

The Resona Group Aims to Resolve Social Issues through Its Businesses

The Resona Group works to help resolve the social issues represented in the sustainable development goals (SDGs), and we fulfill our social responsibilities through our core business. We will contribute to society in ways unique to the Resona Group. We also established the Group SDGs Promotion Committee in February 2018 as a new approach to deepening our conven-

tional CSR activities. Chaired by the President of Resona Holdings, this committee leads the Resona Group in responding appropriately to the opportunities and risks presented by the social issues of the SDGs. The committee will identify priority issues and use the strengths of the Resona Group to help create a sustainable society.

Sustainable Development Goals

SDGs are international goals for 2030 that the United Nations headquarters adopted in September 2015. Designed to achieve a world in which nobody is left behind, the SDGs are 17 goals with 169 targets for dealing with global problems such as economic crises, natural disasters, the environment, refugees and poverty.



Issues and Environmental Changes in Regional Communities

Issues arising from the declining birthrate and aging population

- Succession needs of seniors
- Anxiety about the future among young people
- Decline of regional economies
- Overconcentration in urban areas

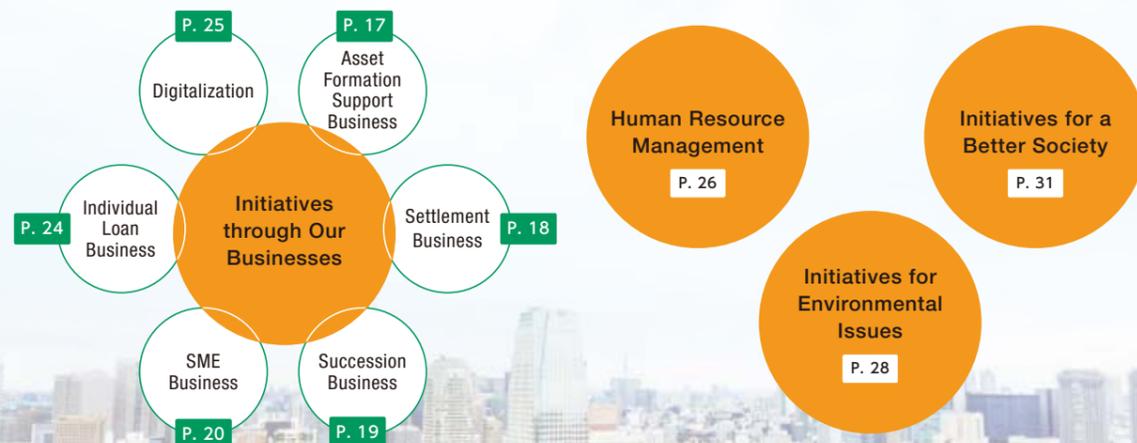
Ultra-low interest rate environment

- Changing lifestyles
- Changing industrial structure

Globalization

- Digitalization
- Environmental issues

Resona Group Initiatives



Asset Formation Support Business



Against the backdrop of the super-aging society and prolonged low-interest rate environment, the Resona Group will support asset formation among individuals from a medium-to-long-term perspective in the context of NISA expansion and regulatory changes such as the revision of the Defined Contribution Pension Act.

Main Products and Services

- Investment trusts
- Insurance
- Fund wrap
- Individual defined contribution pension plan (iDeCo)
- Foreign currency deposits
- Money held in trust

The Resona Group began offering “Resona Fund Wrap¹” in February 2017, and the total account balance was about ¥250 billion as of March 31, 2018. More than half of the customers who opened these accounts did not have any balance in Resona investment trusts, which demonstrates the attractiveness of our products for stable asset formation based on a diversified portfolio of long-term investments. In order to expand our customer base, we responded to customer feedback indicating a desire to begin with a small amount of funds under management by introducing the “Resona Fund Wrap Welcome Plan” in June 2018. The minimum investment amount is ¥300,000 and the investment advisory fee is a performance fee, only.

We Are Managing ¥250 Billion in “Resona Fund Wrap” Accounts One Year after Launch



Premium Seminar celebrating the first anniversary of the launch of Resona Fund Wrap.

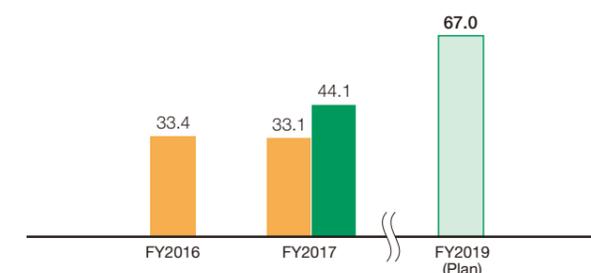
Fund Wrap Beneficiary Characteristics

Customers who do not have any balance in Resona investment trusts

55%

Asset formation support income⁴

(Billions of yen)



■ 3 banks (Resona Bank, Saitama Resona Bank and Kinki Osaka Bank)
■ 5 banks (3 banks + Kansai Urban Banking Corporation and Minato Bank)

4. Investment trusts + Fund Wrap + insurance

We introduced a new individual defined contribution pension plan² (iDeCo) and started handling default funds for such plans. In addition, we proactively held seminars and other events. As a result, we are an industry leader with 74,000 contracts under management as of March 31, 2018. We also opened “Tsumitate Plazas,” which are open year-round, in Tokyo and Osaka in fall 2017, where financial planners meet with customers face-to-face to help them structure life plans with emphasis on iDeCo.

1. A fund wrap account is a comprehensive investment management services product for which financial institutions confirm the purpose and policies of different investments for each customer, allocate assets and invest in funds as per a discretionary investment contract, and report on investment performance.
2. iDeCo is a tax-advantaged pension plan that individuals fund with contributions. Investment management performance determines payouts from the plan. Eligibility was expanded to include non-working spouses and civil servants in January 2017 so further expansion of iDeCo accounts is expected.

iDeCo Offers Access to Consulting at Branches Nationwide and at Specialized “Tsumitate Plazas” Open Year-Round



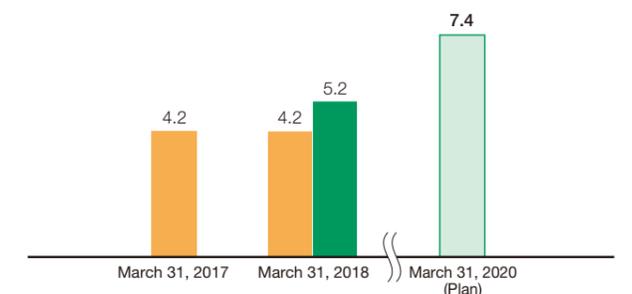
Began offering new “Resona Tsumitate iDeCo” from May 2018

This plan supports long-term asset formation with a carefully selected line-up of 26 products focused on asset management cost and performance. As the first initiative by a leading bank, we adopted a target-year type investment trust³ with specified asset management parameters. This product is for customers who do not specify a specific duration.

3. A target-year type investment trust is a fund designed to grow assets over a specified period of time for a targeted goal. A target-year type investment trust management approach starts aggressively and becomes more conservative as the fund approaches its target-year. This type of fund saves customers the time and trouble of allocating assets themselves.

Balance of asset formation support products for individuals⁵

(Trillions of yen)



■ 3 banks (Resona Bank, Saitama Resona Bank and Kinki Osaka Bank)
■ 5 banks (3 banks + Kansai Urban Banking Corporation and Minato Bank)

5. Investment trusts + Fund Wrap + insurance + government bonds + foreign currency deposits + money trusts with performance-based dividends

Settlement Business



Given ongoing digitalization, the Resona Group will continue to contribute to the creation of a cashless society by offering a variety of advanced and convenient payment methods.

Main Products and Services

- Transfers, account transfers and electronic banking
- Debit cards
- Credit cards
- Multi-digital wallet (from fall 2018)
- Peer-to-peer (P2P) remittance service (from fall 2018)

In October 2017, the Resona Group made a contactless IC cash and debit card with no annual fee standard for new individual accounts, and instituted a system for issuing these cards immediately after an account is opened. We also released the "Resona Debit App" in February 2018. It allows users to quickly check usage details, make changes to usage limits, and temporarily halt usage or cancel the card, and includes personalization functions. It also reduces worries about fraudulent usage with push notifications when settlement takes place. We began installing vending machines with contactless settlement terminals from January 2018 to let customers experience the convenience of contactless settlement (currently 10 stores).

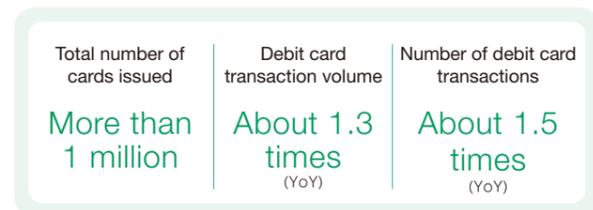
For corporate customers, we began handling business debit cards in April 2018 and are accelerating cashless initiatives with a focus on debit cards. The total number of debit cards issued is now over 1 million, and the number of transactions has steadily expanded to about 1.5 times that of the previous fiscal year.

We also released "Resona PayB," a smartphone app for paying taxes and other bills in February 2018, and are building an open API infrastructure as an initiative for electronic settlement intermediaries. We are also developing services that use new fintech. "Resona Wallet" (tentative name) enables shopping and various payments using QR codes and other methods. The consortium¹ for creating a new platform for domestic and international money transfers plans to start offering a 24-hour real-time

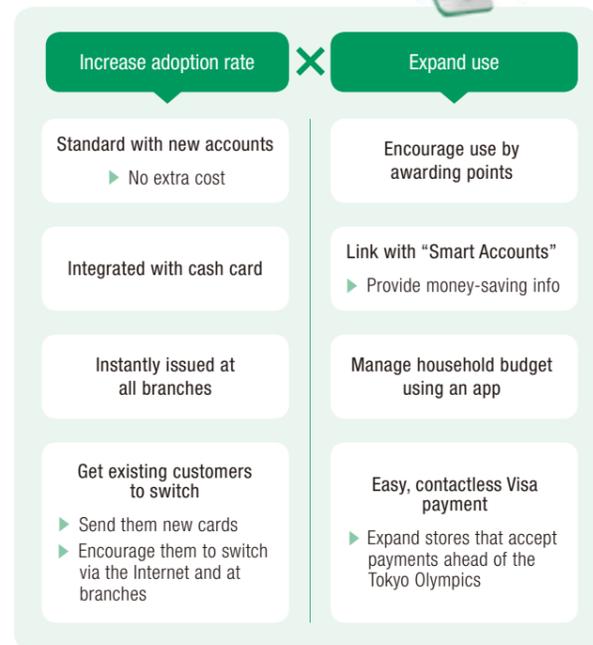
smartphone-based P2P remittance service² in fall 2018, and testing is currently underway. We intend to successively launch services that raise customer convenience and reduce social costs.

1. Resona Bank chaired a consortium launched by 42 banks in October 2016 to build a 24-hour real-time remittance infrastructure in Japan and overseas using blockchain and other new technologies.
2. Resona Bank plans to start offering domestic exchange services.

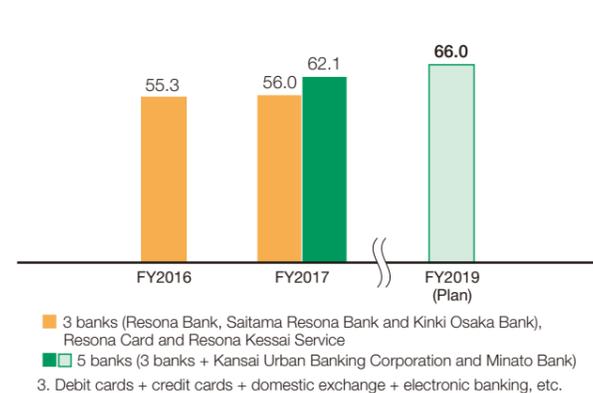
Steadily Expanding Debit Card Services



Cashless Initiatives for Resona Debit Cards



Settlement-related income³
(Billions of yen)



Succession Business



The Resona Group will support the smooth succession of assets and businesses to the next generation using its expertise as a commercial banking group with full-line trust capabilities, the largest branch network in Japan and a diverse array of solutions.

Main Products and Services

- Will trusts, estate division and asset succession
- Trusts for transfer of own company stock
- M&A
- Real estate brokerage for individuals

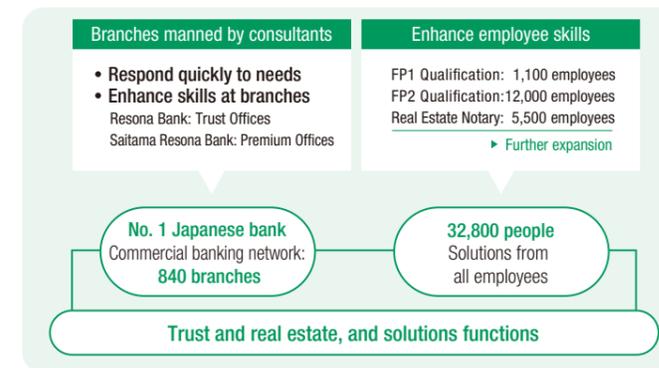
We expect inherited assets to flow into metropolitan areas, our primary service areas, because of the progression of Japan's super-aging society. In addition, business succession is a management priority for SMEs with aging management, which makes smooth business succession a social issue that is crucial to revitalizing regional economies.

The Resona Group is therefore expanding Resona Bank's Trust Offices and Saitama Resona Bank's Premium Offices where customers can always consult our specialized consultants.

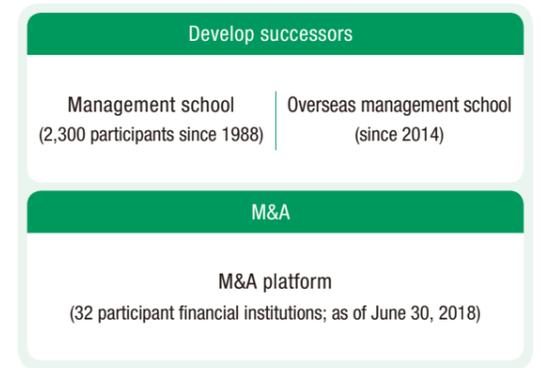
Backed by our experienced team of experts, we will accelerate measures that provide trust solutions unique to Resona to a greater number of customers, including customers of the Kansai Mirai Financial Group.

The Resona Group provides SMEs that have reached the succession phase with solutions through an M&A platform managed by Resona Bank in which more than 30 regional financial institutions participate, and a management school for SME successors that supports the development of next-generation managers.

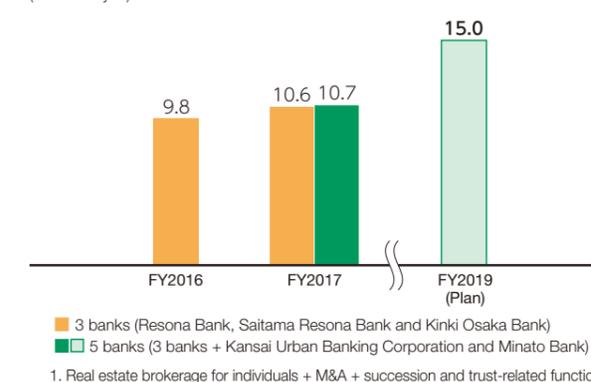
One-Stop Support through Familiar Channels



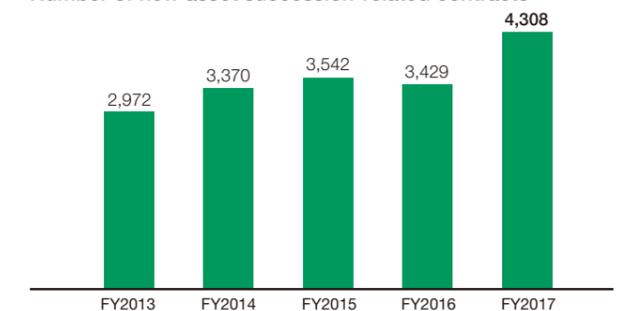
Initiatives for Companies in Succession Phase



Succession-related income¹
(Billions of yen)



Number of new asset succession-related contracts²



2. Will trusts + estate division + asset succession trusts + trusts for transfer of own company stock

SME Business



The Resona Group will contribute to the revitalization of regional communities by providing management support to SMEs in dealing with changes in the operating environment including changes in the industrial structure and globalization, and by providing optimized solutions attuned to company stage.

Main Products and Services

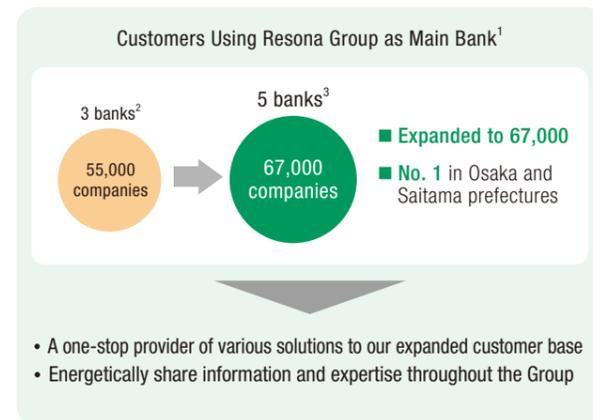
- Financing and fund management support
- Support for business start-ups, business turnaround and business restructuring
- Business matching
- Support for overseas expansion

The Resona Group's objective is to transform its business from a focus on providing loans to a focus on business models that provide solutions attuned to the growth phase of SME customers.

The establishment of Kansai Mirai Financial Group increased the number of Resona Group corporate customers by 20% to approximately 500,000 companies. In addition, 67,000 companies use the Resona Group as their main bank, which is on par with the megabanks. In Osaka and Saitama in particular, the Resona Group

is number one in this regard. We leveraged these advantages at a business matching conference in February 2018 where Resona Bank customers and Kansai Urban Banking Corporation and Minato Bank customers met one another prior to the integration of Kansai Mirai Financial Group. Initiatives after the integration to enhance awareness of its merits among customers included the Resona Group's participation in a May 2018 recruiting event sponsored by Minato Bank.

Business Development Leveraging Our Expanded Base



1. Source: Teikoku Databank
2. 3 banks (Resona Bank, Saitama Resona Bank and Kinki Osaka Bank)
3. 5 banks (3 banks + Kansai Urban Banking Corporation and Minato Bank)

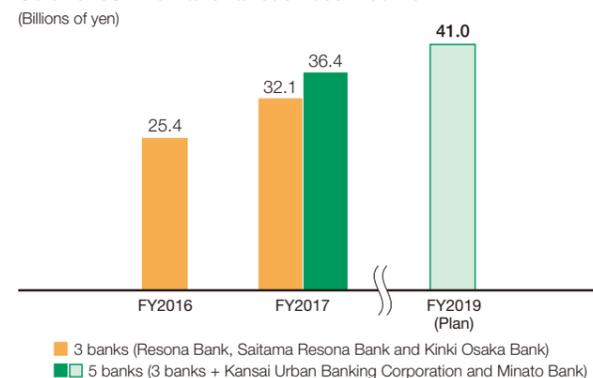
Support for Start-ups That Help Revitalize Regional Communities

"Business Plaza Osaka" supports the creation and growth of business through start-up schools and individual consultations. It also holds various information meetings, seminars and conferences.

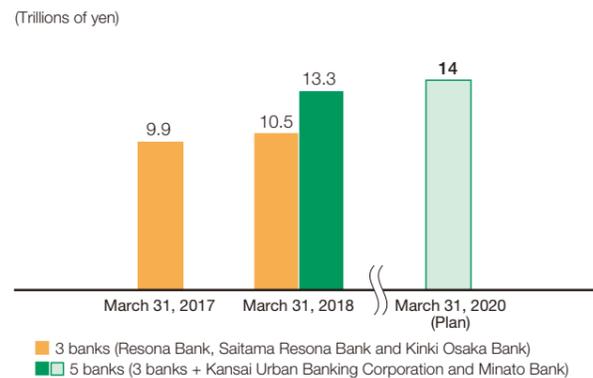
"Business Plaza Saitama" opened in Saitama Prefecture in April 2018. It will help companies grow and revitalize the community by providing a broad range of information for resolving the various problems that communities and local SMEs face.



Solutions / International business income



Loans to SMEs



Support for Companies Advancing Overseas

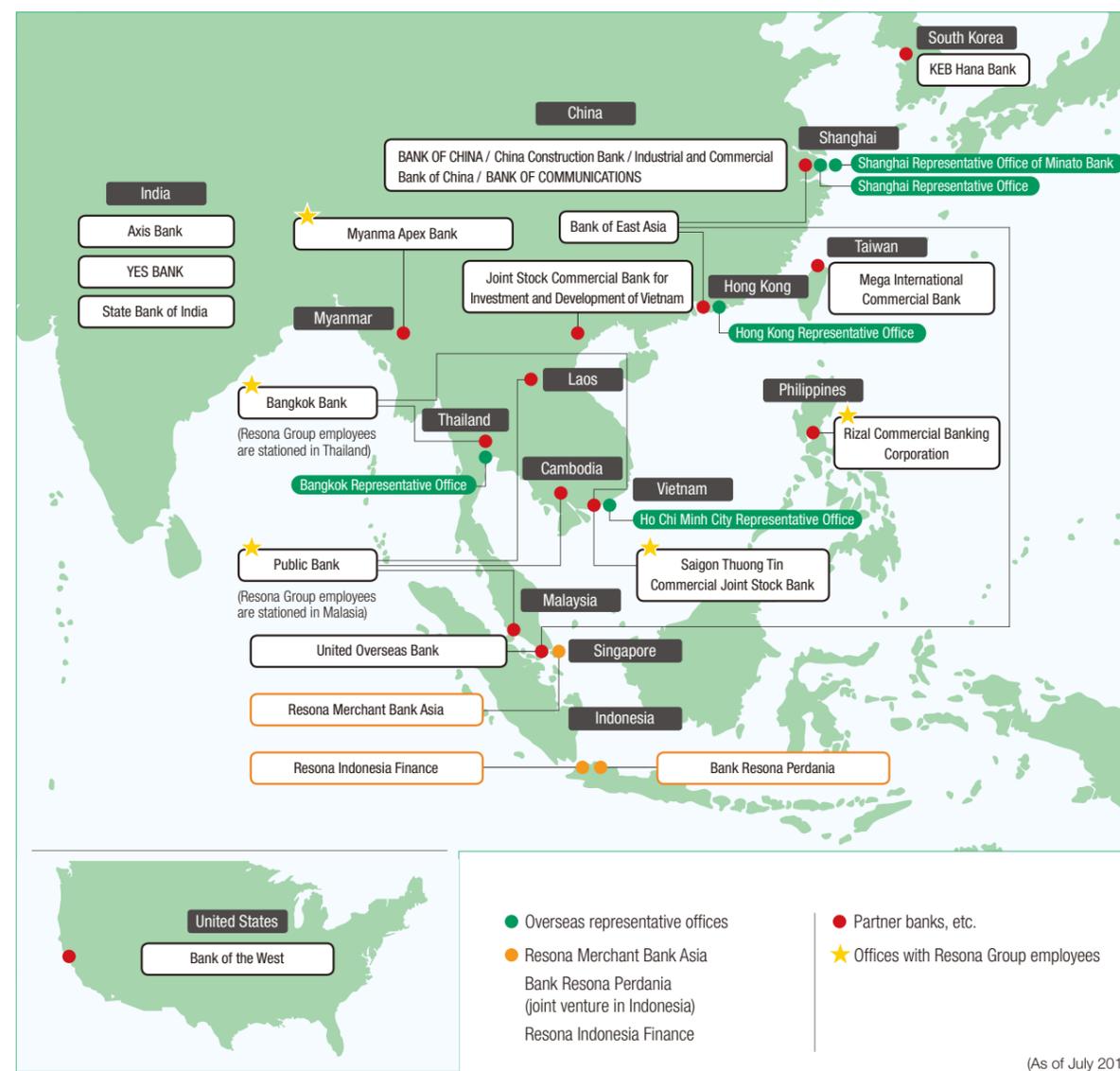
The Resona Group is expanding its overseas network primarily in Asia and the United States. We have an organization that can provide overseas support to a wide range of companies, from large companies to SMEs.

AFC Merchant Bank in Singapore became a subsidiary in July 2017 and began operations as Resona Merchant Bank Asia. It is further enhancing overseas support functions including loans, M&A and consulting.

More than 20,000 of our customers are advancing overseas, mainly in Asia and the United States, and the number of consultations concerning overseas business is increasing. We will continue to provide detailed services overseas by using our network of overseas subsidiaries, representative offices and local partner banks.

The Resona Group's Overseas Network

- Overseas offices and partner banks cover all of Asia and the United States
- Our network provides a wide range of support for both large companies and SMEs
 - Customers with overseas operations: approximately 20,000
 - Consultations for overseas needs: about 2,000 annually



Management Support Initiatives for SME Customers

The Resona Group provides management support to customers. The branches of Group banks, head offices and companies cooperate with each other and collaborate with other financial institutions and external professionals to precisely address various needs aligned with the growth phase of customers, from the start-up phase and growth phase to the maturity phase and transition phase.

Support during Start-up and Growth Phases

We look at both the financial situation and potential growth capability in providing support for funding and operations for customers in the start-up phase.

We also provide a diverse array of loan products and various solutions including business matching, support for advancing overseas and other services for customers in the growth phase.



Support during Maturity and Transition Phases

We address customer business succession needs based on the owner's vision for the company and thoughts about succession. We then identify optimal solutions and measures to provide comprehensive support for smooth business and asset succession.

Turnaround Support

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

Establishment of Healthcare and Welfare Businesses Growth Scheme

Highlight

Corporations in healthcare and welfare businesses generally have more capital and human resource constraints than corporations in other industries. We are enhancing our ability to help them by addressing their management support, business succession and funding needs. We offer various types of support in collaboration with external corporations with strengths in healthcare and welfare markets.

Start of "Resona Collaborare"

Highlight

Resona Bank began offering packages of solutions for start-ups in August 2016, and complemented this initiative in September 2017 by launching "Resona Collaborare," a membership planning and distribution website that provides information to help companies build their business base and resolve management issues. We also offer members reduced fees and business loans, and we plan to launch a similar site for Saitama Resona Bank. We will continue to provide comprehensive support for entrepreneurs.

Initiatives to Revitalize Communities

Under our 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.

Moreover, the Resona Group has established the Regional Revitalization Council to contribute to regional revitalization and collaborate with and support the town, population and job creation strategies of prefectures and municipalities. Moreover, each Group bank has established a Council on Revitalization of Town, Population and Jobs as an organization for implementing effective community initiatives.

Furthermore, we established "Business Plaza Saitama" in April 2018 following "Business Plaza Osaka," which was established in September 2016. These offices support business growth through the collaboration of industry, academia, government and financial institutions, and also provide business match-

ing support, human resource solutions and seminar rooms as part of the information resources they provide to help communities and local SMEs resolve issues.



"Business Plaza Saitama"

Support for SDG Initiatives

The SDGs adopted at the United Nations Summit in September 2015 are a new concept that brings together CSR and ESG, and they are gaining social momentum. SDGs for economic growth, social inclusion and environmental

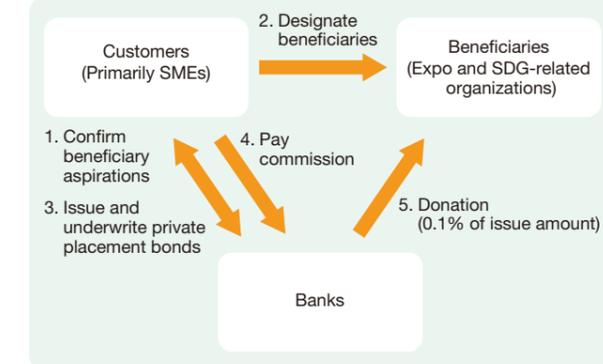
protection create opportunities and risks in the operating environment of our corporate customers. The Resona Group works with external experts as appropriate to support the SDG-driven initiatives of our customers.

Specific Resona Group Activities: Nationwide Private Placement CSR Bonds – The Expo Japan and SDGs Support Fund

1. About the Fund

The Expo Japan and SDGs Support Fund (the "Fund") was launched in December 2017. Organizations that are associated with the bid for the 2025 World Expo, which is one of Japan's SDG initiatives, and organizations that are associated with SDG are eligible to receive donations funded by the Fund. The Fund receives 0.1% of the amount of private placement bonds issued. As the first program of its kind in Japan, the nationwide activities of organizations are eligible for donations. As of March 31, 2018, the Resona Group had handled 386 private bond placements totaling approximately ¥47 billion, which significantly exceeded our initial assumptions.

The Expo Japan and SDGs Support Fund Scheme



2. Presentation of Donations

The 2025 Japan World Expo Committee, a fund beneficiary, received a donation in June 2018 at the Osaka Prefectural Office. Fund beneficiaries send letters of appreciation and gratitude to participating customers. Designating organizations closely involved with SDGs have contributed to customer initiatives that support SDGs. We also launched Nationwide Private Placement CSR Bonds for the SDG Promotion Fund, a new fund that uses the same approach, in June 2018. The Resona Group intends to continue to create products and services related to SDGs.



Revised Credit Policy

Highlight

The Resona Group revised its credit policy in March 2018 to address growing international demand for sustainability and criticism of transactions with companies that develop, manufacture or possess inhumane weapons such as cluster bombs. We clarified our response and approach to loan customers based on the corporate social responsibilities required of companies, and prohibited extension of credit to certain companies including those that manufacture cluster bombs. We concurrently stipulated the need to energetically support initiatives by companies to resolve social issues.

Individual Loan Business



The Resona Group will provide optimized loan products through the optimum channels and support our customers according to their life stage.

Main Products and Services

- Housing loans
- Education loans
- Card loans and personal loans
- Reform loans
- Auto loans

Digitalization



First the Resona Group halved administrative workload through operational reforms, and now it will halve it again with digitalization. We will both enhance customer convenience and improve productivity for Resona at the same time.

Key Initiatives

- Proposal, sales and contracts completed with tablets
- Eliminate office location constraints
- Remote consultation with specialists via digital service offices

The Resona Group identifies changes in its loan business operating environment, such as the prolonged ultra-low interest rate environment, the diversification of personal lifestyles and digitalization driven by the widespread use of smartphones, to implement strategies that enhance the competitive advantages of its products and services.

Our services include loan plazas where customers who have trouble visiting a branch on weekdays can go for a face-to-face housing loan consultation and procedures on weekends and holidays. We also enhance convenience with a product line-up that includes consumer loans that customers can apply for and close via the Internet. We also offer a well-rounded and unique product line-up such as the “Danshin Kakumei” housing loan that protects against a wide range of risks including illness and injury, and the “Lin next” housing loan for women. This product line-up has received positive evaluations from customers.

In April 2018 we began offering an electronic contract service that allows customers who do not live near a branch to close a housing loan contract remotely. We will expand services that use the Internet and deliver Resona loan products to customers nationwide.

Highly Convenient Services and Unique Products

Popularization of weekend and holiday operation and credit screening

73 loan plazas open on weekends and holidays

Unique, high-value-added products



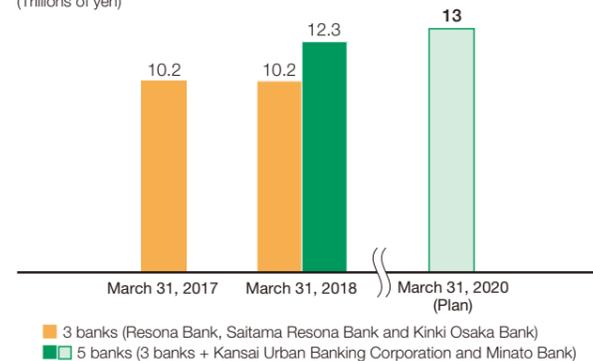
1. Loans for women
2. Balance at March 31, 2018 compared with balance at March 31, 2017

Approaching New Customers via the Internet

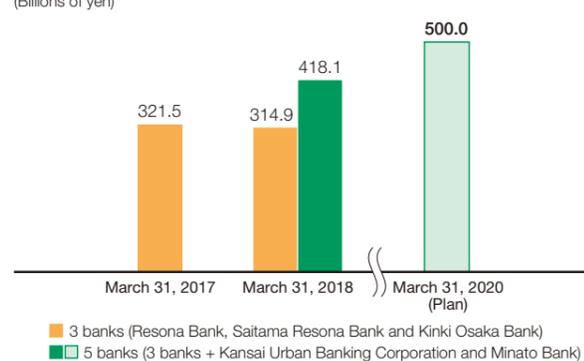
Electronic contract service started³ in April 2018

3. Successively expanding service area and offerings

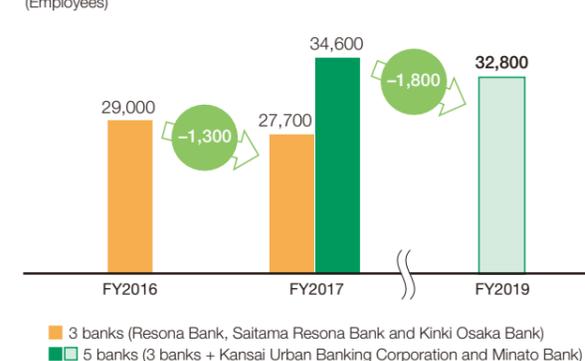
Balance of residential housing loans (Trillions of yen)



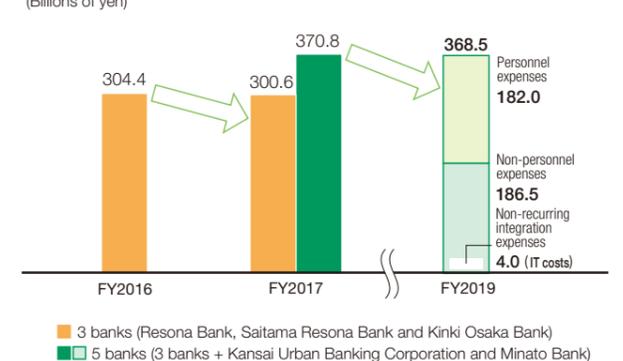
Balance of consumer loans (Billions of yen)



Total employees (Approximate numbers) (Employees)



Personnel / Non-personnel expenses (Billions of yen)



Digitalization is a key strategy for simultaneously enhancing customer convenience and improving productivity for Resona. The Resona Group began implementing operational reforms that embraced digitalization over 10 years ago. We will continue to move forward in digitalizing branches, head offices, centers and other locations.

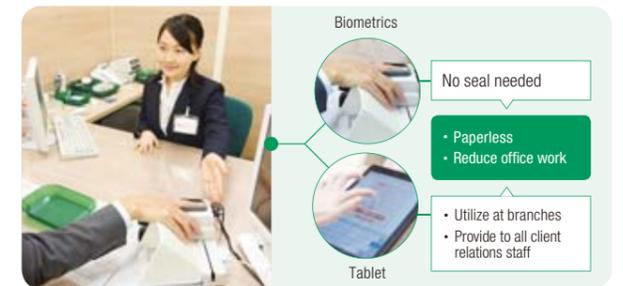
We are making excellent progress in digitalizing branches. For example, we handle insurance applications using tablets, immediately issue integrated cash and debit cards, handle accounts without the need for seals, and have introduced a corporate support system.

We will expand businesses that can be completed with tablets to eliminate location constraints and respond to customers away from branch counters. We will also accelerate programs at head offices and centers to improve productivity, such as reducing workload with RPA* and introducing AI at call centers.

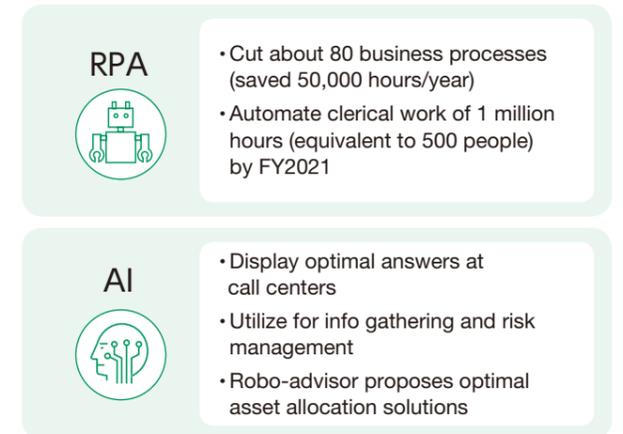
We plan to deploy this expertise within the Kansai Mirai Financial Group to realize benefits from integration in the meantime. We will digitalize to reduce workload and shift personnel from administration to marketing in ongoing operational reforms to increase sales capabilities while reducing costs.

* Robotic Process Automation: Automating and raising the efficiency of operations using digital technology

Branch Digitalization



Digitalization at Head Offices and Centers



Human Resource Management

Basic Approach

The Resona Group has taken the initiative in diversity management and work-style reform. We manage human resources based on new concepts that represent a revolution in working style rather than just simply continuing our existing approaches.

Our business model is at a major turning point because of technological innovations such as IT and AI. We are also focusing on nurturing Omni-advisors as part of our medium-term management plan, and intend to shift personnel from administration to customer divisions.

Motivated employees drive corporate activity. We will therefore strive to provide even more flexible ways of working as well as more career path options. Our goal is to be a company that creates new value through diversity and inclusion.

Human Resource System

The management crisis of 2003, which we refer to as the “Resona Shock,” led us to make the concept of diversity management that enables employees to thrive at work regardless of factors such as gender, age or job category the center of our human resource management.

Our human resource system has evolved to reward people who excel and make a strong contribution. We therefore believe in consistent and equal evaluation and treatment regardless of job category under a system that provides the same compensation to everyone doing the same work.

We will continue to review our personnel system so that all employees can demonstrate their full potential. This involves listening to the opinions of many people from sources including our annual employee survey and the recommendations of the “Resona Women’s Council,” an advisory body that reports directly to management. We introduced the “smart employee” system in October 2015. This is a system in which permanent

employees can set limits on working hours or scope of work. We also started a telecommuting system in April 2017.

Ideally, each employee should be able to choose how to work according to work-life balance and career development choices. We therefore need to broaden our work-style and career path options to enable such growth and development. We will progressively review our personnel system because diversity management is more important than ever.

External Recognition

<p>Certified Health and Productivity Management Organization</p>  <p>2018 健康経営優良法人 ホワイト500</p> <p>Resona Holdings, Resona Bank, Saitama Resona Bank, Kansai Urban Banking Corporation, Kinki Osaka Bank, Minato Bank</p>	<p>Mayor's Award for Leading Companies in Promoting Women's Employment in Osaka City</p>  <p>Kansai Urban Banking Corporation: Grand prize Resona Bank: Excellence award Kinki Osaka Bank: Excellence award</p>
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Human Resource System

	Employees	Smart employees (2 classifications)		Partner employees
Scope of work	Open-ended	Open-ended	Limited	Limited
Working hours	Open-ended	Limited	Open-ended	Limited
Equal work Equal compensation		Same basic compensation for the same job grade (Full-time hourly wage conversion)		
Shared core evaluation	Shared job grade (job class) and personnel evaluation reflecting the relative intensity of job difficulty and responsibility			

Human Resource Development

Group training, on-the-job training, and self-development are the core of our human resource development. Throughout the Resona Group, in addition to developing human resources with the expertise that enables them to offer optimal solutions to customers, we will train all employees to become Omni-advisors in order to

understand the true latent needs of customers by truly taking the perspective of customers through high-quality communication.

In addition, we provide opportunities for growth through training and self-development regardless of job category, based on the idea of having the right people with the right skills.

Strategy for Developing Omni-Advisors

Definition of Omni-Advisor

The following five requirements define an Omni-advisor:

- Constant awareness that “Customers’ happiness is our pleasure”
- Draw out customer concerns
- Provide solution options and information that lead to solutions
- Propose what is thought good for the customer’s future
- Turn down what is thought not good for the customer’s future

Omni-advisors think seriously about customers, providing proposals that benefit customers and deliberately avoid anything that is not good for customers. This is key to our fiduciary duty.

Together, the five requirements define Omni-advisors as people who can understand the true latent needs of customers.

Some customers may not fully understand bank products and services. However, many of them have latent needs and will use Resona Bank if our products help them. Customers may be vague about these needs, so we will get an accurate understanding of these latent needs by communicating with customers.

The following three attributes empower Omni-advisors to empathize with how customers feel and truly understand their latent needs:

- Commitment to resolving customer concerns
- Experienced and able to empathize with everyone
- Sophisticated communication skills

Developing Omni-Advisors

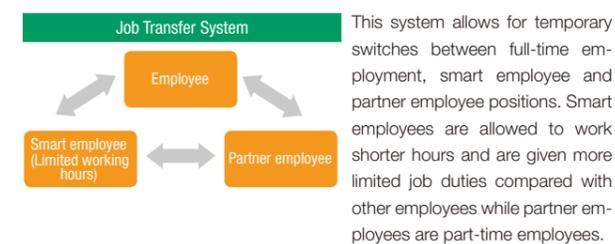
We have repeatedly emphasized our fundamental stance of “Customers’ happiness is our pleasure,” and have created a solid foundation for Omni-advisors. We will inculcate in all employees the practice of consistently thinking about customers and their needs.

In addition, we will try to review our human resource development programs. Up until now, we have emphasized acquiring the business knowledge and skills necessary for solving customer issues. We are now energetically complementing that approach by providing opportunities to gain experience and enhance communication skills. These activities support the personal growth of each employee, as do work and training. However, employees must also have fulfilling private lives. We therefore need work-style reforms that help employees realize work-life balance.

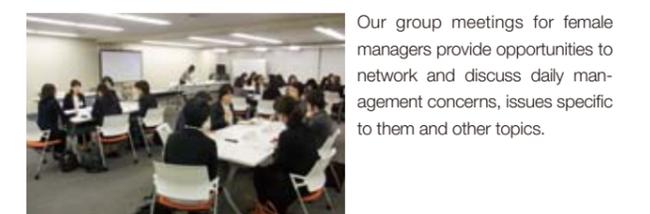
Workplaces That Empower Female Employees

We are consolidating the support system for employees to strike a balance between work and childcare and build awareness of career development among women.

The Employee, Smart Employee and Partner Employee Transfer System



Networking Seminars



Our group meetings for female managers provide opportunities to network and discuss daily management concerns, issues specific to them and other topics.

A Society That Empowers Diverse People

We have various initiatives to create a society in which everyone can fully demonstrate their capabilities, support normalization, and achieve an egalitarian society for sexual minorities and others.

Participation in the 2025 Future Society Design Meeting



The meeting provided the opportunity to discuss ways to achieve both job satisfaction and economic growth in a world where people can put their individuality and capabilities to work, and Resona Bank received a secretary-general's award.

Participation in Tokyo Rainbow Pride 2018



The Resona Group participates in external events that encourage understanding of sexual minorities as part of educational activities geared toward promoting respect for LGBT rights.

Initiatives for Environmental Issues

Basic Approach

The Resona Group recognizes that helping resolve environmental issues is important and fundamental to regional community development. Climate change is having a serious impact on society, the economy, people's lives and corporate activities. A social mission of the Resona Group is to use its role in finance to help preserve the environment and the communities that are a part of it.

The Resona Group has clarified its commitment to the environment in the Resona Group Environmental Policies. We are conserving the environment through financial services. This includes developing and providing products and services that are environmentally friendly and extending loans with environmental impact in mind.

Resona Group Environmental Policies

1. Observance of Environment-Related Laws and Regulations	Comply with environmental conservation related laws and regulations, in addition to other requested items that we have agreed to.
2. Environmental Preservation through Our Core Business	Develop and provide environmentally friendly products and services to support environmental conservation activities.
3. Environmental Load Reduction in Our Offices	Work on activities that reduce usage of resources and energy with the goal of reducing our environmental impact.
4. Environmental Communication	Actively communicate environmental information inside and outside of the company, and work on environmental training and awareness activities.
5. In-House Education and Full Participation	Inform all officers and employees about this policy, and each individual officer and employee shall act while considering environmental conservation.

Conserving the Environment through Our Products and Services

We energetically help customers who want to contribute to environmental conservation by providing products created with environmental impact in mind and cooperating with government activities.

Environmental Products and Services of Group Banks

	Products for Individual Customers	Products for Corporate Customers
Resona Bank	<ul style="list-style-type: none"> Housing loans for energy conservation and ecological support Good energy housing loan and others 	<ul style="list-style-type: none"> Resona Eco Vision Diversity Company loan system Resona Environmental Measure Support Fund and others
Saitama Resona Bank	<ul style="list-style-type: none"> Saitama house eco-friendly life support housing loan Saitama Greenery Trust Fund and others 	<ul style="list-style-type: none"> Saitama Resona environmental management support loan Saitama Resona growth business support loan (environmental business) and other
Kansai Urban Banking Corporation	<ul style="list-style-type: none"> Smart house housing loan, eco time deposits, and others 	<ul style="list-style-type: none"> Environmental support loan and others
Kinki Osaka Bank	<ul style="list-style-type: none"> Eco housing loan and others 	<ul style="list-style-type: none"> Kinki Osaka renewable energy support loan and others
Minato Bank	<ul style="list-style-type: none"> Minato eco housing loan, Minato eco product purchase loan, and others 	<ul style="list-style-type: none"> Minato eco loan, Minato eco privately placed bonds, and others

Loan and Investment Initiatives

Loan Initiatives

Our Credit Policy is the basis for Resona Group credit risk management, and it includes an environmentally friendly approach for our loan operations. For example, we energetically support the environmentally friendly initiatives of customers through our loans, and do not extend loans to large development projects that may have an excessive impact on the environment. We have also developed a system and procedures to carefully understand and assess the environmental impact of large projects and the environmentally friendly initiatives of customers.

Investment Initiatives

Resona Bank manages trust and other assets by investigating and analyzing both financial and non-financial information, including environmental, social and governance (ESG) issues. Our Responsible Investment Policy stipulates a medium-term perspective for increasing the value of trust and other assets by encouraging corporate value creation and sustainable growth. The Responsible Investment Committee consists of managers responsible for divisions that manage trust assets. Committee members employ their collective knowledge to determine the propriety of our initiatives.

Task Force on Climate-Related Financial Disclosures Initiatives

Institutional investors and financial regulators are keenly aware that climate change involves business risks and opportunities. As a result, financial institutions must evaluate the business risks and opportunities related to climate change, appropriately reflect this evaluation in business strategy and risk management, and disclose relevant information.

The Resona Group will appropriately disclose climate-related financial information as recommended by the Task Force on Climate-Related Financial Disclosures.

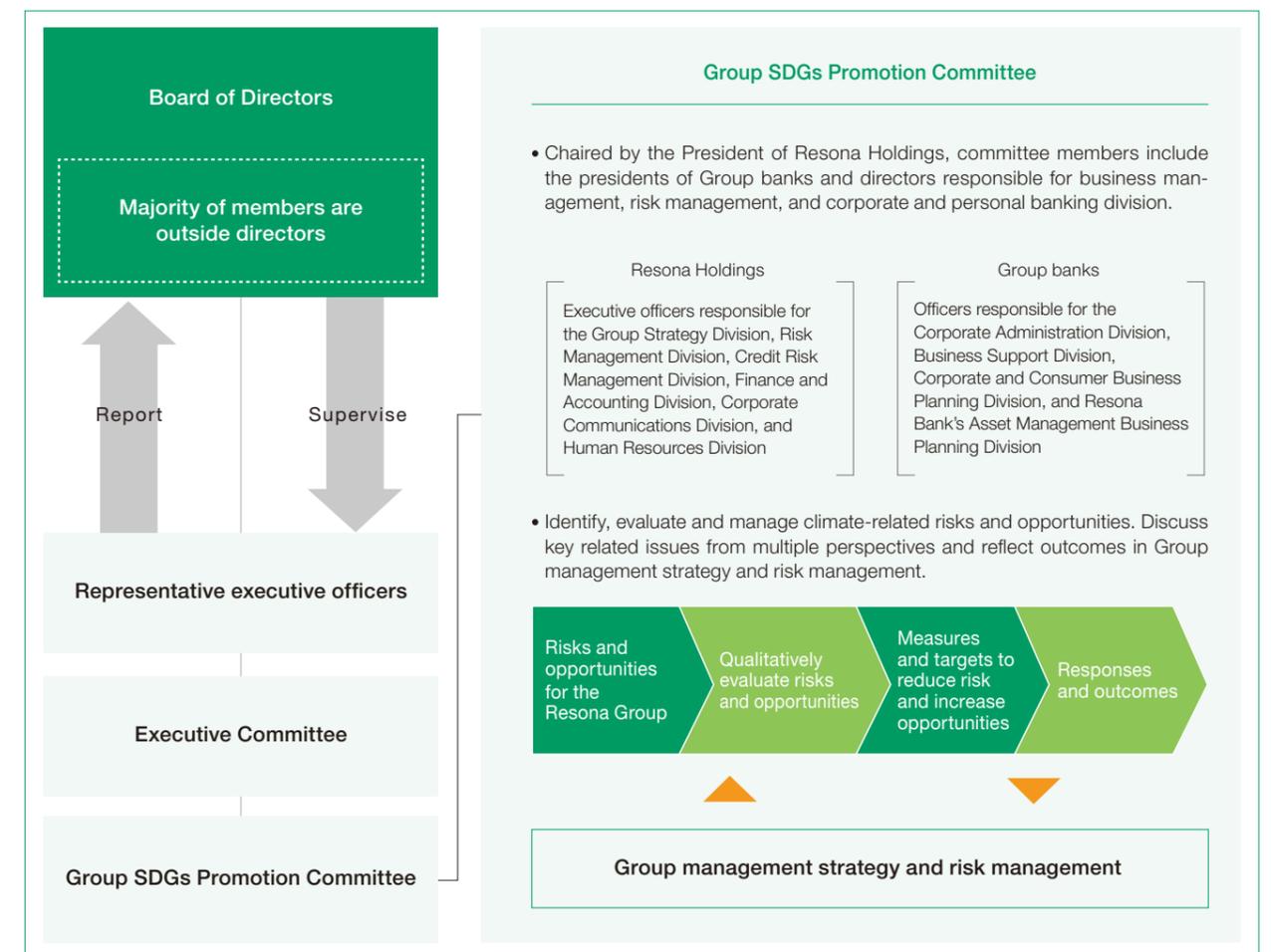
Governance

The Board of Directors, of which a majority are outside directors, discusses significant business impact from and countermeasures for social issues such as climate change in a multifaceted way.

The Group SDGs Promotion Committee is an integrated forum for managing important matters concerning the identification, evaluation and management of more specific climate-related risks and opportunities. The committee is chaired by the President of Resona Holdings, and committee members include the presidents of Group banks and directors responsible for business management, risk management, and corporate and consumer divisions.

The committee draws on the discussions of the Board of Directors to assess climate-related risks and opportunities for the Resona Group, and discusses measures and targets to reduce risk and increase opportunities from various perspectives. The Group reflects the outcome of these discussions in management strategy and risk management.

Governance for Climate-Related Risks and Opportunities



Business Risks and Opportunities from Climate Change

Climate-related risks and opportunities are likely to have the greatest financial impact on our largest asset class, loans.

The Resona Group helps corporate and individual customers mitigate and adapt to climate change through financial services

that minimize the risks from climate change and expand the opportunities.

Risks	Projected Financial Impact	Characteristics
Transition Risks	<ul style="list-style-type: none"> More stringent regulations, technological innovation and changes in customer preferences could affect industries and companies and reduce the value of the Group's loan assets. Rising carbon prices could increase operating expenses. Issues such as inconsistencies between strategy and actions or insufficient disclosure of information about climate change could reduce Resona Holdings' share price. 	<ul style="list-style-type: none"> Transition risk results from factors including changes in climate change policies and regulations, technology development, market trends and market perceptions. Steady progress toward the two degree target of the Paris Agreement¹ could intensify these impacts over the medium term.²
Physical Risks	<ul style="list-style-type: none"> Extreme weather and changes in long-term climate patterns could result in customer defaults and reduced collateral. Natural disasters could damage social infrastructure and the Group's assets and impede business continuity. 	<ul style="list-style-type: none"> Physical risk is the risk of acute or chronic damage resulting from disasters caused by climate change. Difficulties mitigating or adapting to climate change could intensify these impacts over the long term.²

Opportunities	Projected Financial Impact	Characteristics
Resource Efficiency, Energy Sources, Products and Services, and Market Resilience	<ul style="list-style-type: none"> Increased opportunities for loans to climate friendly industries and companies Increased opportunities for loans for infrastructure and technology development to help society and companies better respond to climate change Cost reductions from using highly resource efficient business infrastructure Reduce impact from rising carbon prices through the use of low-carbon energy sources 	<ul style="list-style-type: none"> The business market for mitigation of and adaptation to climate change is expected to expand greatly over the medium and long term. Developing and providing various financial services to support growth of the market would lead to increase in profit of the Resona Group over the medium and long term.

1. The world-wide long-term goal agreed upon at the United Nations Framework Convention on Climate Change held in Paris in 2015
 2. Based on Resona Group's business model and various public climate change scenarios, the following definitions are used: short term is about 5 years, medium term is about 15 years, and long term is about 35 years

Environmental Management and Community Initiatives to Conserve the Environment

The Resona Group sets annual environmental targets based on its environmental policies to reduce environmental burden. We acquired the international ISO14001 certification for our PDCA-driven environmental management system as part of efforts to achieve these targets.

Our community initiatives to conserve the environment and maintain and improve biodiversity include planting and maintaining forests as well as restoring forests damaged by the Great East Japan Earthquake.

"Resona no Kizuna" Tree-Planting Program in Disaster-Affected Areas



Kinki Osaka Bank Forest Tree-Planting Activities



Environmental Goals and Targets

	Environmental Goals	Medium-Term Targets
1	Develop and promote the sale of environmentally friendly products and services	Continue to promote product development under the theme of environmental conservation through our core businesses
2	Reduce environmental burden by enhancing productivity	Enhancing productivity: Promotion of operational efficiency by reviewing processes Energy use: 30% reduction of energy use in FY2020 compared with FY2009 Copy paper: 25% reduction of copy-paper purchases in FY2020 compared with FY2012
3	Improve awareness of environmental issues among executives and employees	Continue to promote environmental awareness among all employees
4	Proactively communicate our environmental activities	Proactively release environment-related information

Initiatives for a Better Society



As a good corporate citizen, we contribute to society under a corporate mission of developing further with regional communities. Financial institutions are an important part of the infrastructure that supports society, and we operate branch offices in various areas to conduct activities closely related to the region and carry out business activities supported by local communities. With an awareness of what the Resona Group can do for society by utilizing its experience and resources, we fulfill our responsibilities as part of the social infrastructure and work proactively to help resolve the issues faced by local communities, such as support for bringing up the next generation and regional revitalization.

Improving Financial Literacy

We help to popularize financial and economic education for the acquisition of accurate knowledge and appropriate judgment regarding finance. So far, about 33,000 children throughout Japan have participated in "Resona Kids' Money Academy," which will be held for the fourteenth year in FY2018.

Supporting the Dreams of the Next Generation

We help children make the most of their abilities and realize their dreams. Our career seminars for high school students provide opportunities to draw up future career plans. We support art and cultural activities among children attending special support schools nationwide. This includes our support of the exhibition and award ceremony of the All Japan Culture Festival for Schools for the Disabled. These initiatives have been highly evaluated, and we received recognition from the Minister of Education, Culture, Sports, Science and Technology for our efforts to promote the lifelong learning of people with disabilities.

"Resona Kids' Money Academy"



Career Seminar for High School Students



Award Ceremony at All Japan Culture Festival for Schools for the Disabled



Contribution to Community Revitalization

We contribute to the promotion of sports, the arts and culture as well as community revitalization through participation and cooperation in functions and events in local communities. Our activities in cooperation with local residents include support for the Saitama International Marathon, co-sponsorship with the Kansai Philharmonic Orchestra of a charity concert in Osaka, and cooperation in providing volunteers to run a festival in Koto Ward.

Support for the Saitama International Marathon



Co-Sponsorship of Charity Concert in Osaka



Cooperation in Koto Ward Festival



"Resona Foundation for Future"

The "Resona Foundation for Future" funds scholarship programs and provides opportunities for interacting with others in order to help children succeed regardless of economic status. We also offer career support for single-parent households through personal consultations with an employment advisor.



"Resona Foundation for Future Scholarship Program"

The program has provided 134 scholarships to date, and 37 scholarship recipients graduated in March 2018. We also held a graduation party.



"Resona Day Camp"

This day camp gives children the opportunity to think about the importance of interpersonal relationships and their own future.