent fiscal year ended on March 31, 2024 or earlier in principle
Formula	• The volume of emissions from clients × $\frac{\text{The amount of credit extended by the Group to clients}}{\text{Total amount of loans extended to and corporate bonds issued by clients}}$ • The volume of emissions from clients is based on publicly disclosed data. When such data is unavailable, the volume of emissions is estimated using emissions factors (per unit of profit) provided by the PCAF database.

1 Investment trusts and investment advisory services run by Resona Asset Management
2 Financing in conformity with Green Loan Principles, Social Loan Principles and other standards
3 SDG-related business matching service and fee-based consulting
4 Partnership for Carbon Accounting Financials

Toward the Creation of a Sustainable Society

Indicators and Targets

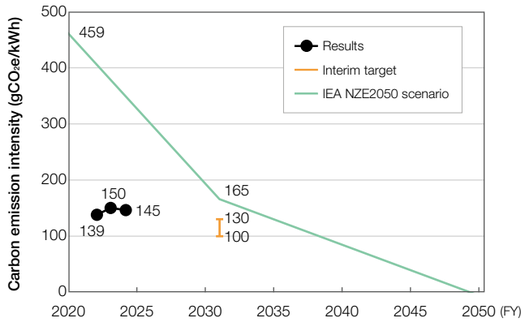
Interim Target for the Energy Sector

Carbon Emission Intensity in FY2030: 100 to 130gCO₂e/kWh

As of March 31, 2024, the carbon emission intensity of the energy sector amounted to 145gCO₂e/kWh, a decrease of 5gCO₂e/kWh year on year, yet remained below the level[1] specified under the 1.5 ºC scenario (NZE2050) for 2030.

The factors leading to this decrease included the lower emission intensity reported by a portion of clients engaged in the power business due to the resumption of nuclear power plants.

While the overall amount of investment and financing grew approximately 10% year on year, funds extended in lending to clients who specialize in emission-free renewable energy power generation continued to account for about half of this amount.



Financed Emissions Associated with the Energy Sector (as of March 31, 2024)

	Scope subject to GHG emission calculation	Indicator	Results	Amount of investment and financing	Coverage ratio[2]	Data quality score[3]
Energy (electric power)	Power generation Scope 1	Physical carbon emission intensity	**145** gCO₂e/kWh	¥347.0 billion	91%	2.2
Oil / Gas	Mining Scopes 1 to 3	Absolute volume	**0.12** MtCO₂e	¥5.6 billion	100%	2.8
Coal	Mining Scopes 1 to 3	Absolute volume	–	(Not applicable)	–	–

Support Policies for the Energy Sector

The energy sector is an infrastructure component supporting all industries as well as people's daily lives. Accordingly, pursuing the decarbonization of this sector is essential to facilitating decarbonization among our retail customers.

As the characteristics of power generation businesses differ greatly by region, decarbonization efforts must give due consideration to country- and region-specific factors. Looking at factors specific to Japan, the country's energy base is highly dependent on coal- and gas-fired thermal power generation. Moreover, there is a lack of land suitable for establishing transmission networks and renewable energy power plants.

The majority of the Group's portfolio of financing for the energy sector is accounted for by financing for domestic businesses and projects. Therefore, we will give due consideration to domestic circumstances to support the stable supply of energy even as we contribute to the widespread use of renewable energy—an essential solution for decarbonization—while helping clients achieve transition and technological innovation. In these ways, we will continue playing our part in the decarbonization of Japan's energy sector.

Dialogue and Engagement with Major Domestic Power Companies

We launched discussions with major domestic power companies engaged in loan transactions with us, with the aim of promoting decarbonization.

Main points discussed thus far

- Policies and targets for decarbonization
- The content of plans for the achievement of targets
- Status of progress in the plans and issues

Through these discussions, we learned that the current energy mix varies greatly by power company and as does their potential for renewable energy generation. We also identified a variety of issues that should be tackled to realize decarbonization even as power companies strive to maintain stable supplies of the energy needed to support the industrial and living infrastructures of regional communities.

We will maintain an accurate understanding of these issues in order to continuously extend optimal financial support to facilitate transition.

Our Stance on Lending to Coal-Fired Thermal Power Generators

The Group has established and announced its "Basic Stance on Lending," which includes a policy of abstaining from freshly extending financing for coal-fired thermal power generation, except when it finds compelling reasons to do so, such as to realize economic restoration following a disaster.

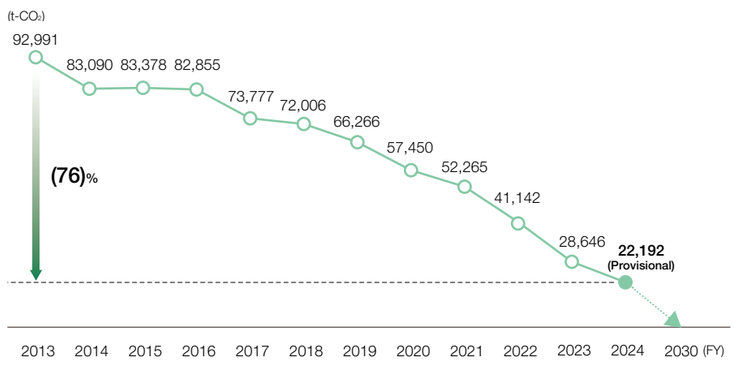
The Group also plans to reduce the balance of credits extended in connection with financing for existing coal-fired power generation projects to zero by the end of FY2035.

Indicators and Targets

Carbon Neutrality Target (Scope 1, Scope 2)

Reduce CO_2 Emissions Attributable to Energy used by the Resona Group to Net Zero by the End of FY2030

CO_2 Emissions Volume[4]



Breakdown of FY2024 Emissions (Provisional)

Scope 1	4,321
Scope 2	17,871
Emissions from energy sources	17,059
Total	22,192

Since approximately 80% of CO_2 emissions from Group operations are attributable to energy use, we initiated a phased switchover to energy procured from renewable energy sources in FY2021, starting with energy-intensive facilities.

By the end of FY2024, we had completed this switchover at more than 80% of properties for which the Company procures power supply contracts, with the rate of reduction in CO_2 emissions amounting to 76% (provisional; compared with the FY2013 level).

In FY2023, we became a member of the "GX League" promoted by the Ministry of Economy, Trade and Industry and formulated interim emission reduction targets for FY2025.

Going forward, we will continue to promote energy-saving activities across the board to curb the financial impact of the current surge in energy prices and offset costs associated with the switchover to renewable energy to ensure that we can lead the way in the energy transition of our own operations.

Interim Targets for FY2025

Items		Interim targets
Scopes 1+2		From the FY2013 level: (70)%
	Scope 1	From the FY2013 level: (40)%
	Scope 2	From the FY2013 level: (80)%

Obtaining a Third-Party Assurance

Every year since FY2020, our data regarding the volume of CO_2 emissions (Scopes 1 and 2) has been verified by an independent third-party assurance organization. Continuing this process, we plan to obtain a third-party assurance for data regarding the volume of CO_2 emissions in FY2024.
https://www.resona-gr.co.jp/holdings/english/sustainability/data/esg/

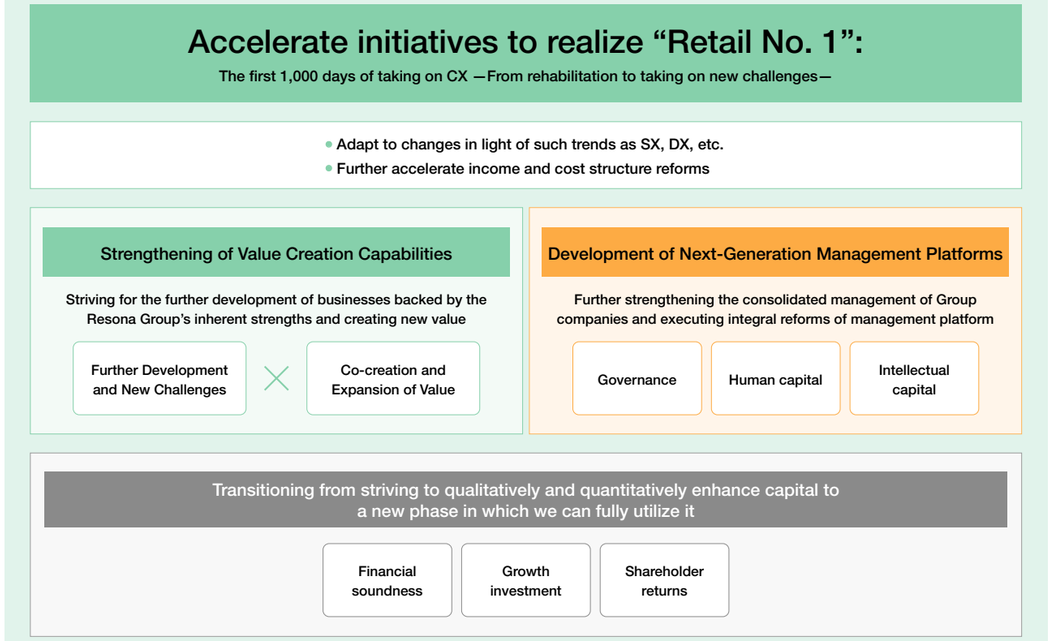
1 Comparison with the estimated carbon emission intensity of 165gCO₂e/kWh for 2030 under the NZE2050 (WEO2022)
2 Sector-based ratio, based on the volume of lending
3 Data quality score defined by the PCAF
4 Scope 1 and Scope 2 CO_2 emissions attributable to Group banks are calculated based on methods stipulated by Japan's Energy Saving Act for statutory periodic reporting. Figures for FY2019 and earlier are calculated by multiplying emissions volumes by the basic emission factors of each electricity supplier. Figures for FY2020 and later are calculated by multiplying emissions volumes by the adjusted emission factors of each electricity supplier. CO_2 emissions attributable to fuel consumption by Company-owned cars are determined via a simplified calculation method using the Group's annual fuel costs and publicized figures for the annual and national average price of gasoline and the emissions coefficient.

Overview of and Progress under the Medium-Term Management Plan

Overview of and Progress under the Medium-Term Management Plan

The current medium-term management plan (MMP) spans from FY2023 to FY2025. The Resona Group has defined this three-year period as "the first 1,000 days of taking on corporate transformation (CX)" to accelerate the realization of "Retail No. 1." Specifically, we are striving to further accelerate income and cost structure reforms while adapting to changes attributable to such trends as sustainability transformation (SX) and digital transformation (DX). To this end, we have identified two pillars of the MMP: (1) strengthening of value creation capabilities and (2) development of next-generation management platforms. The first pillar aims to further develop our businesses backed by inherent strengths nurtured over the course of our Group's history specializing in the retail field as we take on the challenge of creating new value. The second pillar involves further strengthening the consolidated management of Group companies and executing integral reforms of management platforms.

Overview of the MMP



With the regard to the "Strengthening of value creation capabilities," our Group banks are delivering solutions optimized to suit the characteristics of the customers and regions they serve as part of the further development of our business. In FY2024, the balance of corporate loan totaled ¥21.2 trillion, coming close to ¥21.3 trillion, our target for FY2025, the final year of the MMP. This was thanks to the success of our efforts to meet the emerging funding needs of customers who seek to secure enhanced working capital to counter modest inflation or strive to execute capital expenditure to address structural changes due to growing public interest in GX, SX and CX as well as pressing labor shortages. In this final year, we will strive to achieve ¥22.7 trillion in the balance of corporate loan and thereby go beyond our MMP target for this indicator.

As part of the creation of new value, we released "Resona PayResort+" in April 2024 and we have begun managing a CVC fund worth ¥13.0 billion. This move was the result of the strengthened capital and business alliance with Digital Garage and is intended to secure an even closer partnership in the settlement and financial field as the two companies jointly promote open innovation via the development of next-generation fintech business and the execution of startup investments.

In addition, through the expansion of our financial digital platform we are constantly working to ensure a diverse range of businesses are able to access services that go beyond the conventional framework of finance. To date, we have made our banking apps available to customers of the Mebuki Financial Group and The Hyakujushi Bank while enabling The Bank of Yokohama and The 77 Bank to handle our fund wrap. In November 2024, The Juroku Bank joined the ranks of external partners that handle the fund wrap. As a result, the number of downloads of our banking apps amounted to 1.98 million as of March 31, 2025. This represents an increase of 0.42 million downloads year on year. At the same time, the balance of the fund wrap totaled ¥114,4 billion, up ¥23.6 billion. As such, we were able to expand the breadth of our business operations to reach out to an even broader customer base outside the Resona Group.

As part of the "Development of next-generation management platforms," we completed the integration of Minato Bank's back-office operations and systems in January 2025. This integration is expected to help us develop a foundation for supporting the transition to a single platform as well as leverage a Groupwide approach to expanding the scope of products, functions and services to be delivered to customers.

On the back of technological advances and with the diversification of individuals' perception of work and workstyles, we are striving to create a worker-friendly environment as well as to enable employees to shift away from repetitive low-skilled jobs to workstyles designed to maximize value individuals can create via the use of collective knowledge afforded by teamwork. To this end, we established the Workstyle Innovation Office within the Group Strategy Division. Over the course of the final year of the current MMP, we will push ahead further with cost structure reforms in both system and workstyle aspects.

In FY2024, the second year of the current MMP, we made generally steady progress under said MMP. Net income attributable to owners of parent amounted to ¥213.3 billion, while consolidated core income totaled ¥175.7 billion. These indicators exceeded our MMP targets by 37.6% and 14.8%, respectively. The consolidated cost income ratio was 64.2%, while ROE (based on total stockholders' equity) amounted to 9.3%. The CET1 capital ratio was 10.1%, just in line with our target under the MMP, even as we made ongoing progress in the utilization of capital. The total shareholder return ratio amounted to 45.8% against our target of around 50%. In addition, we have successfully maintained Resona Holdings' inclusion into all the domestic ESG stock indices selected by the GPIF.

Reflecting the expansion of growth investment, we have also seen a steady stream of positive outcomes from initiatives and strategies undertaken since FY2023, the first year of the MMP. Specifically, in the face of a rapidly changing interest rate environment and other external factors, we focused on enhancing fee income while expanding net interest income, with these two principal income sources bolstering expansion in gross operating profit. We also strove to deliver such digital-driven solutions as the Resona Group App while providing customers with the kind of added value that can be afforded only by face-to-face channels backed by a manned branch network that is largest of its kind in Japan. In these ways, we have secured a robust deposit base with strong retention, which, in turn, provides us with a foundation for expanding the loan balance and enhancing securities management. This is how we have successfully increased net interest income. Starting with addressing issues customers are confronting, we have taken a proactive approach to delivering diverse solutions. In doing so, we have been able to accumulate high-quality fee income from AUM, the settlement business, corporate solutions and other sources.

Progress Relative to KPIs under the MMP

1 Net interest income from domestic loans and deposits + Interest on yen bonds, etc. + Fee income + Operating expenses. FY2023 and FY2024 results are calculated on an actual basis, excluding expenses recorded by Resona Leasing
2 Net income attributable to owners of parent / Total shareholders' equity (simple average of the balances at the beginning and end of the term)
3 Based on the full enforcement of the finalized Basel 3 regulations under the international standard; excluding net unrealized gains on available-for-sale securities
4 FTSE Blossom Japan Index, FTSE Blossom Japan Sector Relative Index, MSCI Japan ESG Select Leaders Index (until FY2022; transitioned to "MSCI Nihonkabu ESG Select Leaders Index" from FY2023); S&P/JPX Carbon Efficient Index Series, MSCI Japan Empowering Women Index (WIN), and Morningstar Japan ex-REIT Gender Diversity Tilt Index

Development of Next-Generation Management Platforms

Human Resources

CHRO Message

CHRO: Chief Human Resource Officer

Itaru Kuki
Group CHRO and Executive Officer,
Resona Holdings

The issues customers and regional communities confront are constantly becoming more diverse and complex, necessitating more sophisticated solutions and the Resona Group needs to be capable of providing optimal solutions and value. To that end, we must ensure that our employees feel fulfilled in their jobs and are able to attain personal growth. Human capital management is a ceaseless endeavor. In line with changes in internal and external environments, the Resona Group will constantly seek innovation, keeping pace with its employees' pursuit of personal growth.

Aiming for Value Creation and Well-Being

Human resources are the Resona Group's most important asset. Accordingly, we promote human capital management aimed at welcoming diverse human resources who aspire to embody our Purpose and enabling all employees to realize their full potential, irrespective of gender, age, job category or other attributes, in order to maximize our organizational vitality.

We have also formulated human resource strategies (➡p. 64) to be implemented under the current medium-term management plan (MMP), which aims to realize "Retail No. 1," our Long-Term Vision, beginning with facilitating "resonance" in line with our Purpose and Corporate Mission. We are also stepping up investment in human resources to this end.

We will assist employees in their autonomous efforts to grow into professionals, with the aim of establishing a virtuous cycle of facilitating value creation and improving employee well-being.

Investment in Human Resources and Resulting Change in Employee Competencies

In this era of rapid change, it is impossible to be fully confident in the future. However, one constant remains, the delivery of new value to customers and regional communities irrespective of circumstances always starts with developing human resources.

The Group has announced its intention to invest a cumulative total of more than ¥33.0 billion in additional funds in human resources over the course of the MMP period. Thus far, the greater part of this investment has been in improving wages, developing human resources and stepping up recruitment. While wage improvement mainly consists of raises for existing employees and better starting packages for new hires, the development of existing human resources extends to helping them acquire more sophisticated specialist expertise and take on boundary-transcending learning programs. Moreover, with regard to recruitment, in addition to new graduates and partner employees, we have stepped up our focus on hiring mid-career professionals.

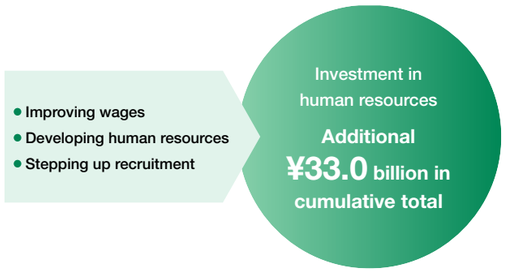
Although we anticipate that it will be some time before this investment starts yielding tangible effects, we are already seeing positive signs.

In line with our human resource strategy, we have clearly identified goals to be achieved via the use of six strategic drivers, and various initiatives are now under way. To confirm the progress of these initiatives, we have also set non-financial targets, progress toward which has been mostly stable (➡p. 65).

To ensure the effectiveness of our investment activities, we will robustly operate a PDCA cycle while considering the implementation of additional measures or the review of existing measures.

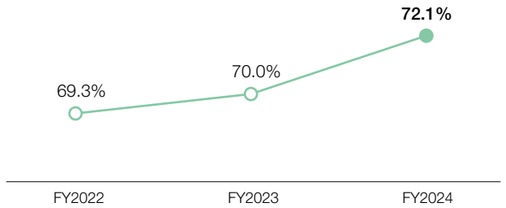
In addition, we have adopted a Well-Being Indicator as a Long-Term Sustainability Indicator, ensuring the comprehensive confirmation of employee status. This indicator is based on the ratio of positive responses in employee awareness surveys regarding the sense of fulfillment felt in work and private life. We have seen an ongoing annual improvement in this indicator.

Plan for Investment in Human Resources (FY2023 – FY2025)



Improvement in the Well-Being Indicator

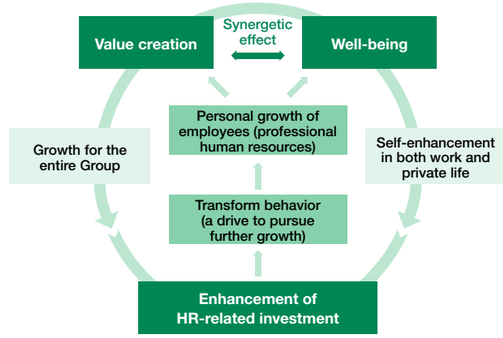
Do you feel a sense of fulfillment in your everyday work and private life?



Source: Group employee surveys

Investment in human resources is essential to securing a source of future competitiveness and, therefore, it must be undertaken constantly. Our investment in this area is intended to encourage a behavioral transformation among employees even as they gain greater professional skills. This is how we will realize a sustainable virtuous cycle of facilitating value creation and improving employee well-being as outlined in our human resource strategy.

Looking ahead, we will strive to develop an environment in which everyone can work vibrantly to bolster the Resona Group's ability to create value that goes beyond finance based on resonance between diverse professional human resources and partners within and outside the Group. In this way, we will continue to take on new challenges in order to play an even greater role in creating a prosperous future for all stakeholders.



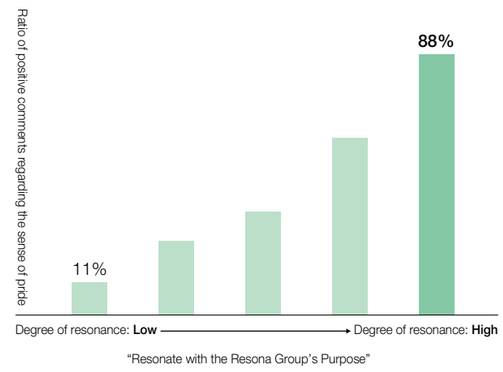
Professional Human Resources Resonate with Each Other when Pursuing a Common Purpose

We deem it important to empower employees to take on new challenges by helping them understand and resonate with the Purpose as they strive to create a brighter future for customers and society as a whole. Over the course of the two years since its establishment, our employees seem to have developed a deeper understanding of the Purpose, thanks in part to messages issued by top management and workshops held by each business unit.

In fact, in the recent round of employee awareness surveys, a growing number of respondents used the provided blank spaces to submit positive comments on the Purpose, providing feedback attesting to the sense of pride and fulfillment they gain from their jobs. We have also confirmed that this positivity correlates with the degree of resonance with the Purpose indicated by the respondents.

We hope to empower professional human resources to both individually and together resonate with the Purpose, "Beyond Finance, for a Brighter Future." In this way, we will maximize our value creation capabilities.

Resonance with the Purpose × Employees' Pride in Resona



Upgrading the Group's Personnel System

Japan's labor supply capacity is diminishing due to an aging population, a lower birthrate and other factors, making it more difficult for businesses to secure human resources. As such, the environment surrounding corporations is radically evolving.

To adapt to this major change in the business environment, we are transitioning to a new personnel system. This personnel system, applicable to all Group members, is designed to address the following two key points: "wages for employees must be commensurate with value created via their duties" and "accommodate diverse perspectives on work." As we aim to accelerate the realization of a virtuous cycle of facilitating value creation and improving employee well-being as envisioned under our human resource strategy, we set a goal of completing this transition by the end of FY2026.

In line with the concept that "wages for employees must be commensurate with value created via their duties," we intend to encourage employees to take on new challenges as well as self-directed learning so that they can achieve personal growth together with the Company. To this end, we will finely tune the level of wages granted to each employee based on the value they deliver to customers and society in the course of their efforts to practice the Purpose, "Beyond Finance, for a Brighter Future."

To "accommodate diverse perspectives on work," we need to provide employees with a diverse range of career options and allow them to make their own choices in line with their value systems and career orientations. This is important as we aim to help every employee find fulfillment in their work. Through these efforts, we will develop an even better working environment in which diverse human resources can thrive while doing our utmost to support individuals who aspire to attain personal growth and realize their career goals.

Furthermore, we will take good heed of what employees say as we engage them in dialogue, with the aim of developing a personnel system genuinely capable of creating a sustainable virtuous cycle that facilitates value creation and improves employee well-being.

Development of Next-Generation Management Platforms

Human Resources

Strategic Investment in Human Resources and Relevant Initiatives

- We still greatly value the reform-oriented corporate culture we developed in the course of overcoming the “Resona Shock” as an unchangeable foundation. To achieve further breakthroughs, we are increasing our investment in strategic drivers that have been set and constantly updated in step with changes in the internal and external environments.
- Backed by investment in these drivers, we are pursuing various initiatives aimed at encouraging a behavioral transformation among employees and the pursuit of personal growth. Ultimately, we aim to nurture three types of resonance, as discussed below, as strategic pillars. Thus, we are striving to realize a virtuous win-win cycle that brings benefits to both the Company and employees by facilitating value creation and improving employee well-being, with the aim of realizing “Retail No. 1,” our Long-Term Vision.

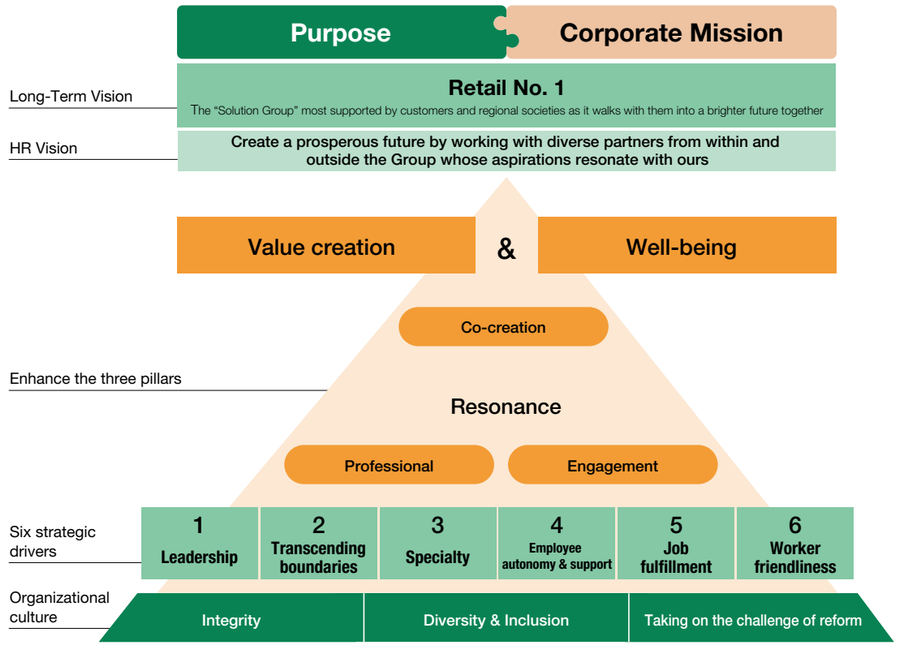
Human Resource Strategies Aimed at Supporting Our Pursuit of Value Creation as well as Employee Well-Being

Ever since the 2003 “Resona Shock,” which struck the Group immediately after its inauguration, our human resource management has been focused on practicing diversity management that empowers each and every employee to serve as a key workforce component regardless of their gender, age, job category, etc. We have formulated new human resource strategies to create “resonance” as described below based on our Purpose, as well as our Corporate Mission, with the aim of realizing our Long-Term Vision “Retail No. 1.”

These strategies target facilitating (1) resonance between employees and the Company to improve employee engagement, (2) resonance among professionals to create synergies from the combination of their expertise in various fields of specialty and (3) resonance between the Company and external partners to promote co-creation. With these three types of resonance as the pillars of our human resource strategies, we aim to realize a virtuous cycle of promoting value creation and enhancing employee well-being.

The Resona Group’s long-cherished organizational culture values integrity, promotes diversity & inclusion and embraces the challenge of reform. Building on this foundation and taking into consideration the constant evolution of management strategies and people’s perception of work, we have identified the six strategic drivers that will ensure that our culture is always up to date and relevant into the future. These drivers are (1) leadership, (2) transcending boundaries, (3) specialty, (4) employee autonomy & support, (5) job fulfillment and (6) worker friendliness. We have set goals for each of these drivers and are currently promoting initiatives accordingly.

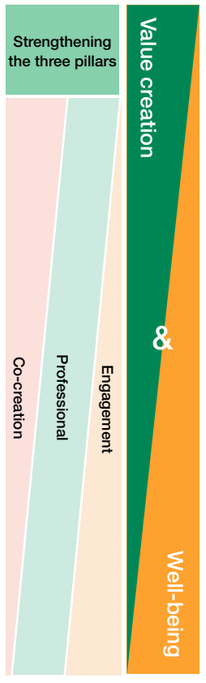
Overview of Human Resource (HR) Strategies



Goals We Aim to Achieve through the Power of Six Strategic Drivers

Strategic Drivers	Goals	Initiatives	
1 Leadership	• Push ahead further with diversity & inclusion to promote co-creation involving diverse human resources within and outside the Group • Nurture and secure leaders with diverse value systems and experience	• Assistance programs aimed at empowering women • Empowerment of mid-career hires to fill key positions • Training for selected candidates and job rank-based training	➡p. 66
2 Transcending boundaries	• Facilitate career building and networking that transcends organizational boundaries to help individual employees achieve personal growth and to enhance teamwork capabilities • Empower employees to attain further growth in a way that goes beyond finance by allowing them to spontaneously gain experience in working with partners from different cultures	• Dispatch employees to external training or second them to external entities • Employee secondment among Group companies • Alumni and referral recruitment	➡p. 67
3 Specialty	• Enable all employees to develop as professional human resources[1] • Enhance our solution capabilities through collaboration and coordination among human resources equipped with strengths in various fields of specialty	• Step up investment in human resource development • Enhance the content of support programs for those seeking to acquire skill certification • Nurture DX- and IT-related human resources	➡p. 68
4 Employee autonomy & support	• Foster an organizational culture that encourages individuals who spontaneously think, learn and take on challenges • Secure growth for both the Company and employees by providing an environment supportive of those	• In-house job-posting system • Comprehensive career support system • Introduce LMS and TMS[2]	➡p. 69
5 Job fulfillment	• Ensure that all Group workplaces allow employees to work with confidence and to express what makes them unique • Employees are able to understand the significance of their jobs in terms of contribution to the Company and society as a whole and achieve tangible personal growth and career fulfillment	• Entrenchment of the Purpose • Invigorate communications (via one-on-one meetings, etc.) • Improve wages	➡p. 70
6 Worker friendliness	• Enable each employee to strike a work-life balance • At the Resona Group, each employee is assured of a workplace that will support their emotional and physical health over the long term	• Workstyle reforms • Help employees engaging in child rearing or nursing care as well as those battling diseases, etc., strike a balance between work and private lives • Health management	➡p. 71

Non-financial targets[3]	Actual				Targets	
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2030
Ratio of female line managers	30.5%	31.4%	32.8%	34.4%	33%	40%
Ratio of mid-career employees to the overall number of managers	9.5%	10.2%	11.7%	13.1%	13%	18%
Ratio of mid-career employees to the number of newly appointed senior managers, including those from different sectors[4]	32%	42%	44%	59%	60%	100%
Number of human resources with highly specialized expertise[5]	2,438	2,481	2,468	2,520	2,650	3,000
Cumulative total number of individuals selected via in-house job postings (FY2021 – FY2030)	366	684	1,194	1,991	2,583[6]	4,000
Ratio of positive responses in employee awareness surveys						
(i) A sense of fulfillment in work	68%	66%	69%	70%	↗	⇗
(ii) Openness of workplace communications	79%	79%	80%	81%		
Ratio of annual paid leave utilized	76.4%	77.6%	83.1%	87.9%	85%	88%



1 Individuals equipped with strong specialist skills enabling the resolution of issues customers are confronting and with a personal dedication to enhancing customers’ happiness
2 LMS: Learning Management System; TMS: Talent Management System
3 Of companies in the scope of consolidation, applicable to Resona Holdings, Resona Bank, Saitama Resona Bank, Kansai Mirai Financial Group (until the end of FY2023), Kansai Mirai Bank and Minato Bank
4 Individuals in overseas assignments or dispatched or seconded to external entities
5 Number of individuals with high-ranking certification acquired via in-house specialist training courses or similar certification
6 Upwardly revised from the FY2025 target of 1,750 in light of FY2024 results

1 Leadership | Nurturing Diverse Leaders

We are striving to secure a diverse portfolio of human resources who can serve as leaders and, to this end, nurturing candidates with varying attributes in terms of, for example, gender, experience and age. These endeavors are aimed at facilitating a greater degree of entrenchment of D&I in our workforce and promoting the co-creation of value among diverse human resources from within and outside the Group.

Specifically, we provide job rank-based training programs designed to help employees enhance their management and leadership skills as well as other training programs for selected candidates. We also enable employees to work in tandem or interact with those with different cultures through secondment and external training. Moreover, we conduct 360-degree feedback sessions that provide multifaceted assessments aimed at improving employees' self-awareness and updating their perception of their duties. In these ways, we offer a diverse range of training opportunities in a way that gives due consideration to each employee's competencies and aptitudes.

Empowering Women to Achieve Success

In addition, our targets for the development and promotion of female leaders are included in our Long-Term Sustainability Indicators. We consider women's empowerment a matter of particular importance and therefore provide female workers with ongoing career development assistance.

Our specific initiatives to this end include a mentoring system through which female employees who have been newly appointed as senior managers are given appropriate support touching on aspects of their duties and emotional health. We also offer leadership training to foster our female employees' career awareness. Furthermore, we introduced a trainee system designed to prepare them for the challenge of handling unfamiliar operations.

Today, a growing number of female employees are being promoted to the post of group leader (GL), a position equivalent to that of deputy manager, to take on new missions. In FY2024, we held a networking seminar for female Head Office GLs aimed at encouraging the nurturing of the closer peer connections necessary to ensure the smoother execution of tasks.

Looking ahead, we will implement these and other initiatives to create an organization that empowers women to play key roles in an even broader range of fields as part of efforts to create new value.

Networking Seminar for Female Head Office GLs

We held a joint networking seminar for female Head Office employees who have just been promoted to the post of GL at four Group banks. This event was followed by an exchange meeting attended by presidents and officers from these banks. In this way, we helped participants build networks among them so that they can be better motivated to pursue, and develop keen awareness toward, career advancement.

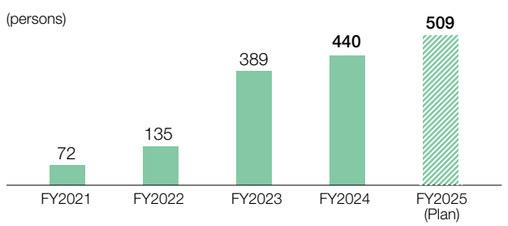
Recruiting Mid-Career Hires

Also, as part of efforts to secure specialist human resources and promote diversity & inclusion, we are focusing on recruiting mid-career hires. As a result, we have seen a steady increase in the number of mid-career hires who leverage their skills and experience accumulated at external corporations to play active roles as managers.

We are stepping up initiatives to support mid-career hires who have been part of our workforce for the time being. These range from training programs to exchange meetings. Reflecting this, the ratio of mid-career hires among managers rose to 13.1%, up 1.4 percentage points year on year, in FY2024.

We are thus endeavoring to enable these human resources to leverage the fresh perspectives and unique insights they have acquired since entering the workforce from external companies.

Annual Number of Mid-Career Hires Entering the Group



2 Transcending Boundaries | Familiarizing Employees with Diverse Value Systems and Developing Interpersonal Networks

Boundary-Transcending Programs

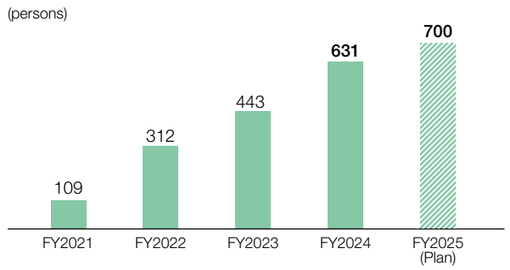
We aim to enable employees to acquire fresh perspectives and expand their openness to different cultures while helping them develop diverse interpersonal networks that promote co-creation. Accordingly, we offer them opportunities to gain experience that transcends the boundaries of the business units they belong to and interact with peers within and outside the Group.

For example, we implement secondment programs that place employees at external corporations and government agencies or enroll them in university graduate schools in addition to conducting co-creation activities involving collaboration between Resona Group employees and human resources from different sectors to help them gain experience in the development of new businesses. When determining where we will send an employee, we take into account that employee's competencies and aptitudes. In addition, as part of efforts to assist employees in their pursuit of self-motivated learning, in FY2021 we introduced an in-house posting program that sends employees to external business schools. Furthermore, we annually enhance the lineup of boundary-transcending programs based on in-house postings as we proactively provide whoever puts themselves forward with these and other opportunities to interact with people from external corporations.

We also hold roundtable talks attended by individuals with boundary-transcending experience. These events enable those who have first-hand experience to communicate to their colleagues how and why transcending boundaries can be fascinating, the lessons they have learned and how the experience has contributed to personal growth. This, in turn, leads to a virtuous cycle of encouraging other employees to put themselves forward to take on new challenges. Having set a non-financial target for the number of people who have transcended boundaries among newly appointed senior managers, we have seen steady growth in the representation of such individuals not only at the management level but also across the entire workforce. In this way, the Group is moving forward toward its vision.

Furthermore, we constantly allow Group companies to second their employees to one another. Through the robust exchange of human resources, we are giving employees opportunities to gain new experience and achieve personal growth even as we strengthen the integrated management of the Group.

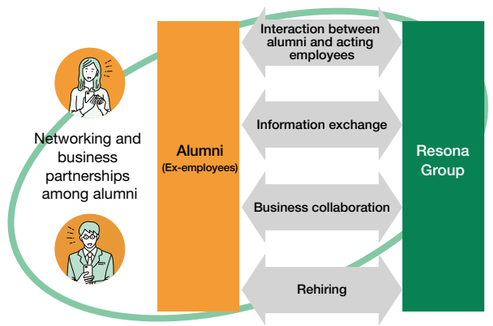
Participants in External Training



Developing the Alumni Network

The Resona Group maintains an alumni recruitment system that allows ex-employees who have gained experience outside the organization to rejoin and play key roles in the workforce. In March 2024, we established the alumni network to cultivate deeper two-way lines of communication with former employees. In these ways, we not only maintain a mechanism for alumni to rejoin the Group but also strive to cultivate diverse connections with them with the knowledge that they could one day become our customers or even business partners with whom we have transactional or collaborative relationships or alliances. Our aim in such endeavors is to ensure that Resona Group employees and ex-employees together achieve growth through the creation of a career network transcending organizational boundaries, with the aim of expanding our human capital, which will in turn, support the co-creation of new value.

Creation through Co-Creation of New Value via the Alumni Network



3 Specialty | Nurturing and Securing Professional Human Resources Capable of Addressing Diverse Issues

The Resona Group is striving to enable all employees to become professional human resources, namely, individuals equipped with strong specialist skills enabling the resolution of diverse issues customers are confronting and with a personal dedication to enhancing customer happiness. To that end, we focus on helping employees enhance their strengths in their fields of specialty via on-the-job training (OJT) and other in-house and external training programs while promoting reskilling in step with the times. Currently, reskilling initiatives are under way to enable employees to obtain DX, SX and AML/CFT knowledge as well as to raise their practical capabilities to handle matters in these areas. These initiatives also involve holding seminars themed on generative AI and the introduction of a cutting-edge learning system.

Number of Employees with Certification (as of March 31, 2025)

FP 1st grade	FP 2nd grade	SME management consultant	Social insurance labor consultant
1,374	13,775	117	104

Real estate notary	Pension actuary	IT passport	AML/CFT standard
5,865	55	5,089	16,171

Nurturing Human Resources with Highly Specialized Expertise

We are aware of the need to secure and nurture human resources equipped with the highly specialized expertise they need to offer in-depth consulting to customers seeking to resolve the increasingly diverse and complex issues they are confronting. Based on this awareness, we have set a target of raising the number of such human resources to 3,000 by the end of FY2030 and are stepping up human resource-related investment to this end.

In FY2024 we recruited an even greater number of specialist human resources, mainly mid-career hires. In addition, we enhanced our line-up of supportive systems designed to encourage employees to acquire certification requiring highly sophisticated expertise while introducing a team learning system as part of efforts to develop a learning environment for those wishing to engage in self-directed studies.

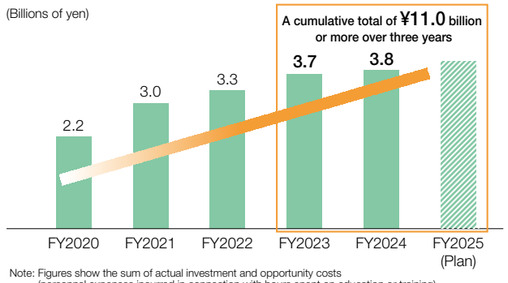
Despite a decline in overall headcount reflecting the retirement of elderly employees, fluctuations in staff composition by age group and other changes, the number of human resources with highly specialized expertise increased year on year in FY2024, thanks to the ongoing initiatives described above as well as enhanced investment in human resource development and other factors.

In particular, the number of specialists has been growing among employees 40 or younger. In fact, such human resources now account for ever larger proportions of the workforces of Group companies within the scope of calculation. Along with recruitment, this reflects a steady increase in the number of employees earmarked for in-house specialist courses, further enhancing the robust pool of candidates who will potentially grow into human resources with highly specialized expertise.

Indicators Related to Human Resources with Highly Specialized Expertise

Item	FY2022	FY2023	FY2024
Human resources with highly specialized expertise (Proportion in workforce)	2,481 (9.7%)	2,468 (9.8%)	2,520 (10.0%)
40 or younger	653	670	687
Earmarked for in-house specialist courses	952	1,062	1,186

Funds Invested in Education and Training



Note: Figures show the sum of actual investment and opportunity costs (personnel expenses incurred in connection with hours spent on education or training)

Nurturing DX- and IT-Related Human Resources

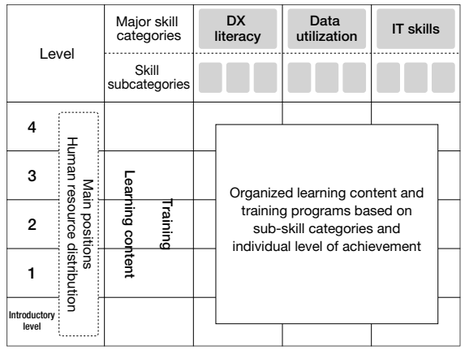
For the Resona Group to execute its digital strategies, it is essential to enhance the overall digital skills of its workforce in addition to its pool of DX- and IT-related human resources. Accordingly, we have been engaged in ongoing efforts to this end.

For example, we updated learning content and training programs by classifying necessary subjects into three categories, namely, DX literacy, data utilization and IT skills, to effectively enable employees to raise their digital skills in line with their respective goals and levels of achievement.

In FY2024, we conducted such initiatives as implementing "digital skill certification tests" and holding seminars themed on generative AI, both of which are available to all employees, in addition to continuing with the activities discussed above.

Looking ahead, we will step up initiatives to help employees improve their digital skill levels.

Composition of Our Programs for Developing Human Resources with Digital Skills



4 Employee Autonomy & Support | Assisting Every Employee in Their Autonomous Pursuit of Career Development

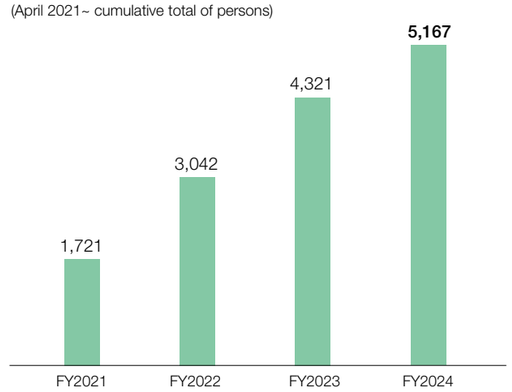
To encourage employees to autonomously pursue career development, we instituted a comprehensive career support system in conjunction with the 2021 introduction of the multipath personnel system. This career support system aims to help employees navigate through various career development processes (learning about available career options, seeking consultation on career development and taking action to realize career goals).

As part of Career College[1] programs designed to accommodate the needs of those who want to learn about available career options, we introduced one-on-one dialogue sessions and internship programs. For employees about to take action to realize their career goals, we expanded options available via in-house posting programs to support those willing to be seconded to external companies or otherwise transcend boundaries. In these ways, we have upgraded, year by year, assistance measures for employees who autonomously take on challenges.

Empowering every employee to pursue autonomous career development and work with a sense of fulfillment is key to securing sustainable improvement in corporate value. We will continue to enhance the content of the career development assistance available, provide even more abundant opportunities to take on new challenges and otherwise step up efforts to empower our employees to realize their own career visions.

Participants in Career Collage / Fair

(April 2021~ cumulative total of persons)



Comprehensive Career Support System

Provide Assistance to Every Employee in All Aspects of Career Development to Help Them Pursue Their Personal Career Goals

Want to learn about available career options			Want to seek consultation on my career			Want to realize my career goals		
Career Guidebook	Videos showcasing possible career paths	Career College	Support extended by business unit managers	Career Advisors	Training sessions, seminars, etc.	Assistance for self-motivated learning	Training systems by course	Trainee system

Want to learn about available career options	• Held biannually, Career College programs are designed to help employees learn about the various career options available to them. Introduced one-on-one dialogue sessions and internship programs in FY2024. • The cumulative total number of participants is more than 5,000 (FY2021 to FY2024).
Want to seek consultation on my career	• We provide career design training formulated to meet needs among employees in various age groups, while business unit managers and other supervisors stand ready to provide support. • All employees in supervisor positions undergo training to enhance their career counseling capabilities. • We established counseling desks linked to advisors with career consultant certification
Want to realize my career goals	• We have developed career course-based training systems and organized the means of acquiring the necessary skills and certification for each course. • Employees formulate their own skills development plans that they share with their supervisors and that will inform their career development initiatives thereafter. • We have also made available tools that support employees' self-motivated learning efforts and have instituted a trainee system, with employees allowed to autonomously select from among several options.

1 Involving roundtable talks and workshop events held by more than 30 various departments within the Group to showcase tasks being handled at respective workplaces and communicate their attractiveness

5 Job Fulfillment

Securing an Open-Minded Workplace Environment That Allows Employees to Thrive in Their Jobs while Discovering a Sense of Fulfillment

Enabling Each Employee to Spontaneously Choose from among Career Options and Take on the Challenge of Career Development

The Resona Group aims to secure an environment in which all employees are empowered to realize their full potential irrespective of their gender, age, job category or other attributes, thereby striving to help each grow into a professional.

As a result, a multipath personnel system has been instituted, with 20 career courses now available to employees to promote the transition to a human resource portfolio with a greater focus on securing diverse workers boasting strengths in their areas of specialty. At the same time, we are encouraging employees to take on the challenge of career development in a way that leverages their unique strengths, to this end enabling them to make spontaneous choices regarding career options. Moreover, a number of the individuals recruited as mid-career hires and new graduates are earmarked for specific career courses. In this way, we strive to develop an environment in which individuals can fully leverage their competencies and strengths in their areas of specialty and earn success in their chosen business fields.

Furthermore, we are providing employees with options regarding retirement age, which can range between 60 and 65, and have made available a “senior smart employee” system that allows individuals in this age group to cut back on their working hours and days. By doing so, we ensure that each employee can spontaneously select their workstyle in their 60s. We are also allowing those past retirement age to continue working until they are 70.

In FY2026, we plan to execute the additional updating of our personnel system based on the two key concepts: “wages for employees must be commensurate with value created via their duties” and “accommodate diverse perspectives on work.”

The 20 Courses Offered Under the Multipath Personnel System[1]

01	Client relations/ Lending and FX	11	Markets
02	Services	12	Risk management
03	Business turnaround	13	Finance
04	Private banking	14	Data scientist
05	Corporate solutions	15	DX specialist
06	Management consulting	16	IT specialist
07	Real estate	17	Facility management
08	Trust/Pension	18	Legal affairs
09	Corporate planning	19	AML/CFT specialist
10	Asset management	20	Audit

Developing a Workplace Environment That Respects Diversity and Ensures a Robust Sense of Psychological Safety

Advocating for the Understanding of Diversity and Respect for Human Rights

Every year, we implement various training programs for all employees to facilitate mutual understanding among employees and create an open-minded workplace environment. These programs handle such topics as countering unconscious biases and ensuring respect for human rights, with the heads of each workplace unit serving as lecturers to help employees gain a deeper understanding of these topics.

We also distribute periodic “human rights newsletters” while soliciting “human rights awareness slogans” from employees, with prizes being granted to those whose submissions are deemed excellent. Through these and other initiatives, we provide all employees with opportunities to think about human rights and realize their importance.

Invigorating Communications

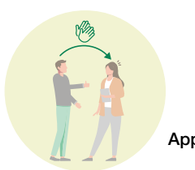
We introduced one-on-one meetings to create an open-minded workplace through the further invigoration of communication between managers and their staff and to assist the latter in their autonomous pursuit of personal growth. We also provide training for managers looking to enhance the quality of one-on-one meetings as well as improve employee engagement among their staff and better motivate them to pursue personal growth. Furthermore, since 2003 we have hosted town hall meetings in which employees and members of top management exchange opinions. These face-to-face dialogues provide opportunities to ensure that employees and top management share the same vector while encouraging the former to develop a sense of ownership regarding business management and otherwise acquire new perspectives.

In addition, we introduced the new communication tool “Mecha![2]” in April 2023 as part of efforts to diversify opportunities available to employees to communicate with each other, create an organizational culture that encourages them to commend one another and foster an atmosphere that ensures psychological safety.

Initiatives Undertaken over the Past Two Years Using Mecha!

Number of posts commending colleagues

Approx. 85,500



Number of likes attached to such posts

Approx. 2,800,000

1 The system is open to employees at Resona Bank, Saitama Resona Bank and some other Group companies
2 Used by employees at Kansai Mirai Bank, Minato Bank and their affiliates

6 Worker Friendliness

Developing an Environment in Which Employees Can Work with Confidence and Strike a Work-Life Balance while Promoting Health Management

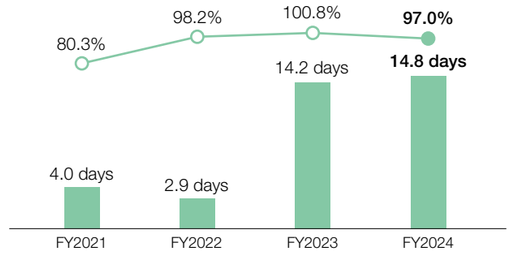
Helping Employees Strike a Balance between Work and Family Duties

To develop an environment supportive of employees striving to strike a balance between work and child rearing, we maintain childcare-related leave programs while enabling eligible employees to opt for cessation from work or to shorten their working hours for child rearing.

At the same time, to aid in the smooth reinstatement into the workforce of employees returning from childcare leave, we have introduced a program that includes various seminars. In addition to designating the first 14 days of postnatal paternity childcare leave as paid leave, we have upgraded various supportive systems while constantly striving to raise the awareness of employees regarding the importance of striking a balance between work and child rearing. As a result, the ratio of eligible male employees who have opted for cessation from work for child rearing remains high.

In FY2024, we also lengthened the period in which employees can shorten their working hours or enjoy other special arrangements to secure time to engage in child rearing or nursing care. At the same time, we have begun providing new allowances and otherwise enhanced the volume of wages as they strive to be paid to employees who need economic support to strike a balance between work and child rearing. In these and other ways, we have constantly stepped up our support extended to employees striving to strike a work-life balance.

Number of Days of Childcare Leave Utilized by Male Employees / Utilization Ratio



Note: In accordance with the standard stipulated by the Ministry of Health, Labour and Welfare, the ratio of eligible male employees who have opted for cessation from work for child rearing represents the ratio of individuals who began taking leave to individuals whose spouses have given birth during the fiscal year subject to calculation. Accordingly, resulting figures may exceed 100%.

Health Management

For the Resona Group to enable all employees to realize their full potential, it is essential to help them maintain and improve their emotional and physical health while creating a comfortable and hygienic workplace environment. Accordingly, in FY2023 we announced the Health Management Declaration, clarifying our intention to promote health management via concerted efforts involving the Company, the Health Insurance Association and employees. To inform our health management strategies, we have also created a map illustrating connections among challenges to be addressed via health management, the expected effects of health management and specific initiatives. Currently, we are verifying the effects of these initiatives by collecting various numerical data.

Health management	• We not only implement legally mandated periodic checkups but also provide comprehensive medical checkups at Company-designated healthcare facilities to employees in their 35th year and, in years when their age is an even number, to those over 40.
Mental healthcare	• Conduct stress checks while providing interviews with industrial physicians based on findings from the collective analysis of stress check results. • Provide various training programs on self-care and line-care while conducting one-on-one meetings
Help employees raise their health literacy	• Host business school programs focused on various health-related topics and walking events • Began holding physical fitness measurement events for employees in FY2024 • Distribute monthly “health news” themed on sleeping, exercise habits, lifestyle diseases and other topics under the supervision of industrial physicians
Foster a sound workplace environment	• Assign staff specializing in industrial health and tasked with offering health-related support in addition to appointing industrial physicians • Smoking has been banned during working hours since April 2020
Development of the relevant structure	• Develop a promotion structure supporting Groupwide collaboration • Utilize a health management system

Countermeasures against Harassment

We deem it important to maintain a workplace free of harassment so that each employee can stay emotionally and physically healthy as they work. Accordingly, we are updating preemptive initiatives based on the “Harassment Prevention Guidelines.” Specifically, we provide all employees with an e-learning program titled “harassment prevention training” to ensure they are well-versed in how to best prevent sexual harassment and power harassment. We also distribute periodic “Harassment Correspondence.”

Moreover, we announced our “Customer Harassment Response Policy,” in line with which we take a firm, organization-spanning stance against acts that constitute customer harassment. In doing so, we strive to develop a workplace environment that allows employees to work with confidence.

Supporting Employees’ Financial Wellness

We also aim to help employees resolve anxieties regarding their finances and livelihoods and ensure an environment in which they can work at the Resona Group over the long term with confidence, believing that doing so will contribute to both their well-being and higher productivity. Based on this belief, we have introduced systems to support their asset formation efforts and encourage them to appropriately utilize such systems, empowering them to gain robust financial literacy and otherwise supporting their asset management efforts.

Asset formation support	• Pension (corporate DB/DC + matching contribution) • Employees shareholding association (ESOP trust and subsidies) • Asset formation savings
Asset management support (education)	• Implement sessions on various asset formation support measures as part of new recruit training • Implement annual investment education for all employees (e-learning) • Distribute an asset formation guidebook for employees

Note: Other measures include providing loan conversion assistance to help employees secure financial stability as well as making various welfare programs available to them in step with life events

Development of Next-Generation Management Platforms

Human Resources

Value Creation Initiatives Undertaken by Diverse Human Resources

- Since its inauguration, the Resona Group has promoted “diversity & inclusion” to empower all human resources to achieve success. To this end, our Long-Term Sustainability Indicators, which set targets for 2030, include targets for the empowerment and promotion of women.
- Meanwhile, the “Resona Women’s Council,” which brings female employees’ perspectives to business management, has marked the 20th anniversary of its launch. The Council’s intentions going forward include taking heed of an even more diverse range of employees as it works to fulfill its mission of advising top management.

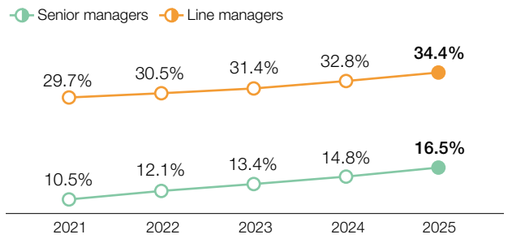
Ratio of women[1]	2021	2025	FY2030 targets
Directors and executive officers (Resona Holdings)	19.2%	11.7%	30% or more
Senior managers (5 Group companies[2])	10.5%	16.5%	20% or more
Line managers (5 Group companies[2])	29.7%	34.4%	40% or more

The Resona Group actively provides career development support to female employees, with the aim of supporting them in setting ever higher career goals.

As a result, the ratio of female senior managers, along with the ratio of female line managers, has increased at a steady pace since the targets for these ratios were set.

Meanwhile, although the ratio of female directors and executive officers at Resona Holdings has declined from the level at the time of target setting, the overall number of female officers at the five core Group companies has since increased from nine to 13.

Percentage of Female Senior Managers and Line Managers[3]



2021 Ratio of female line managers reaches 30%

2022 Resona Holdings selected to bear the Nadeshiko Brand

2015 Repayment of public funds completed
Introduced a “smart staff” system
First female officer appointed

2020 Resona Bank named one of the Leading Companies Where Women Shine and chosen to receive Minister of State for Gender Equality Award

2018 Saitama Resona Bank named one of the Leading Companies Where Women Shine and chosen to receive Prime Minister Award

FY2013 Ratio of female line managers reaches 20%[4]

2013 Resona Bank commended as one of the “Winners of the Diversity Management Selection 100”

2011 The Diversity Promotion Office established

2008 Revised the personnel system to ensure the same wage for the same work

2005 “Resona Women’s Council,” an advisory body operating directly under management, launched

2003 Injection of public funds under the Deposit Insurance Act

2002 Renamed Resona Holdings

External Recognitions

Executive Award under the 2024 J-Win Diversity Award Program
(Resona Holdings)

Received “Kirari Grand Prize” under the seventh “Osaka Prefecture Vibrant Workplaces Promoting Gender Equality” program
(Resona Bank)

Certified under the 2025 Certified Health and Productivity Management Organization Recognition Program
(Resona Holdings)

“Gold” rating under the Pride Index for the eighth consecutive year
(Resona Holdings)

“Platina Kurumin” certification
(Four Group banks)

“Eruboshi” certification
(Four Group banks)

1 The ratio of female directors and executive officers is as of June 30 in 2021 and April 1 in 2025; the ratios of female senior managers and line managers are as of April 1 in 2021 and March 31 in 2025.
2 Sum of Resona Holdings, Resona Bank, Saitama Resona Bank, Kansai Mirai Bank and Minato Bank; Kansai Mirai Financial Group was included until March 31, 2024.
3 Figures for 2021 are as of April 1, while figures for 2022, 2023, 2024 and 2025 are as of March 31.
4 Sum of Resona Bank and Saitama Resona Bank

Activities of the “Resona Women’s Council”

Since its inauguration in 2003, the Resona Group’s human resource management has been focused on practicing diversity management that empowers each and every employee to serve as a key workforce component regardless of their gender, age or job category. We stepped up this approach, aiming to become a workplace of choice for women across society while striving to remove any barriers that may cause them to give up on lasting career development. To that end, in 2005 we established the “Resona Women’s Council,” an advisory body operating directly under top management, based on a belief that updating how we manage business from the perspective of women, who account for a half of the population, is essential.

The “Resona Women’s Council” has provided top management with proposals on a variety of measures related to the empowerment of women and the support of employee efforts to strike a balance between work and private life. These proposals include those aimed at updating the workplace environment or instituting career development assistance programs, and many have been adopted and implemented. Moreover, thanks to their involvement in the above activities, a number of Council members have developed strong aspirations to take on leadership positions. Because of this, the Council has been seen as a symbol of women’s empowerment.

In recent years, the Council’s proposals have come to include a number that are not necessarily gender specific. Reflecting this, the Council was upgraded in April 2025 into the “Resona Women’s Council 2.0,” which boasts a 3:7 male to female ratio. The Council now strives to integrate a diverse range of value systems, encouraging an ever more progressive approach in terms of diversity & inclusion across the Group.

Council members at work

Examples of Tangible Measures Developed Based on Proposals from the Resona Women’s Council

Mentoring system	A system in which female employees who are selected as senior managerial candidates are assisted via mentoring by officers, branch managers and individuals other than their immediate supervisors
My Career Training	A training program designed to empower female employees to develop a stronger awareness of their ability to become candidates for managers and senior managers
Introductory Parenting Seminar	A seminar that provides expectant mothers and their spouses with advice from their senior colleagues regarding such topics as how to strike a balance between work and child rearing
Challenge Plus Activity (team learning)	An activity aimed at better motivating employees to engage in self-directed learning via the use of a team learning system that involves those who share the same objective regardless of their departmental affiliations or years of service

Roundtable Discussion among Council Members

(who were active for the April 2024 to March 2025 period)

Attendees (from left)
Yuki Hiro, Resona Bank
Asami Ozawa, Saitama Resona Bank
Yukimi Kosaka, Kansai Mirai Bank

— Why did the Council decide on “The power of value creation in blazing a path to the future for Resona” as its proposal theme?

Kosaka: The first round of Council meetings involved a learning session on Long-Term Sustainability Indicators and their background. This set the stage for in-depth discussions of “women’s empowerment” and the “Value Creation Capability Indicator,” two key issues addressed by these indicators.

Ozawa: We intended to submit proposals that benefit both employees and customers. In particular, we consider “women’s empowerment” to be an area in which we, as women, can deliver meaningful suggestions. So, our discussions have included measures to increase the number of female officers. Furthermore, based on our belief that addressing our immediate issues will also help us develop valuable proposals for customers, we have chosen the “Value Creation Capability Indicator” as an agenda item, and have therefore been deliberating on what the Group can do to counter a disaster.

— What positive takeaways have you obtained and what struggles have you faced in the course of Council activities?

Hiro: The Council’s members consisted of diverse employees holding various positions and responsible for differing tasks, thus I was exposed to a variety of opinions. I came into the discussion believing that corporate sales-related tasks, of which I’m in charge, are inherently busier than other tasks and that anyone engaged in them will thus find it impossible to strike a balance between work and child rearing. However, in the course of deliberating workstyles for corporate sales, a Council member in charge of individual customer sales repudiated my stance, stating that circumstances surrounding the staff serving individual customers are no different yet they are able to strike a balance so we, too, should be able to overcome this challenge. These remarks helped me overturn my stereotypical perceptions.

Kosaka: In the Council setting, as we were not specifically conscious of differences in position, we were able to address each other on equal footing. This was a fresh and positive experience. As we were also focused on efficiently soliciting opinions from each member at monthly regular meetings, we organized the agenda items beforehand, so as not to waste time.

Ozawa: When the Council meets in Osaka, members from other regions have to travel and use local accommodation. Knowing this, I left my office earlier than usual on the days before meetings in order to head to Osaka. I, too, am in charge of corporate sales and so need to share information on how my projects are progressing with superiors and colleagues before leaving my desk behind. I also take time to explain the situation to my customers before attending Council meetings in order to secure their understanding.

This is how I have handled my work and Council activities over the course of the year. My involvement in the Council has granted me the opportunity to learn how to manage various tasks within a limited time.

— Please share other takeaways from Council activities.

Ozawa: My involvement in the Council expanded my consciousness of the wide range of operations taking place within the Company as individual members’ regular tasks differ widely. This prompted me to think seriously about my future career.

Kosaka: I feel that I obtained a good deal of takeaways from my engagement in Council discussions involving individuals from differing departments as well as from how they came to consensus. These takeaways will certainly support my future career advancement. Before launching the first round of discussions, we were advised by the secretariat to listen closely to opposing opinions and to not simply reject them out of hand. As a result, we all strove to consciously consider what other members were saying and to respond in constructive ways. These skills will be quite helpful when we get promoted to supervisory positions.

Hiro: The Council gave me the opportunity, outside my regular duties, to think about the future of the Resona Group. This freed me to learn about the direction the Company is currently taking. Moreover, interactions with other members prompted me to develop a desire to move forward toward a type of career path that will enable me to gain new knowledge and skills.

— The Council’s membership has been refreshed with the inclusion of male members. What are your thoughts on this?

Kosaka: Women’s empowerment is not an issue for female employees alone, it is one that should be addressed by the entire Group as part of the Long-Term Sustainability Indicators. Because the subject benefits from a diverse range of opinions, I therefore believe that it must be deliberated on by diverse Council members.

Hiro: I, too, believe that developing a woman-friendly working environment requires the inclusion of male members in the discussion.

Ozawa: I agree. I expect male Council members to contribute fresh opinions that could not be afforded by a conventional female-only membership.

Development of Next-Generation Management Platforms

DX Strategy

CDIO Message

CDIO: Chief Digital Innovation Officer

Hidefumi Kawabe
Group CDIO and Executive Officer,
Resona Holdings

In an era of rapid changes like this, a single enterprise acting alone is unable to sufficiently expand the value it delivers to its customers. I therefore believe it is important to engage in co-creation through alliances with external players with outstanding functions and technologies so that we can deliver new value not only to customers but all other stakeholders.

Expanding Value Delivered to Customers via Co-Creation

In 2018, we released the “Resona Group App” for individual customers, with IBM Japan and teamLab serving as our development partners. Since then, the app has undergone steady improvement, including major updates executed in 2024. As a result, this app is now the most frequently used transactional channel for individual customers. Also in 2023, we released the Resona Group App for Business for corporate customers. This newer app brings to bear know-how we have accumulated through the operation of the Resona Group App and was created with the aim of enabling SME customers to enjoy hassle-free, more convenient transactions. Today, this app has become yet another key transactional channel for corporate customers, boasting more than 50,000 downloads as well as a steadily expanding user base.

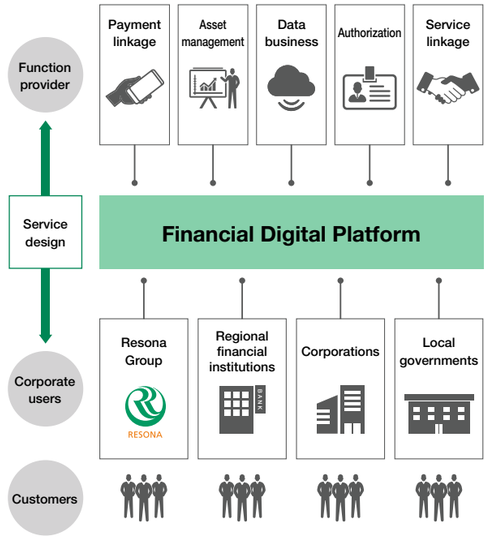
Going forward, we will continue taking on the challenge of enhancing the convenience afforded by our digital channels.

Also, in line with our desire to swiftly enhance the content of services aimed at supporting the daily lives of individual customers as well as those aimed at helping corporate customers address management challenges, we not only pursue service development in-house but engage in the co-creation of new services with our partners. For example, in the settlement field, we are enhancing our initiatives to make innovative settlement functions and technologies available to customers through a business alliance with JCB launched in 2024 and in May 2025 strengthened a business alliance with Digital Garage. Furthermore, we formed an alliance with BrainPad Inc. in the field of data utilization while entering into an alliance with SoftBank in the insurance field. Through these and other initiatives, the number of our external partners, with whom we work to deliver new value to stakeholders, is steadily growing.

Sharing Value via Our Platform

Our financial digital platform is an open, shared platform that enables the Resona Group and its partner companies to deliver value arising from their co-creation initiatives to as many people and businesses as possible. Today, the number of regional financial institutions that use this platform has steadily increased to comprise seven financial groups that include eight banks. Not only does it provide users with access to banking apps and the fund wrap, this platform also began delivering an AI-powered banking operation assistance tool incorporating know-how possessed by Resona and BrainPad regarding data analysis.

In this way, the scope of entities supporting this platform has expanded to transcend boundaries between sectors. This is, we believe, a testament to a shared passion possessed by these partners regarding the creation of a better society through the delivery of new value to customers. We will further expand equal partnerships with platform users and function contributors. This will, in turn, empower us to provide stakeholders with even better services in a swifter and more efficient manner. As a result, we expect that this platform will further enhance our competitiveness.



CPRO Message

CPRO: Chief Process Reengineering Officer

Toshiyuki Mizukawa
Group CPRO and Executive Officer,
Resona Holdings

The Resona Group now operates under a “multi-regional” structure centered around four Group banks. Based on this system, we strive to deliver value optimized to suit the characteristics of the customers and regions we serve. Simultaneously, we are tackling the important management issue of how to break away from the inherently cost-intensive mode of our retail operations in order to achieve sustainable growth. Accordingly, we are promoting frontline (branch-counter) reforms and middle- and back-office reforms with the aim of breaking away from the above structure, as well as strengthening the Group’s foundation for growth. These reforms are being undertaken in an integrated manner so that improvement in corporate value is driven by structural reforms.

Frontline Reforms: Integrating Face-to-Face and Digital Channels

As part of frontline reforms, we are accelerating the creation of new customer experience and the digital shift of transactions. Starting with addressing customer needs, we are thus enhancing “customer experience value” via the integration of face-to-face and digital channels.

Our branch-counter operations now involve the use of “Resona Group tablets,” teleconferencing-based customer reception and other expanded digital-driven functions. We thus strive to integrate consulting and other procedures, with the aim of updating customer experience. Moreover, as part of efforts to diversify our channels to accommodate customer needs, we have expanded web-based customer reception functions to enable customers to use personal devices to perform some procedures that have previously required a branch visit.

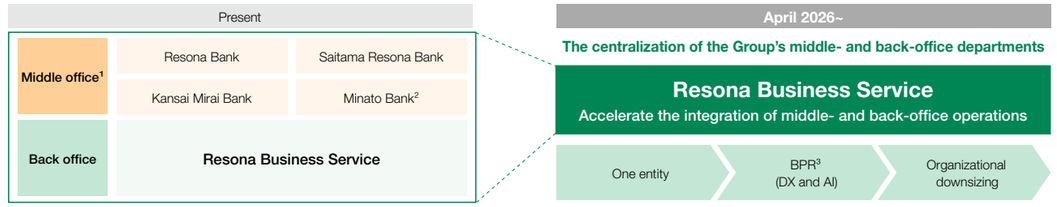
Through these initiatives, we are shifting our branches’ mission away from clerical work and toward the provision of solutions. At the same time, we are tackling frontline reforms to enable each branch to employ an optimal set of functions designed to accommodate the unique characteristics of the customers and region it serves. In addition, we will further develop DX-driven businesses to promote the digital shift in frontline transactions while making significant progress in the centralization of clerical work in middle- and back-office departments.

Digital shift in frontline transactions
Centralization of clerical work in middle- and back-officer departments

Middle- and Back-Office Reforms: Establishing a Foundation Supporting the “One-Platform, Multi-Regional Strategy”

In January 2025, we completed the integration of Minato Bank’s back-office operations and systems. As a result, we have unified the way back-office system operations are executed across the entire Group. Plans now call for merging middle-office departments (e.g., support offices) in place at Group banks with Resona Business Service in April 2026. This subsidiary, which has been commissioned by other Group entities to handle back-office operations, is expected to become the primary clerical work operator after the above organizational mergers. To this end, we are currently unifying our business processes while promoting function-based organizational realignment. In this way, we will establish a foundation supporting our “one-platform, multi-regional strategy.”

By integrating the Group’s middle- and back-office departments, we will push ahead further with centralizing clerical work, eliminating redundancies, and executing business process reengineering powered by DX and AI, with the aim of streamlining our organization and achieving higher productivity.



1 Operational Support Office (SO), Digital Support Office
2 The Operational SO for Minato Bank is already established within Resona Business Service (January 2025~)
3 Business Process Reengineering

DX Strategy

CIO Message

CIO: Chief Information Officer

Koki Katayama
Group CIO and Executive Officer,
Resona Holdings

To realize “Retail No. 1,” the Resona Group is currently promoting structural reforms of systems in a way that closely aligns with the overhaul of business processes, while pushing ahead with cost structure reforms. These reforms are expected to enable us to break away from an inherently cost-intensive mode of retail operations while helping us implement DX via the use of generative AI and other cutting-edge technologies, with the aim of developing a structure supporting the swift provision of high-value-added services to customers.

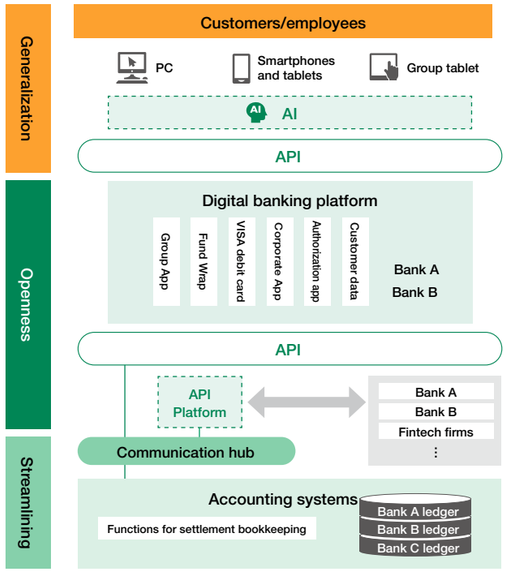
With regard to cybersecurity measures, we strive to build in safeguards against increasingly sophisticated global threats of cyberattacks. To this end, we regularly upgrade our information security structure. Through these efforts, we will maintain a safe and secure service environment that allows both in-house and external users to have confidence in our systems.

Promoting Next-Generation System via Structural Reforms of Systems

Having embarked on the final year of the second stage of these reforms under the title “Resona NEXT,” we are stably promoting 1) “generalization,” 2) “openness” and 3) “streamlining,” the respective goals of which are to stop using dedicated terminals specifically designed for financial institutions, to promote the shift to an open platform and to drastically streamline systems. The goal of these reforms is not simply to update our systems but also to strategically overhaul platforms supporting our business structure. This will, in turn, enable us to drastically improve executional speed, operational efficiency, and data utilization.

In FY2024, we completed the integration of systems in place at Minato Bank, successfully transitioning to “one platform” encompassing the entire Resona Group. This made it possible for us to deliver new customer experience value via the fusion of face-to-face and digital channels while taking a “multi-regional” service approach that accommodates differing conditions in regions nationwide.

In addition to executing the structural reforms described above, we have allocated 80% of our system-related investment budget to DX-related projects in order to develop an upgraded IT infrastructure that strategically helps us increase the pace of medium- to long-term service development. Utilizing this infrastructure, we aim to establish a structure capable of delivering the optimal and sophisticated solutions needed to resolve increasingly diverse issues our customers and society as a whole are confronting. We will do so by increasing the sophistication of our consulting-oriented sales approach while strengthening our cross-channel service structure. These are but examples of how we strive to accelerate the development of high-value-added services.



Augmenting Value Creation Capabilities via DX

We are updating in-house systems used by all employees to drastically improve the efficiency of internal operations. Along with further promoting data utilization, we are striving to integrate systems and operations in order to optimize our business processes as a whole.

Furthermore, we are shifting to the in-house development of systems while pushing ahead with the overall enhancement of employee skills related to IT and DX. In addition, we have introduced generative AI as standard for all employees. In these ways, we will not only increase the efficiency of business operations but also create new services.

The initiatives discussed above will empower each individual employee to drastically enhance their capacities and, ultimately, yield a significant increase in our organizational capability. Drawing on this increased capability, we will enhance the value we deliver to customers through the flexible and agile provision of services. This is how the Resona Group will achieve sustainable growth.

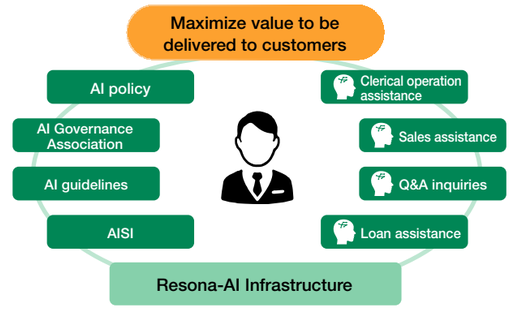
Utilization of Generative AI and the Strengthening of Cybersecurity

Business Process Reforms and Value Creation Powered by Generative AI

The Resona Group has identified the use of generative AI in business process reforms and human resource development as a strategic pillar. Through this endeavor, the Group aims to become a leading domestic company in terms of AI utilization. We will thus maximize value to be delivered to customers by updating customer experience, overhauling and streamlining business processes, and increasing the sophistication of our decision-making process.

To bolster the above, we are promoting the use of AI across the board. This goes far beyond mere operational streamlining. We have formed strategic alliances with cutting-edge tech companies while developing an AI infrastructure that all employees can access. We have also established the AI Center of Excellence (CoE) in addition to implementing in-house education focused on addressing this subject. In these ways, we are using AI to both maximize customer value and achieve sustainable improvement in corporate value.

At the same time, we intend to counter diverse risks that may arise from the use of AI, such as copyright infringement, hallucination, biases and the leak of confidential information. Accordingly, we became a member of the AI Governance Association while formulating AI risk management guidelines and otherwise clearly codifying relevant in-house rules, with all employees being properly educated on these rules. We have also established an AI policy for the entire Resona Group. As such, we have secured transparency and reliability in the use of AI, with the aim of ensuring both proper risk management and the effective utilization of AI.



Initiatives to Enhance Cybersecurity

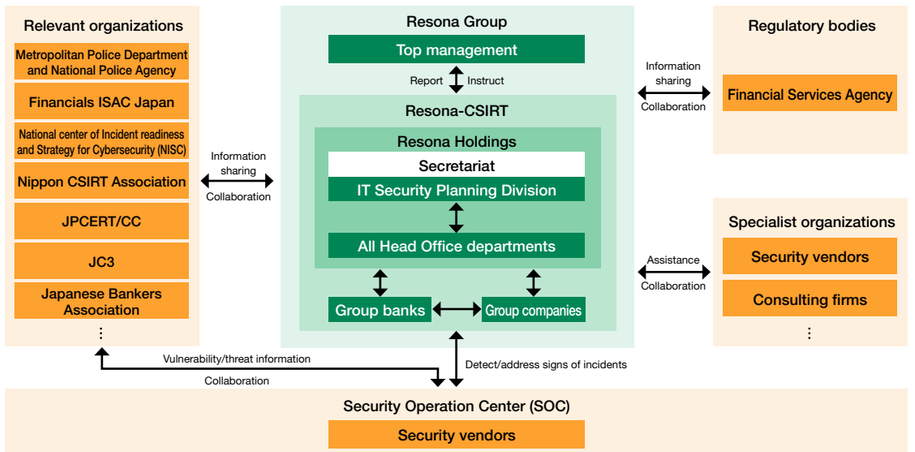
The Resona Group has positioned ensuring robust cybersecurity as one of its most important management issues. Therefore, the Group is strengthening its cybersecurity structure under the direct leadership of top management.

To enhance and upgrade our mode of IT management and governance, we established the IT Security Planning Division in April 2022. This division is currently tasked with developing a cross-organizational security management structure for the entire Group via, for example, the formulation and management of security policies, the utilization of AI, the handling of incidents, and the collection and analysis of vulnerability information.

Moreover, we formed the Resona-CSIRT to enhance our practical incident-response capabilities. This body is now serving as a Groupwide incident response team, enabling us to maintain a 24/7 monitoring structure. Furthermore, the CSIRT acts in collaboration with the Security Operation Center (SOC) when incidents occur in order to ensure swift detection, response and restoration. In addition, we work with police departments, the National center of Incident readiness and Strategy for Cybersecurity (NISC), the Financials ISAC Japan, the Nippon CSIRT Association and other external specialist organizations, with the aim of sharing threat information, undertaking collective countermeasures, and otherwise upgrading cybersecurity measures on an ongoing basis.

We are also focused on securing and nurturing human resources equipped with robust expertise in this area. To this end, we will enhance our human resource pool by stepping up the recruitment of mid-career hires while enhancing in-house education.

Today, cyberattacks are growing more malicious and sophisticated on a global basis. Looking ahead, we will accurately respond to the evolving threats of cyberattacks to constantly provide services that can be safely and securely used by our customers.



Strengthening of Value Creation Capabilities

Loan Business

Achieving a Turnaround and Expansion in Net Interest Income (NII) from Loans and Deposits Due to Growth in Both Balance and Rate

Resona's unique features
- A customer base and networks centered on two major metropolitan areas
- Full-line trust banking functions
- Customer-relations capabilities backed by our deep roots in communities

×

Changes in the internal environment
- A phase of full capital utilization
- Staff tasked with corporate lending
- FY2022: Approx. 3,150 persons
- ⬇
- FY2024: Approx. 3,350 persons

×

Changes in the external environment
- Modest inflation remains (resulting in more working capital)
- CX, SX, GX and labor shortages (growing need for capital expenditure-related funding)
- Normalization of monetary policies

Today, funding demand is expanding on diverse fronts as businesses seek to secure enhanced working capital to counter modest inflation or strive to execute capital expenditure to address such structural changes as the growing public interest in CX, SX and GX as well as pressing labor shortages.

Against this backdrop, the Resona Group has entered a phase of full capital utilization and is proactively allocating management resources to the expansion of its loan business. For example, in conjunction with the launch of the current medium-term management plan (MMP), approximately 200 employees were appointed to corporate lending as additional staff. Such moves are focused on increasing our ability to address issues customers and society as a whole are confronting in a way that takes full advantage of the following three sources of the Group's strength.

The first is our customer base centered on the Tokyo metropolitan and Kansai areas. These two major metropolitan areas boast the nation's largest concentrations of population, economic might and industry. Our networks in these regions afford us direct access to customers with burgeoning funding demand.

The second is our full-line trust banking functions. These functions enable us to deliver a diverse lineup of trust-related solutions on a one-stop basis. This helps us address the increasingly diverse issues that our customers and society as a whole are confronting and require more sophisticated solutions.

The third is customer-relations capabilities backed by deep roots in communities. Specifically, our four Group banks align their sales approaches to region-specific circumstances, each with the aim of acting as their customers' "running partner" capable of meticulously meeting their needs.

In FY2024, the annual average loan balance grew 4.8% year on year to ¥43.2 trillion. Of this, the average balance of corporate loans rose 7.8% year on year, contributing to the overall increase and we almost met our final year MMP target of ¥21.3 trillion. In FY2025, we plan to raise this balance a further 7.1% year on year to ¥22.7 trillion.

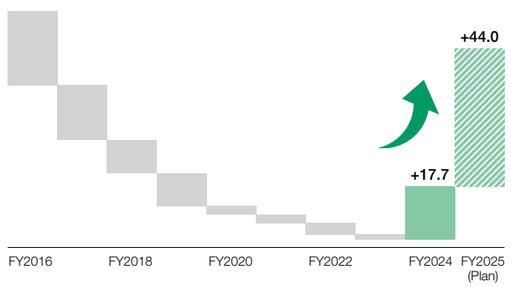
Meanwhile, the loan rate in FY2024 amounted to 0.89%, a year-on-year increase of 8bps, reflecting the continuation of appropriate pricing aligned with borrower attributes on the back of the normalization of monetary policies. In FY2025, we expect the loan rate to rise 22bps to 1.12% as we will experience the impact of the higher rate on housing loans, which lag behind other loan products in terms of upward interest rate revisions.

In FY2024, NII from domestic loans and deposits made a turnaround for the first time in 17 fiscal years, a year-on-year increase of ¥17.7 billion attributable to growth in both the balance and rate. For FY2025, we expect this indicator to increase ¥44.0 billion, indicating a greater year-on-year growth.

Looking ahead, we will continue striving to expand our portfolio of high-quality loans, which, in turn, serves as a core asset supporting our organic growth in the world with interest rates.

YoY Changes in NII from Domestic Loans and Deposits[1]

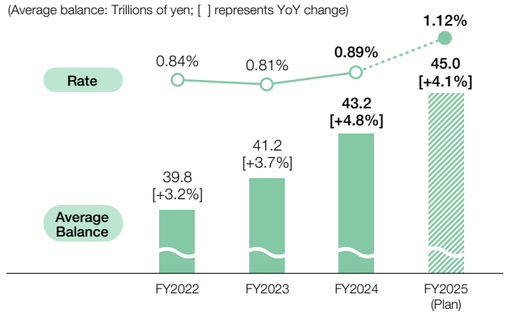
(Billions of yen)



RORA[2] (on loans)	FY2023	FY2024	FY2025 (Plan)
	2.02%	2.22%	2.76%

Trends in the Average Balance of and Rate on Loans[3]

(Average balance: Trillions of yen; [ ] represents YoY change)

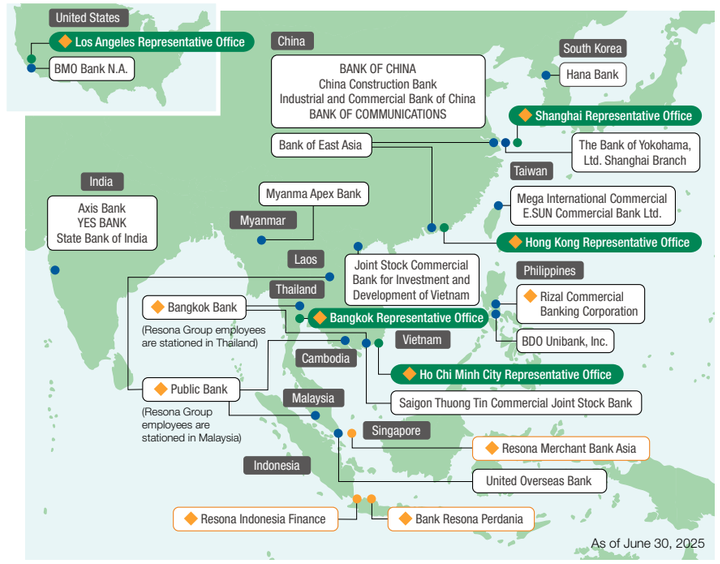


	FY2022	FY2023	FY2024	FY2025 (Plan)
Average balance of corporate loans	18.8 [+2.1%]	19.6 [+4.1%]	**21.2 [+7.8%]**	**22.7 [+7.1%]**
Year-end balance of funds extended to support capital expenditures	2.94 [+3.1%]	3.12 [+5.9%]	3.32 [+6.4%]	

1 Total of Group banks, banking-book basis (including NCDs)
2 Loan income / Loans RWA (average of initial and year-end balance)
3 Total of Group banks

International Business

Help Customers Align with Changes in the Business Environment via the Use of Our Overseas Network



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

The Resona Group maintains 11 overseas bases at which its expatriates are stationed. With this network focused on the entire Asian region as well as the United States, we accommodate a broad range of customer needs for global expansion assistance, fund-raising and other undertakings.

In Indonesia, Bank Resona Perdania, which boasts a business track record spanning more than 65 years, offers full-line banking services, while the Singapore-based Resona Merchant Bank Asia strives to meet needs for fundraising, M&A and other solutions among customers in ASEAN nations, Hong Kong and India.

We also extend support to customers through representative offices and overseas partner banks. Stepping up these endeavors, we established the Los Angeles Representative Office in April 2025, and our plans call for opening another representative office in Hanoi by September 2025.

Going forward, we will upgrade our customer support structure by upgrading our overseas network and enhancing our solution delivery capabilities.

Management Support Initiatives for SME Customers

The Resona Group provides management support for customers. To this end, each Group bank's branches work in tandem with the Head Office and Group companies while, if necessary, collaborating with other financial institutions and external professionals to precisely address the varying needs of customers at different phases of development, ranging from startup, growth, and maturity to transition.

Support during the Startup and Growth Phases

When engaging with customers in the startup phase, we look at both their financial status and potential for business growth, taking a proactive approach when extending financing and operational support. During the growth phase, we also provide a diverse array of loan products and various solutions, including business matching, global expansion assistance and other support to advance their development.

Support during the Maturity and Transition Phases

We are capable of delivering a diverse range of solutions, including those supporting business and asset succession as well as human resource referrals and DX assistance, to enable customers in the maturity and transition phases to move forward toward a next stage. To this end, we start by closely understanding the owner's vision for the business and thoughts about succession. We then identify optimal solutions and countermeasures.

Turnaround Support

We provide the support and expertise that a customer requires to turn their company around. This ranges from restructuring the repayment terms of loans to overhauling management, revitalizing businesses and restructuring operations.

Initiatives to Revitalize Communities

With a corporate mission that affirms our commitment to the further development of regional communities, we energetically support the management of SME customers and the revitalization of regional economies.

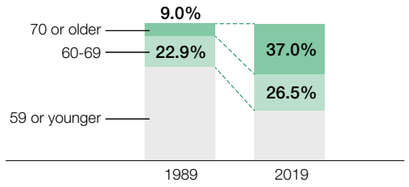
We also operate Business Plazas in five locations (Tokyo, Saitama, Shiga, Osaka and Kobe). Collectively, these provide Group entities with a universal platform that enables them to offer business matching-related consultation. In addition to business matching services between Resona Group customers, we offer a diverse range of matching services involving local governments, venture startups and professional human resources to support customers' business growth.

Strengthening of Value Creation Capabilities

Succession Business

Supporting the Smooth Succession of Businesses and Assets amid an Aging Society

Financial Asset Holdings Broken Down by Holder Age Group[1]

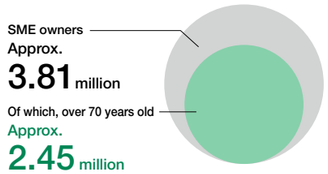


Ratio of Homeowners[2]

Households with elderly members
81.6%

All households
60.9%

Number of SME Owners[3]



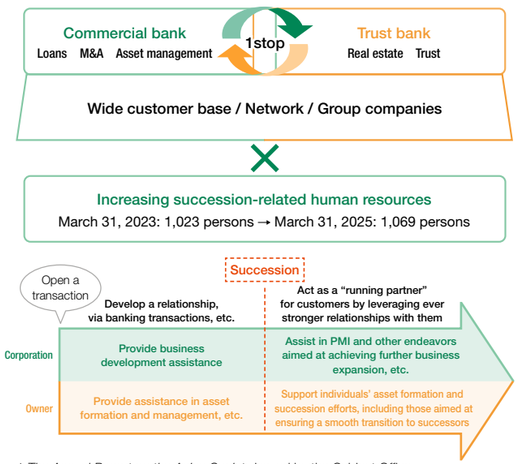
Today, Japan is facing a structural problem arising from an aging society. Against this backdrop, the succession of businesses and assets to the next generation has become an important issue that must be resolved to realize sustainable economic development and regional vitalization. Assets to be passed down to successors range from cash, deposits and securities (including stocks of businesses they manage) to real estate. Furthermore, value systems and ways of thinking about succession vary widely. Accordingly, realizing smooth succession requires a tailor-made approach.

The Resona Group boasts unparalleled strength as a retail commercial bank equipped with full-line trust banking capabilities. Our commercial banking operations include the provision of assistance to customers seeking to expand their businesses and assets via lending, M&A, and asset management-related products and services. Leveraging our long-term relationships with customers, we comprehensively assess their intentions regarding their businesses and assets, especially when the time comes for succession. We are thus able to deliver diverse solutions backed by our full-line trust banking capabilities while taking a tailor-made approach to extending succession support. Even after succession is completed, we continue to act as a "running partner" for our customers by building on our solid relationships with them.

Succession-related income consists of income from succession trust products, such as will trusts, as well as M&A and the real estate business. In FY2024, succession-related income amounted to ¥29.5 billion, up ¥3.9 billion (15.4%) year on year due particularly to the ongoing robustness of the real estate business. For FY2025, we aim for succession-related income of ¥28.5 billion, down ¥1.0 billion year on year, taking into account the projected absence of some income sources in place in FY2024. In any case, we expect this indicator to remain high.

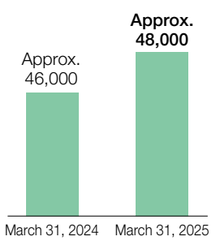
We consider the succession business a key business field through which we can play our part in the resolution of the structural problem now confronting Japan due to the progressive aging of its population. Looking ahead, we will strive to allocate sufficient management resources and otherwise rally the overall strength of the Group to the development of this business.

Building on our long-term relationships with customers, we act as their "running partner," furnishing one-stop solutions backed by our full-line trust banking capabilities

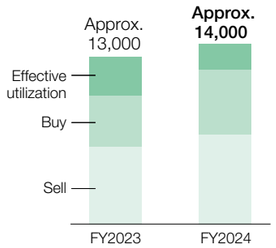


Growing number of potential deals in our pipelines

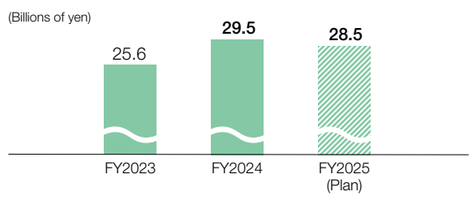
Number of Succession Trust Deals Acquired[4]



Number of Leads for Real Estate Deals[5]



KPI Succession-Related Income



1 *The Annual Report on the Aging Society* issued by the Cabinet Office
2 Housing and Land Survey 2023 undertaken by the Ministry of Internal Affairs and Communications
3 The Comprehensive Package of Measures for Supporting SMEs in Business Succession to Third Parties formulated by the Small and Medium Enterprise Agency
4 Total of Group banks
5 Resona Bank

Asset Formation Support Business

Commercial Bank × Trust Bank × Asset Manager ⇒ Supporting Asset Management in the Coming Era of Centenarians

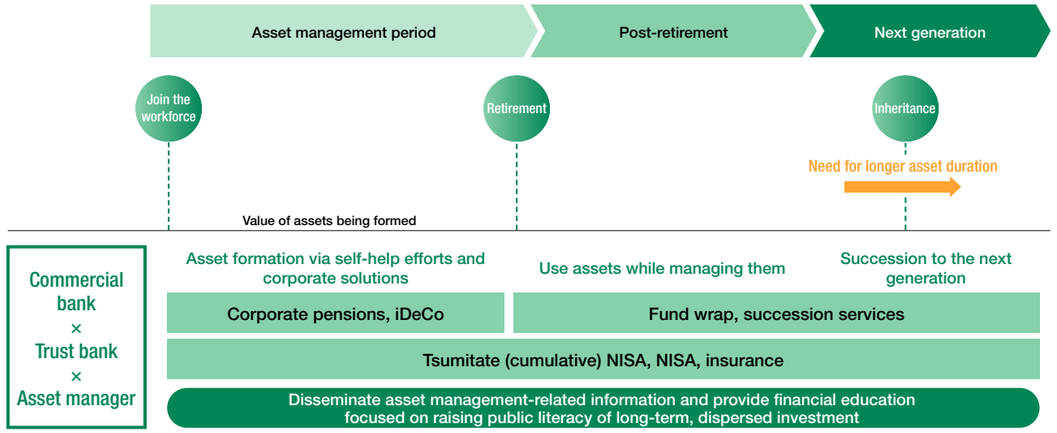
With the era of centenarians drawing near, forming a robust asset portfolio is of growing importance. In response, the Resona Group is delivering diverse asset formation solutions amid an environment of ongoing modest inflation. At the same time, the Japanese government has identified a target of building national strength through asset management. Against this backdrop, we are stepping up initiatives to support long-term asset formation while facilitating a shift from savings to investment.

Resona's asset formation business is unique in its ability to deliver one-stop, optimal solutions to retail customers by taking full advantage of its strength as a retail commercial bank equipped with full-line trust banking functions. In doing so, we offer proposals aimed at increasing the longevity of customer assets via, for example, long-term dispersed investment that leverages Tsumitate (cumulative) NISA, NISA, iDeCo and other programs with tax incentives, as well as a fund wrap designed to support stable asset management that appeals to bank customers. At the same time, in anticipation of the coming era of centenarians, we provide asset management-related consulting even as we remain conscious of customer needs for solutions that enable them to simultaneously manage and use assets.

We also provide retail customers with access to the asset management know-how for professional investors that we have accumulated through over 60 years of corporate pension fund management. To this end, each Group bank acts in collaboration with Resona Asset Management, a Group company specializing in asset management, to deliver asset management services.

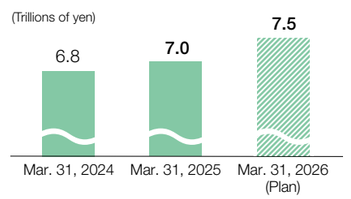
Furthermore, we strive to leverage the combined capabilities offered by all Resona Group companies in this area to extend comprehensive support to the business operators that implement corporate pension plans as well as the employees enrolled in them. For business owners, we provide pension plan management support to help them step up initiatives to provide their employees with access to asset formation vehicles. In these ways, we play our part in enabling corporate employees to secure post-retirement financial stability and economic preparedness for years to come through asset formation. This will also contribute to the sustainable growth of their employers.

As a result, the balance of investment trusts, the fund wrap, insurance and other products grew from ¥6.8 trillion as of March 31, 2024, and hit the remarkable ¥7.0 trillion range on March 31, 2025. We expect this balance to increase to ¥7.5 trillion by March 31, 2026. Factoring in our expectations of future accomplishments over an even longer period, we also aim to increase the balance of trust-based AUM from ¥10.7 trillion as of March 31, 2025 to ¥15.8 trillion by the end of FY2030. Within the same time frame, we will endeavor to raise the overall balance of assets managed by Resona Asset Management from ¥58.5 trillion to approximately ¥65 trillion.



	Sep. 30, 2023	Mar. 31, 2025	Targets
Trust-based AUM	¥9.7 trillion	¥10.7 trillion	FY2030 ¥15.8 trillion
Resona Asset Management Balance of AUM	¥48.7 trillion	¥58.5 trillion	FY2030 Approx. ¥65 trillion

KPI Balance of Investment Trusts, Fund wrap, Insurance, etc.



Strengthening of Value Creation Capabilities

Housing Loans Business

High-Quality and Profitable Portfolio

Over the course of many years of specialization in the retail field, the Resona Group has proactively pursued development in the housing loan business. Today, housing loans represent a key area of competitive strength for the Group. Amid the ongoing diversification of lifestyles and financing needs among individual customers, we will continue to assist them in purchasing homes, a major life event. As described below, we expect housing loans to remain a promising business field that yields ongoing competitive advantages in the form of profitability and financial soundness. Accordingly, we will stay focused on developing this business.

① Starting with furnishing housing loans and developing multilateral transactions

After securing a housing loan, borrowers will often keep their accounts at the same Group banks, adopting it as their main bank. This tendency, in turn, positions us to offer an even more diverse range of products and services to such borrowers in a way that aligns with their individual needs and is further supported by ongoing two-way communications via our apps. We therefore anticipate that these borrowers may well choose us as a counterpart for other long-term, multilateral transactions, ranging from such daily financial transactions as payroll transfer to asset management and succession in the coming era of centenarians.

② Expanding the housing loan balance via the updating of products and services based on customer needs and convenience

In July 2023, Resona Bank and Saitama Resona Bank established a fully online transactional structure that enables borrowers to complete all necessary housing loan procedures, thereby further enhancing customer convenience. We also made progress in enhancing the product lineup. For example, we introduced new group credit life insurance products while updating the lineup of loan products designed to support home relocations or the purchase of eco-friendly housing. These initiatives are expected to enable us to increase the volume of new housing loan origination.

③ Boasting high profitability on the back of interest rate hikes

While the Bank of Japan normalizes its monetary policies, loans with variable interest rates account for approximately 95% of the Group's housing loan portfolio.

④ High-quality loan portfolio

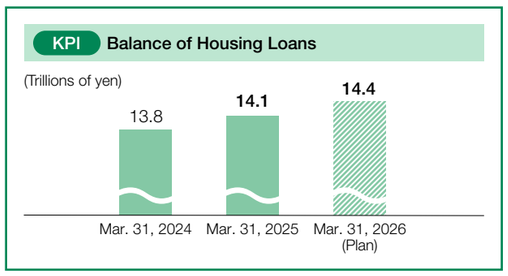
Housing loans boast low and stable credit costs. Accordingly, these constitute loan assets with relatively low capital charges.

As of March 31, 2025, the Resona Group's balance of housing loans stood at ¥14.1 trillion, the largest in Japan. Looking ahead, we will strive to extend these loans to as many customers as possible by enhancing convenience for borrowers, with our plans calling for increasing this balance to ¥14.4 trillion by March 31, 2026.

RORA =

Net income	Multilateral transactions originating from housing loan borrowers	Average number of products in transactions +around 1.6 times[1] compared with other customers
	Upsides of interest rate hikes	Rate: 1.16% (target for FY2025; +0.25% YoY)
	Cost competitiveness and room for further cost reductions	✓ Merits of scale ✓ Web-based, end-to-end transactions help improve clerical efficiency
Risk-weighted assets (RWA)	High-quality assets with low risk weight (RW)	RW: 12.68%[2] | Long-term, secured loans
	Resilience against interest rate hikes	The final subrogation payment ratio[3] (0.01)% | Screening interest rates are set by factoring in substantial stressors

KPI Balance of Housing Loans



1 Comparison between housing loan borrowers and potential II & III customers (as of Mar. 31, 2025; sum of Resona Bank, Saitama Resona Bank and Kansai Mirai Bank)
2 Resona Holdings, consolidated basis; as of Sep. 30, 2024; non-default
3 FY2024, housing loans guarantee subsidiaries' subrogation ratio x (1-collection after subrogation); sum of residential housing loans and apartment loans

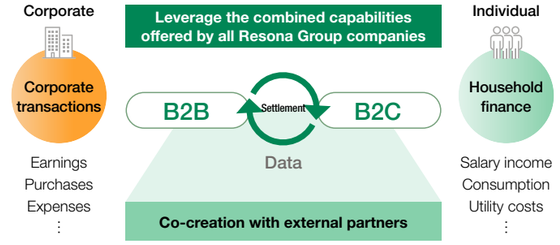
Cashless and DX Solutions Business

Offering Convenience for Corporate Transactions and Household Finances

Cashless Ratio / Market-Size[1]

2016: 20.0% ¥60 tn → 2024: 42.8% ¥141 tn

Customer issues associated with corporate settlement
- ✓ Total abolition of paper-based promissory notes and checks (end of FY2026)
- ✓ Response to digitalization



Currently accounting for around 40% of total transactions, the domestic cashless market has expanded rapidly in the wake of the COVID-19 pandemic and continues to grow. At the same time, our corporate customers are facing a variety of emerging issues related to settlement, such as the need to digitize their operations on the back of pressing labor shortages as well as to secure preparedness for the total abolition of paper-based promissory notes and checks scheduled for March 31, 2027.

The Resona Group engages in co-creation involving external partners and otherwise strives to offer a diverse range of solutions to meet needs for cashless payment and operational streamlining measures to support day-to-day household finance and corporate transactions, with the aim of delivering new value to customers.

As of March 31, 2025, the number of debit cards issued totaled 3,300,000, a year-on-year increase of 3.8%. These cards are issued as standard with individual deposit accounts while boasting strong affinity with the banking app, which has become the most frequently used transaction channel. Because of these and other factors, debit cards are being used by a growing number of customers in their day-to-day transactions.

Similarly, an increasing number of corporate customers now opt to use debit cards in the course of expense settlement and purchasing. Reflecting this, income from debit cards has increased considerably and is expected to grow further going forward.

Meanwhile, progress has been made in our initiatives to co-create value with strategic partners. In September 2024, we entered into a business alliance agreement with JCB Co., Ltd. in the corporate settlement field. Based on this agreement, we engage in the joint planning and development of new solutions aimed at enabling SME customers to improve productivity. As part of our ongoing capital and business alliance with Digital Garage, we released "Bill Card Payment Online" a new corporate settlement service, in October 2024. This alliance also led to the release of "CurePort," an online settlement service targeting the medical industry that enables patients to go home right after doctor visits without undertaking payment procedures.

We will continue to address issues our corporate and individual customers are facing even as we strive to raise settlement-related income.

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

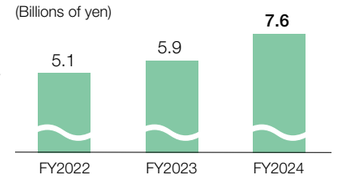
No. of debit cards issued
Mar. 31, 2025 3,300,000 (+3.8% from Mar. 31, 2024)
Standard with individual deposit accounts

×

Frequency of use
Strong affinity with the app
Premium cards with high added-value

Growing needs for corporate settlement (expenses and purchasing)

Debit Card Income



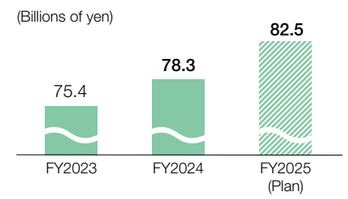
Co-creation of value with strategic partners
- Business alliance with JCB in the corporate settlement field (September 2024-)
- Release of "CurePort," a settlement service jointly developed with Digital Garage for medical institutions and patients (December 2024-)

Resona Holdings
Financial data
Customer base
Financial digital PF
Etc.

×

Strategic partners
Digital Garage
JCB Uniquely Yours
Etc.

KPI Settlement-Related Income



1 Source: Data published by the Ministry of Economy, Trade and Industry (March 2025)

Strengthening of Value Creation Capabilities

Financial Digital Platform

Co-Creation through Wide-Ranging External Collaboration That Transcends the Conventional Framework

Our aim in developing our financial digital platform (PF) is to enable regional financial institutions and partners from different sectors, as well as their customers, to enjoy win-win relationships through wide-ranging collaboration that transcends the conventional framework.

In addition, we have made our banking app and fund wrap available at these regional financial institutions to benefit their customers. These two products have garnered solid reputations while enjoying steady growth in user numbers.

In April and May 2025, respectively, The Juroku Bank and The Keiyo Bank joined the ranks of our external partners with access to our banking app. The Juroku Bank already began handling our fund wrap in November 2024.

In December 2024, we jointly developed the AI-driven banking operation assistance tool “Data Ignition” with BrainPad, as part of new functions to be delivered via our PF, making it available to The Shizuoka Bank as the first customer. This tool incorporates AI models developed through our banking operations and was designed to be used by external corporate users without any additional alignments. “Data Ignition” was chosen to receive the Data Utilization Award 2025 under an award program run by the Financial Data Utilizing Association in recognition of the drastic workload reductions it enables by allowing user financial institutions to avoid redundant tasks in AI model development and operations.

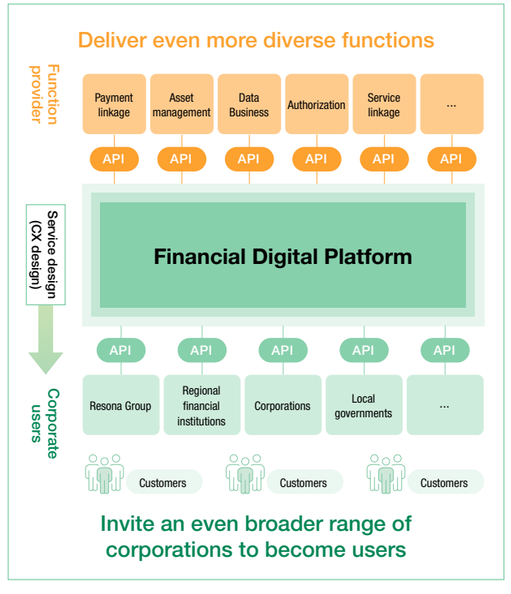
Today, the number of regional financial institutions that use or handle Resona Group products and services has steadily increased to comprise seven financial groups that include eight banks. Going forward, we will strive to further expand the number of PF participants and users by, for example, enhancing the menu of functions offered.

We have also made progress in initiatives to co-create new businesses with partners from different sectors. In the settlement field, we entered into a business alliance agreement with JCB Co., Ltd. in September 2024 while stepping up our business alliance with Digital Garage in May 2025. In the data utilization field, we entered into an “individual agreement” in April 2024 with Shizuoka Bank and our capital and business alliance partner BrainPad based on a basic agreement regarding the commissioning of businesses. The new agreement aims to upgrade Shizuoka Bank’s mode of data utilization.

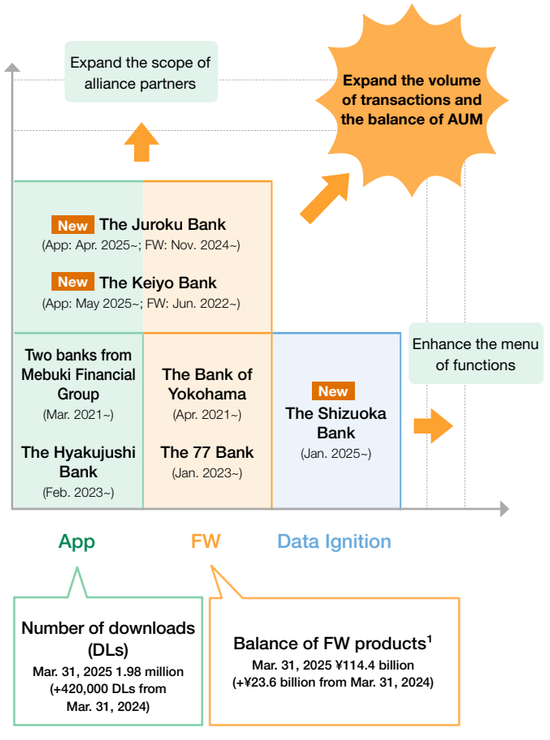
We will continue to engage in external collaboration to enhance the menu of PF functions and expand the number of PF participants.

Develop and expand an ecosystem in which all PF participants enjoy win-win relationships

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



Roll out Resona Group solutions to regional financial institutions



1 Including corporate customers

Inorganic Strategy

Delivering New Value via Co-Creation

As the business environment evolves rapidly, co-creation involving external partners has become essential to addressing the increasingly diverse issues requiring increasingly sophisticated solutions that our customers are confronting. This is also integral to our efforts to achieve sustainable growth for the Resona Group.

Therefore, with external partners we pursue co-creation aimed at securing win-win relationships between ourselves, our partners and our customers. Also, we have positioned inorganic growth investment via the use of capital as an important strategy in our efforts to enhance our customer base, management resources and functions. With this in mind and in line with the current medium-term management plan (MMP), we undertook the two deals described below, and these deals are already yielding synergies.

1. The transformation of two leasing companies (DFL Lease and Shutoken Leasing) into wholly owned subsidiaries
   In January 2024, we made two leasing companies, which were formerly equity-method affiliates, wholly owned subsidiaries and, in April 2024, merged them into a single company under the name Resona Leasing Co., Ltd. This move enabled us to strengthen collaboration with Group banks in the area of leasing. Reflecting this, the number of “refer-up” leasing deals (referrals by Group banks for bank customers with lease-related needs) has increased 1.8 times year on year, while contribution to group income of Resona Leasing grew from ¥400 million in FY2023 to ¥1,460 million in FY2024.
2. Strengthening the capital and business alliance with Digital Garage (DG) and expanding our equity stake from around 2% to around 12%
   In December 2023, we strengthened up our capital and business alliance with DG. Leveraging sophisticated infrastructure, know-how and other assets possessed by DG in the settlement field, we are currently making progress in the enhancement of settlement-related products as described below in “Main Synergies Generated as of the End of FY2024.”
   In May 2025, we further stepped up this alliance. Today, our alliance with DG involves:
   ① The secondment of the DG Group’s human resources equipped with sophisticated expertise in settlement; these human resources act in close collaboration with Resona Group employees and support the latter, with the aim of strengthening a joint operational structure
   ② The co-development of next-generation settlement apps designed to assist SMEs in the immediate introduction of cashless settlement systems and support their fund management and fundraising efforts
   Through the two initiatives named above, we aim for the early achievement of our goal of securing cashless settlement transactions worth ¥1 trillion through this alliance.

Going forward, we will consider expanding inorganic growth investment aimed at enhancing ROE, starting with addressing issues our customers and society as a whole are confronting.

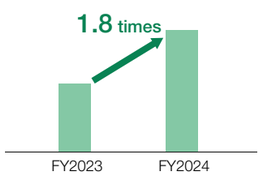
Winning customers not yet reached by Resona will
Enhance our customer base

Securing specialist and other human resources will
Enhance our management resources

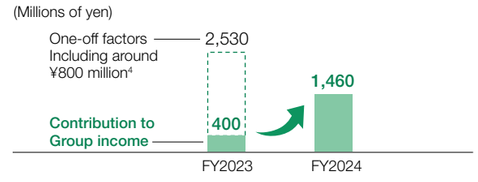
Strengthening businesses that have affinity with existing banking operations as well as those that transcend the framework of finance will
Enhance our functions

Resona Leasing: January 2024: Made two leasing companies[1] wholly owned subsidiaries (equity stake: around 20% ⇒ 100%)
April 2024: Merger and renaming
ROIC: Around 10%

Number of Refer-Up Deals[2]



Resona Leasing’s Net Income/Contribution to Group Income[3]



Digital Garage (DG): December 2023: Strengthened capital and business alliance (equity stake: around 12%)
ROIC: Looking to achieve roughly 10% in the sixth year

Main Synergies Generated as of the End of FY2024

- **Enhanced lineup of settlement-related products**
  - April 2024: Resona PayResort+
    - ✓ Diversify settlement methods for use in non-face-to-face transactions
  - September 2024: Resona PayFast
    - ✓ Introduce cashless methods that require no dedicated terminals
  - October 2024: Online, credit card-based bill payment
    - ✓ Help users improve their financing situation by allowing them to switch to card payments
  - December 2024: CurePort
    - ✓ Deliver a settlement service for the medical industry, enabling patients to go home without waiting for payment procedures

May 2025: Further Enhancement of the Alliance

Aim for the early achievement of our goal of securing ¥1 trillion in cashless settlement transactions via the alliance

- **Strengthening of a Joint Operational Structure**

DG Group Specialists equipped with sophisticated settlement-related expertise ▶ Resona Group Customer base

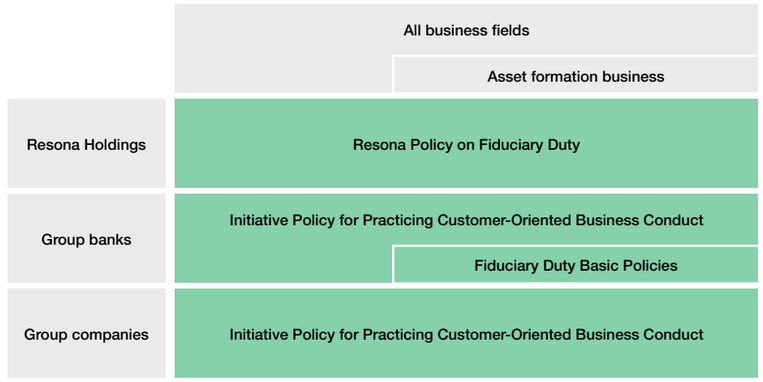
- **Assist SMEs in the following undertakings through the co-development of next-generation settlement apps**
  - Quick introduction of cashless settlement systems
  - Improvement of fund management and fundraising situations

1 DFL Lease and Shutoken Leasing
2 Referrals from Resona Bank or Saitama Resona Bank to Resona Leasing
3 FY2023: Total of two leasing companies
4 Shutoken Leasing: Special dividends from the former subsidiary

Strengthening of Value Creation Capabilities

Customer-Oriented Business Conduct

In line with its Corporate Mission, the Resona Group endeavors to live up to customers' expectations. These endeavors encompass a diverse range of financial services handled by each Group company and place the utmost value on helping customers realize joy and happiness. To this end, we have announced the "Resona Policy on Fiduciary Duty" (hereinafter the "Policy") aimed at guiding the thoroughgoing pursuit of initiatives genuinely focused on serving customers. The Policy not only applies to our asset formation business but also clarifies our intention to pursue customers' best interests, starting with addressing issues each customer, community, and society as a whole confront. To announce how we will translate the Policy into specific action, we formulated the "Initiative Policy for Practicing Customer-Oriented Business Conduct" in FY2024. In conjunction with this, our Group banks, asset management subsidiary, and other Group companies codified similar policies in order to promote customer-oriented business conduct.



There are growing public expectations with regard to what financial institutions can do to support the stable formation of household assets. Financial institutions are called upon to do more than sell existing products and services, they are also expected to formulate, develop and otherwise create optimal solutions for their customers on an ongoing basis.

The Resona Group recognizes that continuously delivering products and services designed to serve customers' best interests is essential to realizing its Purpose, "Beyond Finance, for a Brighter Future." Such efforts, we believe, must also be undertaken in conjunction with the enhancement of value creation capabilities even as we adapt to changes in internal and external environments. Based on this recognition, we updated the above Policy, along with its initiative policy, on April 1, 2025, with the aim of clarifying our intention to develop an effective management structure.

Furthermore, product governance structures have been established by companies (departments) tasked with the formulation and sale of financial products in a way that aligns with their respective roles while conforming with philosophies and basic concepts to be shared by all Group companies. In addition, we are striving to develop a smooth collaborative structure while working to facilitate sound intragroup relationships that are not overly cozy. By doing so, we aim to ensure the ongoing provision of products and services capable of serving the best interests of customers in all business fields.

Overview of Resona Policy on Fiduciary Duty

I. Basic Stance

I-1 As a fiduciary entrusted by customers, we will, with our high specialization and ethics, continuously provide high quality financial services with customers' best interests in mind, while placing the greatest value in the joy and happiness of customers.

II. Provision of Optimal Services

II-1 We will provide appropriate information and explanations and deliver products and services suited to customers tailored to customers' financial knowledge, experience, assets and purpose of purchase.

II-2 We will provide appropriate and easy-to-understand explanations that customers can fully understand; not only about the benefits of products or services, but also other important information such as risks and fees.

II-3 We will strive to increase convenience with regard to the method, time and place for explanations of products or services, and base these on customers' intentions.

III. Human Resources and Organization

III-1 We will continue to enhance the knowledge and skills of our workforce, using an appropriate evaluation and compensation system, to provide the best products and services to our customers.

III-2 We have established policy on managing conflicts of interest to ensure proper management that prevents conflicts of interest between our Group and customers, or between customers.

Entrenchment of the Purpose

Entrenchment of the Purpose

The Resona Group's Purpose

Beyond Finance, for a Brighter Future.

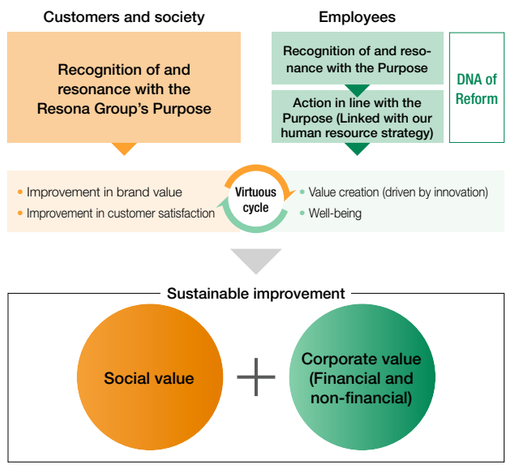
**In a world that keeps changing,
we're here to provide peace of mind so
that we can welcome the future with
hope and confidence.**

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

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

In May 2023, the Resona Group established the above Purpose. This Purpose was formulated as a verbalization of the underlying concepts supporting the Group's operations in order to clarify how we will contribute to customers and society as a whole moving forward. It also expresses our aspirations to create a "Brighter Future" via the use of ideas that transcend the framework of finance, starting with addressing the increasingly diverse and complex needs our customers and society are now facing.

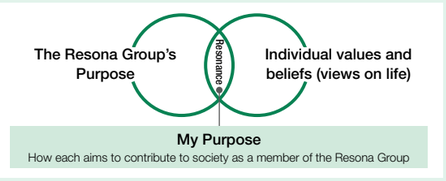
Through the entrenchment of our Purpose among employees, customers and society as a whole, we will accelerate initiatives to achieve sustainable improvement in social and corporate value.



Entrenchment of the Purpose among employees

A "My Purpose" Project That Empowers 30,000 Employees to Establish Their Own Purposes

We hold workshops in which employees learn to nurture their value creation capabilities by autonomously putting the Purpose into practice. By doing so, we improve their engagement while helping each employee establish a personal version of the Purpose.



My Purpose Workshop

Ryo Hasegawa
Saitama Nishi Regional Headquarters, Saitama Resona Bank

PICK UP! My version of the Purpose

"Nurturing mutual connections and working together with you for a brighter future for our community."

My father's passion for his business led me to join the Company
When I was a student, I worked part-time at my father's liquor store. This helped me discover his character as a business owner and understand various aspects of his responsibilities, including sales, taking orders, purchasing and accounting. Although this discovery caused me to look upon him with greater respect, I became worried about him being the sole person responsible for all aspects of this business with no-one to lean on or seek counsel from. My aspiration to support SME owners like my father is what led me to choose to join Saitama Resona Bank.

An aspiration to contribute to the development of my Saitama community with the power of connections
In the course of interacting with many people through my work, I learned that acting in collaboration with someone like you could yield infinite possibilities, far more than what I could achieve acting alone. When I say "you," I mean each customer, each colleague working for the Resona Group and every community member I may encounter going forward. I aspire to develop connections with many people even as I play my part in the development of my Saitama community.

Serving as a hub to contribute to the creation of new value
As a member of the Regional Headquarters, I am responsible for creating proposals to help customers resolve issues they are confronting or to develop their businesses. In doing so, I strive to facilitate the in-house coordination and sharing of insights gleaned by branches regarding the troubles our customers encounter and other circumstances affecting them. In short, I serve as an information hub and have cultivated many connections with the aim of creating new value. Looking ahead, I intend to do my best to help create a brighter future for local communities.

Section

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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

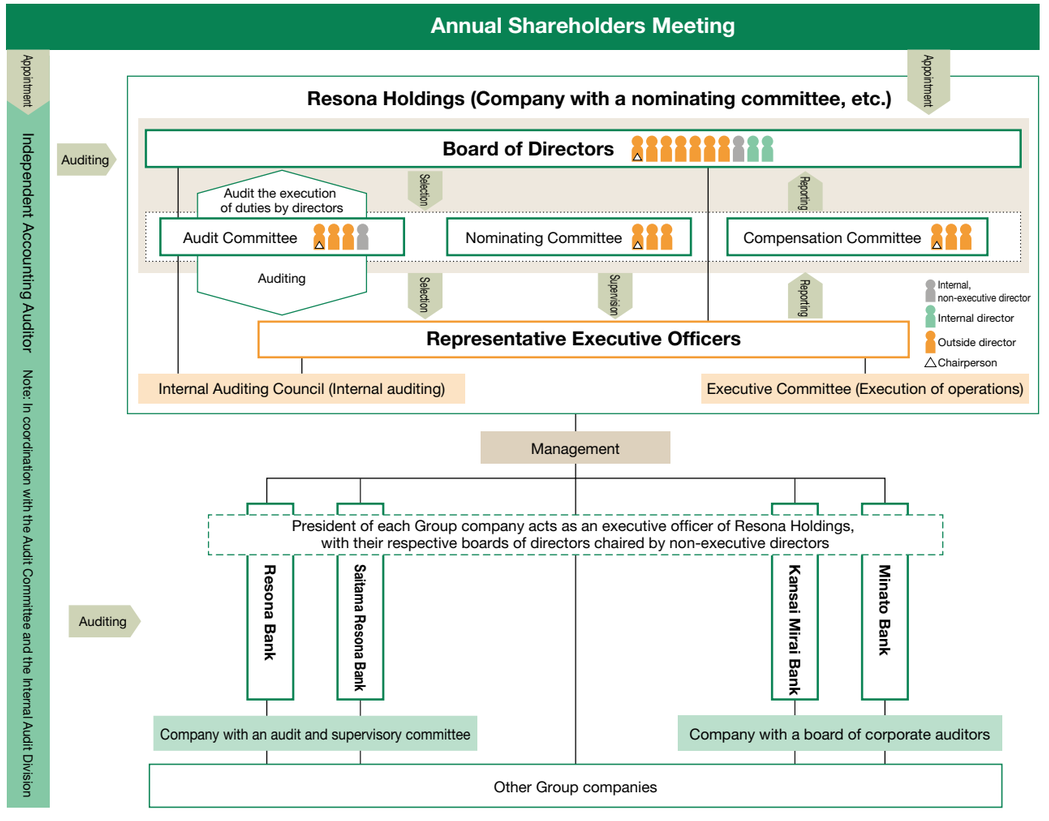
Resona Holdings has established the “Basic Corporate Governance Policy,” as outlined below, to facilitate the sustained growth and improvement of the corporate value of the Resona Group over the medium and long terms.

- 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 multilateral perspectives to the pursuit of constructive discussions, with the aim of navigating the Group in the right direction.

Ratio of Outside Directors

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.
  ① Implemented theme-specific discussions to address such key issues as "analysis of competitiveness" and "development of next-generation management platforms" for the Group
  ② 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
  ③ 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	● Formulation of revised plans and risk limitation plans (September) ● Formulation of initial annual plans and risk limitation plans (March)
Shareholders and customers	● 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	● 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	● 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	● 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
  ① Determining the overall direction of the Group, ② responding to cross-organizational issues across Group entities and divisions, ③ optimally allocating management resources via the formulation of the business portfolio, ④ developing common platform functions for the Group, ⑤ building internal control systems, and ⑥ serving as a consolidated outlet of information disclosure targeting external recipients
- Effective operations of the Board of Directors
  ① 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
  ② 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 Main agenda items discussed: The composition of Group executive officers Succession plans
Committee members	Masaki Yamauchi (Outside Director) Jiro Seguchi (Outside Director)	

Ratio of Outside Directors

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.

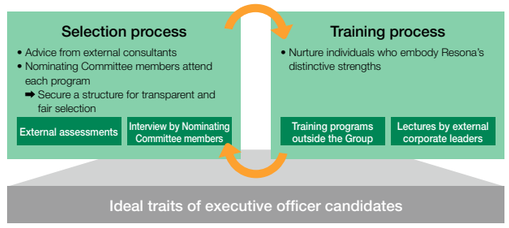
The scope of the succession plans covers various candidates for the Company and its subsidiary banks, ranging from those who are presidents to those who are new candidates for executive officer positions. The process of selecting and nurturing successors is carried out at a measured pace according to 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.

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.

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



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 Main agenda items discussed: Deliberation and determination of the officer compensation system Management and monitoring of the officer compensation system
Committee members	Katsuyuki Tanaka (Outside Director) Shie Lundberg (Outside Director)	

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.

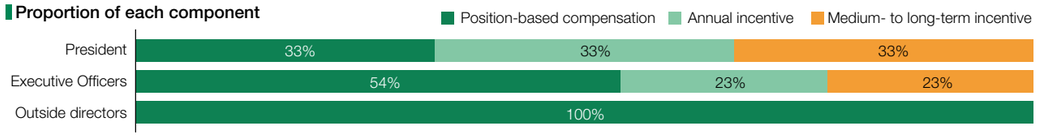
- Compensation systems in place at the Resona Group are designed to provide recipients with sound incentives for supporting its sustainable growth and a medium- to long-term improvement in corporate value in addition to securing proper supervisory functions.
- Remuneration for directors and executive 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	Cash 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)	Cash 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 ① Financial performance assessments 50% + ② Non-financial performance assessments 10% + ③ Individual achievements assessments 40% = Annual incentive	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%)		Non-cash compensation	• 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 Consolidated ROE × Relative TSR + ESG indices = Medium- to long-term incentive	Paid once every three years (In principle, upon the closure of the MMP period)

Proportion of each component



Audit Committee

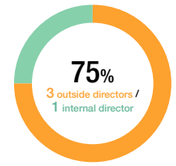
Mission of the Audit Committee

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) Jiro Seguchi (Outside Director) Yukinobu Murao (Director)	Main agenda items discussed: 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		●		●		●	●

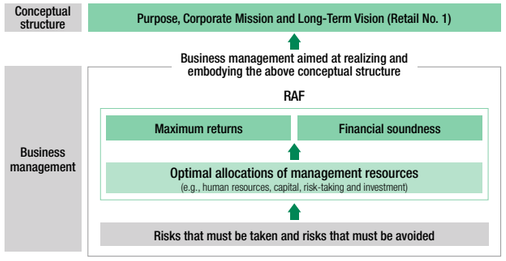
Reasons for Selecting Each Skill Item

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

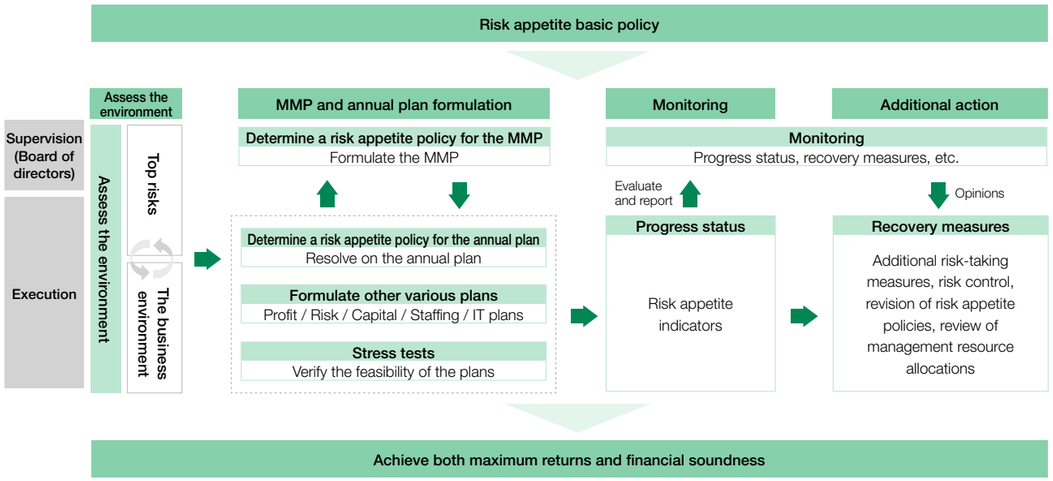
Looking at the specific mode of RAF operation, the Group is running a PDCA cycle involving the assessment of the environment (e.g., changes in top risks and the business environment), the formulation of MMP and annual plans, monitoring the status of such plans and the implementation of additional actions, 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

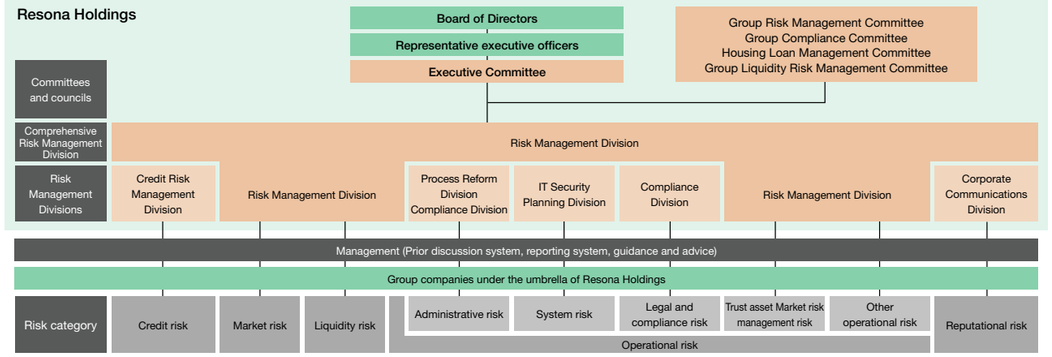
The Company and the Group banks have in place comprehensive risk management systems, as described later, with the aim of quantitatively assessing risks and controlling them within the tolerable limits.

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: • 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	• 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	• 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	• 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.	• 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	• 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	• 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	• 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	• 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	• 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 pursing customer-oriented business conduct or improper response to human rights-related issues
Operational suspension, etc., due to the occurrence of natural disasters	• 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 (VaR[1]) 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.

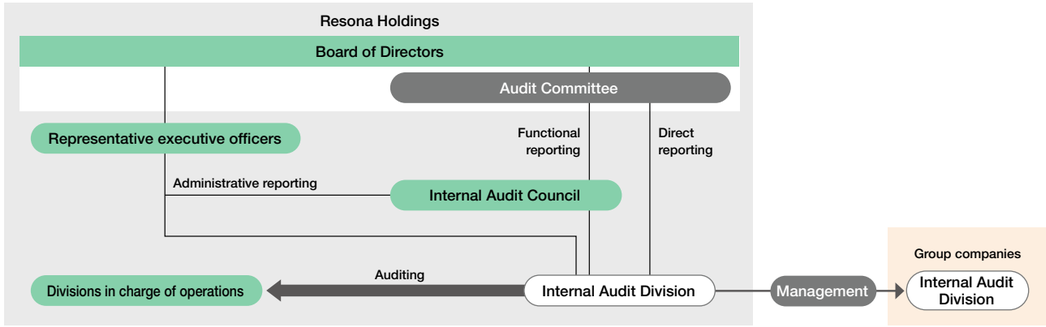
Organization

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.

Section

4 Financial / Non-Financial Information and Corporate Data

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Financial Highlights

Five-Year Summary of Major Financial Data

Financial Result Report
https://www.resona-gr.co.jp/holdings/english/investors/financial/results_c/

(Billions of yen)

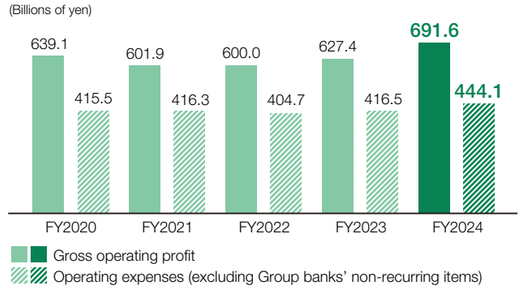
	FY2020	FY2021	FY2022	FY2023	**FY2024**
Summary of Consolidated Statements of Income					
Gross operating profit	639.1	601.9	600.0	627.4	**691.6**
(1) Net interest income	417.4	429.1	419.3	421.6	**480.4**
(2) Trust fees	19.2	20.8	21.6	25.4	**25.6**
(3) Fees and commission income	172.2	187.4	187.0	188.1	**202.3**
(4) Other operating income	30.1	(35.5)	(27.9)	(7.7)	**(16.8)**
Net gains on bonds (including futures)	14.0	(53.8)	(47.7)	(26.4)	**(39.9)**
Operating expenses (excluding Group banks' non-recurring items)	(415.5)	(416.3)	(404.7)	(416.5)	**(444.1)**
Cost income ratio (OHR)	65.0%	69.1%	67.4%	66.3%	**64.2%**
Actual net operating profit	224.0	186.0	195.7	211.3	**247.9**
Net gains on stocks (including equity derivatives)	37.2	47.1	53.9	60.1	**87.1**
Credit costs	(57.4)	(58.7)	(15.9)	(35.6)	**(11.5)**
Other gains, net	(19.5)	(18.8)	(8.7)	(12.9)	**(29.5)**
Income before income taxes and non-controlling interests	184.3	155.6	225.0	223.0	**293.9**
Income taxes and other	(54.6)	(45.5)	(63.3)	(64.6)	**(79.1)**
Net income attributable to non-controlling interests	(5.2)	(0.1)	(1.3)	0.6	**(1.4)**
Net income attributable to owners of parent	124.4	109.9	160.4	158.9	**213.3**

(Negative figures represent items that would reduce net income)

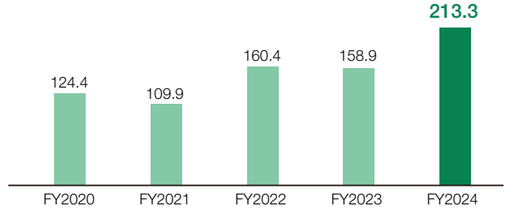
Summary of Consolidated Balance Sheet					
Total assets	73,697.6	78,155.0	74,812.7	76,150.8	**77,370.8**
Cash and due from banks	25,223.1	27,999.3	22,391.5	20,924.2	**19,548.8**
Loans and bills discounted	38,978.9	39,597.9	41,357.2	42,745.7	**44,534.5**
Securities	7,147.7	7,732.5	8,386.2	9,381.6	**10,307.5**
Total liabilities	71,178.0	75,696.0	72,278.6	73,372.7	**74,618.0**
Deposits and NCDs	59,430.3	61,897.6	62,796.8	64,391.5	**64,073.4**
Total net assets	2,519.6	2,459.0	2,534.0	2,778.1	**2,752.8**
Total stockholders' equity	1,860.3	2,044.1	2,140.3	2,225.4	**2,352.5**
Total accumulated other comprehensive income	456.9	398.0	375.4	534.9	**376.6**
Trust assets under management and custody	31,930.3	31,841.1	28,874.4	29,801.5	**28,339.3**

Major Financial Indicators					
Capital adequacy ratio (Japanese domestic standard)[1]	11.54%	11.82%	12.48%	12.85%	**12.79%**
(Reference) Common Equity Tier 1 (CET1) ratio (International standard)[1]	13.31%	13.43%	14.10%	15.38%	**14.60%**
Dividends per share (DPS) (yen)	21	21	21	22	**25**
Net assets per share (BPS) (yen)	1,008.82	1,025.01	1,065.31	1,184.76	**1,188.70**
Net income per share (EPS) (yen)	54.19	45.41	67.48	67.77	**92.39**
Return on equity (ROE)[2]	6.88%	5.63%	7.66%	7.28%	**9.31%**
Return on assets (ROA)[3]	0.18%	0.14%	0.20%	0.21%	**0.27%**
NPL ratio (Total of Group banks, Financial Reconstruction Act Criteria)	1.12%	1.32%	1.29%	1.34%	**1.17%**
Number of shares of common stock excluding treasury shares (shares in billions)	2.296	2.382	2.361	2.329	**2.295**
Share price at fiscal year-end (yen)	464.8	524.1	639.5	950.3	**1,287.0**
Market capitalization (billions of yen)	1,067.6	1,248.7	1,510.2	2,214.0	**2,954.8**

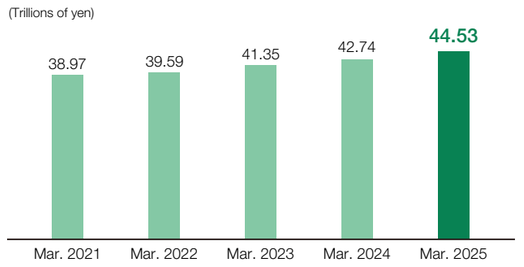
Gross Operating Profit and Operating Expenses (consolidated)



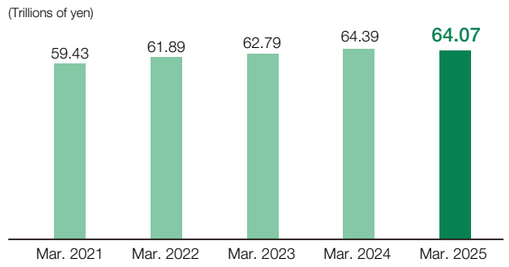
Net Income Attributable to Owners of Parent



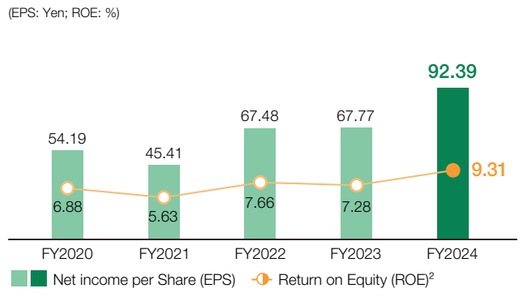
Balance of Loans and Bills Discounted (consolidated)



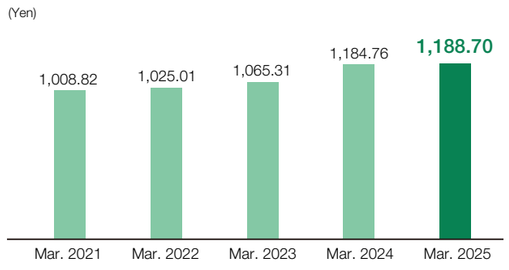
Balance of Deposits and NCDs (consolidated)



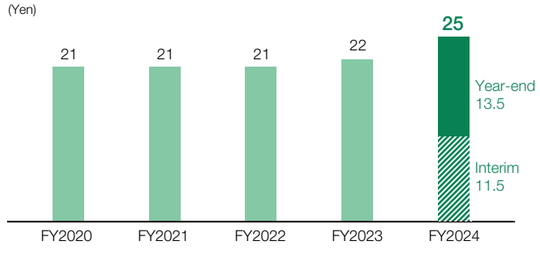
Net Income per Share (EPS) / Return on Equity (ROE)[2]



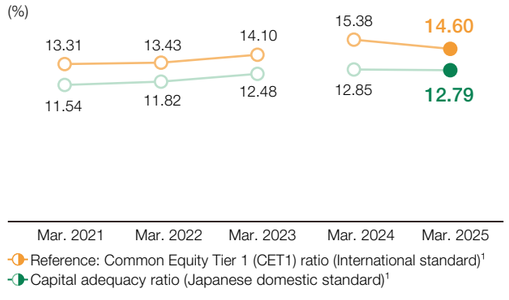
Net Assets per Share (BPS)



Dividends per Share (DPS)



Capital Adequacy Ratio (consolidated)[1]



1 Subject to the finalized Basel 3 regulations from March 31, 2024 onward
2 Net income attributable to owners of parent / Shareholders' equity (simple average of the balances at the beginning and end of the term)
3 Net income attributable to owners of parent / Total assets (simple average of the balances at the beginning and end of the term)

Non-Financial Highlights

Five-Year Summary of Non-Financial Data

ESG Data
https://www.resona-gr.co.jp/holdings/english/sustainability/data/esg/

			FY2020	FY2021	FY2022	FY2023	FY2024[2]
Environmental[1]							
CO_2 emissions volume (Scopes 1 and 2)		Basic emissions factor (t-CO_2)	56,944	56,154	49,451	48,974	**22,192**
		Adjusted emissions factor/Market base (t-CO_2)	57,450	52,265	41,142	28,646	**22,192**
	Direct emissions from energy use (Scope 1)		5,428	5,208	5,444	4,862	**4,321**
	Indirect emissions from energy use (Scope 2)	Basic emissions factor	51,516	50,946	44,007	44,112	**17,871**
		Adjusted emissions factor/Market base	52,023	47,057	35,698	23,784	**17,871**
Energy consumption volume	Related to direct emissions	Heavy oil (kL)	19	24	33	95	**7**
		Town gas (1,000 m^3)	1,194	1,174	1,115	977	**943**
		Gasoline (kL)	1,161	1,081	1,228	1,134	**1,035**
	Related to indirect emissions	Electricity consumption volume (MWh)	125,742	119,875	113,546	105,552	**103,531**
		Of which, renewable energy (MWh)[3]	—	8,407	21,664	55,429	**62,657**
		Hot water (GJ)	6,982	5,719	6,508	7,392	**4,858**
		Cold water (GJ)	14,226	15,361	15,342	17,468	**13,310**
Social							
Human Resources[1]							
Employment status of employees		Total employees (persons)[4]	27,829	26,472	25,367	25,029	**25,372**
		Full-time employees (persons)	18,486	18,283	17,759	17,589	**17,909**
		Average age of full-time employees (years)	40.3	40.7	41.2	41.6	**41.5**
		Average employee tenure (years)	16.3	16.6	17.1	17.2	**17.1**
		New graduates (persons)	844	573	478	517	**860**
		Mid-career hires (persons)	41	72	135	389	**440**
Diversity & Inclusion		Percentage of female full-time employees (%)	47.5	48.1	48.2	48.8	**49.5**
		Percentage of new graduates who are women (%)	50.0	46.1	42.1	40.4	**45.1**
		Percentage of women hired as career-track employees (%)	31.7	23.6	41.4	53.7	**55.4**
		Wage gaps between male and female employees (%)[5]	—	—	65.5	67.0	**68.8**
		Percentage of female line managers (%)[6, 7]	30.4	30.5	31.4	32.8	**34.4**
		Of which, percentage in senior management positions (%)[7]	10.2	12.1	13.4	14.8	**16.5**
		Percentage of people with disabilities in the workforce (%)[8]	2.20	2.27	2.39	2.45	**2.43**
Promotion of work-life balance		Average percentage of annual paid leave utilized (%)	73.1	76.4	77.6	83.1	**87.9**
		Of which, average percentage of annual paid leave utilized by full-time employees	66.1	69.7	70.4	78.0	**84.5**
		Percentage of male employees taking childcare leave (%)[9, 10]	—	80.3	98.2	100.8	**97.0**
		Percentage of male employees taking spousal paternity leave (%)[10]	100.0	100.0	100.0	100.0	**100.0**
Financial and Economic Education							
On-site lectures offered (number)			—	—	—	Approx. 2,600	**Approx. 3,900**
Total number of participants (persons)			—	—	—	Approx. 46,800	**Approx. 55,300**
Of which, "Resona Kids' Money Academy" events held (number)[11]			—	10	144	166	**226**
Of which, total number of participants in "Resona Kids' Money Academy" events (persons)			—	1,579	1,685	2,208	**3,076**
Governance							
Status of directors and their activities		Board members (persons)	10	9	10	12	**12**
		Outside directors (persons)	6	5	7	8	**8**
		Independent directors among outside directors (persons)	6	5	7	8	**8**
		Female directors (persons)	2	2	3	3	**3**
		Average attendance of directors at board meetings (%)	98.7	97.1	97.4	100.0	**99.0**

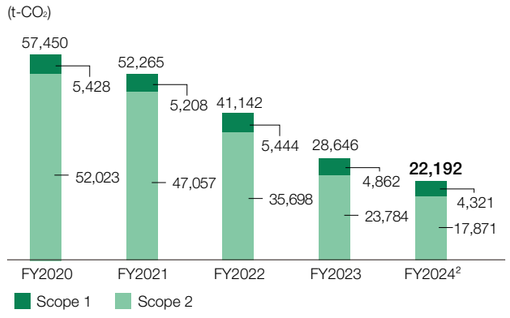
ESG-Related External Evaluations[12]

As of July 1, 2025

ESG rating / ESG score		Inclusion in indices based on ESG evaluations	Logo
FTSE (Full score is set at 5.0)	3.6	FTSE Blossom Japan Index FTSE Blossom Japan Sector Relative Index FTSE4Good Index	FTSE Blossom Japan / FTSE Blossom Japan Sector Relative Index / FTSE4Good
MSCI (Third grade in the seven-grade system from AAA to CCC)	A	MSCI Nihonkabu ESG Select Leaders Index	2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX
S&P (Decile ranking system)	6	S&P/JPX Carbon Efficient Index series	S&P/JPX Carbon Efficient Index
MSCI (Gender diversity score) (Full score is set at 10)	8.4	MSCI Japan Empowering Women Index (WIN)	2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)
Morningstar (Five-grade system in which businesses are classified into Groups numbered 1 to 5)	Group1	Morningstar Japan ex-REIT Gender Diversity Tilt Index	MORNINGSTAR GenDi J

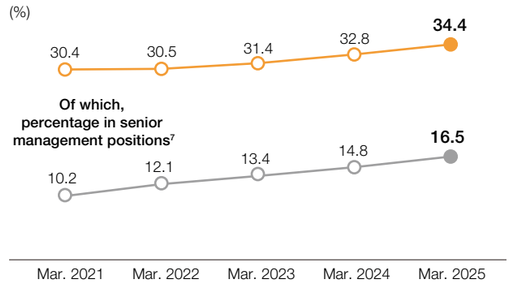
Environmental

CO_2 Emissions Volume[13] ..... **22,192**t-CO_2[2]



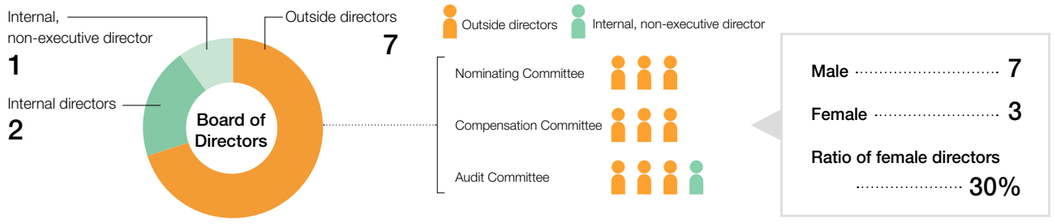
Social

Percentage of Female Line Managers[6, 7] **34.4**%



Governance

Composition of the Board of Directors (As of June 30, 2025)



1 Scope of calculation: Four main Group companies (Resona Bank, Saitama Resona Bank, Kansai Mirai Bank and Minato Bank)
2 Preliminary figures
3 Figures for FY2023 and later include energy procured via the use of non-fossil certificates (e.g., FIT non-fossil certificates) and accounted for effectively as renewable energy
4 Including part-time employees
5 Full-time employees
6 Employees in managerial positions or above charged with overseeing staff
7 Figures for FY2020 are based on data from Resona Bank and Saitama Resona Bank. Figures for FY2021 and later are based on data from the four main Group companies
8 Percentage as of June 1 of each fiscal year based on the exceptional calculation standard applied to eligible corporate groups
9 Includes individuals who began taking leave and individuals whose spouses gave birth during the fiscal year subject to calculation. Accordingly, the ratios of male employees who took childcare-related leave at each Group company during FY2024 are as follows: Resona Bank: 97.0%; Saitama Resona Bank: 102.2%; Kansai Mirai Bank: 98.6%; Minato Bank: 89.8%
10 Figures for FY2021 and earlier pertain to Resona Bank, Saitama Resona Bank and Kansai Mirai Bank. Figures for FY2022 and later pertain to Resona Bank, Saitama Resona Bank, Kansai Mirai Bank and Minato Bank
11 The FY2021 round of events was hosted online
12 https://www.resona-gr.co.jp/holdings/english/sustainability/award/
13 Scope 1 and Scope 2 CO_2 emissions are calculated based on methods stipulated by Japan's Energy Saving Act for statutory periodic reporting

Corporate Data

Group Banks and Other Entities (As of March 31, 2025)

Resona Holdings

Assets (consolidated): ¥77.3 trillion / Trust assets: ¥28.3 trillion

Resona Bank

Assets: ¥44.2 trillion

President: Shoichi Iwanaga
Head Office: 2-1, Bingomachi 2-chome, Chuo-ku, Osaka-shi, Osaka, Japan
Establishment: May 1918
Shareholder (shareholding ratio): Resona Holdings, Inc. (100%)

Number of manned branches: 325
Number of employees: 8,216
Balance of deposits: ¥34,308.7 billion
Balance of loans and bills discounted: ¥25,566.9 billion (banking book)

Saitama Resona Bank

Assets: ¥19.2 trillion

President: Satoshi Fukuoka
Head Office: 4-1, Tokiwa 7-chome, Urawa-ku, Saitama, Japan
Establishment: August 2002
Shareholder (shareholding ratio): Resona Holdings, Inc. (100%)

Number of manned branches: 127
Number of employees: 3,136
Balance of deposits: ¥17,743.8 billion
Balance of loans and bills discounted: ¥8,751.9 billion

Kansai Mirai Bank

Assets: ¥9.1 trillion

President: Kazuhiro Nishiyama
Head Office: 2-1, Bingomachi 2-chome, Chuo-ku, Osaka-shi, Osaka, Japan
Establishment: November 1950
Shareholder (shareholding ratio): Resona Holdings, Inc. (100%)

Number of manned branches: 266
Number of employees: 3,128
Balance of deposits: ¥7,605.0 billion
Balance of loans and bills discounted: ¥7,192.7 billion

MINATO BANK

Assets: ¥4.5 trillion

President: Hideki Mochimaru (As of April 1, 2025)
Head Office: 1-1, Sannomiya-cho 2-chome, Chuo-ku, Kobe, Hyogo, Japan
Establishment: September 1949
Shareholder (shareholding ratio): Resona Holdings, Inc. (100%)

Number of manned branches: 104
Number of employees: 1,750
Balance of deposits: ¥3,867.3 billion
Balance of loans and bills discounted: ¥3,271.7 billion

Main Group Companies (As of April 1, 2025)

Credit Guarantee Business
Resona Guarantee
Kansai Mirai Guarantee
Minato Guarantee

Credit Card Business
Resona Card
Minato Card

Factoring
Resona Kessai Service

Financial Digital Platform
FinBASE

Planning and Management of Fund Settlement Infrastructure
Cotra

Lease Business
Resona Leasing
Kansai Mirai Leasing
Minato Leasing

Consulting
Resona Research Institute
Mirai Reenal Partners

Resolution of Region-Specific Issues
Regional Design Laboratory of Saitama

Regional Vitalization Assistance
Loco Door

DX Assistance
Resona Digital Hub

Venture Capital
Resona Capital
Minato Capital

Corporate Venture Capital
Resona Innovation Partners

Private Equity
Resona Corporate Investment

Investment Management
Resona Asset Management

Real estate investment advisory
Resona Real Estate Asset Management

Business Process Outsourcing Service
Resona Business Service
Resona Mi Rise

Overseas Subsidiaries
Bank Resona Perdania
Resona Indonesia Finance
Resona Merchant Bank Asia

IT Business
Resona Technologies
Resona Digital I
NTT Data Sofia
DACS

Asset Custody
Custody Bank of Japan

Corporate Profile (As of March 31, 2025)

Company Name	Resona Holdings, Inc.
President	Masahiro Minami
Head Office	(Tokyo Head Office) 5-65, Kiba 1-chome, Koto-ku, Tokyo 135-8582, Japan (Osaka Head Office) 2-1, Bingomachi 2-chome, Chuo-ku, Osaka-shi, Osaka 540-8608, Japan
Establishment	December 2001
Number of Employees	20,174 (consolidated) 1,974 (non-consolidated)
Lines of Business	Formulation of Group management and business strategies, allocation of management resources within the Group, and supervision of subsidiaries' operations and other ancillary businesses

Tokyo Head Office

Osaka Head Office

Resona Holdings Website
https://www.resona-gr.co.jp/holdings/english/

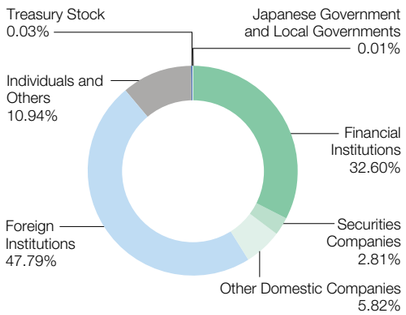
Stock Information (As of March 31, 2025)

Issued Stock	2,307,136,666 shares
Number of Shareholders	257,343 (Common stock)
Major Shareholders (Top Ten)	Common stock

Name of shareholder	Number of shares held	Percentage of total shares issued (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	378,709,600	16.42
Custody Bank of Japan, Ltd. (Trust Account)	129,328,150	5.60
JP MORGAN CHASE BANK 385632	97,376,587	4.22
STATE STREET BANK AND TRUST COMPANY 505001	83,449,015	3.61
STATE STREET BANK AND TRUST COMPANY 505223	82,690,847	3.58
The Dai-ichi Life Insurance Company, Limited	75,145,200	3.25
Nippon Life Insurance Company	54,355,095	2.35
AMUNDI GROUP	45,133,700	1.95
STATE STREET BANK WEST CLIENT-TREATY 505234	41,897,391	1.81
JP MORGAN CHASE BANK 385781	35,567,062	1.54

* Calculated after deduction of treasury shares

Composition of Stockholders



On Issuing This Integrated Report

This publication is an integrated report that aims to explain in a simple manner to all stakeholders the Resona Group's strengths and measures undertaken to create sustainable corporate value. Our hope is that, through this report, readers will understand the reasoning behind our goal of becoming the "Retail No. 1" Solution Group.

Also, forward-looking statements contained in this report are based upon certain assumptions that may be significantly affected by the following factors: fluctuations in domestic stock prices; changes in policies enforced by the national government and the Bank of Japan, as well as laws, regulations and industrial practices and their interpretations; the bankruptcy of a major corporation(s); changes in the economic environment at home and abroad; and other factors beyond the control of the Resona Group.

Accordingly, forward-looking statements contained in the report in no way guarantee the Group's future business performance or the realization of other trends. Readers are advised that actual results may differ materially from these statements.

Financial data, non-financial data and other detailed information are available on our website.

Referenced guidelines
- The IIRC Framework issued by the IFRS Foundation
- Guidance for Collaborative Value Creation 2.0 issued by the Ministry of Economy, Trade and Industry
- GRI Standards
- SASB Standards

Coverage
Period: FY2024 (April 2024–March 2025); The report includes some information on the Group's initiatives carried out in April 2025 and later.
Scope: Resona Holdings, its subsidiaries and its affiliates