

# Investor Relations Meeting for 1H of FY2023

-Business Results for 1H of FY2023 and Future Management Direction-

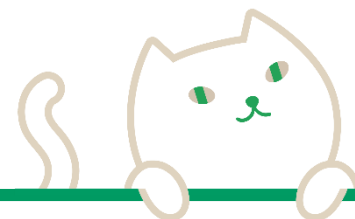
Beyond Finance,  
for a Brighter Future.

RESONA GROUP



**Resona Holdings**

**November 16, 2023**



- Abbreviations and definitions of the figures presented in this material are as follows:

[HD] Resona Holdings, [RB] Resona Bank, [SR] Saitama Resona Bank,

[KMFG] Kansai Mirai Financial Group, [KMB] Kansai Mirai Bank\*, [MB] Minato Bank

\* [KU] Kansai Urban Banking Corporation and [KO] Kinki Osaka Bank merged on April 1, 2019

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Negative figures represent items that would reduce net income.

Figures include data for internal administration purpose.

The forward-looking statements contained in this material may be subject to material change due to the following factors.

These factors may include changes in the level of stock price in Japan, any change related to the government's and central bank's policies, laws, business practices and their interpretation, emergence of new corporate bankruptcies, changes in the economic environment in Japan and abroad and any other factors which are beyond control of the Resona Group.

These forward-looking statements are not intended to provide any guarantees of the Group's future performance. Please also note that the actual performance may differ from these statements.

## **Review of the 1H of FY2023**

### **Initiatives to Improve Corporate Value**

### **Capital Management**

### **Aiming to Be a Company That Contributes Most to SX of Retail Customers (ESG Initiatives)**

**Reference Material (Financial Highlights, MMP, Business Strategies and Other)**

# Review of the 1H of FY2023

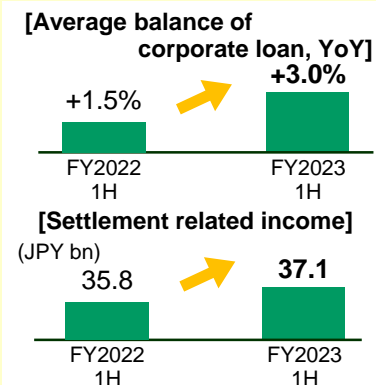
# Review of the 1H of FY2023

## Solid operating results for the first half

- ◆ Progress rate against the full year target of net income attributable to owners of parent : 55.0%
- ◆ Progress rate against the full year target of core income\*<sup>1</sup> (excluding the impact of joint management designated money trust\*<sup>2</sup>) : 51.6%

## Business development in anticipation of monetary policy change in Japan

- ◆ Average loan balance [excluding loans to the Japanese government and others] : +2.69%, YoY
- ◆ Interest on yen bonds, etc. : JPY14.4 bn, up JPY2.6 bn, YoY
- ◆ Strengthening and Utilizing a deposit base
  - Settlement related income : JPY37.1 bn, +3.6%, YoY
  - Individual users of funded investment trusts : 210 thousand, +10%, YoY



## Strengthen group governance

- ◆ The merger of HD and KMFG in April 2024 (plan)

## Progress in inorganic strategy

- ◆ Transforming two leasing companies into our consolidated subsidiaries in January 2024 (plan)

$$\text{ROI (estimate) : 12\% level} + \alpha \text{ (synergy, etc.)}$$

## Expanding shareholder returns

- ◆ Share buyback up to JPY15.0 bn

Total shareholder return ratio  
FY'23 (prospect) : 51.3%

\*1. Net interest income from domestic loans and deposits + Interest on yen bonds, etc. + Fee income + Operating expenses

\*2. Increase in trust fees (joint management designated money trust) compared to the 1H of FY2022 (up JPY1.8 bn)

# Outline of Financial Results for the 1H of FY2023

## ■ Net income attributable to owners of parent : JPY82.5 bn

- Down JPY0.1 bn, or 0.2%, YoY  
Progress rate against the full year target\*1 : 55.0% [1Q : 23.6%, 2Q : 31.4%]

## ■ Actual net operating profit : JPY107.5 bn, Up JPY18.7 bn, or 21.1%, YoY

**Core income\*2 (excluding the impact of joint management designated money trust\*3) : JPY77.4 bn, Down JPY7.9 bn, YoY**

**Progress rate against the full year target\*4 : 51.6%**

### ● Gross operating profit : JPY313.1 bn, Up JPY21.7 bn, or 7.4%, YoY

- Net interest income from domestic loans and deposits : Down JPY2.7 bn, YoY  
Average loan balance : +4.22%, YoY, Loans rate : down by 5bps, YoY  
[Excluding loans to the Japanese government and others]  
Average loan balance : +2.69%, YoY, Loans rate: down by 3bps, YoY  
**Both loan balance and loan rate were roughly in line with the plan**
- Fee income : Down JPY2.9 bn, YoY  
[Excluding the impact of joint management designated money trust\*3]  
Fee income : Down JPY4.8 bn, YoY  
**Fee income was in line with the plan. Increase in settlement related**
- Net gains on bonds (including futures) : Up JPY32.2 bn, YoY  
**Increased due to a reaction to the measures taken in the previous year to restore soundness on foreign bonds**

### ● Operating expenses : JPY205.8 bn, increased by JPY3.0 bn, YoY

**Cost income ratio : 65.7%, Down 3.8%, YoY**

## ■ Credit related expenses : JPY10.2 bn (cost), increased by JPY2.5 bn, YoY 27.0% against the full year budget of JPY38.0 bn

## ■ Full year target of JPY150.0 bn and full year dividend forecast of 22 yen (up 1 yen, YoY) remain unchanged

## ■ The merger of HD and KMFG in April 2024 (plan)

## ■ Transforming two leasing companies into our consolidated subsidiaries in January 2024 (plan)

## ■ Share buyback up to JPY15.0 bn

HD consolidated (JPY bn)	FY2023 1H (a)	YoY change		Progress rate vs. Target*1 (d)
		(b)	% (c)	
<b>Net income attributable to owners of parent</b> (1)	<b>82.5</b>	<b>(0.1)</b>	<b>(0.2)%</b>	<b>55.0%</b>
EPS (yen) (2)	35.06	+0.38	+1.0%	
BPS (yen) (3)	1,102.49	+84.87	+8.3%	
Gross operating profit (4)	313.1	+21.7	+7.4%	
Net interest income (5)	204.9	(7.3)		
Nil from loans and deposits*5 (6)	164.8	(2.7)		
Interest on yen bonds, etc.*6 (7)	14.4	+2.6		
Interest on borrowings from trust account (8)	(2.8)	*7 (1.8)		
Fee income (9)	105.8	(2.9)		
Fee income ratio (10)	33.8%	(3.5)%		
Trust fees (11)	13.0	+2.2		
Joint management designated money trust (12)	2.9	*7 +1.8		
Fees and commission income (13)	92.8	(5.1)		
Other operating income (14)	2.2	+31.9		
Net gains on bonds (including futures) (15)	(7.5)	+32.2		
Operating expenses (excluding group banks' non-recurring items) (16)	(205.8)	(3.0)	(1.4)%	
Cost income ratio (OHR) (17)	65.7%	(3.8)%		
<b>Actual net operating profit</b> (18)	<b>107.5</b>	<b>+18.7</b>	<b>+21.1%</b>	
<b>Core income*2</b> (19)	<b>79.3</b>	<b>(6.1)</b>	<b>(7.1)%</b>	
Net gains on stocks (including equity derivatives) (20)	21.9	(14.4)		
Credit related expenses, net (21)	(10.2)	(2.5)		
Other gains, net (22)	(5.2)	(3.0)		
<b>Net income before income taxes and non-controlling interests</b> (23)	<b>113.9</b>	<b>(1.2)</b>	<b>(1.0)%</b>	
Income taxes and other (24)	(31.2)	+0.9		
Net income attributable to non-controlling interests (25)	(0.2)	+0.1		

\*1. Full year target of FY2023: JPY150.0 bn \*2. Net interest income from domestic loans and deposits + Interest on yen bonds, etc. + Fee income + Operating expenses

\*3. Increase in trust fees (joint management designated money trust) compared to the 1H of FY2022 (up JPY1.8 bn)

\*4. Full year core income target of FY2023: JPY150.0 bn (announced in Nov. '23) \*5. Total of non-consolidated domestic banking accounts of group banks, deposits include NCDs

\*6. Interest on yen bonds and income from interest rate swaps

\*7. Due to the increase in interest on borrowings from trust account (RB) (down JPY1.8 bn, YoY), trust fees (joint management designated money trust) (RB) increased by the same amount (up JPY1.8 bn, YoY) (no impact on gross operating profit)

# Initiatives to Improve Corporate Value

# Our Vision for Resona's Sustainability Management



< Medium- to long-term changes in the environment and challenges that should be overcome >

**[External]**

- ❑ A phase of profound structural transition, including trends towards SX/DX
- ❑ Customers and local communities are confronting ever more diverse and complex issues requiring ever more sophisticated solutions

**[Internal]**

- ❑ Gaps between income and cost structures for the retail business
- ❑ The need to break away from conventional ideas and framework

**A change can be a golden opportunity!  
"Structure reforms : CX" that must be  
achieved now**



# Accelerate Initiatives to Realize “Retail No. 1”

A change can be a golden opportunity!  
“Structure reforms : CX” that must be  
achieved now

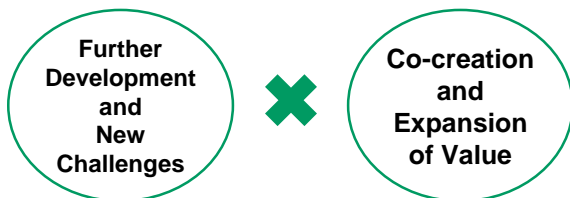
## <Overview of the MMP>

◆ Adapt to changes in light of such trends as SX, DX, etc.

◆ Further accelerate income and cost structure reforms

### Strengthening of Value Creation Capabilities

◆ Striving for the further development of businesses backed by the group’s inherent strengths and creating new value



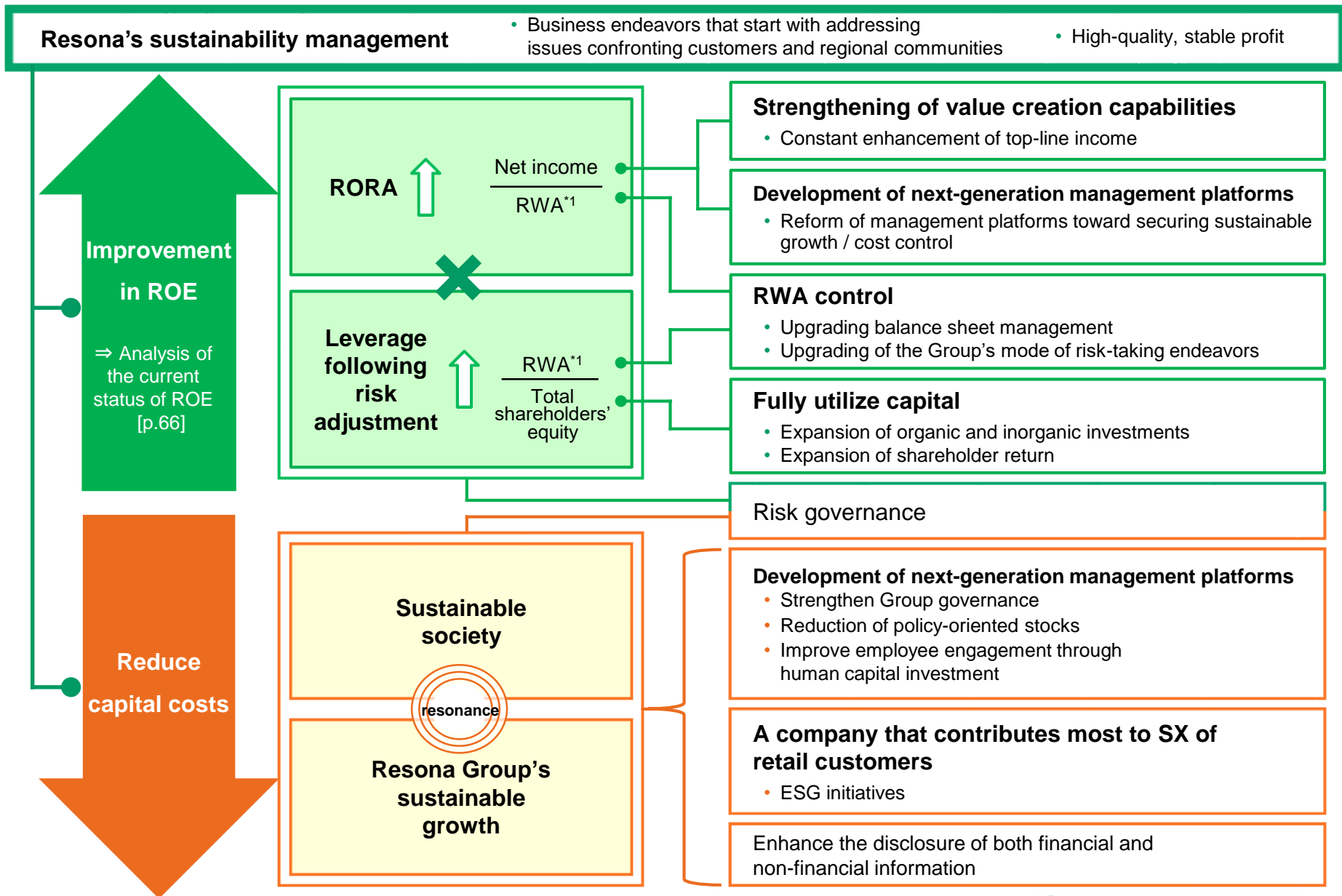
### Development of Next-Generation Management Platforms

◆ Further strengthening the consolidated management of Group companies and executing integrally reforms of management platforms



Transitioning from striving to qualitatively and quantitatively enhance capital to a new phase in which we can fully utilize it

# Financial and Non-Financial Approaches to Improve Corporate Value



\*1. Based on the finalization of Basel 3

# Achieve Business Expansion by Leveraging both Net Interest Income and Fee Income

<Recent changes in the environment>

- ◆ Deflation environment: A world without interest rates
- ◆ COVID-19 pandemic



- ◆ Elimination of deflation: A world with interest rates
  - Growing need for forward-looking fundraising
  - Shift from savings to investment: Building national strength through asset management
  - Emerging needs for “connecting” solutions
- ◆ Economic resumption



Develop our businesses starting with addressing emerging issues arising from changes in the environment

Net interest income

Toward an environment in which a deposit base centered on retail customers yields profound advantages

Business for SMEs

Housing Loan

Securities Management

Fee income

Deliver diverse solutions backed by a combination of our trust and commercial banking capabilities

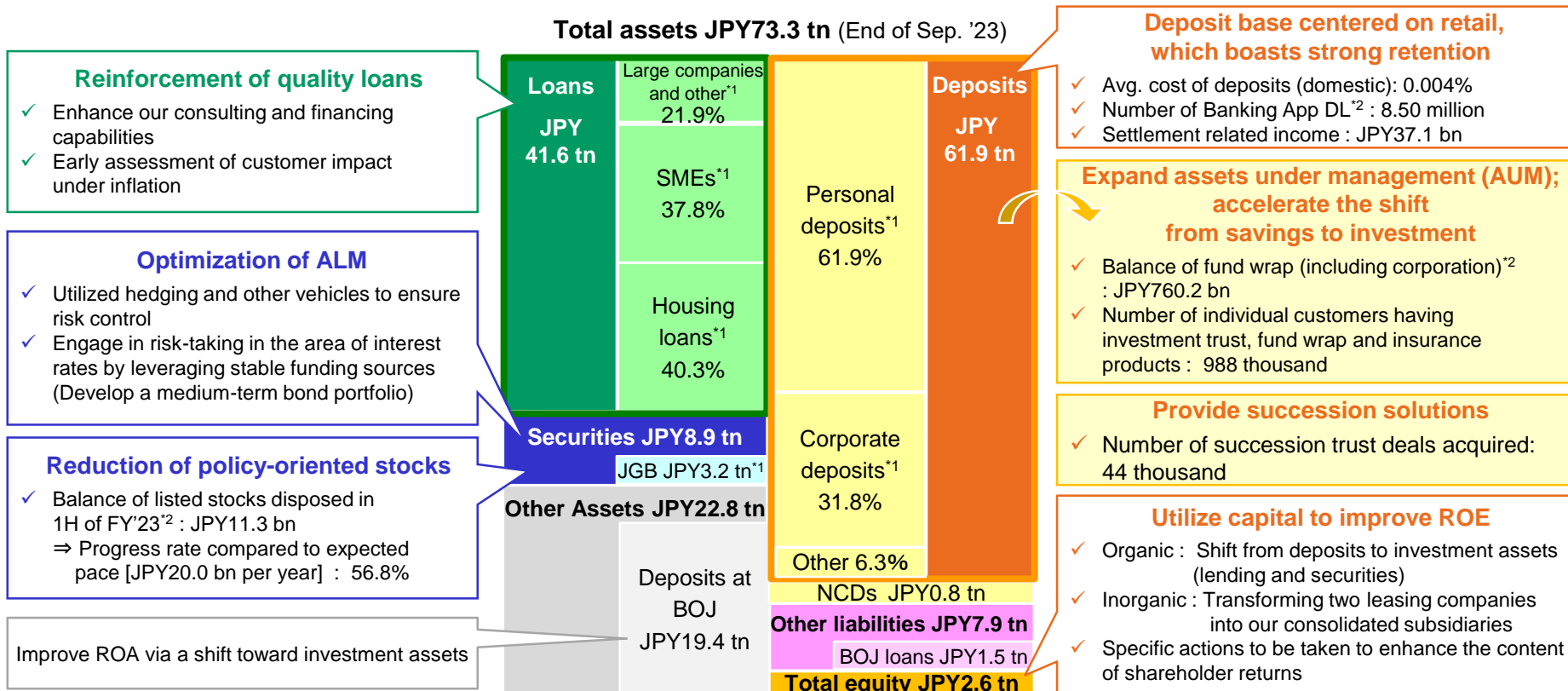
Business and Asset Succession

Cashless and DX

Asset Formation Support /Corporate Pension

# BS Management in Anticipation of Monetary Policy Change in Japan

- Restructure our yen interest rate portfolio
- Providing diverse solutions and highly convenient services via both real and digital channels



## < Possible impact of JPY interest rate hikes (provisional calculation)\*4 >

### ■ Hikes in long-term interest rates (the abolishment of the yield curve control policy)

- A provisional calculation premised on shifting a portion of funds held in BOJ current accounts to Japanese government bonds, etc., with instruments in the five-year maturity zone as targets (assuming an increase in margin to around 0.4%) ⇒ +JPY20.0 bn

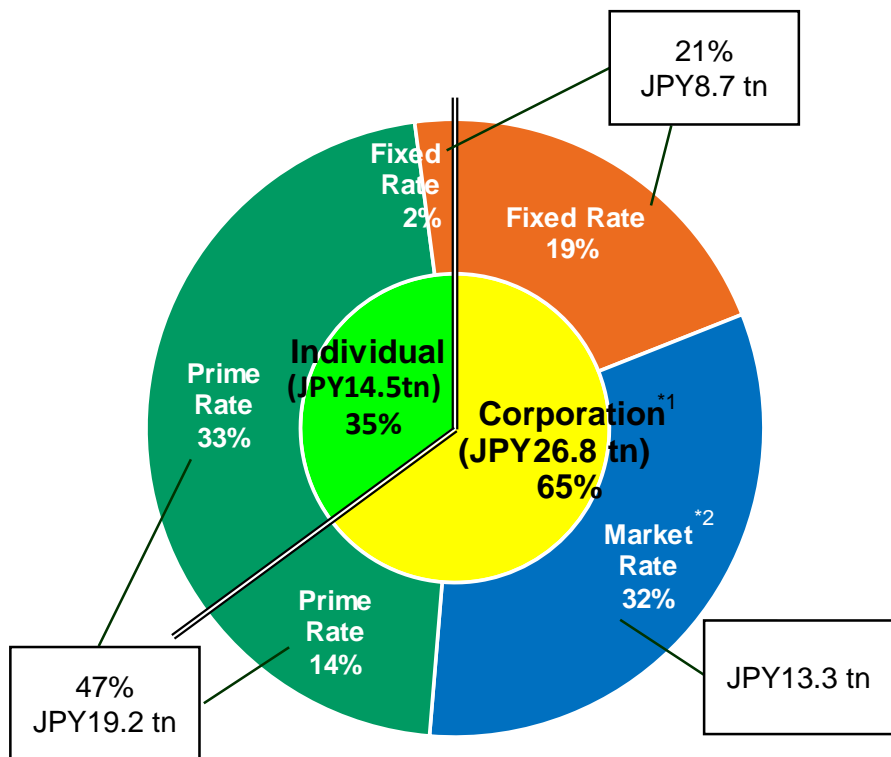
### ■ Hikes in short-term interest rates (the lifting of the negative interest rate policy)

- A provisional calculation based on assumptions we have formulated for prevailing trends at the time of lifting that takes into account the status of deposits and loans as well as changes in current account interest rates at BOJ at the time of the introduction of said policy ⇒ +JPY10.0 bn

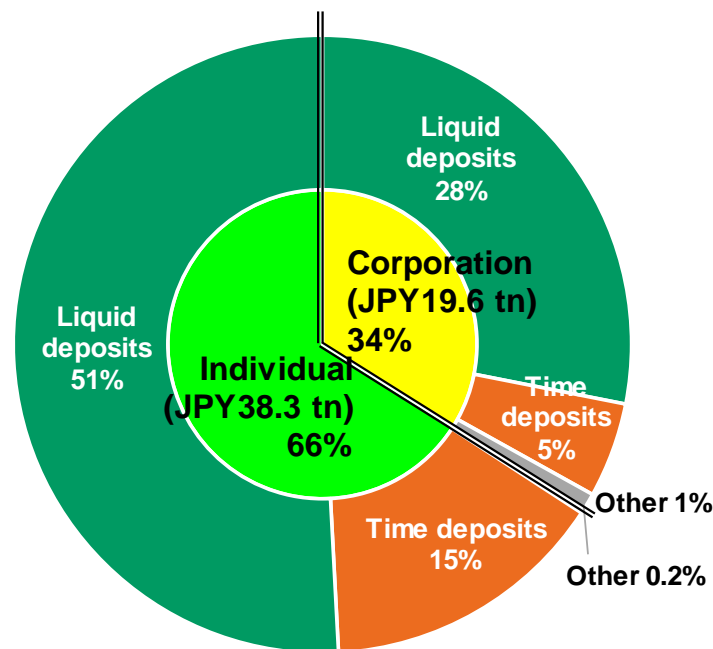
\*1. Total of group banks \*2. Including external group \*3. Total of group banks, listed stocks, acquisition cost basis \*4. The provisional calculation for the impact on annual profit reflects expected circumstances after the full effect of interest rate fluctuations materializes

# Composition of Loan Portfolio and Deposits

Composition of loan portfolio



Composition of deposits<sup>\*3</sup>



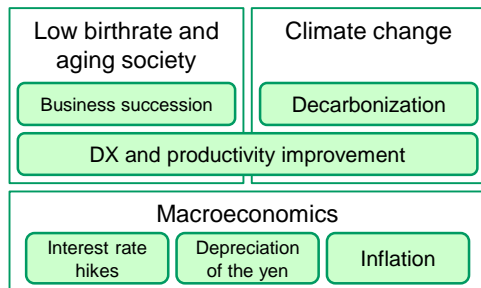
\*1. Including apartment loans \*2. Market rate-linked loans include the fixed-rate (spread) loans maturing in less than one year

\*3. Domestic individual deposits + Domestic corporate deposits

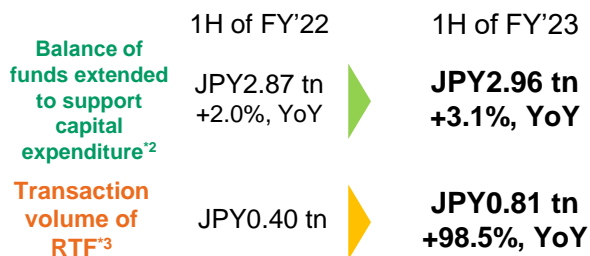
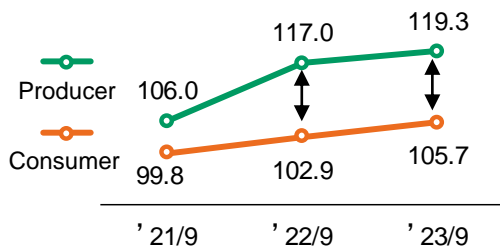
# Loans Business : Business for SMEs, Housing Loan

## Business for SMEs : Step up initiatives to accommodate both emerging funding needs and hikes in interest rates

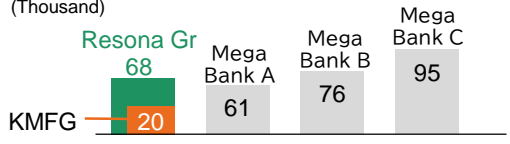
### Funding needs that could materialize in response to changes in the environment



[Trends in price index\*1]



[Number of companies that name a major bank as their main bank\*4]

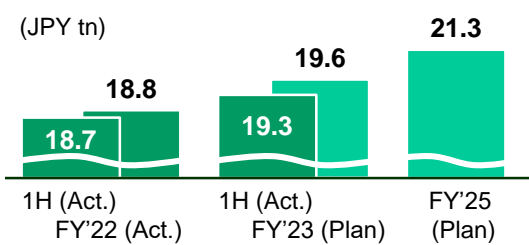


Reinforcement of staffing: Approx. +200 employees to corporate lending field over the course of the three-year medium-term management plan (MMP) period

### Strengthen initiatives aligned with future hikes in interest rates

- Develop a structure for ensuring the smooth management of lending margin
- Dialogue with customers  
Early assessment of impacts / needs (e.g., preferences regarding interest rates)

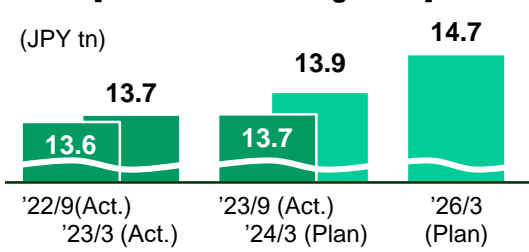
[Average balance of corporate loan]



## Housing Loan Business : Deliver diverse solutions aligned with changes in customer behavior

- A front runner in the housing loan field : Balance of JPY13.7 tn in Sep. '23 (No. 1 in Japan as of Mar. '23)
- A web-based housing loan application system (Jul. '23-) : All procedures from preliminary application to the signing of contracts can be completed on the web!
- Products to be released to accommodate customer needs and set us apart from other banks : Danshin Kakumei (Provide coverage for 3 major diseases as well as 16 type of other diseases in addition to injuries and conditions requiring nursing care), Loans for women
- Deliver app-based proposals to our housing loan borrowers in a timely manner  
⇒ Around 90% of housing loan customers installed the app at the time of borrowing

[Balance of housing loans]



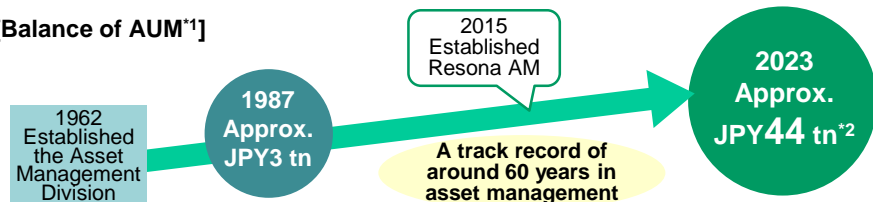
\*1. Consumer : MIC "Consumer Price Index 2020-Base Consumer Price Index (Sep. 2023)", Producer : BOJ "Monthly Report on the Corporate Goods Price Index (Preliminary Figures for Sep. '23)" \*2. Total of group banks \*3. Retail Transition Finance \*4. TEIKOKU DATABANK (2022)

# Fee Business : Asset Formation Support

Provide retail customers with access to the asset management know-how we have nurtured through 60 years of corporate pension asset management

Resona Asset Management (AM)'s Purpose is "to ensure a prosperous and happy life for future generation as well as our customers"

[Balance of AUM\*1]



[Total balance of AUM\*2]

Asset managers		(JPY tn)	Asset managers		(JPY tn)
		Balance			Balance
1	Sumitomo Mitsui Trust AM	85.9	6	Nissay AM	34.0
2	AM One	62.4	7	Nikko AM	26.6
3	BlackRock Japan	61.8	8	Mitsubishi UFJ Kokusai AM	25.9
4	Nomura AM	60.5	9	Daiwa AM	23.7
5	Resona AM	44.0	10	Sumitomo Mitsui DS AM	17.8

## Asset management structure and human resources

- Develop a structure enabling our staff to better focus on asset management
  - ✓ Number of staff at departments engaged in asset management: 129 as of Sep. 30, '23 (approx. 66% of overall headcount)
  - ✓ Number of staff at Client Service and Corporate divisions: 65 as of Sep. 30, '23 (approx. 34% of overall headcount)

## External evaluation of our asset management capabilities\*3



## Initiatives to promote sustainability transformation (SX)

- Acting as a silver sponsor for PRI in Person 2023
- Received the Minister of the Environment Award (comprehensive category) for best practice in FY2022
- Certified as an "Eco-First Company" by the Ministry of the Environment

Support the shift from savings to investment via the combination of digital and face-to-face channels

## "Tsumitate Box" (Aug. '23-, RB, SR, KMB)

Support customers hoping to "initiate," "continue with" or "achieve the goals of" their asset management endeavors

Example

- For customers who understand the necessity of asset management but are uncertain about how to proceed
- Offer an app-based framework that delivers proposals on savings-type investment based on backcasting from investment targets and allows users to choose the products they wish to purchase

First in the industry!

Patent acquired!

Initiatives to raise financial literacy among the general public

Practicing thoroughly customer-centric business management

## Resona Fund Wrap (Feb. '17-)

Example

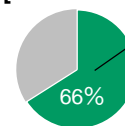
A product boasting built-in features designed to appeal to bank customers

[Profile of customers]

Discretionary contracts with professionals executing a stable asset management approach

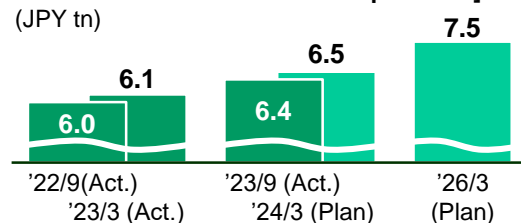
Convenient asset administration functions

Low level of necessary costs



Customers who previously had no balance in any Resona Group investment trust account\*4

[Balance of investment trust, FW and insurance products]

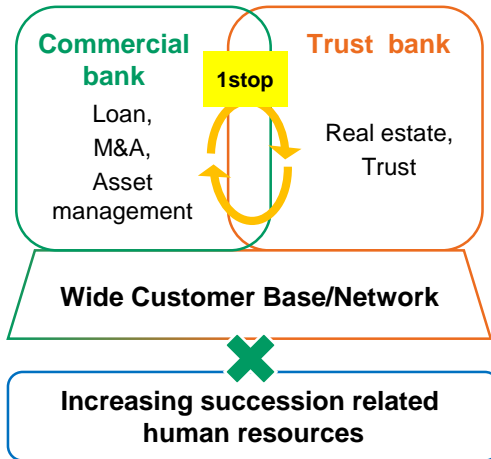


Nurture professional human resources under a multi-path personnel system (20 distinct job categories)

\*1. Including AUM held by Resona's precursors: Daiwa Bank, Asahi Trust Bank, Daiwa Trust Bank and Resona Trust Bank  
 \*2. Total balance of assets managed under discretionary investment contracts and investment trust assets for which we act as an asset manager as of Mar. 31, 2023 \*3. Including products provided by Resona Bank for pension asset management \*4. New contract destination in 1H of FY'23

# Fee Business : Business and Asset Succession, Cashless and DX Solution

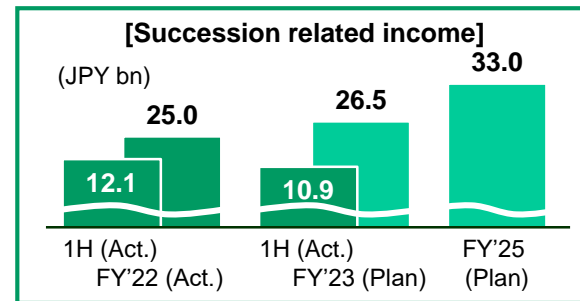
## Business and Asset Succession : Support smooth succession to accommodate growing needs in an ultra-aging society (⇒p.62)



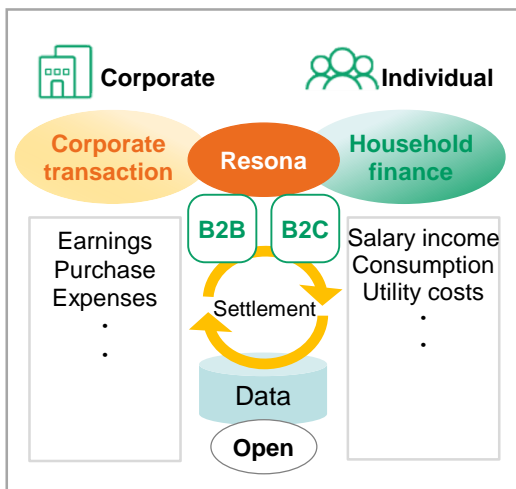
- Evolving public awareness of business and asset succession amid a post-deflation era
- Emergence of succession needs in the aftermath of the COVID-19 pandemic
- Accelerate the provision of 1-stop solutions
  - Establish the Succession Solution Division (RB, Oct. '23-)



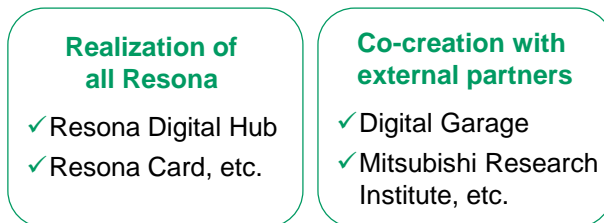
- A business based on long-term customer relationships
  - Continue to act as a “running partner” for customers to enable them to better navigate business activities/life events after succession



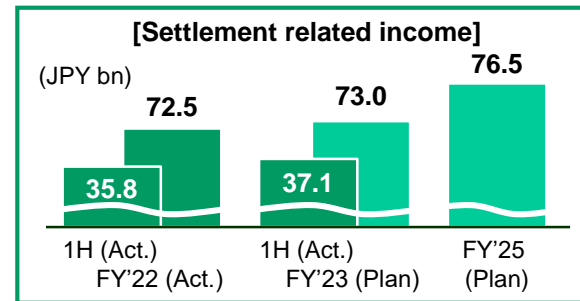
## Cashless and DX Solution Business : Offer convenience for household finance and corporate transactions (⇒p.63)



- Debit card (individual / corporate)
  - Fee income : JPY2.7 bn, +18.1%, YoY
  - Number of debit card issued : 3.11 million
  - Affinity with apps for both corporate and individual customers
- Collaboration within and outside the Group



- Corporate settlement / DX support
  - Resona Cashless Platform
  - Resona One-Stop Payment





### Expansion of inorganic investments in the capital utilization phase

#### What value can we offer customers?

Winning customers not yet reached by Resona will

**[1] Enhance our customer base**

Securing specialist and other human resources will

**[2] Enhance our management resources**

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

**[3] Enhance our functions**

In Jan. '24, it is planned to transform two leasing companies, which are equity method affiliates, as consolidated subsidiaries

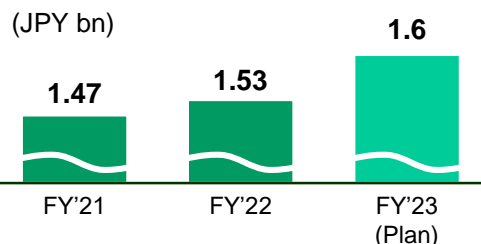
#### ■ The first inorganic strategic initiative in the MMP that contributes to improving ROE

ROI (estimate) :  
12% level



+α (synergy, etc.)

[Net income of total of two leasing companies]



Resona's customer base



Leasing function

Streamline our mode of business management  
(Consider merger following consolidation of two leasing companies)

**With addressing issues our customers are confronting as a starting point, discuss the enhancement of solutions**

#### [Outline of two leasing companies]

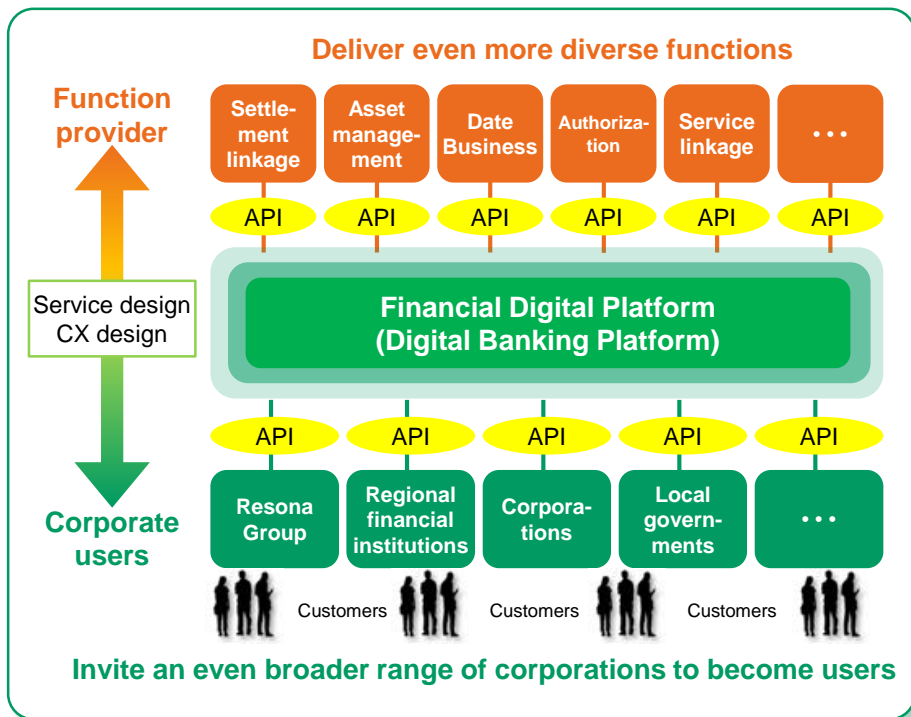
Company name	DFL Lease Company Limited	
Principal line of business	General leasing	
Location of head office	4-1-1, Fushimimachi, Chuo-ku, Osaka	
Capital amount	JPY3.7 bn	
Capital contribution ratio of Resona HD	20%	<b>After</b> → 100%
Company name	Shutoken Leasing Co., Ltd.	
Principal line of business	General leasing	
Location of head office	9-1, Kanda Mitoshirocho, Chiyoda-ku, Tokyo	
Capital amount	JPY3.3 bn	
Capital contribution ratio of Resona HD	Approx. 20%	<b>After</b> → Approx. 90%

## Co-creation through wide-ranging external collaboration that transcends the conventional framework

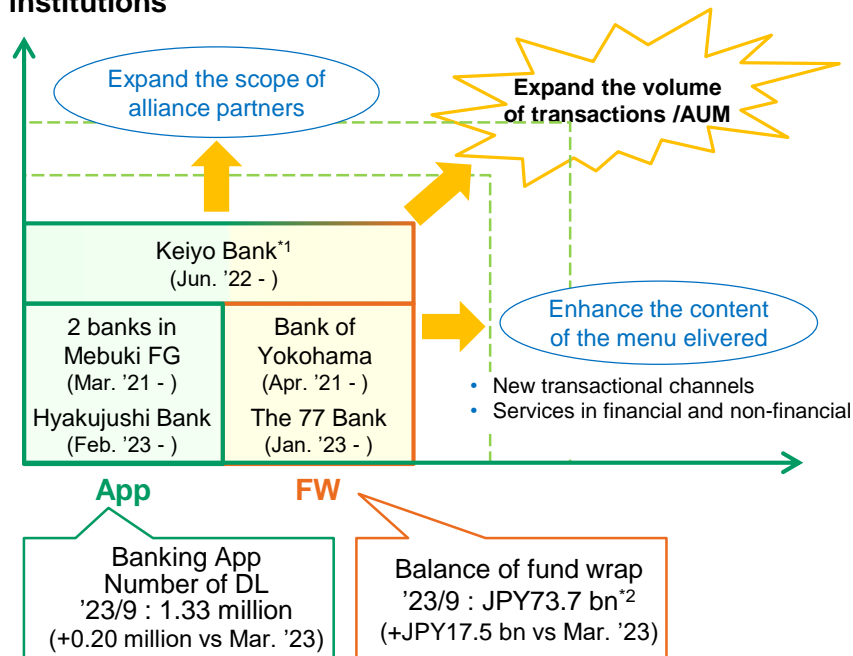
### Financial Digital Platform -Vision-

Develop and expand an ecosystem that ensures win-win relationships for all platform participants

- Engage in co-creation with leading companies in the field of banking systems
  - Established FinBASE in tandem with IBM Japan and NTT DATA
  - 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



### Develop new businesses that transcend the conventional framework

- Co-creation with partners from different sectors
  - Capital and business alliance: Digital Garage (settlement field, etc.) → Joint development of a settlement service specializing in the medical sector (Jan. '24-)
  - Brain Pad (data field, etc.)
- Consortium : Multi-channel platform for individual authorization (Four companies\*3 established, 30 participants companies)
- Expansion of business fields
  - Financial × Non-financial: Data analysis, advertisement, marketing, etc.

\*1. The App will be released going forward

\*2. Based on market value, including corporation

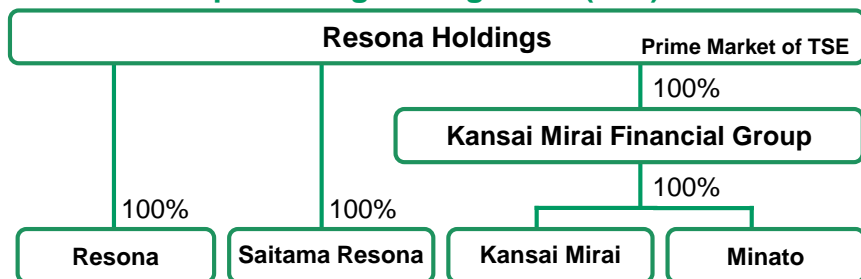
\*3. Resona HD, JCB, Dai Nippon Printing and Panasonic Connect

# The Merger of HD and KMFG (Planned in April 2024)

Towards further strengthening the consolidated management of Group companies

## So Far

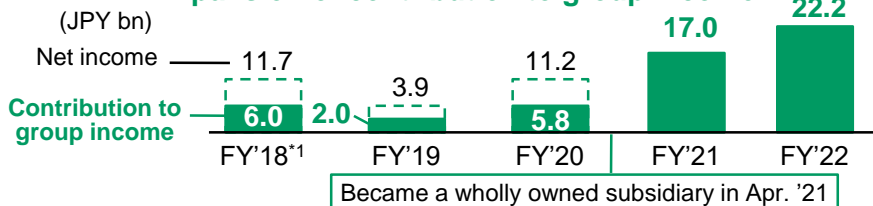
KMFG functions contributed to speedy post-merger integration (PMI)



### ■ KMFG leads the way in the start of the largest regional banking group in the Kansai area

- Rollout of Group products and services ⇒ Realize top-line synergies
- Unify the mode of back-office operations throughout the Group while reforming branch-counter infrastructure ⇒ Realize cost synergies
  - Complete the integration of KMB's back-office operations and systems within a one-and-a-half-year time frame
  - Restructure the branch networks of KMB and MB via the use of the branch-in-branch (BinB) method, etc.
- Invigorate the interaction of human resources across the Group and remove boundaries among them

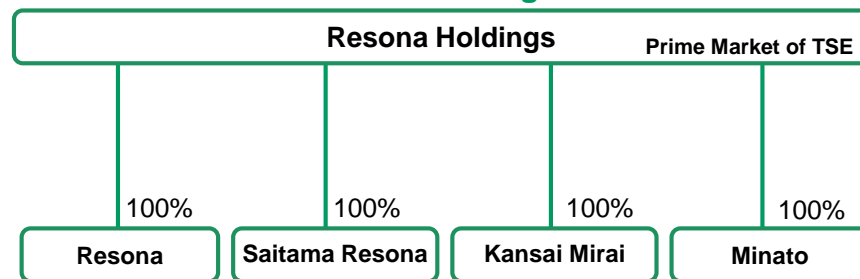
### Expansion of contribution to group income



\*1. Excluding gain from negative goodwill

## Going forward

Shifting to a new organizational structure to facilitate fresh growth



### ■ Strengthen Group governance

- Upgrade on a consolidated management of Group companies
- Facilitate speedier and simple decision making
- Empower each subsidiary bank to execute effective growth strategies

### ■ Toward the establishment of a “one-platform, multi-regional strategy”

- Pursue more efficient business management via the integration of back-office operations and indirect departments
- Four banks strive to deliver optimal value to customers in light of the characteristics of the regions they serve

Accelerate initiatives to realize “Retail No. 1”

Beyond Finance,  
for a Brighter Future.

# Initiatives to Reduction of Policy-Oriented Stock Holdings

## Policy for holding policy-oriented stocks\*1

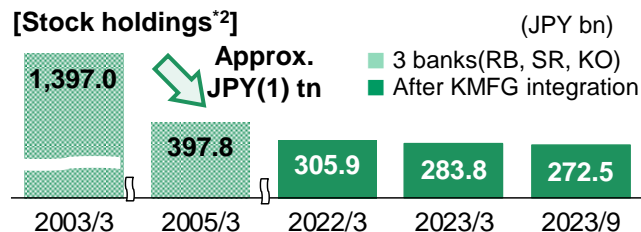
- Since the capital enhancement with public funds, Resona Group has reduced the balance of the policy-oriented stocks to lessen the risk of price volatility. Our basic policy is to continue to reduce the balance of policy-oriented stocks.
- The Group determines whether to hold policy-oriented stocks by evaluating the risks and returns, including feasibility of the development of a trading relationship in a medium- to long-term.  
The Group may also sell stocks in consideration of the market situations, management and financial strategies, even though the Group considers appropriate for holding from the risk-return perspective.

## ■ Balance of listed stocks disposed 1H of FY2023

(acquisition cost basis): JPY11.3 bn

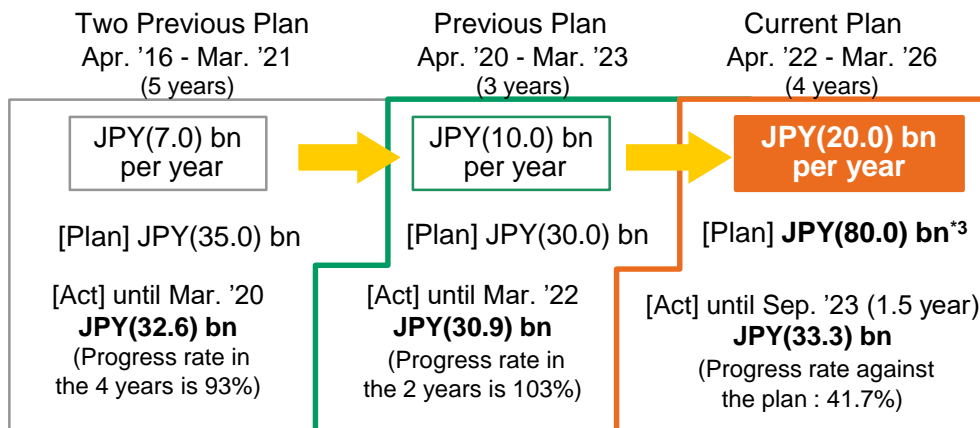
Net gain on sale (acquisition cost basis) :  
JPY22.1 bn (HD consolidated: JPY21.7 bn)

Breakeven Nikkei average: Approx. 7,400 yen

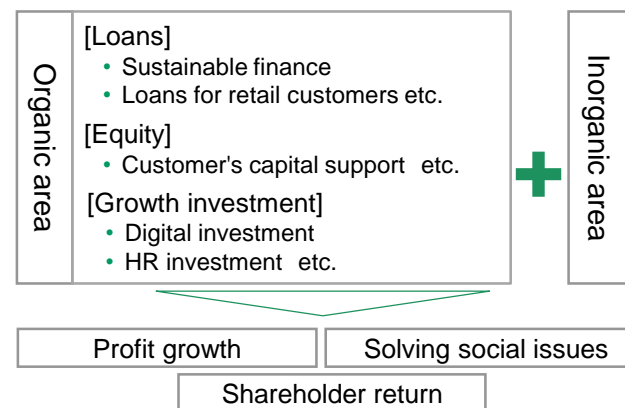


## ■ Aim to further reduce the balance under the current plan, which accelerated the pace of reduction

- Steady progress compared to plan



- Utilized in fields that contribute to solving social and customer issues



\*1. Policy-oriented stocks are classified into (1) policy investment stocks and (2) strategic investment stocks, according to the purpose of holding. 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. Total of group banks, acquisition cost basis, marketable securities and policy investment stocks only

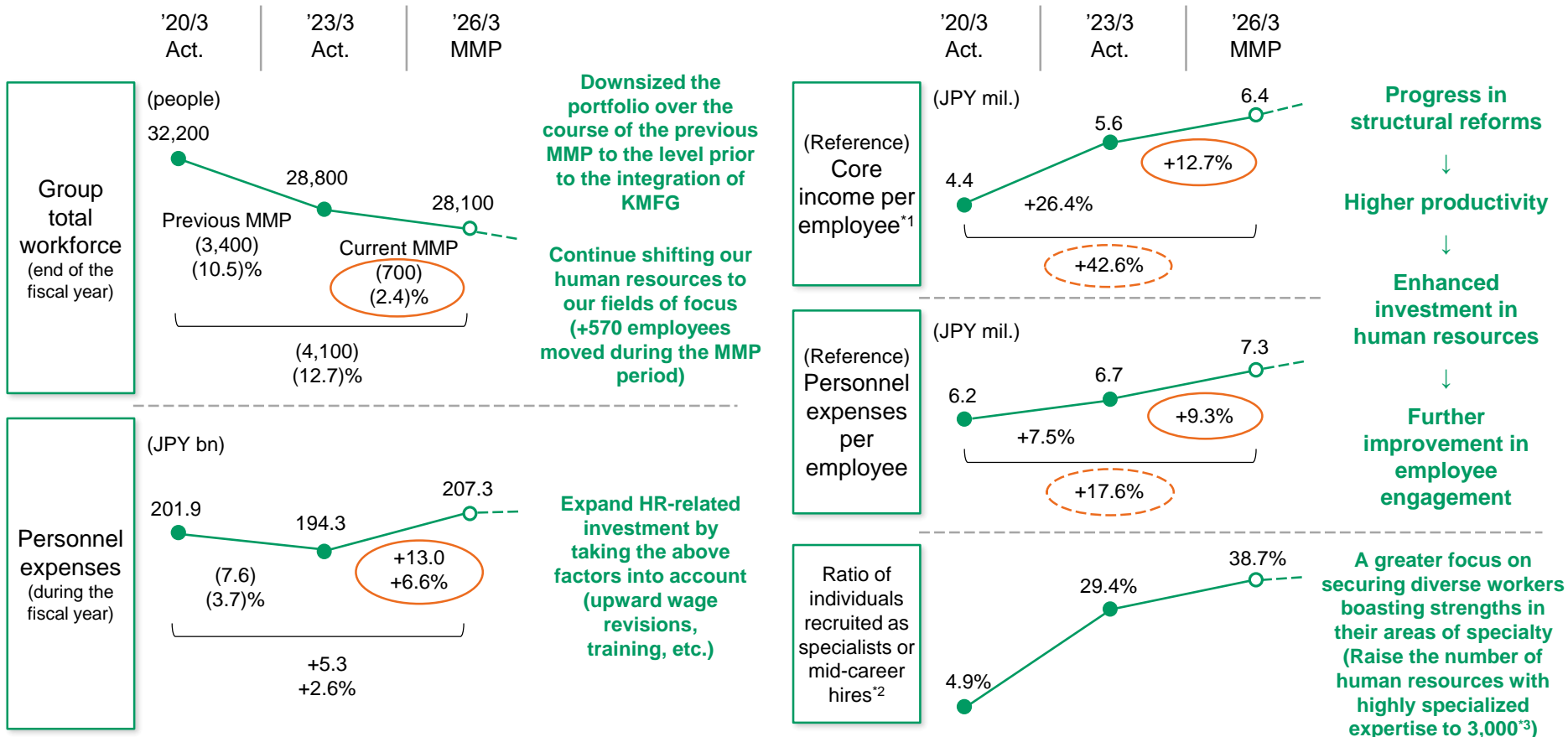
\*3. Reference: Market value of about JPY(250) bn (Estimated based on the market value of the policy-oriented stock as of Mar. '22)

# Upfront Investment in Human Capital

Focusing on securing diversity, enhancing specialist strengths and ensuring well-being in human resource portfolio development

Human resource (HR)-related investment during the MMP period:  
**+JPY33.0 bn (cumulative total of three years)**

- Enhance employee engagement



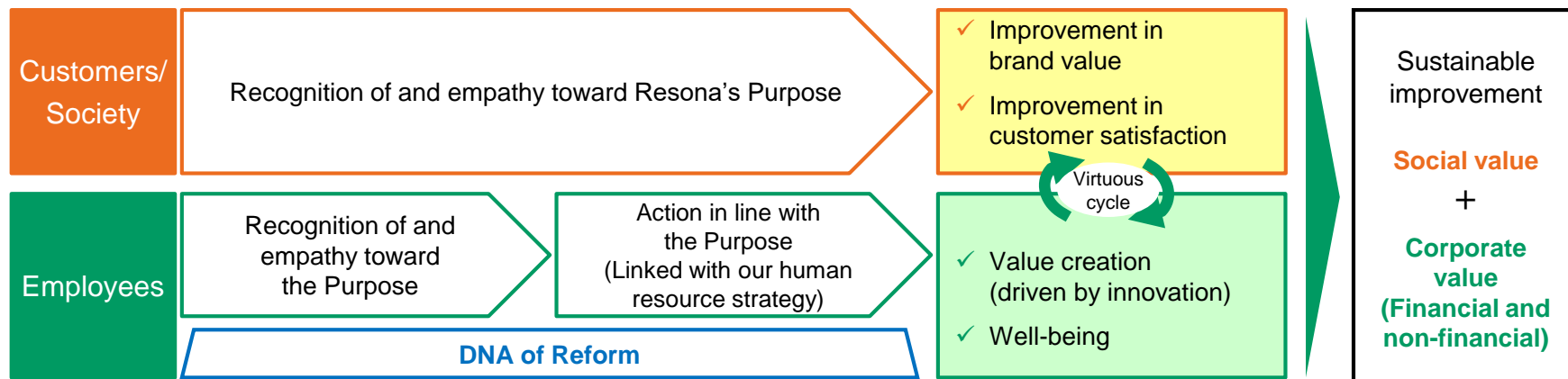
\*1. Core income (Net interest income from domestic loans and deposits + Interest on yen bonds, etc. + Fee income + Operating expenses) / workforce

\*2. Ratio of new graduates (earmarked for specialist courses) + mid-career hires to overall hiring \*3. Target for FY2030 (individuals who have acquired high-ranking qualifications via in-house specialist certification systems or other similar qualifications)

# Taking on Further Challenges by Building on Resona's 20 Years of Reform

**Entrench Purpose × Pass down the “DNA of Reform”**  
⇒ Accelerate sustainable improvement in social and corporate value

## A path toward sustainable improvement in value



### ■ Initiatives to ensure the entrenchment of the Purpose

- Customers / Society
  - Gain public recognition of our corporate activities informed by the Purpose
  - TV commercials and web advertisements
- Employees
  - Implement training, prepare tools and content aimed at securing employee understanding
  - Dialogue between top management and employees, the enhancement of employee performance evaluation and commendation systems

**<Resona Group Purpose>**

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

### ■ Issued a book regarding the Resona Group's corporate history for the first time (Sep. '23)

- Features our sense of gratitude for stakeholders who have supported us to date and a strong commitment to our mission
- Ensure that the “DNA of Reform” we have cultivated through the Resona Reform following the injection of public funds is passed down to the next generation

**Corporate history**

**The Resona Group**

**—20 Years of Taking on the Challenge of Reform—**  
(Japanese only)

# Upfront Investment in IT

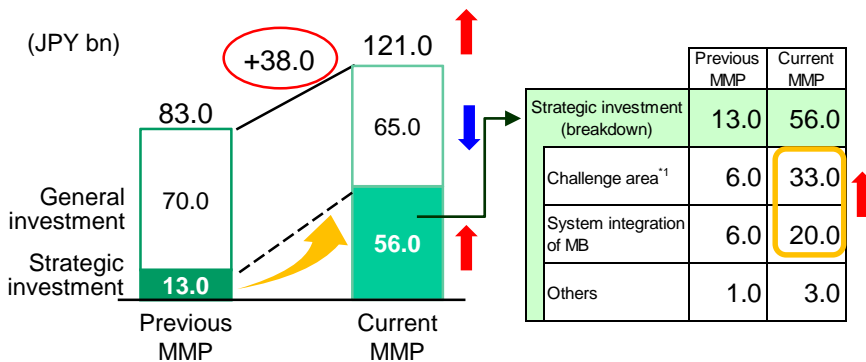
Toward the development of next-generation intellectual capital supporting sustainable growth

**IT-related investment during the MMP period: +JPY40.0 bn (cumulative total of three years, compared with the previous MMP period)**

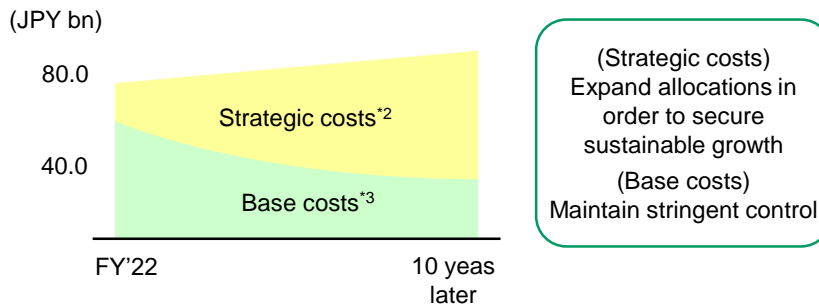
- Business processes: Exhaustive overhauling
- Channels: Integration of face-to-face and digital channels
- Systems: Generalization, openness and streamlining

## Expand strategic investment aimed at strengthening our capabilities to achieve CX and growth in top-line income

[Amount of IT investment]



[IT Cost] ※Visualizing the plan



## “Development of next-generation management platforms” implemented up to the previous MMP

Effects of the items on the left, etc.

### Business process reform

Accelerate digitalization



Volume of clerical work  
Approx. (30)% (5 years)

No. of clerical work staff  
Approx. (15)% (3 years)

### System structure reform

System-related base cost  
Approx. (20)%

### Clerical work and system integration of KMB

Top line synergy  
JPY+8.3 bn (FY'18 vs FY'22)

Cost synergy  
JPY+15.0 bn (FY'18 vs FY'22)

## Next-generation initiatives in the current MMP

Development of lending, housing loan and trust/pension related systems

Clerical work and system integration of MB

Mission change of human resources

Increase productivity

\*1. Development of lending- and loan-related systems, the development of trust and pension management systems, new businesses, etc.

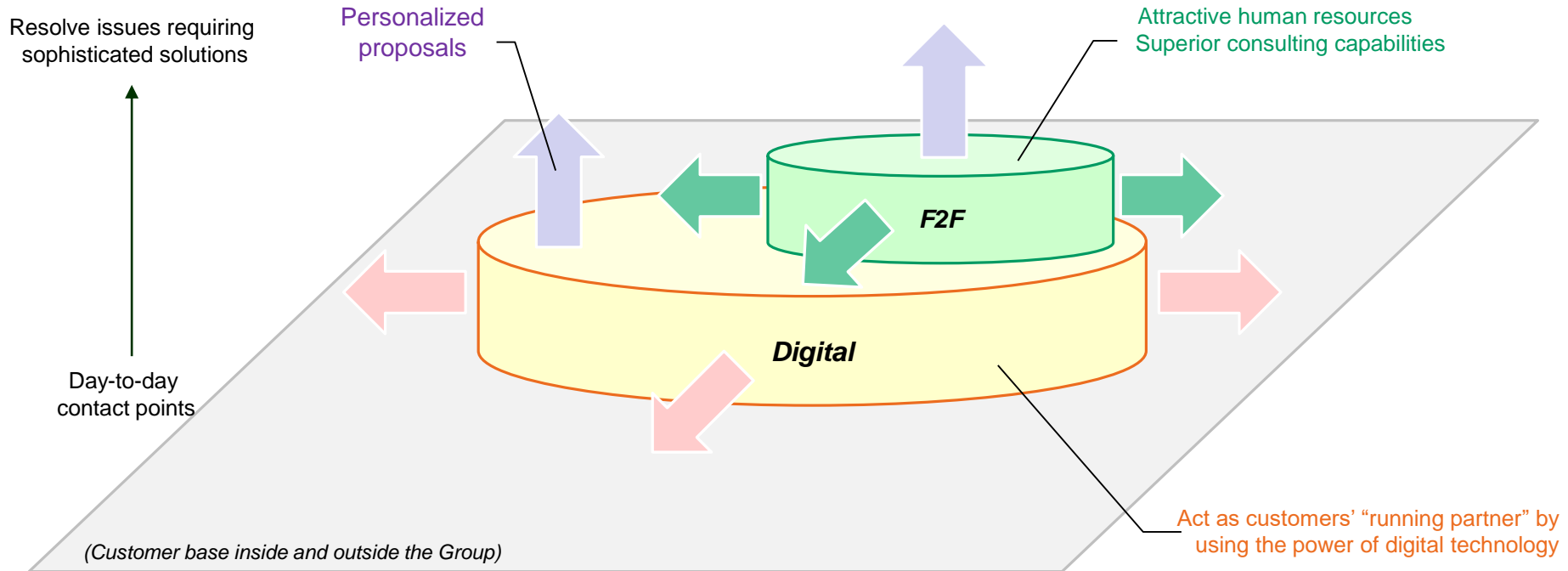
\*2. Depreciation costs of strategic investment and general investment (additional investment), etc.

\*3. Maintenance costs, depreciation costs of general investment (existing investment), etc.

# Deliver New Value through the Integration of Digital and Face-to-Face Channels

100% of day-to-day transactions can be completed via digital channels  
×  
Face-to-face channels serve for special occasions

< A worldview we aim to realize >





# Long-Term Sustainability Indicators

Aiming for sustainable improvement in social and corporate value

		FY2022 (results)	FY2030 (target levels)
Value for customers and society	<b>Value Creation Capability Indicator</b> Number of cases where solutions are provided	10.5 mil cases	20 million cases
	<b>Retail Transition Financing Target</b>	Cumulative total: JPY1.865 tn	JPY 10 tn
Environmental value	<b>Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio</b>	-	(2050: Net zero)
	Interim target for the energy sector (Portfolio carbon intensity)	139 gCO <sub>2</sub> e/kwh (FY2021)	100 - 130 gCO <sub>2</sub> e/kWh
	<b>Carbon Neutrality Target (Scope 1 &amp; 2)</b>	vs FY2013 (56)%	Net zero
Social value	<b>Targets for the Empowerment and Promotion of Women</b> Ratio of female directors and executive officers (Resona Holdings) Ratio of female senior managers (6 Group companies*1) Ratio of female line managers (6 Group companies*1)	15.3% 13.4% 31.4%	30% or more 20% or more 40% or more
	<b>Well-Being Indicator</b> Ratio of positive responses in questionnaires regarding a sense of fulfillment felt in work and private life as part of employee surveys	69.3%	Increase the ratio of positive responses

\*1. Sum of Resona Holdings, Resona Bank, Saitama Resona Bank, Kansai Mirai Financial Group, Kansai Mirai Bank and Minato Bank

# Capital Management

# Capital Management

■ Enter a new phase in which we can step up the utilization of capital ⇒

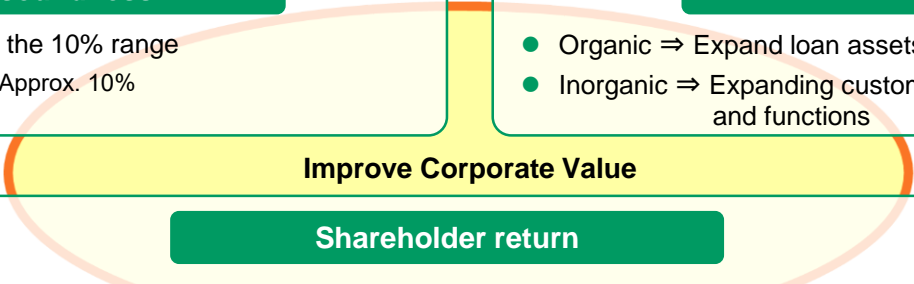
**Aim for ROE\*1 of 8%**

**Financial soundness**

- Maintain the CET1 ratio\*2 at the 10% range
  - CET1 ratio as of Mar. '23 : Approx. 10%

**Growth investment**

- Organic ⇒ Expand loan assets, etc. with high returns relative to risk
- Inorganic ⇒ Expanding customer bases, management resources and functions



**Improve Corporate Value**

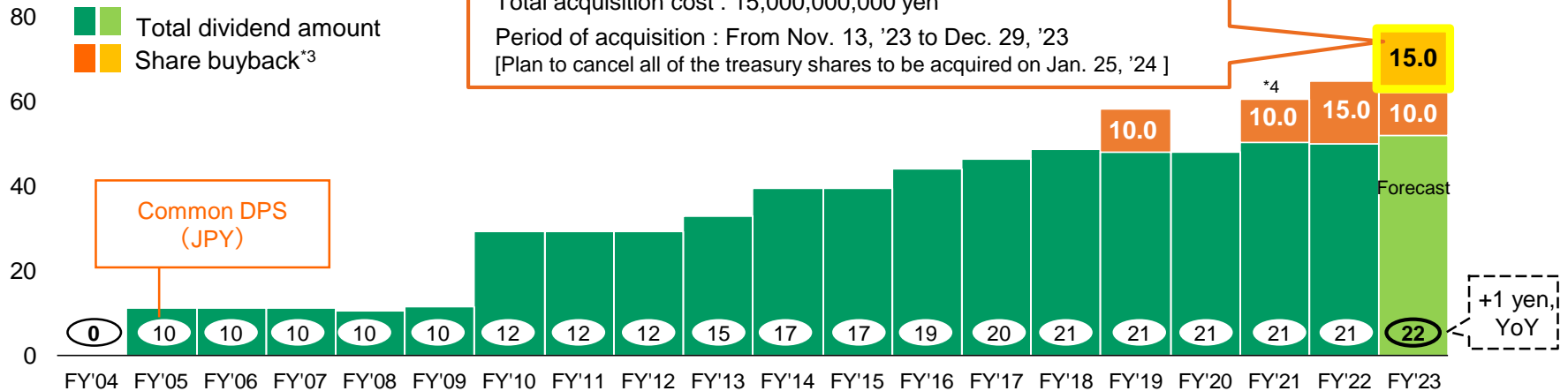
**Shareholder return**

- Enhance the content of shareholder returns in a way that gives due consideration to maintaining soundness and securing growth investment opportunities
- Aim for a total shareholder return ratio of around 50% even as we continue to deliver a stable dividend stream
  - FY'22 : 40.6% ⇒ FY'23 (prospect) : 51.3%

**[Trends in shareholder returns]**

(JPY bn)

- Total dividend amount
- Share buyback\*3



\*1. Net income attributable to owners of parent / Total shareholders equity (simple sum of the balance at the beginning and the end of the term/2)

\*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. The amount of treasury stock acquisition is rounded to the nearest hundred million yen

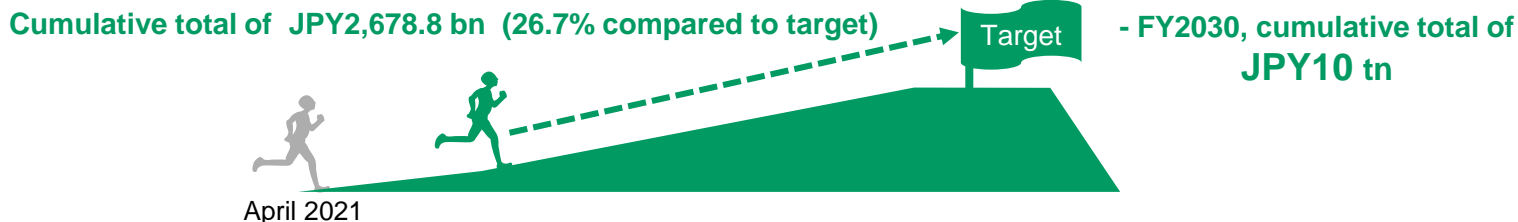
\*4. Implement share buy-back (JPY40.9bn, 88 mil. shares) to neutralize dilutive effect on EPS from making KMFG a wholly-owned subsidiary of HD in from May to June 2021

**Aiming to Be a Company That Contributes Most to  
SX of Retail Customers  
(ESG Initiatives)**

# E (Environment): Retail Transition Finance

Continue acting as a “running partner” for our retail customers and assisting them in the transition of their awareness and modes of behavior

1H of FY'23 transaction volume : JPY813.2 bn : The progress rate is 27.1% towards the MMP target (JPY3 tn / 3years)



Corporate field

## ■ SMEs play an essential role in the nationwide realization of SDGs and SX

# of companies  
Approx. 99.7%<sup>\*1</sup>

# of employees  
Approx. 70%<sup>\*1</sup>

Added value created  
Approx. 53%<sup>\*1</sup>

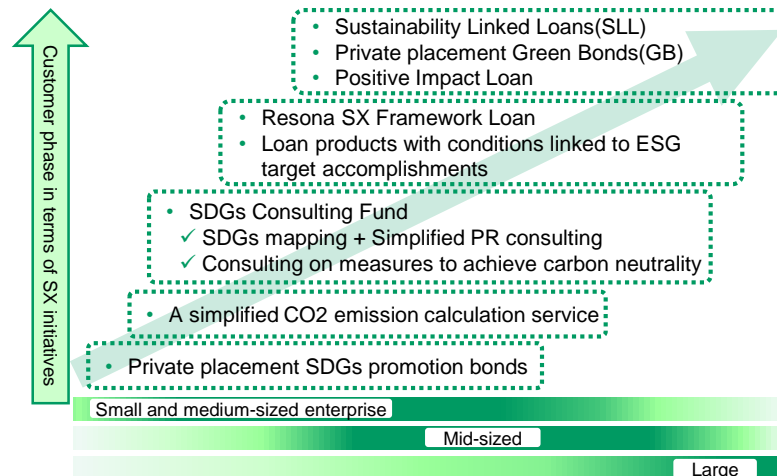
<Resona's mission>

Translate each customer initiative into value of social impact

## ■ Facilitate transition by engaging in deeper dialogue with an awareness of changes in trends

- Step up the dissemination of information regarding industry trends, etc.
  - Enhance our tools used for this purpose in addition to reviewing the frequency of information delivery
- Implement measures to boost employee skills on an ongoing basis
  - Job rank-based training focused on SX and other training programs addressing specific themes

## ■ Offer diverse solutions to serve customers at various stages of initiatives



Personal field

## ■ Initiative for individuals loans field

- Privileges granted to loan borrowers who purchase eco-friendly housing
- Information services for people considering purchasing housing
- Release of SX housing loans (RB/SR) (Apr. '23-) (Expanded scope of SX housing covered by the loan scheme: low-carbon housing, housing built using domestically produced wood, housing that conforms with “Anshin R” standards, etc.)

- Offer information on legal regulations, subsidy programs and other industry trends for construction and real-estate businesses

Facilitate the popularization of eco-friendly housing

\*1. The Small and Medium Enterprise Agency “2023 White Paper on Small and Medium Enterprises in Japan”

# E (Environment): Carbon Neutrality (1) -Scope1&2-

## Initiatives to reduce greenhouse gas (GHG) emissions (Scopes 1 & 2) arising from the Group's energy use

### Measures to achieve our carbon neutrality target (reducing CO2 emissions to net zero by the end of FY2030)

- Steadily reduce the volume of CO2 emissions via the proactive introduction of clean energy, such as renewable energy, with the utmost priority placed on reducing emissions attributable to electricity use, the source of 80% of our emissions

[Breakdown of FY'22 emissions]

Scope1	5,079 t-CO2
Scope2	35,691 t-CO2
Emissions from energy sources	34,446 t-CO2
<b>Total</b>	<b>40,770</b> t-CO2

80% of total

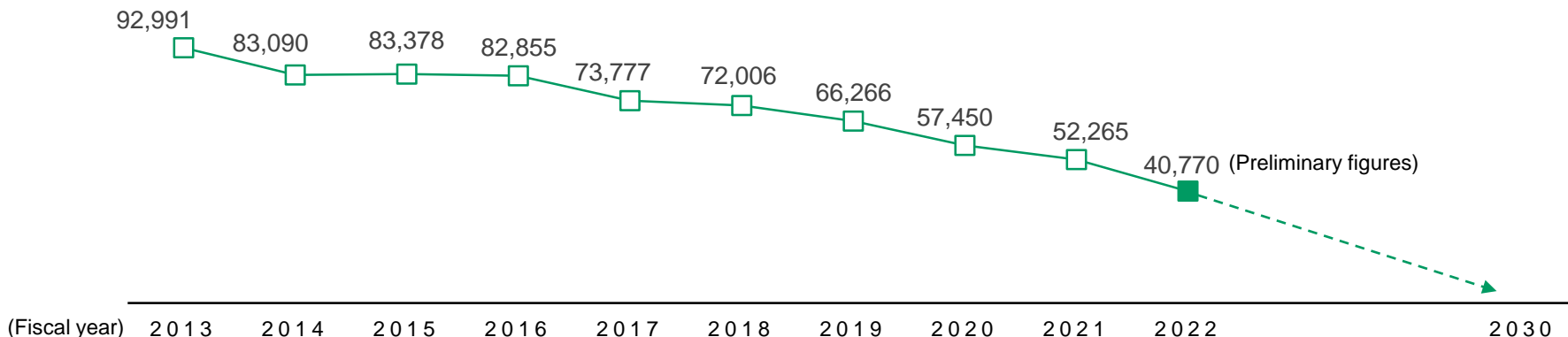
[Results in CO2 reduction due to the transition to renewable energy and other clean energy in FY2022]

Facilities introducing	RB	SR		KMB		MB	<b>Total (YoY)</b>
	HQ, etc.	HQ, etc.	Branch	HQ, etc.	Branch	HQ, etc.	
Reduction in CO2 emissions volume	2,717 t-CO2	1,209 t-CO2	117 t-CO2	948 t-CO2	801 t-CO2	1,169 t-CO2	<b>6,961</b> t-CO2 <b>+3,525</b> t-CO2

- Approximately 19% of annual total energy consumption was replaced by renewable energy in FY2022
- Aiming for the 100% switchover of energy procured by the Resona Group's own properties to renewable energy, etc., by FY2025

\*HQ, etc. : Headquarters, head offices, system and back-office centers

[CO2 emissions volume (t-CO2)\*1]



\*1. Aggregating Scope1 and Scope2 CO2 emissions from Group banks based on methods stipulated by Japan's Energy Saving Act for statutory periodic reporting. Figures up to FY'20 are calculated by multiplying each supplier's electric utility's basic emission factor, and then multiplying the FY'21 figures by each supplier's adjusted emission factor

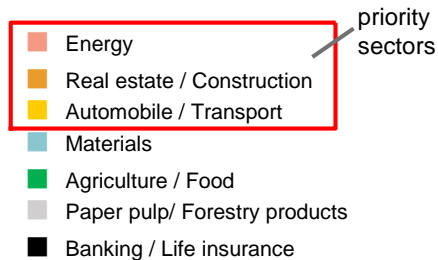
# E (Environment): Carbon Neutrality (2) -Scope3-

## Initiatives to reduce GHG emissions (Scope 3, Category 15) from our investment and financing portfolio

- Committed to achieving net zero by 2050 in terms of GHG emissions from our investment and financing portfolio
- Identified interim targets to be achieved by the end of FY2030 for investees/borrowers in the energy sector

Initiatives undertaken thus far	Identification of interim targets in May 2023
<ul style="list-style-type: none"> <li>Identified “Real estate / Construction,” “Automotive / Transportation” and “Energy” as priority sectors in light of such factors as the potential impact of climate change on carbon-related sectors specified by the TCFD<sup>*1</sup>, the size of our portfolio, and a sector-based analysis of financed emissions determined using simple calculation methods.</li> <li>Further analyses, including quantitative risk assessments, were also conducted.</li> </ul>	<ul style="list-style-type: none"> <li>Implemented the assessment and analysis of financed emissions, emphasizing the energy sector over other priority sectors as it has already seen advances in the development of measurement methods and data accumulation</li> <li>Measurements of three sector components were conducted<sup>*2</sup>: “Electric power,” “Oil / Gas” and “Coal.”</li> </ul>

[Breakdown of financed emissions by sector]



[Energy sector (Electric power, Oil/Gas, Coal) of financed emissions]

	Scope subject to GHG emission calculation	Indicators	Results('22/3)	Amount of investments and loans
<b>Electric power</b>	Power generation Scope1	Physical carbon emission intensity	139 gCO2e/kWh	JPY276.0 bn
<b>Oil / Gas</b>	Mining Scope1-3	Absolute volume	0.17 MtCO2e	JPY7.4 bn
<b>Coal</b>	Mining Scope1-3	Absolute volume	—	(Not applicable)

- Taking the above factors into account, we have identified interim targets for the energy sector (targets have not been set for “Oil / Gas” and “Coal” as the number of customers in these fields is very low)

<b>Concepts behind target setting for the energy sector</b>	<ul style="list-style-type: none"> <li>The current carbon emission intensity, which amounts to 139gCO2e/kWh, falls short of the standard for 2030 envisioned in the 1.5°C scenario (NZE2050),<sup>*3</sup> due mainly to the general termination of new project financing for coal-fired power generation businesses and proactive lending to domestic borrowers engaged in renewable energy-related businesses.</li> <li>On the other hand, 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 helping retail customers achieve decarbonization.</li> <li>Therefore, we will strive for the popularization of renewable energy, which is integral to nationwide decarbonization, while supporting power generation businesses endeavoring to achieve transition and technological innovation. In these ways, we aim to reduce emissions from the energy sector to a level that is substantially lower than the global standard stipulated in the 1.5°C target.</li> </ul>
<b>Interim targets</b>	<ul style="list-style-type: none"> <li>Carbon emission intensity in FY2030: 100 to 130gCO2e/kWh</li> </ul>

\*1. The Company’s sector classification consists of “Energy,” “Real estate/Construction,” “Automobile/Transport,” “Materials,”

“Agriculture/Food,” “Paper pulp/Forestry products,” and “Banking/Life Insurance.” \*2. Calculated with reference to methods developed by the PCAF

\*3. Comparison with the 2030 carbon emission intensity (165gCO2e/kWh) envisioned in the NZE2050(WEO2022)

# E (Environment): Carbon Neutrality (3) -Scope3-

## Initiatives to reduce GHG emissions (Scope 3, Category 15) from our investment and financing portfolio

### ■ Basis for the calculation of financed emissions

- The volume of GHG emissions from each investee/borrower corporation is multiplied by the attribution factor (Balance of investment and financing / Sum of assets and liabilities) and the resulting numerical values for all investee/borrower corporations are aggregated

	Formula	Coverage ratio <sup>*1</sup>	Data quality score <sup>*2</sup>
<b>Energy sector</b>	$\sum \left( \text{Carbon emission intensity of investees/borrowers (gCO}_2\text{e/kWh)} \times \frac{\text{Value of investment/financing by the Company for investees/borrowers}}{\text{Total value of investment/financing by the Company for all investees/borrowers subject to calculation}} \right)$	85%	2.1
<b>Oil/Gas sector</b>	$\sum \left( \text{Volume of emissions from investees/borrowers (MtCO}_2\text{e)} \times \frac{\text{Value of investment/financing by the Company for investees/borrowers}}{\text{Sum of borrowings and capital held by investees/borrowers}} \right)$	100%	3.0

### ■ Initiatives to be undertaken going forward

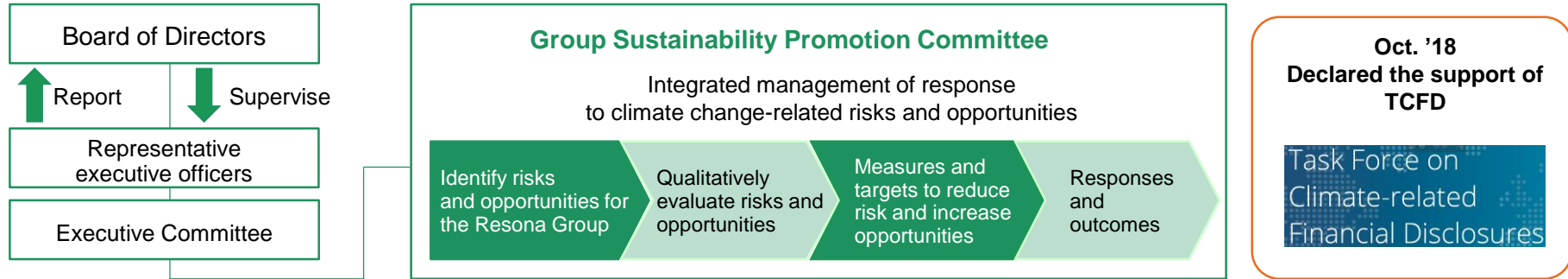
- ◆ To achieve our interim targets regarding the energy sector, we will proactively extend credit to corporations engaged in renewable energy-related businesses that will, in turn, facilitate the smooth transition of all other customers. Simultaneously, we will actively pursue dialogue with investees/borrowers and provide them with follow-up consulting on their initiatives.
- ◆ We will annually disclose the status of financed emissions associated with the “Energy,” “Oil / Gas” and “Coal” sectors while considering the assessment of financed emissions from priority sectors other than the energy sector and the formulation of interim targets for them.
- ◆ We are aware of the need to expand the scope of financed emission assessments to, ultimately, encompass our overall portfolio, including credit extended to retail customers, and will thus be striving to reduce emissions from this portfolio. Accordingly, we will continue to act as a “running partner” for retail customers and assist them in the transition of their awareness and modes of behavior. By doing so, we will strive to assess and reduce the volume of financed emissions associated with credit extended for retail customers.

\*1. By sector, based on loans \*2. Data-quality scores defined by PCAF



# E (Environment): Our Response to Global Warming & Climate Change

Board of Directors proactively pursue Resona Sustainability Challenge 2030 and step up climate change countermeasures



Reflect outcomes of discussions on risks and opportunities from climate change in the Group strategies and risk management

- Impact on our largest asset class, loans
- Help corporate and individual customers mitigate and adapt to climate change through financial services

Minimize the risks	Loan initiatives	<ul style="list-style-type: none"> <li>● Proactively engage with corporate customers who have yet to fully commit to environmental issues, encouraging them to step up their initiatives</li> <li>● Clarify our stance on lending to businesses that may exert a seriously negative impact on the environment, such as enforcing general rule of abstaining from extending new loans to coal-fired thermal-generation projects and extending new loans to coal mining projects (MTR method<sup>*1</sup>), etc.</li> </ul>	
	Investment initiatives	<ul style="list-style-type: none"> <li>● Incorporate an ESG-oriented viewpoint into investment decision-making process</li> <li>● Maintain constructive dialogue and engagement with investees</li> </ul>	
Expand the opportunities	Conserving the environment through our products and services	[Individual customers]	[Corporate clients]
		<ul style="list-style-type: none"> <li>✓ R246 ESG</li> <li>✓ Offer benefits to loan customers who purchase eco-friendly housing (housing loans)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Simplified CO2 emissions calculation service</li> <li>✓ Loan products with conditions linked to ESG target accomplishments</li> <li>✓ SX Framework Loan</li> </ul>

[CDP scores<sup>\*2</sup>]

Resona HD	A-
SMFG	A-
MUFG	A-
Mizuho FG	B
SMTH	B

[The ratio of lending for the energy and utility sector<sup>\*3</sup> to the entire portfolio]

**1.3%**  
 (As of Mar. 31, '23)

\*1. A method used for the surface mining of coal seams in mountain areas. The use of the MTR method entails deforestation, and soil from the mountain top is usually dumped in valleys, rivers and other nearby locations.

\*2. CDP Report 2022 \*3. Lending to energy and utility sectors based on definitions under TCFD recommendations

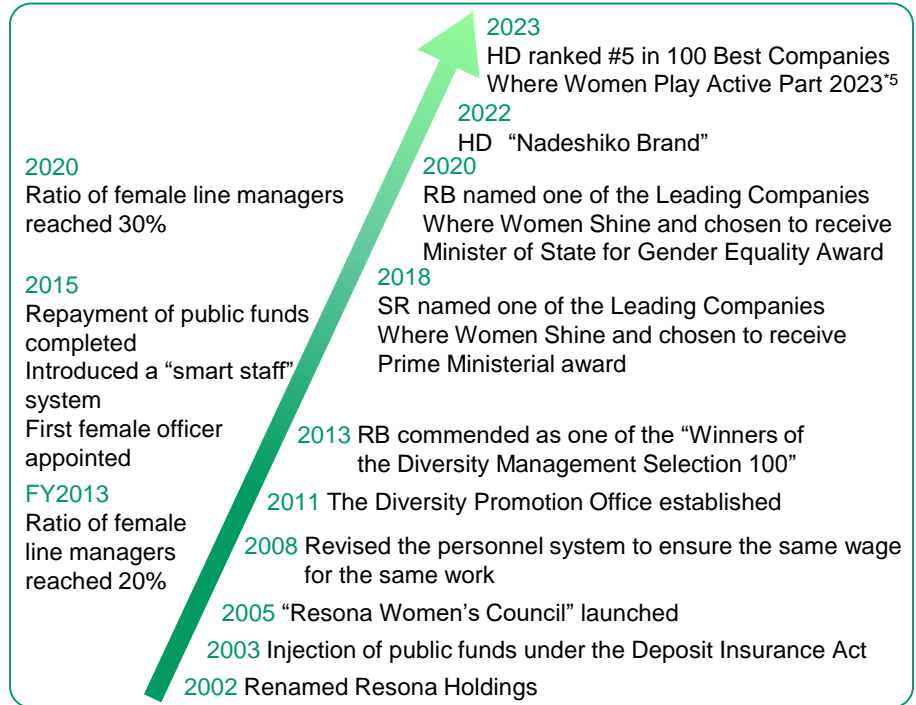
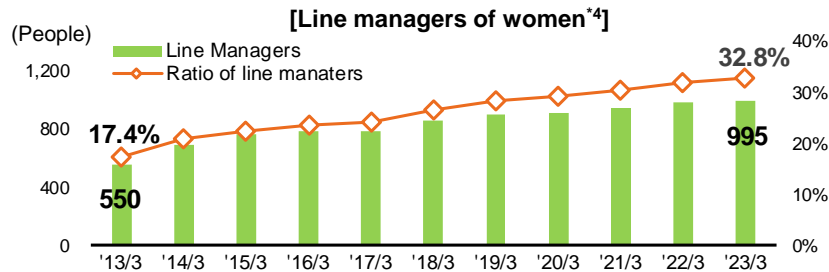
# S (Society): Diversity & Inclusion (1)

## Creating corporate value by drawing on diversity

- Step up the empowerment of women, to date a source of strength for the Group, ensuring that they serve as a driving force of value creation

Ratio of women	2023*1	FY2030 Target
Directors and executive officers (HD)	10.3%	30% or more
Senior managers (six Group companies*2)	13.4%	20% or more
Line managers (six Group companies*2)	31.4%	40% or more

(Reference) The ratio of female managers nationwide\*3:  
 General manager or equivalent positions 8.0%  
 Manager or equivalent positions 11.6%



### External evaluation

2022 “Nadeshiko Brand” (HD)



Most Excellent Award under the Osaka Mayor’s Award Program for Leading Companies That Empower Women  
 2023 KMB  
 2022 RB



Awarded the excellent health and productivity management corporation 2023 (HD, KMFG)



Obtained Eruboshi Certification (all group banks)



Obtained Platinum Kurumin (all group banks)



Awarded the highest gold rating in the PRIDE Index (for 7 consecutive years) (HD)



\*1. Directors and executive officers as of the end of June, senior managers and line managers as of the end of March  
 \*2. Sum of HD, RB, SR, KMFG, KMB and MB \*3. Ministry of Health, Labour and Welfare, 2023.7.31 Press Release \*4. RB+SR  
 \*5. Based on a Survey 2023 of Workplace Opportunities for Female Workers undertaken by Nikkei WOMAN

# S (Society): Diversity & Inclusion (2)

## Main initiatives and the status of their progress

### ■ 13th Resona Women's Council (Apr. '23-Mar. '24)

- Members: 20 people from group banks and companies
  - Members consist of diverse individuals (in terms of rank, age, etc.) from a range of Group companies and serving terms spanning one year who regularly meet on a monthly basis
  - Engage in bottom-up activities, i.e., delivering proposals on women's networking, the enhancement of women's career awareness, the revision of various personnel systems, the implementation of operational improvement measures and the planning of new products



A picture taken at the meeting

#### [Main achievements deriving from Resona Women's Council]

- Enhancement of childcare leave-related programs
- Institution of a mentoring system
- Introduction of a reinstatement support program
- Establishment of the Job Return System
- Launch of a system enabling transition from full-time to part-time employee status and vice versa<sup>\*1</sup>

### ■ Expand the scope of employees eligible for the mentoring system for female manager candidates

- The mentoring system for newly appointed female department or branch managers has been in place since 2012
- In FY'22, women who have been newly appointed as manager candidates and assigned to positions immediately below department or general managers, are now included in the scope of eligibility to the system

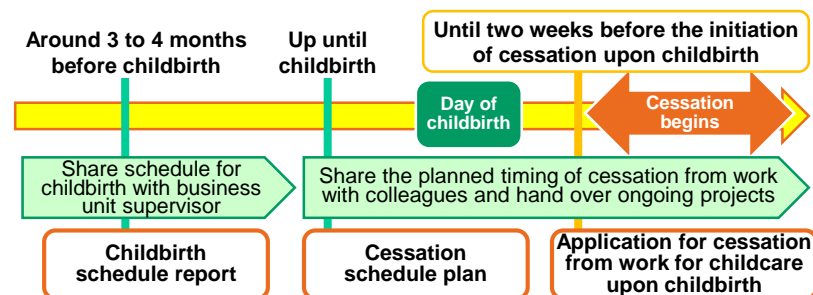
### ■ Step up initiatives to encourage male employees to play greater roles in child rearing

- Established a framework allowing cessation from work for childcare upon childbirth in line with the revision of relevant laws in Oct. 2022

< The Resona Group's Response >

- ✓ The first 14 days of cessation from work for childcare upon childbirth shall be paid leave

#### [Flow of cessation from work for childcare upon childbirth]



- ✓ Hold seminars focused on facilitating cessation from work for childcare over the course of a period spanning Aug. to Sep. 2022
  - Scope: All business unit supervisors of Group banks
  - Total number of participants: Around 1,000

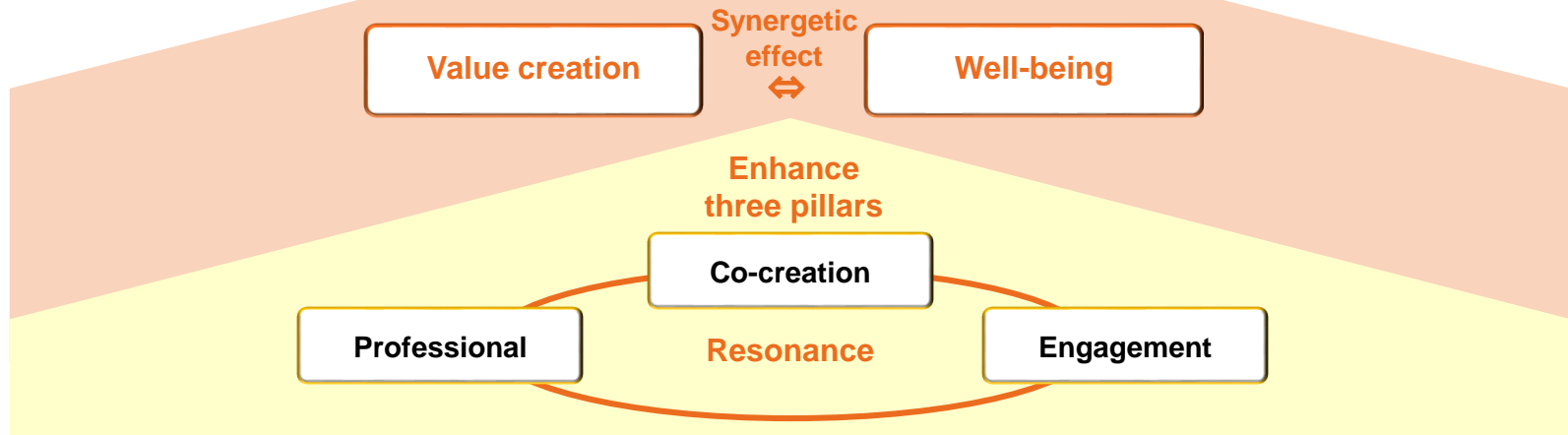
#### [Male employees' status of childcare-related leave]

	FY	2017	2018	2019	2020	2021	2022
Ratio of employees who took childbirth leave upon the spouse's childbirth		100%	100%	100%	100%	100%	100%
Ratio of male employees who opted for cessation from work for childcare		-	-	-	-	80.3%	98.2%

\*1. Upgraded from the "smart staff" system, which was introduced in 2015 to enable applicants to work shorter working hours or be assigned more limited jobs compared with full-time employees

# S (Society): Overview of Our Human Resource Strategy

HR vision: Create a prosperous future by working with diverse partners from within and outside the Group whose aspirations resonate with ours



## Six strategic drivers (Measures / Non-financial targets ⇒ p36)

[1] Leadership

[2] Transcending boundaries

[3] Speciality

[4] Employee autonomy & support

[5] Job fulfillment

[6] Worker friendliness

Aiming for “Co-creative / Engaged Professional”,  
**investment in human capital to : +JPY33.0 bn** (during the current MMP period)

✓ Improve wages

✓ Strengthen training

✓ Step up hiring etc.

Apr. '21- New personnel system\*1

✓ Multi-path  
(20 distinct job categories)

✓ Option of delayed retirement



Empower diverse people to succeed

<Organizational culture> Integrity Diversity & Inclusion Taking on the challenge of reform

\*1. In place at RB, SR and some other Group companies

# S (Society): Six Drivers for Realizing Human Resource Strategy

Drivers	Non-financial targets	FY2022 ⇒ FY2030	Measures to achieve improvement
[1] Leadership	<ul style="list-style-type: none"> <li>◆ Ratio of women line manager</li> <li>◆ Ratio of mid-career employees hired as managers</li> </ul>	31.4% ⇒ 40% 10.2% ⇒ 18%	<ul style="list-style-type: none"> <li>✓ Enhance the content of assistance programs aimed at empowering women</li> <li>✓ Step up the hiring of mid-career employees and implement onboarding to secure robust retention</li> </ul>
[2] Transcending boundaries	<ul style="list-style-type: none"> <li>◆ Ratio of mid-career employees newly hired as senior managers, including those from different sectors*1</li> </ul>	42% ⇒ 100%	<ul style="list-style-type: none"> <li>✓ Expand the scope of learning support to enable employees to experience different fields</li> <li>✓ Increase the number of employees dispatched or seconded to external corporations</li> </ul>
[3] Speciality	<ul style="list-style-type: none"> <li>◆ # of human resources with highly specialized expertise*2</li> </ul>	2,481 ⇒ 3,000	<ul style="list-style-type: none"> <li>✓ Secure a robust pool of human resources by stepping up hiring and training</li> <li>✓ Expand the content of training to help employees raise their skills in their fields of speciality</li> </ul>
[4] Employee autonomy & support	<ul style="list-style-type: none"> <li>◆ Cumulative total # of individuals selected via in-house job postings (FY2021~FY2030)</li> </ul>	684 ⇒ 4,000	<ul style="list-style-type: none"> <li>✓ Strengthen career development support while offering a greater number opportunities to take on new challenges</li> <li>✓ Introduce an HR system designed to support those pursuing personal growth (LMS, TMS*3)</li> </ul>
[5] Job fulfillment	<ul style="list-style-type: none"> <li>◆ Ratio of positive responses in employee awareness surveys               <ul style="list-style-type: none"> <li>(i) A sense of fulfillment in work</li> <li>(ii) Openness of workplace communications</li> </ul> </li> </ul>	(i)66% ⇒ Increase the ratio (ii)79%	<ul style="list-style-type: none"> <li>✓ Optimize wages for employees in light of value created via their duties</li> <li>✓ Improve psychological security by invigorating communications</li> </ul>
[6] Worker friendliness	<ul style="list-style-type: none"> <li>◆ Ratio of annual paid leave utilized</li> </ul>	77.6% ⇒ 88%	<ul style="list-style-type: none"> <li>✓ Business process reform and streamlining</li> <li>✓ Support the diversification of working styles and employee efforts to balance work and private life</li> </ul>

\*1. Training involving overseas assignment, external secondment or external dispatchment

\*2. Individuals who have acquired high-ranking qualifications via in-house specialist certification systems or other similar qualifications

\*3. LMS: Learning management system; TMS: Talent management system

# S (Society): Realize “Retail No. 1” through Business & Social Contribution Activities

Leveraging our strengths and management resources to contribute to the sustainable growth of local communities

[Relationship between business strategy and social contribution activities]



Contribution for community  
(Volunteer activities)

["Re: Heart Club"<sup>\*1</sup> members]



Cumulative total  
Approx. 58 thousand

FY2012

FY2022

Initiatives for children who will lead a future society  
(Financial and economic education)

[Resona/Mirai Kids' Money Academy participants]



Cumulative total  
Approx. 44 thousand

FY2005

FY2022



**[Tree planting activities to develop forest reserves]**  
Continue nurturing forest reserves planted and dubbed the “Hill of Thousand Years of Hope” in 2014 in Iwanuma City, Miyagi Prefecture



**[Resona Foundation for Future]**  
Offer support for children and working single parents in need of financial assistance



**[Kids' Money Academy]**  
Financial and economic education seminars for elementary school students held at branches nationwide

\*1. The volunteer group which Resona Group's employees run

# G (Corporate Governance): Sophisticated Corporate Governance System

The first Japanese banking group which adopted a committee-based corporate governance structure in 2003 for management transparency and objectivity

## Board of Directors

- Majority of the Board members are independent outside directors

[% of companies listed on TSE\*1] 11.3%

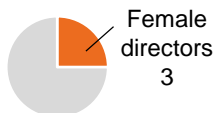
- Ratio of female directors: 25%

[Avg. % of companies listed on TSE\*2] 11.0%

- Chairperson of the Board of Directors

Independent outside director appointed for chairperson from Jun. '22

[% of companies listed on TSE Prime\*3] 3.6%



## Nominating Committee

- Independent outside directors only
- Introduced and operated succession plan from '07
- Utilize outside consultants, etc. while involving members of the nominating committee

## Compensation Committee

- Independent outside directors only
- Revised the remuneration for directors and executive officers in 2023 and introduced "ESG indices" as evaluation criteria

## Audit Committee

- Majority of independent outside directors
- Introduced double report line system in 2016

## Outside directors



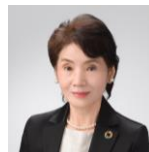
**Chiharu Baba**  
Chairperson,  
Compensation  
Committee

(Former Deputy President of Mizuho Trust & Banking)



**Kimie Iwata**  
Chairperson,  
Nominating Committee

(Former Deputy Director-General Human Resource Development Bureau Ministry of Labor)  
(Former Director & Executive Vice President of Shiseido)



**Setsuko Egami**  
Member, Nominating  
Committee  
Member, Compensation  
Committee

(Former Professor, Faculty of Sociology, Musashi University)



**Fumihiko Ike**  
Chairperson of  
the Board of Directors

(Former Chairperson of Honda Motor)



**Sawako Nohara**  
Member,  
Compensation  
Committee

President of IPSe Marketing



**Masaki Yamauchi**  
Chairperson,  
Audit Committee  
Member,  
Nominating Committee

(Former Chairperson of Yamato Holdings)



**Katsuyuki Tanaka**  
Member,  
Audit Committee

Attorney-at-law (Tokyo Seiwa Law Office)



**Ryuji Yasuda**  
Member,  
Audit Committee

Management consultant (Former professor at Hitotsubashi University Graduate School)

## Internal directors



**Masahiro Minami**  
President and  
Representative  
Executive Officer  
and Group CEO



**Shigeki Ishida**  
Deputy President  
and Executive Officer  
Group CSO and  
Group CRO



**Mikio Noguchi**  
Executive Officer  
Group CIO and  
Group CPRO



**Hisahiko Oikawa**  
Member,  
Audit Committee

\*1. Tokyo Stock Exchange (Jul. '23)

\*2. Source: 2021 Nadeshiko Brand Report issued by the Ministry of Economy, Trade and Industry

\*3. Dai-ichi Life Research Institute (Oct. '22)

# G (Corporate Governance): Roles, Skills, and Expertise Required to Directors

Strengthening supervisory and decision-making functions through active discussions at Board of Directors meetings, which are rich in diversity

- The skills (experience / knowledge) especially expected of nominees for directors are defined as follows. Candidates were discussed and decided by the nominating committee.

		Organizational management	Legal Compliance Risk management	Finance Accounting	Priority field for the "Retail No. 1" Financial Services Group			
					IT Digital	Sustainability	Diversity & Inclusion	Global
Masahiro Minami		●	●	●	●	●	●	●
Shigeki Ishida			●					
Mikio Noguchi					●			
Hisahiko Oikawa			●					
Chiharu Baba	Outside directors	●	●	●				●
Kimie Iwata	Outside directors	●				●	●	
Setsuko Egami	Outside directors		●			●	●	
Fumihiko Ike	Outside directors	●	●		●			●
Sawako Nohara	Outside directors		●		●		●	
Masaki Yamauchi	Outside directors	●				●		
Katsuyuki Tanaka	Outside directors		●					
Ryuji Yasuda	Outside directors		●	●				●



# G (Corporate Governance): Initiatives for Corporate Governance Evolution

## Our initiatives to improve the effectiveness of the Board of Directors' operations

### Outside directors' meetings

- ✓ Outside directors conducted meetings on evaluation of the Board of Directors. Actively discussed to further improve the effectiveness of the Board of Directors.
- ✓ Outside directors held a small meeting in Jun. '23\*
  - Three outside directors engaged with institutional investors, etc. (Opening addresses from outside directors and the summary of question and answer sessions are now posted on the Company's website)

\* The scene on the day



### Free discussion sessions

- ✓ Utilize input from outside directors into such key activities as strategies in a timely manner
- ✓ In FY'22, held free-wheeling discussions on an ongoing basis to address such subjects as the identification and organization of issues associated with various business strategies toward the formulation of the MMP

### Onsite tours

- ✓ Facilitate understanding of the Resona Group's business operations
- ✓ Hosted a joint tour of the Osaka Head Office in Dec. '22, with attendees including outside directors from KMFG

## Succession Plan (introduced in Jun. '07)

- Our mechanism for ensuring the succession of roles and responsibilities to be borne by executive officers
- The scope of the plan covers various candidates for HD, KMFG and group banks, ranging from those who are presidents to those who are new candidates for executive officers
- Candidates are classified by job rank and systematically undergo selection and training programs

### Selection process

- Advice from external consultants
  - Nominating Committee members attend each program
- Secure a structure for transparent and fair selection

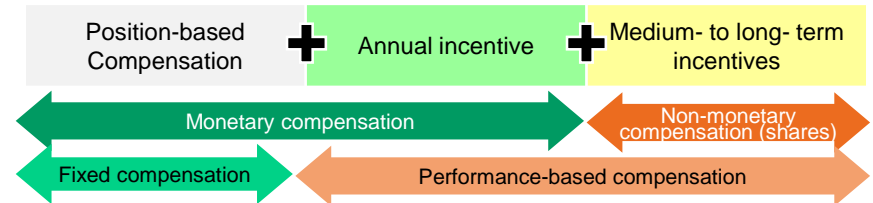
### Training process

Nurture individuals who embody Resona's distinctive strength

Ideal traits of executive officer candidates

## Remuneration for directors and executive officers

### ■ Compensation system for executive officers



### Annual incentive

Annually examine the status of specific key indices in terms of consistency with MMP targets

#### Financial performance assessments

Net income attributable to owners of parent  
Consolidated core income

#### Non-financial performance assessments

Assessed based on annual corporate achievements relative to Long-Term Sustainability Targets

#### Individual achievements

Medium- to long-term targets  
Annual targets  
Initiatives to foster and spread a risk culture

### Medium-to long-term incentives

- ✓ Enhance linkage with shareholder value
- ✓ Encourage efforts employing medium- to long-term perspectives to improve corporate value
- ✓ Scores granted by ESG evaluation agencies are adopted as ESG indices, with the aim of securing objectivity

Consolidated ROE (Based on shareholders' equity)

Relative TSR (Relative to peers in the banking industry)

ESG indices

#### "Board Benefit Trust"

- ✓ Utilize a trust scheme
- ✓ Grant shares
- ✓ Enhance linkage with performance

# ESG-Based Recognitions and Initiatives

## Status of inclusion into ESG-based stock indices\*1

### [ESG indexes selected by GPIF (domestic stock)]

Aim to be included in all indices below during the current MMP period



2023 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX



2023 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)



## ESG-related external evaluations

**MSCI**  
(Seven-grade system  
from AAA to CCC)  
**A**

**FTSE**  
(Full score is set at 5)  
**3.5**

**MSCI (WIN)**  
(Full score is set at 10)  
**7.8**

**S&P**  
(Decile ranking system)  
**7**  
(Carbon Efficient Index)

## Our support for ESG-related initiatives at home and abroad



\*1. Please refer to our corporate website for details⇒ <https://www.resona-gr.co.jp/holdings/english/sustainability/award/index.html>

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## **Reference Material (Financial Highlights)**

# Breakdown of Financial Results

	(JPY bn)	Resona Holdings (Consolidated)		Total of group banks		Resona Bank		Saitama Resona Bank		Total of group banks under KMFG		Difference (a)-(c)
		(a)	YoY (b)	(c)	YoY (d)	(e)	YoY (f)	(g)	YoY (h)	(i)	YoY (j)	
<b>Gross operating profit</b>	(1)	<b>313.1</b>	<b>+21.7</b>	<b>285.2</b>	<b>+21.5</b>	<b>159.1</b>	<b>+18.1</b>	<b>58.6</b>	<b>+3.6</b>	<b>67.4</b>	<b>(0.2)</b>	<b>27.8</b>
Net interest income	(2)	204.9	(7.3)	201.6	(7.6)	105.3	(8.3)	41.1	(0.4)	55.2	+1.1	3.2
NII from domestic loans and deposits	(3)	164.8	(2.7)	164.8	(2.7)	85.4	(1.4)	32.7	(0.9)	46.6	(0.3)	
Interest on yen bonds, etc.	(4)	14.4	+2.6	14.4	+2.6	8.9	+0.6	3.4	+1.3	2.1	+0.5	
Net gains on cancellation of investment trusts *1	(5)	1.0	+1.3	1.0	+1.2	(0.1)	+0.1	0.0	+0.0	1.1	+1.0	—
Interest on borrowings from trust account	(6)	(2.8)	(1.8)	(2.8)	(1.8)	(2.8)	(1.8)					
Fee income	(7)	105.8	(2.9)	82.1	(2.6)	53.9	(0.9)	16.7	(0.0)	11.4	(1.6)	23.7
Fee income ratio	(8)	33.8%	(3.5)%	28.7%	(3.3)%	33.8%	(5.0)%	28.5%	(1.9)%	17.0%	(2.3)%	
Trust fees	(9)	13.0	+2.2	13.0	+2.2	13.0	+2.2	0.0	(0.0)	0.0	+0.0	(0.0)
Joint management designated money trust	(10)	2.9	+1.8	2.9	+1.8	2.9	+1.8					
Fees and commission income	(11)	92.8	(5.1)	69.0	(4.8)	40.9	(3.1)	16.7	(0.0)	11.4	(1.6)	23.7
Other operating income	(12)	2.2	+31.9	1.4	+31.8	(0.0)	+27.4	0.8	+4.1	0.7	+0.2	0.7
Net gains on bonds (including futures) *1	(13)	(7.5)	+32.2	(7.5)	+32.1	(6.7)	+27.8	(0.3)	+4.0	(0.4)	+0.3	0.0
Operating expenses (excluding group banks' non-recurring items)	(14)	(205.8)	(3.0)	(190.9)	(1.9)	(105.1)	(2.1)	(37.8)	(0.6)	*2 (47.9)	+0.8	(14.8)
Cost income ratio (OHR)	(15)	65.7%	(3.8)%	66.9%	(4.7)%	66.0%	(7.0)%	64.5%	(3.0)%	71.0%	(0.9)%	
<b>Actual net operating profit</b>	(16)	<b>107.5</b>	<b>+18.7</b>	<b>94.3</b>	<b>+19.6</b>	<b>54.0</b>	<b>+16.0</b>	<b>20.8</b>	<b>+2.9</b>	<b>19.5</b>	<b>+0.5</b>	<b>13.1</b>
<b>Core income</b>	(17)	<b>79.3</b>	<b>(6.1)</b>	<b>70.4</b>	<b>(4.7)</b>	<b>43.1</b>	<b>(3.7)</b>	<b>15.0</b>	<b>(0.3)</b>	<b>12.3</b>	<b>(0.6)</b>	<b>8.8</b>
<b>Core net operating profit (excluding gains on cancellation of investment trusts) *3</b>	(18)			<b>103.8</b>	<b>(10.5)</b>	<b>62.8</b>	<b>(9.9)</b>	<b>22.0</b>	<b>+0.1</b>	<b>18.9</b>	<b>(0.7)</b>	
Net gains on stocks (including equity derivatives)	(19)	21.9	(14.4)	22.3	(14.1)	17.2	(13.6)	4.6	+0.3	0.3	(0.9)	(0.3)
Credit related expenses, net	(20)	(10.2)	(2.5)	(9.1)	(2.0)	(6.8)	(2.1)	(0.1)	+0.4	(2.0)	(0.3)	(1.1)
Other gains, net	(21)	(5.2)	(3.0)	(5.2)	(3.1)	(3.1)	(2.9)	(1.8)	(1.0)	(0.3)	+0.8	0.0
<b>Net income before income taxes</b>	(22)	<b>113.9</b>	<b>(1.2)</b>	<b>102.2</b>	<b>+0.2</b>	<b>61.2</b>	<b>(2.5)</b>	<b>23.5</b>	<b>+2.7</b>	<b>17.4</b>	<b>+0.0</b>	<b>11.6</b>
Income taxes and other	(23)	(31.2)	+0.9	(27.3)	+0.9	(17.0)	+0.0	(6.8)	(0.5)	(3.4)	+1.5	
Net income attributable to non-controlling interests	(24)	(0.2)	+0.1									
<b>Net income (attributable to owners of parent)</b>	(25)	<b>82.5</b>	<b>(0.1)</b>	<b>74.9</b>	<b>+1.2</b>	<b>44.2</b>	<b>(2.5)</b>	<b>16.6</b>	<b>+2.2</b>	<b>13.9</b>	<b>+1.5</b>	

\*1. Losses on cancellation of investment trusts are posted in the net gains on bonds since net of the losses and dividends from investment trusts become negative  
1H of FY'22(SR/MB): Losses on cancellation of investment trusts: JPY(0.8) bn, dividends from investment trusts: + JPY0.6 bn → net amount: JPY(0.2) bn

\*2. Exclude goodwill amortization by KMB, JPY(0.3) bn, related to acquisition of former Biwako Bank

\*3. Actual net operating profit - Gains on cancellation of investment trusts - Net gains on bonds

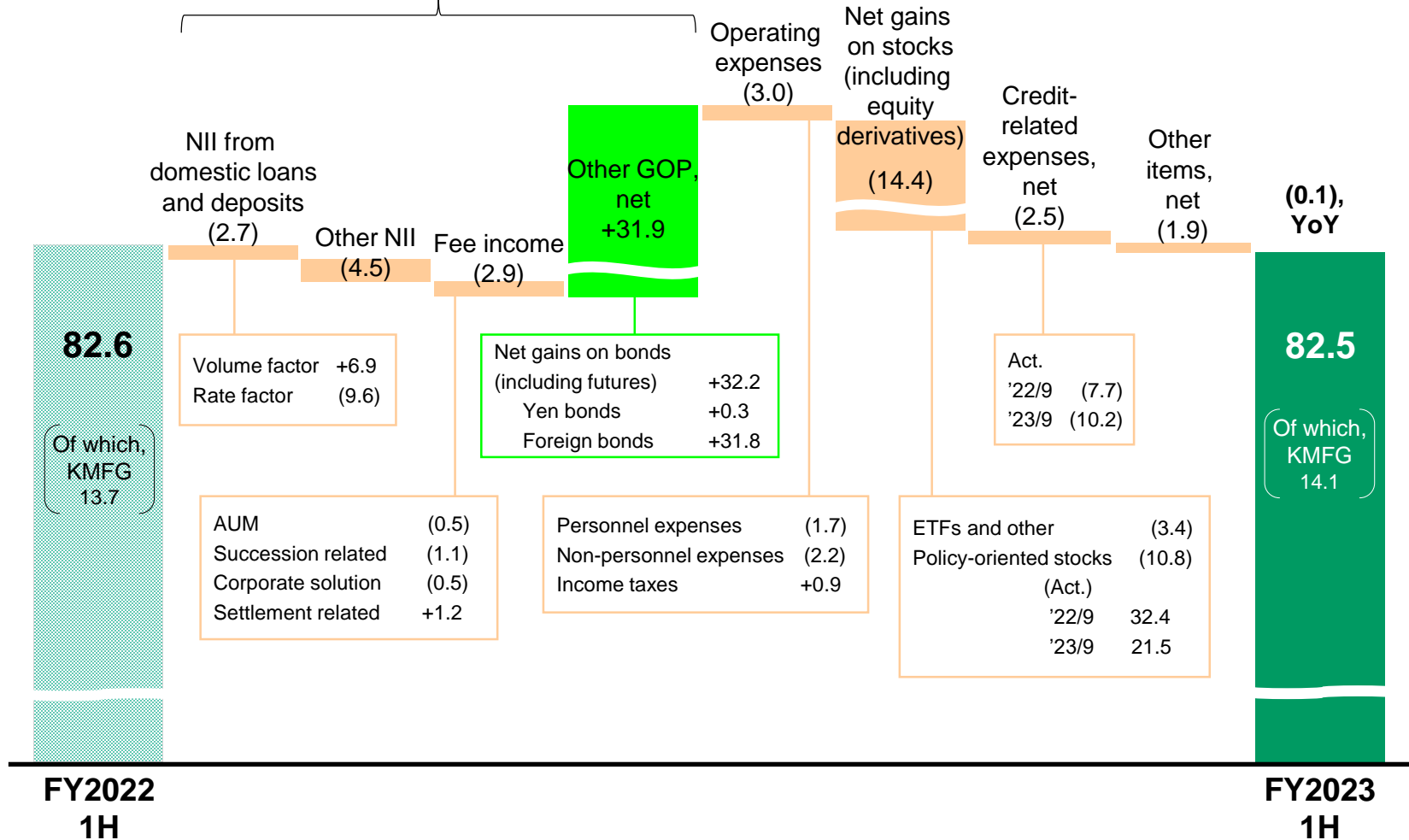
# Factors for the Changes in Net Income Attributable to Owners of Parent (YoY Comparison)

HD  
Consolidated

(JPY bn)

Actual net operating profit +18.7

Gross operating profit +21.7



# Trend of Loans and Deposits (Domestic Account)

## Average loan / deposit balance, rates and spread

### ■ 1H of FY'23 (YoY)

**Average loan balance : +4.22%, Loan rate : (5) bps**

[Excluding loans to the Japanese government and others]

Average loan balance : +2.69%, Loan rate : (3) bps

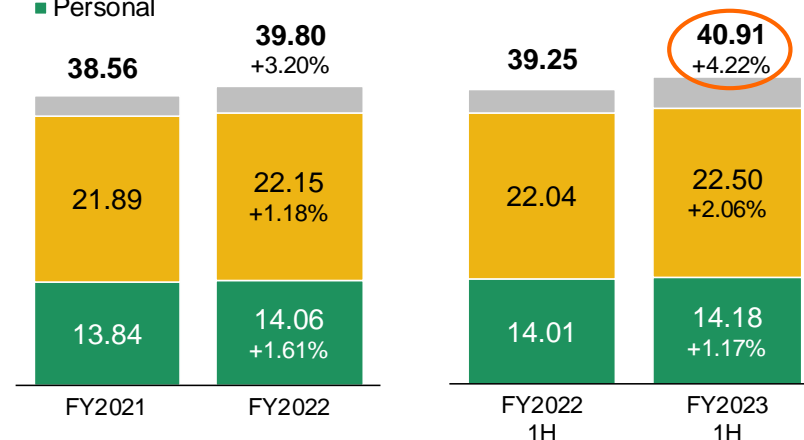
=> Full year (Plan) +2.84% (2) bps

Avg. bal : Trillion Yen Income/Cost : Billion Yen		1H		FY2023	
		Act. (a)	YoY <sup>3</sup> (b)	Revised plan (c)	YoY <sup>3</sup> [vs. initial plan] (d)
Loans	Avg. Bal. (1)	40.91	+4.22%	41.25	+3.65% (0.34)%
	Rate (2)	0.81%	(0.05)%	0.81%	(0.03)%
	Income (3)	166.2	(3.1)	335.8	(1.6)
Corporate banking business unit <sup>*1</sup>	Avg. Bal. (4)	22.50	+2.06%	22.80	+2.92%
	Rate (5)	0.79%	(0.03)%	0.79%	(0.02)%
Corporate Loan	Avg. Bal. (6)	19.33	+3.09%	19.64	+3.94%
	Rate (7)	0.74%	(0.02)%	0.75%	(0.01)%
Personal banking business unit <sup>*2</sup>	Avg. Bal. (8)	14.18	+1.17%	14.27	+1.48%
	Rate (9)	1.04%	(0.03)%	1.03%	(0.03)%
Deposits (Including NCDs)	Avg. Bal. (10)	62.31	+2.11%	62.42	+2.25%
	Rate (11)	0.00%	(0.00)%	0.00%	+0.00%
	Cost (12)	(1.4)	+0.4	(3.4)	(0.1)
Loan-to-deposit	Spread (13)	0.80%	(0.04)%	0.80%	(0.03)%
	Net interest income (14)	164.8	(2.7)	332.4	(1.7)

## Trend of average loan balance

[Average loan balance (JPY tn)] % represents YoY change

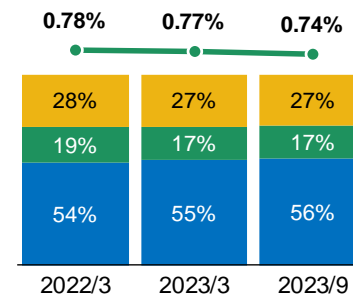
■ Corporate (Excluding loans to HD)  
■ Personal



## Loan rate on a stock basis and composition by interest rate type

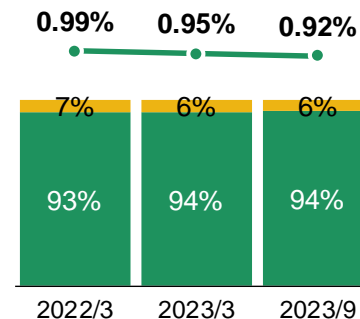
### [Corporate loan]

■ Fixed rate\*4  
■ Prime rate, etc.\*4  
■ Market rate\*4  
● Corporate loan rate



### [Residential housing loan]

■ Fixed rate  
■ Variable rate  
● Residential housing loans rate



\*1. Corporate Banking Business Unit : Corporate loans (excluding loans to HD) + apartment loans, Figures are for internal administration purpose

\*2. Personal Banking Business Unit: Residential housing loans + other consumer loans, Figures are for internal administration purpose

\*3. Average balance : rate of change \*4. Corporate banking business unit (excluding apartment loans) + public corporation, etc.

# Term-end Balance of Loans and Deposits

Total of Group Banks

## Term-end loan balance

[ JPY tn, % represents YoY change ]

- Corporate (Large companies and other)
- Corporate (SMEs)
- Corporate (Apartment loans)
- Personal (Consumer loans)
- Personal (Residential housing loans)

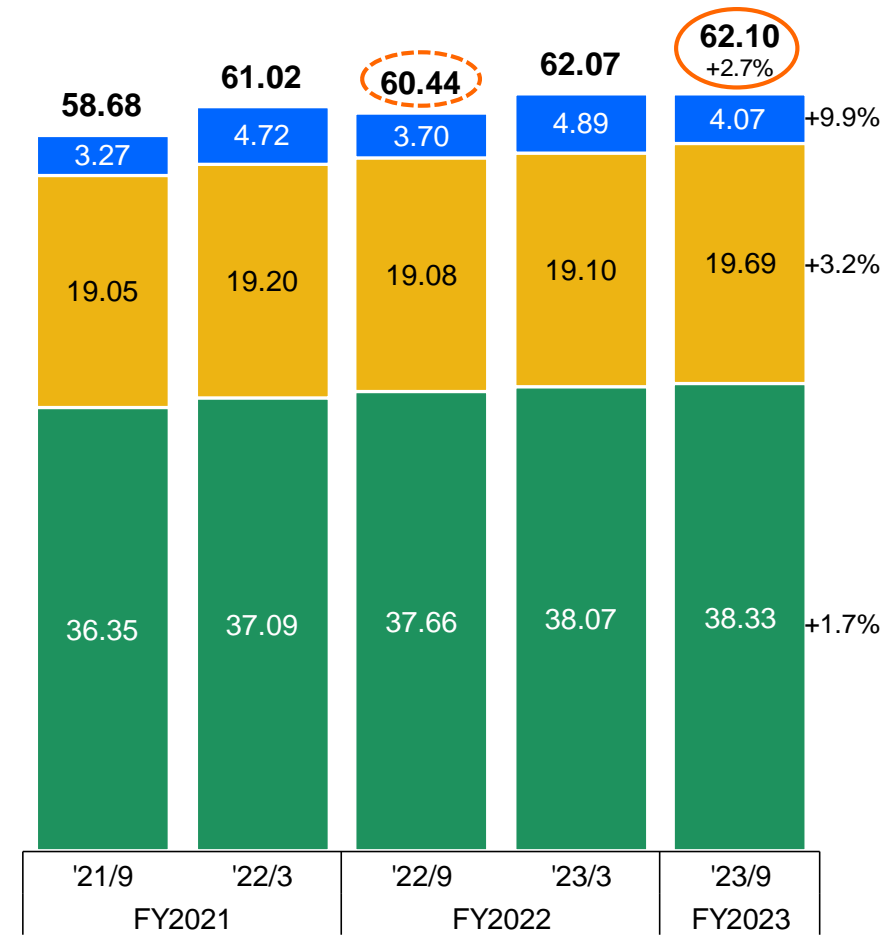
Of which, excluding loans to the Japanese gov. and others [2.23 tn] +2.3%



## Term-end deposit balance

[ JPY tn, % represents YoY change ]

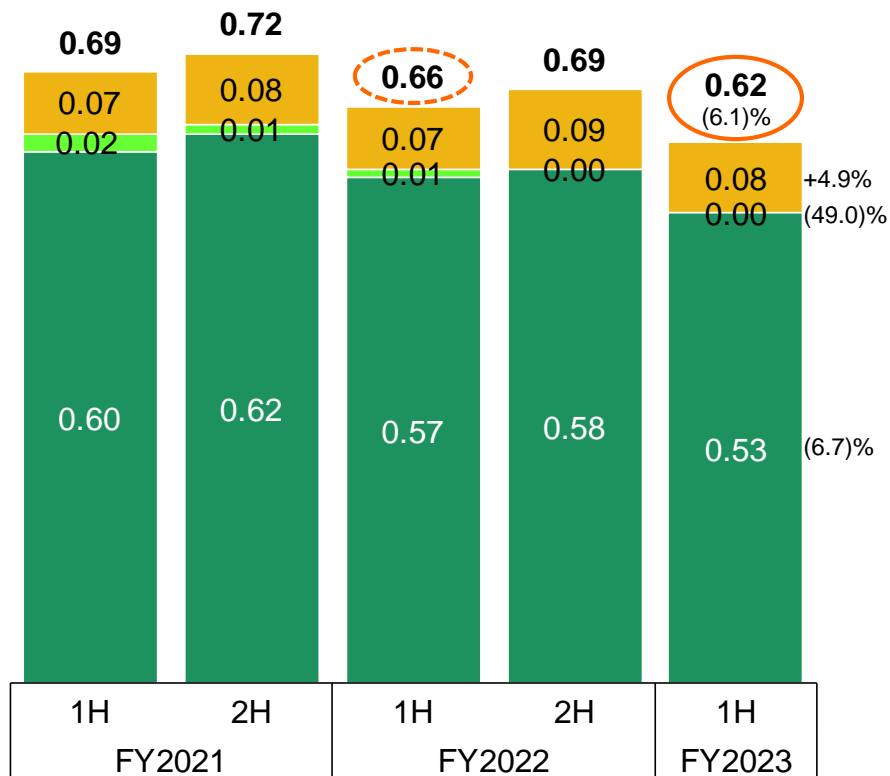
- Other
- Corporate
- Personal



## New housing loan origination

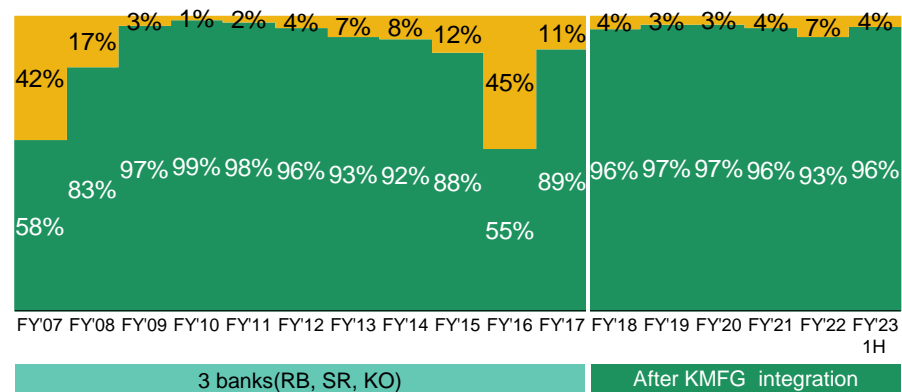
[ JPY tn, % represents YoY change ]

- Apartment loan
- Flat 35
- Residential housing loan



## Composition of newly originated residential housing loans by interest rate type

- Share of fixed rate residential housing loans
- Share of variable rate residential housing loans



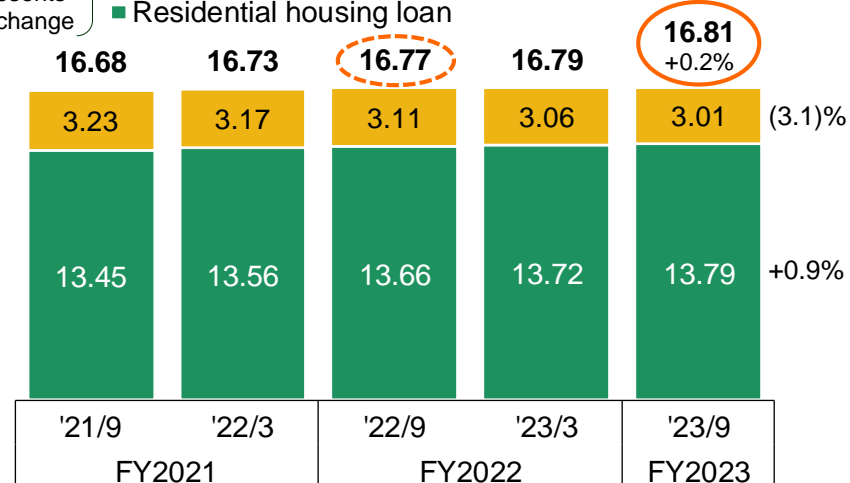
3 banks(RB, SR, KO)

After KMFG integration

## Term-end housing loan balance

[ JPY tn, % represents YoY change ]

- Apartment loan
- Residential housing loan

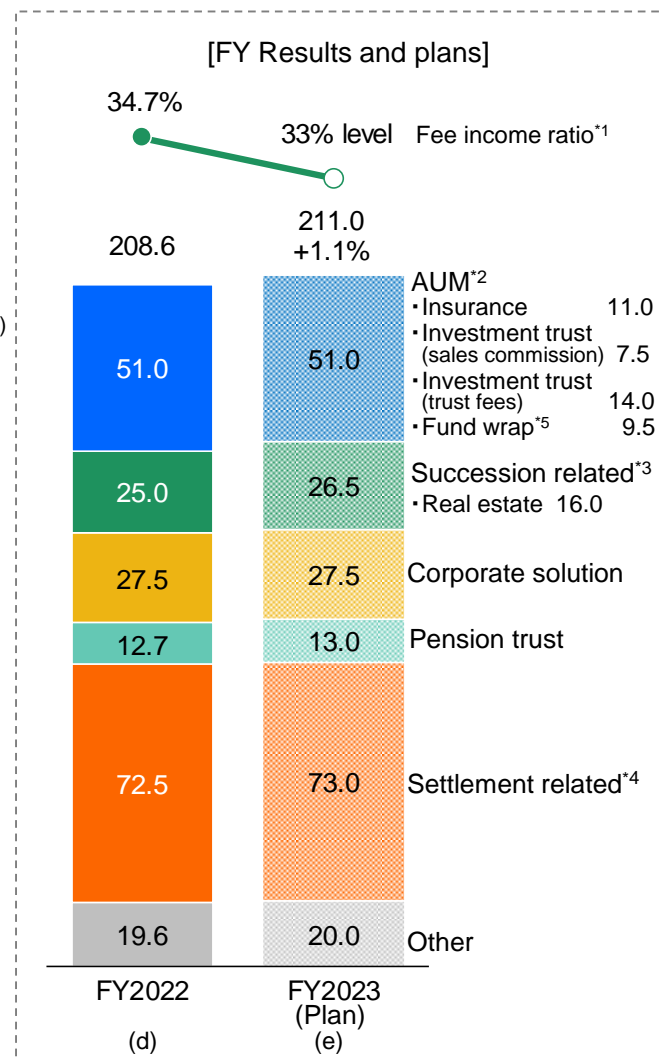
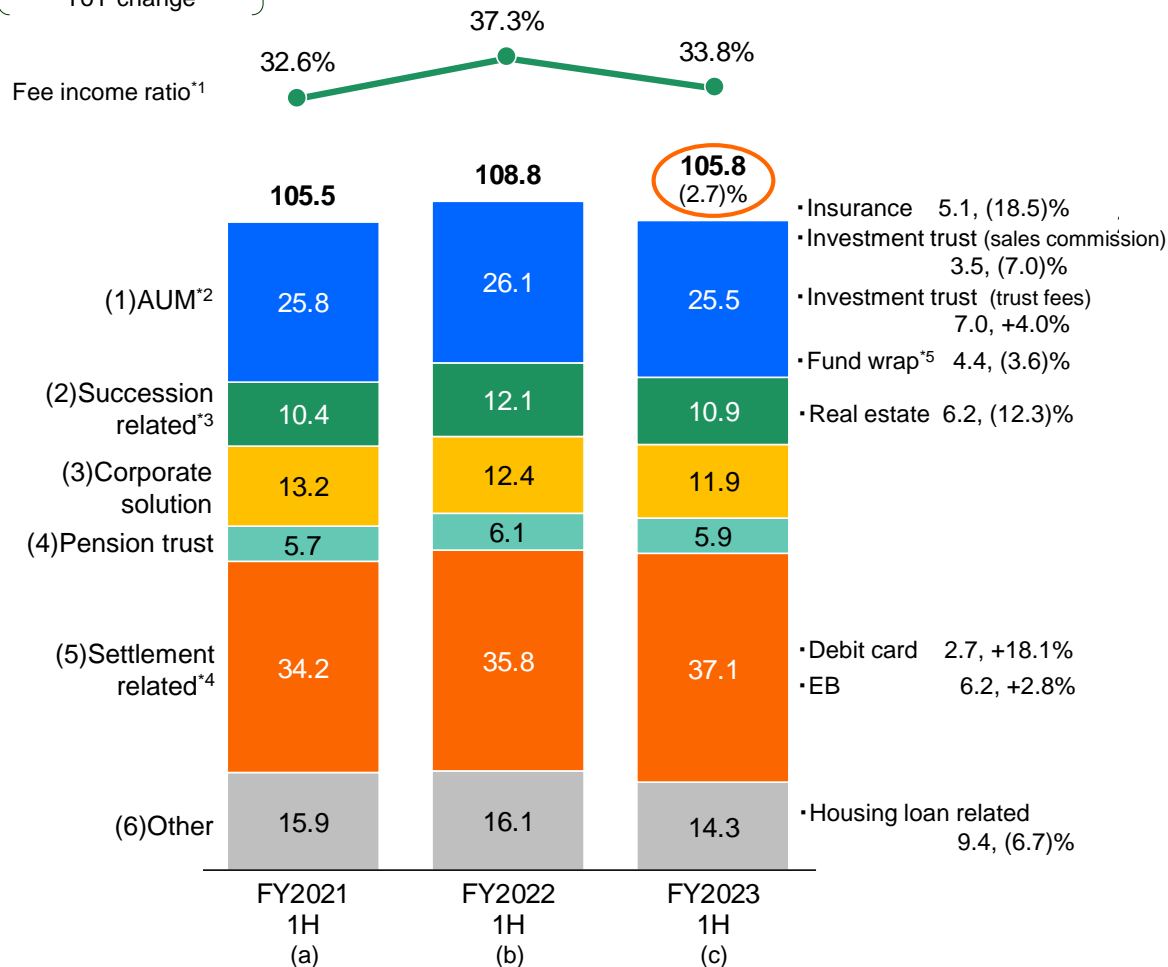




# Fee income

- Progress rate against the full year plan : 50.1%
- Succession related (down JPY1.1 bn, or 9.7%, YoY), etc. decreased, while settlement related (up JPY1.2 bn, or 3.6%, YoY) remained steady

[JPY bn, % represents YoY change]



\*1. (Fees and commission income + trust fees) / Consolidated gross operating profit

\*2. Insurance, investment trust(sales commission/ trust fees), fund wrap, securities trust and fee income earned by Resona Asset Management

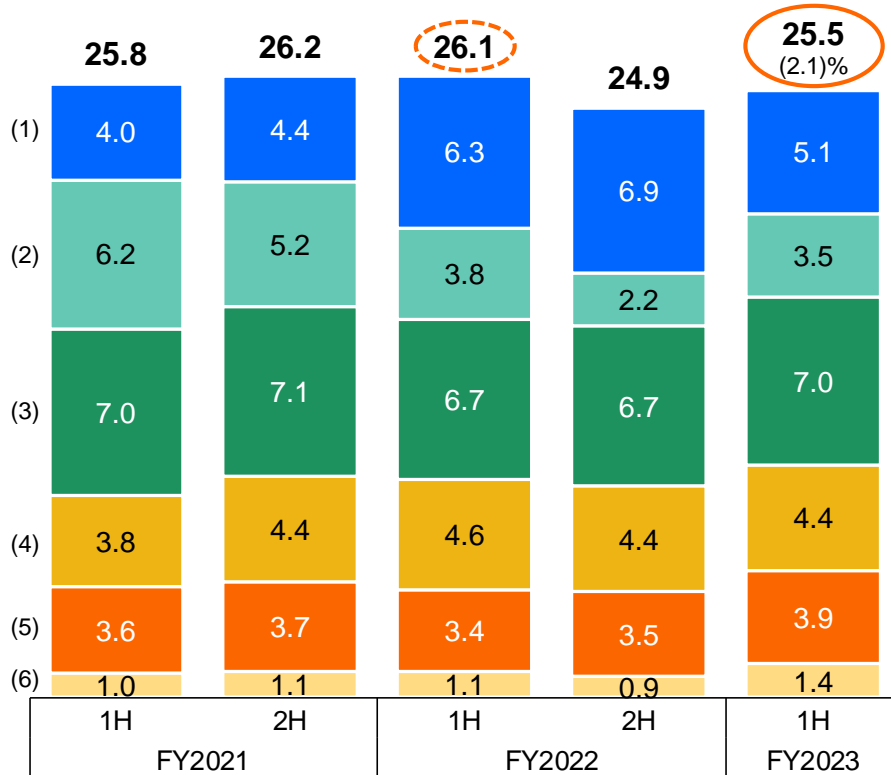
\*3. Asset and business succession trust, real estate and M&A income \*4. Fees and commission from domestic exchange, account transfer, EB, debit card, etc. and fee income earned by Resona Kessai Service and Resona Card \*5. Including fee income earned by Resona Asset Management

\*3. Asset and business succession trust,

## AUM income

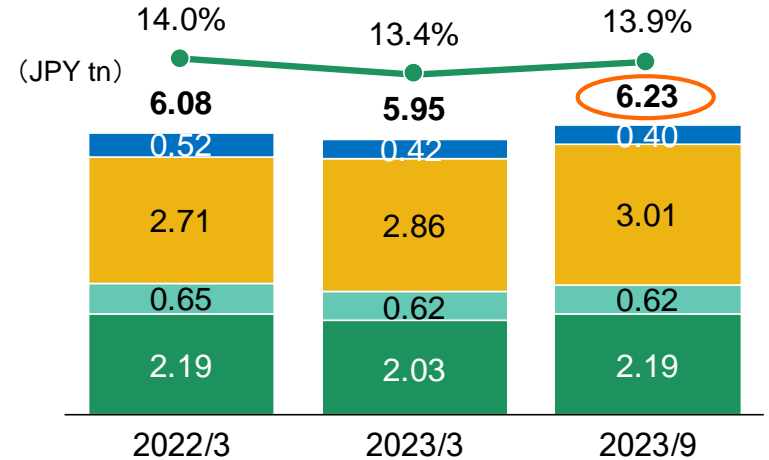
- (1) Insurance
- (2) Investment trust (sales commission)
- (3) Investment trust (trust fees)
- (4) Fund wrap
- (5) Resona Asset Management
- (6) Securities trust

(JPY bn)



## Balance of asset formation support products sold to individuals

- Foreign currency deposits, Public bonds, etc.
- Insurance
- Fund wrap\*1
- Investment trusts\*1
- Asset formation support product ratio\*2



- **Balance of fund wrap\*1:**  
'23/9 JPY760.2 bn (including corporation\*3)
- **Change in balance of investment trust and fund wrap : 1H of FY'23 Approx. +JPY150.0 bn**
  - Net inflow (new purchase – withdrawal and redemption):  
Approx. JPY(16.0) bn
- **Number of individual customers having investment trust, fund wrap and insurance products :**  
'23/9 988 thousand, +18 thousand, YoY
  - Of which, NISA account holders\*4: 430 thousand, +6.9%, YoY
- **iDeCo participants\*5: '23/9 181 thousand, +11.0%, YoY**
- **Securities trust (total assets in custody) : '23/9 JPY44.8 tn**

\*1. Based on market value \*2. Balance of asset formation support products sold to individuals / (balance of asset formation support products sold to individuals + yen deposits held by individuals) \*3. Including external group \*4. NISA, Junior NISA, Cumulative NISA

\*5. iDeCo participants + members giving investment instructions

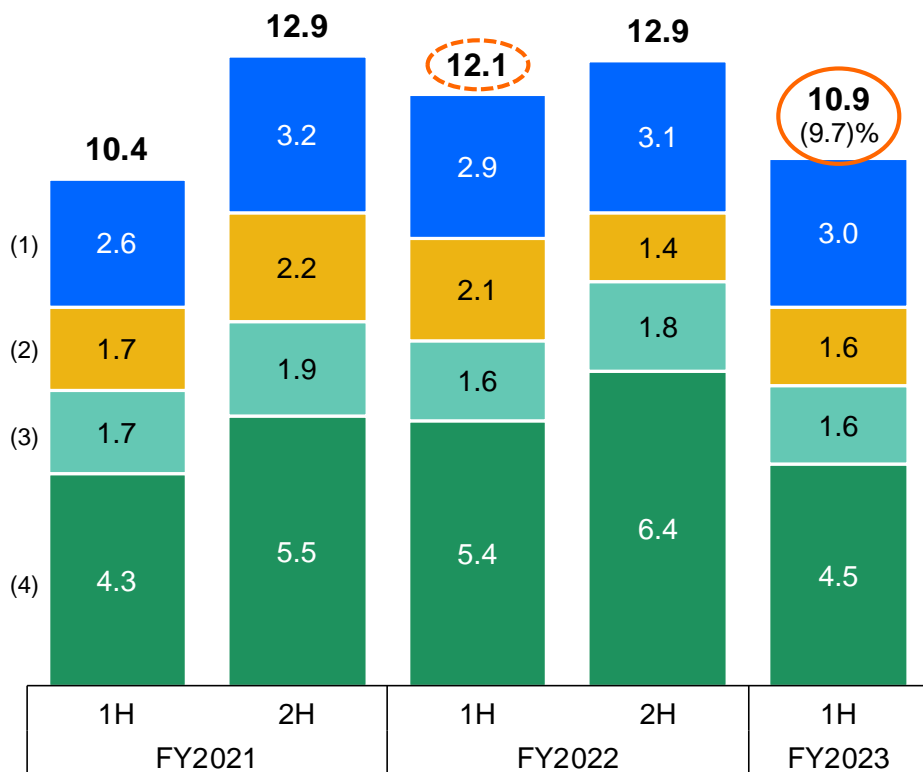
# Major Fee Businesses(2) (Succession, Corporate Solution, Pension Trust)

HD Consolidated

## Succession related income

- (1) Asset and business succession related trust
- (2) M&A
- (3) Real estate (individual)
- (4) Real estate (corporation) \*1

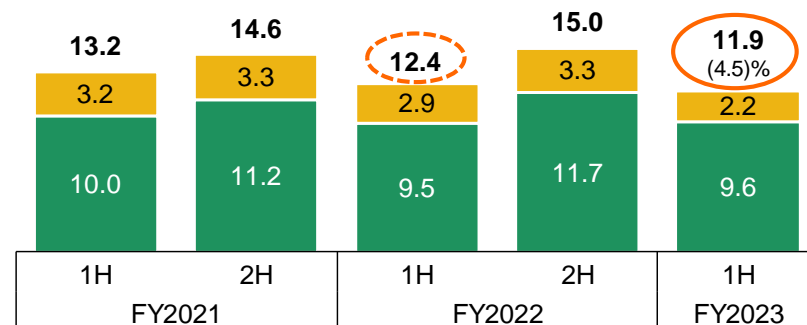
(JPY bn)



## Corporate solutions business income

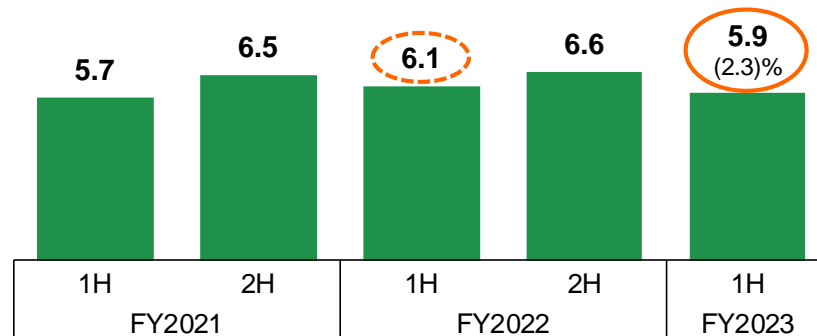
- Private notes
- Commitment line, Syndicated loans, Covenants

(JPY bn)



## Pension trust income

(JPY bn)



\*1. Excluding gains from investments in real estate funds

## Credit costs

(JPY bn)	FY2021 (a)	FY2022		FY2023	
		1H (b)	(c)	1H (d)	Plan (e)
<b>Net credit cost (HD consolidated)</b> (1)	(58.7)	(7.7)	(15.9)	(10.2)	(38.0)

<b>Net credit cost (Total of group banks)</b> (2)	(61.2)	(7.0)	(15.0)	(9.1)	(31.5)
General reserve (3)	(7.2)	2.7	(3.1)	3.4	
Specific reserve and other items (4)	(53.9)	(9.8)	(11.9)	(12.5)	
New bankruptcy, downward migration (5)	(66.0)	(15.3)	(45.2)	(19.2)	
Collection/upward migration (6)	12.0	5.4	33.2	6.7	

<b>Difference (1) - (2)</b> (7)	2.4	(0.6)	(0.8)	(1.1)	(6.5)
HL guarantee subsidiaries (8)	6.5	0.7	1.4	1.3	
Resona Card (9)	(1.4)	(0.8)	(1.7)	(1.0)	

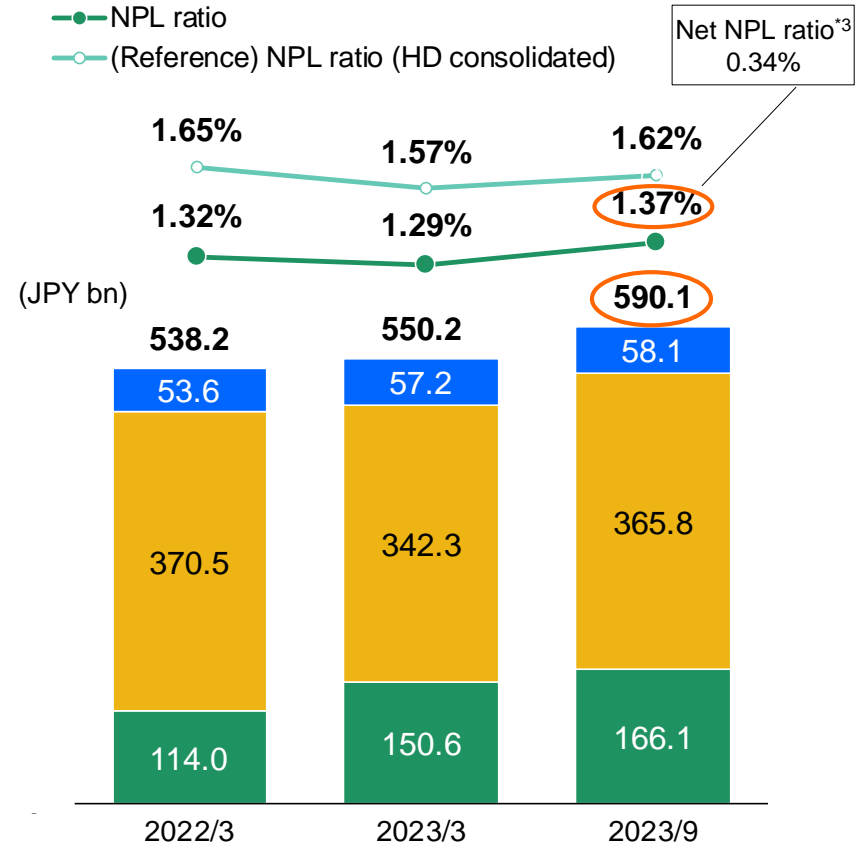
<Credit cost ratio>		(bps)				
HD consolidated <sup>1</sup> (10)	(14.8)	(3.8)	(3.9)	(4.8)	(8.9)	
Total of group banks <sup>2</sup> (11)	(15.1)	(3.4)	(3.6)	(4.2)	(7.2)	

\*(Note) Positive figures represent reversal gains

## NPL balance and ratio (Total of group banks)

(Financial Reconstruction Act criteria)

- Unrecoverable or valueless claims
- Risk claims
- Special attention loans
- NPL ratio
- (Reference) NPL ratio (HD consolidated)



\*1. Credit cost / (Loans and bills discounted + acceptances and guarantees), (Simple average of the balances at the beginning and end of the term)

\*2. Credit cost / total credits defined under the Financial Reconstruction Act, (Simple average of the balances at the beginning and end of the term)

\*3. Net of collateral, guarantees and loan loss reserves

## Securities portfolio\*1

(JPY bn, before hedging)		2022/3	2023/3	2023/9	Unrealized gains/(losses) (d)
		(a)	(b)	(c)	
Available-for-sale securities	(1)	4,159.5	3,886.8	4,068.5	499.0
Stocks	(2)	305.9	283.8	272.5	667.3
Bonds	(3)	2,940.1	2,400.2	2,534.5	(92.0)
JGBs	(4)	1,137.3	645.3	834.6	(62.4)
Average duration (years)	(5)	9.3	12.8	11.6	-
Basis point value (BPV)	(6)	(1.15)	(0.78)	(0.90)	-
Local government and corporate bonds	(7)	1,802.8	1,754.9	1,699.8	(29.5)
Other	(8)	913.3	1,202.6	1,261.4	(76.3)
Foreign bonds	(9)	562.5	721.5	745.7	(67.0)
Average duration (years)	(10)	6.2	5.8	5.2	-
Basis point value (BPV)	(11)	(0.26)	(0.30)	(0.32)	-
Investment trusts (Domestic)	(12)	346.8	474.1	511.5	(10.8)
Net unrealized gain	(13)	521.2	472.9	499.0	
Bonds held to maturity	(14)	2,934.7	3,899.0	4,248.9	(192.1)
JGBs	(15)	1,856.1	2,278.2	2,430.1	(149.2)

### JGBs (available for sale securities, c-5 and 6, d-4) after hedging in '23/9

Average duration : 8.9 year, BPV : (0.35) bn, Unrealized gains/(losses) : 40.1 bn  
(Foreign bonds are partially hedged by domestic investment trusts (bear fund) and other)

### CLO: Zero

## Status of policy-oriented stocks held\*2

### Balance of listed stocks disposed in 1H of FY2023

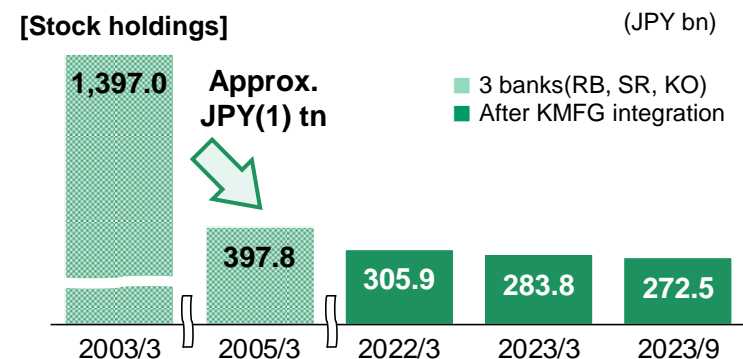
(acquisition cost basis): JPY11.3 bn,  
Net gain on sale: JPY22.1 bn (HD consolidated: JPY21.7 bn)  
Breakeven Nikkei average: Approx. 7,400 yen

### Policy for holding policy-oriented stocks

- Since the capital enhancement with public funds, Resona Group has reduced the balance of the policy-oriented stocks to lessen the risk of price volatility. Our basic policy is to continue to reduce the balance of policy-oriented stocks.
- The Group determines whether to hold policy-oriented stocks by evaluating the risks and returns, including feasibility of the development of a trading relationship in a medium- to long-term. The Group may also sell stocks in consideration of the market situations, management and financial strategies, even though the Group considers appropriate for holding from the risk-return perspective.

### Plan to reduce JPY80.0 bn in 4 years from Apr. '22

⇒ Progress rate against the plan : 41.7% ('23/9)



\*1. Acquisition cost basis. The presented figures include marketable securities only

\*2. Policy-oriented stocks are classified into (i) policy investment stocks and (ii) strategic investment stocks, according to the purpose of holding. Of these, (i) policy investment stocks are targeted for reduction of the balance. All listed shares held by group banks are (i) policy investment stocks

# Capital Adequacy Ratio

HD  
Consolidated

- CAR (Domestic std.) and CET1 ratio (International std.) as of Sep. 30, 2023 were 12.57% and 14.36%, respectively, maintaining sound capital adequacy level

## Domestic standard

( JPY bn )	2023/3	2023/9	Change
<b>Capital adequacy ratio (1)</b>	<b>12.48%</b>	<b>12.57%</b>	<b>+0.09%</b>
Total capital (2)	2,101.0	2,144.4	+43.4
Core Capital: instruments and reserves (3)	2,179.5	2,222.8	+43.3
Stockholders' equity (4)	2,115.4	2,162.7	+47.3
Adjusted non-controlling interests (5)	7.0	8.7	+1.6
Reserves included in Core Capital (6)	39.2	31.7	(7.4)
Subordinated loans and bonds subject to transitional arrangement (7)	27.5	23.9	(3.6)
Core Capital: regulatory adjustments (8)	78.4	78.4	(0.0)
Risk weighted assets (9)	16,827.9	17,059.4	+231.4

### Change in total capital

- Stockholders' equity +47.3 bn
  - Net income attributable to owners of parent +82.5 bn
  - Share buyback (completed in Jun. '23) (10.0) bn
  - Interim dividend (25.9) bn

### Group banks, Bank holding company

Domestic standard	Resona (Consolidated)	Saitama Resona (Consolidated)	KMFG (Consolidated)
<b>Capital adequacy ratio</b>	<b>11.75%</b>	<b>15.58%</b>	<b>9.19%</b>

## (Reference) International standard

( JPY bn )	2023/3	2023/9	Change
<b>Common Equity Tier1 capital ratio (10)</b>	<b>14.10%</b>	<b>14.36%</b>	<b>+0.26%</b>
Excluding net unrealized gains on available-for-sale securities (11)	<b>12.09%</b>	<b>12.21%</b>	<b>+0.12%</b>
Tier1 capital ratio (12)	<b>14.11%</b>	<b>14.38%</b>	<b>+0.27%</b>
Total capital ratio (13)	<b>14.35%</b>	<b>14.57%</b>	<b>+0.22%</b>
Common Equity Tier1 capital (14)	2,413.1	2,496.5	+83.3
Instruments and reserves (15)	2,494.9	2,567.6	+72.6
Stockholders' equity (16)	2,115.4	2,162.7	+47.3
Net unrealized gains on available-for-sale securities* (17)	342.6	372.6	+30.0
Adjusted non-controlling interests (18)	3.8	4.6	+0.8
Regulatory adjustments (19)	81.7	71.1	(10.6)
Other Tier1 capital (20)	2.7	2.9	+0.2
Tier1 capital (21)	2,415.9	2,499.5	+83.5
Tier2 capital (22)	40.8	33.5	(7.2)
Total capital (Tier1+Tier2) (23)	2,456.7	2,533.0	+76.3
Risk weighted assets (24)	17,113.4	17,380.8	+267.4

\*Including deferred gains or losses on hedge related to net unrealized gains on available-for-sale securities

### (Reference)

#### Trial calculation based on the full enforcement of the finalized Basel 3

CET1 ratio: Approx. 10.1%\*

(Excluding net unrealized gains on available-for-sale securities)

\*Trial calculation which took into consideration the estimated increase in RWAs owing to the finalization of Basel 3 (SA and capital floor revisions) based on the actual CET1 ratio excluding net unrealized gains on available-for-sales securities as of Sep. 30, 2023 reported as (11) in the above table

# Earnings Targets for FY2023 (Released in Nov. 2023)

HD Consolidated  
Total of Group Banks

## HD consolidated

(JPY bn)		Full-year	Change from original target	YoY change
Net income attributable to owners of parent	(1)	150.0	—	(10.4)
Difference	(2)	13.5	(4.0)	(5.2)
Core income <sup>*1</sup>	(3)	150.0	+2.0	(13.6)

## Common DPS

		DPS	YoY change
Common stock (annual)	(4)	22.0 yen	+1.0 yen
Interim dividend	(5)	11.0 yen	+0.5 yen

## Total of group banks

(JPY bn)		Total of group banks		Resona Bank		Saitama Resona Bank		KMFG (total of group banks)	
		Full-year	Change from original target	Full-year	Change from original target	Full-year	Change from original target	Full-year	Change from original target
Gross operating profit	(6)	576.5	+1.0	330.0	—	113.0	+0.5	133.5	+0.5
Operating expenses	(7)	(391.5)	+1.0	(214.0)	—	(76.5)	—	(101.0)	+1.0
Actual net operating profit	(8)	185.0	+2.0	116.0	—	36.5	+0.5	32.5	+1.5
Net gains on stocks (including equity derivatives)	(9)	47.0	+3.0	37.5	—	8.5	+4.0	1.0	(1.0)
Credit related expenses, net	(10)	(31.5)	—	(20.0)	—	(5.0)	—	(6.5)	—
Income before income taxes	(11)	190.0	+6.0	131.0	—	37.0	+5.0	22.0	+1.0
Net income	(12)	136.5	+4.0	93.0	—	26.0	+3.5	17.5	+0.5

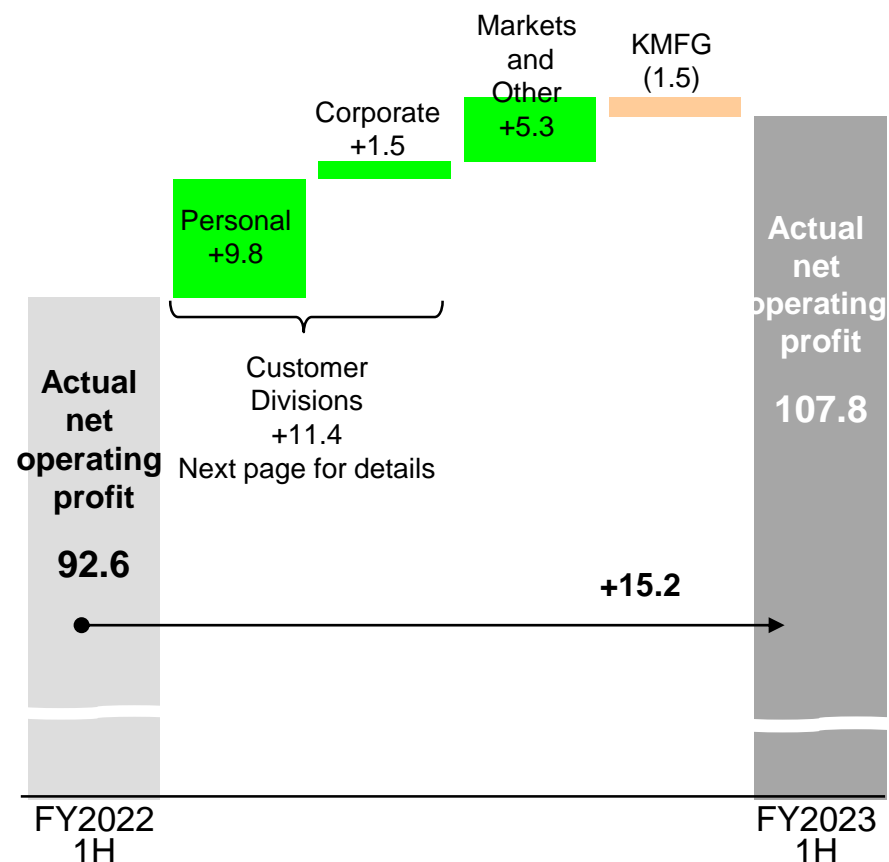
\*1. Net interest income from domestic loans and deposits + Interest on yen bonds, etc. (Interest on yen bonds and income from interest rate swaps)  
+ Fee income + Operating expenses

# (Reference) Outline of Financial Results of Each Segment

HD  
Consolidated

(JPY bn)		FY2023 1H	YoY Change
<b>Customer Divisions</b>	Gross operating profit (1)	252.3	+16.1
	Operating expense (2)	(154.8)	(4.6)
	Actual net operating profit (3)	97.5	+11.4
<b>Personal Banking</b>	Gross operating profit (4)	106.7	+11.7
	Operating expense (5)	(77.5)	(1.8)
	Actual net operating profit (6)	29.2	+9.8
<b>Corporate Banking</b>	Gross operating profit (7)	145.6	+4.3
	Operating expense (8)	(77.3)	(2.7)
	Actual net operating profit (9)	68.3	+1.5
<b>Markets and Other</b>	Gross operating profit (10)	(8.5)	+4.8
	Operating expense (11)	(1.0)	+0.4
	Actual net operating profit (12)	(9.2)	+5.3
<b>KMFG</b>	Gross operating profit (13)	69.5	(2.7)
	Operating expense (14)	(49.9)	+1.2
	Actual net operating profit (15)	19.6	(1.5)
<b>Total</b>	Gross operating profit (16)	313.4	+18.2
	Operating expense (17)	(205.8)	(3.0)
	Actual net operating profit (18)	107.8	+15.2

(JPY bn)



## Definition of management accounting

1. "Customer Divisions" and "Markets and Other" segment refer to the HD Consolidated subsidiaries, except KMFG consolidated subsidiaries.
2. Gross operating profit of "Markets" segment includes a part of net gains/losses on stocks. "Other" segment refers to the divisions in charge of management and business administration.



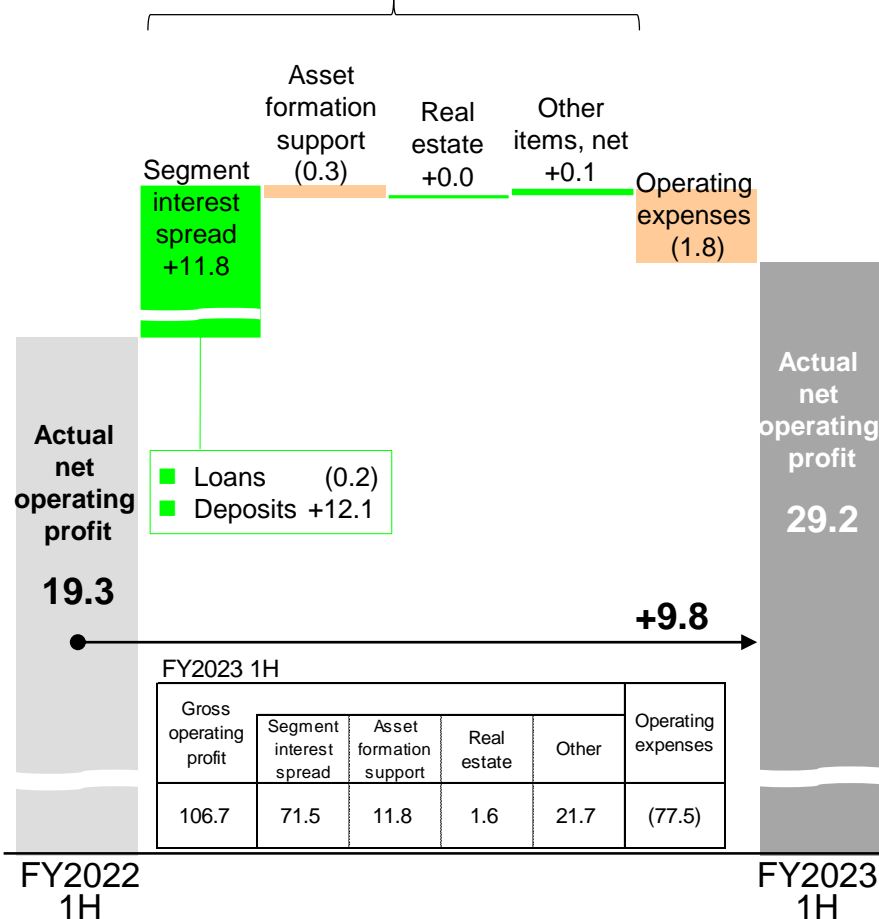
# (Reference) Outline of Financial Results of Customer Divisions

## Personal Banking Segment

Actual net operating profit : Up JPY9.8 bn, YoY

(JPY bn)

Gross operating profit +11.7

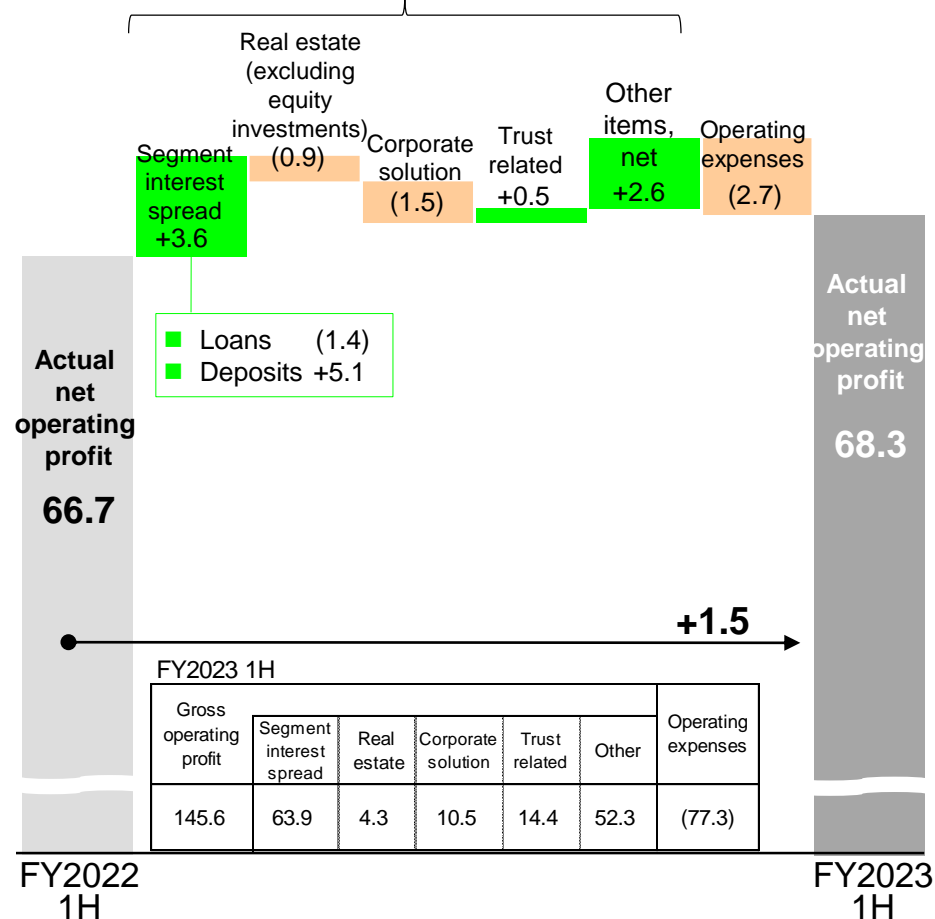


## Corporate Banking Segment

Actual net operating profit : Up JPY1.5 bn, YoY

(JPY bn)

Gross operating profit +4.3



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**Reference Material (MMP, Business Strategies)**

# What the Resona Group Should Look Like over the Long Term



Customers' happiness is our pleasure

## Issues that must be overcome

[External]

A phase of profound structural transition, including trends towards SX/DX

Ever more diverse issues confronting our customers and regional communities require ever more sophisticated solutions

[Internal]

Gaps between income and cost structures for the retail business

## Inevitability of CX

Remain true to our fundamental stance of "Customers' happiness is our pleasure" and contribute to society to a greater degree

Take full advantage of our traditional strengths while endeavoring to create new value that transcends the conventional framework of financial services



Need to step forward toward CX to transform our conventional business structure and management platforms

## CX

Strengthening of value creation capabilities

Development of next-generation management platforms

# Overview of the MMP

Accelerate initiatives to realize “Retail No. 1”: The first 1,000 days of taking on corporate transformation (CX)  
-From rehabilitation to taking on new challenges-

◆ Adapt to changes in light of such trends as SX, DX, etc.

◆ Further accelerate income and cost structure reforms

## Strengthening of Value Creation Capabilities

◆ Striving for the further development of businesses backed by the group’s inherent strengths and creating new value

**Further Development and New Challenges**

- Strengthening our consulting capabilities in terms of both quality and quantity
- Leverage the combined capabilities offered by all Resona Group companies (customer bases and service functions)
- Utilizing technologies and data

**Co-creation and Expansion of Value**

- Expanding customer bases, management resources and functions
  - ✓ Financial digital platform
  - ✓ Inorganic investment

<Value to be delivered>

<Areas of business focus>

Ever more diverse issues confronting our customers require ever more sophisticated solutions

Circulation of businesses and assets

Facilitation

Transition of social structure

- SME loans
- Business and asset succession
- Cashless and DX
- Asset formation support
- Corporate pensions
- Housing loans

## Development of Next-Generation Management Platforms

◆ Further strengthening the consolidated management of Group companies and executing integrally reforms of management platforms

**Governance**

- Strengthen Group governance
- Upgrade our mode of risk governance
- Pursue the thorough practice of customer-oriented business conduct

**Human capital**

- Realize value creation and well-being
- Resonance of the three pillars (engagement, professionalism and co-creation)

**Intellectual capital**

- Business processes: Exhaustive overhaul
- Channels: Integration of face-to-face and digital channels
- Systems: Pursuing generalization, openness and streamlining

Transitioning from striving to qualitatively and quantitatively enhance capital to a new phase in which we can fully utilize it

# KPIs under the MMP

	FY2022 (Results)	FY2025 (Plan)	
<b>Realize income and cost structure reforms</b>  <b>Optimization of balance between financial soundness, growth investment and shareholder return</b>	Net income attributable to owners of parent	JPY160.4 bn	JPY170.0 bn
	Consolidated core income*1	JPY163.6 bn	JPY180.0 bn
	Consolidated cost income ratio	67.4%	Lower half of the 60% range
	ROE*2	7.66%	8%
	CET1 ratio*3	Approx. 10%	10% level
	Total shareholder return ratio	40.6%	50% level
<b>Realize sustainable society</b>	ESG index selected by GPIF (domestic stock)*4	ESG index selected by GPIF (domestic stock)	ESG index selected by GPIF (domestic stock)

[FY2025 assumed conditions : Overnight call rate (0.05) %, Yield on 10Y JGB 0.40%, Nikkei 225 28,000 yen]

\*1. Net interest income from domestic loans and deposits + Interest on yen bonds, etc. (interest on yen bonds and income from interest rate swaps) + Fee income + Operating expenses

\*2. Net income / Total shareholders equity (simple sum of the balance at the beginning and the end of the term/2)

\*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, S&P/JPX Carbon Efficient Index series, MSCI Japan Empowering Women Index and Morningstar Japan ex-REIT Gender Diversity Tilt Index

# Roadmap for Securing Profit

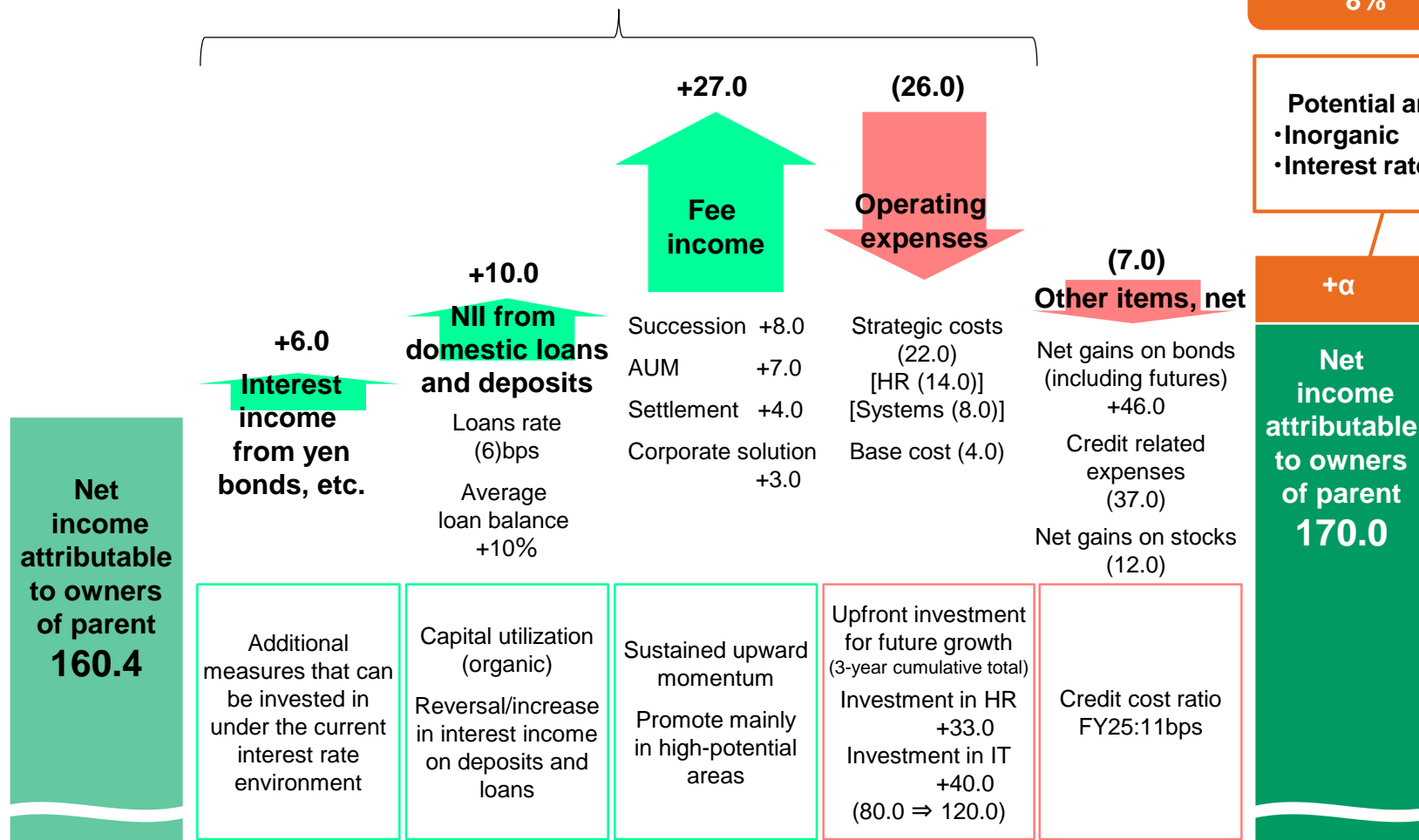
Aim for growth in core profit that will exceed outlays associated with forward-looking investment aimed at improving employee engagement and productivity, with our plan calling for achieving an ROE of 8%

(JPY bn)

Core income [including Interest on yen bonds, etc.] +17.0

ROE target  
8%

Potential and upside  
• Inorganic  
• Interest rate hikes etc.



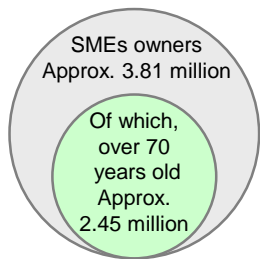
FY2022  
(Act.)

FY2025  
(Target)

# Business and Asset Succession Business

## Support smooth succession to accommodate growing needs in an ultra-aging society

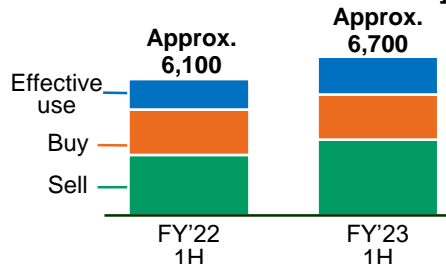
[Number of SMEs owners\*1]



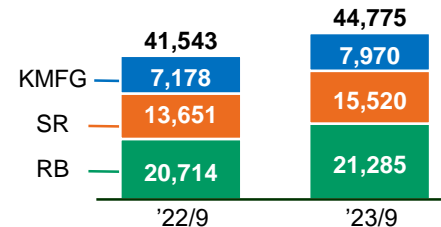
[Trend in the appointment of business successors by source\*2]

	2018	2022
Taken over by a family member	39.6%	↓ 34.0%
Internal promotion	31.6%	↑ 33.9%
M&A, etc.	16.8%	↑ 20.3%
Appointed an external individual	7.4%	7.5%
Ongoing management by the founder	4.5%	4.3%

[Number of leads for real estate-related deals of Resona\*3]

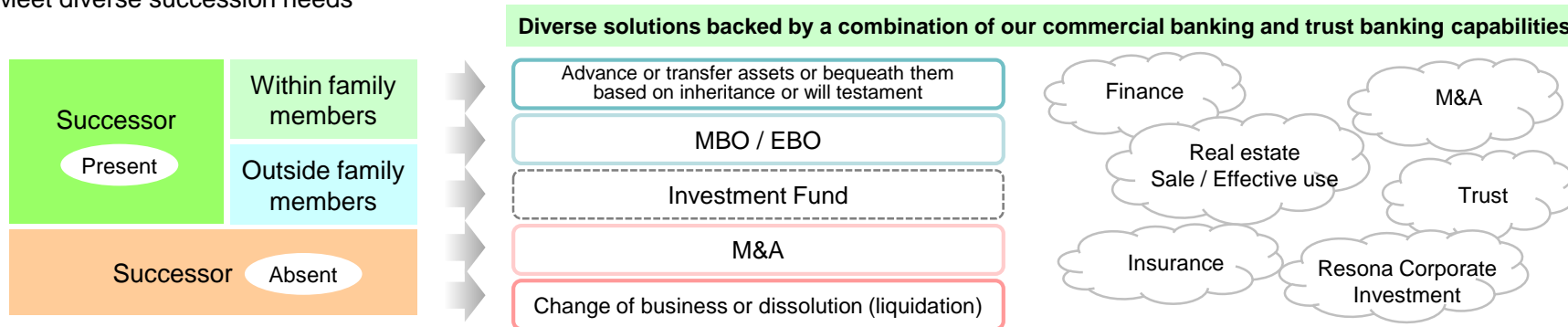


[Number of succession trusts of Resona]

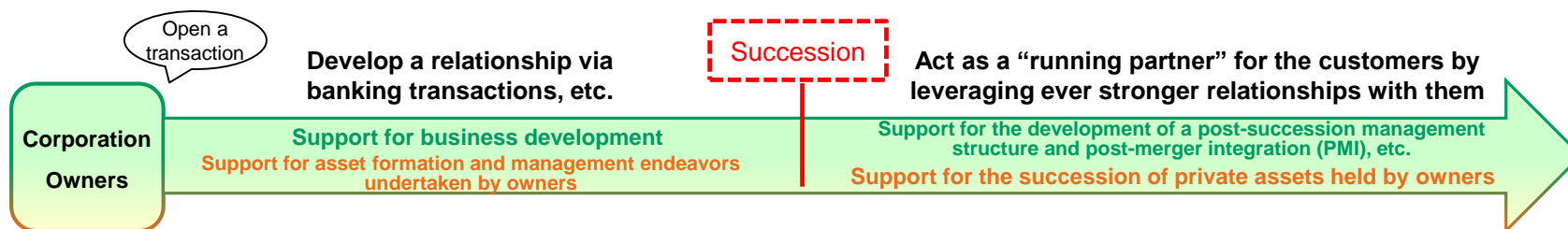


### One-stop solutions that leverage our strength as a retail commercial bank equipped with full-line trust banking capabilities

- Meet diverse succession needs



- Our strength lies in solid customer relationships that transcend the scope of succession



\*1. The Comprehensive Package of Measures for Supporting SMEs in Business Succession to Third Parties formulated by the Small and Medium Enterprise Agency \*2. TEIKOKU DATABANK (2022) \*3. RB

# Cashless and DX Solution Business

## Improving convenience for individual customers / helping corporate customers go cashless and pursue DX

### [Expansion of the market for cashless settlement\*1]

	2016	Target for 2025
Cashless ratio	20%	40% level
Amount handled	JPY60 tn	JPY120 tn

Secure conformity with the revised Electronic Book Storage Act and the Eligible Invoice Storage System (the "Invoice System")

Deliver value-added services, starting with supporting household finance and corporate transactions

- ✓ Expand transactions with customers to become their main bank
- ✓ Diversify profit sources

### ■ Debit card

B2C / B2B

#### Expansion of customer base

No. of issued: Sep. '23 3.11 million

- Horizontally roll out our solutions at four Group banks

#### [Individual]

- Equipped as standard in the deposit account
- Instantly issued at all branches

#### [Corporate]

- Service eligibility is granted as standard at the time of web-based account openings
- Accommodate virtual cards

#### Expansion of frequency of use

- Instant Settlement
- Make it possible to set spending limits or terminate user eligibility on an individual basis

#### [Individual]

- High affinity with Group App
- High return rate premium cards (Apr. '23-)

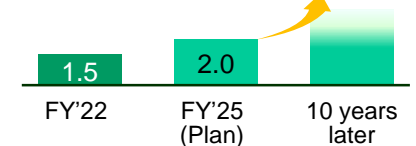
#### [Corporate]

- Coordination with the app for corporate customers (Oct. '23-)

#### [Debit card income] (JPY bn)



#### [Amount of card settlement transactions\*2] (JPY tn)



### ■ Resona Cashless Platform

B2C

Introduction (planned) :  
Approx. 4,400 corporate customers  
Approx. 16,000 stores

- With an all-in-one terminal, responding to diverse payment needs
- Accommodate Union Pay cards (Jul. '23-)

### ■ Resona One-Stop Payment

B2B

- Assist in the DX of payment-related operations for corporate expenses
- Compliance with the revised Electronic Book Storage Act / Offer a comprehensive set of services to help customers streamline their operations (digitization of bills → online payment → storage of electronic data)

### ■ Collaboration within and outside the Group

Data / Open

- Deliver solutions via the combination of all Resona Group members
  - DX assistance by Resona Digital Hub (DX-focused questionnaires targeting approx. 13,000 corporations\*3)
- Co-creation with external partners
  - Joint development of a settlement service specializing in the medical sector (Digital Garage)
  - Business alliance regarding regional digital currencies and point businesses (Mitsubishi Research Institute)

\*1. Prepared based on Ministry of Economy, Trade and Industry

\*2. Issuing + Acquiring (Including group companies)

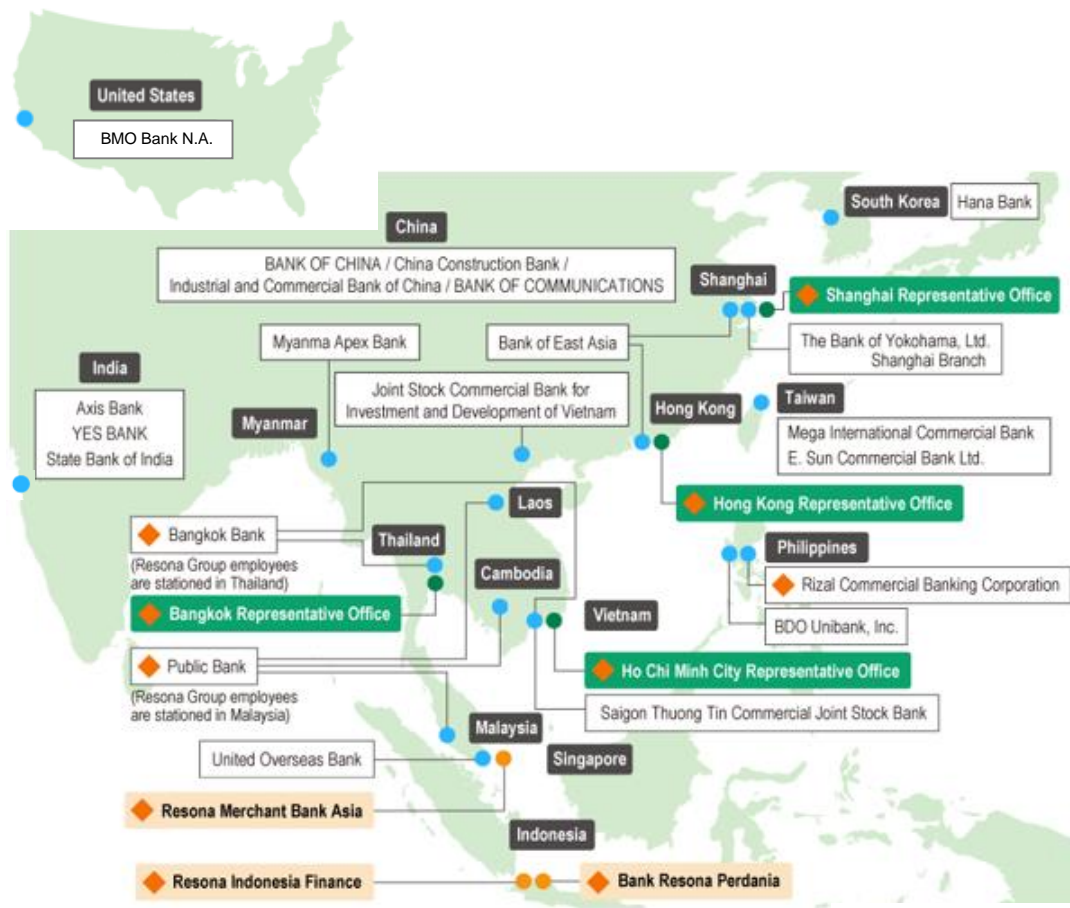
\*3. FY2022



# International Business

## Help customers align with changes in the business environment via the use of our overseas network

- Resona Group employees stationed at 10 overseas bases to cover the entire Asia region and the U.S.
- Provide a wide range of consultations concerning overseas expansion, financing, etc.



As of Sep. 30, 2023

### ■ Provide solutions via local subsidiaries

- Bank Resona Perdania (Indonesia)
  - Boasting a business track record spanning more than 65 years and full-fledged banking functions serving locals
- Resona Merchant Bank Asia (Singapore)
  - Lending, M&A assistance, consulting, etc. in ASEAN, Hong Kong and India

### ■ Extend support via representative offices and partner banks

- Provide information to customers in line with their needs in connection with local laws, regulations, tax systems, business customs, etc.

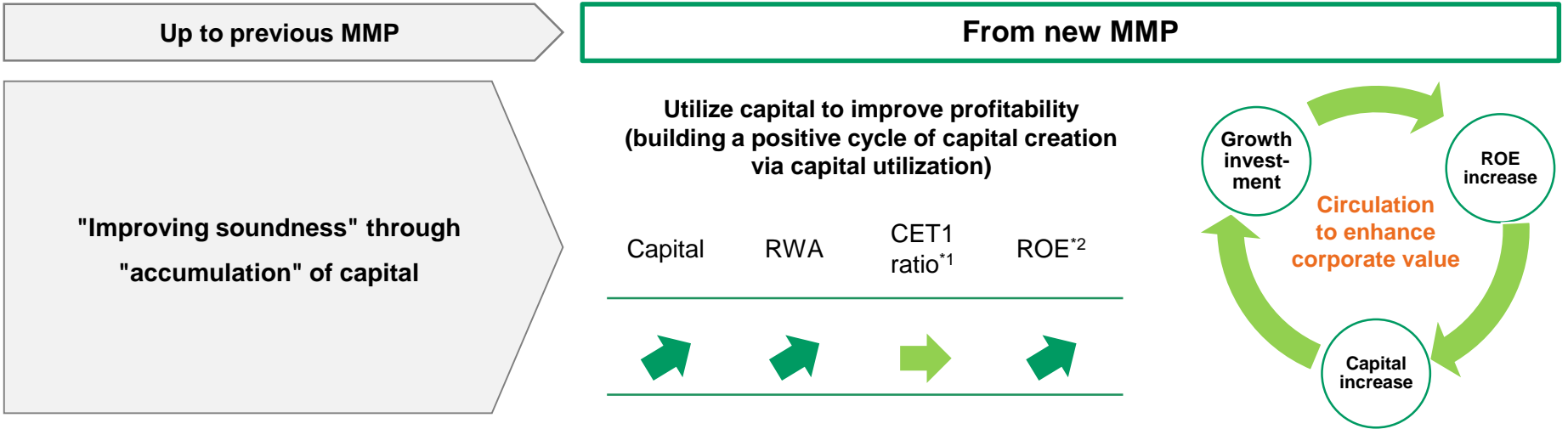
### Consider the expansion of our network in light of customer needs, etc.

### ■ Deliver our solutions to customers outside the Group

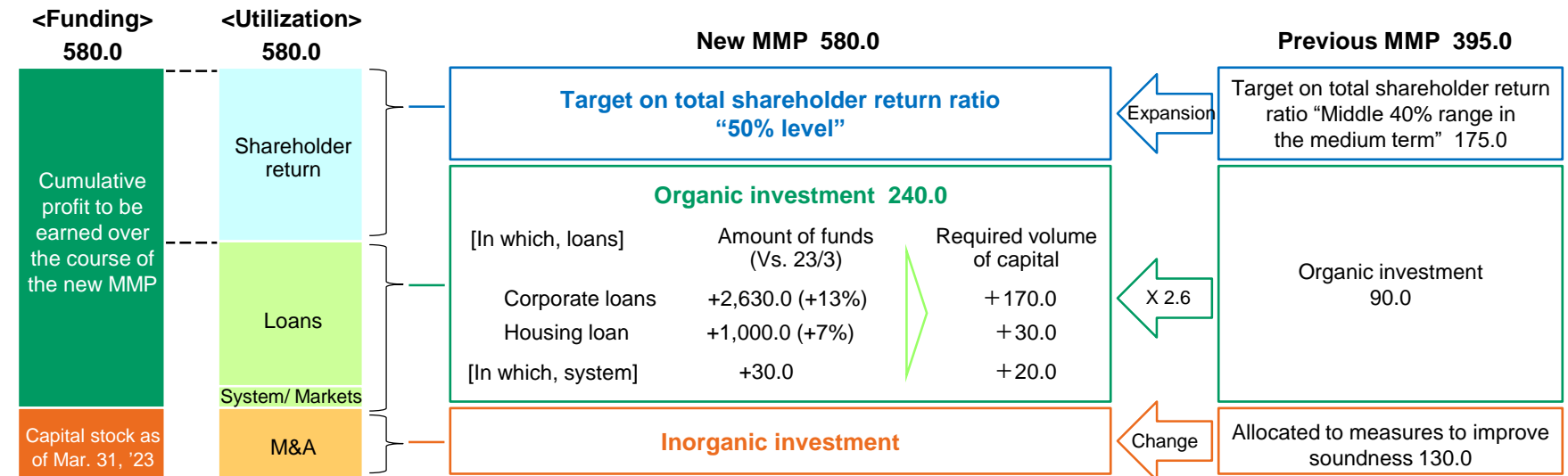
- Began providing “Resona Anshin Export Guarantee,”<sup>\*1</sup> a service designed to assist SMEs in the expansion of their overseas sales channels
  - Jun. '23- The Miyazaki Bank

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

# Capital Management of the MMP



[Composition of capital utilization] (JPY bn)



\*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. Net income attributable to owners of parent / Total shareholders equity (simple sum of the balance at the beginning and the end of the term/2)

# Financial and Non-Financial Approaches to Improve Corporate Value

## Measures to be implemented during the MMP period

### Improve profitability and asset efficiency via the proactive utilization of capital

(Organic) Enhance higher risk-return lending assets  
(Inorganic) Enhance customer bases, management resources and functions

### Step up investment in human capital ⇒ [Further development and new challenges]×[Co-creation and expansion of value]

Core income +JPY17.0 bn (Target)

### Upgrade our mode of risk governance

### Expand shareholder return

Aim for a total shareholder return ratio of around 50%

### Seize upside profit opportunities that arise at the time of interest rate hikes

### Further reduce policy-oriented stockholdings

The pace of reduction : JPY(20.0) bn per year

## Analysis of the current status of ROE

### ROE deteriorated over the course of the previous MMP

- Rapid expansion of BS / Growing volume of assets with low utilization  
⇒ Need to improve risk-return by adopting a more proactive approach to risk-taking endeavors
- Downside risks materialized and affected P/L via the recording of major credit-related costs, outlays resulting from measures to restore foreign bond portfolio soundness, etc.

### [Breakdown of ROE components]

				RORA		Leverage following risk adjustment		Total assets accounted for as of fiscal year-end
	ROE	=		$\frac{\text{Net income}}{\text{RWA}^{*1}}$	×	$\frac{\text{RWA}^{*1}}{\text{Total shareholders' equity}}$		
FY'19	8.9%	=		0.7%	×	11.9 times		JPY60.5 tn
FY'20	6.8% ↓	=		0.6% ↓	×	11.3 times ↓		JPY73.6 tn
FY'21	5.6% ↓	=		0.5% ↓	×	10.7 times ↓		JPY78.1 tn
FY'22	7.6% ↑	=		0.7% ↑	×	9.9 times ↓		JPY74.8 tn
(Average from FY'20 to FY'22)	6.7%	=		0.6%	×	10.6 times		JPY75.5 tn

\*1. Based on the finalization of Basel 3

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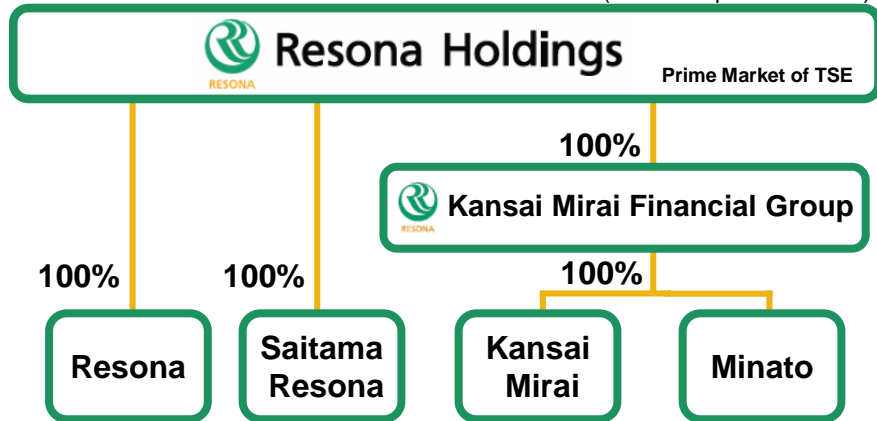
**Reference Material (Other)**

# Resona Group at a Glance

- Financial Services Group with a customer base of 16 mil individuals and 0.5 mil corporations and a full line of trust functions
- Extensive channel network centered on the Tokyo metropolitan area and Kansai region

## Corporate structure

(End of September 2023)



## Customer base and business scale

[Individual customers (mil)]

**16**

[Deposits (JPY tn)]

**61**

[Corporate clients (mil)]

**0.5**

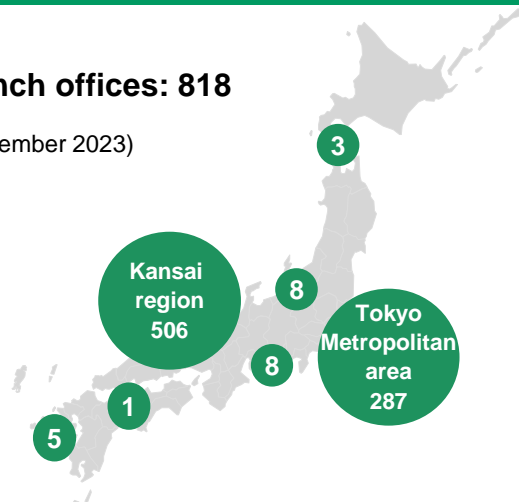
[Loans (JPY tn)]

**41**

## Number of manned branch office

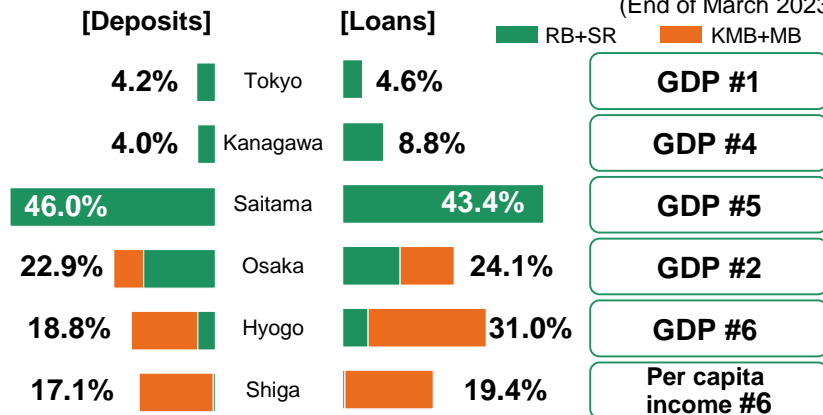
Number of manned branch offices: 818

(End of September 2023)



## Market share\*1

(End of March 2023)



\*1. Total of group banks, market share based on deposits, and loans and bills discounted by prefecture (domestically licensed banks from BOJ)

# Resona Group's Conceptual Structure

## Beyond Finance, for a Brighter Future.

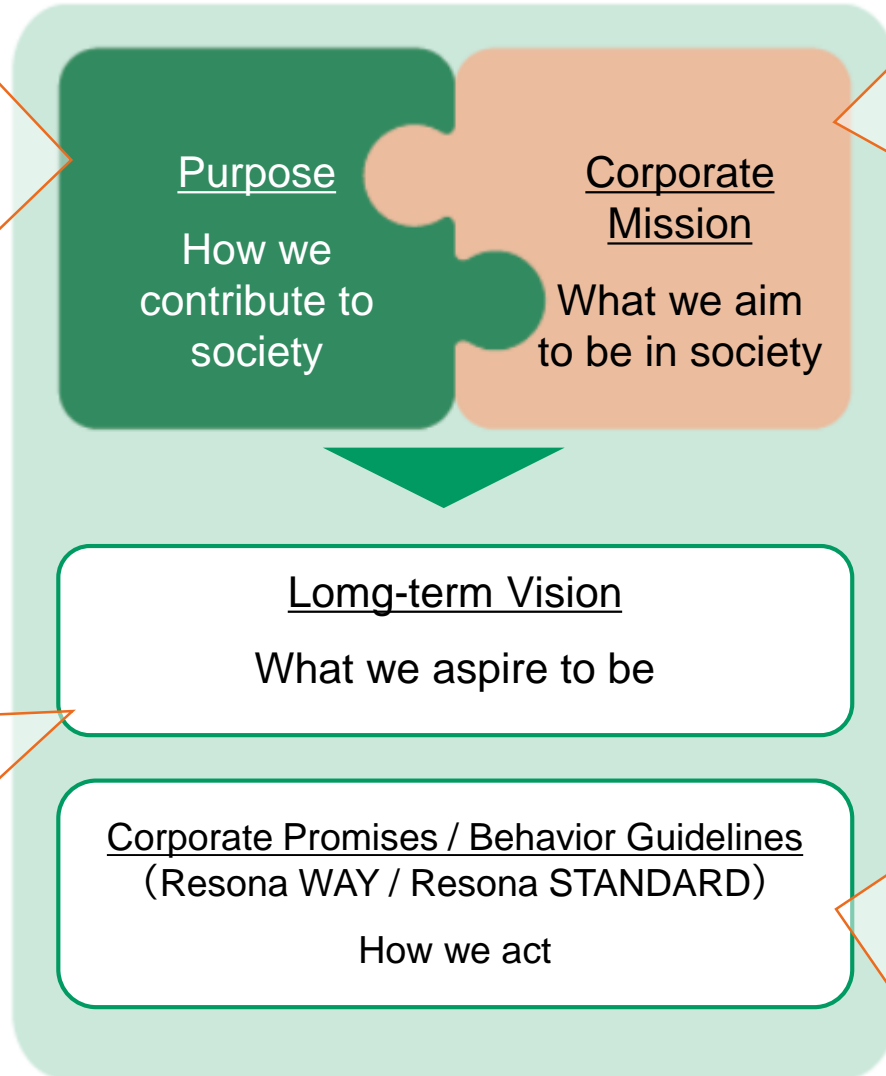
In a world that keeps changing, we're here to provide peace of mind so that we can welcome the future with hope and confidence.

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.

### Retail No. 1

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



The Resona Group aims at becoming a true "financial services group full of creativity."

Towards 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.

### Resona WAY

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

### Resona STANDARD

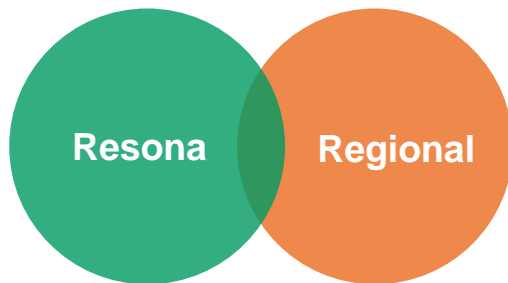
For Customers  
Taking on the Challenge of Reform  
Sincere and Transparent Action  
Responsible Business Conduct  
Realizing Job Fulfillment  
For Shareholders  
Trust of Society

# Resona Group's Brand Identity

The Resona Group's corporate name was derived from the Latin word (resonus) meaning "resonate" or "resound" in English.

We attach great importance to customers' voice.  
By adopting the corporate name Resona, we want to express our desire to build stronger ties with our customers by "resonating" or "resounding" with them.

Group Logo expresses the resonance between the "R" in Resona and the "R" in the Group's key word "Regional."



The two "Rs" inside a perfect circle to express a sense of security and trust.

RESONA

Green suggests "gentleness" and "transparency" and orange creates a sense of "familiarity" and "warmth."

# Measures to Build Multifaceted Business Relationships with Customers

Total of Two Banks (RB, SR)

Visible progress has been made through the increase in the number of “Resona Loyal Customers”

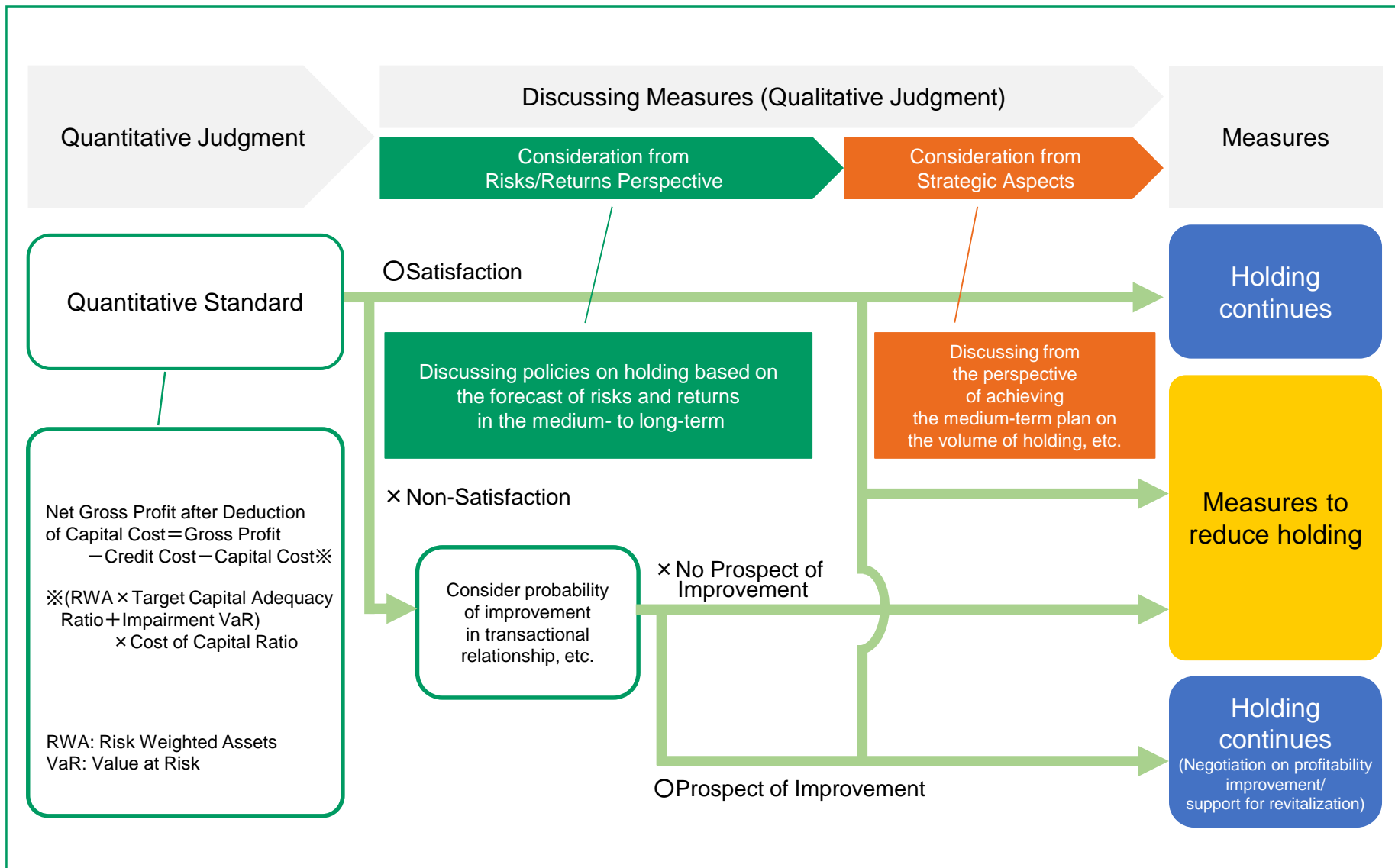
Customer segments based on the depth of transactions with Resona Group banks	Number of Customers (thousands)			Top-line Income Per Customer *	Avg. # of Products Cross-sold [YoY change]
	2018/9	2023/9	Change		
<b>Premier</b> AUM or Apartment loan exceeding JPY50 million (1)	55.0	71.0	+ 16.0	63.4	7.76 (0.00)
<b>Housing Loan</b> With housing loan for own home (2)	519.1	543.1	+ 24.0	24.1	4.94 +0.03
<b>Asset Management</b> AUM exceeding JPY10 million (3)	675.3	837.9	+ 162.5	6.5	4.75 (0.00)
<b>Potential I</b> AUM exceeding JPY5 million (4)	717.6	808.7	+ 91.1	2.0	3.61 +0.00
<b>Potential II</b> AUM below JPY 5 million/ 3 or more products sold (5)	4,479.7	4,675.2	+ 195.4	* 1	4.10 +0.02
<b>Resona Loyal Customers (RLCs)</b> (6)	6,446.9	6,936.2	+ 489.2	4.2	4.23 +0.02
<b>Potential III</b> AUM below JPY 5 million/ 2 or fewer products sold (7)	4,759.5	4,134.2	(625.2)	0.1	1.67 +0.00



\* Indexed to average top-line income per client for Potential II segment = 1



# Verification Process for Value of Holding of Policy-Oriented Stocks



# Basic Concepts on the Exercise of Voting Rights of Policy-Oriented Stocks

- Resona group has established the “Policy for the Voting Right Exercise Standards of Holding Policy-Oriented Stocks” in relation to exercise the voting rights of policy-oriented stocks. We have built a process to individually judge and verify the approval or disapproval of all proposals.

- Fundamental concepts on the exercise of voting rights (Described in “Standards for the Exercise of Voting Rights of Policy-Oriented Stocks”)

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

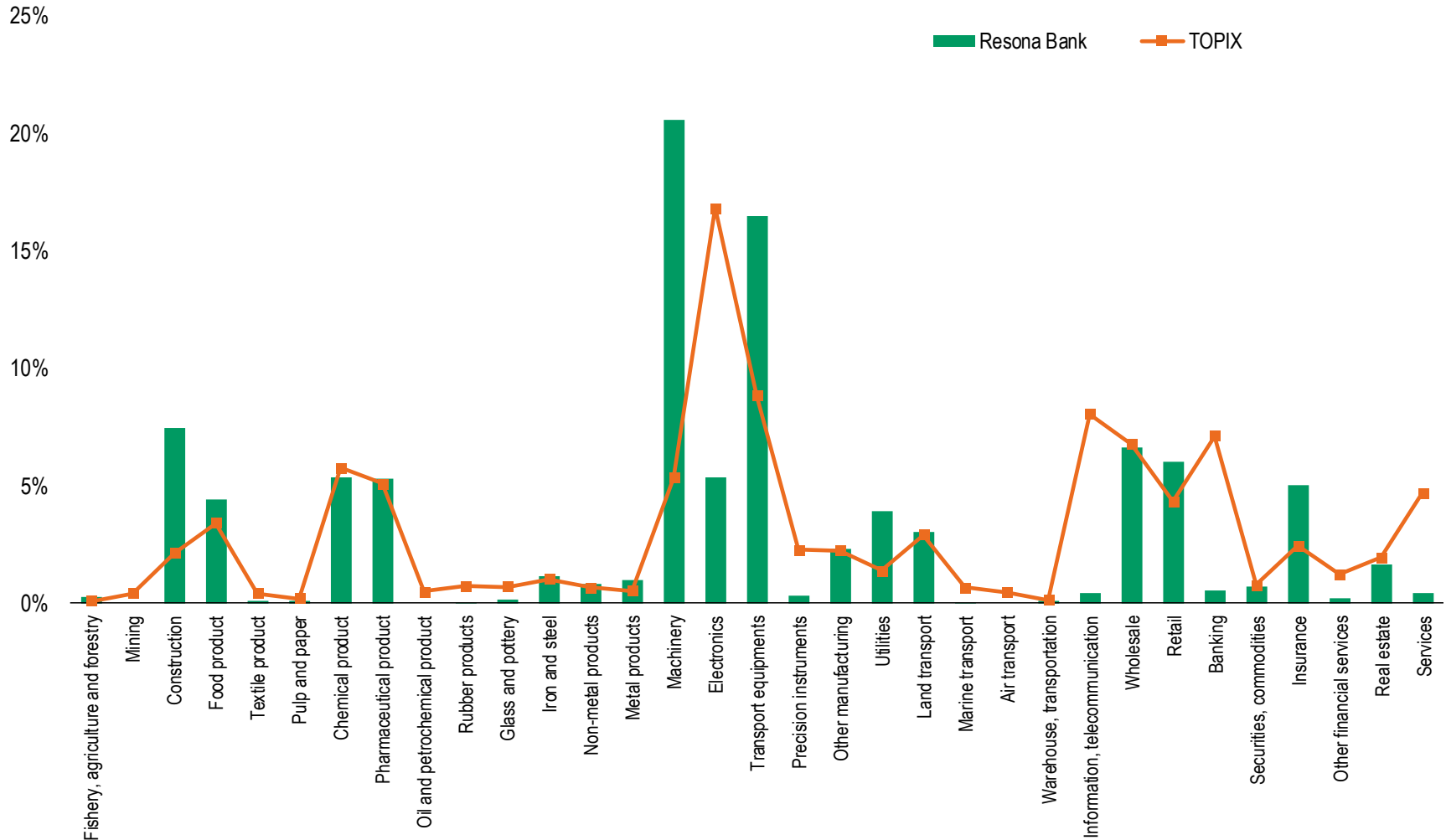
1. Irrespective of interests of transactions with clients, make an effort to vote yes or no on an individual basis from the viewpoint of sustainably improving corporate value;
2. Not to exercise voting rights in a manner to resolve certain political or social problems; and
3. If any scandal or an anti 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.

- Guidelines for the Exercise of Voting Rights

With the aim of exercising its voting rights in an appropriate and efficient manner, the Group will abide by the following guidelines:

1. Base voting judgments on the following points:
  - a. whether the way the vote is cast helps the Company and/or the investee achieve sustainable and long-term growth in corporate value;
  - b. 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:
  - a. shareholder proposals;
  - b. introduction or renewal of anti-takeover measures;
  - c. agenda items proposed by a corporation that was found to be implicated in a scandal or an antisocial act;
  - d. approval of financial statements not backed by an unqualified opinion issued by the accounting auditor;
  - e. 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.

# Stocks Held by Industry (September 30, 2023)



# Business Results by Major Group Business Segments

## Management accounting by major group business lines (1H of FY2023)

(JPY bn, %)

Resona Group Business Segments		Profitability			Soundness	Net operating profit after a deduction of credit cost									
		Net profit after a deduction of cost on capital	Risk-adjusted return on capital	Cost to income ratio	Internal CAR	Actual net operating profit								Credit cost	
						RVA <sup>*1</sup>	RAROC	OHR	YoY Change	YoY Change	Gross operating profit	YoY Change	Operating expense	YoY Change	YoY Change
Customer Divisions	(1)	27.6	14.8%	61.3%	10.3%	90.3	+10.9	97.5	+11.4	252.3	+16.1	(154.8)	(4.6)	(7.1)	(0.5)
Personal Banking	(2)	20.4	31.3%	72.6%	10.5%	30.4	+11.9	29.2	+9.8	106.7	+11.7	(77.5)	(1.8)	1.2	+2.0
Corporate Banking	(3)	7.1	11.7%	53.1%	10.2%	59.8	(0.9)	68.3	+1.5	145.6	+4.3	(77.3)	(2.7)	(8.4)	(2.5)
Markets	(4)	(11.1)	(25.8)%	(67.6)%	9.5%	(7.9)	+5.8	(7.9)	+5.8	(4.7)	+5.4	(3.2)	+0.4	-	-
KMFG	(5)	(8.2)	7.0%	71.7%	10.5%	17.6	(2.2)	19.6	(1.5)	69.5	(2.7)	(49.9)	+1.2	(1.9)	(0.6)
Total <sup>*2</sup>	(6)	(11.6)	9.2%	65.6%	10.1%	97.6	+12.7	107.8	+15.2	313.4	+18.2	(205.8)	(3.0)	(10.2)	(2.5)

\*1. RVA: Resona Value Added (Net profit after a deduction of cost on internally allocated capital)

\*2. Numbers reported above refer to 2 Resona Group banks and consolidated subsidiaries

# Consolidated Subsidiaries and Affiliated Companies (1)

## Major consolidated domestic subsidiaries (excluding group banks)

(JPY bn)

Name	Line of business	Capital contribution ratio	Fiscal year	Net income	YoY change	
Resona Guarantee (1)	Credit guarantee (Mainly mortgage loan)  Japan's highest class of residential housing loan guarantee balances	Resona Holdings 100%	FY'23 (Sep.30 2023)	5.5	(0.0)	
Kansai Mirai Guarantee (2)		Kansai Mirai Bank 100%	FY'23 (Sep.30 2023)	0.4	(0.0)	
Kansai Sogo Shinyo (3)		Kansai Mirai Bank 100%	FY'23 (Sep.30 2023)	0.4	(0.1)	
Minato Guarantee (4)		Minato Bank 100%	FY'23 (Sep.30 2023)	0.2	(0.3)	
Resona Card (5)	Credit card Credit guarantee	1.5 million card members	Resona Holdings 77.5% Credit Saison 22.4%	FY'23 (Sep.30 2023)	0.4	(0.2)
Minato Card (6)	Credit card	Provide local customers with settlement solutions	Minato Bank 100%	FY'23 (Sep.30 2023)	0.0	(0.4)
Resona Kessai Service (7)	Collection service Factoring	Collection services with 50 million cases annually	Resona Holdings 100%	FY'23 (Sep.30 2023)	0.1	(0.1)
Resona Research Institute (8)	Business consulting service	Management consulting with 1,100 project annually	Resona Holdings 100%	FY'23 (Sep.30 2023)	0.1	(0.0)
Resona Capital (9)	Venture capital	IPO support, SME business succession, re-growth support	Resona Holdings 100%	FY'23 (Sep.30 2023)	0.0	(0.0)
Minato Capital (10)	Operation and management of investment funds	Support for agriculture and tourism related business, growing company, business succession	Minato Bank 100%	FY'23 (Sep.30 2023)	0.0	(0.0)
Resona Corporate Investment (11)	Private equity	SME business succession support through share acquisition	Resona Holdings 99.95%	FY'23 (Sep.30 2023)	0.0	(0.0)
Resona Business Service (12)	Back office work Employment agency	Practices quick and accurate operations	Resona Holdings 100%	FY'23 (Sep.30 2023)	0.0	(0.0)
Resona Asset Management (13)	Investment management business	Business started in Sep. 2015 utilizing 50 years of RB pension management expertise	Resona Holdings 100%	FY'23 (Sep.30 2023)	1.7	+0.1

# Consolidated Subsidiaries and Affiliated Companies (2)

## Major consolidated domestic subsidiaries (excluding group banks)(Continued)

(JPY bn)

Name		Line of business	Capital contribution ratio	Fiscal year	Net income	YoY change
Kansai Mirai Leasing (14)	Leasing business	Providing regional customers with solutions utilizing leasing functions	Kansai Mirai Bank 100%	FY'23 (Sep.30 2023)	0.1	+0.0
Minato Leasing (15)			Minato Bank 100%	FY'23 (Sep.30 2023)	0.0	+0.0
Resona Mi Rise (16)	Bank assistance business	Providing opportunities for a wide range of human resources to thrive	Resona Group 100%	FY'23 (Sep.30 2023)	0.0	+0.0
Regional Design Laboratory of Saitama (17)	Assist in the resolution of region-specific issues	Driving in line with the development of "wide, deep, and long" customers, involving local communities	Saitama Resona Bank 100%	FY'23 (Sep.30 2023)	0.0	+0.0
Mirai Reenal Partners (18)	Consulting Crowdfunding	Solving customer problems together	Kansai Mirai Financial Group 100%	FY'23 (Sep.30 2023)	(0.0)	(0.0)
Resona Digital Hub (19)	Assist in the promotion of DX	Support for driving-type DX toward the "vision" of customers	Resona Holdings 93.3%	FY'23 (Sep.30 2023)	(0.1)	+0.0
FinBASE (20)	Financial Digital Platform	Promoting an open platform for financial services	Resona Holdings 80%	FY'23 (Sep.30 2023)	0.0	(0.0)
Loco Door (21)	Assist in the regional vitalization	Achieving regional vitalization by combining education and agriculture	Resona Holdings 100%	FY'23 (Sep.30 2023)	(0.0)	(0.0)
Total					<b>9.2</b>	<b>(1.3)</b>

# Consolidated Subsidiaries and Affiliated Companies (3)

## Major consolidated overseas subsidiaries

(JPY bn)

Name	Line of business	Capital contribution ratio	Fiscal year	Net income	YoY change	
P.T. Bank Resona Perdania (22)	Banking business (Indonesia)	Oldest Japan-affiliated bank in Indonesia	Resona Group 48.4% (Effective control approach)	FY'23 (Jun.30 2023)	0.1	+0.1
P.T. Resona Indonesia Finance (23)	Leasing business (Indonesia)		Resona Group 100%	FY'23 (Jun.30 2023)	(0.0)	(0.0)
Resona Merchant Bank Asia (24)	Finance, M&A (Singapore)	Became consolidated subsidiary Jul. 2017; direct financing and M&A brokerage, etc.	Resona Group 100%	FY'23 (Jun.30 2023)	0.2	+0.2
Total					<b>0.3</b>	<b>+0.3</b>

## Major affiliated companies accounted for by the equity method

Name	Line of business	Capital contribution ratio	Fiscal year	Net income	YoY change	
Custody Bank of Japan (25)	Trust banking business (Mainly asset administration)	One of the largest asset size in Japan	Resona Group 16.6% Sumitomo Mitsui Trust HD 33.3%	FY'23 (Sep.30 2023)	0.3	(0.1)
NTT Data Sofia (26)	IT system development	Became affiliated company accounted for by the equity method in Oct. 2017; responsible for the system development of the group	Resona Holdings 15% NTT Data 85%	FY'23 (Sep.30 2023)	0.1	+0.0
Resona Digital I (27)			Resona Holdings 49% IBM Japan 51%	FY'23 (Jun.30 2023)	0.1	+0.0
DACS (28)			Became affiliated company accounted for by the equity method in Jul. 2022; DX support for Resona group and our customers	Resona Holdings 30% NTT Data 70%	FY'23 (Sep.30 2023)	0.0
Shutoken Leasing (29)	Leasing business	Became affiliated company accounted for by the equity method in Jul. 2018; responsible for the leasing business of the group	Resona Holdings 20.26% Mitsubishi HC Capital 70.71%	FY'23 (Sep.30 2023)	0.6	(0.2)
DFL Lease (30)			Resona Holdings 20% Mitsubishi HC Capital 80%	FY'23 (Sep.30 2023)	0.2	(0.0)
Total					<b>1.5</b>	<b>(0.3)</b>

\*1. Fiscal year end of the overseas subsidiaries (22)-(24) and Resona Digital I (27) are December 31. HD's consolidated business results reflect the accounts of these subsidiaries settled on Jun. 30.

# Maturity Ladder of Loan and Deposit (Domestic Operation)

Total of  
Two Banks  
(RB, SR)

## Loans and bills discounted

[End of March 2023]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	(1)	0.9%	0.8%	6.5%	13.9%	22.3%
Prime rate-based	(2)	41.4%	0.0%			41.4%
Market rate-based	(3)	34.0%	2.1%			36.1%
<b>Total</b>	<b>(4)</b>	<b>76.4%</b>	<b>3.0%</b>	6.5%	13.9%	100.0%

Loans maturing  
within 1 year

79.4%

[End of September 2023]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	(5)	0.9%	0.7%	7.1%	13.2%	22.0%
Prime rate-based	(6)	41.4%	0.0%			41.5%
Market rate-based	(7)	34.4%	1.9%			36.3%
<b>Total</b>	<b>(8)</b>	<b>76.8%</b>	<b>2.7%</b>	7.1%	13.2%	100.0%

Loans maturing  
within 1 year

79.6%

[Change in 1H of FY2023]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	(9)	(0.0)%	(0.1)%	+0.6%	(0.7)%	(0.3)%
Prime rate-based	(10)	+0.0%	+0.0%			+0.0%
Market rate-based	(11)	+0.3%	(0.1)%			+0.2%
<b>Total</b>	<b>(12)</b>	<b>+0.4%</b>	<b>(0.2)%</b>	+0.6%	(0.7)%	-

Loans maturing  
within 1 year

+0.1%

## Deposits

[End of March 2023]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
<b>Liquid deposits</b>	<b>(1)</b>	<b>32.7%</b>	<b>2.6%</b>	<b>10.4%</b>	<b>36.1%</b>	<b>82.0%</b>
Time deposits	(2)	8.6%	5.2%	3.3%	0.7%	17.9%
<b>Total</b>	<b>(3)</b>	<b>41.3%</b>	<b>7.8%</b>	<b>13.7%</b>	<b>36.9%</b>	<b>100.0%</b>

[End of September 2023]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
<b>Liquid deposits</b>	<b>(4)</b>	<b>31.8%</b>	<b>2.6%</b>	<b>10.7%</b>	<b>37.0%</b>	<b>82.2%</b>
Time deposits	(5)	8.9%	4.7%	3.1%	0.8%	17.7%
<b>Total</b>	<b>(6)</b>	<b>40.7%</b>	<b>7.4%</b>	<b>13.8%</b>	<b>37.9%</b>	<b>100.0%</b>

[Change in 1H of FY2023]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
<b>Liquid deposits</b>	<b>(7)</b>	<b>(0.9)%</b>	<b>+0.0%</b>	<b>+0.2%</b>	<b>+0.8%</b>	<b>+0.2%</b>
Time deposits	(8)	+0.3%	(0.4)%	(0.1)%	+0.1%	(0.2)%
<b>Total</b>	<b>(9)</b>	<b>(0.6)%</b>	<b>(0.4)%</b>	<b>+0.0%</b>	<b>+0.9%</b>	<b>-</b>



# Migrations of Borrowers (1H of FY2023)

RB

■ Exposure amount basis\*1

		End of September 2023									Upward Migration	Downward Migration
		Normal	Other Watch	Special Attention	Potentially Bankrupt	Effectively Bankrupt	Bankrupt	Other	Collection, Repayments	Assignments, Sale		
End of March 2023	Normal	98.2%	1.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.7%	0.0%	-	1.1%
	Other Watch	12.7%	78.3%	1.7%	4.4%	0.1%	0.1%	2.8%	2.8%	0.0%	12.7%	6.2%
	Special Attention	4.8%	2.2%	87.3%	4.6%	0.3%	0.0%	0.9%	0.9%	0.0%	7.0%	4.9%
	Potentially Bankrupt	0.6%	4.0%	0.9%	85.2%	4.7%	1.4%	3.4%	3.4%	0.0%	5.4%	6.1%
	Effectively Bankrupt	0.2%	0.5%	0.0%	0.9%	80.5%	11.4%	6.4%	5.6%	0.8%	1.7%	11.4%
	Bankrupt	0.0%	0.0%	0.0%	1.5%	0.0%	89.0%	9.5%	1.0%	8.5%	1.5%	-

\*1. Above table shows how a borrower belonging to a particular borrower category as of the end of March 2023 migrated to a new category as of the end of September 2023.

Percentage points are calculated based on exposure amounts as of the end of March 2023.

New loans extended, loans partially collected or written-off(including partial direct written-off) during the period are not taken into account.

"Other" as of the end of September 2023 refers to those exposures removed from the balance sheet due to collection, repayments, assignments or sale of claims.

# Swap Positions by Remaining Periods

HD  
Consolidated

- Notional amounts of interest rate swaps (deferred hedge accounting applicable) by remaining period

(JPY bn)

	Sep. 30, 2023				Mar. 31, 2023			
	Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total
Receive fixed rate/ Pay floating rate (1)	250.0	1,138.7	950.0	2,338.7	400.0	930.1	600.0	1,930.1
Receive floating rate/ Pay fixed rate (2)	139.0	380.4	479.9	999.4	51.7	478.5	282.4	812.7
Net position to receive fixed rate (3)	110.9	758.2	470.0	1,339.2	348.2	451.5	317.5	1,117.3

# Responses to the Ongoing International Discussion over Further Tightening of Financial Regulation

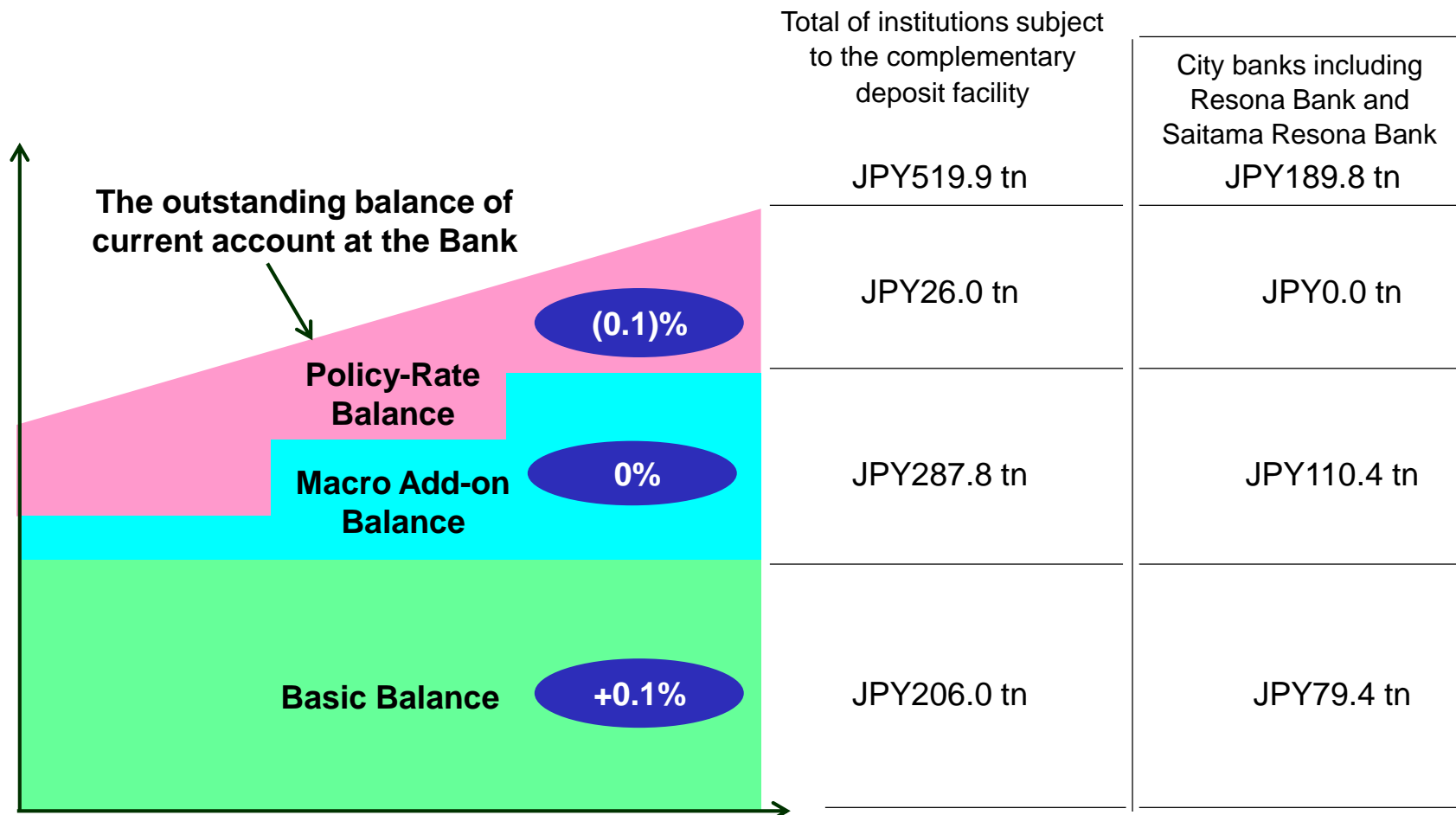
## Major items of financial regulation being discussed internationally / Impact on Resona

- There are no regulations that have a significant impact on us, including the finalization of Basel 3, and we are steadily preparing for the application of each of these regulations.

Major regulatory items	Outline of regulation	Important updates
Finalization of Basel 3 <ul style="list-style-type: none"> <li>Review of Standardized Approach (SA) (Credit and operational risks)</li> <li>Review of IRB approach</li> <li>Capital floor based on SA</li> </ul>	Reviewing credit risk calculation method to enhance the risks sensitivity and improve comparability. Reviewing operational risk calculation method to reflect loss data. New capital floor rule requiring a reference to the SA (final output floor calibration : 72.5%).	<ul style="list-style-type: none"> <li>Impact of Basel 3 finalization has already been factored into each strategy.</li> <li>Common Equity Tier 1 (CET1) capital ratio based on finalized Basel 3 (excluding net unrealized gains on available-for-sale securities) is around 10.1%※</li> </ul> ※Trial calculation to CET1 capital ratio of 12.21% as of Sep. 30, 2023 by only taking in consideration the estimated increase in RWAs due to the finalization of Basel 3 (SA and capital floor revisions, fully phased-in basis).
Liquidity regulations (LCR/NSFR)	[LCR] Requiring banks to hold high-quality liquid assets to prepare for significant outflow of funds under a severe stress. [NSFR] Requiring banks to hold certain capital and liabilities for the risk of having illiquid assets.	<ul style="list-style-type: none"> <li>Minimum requirements are applicable to banks subject to the International standard.</li> </ul>
Leverage ratio	Introduced to complement capital adequacy ratio requirements. Tier 1 capital as a numerator. Exposure amount, not RWA, to be a denominator.	
IRRBB (Interest rate risk in the banking book)	To strengthen the interest rate risk management by measuring the decline in economic value of equity ( $\Delta$ EVE) and net interest income ( $\Delta$ NI) under certain interest rate shock scenarios.	<ul style="list-style-type: none"> <li>Pillar 2 regulation. The threshold of <math>\Delta</math>EVE is set at within 15% of Tier 1 capital (in case of domestic standard banks, within 20% of Total capital), the figures are within the threshold.</li> </ul>
Derivatives-related (SA-CCR, CVA, etc.)	Reviewing the calculation method of derivatives exposure and CVA.	<ul style="list-style-type: none"> <li>Adoption of SA-CCR (Standardized Approach) and regulatory accounting CVA is under preparation for introduction.</li> </ul>
Various capital buffers G-SIBs/D-SIBs, TLAC	Capital buffer requirements include capital conservation buffer, counter-cyclical buffer and SIBs' buffer. TLAC requires banks to hold additional capacity to absorb loss.	<ul style="list-style-type: none"> <li>Capital buffers are applicable to G-SIBs/D-SIBs, and banks subject to the International standard. TLAC is applicable to G-SIBs and other.</li> </ul>
Discontinuation of LIBOR (London Interbank Offered Rate)	Major tenors in the U.S. dollar LIBOR will be discontinued at the end of Jun. 2023, and other LIBOR will be discontinued at the end of Dec. 2021.	<ul style="list-style-type: none"> <li>Completed migration as planned</li> </ul>

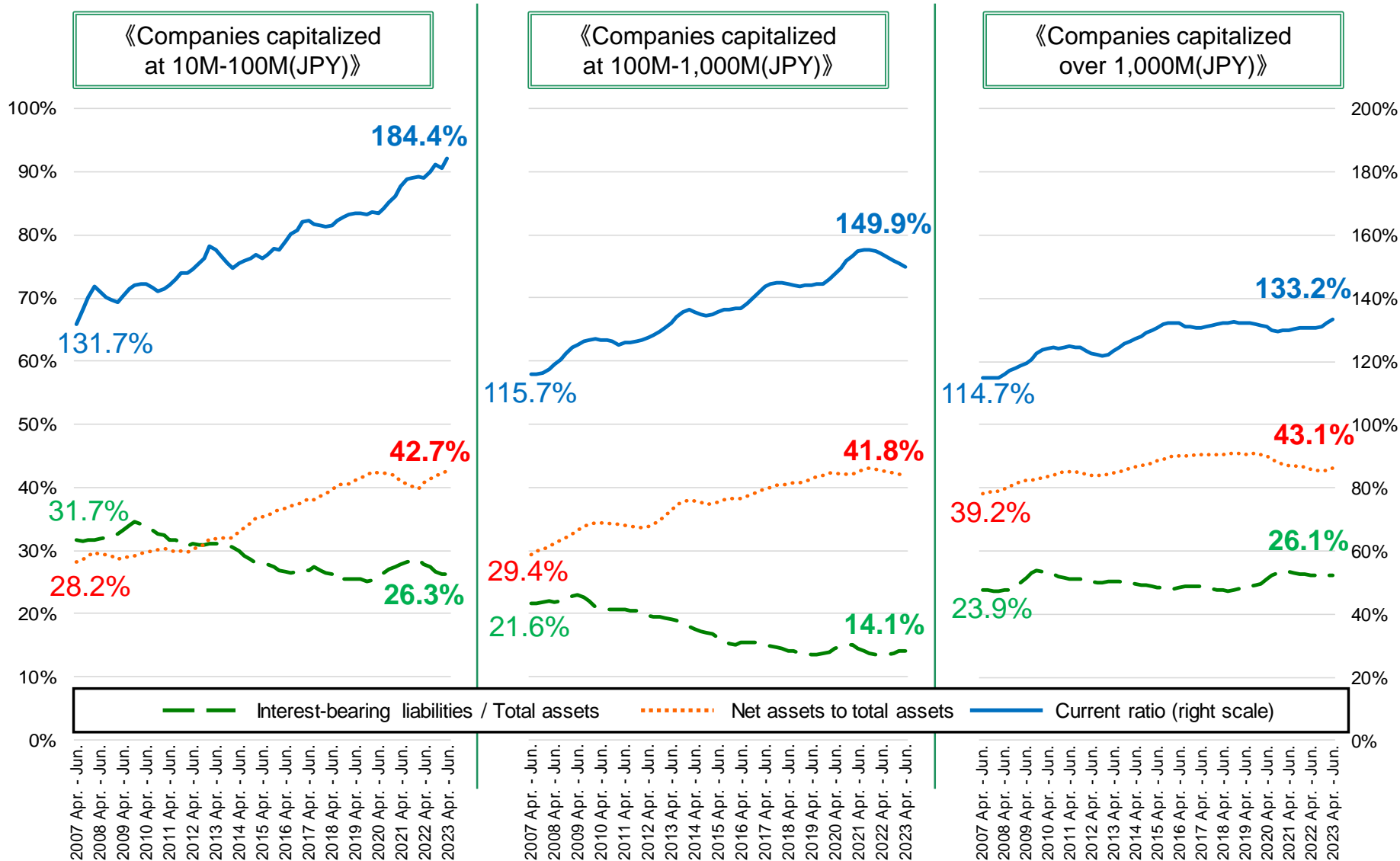
# BOJ Current Account Balances

Monthly average balance of BOJ current account  
(16 September -15 October)



# Stability Ratios of Japanese Companies

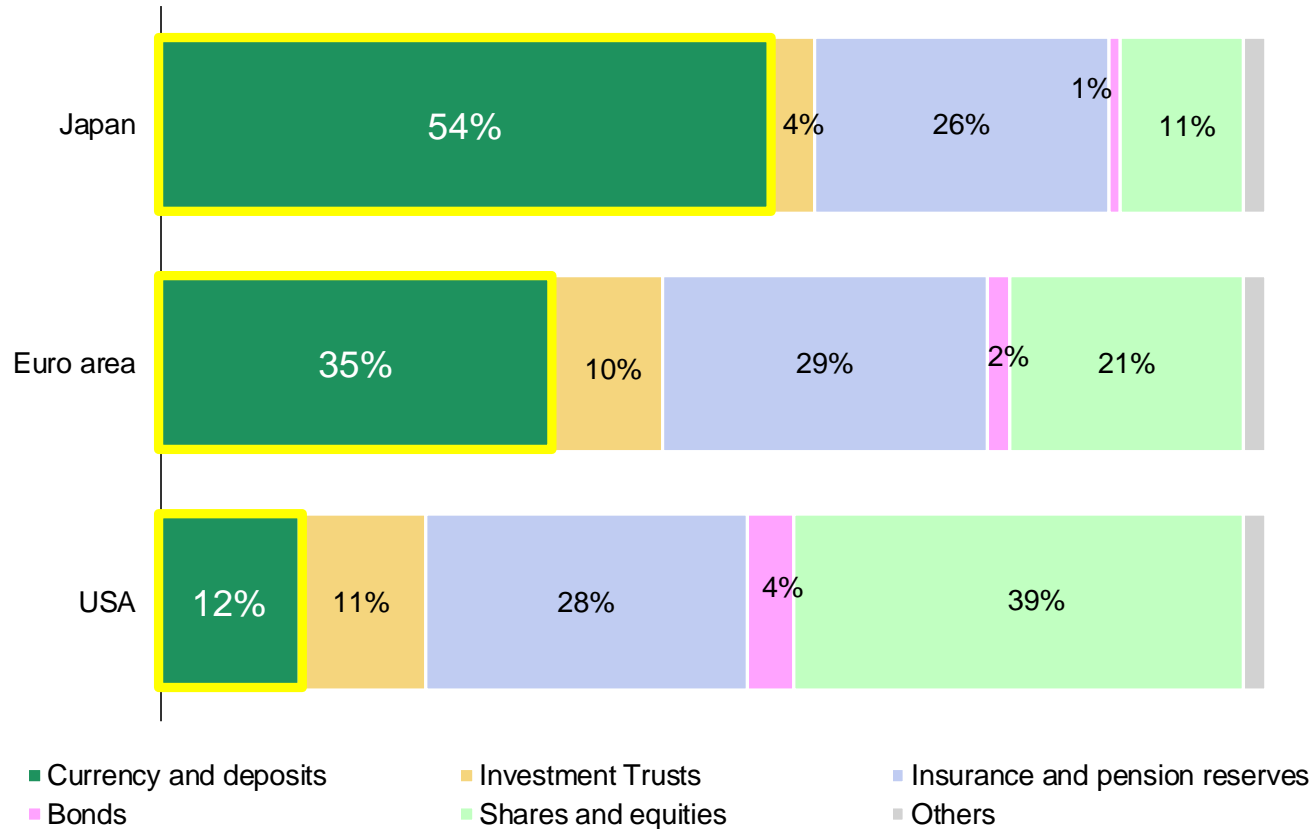
Trends in stability ratios of Japanese companies\*1



\*1. Financial Statements Statistics of Corporation (4 quarters moving average)

# Proportion of Financial Assets

## Financial assets held by households\*1



\*1. Prepared based on "Flow of Funds: Overview of Japan, the United States, and the Euro area" in Aug. 2023, Bank of Japan Research and Statistics Dept

# Long Term Business Results

		3 banks (RB,SR,KO)					After KMFG integration						
		(JPY bn)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
PL	Consolidated	Gross operating profit	608.5	632.4	619.5	563.1	552.5	661.3	644.1	658.6	639.1	601.9	<b>600.0</b>
		Net interest income	430.0	425.9	401.3	377.9	368.3	454.2	435.9	431.1	417.4	429.1	<b>419.3</b>
		Fee incomes <sup>*1</sup>	158.7	169.2	168.7	160.6	168.0	187.7	193.8	190.2	191.4	208.3	<b>208.6</b>
		Operating expenses	(348.4)	(357.7)	(347.5)	(362.4)	(360.6)	(442.6)	(439.4)	(426.5)	(425.8)	(427.2)	<b>(413.0)</b>
		Net gains/(losses) on stocks	22.6	44.5	(6.5)	25.1	16.7	21.4	10.1	0.5	46.9	45.5	<b>54.1</b>
		Credit related expenses	26.4	22.3	(25.8)	17.4	14.7	10.1	(1.3)	(22.9)	(57.4)	(58.7)	<b>(15.9)</b>
		Net income attributable to owners of parent	220.6	211.4	183.8	161.4	236.2	244.2	175.1	152.4	124.4	109.9	<b>160.4</b>
BS	Total of group banks	Term end loan balance	26,986.0	27,755.5	27,932.1	28,412.0	28,992.1	35,478.5	36,282.9	36,738.2	38,942.3	39,617.0	<b>41,436.9</b>
		Loans to SMEs and individuals	22,912.6	23,454.9	23,645.8	24,163.8	24,728.4	30,473.3	31,161.3	31,318.9	32,407.7	32,730.0	<b>33,052.5</b>
		Housing loans <sup>*2</sup>	12,918.3	13,125.0	13,188.0	13,356.3	13,331.6	15,968.5	16,223.1	16,342.6	16,610.7	16,735.4	<b>16,790.8</b>
		Residential housing loans	9,705.2	9,905.1	10,015.1	10,218.6	10,267.5	12,374.7	12,683.6	12,912.2	13,321.5	13,562.2	<b>13,723.1</b>
		NPL ratio	1.74%	1.51%	1.51%	1.35%	1.18%	1.26%	1.18%	1.14%	1.12%	1.32%	<b>1.29%</b>
		Stocks (Acquisition amount basis)	331.6	330.6	351.5	348.3	343.8	365.4	353.8	336.9	325.2	305.9	<b>283.8</b>
		Unrealized gains/(losses) on available-for-sale securities	332.8	573.1	460.1	555.4	649.4	672.8	598.3	420.7	615.3	521.2	<b>472.9</b>
Business	Total of group banks	Balance of Investment products sold to individuals	3,538.9	3,791.5	3,751.7	3,645.7	3,618.6	4,569.7	4,762.3	4,585.8	5,128.7	5,564.5	<b>5,533.2</b>
		Investment trust/ Fund wrap	1,915.3	2,070.9	1,871.1	1,759.3	1,733.7	2,178.4	2,222.4	2,017.0	2,533.1	2,845.7	<b>2,666.9</b>
		Insurance	1,623.5	1,720.6	1,880.6	1,886.3	1,884.9	2,391.2	2,539.8	2,568.7	2,595.6	2,718.7	<b>2,866.3</b>
		Housing loan <sup>*2</sup>	1,478.6	1,352.9	1,292.7	1,481.4	1,174.9	1,418.4	1,577.7	1,506.3	1,506.0	1,421.2	<b>1,361.8</b>
		Residential housing loans	1,162.3	1,042.2	1,011.7	1,198.7	939.0	986.6	1,225.5	1,232.7	1,314.1	1,225.3	<b>1,168.3</b>
		Real estate business (Excluding equity)	8.3	11.2	13.5	13.7	13.1	13.1	13.3	12.5	10.6	13.5	<b>15.4</b>
Remaining public fund balance		356.0	128.0	Fully repaid in June 2015									

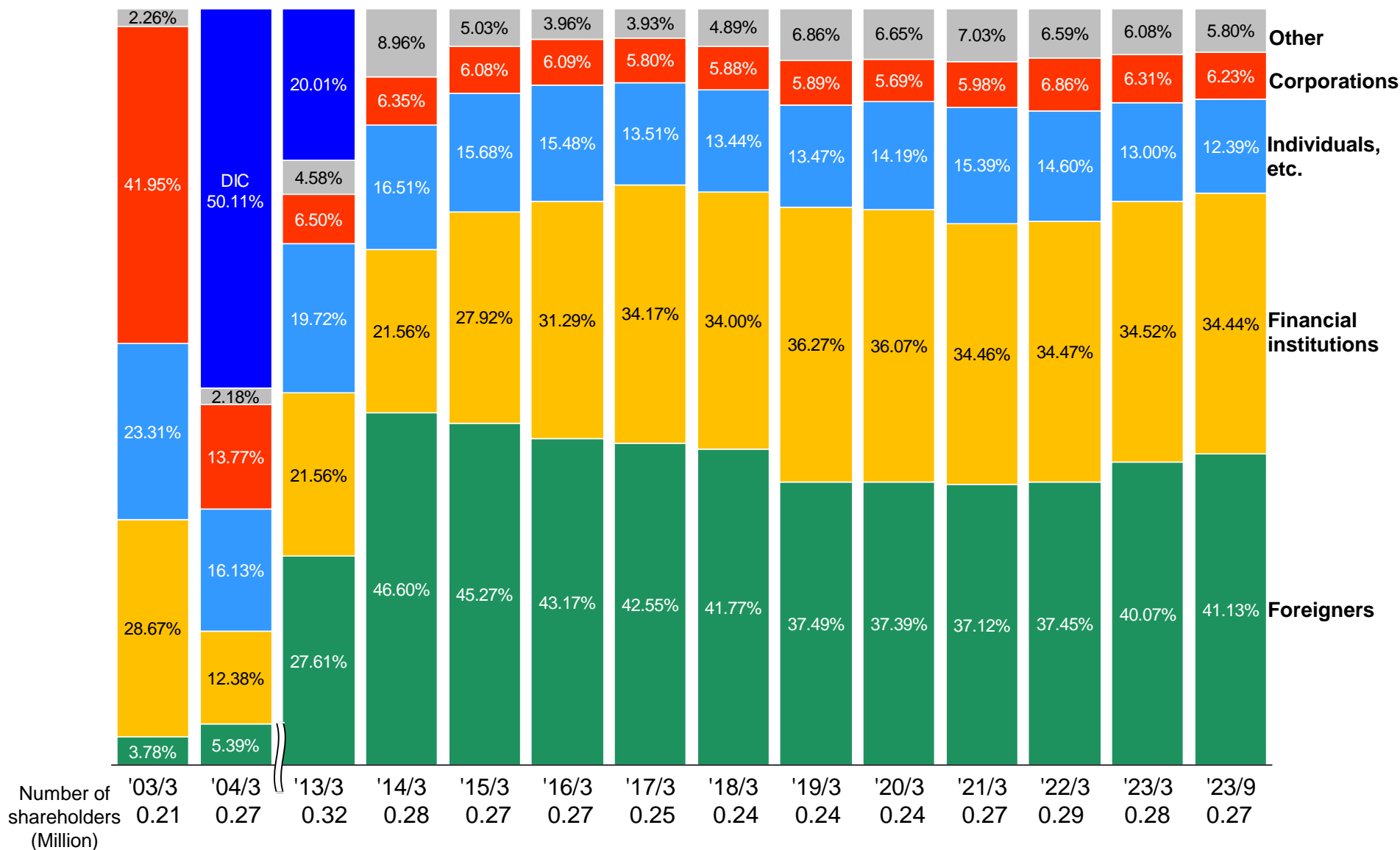
\*1. Fees and commissions income plus trust fees \*2. Includes apartment loans (Origination includes Flat35)

## Credit Rating Information (Long Term)

	Moody's	S&P	R&I	JCR
<b>Resona Holdings</b>	-	-	A+	-
<b>Resona Bank</b>	A2	A	AA-	AA
<b>Saitama Resona Bank</b>	A2	-	AA-	AA
<b>Kansai Mirai Bank</b>	-	-	-	AA
<b>Minato Bank</b>	-	-	-	AA



# Composition of Resona HD's Common Shareholders



# Proactively Communicating with Our Shareholders and Investors (1)

## Resona Group Website

The screenshot shows the Resona Group Holdings website. The navigation menu includes 'About Resona', 'Investor Relations', 'Sustainability', and 'News Release'. The 'Investor Relations' tab is highlighted with a yellow box. The main content area features a large banner for 'Financial Results for the First Half of Fiscal Year 2023' with a 'Go to Financial Results Report' button. To the right, there is a 'Stock Price' section showing the value at 788.6 JPY and a change of +25.2. Below this are links for 'About Resona', 'Investor Relations', 'Sustainability', and 'News Release'. A search bar is located at the bottom left.

### [Investor Relations]

- View IR presentation materials from here

This section shows a smaller version of the 'Financial Results for the First Half of Fiscal Year 2023' banner. Below it are three navigation links: 'CEO Message', 'Integrated Report', and 'IR Presentations'. A large QR code is positioned below these links, which likely links to the IR presentation materials.

Usability and sufficiency of information of IR site are highly evaluated



<https://www.resona-gr.co.jp/holdings/english/>

# Proactively Communicating with Our Shareholders and Investors (2)

## Resona Group Integrated Report (issued annually in July)

This publication provides an easy-to-understand overview of the Resona Group's features and initiatives aimed at achieving sustainable value creation.



<https://www.resona-gr.co.jp/holdings/english/investors/financial/integrated/index.html>