

May 12, 2020

To whom it may concern

Company Name: Resona Holdings, Inc.
Director, President and Representative Executive Officer: Masahiro Minami
(Code Number: 8308, First Section of the Tokyo Stock Exchange)

Notice Concerning Introduction of New Performance-Based Stock Compensation Program
for Company Group Officers

Resona Holdings, Inc. (the “Company”) hereby announces that, at the Compensation Committee’s meeting held on April 30, 2020 and the board of directors’ meeting held today, the Company resolved to newly introduce a performance-based stock compensation program using a trust structure (the “Program”) as a medium- to long-term incentive, for officers with authority of business execution (see the section 2 (1) below, the “Company Group Officers”) of the Company and its subsidiaries, Resona Bank Ltd. and Saitama Resona Bank Ltd. (the “Group Banks”).

The Company will announce the details of the Program, such as, the time and method that the shares will be acquired, the total number of shares to be acquired and the summary of the trust agreement when they have been determined.

1. Purpose of the Program

The Program is for the purpose of improving the incentive of the Company Group Officers and the linkage to the shareholder value to achieve the target of the medium-term management plan starting from fiscal year 2020.

The performance indicators are “consolidated ROE (Return on Equity)” and “relative TSR (Total Shareholder Return)” of the fiscal year ending March 31, 2023, which is the final fiscal year of the medium-term management plan (the period is from the fiscal year ending March 31, 2021 to the fiscal year ending March 31, 2023, the “Plan”). The capital efficiency and periodic investment income during the Plan are assessed in order to improve the incentive more for medium- to long-term enhancement of the enterprise value linked to the shareholder value.

2. Outline of the Program, etc.

(1) Scope of the Program

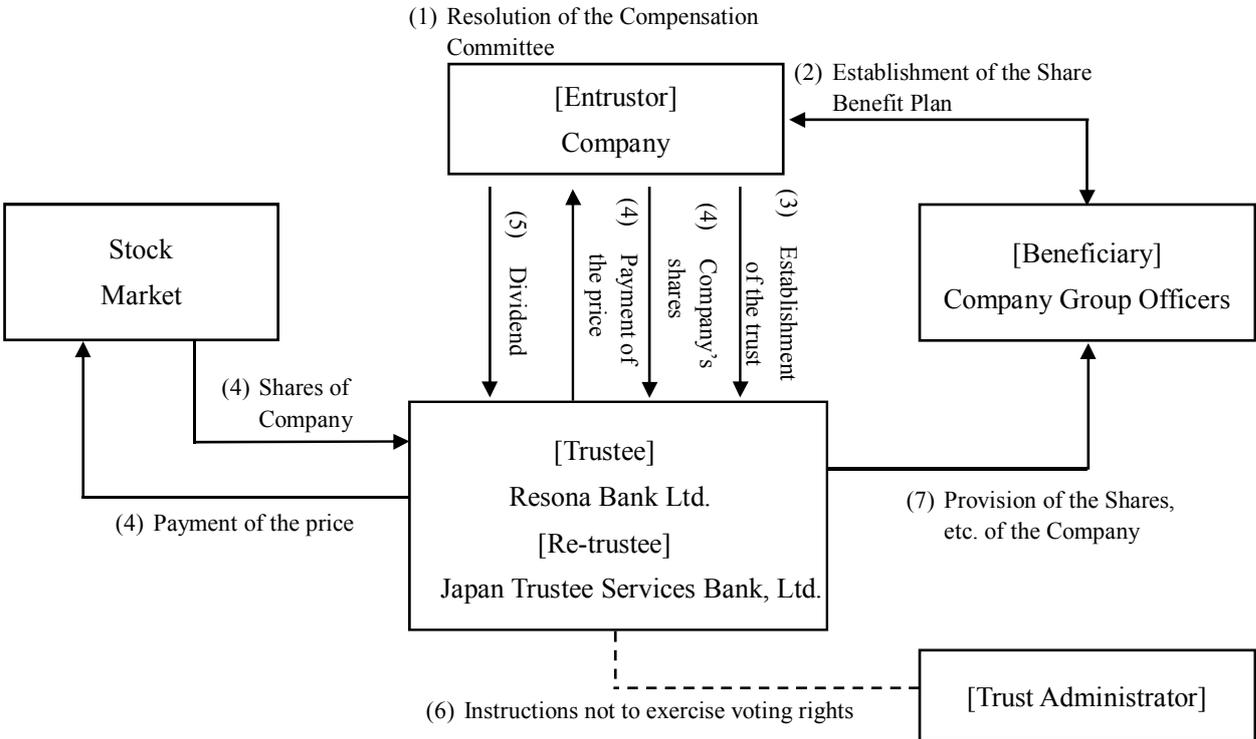
The Program will apply to executive officers of the Company, and representative directors, directors with authority of business execution (excluding outside directors and residents outside Japan) and executive officers (excluding residents outside Japan) of the Group Banks.

(2) Outline of the Program

The Program is the stock compensation program that for the compensation of the Company Group Officers, the trust established by the Company’s money contribution (the “Trust”) acquires the Company’s shares, and the Company’s shares and money equivalent to the market value of the Company’s shares corresponding to points awarded to each Company Group Officer (collectively, the “Shares, etc. of the Company”) are provided through the Trust to each Company Group Officer based on the said performance indicators under the predetermined share benefit plan (the “Share Benefit Plan”).

In principle, the Company Group Officers will receive the provision of the Shares, etc. of the Company after determining the performance in the final fiscal year of the Plan (the fiscal year ending March 31, 2023).

<Structure of the Program> (as scheduled)



- (1) The Company’s Compensation Committee will pass a resolution approving the introduction of the Program. The general meeting of shareholders of each Group Bank will pass a resolution approving the introduction of the Program.
- (2) The Company and Group Banks will establish the Share Benefit Plan concerning provision of the Shares, etc. of the Company under the Program.
- (3) The Company will contribute money within the limit approved by the Compensation Committee referred to (1) above, and establish money trust (the Trust) which beneficiaries are the Company Group Officers. Money to be used for the compensation for the Company Group Offices of the Group Banks will be properly adjusted the accounts between the Company and each Group Bank.
- (4) The Trust will acquire the Company’s shares from the Company (disposal of treasury shares) or the stock market using money entrusted in (3) above.
- (5) Dividends on the Company’s shares in the Trust will be paid in the same manner as those on other Company’s shares.

- (6) The voting rights of the Company's shares in the Trust will not be exercised without exception during the trust period to ensure neutrality in management.
- (7) During the trust period, certain points are awarded to the Company Group Officers according to their positions and achievement of performance etc. under the Share Benefit Plan stated in (2) above. After determining the performance in final fiscal year of the Plan, the Shares, etc. of the Company, based on awarded points, are provided to the Company Group Officers who meet the certain requirements for the beneficiaries specified in the Share Benefit Plan.

(3) Plan Period of the Program

The "Plan Period" will be a period consisting of three fiscal years corresponding to the term of the Plan, from the fiscal year ending March 31, 2021 to the fiscal year ending March 31, 2023.

(4) Calculation method and upper limit of the shares of the Company granted to the Company Group Officers

In accordance with the Share Benefit Plan, the Company Group Officers are awarded annual points corresponding to their positions every year during the Plan Period. After the end of the final fiscal year of the Plan Period, fixed points are awarded calculated by multiplying the accumulated awarded annual points by a performance-linked coefficient based on the degree of achievement of consolidated ROE and relative TSR. The upper limit of the total number of fixed points awarded during the Plan Period (three fiscal years) is scheduled to be 17,155,100 points.

One awarded fixed point is converted to one share of the Company when providing shares to the Company Group Officers (the fraction of less than one point should be truncated). However, in the event of a share split, allotment of shares without contribution, reverse split of shares, etc., the Company will make reasonable adjustments to the conversion ratio of shares per point, in accordance with the ratio of such share split, allotment of shares without contribution, reverse split of shares, etc.

(Points calculation formula)

<Annual points awarded for each fiscal year>

$$\text{Annual points} = \text{Points by position (*1)} \times \text{Months of tenure (*2)} / 12 \text{ months}$$

<Fixed points awarded after the performance of the final fiscal year of the Plan is fixed>

$$\text{Fixed points} = \text{Accumulated value of annual points} \times \text{Performance-linked coefficient (*3)}$$

*1 Points by position will be the points determined according to the position of each Company Group Officer as of the last day of March of each fiscal year.

*2 If there are days less than one month during the tenure, they are rounded up to one month.

*3 The performance-linked coefficient varies from 0% to 150% in accordance with (i) consolidated ROE and (ii) relative TSR for the final fiscal year of the Plan (fiscal year ending March 31, 2023) based on the formula determined by the Company.

(5) Provision of the Shares, etc. of the Company to the Company Group Officers

In principle, if, after the performance of the last fiscal year of the Plan Period has been fixed, the Company Group Officers meet the requirements for beneficiaries (*1) stipulated in the Share Benefit Plan, the Company Group Officers will be provided with the shares of the Company in the number corresponding to 60% of the number of fixed points awarded in the Plan Period (less than 100 shares are rounded up), by carrying out the beneficiary determination procedures stipulated in the Share Benefit Plan. With regard to the shares of the Company in the number corresponding to the remaining number of the fixed points (the “Remaining Shares”), from the viewpoint of securing funds for the payment of taxes by the Company Group Officers, instead of the provision of the shares of the Company, the Company will deliver money corresponding to the number of the Remaining Shares multiplied by the closing price of common shares of the Company at the Tokyo Stock Exchange on the date of ordinary general meeting of shareholders of the Company for the fiscal year ending March 31, 2023, in principle (rounded up to the nearest ¥100). The shares of the Company may be sold in the Trust in order to deliver such money.

*1 The requirements for beneficiaries, such as the fact that there has been no specific misconduct, will be stipulated in the Share Benefit Plan. In addition, the handling of cases where there is a change in the Company Group Officers during the Plan Period, will also be stipulated.

(6) The upper limit of the amount of trust money to be contributed to the Trust as funds to acquire shares; method of acquiring shares of the Company by the Trust

The Company will establish the Trust by contributing money in the amount equivalent to the estimated funds to acquire shares of the Company to provide the Company Group Officers with the Shares, etc. of the Company under the Program corresponding to the Plan Period. As stated in (4) above, since the upper limit of the total number of fixed points awarded to the Company Group Officers under the Program during the Plan Period is 17,155,100 points, the Trust will contribute to the Trust, at the time of its establishment, the funds that are reasonably expected to be required to acquire up to 17,155,100 shares, taking into account the closing price of common shares of the Company on the Tokyo Stock Exchange immediately prior to the establishment of the Trust.

In addition, the Trust will acquire the shares of the Company from the stock market or through the method of subscribing for the Company’s treasury shares that are disposed of, using the funds for the acquisition of shares contributed by the Company as described above.

[Outline of the Trust]

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|----------------|-----------------------------------|
| (1) Name: | Share benefit trust for officers. |
| (2) Entrustor: | The Company. |
| (3) Trustee: | Resona Bank, Limited. |
- Resona Bank, Limited will enter into a specific comprehensive trust agreement with Japan Trustee Services Bank, Ltd., which will be a re-trustee.

- (4) Beneficiary: The Company Group Officers who meet the requirements for beneficiaries set forth in the Share Benefit Plan.
- (5) Trust administrator: A third party who has no interest in the Company.
- (6) Date of execution of this Trust Agreement: August 2020 (planned).
- (7) Date of entrusting money: August 2020 (planned).
- (8) Term of trust: From August 2020 (planned) until the termination of the Trust (no specific termination date is specified, and the Trust will continue as long as the Program continues).

End of Notice