

“Policy for Holding Policy-Oriented Stocks”

Since the capital infusion of public funds, the Resona Group has repeatedly held negotiations with clients, and made efforts to reduce the balance of policy-oriented stocks and price fluctuation risks.

The Resona Group will continue to aim at attaining a reasonable return on risk based on the following policy:

1. Not to hold policy-oriented stocks not in line with financial strength;
2. If policy-oriented stocks are held, the Resona Group will aim at establishing a medium-and long-term, stable business relationship where both clients and the Resona Group can achieve sustainable improvement of respective corporate values; and
3. The Resona Group will determine whether or not to hold policy-oriented stocks after having examined risks and returns, including the realizability of medium-and long-term business prospects.

“Standards for the Exercise of Voting Rights of Policy-Oriented Stocks”

1. Fundamental Concepts on the Exercise of Voting Rights

The Resona Group will exercise voting rights of policy-oriented stocks based on the following policy:

- (1) Irrespective of interests of transactions with clients, make an effort to vote yes or no on an individual basis from the viewpoint of sustainably improving corporate value;
- (2) Not to exercise voting rights in a manner to resolve certain political or social problems; and
- (3) If any scandal or an anti-social act is committed by a company or corporate manager, etc., exercise voting rights with the intention of contributing to the improvement of corporate governance.

2. Guidelines for the Exercise of Voting Rights

With the aim of exercising its voting rights in an appropriate and efficient

manner, the Resona Group will abide by the following guidelines.

- (1) Base voting judgments on the following points
 - ① Whether the way the vote is cast helps the Company and/or the investee achieve sustainable and long-term growth in corporate value
 - ② Whether the way the vote is cast is consistent with the overall interest of shareholders
- (2) In particular, before casting a yes or no vote on one of the following types of agenda items, give due consideration to whether voting contributes to growth in the investee's corporate value
 - ① Shareholder proposals
 - ② Introduction or renewal of anti-takeover measures
 - ③ Agenda items proposed by a corporation that was found to be implicated in a scandal or an anti-social act
 - ④ Approval of financial statements not backed by an unqualified opinion issued by the accounting auditor
 - ⑤ Dismissal of directors, accounting auditors, etc.
- (3) When a vote is cast in opposition to the Company's intention, the Board of Directors will review the status of the exercise of voting rights to confirm whether these guidelines were fully observed. The Company will also strive to increase the sophistication of its exercise of voting rights by, for example, revising these guidelines.