

Results of Analysis and Evaluation of the Board of Directors' Effectiveness

May 22, 2020
Resona Holdings, Inc.

1. Outline and Objectives of Self-Evaluation of the Board of Directors

As presented in Article 9 (Self-Assessment) of the Basic Corporate Governance Policy, the Company's Board of Directors conducts an annual analysis and evaluation of its overall effectiveness. To this end, each director's assessment of the operations and functionality of the Board as well as their opinions regarding matters discussed at the Board of Directors' meetings are collected.

For the fiscal 2019 self-evaluation, a third-party evaluation agency was commissioned to interview the Chairman of the Board of Directors, the Chairpersons of the Nominating and Compensation committees and the Board of Directors' secretariat team. Based on the results of interviews, the content of the questionnaire* to be completed by each director was entirely revised. The latest self-evaluation has thus been carried out employing the updated questionnaire, which addresses such issues as the Board of Directors' roles and functions within the Group and its composition as well as the status of operations the Board has undertaken and its responses to issues identified by the previous year's self-evaluation.

Moreover, outside directors examined the content of questionnaire completed by each director and engaged in discussion aimed at defining the aspirational ideal for how the Board of Directors should operate and its current status vis-à-vis this ideal. Based on the conclusions reached at the outside directors' meeting, the Board of Directors met in May 2020 to finalize the evaluation of its fiscal 2019 activities and determine what must be done going forward to address issues it has identified. Looking ahead, the Board of Directors will continue to enhance its supervisory functions and decision-making capabilities by drawing on findings from this self-evaluation to make further improvement.

2. Fiscal 2019 Initiatives Aimed at Addressing Issues Identified in the Fiscal 2018 Self-Evaluation

- (1) Clarifying issues to be discussed in light of medium- to long-term management challenges
- In addition to confirming the status of initiatives being executed under the former medium-term management plan, the Board of Directors utilized free discussion

sessions in the course of formulating the new medium-term management plan to deliberate medium- to long-term management challenges the Group must tackle going forward, thereby maintaining a vigorous level of discussion.

- (2) Maintaining even more effective discussion vis-à-vis the Resona Group's overall strategies
 - To maintain a firm managerial grip on subsidiaries' operations, the Board utilized such opportunities as free discussion sessions and engaged in intensive discussions that addressed strategies being executed by Group banks as well as other Group companies. The Board has thus maintained effective discussion vis-à-vis the Resona Group's overall strategies. On the other hand, the Board recognized some ongoing issues associated with Group management, such as the scope and content of relevant discussions. Going forward, the Board will continue to address these issues to ensure even more effective discussion.

3. The Overall Results of the Fiscal 2019 Self-Evaluation and Measures to Improve Issues

While suggesting a few items that need improvement, the fiscal 2019 self-evaluation concluded that the Board deserved high evaluations for a number of items, including its composition and the importance placed on discussion. The self-evaluation also confirmed that the initiatives described above resulted in continued improvement with regard to matters identified as needing attention in the fiscal 2018 self-evaluation, namely, the clarification of issues to be discussed in light of medium- to long-term management challenges and engaging in even more effective discussion vis-à-vis the Resona Group's overall strategies. Taking the aforementioned factors into account, the evaluation thus concluded that the overall functions of the Board were robust and its operations remain highly effective. In addition, the current Chairman of the Board of Directors is an internal director who does not concurrently serve as an executive officer. The selection of an optimal candidate for Chairmanship is discussed annually at the outside directors' meeting, and the Board of Directors decides on its Chairman with reference to conclusions reached at such meeting.

On the other hand, the self-evaluation suggested that the content and quality of materials describing agenda items needs improvement and that the Board must take on discussions regarding such issues as the medium- to long-term allocation of management resources and the monitoring of the status of and progress in initiatives aimed at achieving medium- to long-term goals.

In fiscal 2020, the Company's Board of Directors will improve the content of discussion by addressing the issues listed below.

- (1) Further enhancement of the quality of discussion addressing each agenda item
 - The Board will ensure that all members are informed about important points associated with each agenda item and key factors being discussed by the executive team. By doing so, the Board will clarify matters to be discussed at its meetings and thereby enhance the quality of discussion to address each agenda item.
- (2) Engaging in even more effective discussion vis-à-vis the Resona Group's overall strategies
 - To address issues identified previously, including the clarification of matters to be discussed in light of medium- to long-term management challenges, the Board has striven throughout fiscal 2019 to maintain a vigorous level of discussion aimed primarily at determining the priority of issues to be tackled in connection with each business strategy under the former medium-term management plan.
 - In fiscal 2020, the first year of the new medium-term management plan, the Board will closely monitor the status of progress of various initiatives being executed under the plan. Furthermore, in light of its role as the Board of Directors of the holding company, the Board will engage in in-depth discussion with regard to the overall strategies of the Resona Group to realize the goals of the new medium-term management plan.

*Main items featured in the revised questionnaire

- Roles and functions of the Board of Directors (roles the Board is expected to fulfill going forward, the composition of the Board, functions of Chairman, etc.)
- Size and composition of the Board of Directors' membership (the number of members, proportions of in-house and outside individuals, the ideal for the Board's composition to be realized going forward, etc.)
- The status of the Board of Directors' operations (meeting frequency, the content of agenda items, the content and quality of meeting materials, secretariat structure, etc.)
- Response to issues identified in the course of the previous year's self-evaluation
- Compositions and roles of the committees (Nominating, Compensation and Audit)
- A system for supporting outside directors
- Relationships with investors and shareholders
- The overall effectiveness of the Resona Group's governance structure and the Board of Directors' operations
- Self-evaluation of individual directors' performance

- The status of the operations of the committees (Nominating, Compensation and Audit)