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The corporate governance policies, structure, systems and initiatives of Resona Holdings, Inc. (“Resona Holdings” or “the Company”) are presented as follows.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Fundamentals

1. Basic Views

Resona Holdings, Inc. (hereinafter the “Company”) has established the *Basic Corporate Governance Policy* to clarify its basic approach to and framework and operation policy for corporate governance, with the aim of facilitating the sustained growth and improvement of the corporate value of the Resona Group (hereinafter the “Group”) over the medium and long terms.

(Basic Approach to Corporate Governance)

- The Company, as the holding company of the financial services group, including Resona Bank, Limited, Saitama Resona Bank, Limited and Kansai Mirai Financial Group, Inc. (hereinafter the “Group Banks”), shall maximize the corporate value of the Group.
- The Company shall respect all stakeholders, including shareholders, and aim at achieving excellent corporate governance so that the Company can make decisions rapidly and decisively in response to environmental changes, including economic and social changes.
- The Company shall establish the *Corporate Mission* (Resona Group Management Philosophy),” a general philosophy of management of the Group, and the “*Resona Way* (Resona Group Corporate Promises),” a specific form of the philosophy, under which the Group shall implement business operations in a concerted manner.

(The Company’s Corporate Governance System)

- Based on the above-mentioned basic approach to corporate governance, the Company shall clearly separate the management supervision function from the business execution function, and adopt the form of “company with a nominating committee, etc.,” as a corporate governance system because the Company determines that this system can enhance the supervision and decision-making functions of the Board of Directors.
- The Company shall fully utilize external views in its business management and secure transparency and fairness in management by ensuring the Board of Directors, on which highly independent outside directors constitute a majority, and the three committees (the Nominating Committee, the Compensation Committee and the Audit Committee) fulfill their functions.
- The Company shall ensure the autonomy of its Group companies and instruct the Group companies to manage their business activities based on the above-mentioned basic approach to corporate governance so that the Group will grow together with local communities.

(The Resona Group Corporate Mission, the Resona Way (Resona Group Corporate Promises))

(1) The Resona Group Corporate Mission

The Resona Group aims at becoming a true “financial services group full of creativity.” Toward this goal, the Resona Group will:

- live up to customers’ expectations
- renovate its organization

- implement transparent management, and
- develop further with regional societies

(2) The *Resona Way* (Resona Group Corporate Promises)

a. Customers and “Resona”

Resona cherishes relationships with customers.

- The Resona Group offers its customers services with integrity for their joy and happiness, placing the highest priority on winning their confidence in Resona.
- The Resona Group makes every effort to respond fully to the needs of customers by offering high-quality services.
- The Resona Group always welcomes customers with gratitude.

b. Shareholders and “Resona”

Resona cherishes relationships with shareholders.

- The Resona Group aims at maximizing its corporate value by implementing sound management based on a long-term perspective.
- The Resona Group returns an appropriate amount of sound profits to its shareholders.
- The Resona Group leaves nothing unresolved in all situations, endeavors to create transparent management and actively upgrades its disclosure.

c. Society and “Resona”

Resona places importance on its ties with society.

- The Resona Group makes every effort for an extensive number of citizens to acknowledge the significance of Resona’s existence.
- The Resona Group observes every rule of society.
- The Resona Group contributes to regional societies as a good corporate citizen.

d. Employees and “Resona”

Resona highly regards each employee’s dignity and personality.

- The Resona Group creates a workplace where employees can take pride in being a member of Resona.
- The Resona Group thinks highly of its employees’ mind-set and endeavors to make the Group’s business atmosphere challenging and creative.
- The Resona Group cherishes each employee’s dignity and personality and evaluates ability and achievement in a fair manner.

Please also visit the Company’s website featuring its *Basic Corporate Governance Policy*.

https://www.resona-gr.co.jp/holdings/english/about/governance/pdf/bcg_policy.pdf

Reasons for Non-Compliance with the Principles of the Corporate Governance Code

Not applicable, since the Company adopts all principles set forth by the Corporate Governance Code.

Disclosure Based on the Principles of Corporate Governance Code **Update**

The status of the implementation of the Company's measures based on the principles set forth in the Corporate Governance Code is presented in the "Basic Corporate Governance Policy" and this report.

Principle 1.3: Basic Strategy for Capital Policy

With regard to capital policy, the Company is striving to strike an optimal balance between financial soundness, profitability and shareholder returns in a way that improves corporate value.

1. Financial soundness

The Company aims to raise its equity ratio and, to this end, is working to secure a sufficient level of capital vis-à-vis currently applicable domestic standards in a way that meets the below listed three objectives. Further, in light of internationally unified standards, the Company will also strive to achieve a Common Equity Tier 1 capital ratio (excluding unrealized gain on available-for-sale securities; based on regulations to be effective upon the enforcement of the finalized Basel 3) of 10% by the end of the final year of the medium-term management plan.

(1) Contributing even more to regional societies and to sound economic development via such means as the provision of stable funding and other services

(2) Securing sufficient capital to ensure our continued existence as a trustworthy financial institution operating in the global financial industry and realizing sustainable growth

(3) Maintaining strategic flexibility and thus safeguarding our ability to seize investment opportunities and take steps in response to changes in financial regulations

2. Profitability

The Company will aim for an ROE surpassing 8% by maintaining financial management conscious of capital efficiency, risk, cost and returns.

3. Shareholder returns

While maintaining a stable stream of dividends, the Company will strive to enhance shareholder returns in a way that gives due consideration to a balance between financial soundness and profitability as well as opportunities for growth investment.

Specifically, the Company will aim to achieve a total shareholder return ratio in the mid-40% range over the medium term.

Principle 1.4: Cross-Shareholdings

The Company has established the *Policy for Holding Policy-Oriented Stocks* and the *Policy for the Voting Right Exercise Standards of Holding Policy-Oriented Stocks* in relation to such stocks. These policies and standards are disclosed through the following media.

Outline of *Policy for Holding Policy-Oriented Stocks*

Outline of *Policy for the Voting Right Exercise Standards of Holding Policy-Oriented Stocks*

Outline of *Process for verifying the appropriateness of the holdings of policy-oriented stocks*

https://www.resona-gr.co.jp/holdings/english/about/governance/pdf/related_policies2.pdf

Status of Initiatives

Since the massive infusion of public funds aimed at reinforcing the Company's capital, Resona Holdings has engaged in ongoing negotiations with its corporate clients to steadily reduce the volume of policy-oriented stocks held by Group entities, thereby mitigating its exposure to price fluctuation risks. Going forward, the Company will maintain a basic policy of reducing the balance of such stocks in light of environmental changes, such as changes to the Corporate Governance Code.

In addition, as of March 31, 2020, the Company verified the appropriateness of the holdings of policy-oriented stocks and concluded that the purpose of all the policy-oriented stock holding is in compliance with the Policy for Holding Policy-Oriented Stocks.

The stockholding verification process involved assessments of each investee's stock performance that examined profitability versus capital costs alongside medium- to long-term credit risk. In these assessments, the investee must satisfy certain profitability criteria and secure profitability in excess of capital costs even after the deduction of credit costs from profit.

- Profitability:

Profitability is calculated as profit less credit costs minus capital costs ((the sum of loans and stock-related risk weighted assets × targeted capital adequacy ratio + impairment VaR) × capital cost ratio)

These assessments revealed that the overall profitability of the Company's transactions with listed investees was in excess of capital costs and that the same applies to unlisted investees.

Taking a look at each investee, the Company confirmed that investees whose profitability surpasses capital costs account for approximately 70% of total investees. Currently, the Company is engaged in negotiations with investees failing to meet this profitability standard and other investees deemed to be in need of measures to improve profitability. Hereafter, the Company's decision whether or not to maintain a stockholding will depend on whether that investee is deemed likely to improve said profitability. At the same time, the Company will negotiate its divestment of their stock with those judged to be incapable of improving profitability.

Also, the Company regularly monitors the status of investees whose stock performance falls short of this standard while periodically checking on the progress of negotiations aimed at selling the stocks of underperforming investees.

In addition, as a result of the verification, there are instances when the Company sells stocks that are considered to be held fairly in consideration of market conditions and the Company's business and financial strategies.

As a result of the aforementioned activities, in fiscal 2020 the Company sold listed stock totaling ¥11.6 billion on an acquisition-cost basis.

Principle 1.7: Related Party Transactions

The Company has set forth procedures that should be followed prior to engaging in business transactions with related parties and presented said procedures in Article 5 of the *Basic Corporate Governance Policy* (Approval of Transactions with Parties Concerned).

Principle 2.6: Roles of Corporate Pension Funds as Asset Owners

The Group established a fund-based corporate pension system. Resona Bank and Saitama Resona Bank have established Resona Corporate Pension Fund while Kansai Mirai Bank has established Kansai Mirai Corporate Pension Fund and the Minato Bank has established Minato Bank Corporate Pension Fund (hereinafter the "Funds"). The Funds are charged with the management of pension assets associated with defined benefit pension plans, the payment of pensions and other pension-related administrative tasks. The Group Banks are systematically allocating to their respective Funds human resources who are appropriate for managing assets. For example, Resona Holdings assigns to the Resona Corporate Pension Fund human resources who have worked for such subsidiaries as Resona Bank and who are equipped with experience in securities management and pension trusts. In this way, the Group Banks are ensuring that their respective Funds are capable of independently determining asset management methodologies as well as undertaking proactive risk management and thus fulfilling specialist roles as asset owners. In addition, the Resona Corporate Pension Fund has announced its adherence to Japan's Stewardship Code.

The Funds mandate that such important matters as making changes to their constitutions, drafting annual budgets, business reporting, announcing financial results and managing pension assets must be approved by their respective boards of representatives. The Funds also mandate that one half of the membership of the Group Banks' boards of representatives consists of those appointed by their respective companies, with the other half consisting of those elected from among pension beneficiaries via mutual election. Moreover, directors elected from among the members of a board of representatives and the Group Banks' personnel in charge of human resources, financial affairs, market-related operations and other key operations attend periodic Asset Management Committee meetings to engage in discussions aimed at formulating and reviewing basic policies for asset management. In these ways, the Group Banks are ensuring the proper management of conflicts of interest between corporate pension beneficiaries

and themselves.

Principle 3.1: Full Disclosure

1. Company objectives (e.g., business principles), business strategies and business plans

The Company formulated the “*Corporate Mission* (Resona Group Management Philosophy),” a general philosophy of management of the Group, and the “*Resona Way* (Resona Group Corporate Promises),” a specific form of the philosophy, under which the Group shall implement business operations in a concerted manner. These are presented under I. 1. “Basic Views” of this report.

In addition, the Company announced its “New Medium-term Management Plan” in May 2020.

<https://www.resona-gr.co.jp/holdings/english/about/strategy/plan.html>

2. Basic views and guidelines on corporate governance

Presented under I. 1. “Basic Views” of this report.

3. Board policies and procedures in determining the remuneration of the senior management and directors

Policies and procedures adopted by the Company’s Compensation Committee to determine the remuneration of the Company’s directors and executive officers are presented under II. 1. “Remuneration for Directors and Executive Officers, Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods” of this report and Articles 13 (Compensation Committee) and 14 (Compensation System) of the *Basic Corporate Governance Policy*.

4. Board policies and procedures in the appointment and dismissal of the senior management and the nomination of directors

Policies and procedures adopted by the Company’s Nominating Committee to appoint candidates for the Company’s directors and those adopted by the Board of Directors to appoint candidates for executive officers (including Representative Executive Officer) are presented under II. 1. “Independent Directors, Matters Relating to Independent Directors, Outline of the ‘Standards for Electing Director Candidates’” of this report and Articles 11 (Election of Executive Officers, etc.) and 12 (Nominating Committee) of the *Basic Corporate Governance Policy*. In addition, the Company is striving to ensure the effectiveness of its policies and procedures through the following measures, with the aim of systematically securing objectivity, timeliness and transparency in the dismissal of executive officers. Specifically, the Board of Directors, whose majority is accounted for by outside directors, is authorized to dismiss executive officers, including the President, if, for example, their accomplishments have been deemed insufficient. Also, members of the Nominating Committee are kept informed about evaluation results for each executive officer’s performance while regularly deliberating on the suitability of key individuals serving as executive team members and President.

5. Reasons for the election of director candidates, including those who will concurrently serve as Representative Executive Officers

Reasons for the election of such director candidates are presented in reference documents attached to the Notice of Convention of the 20th Ordinary General Meeting of Shareholders.

<https://www.resona-gr.co.jp/holdings/english/investors/stock/meeting/pdf/notice20210526.pdf>

Supplementary Principle 4.1.1: The Scope and Content of Matters Delegated to the Management

The scope of matters delegated to Executive Officers is defined by the Company’s Board of Directors and presented under Article 3 (System and Role of the Board of Directors) of the *Basic Corporate Governance Policy*.

Supplementary Principle 4.1.3: The Succession Plan for Management Personnel

Aiming for sustained improvements in corporate value, the Group introduced a succession plan in June 2007 that serves as a mechanism to ensure the successions of management roles and responsibilities to be borne by presidents and other officers at Resona Holdings, Kansai Mirai Financial Group and Group subsidiary banks in a way that secures the transparency of the process of selecting and nurturing officers.

The scope of the succession plan covers various candidates, from those nominated to the position of

President at Resona Holdings, Kansai Mirai Financial Group and Group subsidiary banks to those who are new candidates for officer positions. The process of selecting and nurturing successors is carried out steadily according to a schedule, matching qualified candidates to the appropriate rank. The Group retains the objectivity of this process by drawing on the advice of external consultants. Evaluations of candidates undergoing the process are reported to the Nominating Committee. In addition to receiving reports on candidate evaluations, members of the Nominating Committee come into direct contact with candidates as part of the process, evaluating candidates' characters from various aspects.

The activities of the Nominating Committee are reported to the Board of Directors, of which outside directors are the majority, and are discussed from diverse perspectives. Through the entire process, which is highly transparent, each potential director's capabilities and competencies are closely studied and enhanced where appropriate.

In addition, Resona Holdings has set forth seven competencies that define the ideal individual for the position of officer. Resona Holdings is striving to ensure that the directors in the Nominating Committee as well as officers share common ideals established thusly. This ensures that the standards for the evaluation and nurturing of successors are clear and that the entire process is impartial.

Principle 4.8: Effective Use of Independent Directors

The Company's policies on the number of its directors, including independent directors, and the minimum proportion of independent directors in the Board are presented under Article 3 (System and Role of the Board of Directors) of the *Basic Corporate Governance Policy*.

As of the date of the announcement of this report, the Company's Board of Directors consists of nine members, six of whom are independent directors.

Principle 4.9: Independence Standards and Qualification for Independent Directors

The independence standards and qualifications for outside directors set forth by the Company are presented under II. 1. "Independent Directors, Matters Relating to Independent Directors, Outline of the 'Standards for Election Director Candidates,' Independence of Outside Directors" of this report.

Supplementary Principle 4.11.1: Views on the Balance, Diversity and Size of the Board

The Company's views on the knowledge and experience of members of its Board of Directors as well as the balance, diversity and size of the Board as a whole are presented under Article 3 (System and Role of the Board of Directors) of the *Basic Corporate Governance Policy*.

Supplementary Principle 4.11.2: The Status of Directors' Concurrent Positions

Director Kazuhiro Higashi is concurrently serving as an outside director of the listed companies Sampo Holdings, Inc. and Honda Motor Co., Ltd.

The status of concurrent director positions held by the Company's outside directors is presented under II. 1. "Outside Directors, Outside Directors' Relationship with the Company (2)" of this report.

None of the other directors holds a concurrent position as a senior executive or a director at a listed company.

Supplementary Principle 4.11.3: Analysis and Self-Evaluation of the Board's Overall Effectiveness

Outline and Results of Self-Evaluation:

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

In fiscal 2020, a third-party evaluation agency was commissioned to conduct the self-evaluation, including an interview of each director in addition to a questionnaire* to be completed by each director. The latest self-evaluation has thus been carried out employing the updated questionnaire, which addresses such issues as the Board of Directors' roles and functions within the Group and its composition as well as the status of operations the Board has undertaken and its responses to issues identified by the previous year's self-evaluation.

Moreover, outside directors examined the content of questionnaire completed by each director and engaged

in discussion aimed at defining the aspirational ideal for how the Board of Directors should operate and its current status vis-à-vis this ideal. Based on the conclusions reached at the outside directors' meeting, the Board of Directors met in April 2021 to finalize the evaluation of its fiscal 2020 activities and determine what must be done going forward to address issues it has identified.

The fiscal 2020 self-evaluation concluded that the Board deserved high evaluations for most of the major items related to effectiveness, such as its role and composition. The self-evaluation confirmed that countermeasures were taken and improvements were made with regard to matters identified as needing attention in the fiscal 2019 self-evaluation, namely, engaging in even more effective discussion vis-à-vis the Resona Group's overall strategies and further enhancing Board deliberations. Taking the aforementioned factors into account, the evaluation thus concluded that the overall functions of the Board were robust and its operations remain highly effective. On the other hand, the evaluation suggested that discussions from a Groupwide and medium- to long-term perspective are still insufficient and that there is still room for improvement when it comes to setting discussion topics and the content of materials.

Fiscal 2021 Initiatives to Enhance the Board's Effectiveness

In fiscal 2021, the Company's Board of Directors will address the issues listed below by further strengthening and utilizing its oversight and decision-making functions.

- (1) To further set discussion themes as the Board throughout the year and further clarify the direction of discussion at Board meetings, the Board will set new yearly themes that will help it better utilize its oversight functions on various strategies from a Groupwide perspective. In addition, the Board will continue fostering free discussions related to strategies from a long-term perspective.
- (2) Strengthening initiatives to promote the understanding of deliberations
 - To deepen the understanding of outside directors regarding the environment surrounding various initiatives in business execution divisions and the Company, the Board will hold opinion exchange meetings with business execution divisions in addition to study sessions.
 - In addition, regarding pre-meeting briefings for outside directors, the Board will continue to enhance deliberation content at Board meetings by reforming the secretariat into a structure that follows up with individuals in addition to having each management division hold joint pre-meeting briefings to explain items directly to outside directors.

*Main items featured in the revised questionnaire

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

Note: For details of fiscal 2020 self-evaluation results, please also refer to the following material posted on the Company's website.

<https://www.resona-gr.co.jp/holdings/english/about/governance/pdf/evaluation.pdf>

Supplementary Principle 4.14.2: Training Policies for Directors

The Company's policies for the training of its directors are presented under Articles 6 (Qualifications and Roles of Directors) and 8 (Acquisition of Information by Outside Directors and Information Sharing) of the *Basic Corporate*

- Consolidated fee income ratio Over 35%
- Consolidated cost income ratio 60% level
- ROE*¹ 8% level
- CET 1 ratio*² 10% level
- ESG Index selected by GPIF*³ Aim to be adopted for all indexes

*1 Net income / Total shareholders' equity (simple sum of the balance at the beginning and the end of the term)

*2 Based on the finalization of Basel 3. Excludes unrealized gain on available-for-sale securities

*3 FTSE Blossom Japan Index, MSCI Japan ESG Select Leaders Index, MSCI Japan Empowering Women Index (WIN), S&P/JPX Carbon Efficient Index Series

2. Capital Structure

Percentage of Foreign Shareholders:	More than 30%
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[Status of Major Shareholders]

Shareholder	Number of Shares Held	Percentage of Shares Held
The Master Trust Bank of Japan, Ltd. (Trust Account)	162,188,300	7.04
Custody Bank of Japan, Ltd. (Trust Account)	119,943,000	5.21
The Dai-ichi Life Insurance Company, Ltd.	106,241,900	4.61
Nippon Life Insurance Company	65,488,095	2.84
Custody Bank of Japan, Ltd. (Trust Account No. 7)	49,270,700	2.14
AMUNDI GROUP	45,133,700	1.96
STATE STREET BANK AND TRUST COMPANY 505001	43,076,474	1.87
THE BANK OF NEW YORK MELLON 140044	38,380,438	1.66
JPMorgan Chase & Co.	34,560,176	1.50
STATE STREET BANK WEST CLIENT = TREATY 505234	33,291,699	1.44

Controlling shareholder (except for parent company)	None
Parent company	None

Supplementary Explanation

None

3. Corporate Profile

Listed Stock Market and Market Section:	First Section, Tokyo Stock Exchange
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Fiscal Year-End:	March 31
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Type of Business:	Bank
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Number of Employees (consolidated) as of the End of the Previous Fiscal Year:	More than 1000
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Sales (consolidated) as of the End of the Previous Fiscal Year:	¥100 billion to less than ¥1 trillion
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Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year:	10 to less than 50
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4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

None

5. Other Special Circumstances That May Have Material Impact on Corporate Governance

None

II. Business Management Organization and Other Corporate Governance Systems regarding Decision Making, the Execution of Business, and Management Oversight

1. Organizational Composition and Operation

Organization Form:	Company with a nominating committee, etc.
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation:	15
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Term of Office Stipulated in Articles of Incorporation:	1 year
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Chairman of the Board of Directors	Chairman
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Number of Directors	10
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[Outside Directors]

Number of Outside Directors:	6
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Number of Outside Directors Designated as Independent Directors Pursuant to the Securities Listing Regulations of the Tokyo Stock Exchange	6
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Outside Directors' Relationships with the Company (1) Update

Name	Status	Relationship with the Company (Note)										
		a	b	c	d	e	f	g	h	i	j	k
Tadamitsu Matsui	Appointed from another company								○			
Hidehiko Sato	Lawyer								○			
Chiharu Baba	Appointed from another company								○			
Kimie Iwata	Appointed from another company								○			
Setsuko Egami	Appointed from another company								○			
Fumihiko Ike	Appointed from another company								○	△		

Note: Nature of the relationship with the Company is indicated using the following symbols:

○: Indicates the situation described below applies at present or in the recent past

△: Indicates the situation described below applied in the past

●: Indicates the situation described below applies to a close family member of the individual at present or in the recent past

▲: Indicates the situation described below applied to a close family member of the individual in the past

- a. Engages in business execution at the listed company or its subsidiary
- b. Engages in business execution at the listed company's parent company or serves as a non-executive director
- c. Engages in business execution at a fellow subsidiary of the listed company
- d. Engages in business transactions with the listed company as his/her main business partner or engages in business execution at a company that engages in such transactions
- e. Acts as a main business partner of the listed company or engages in business execution at a company that acts as a main business partner of the listed company
- f. Serves as a consultant, accounting specialist or attorney-at-law for the listed company and receives a considerable amount of remuneration or compensation other than executive remuneration
- g. Holds considerable equity in the listed company or engages in business execution at a company that holds such equity
- h. Engages in business execution at a company that has business transactions with the listed company (excluding the above "d," "e" or "f"; this clause does not apply to family members of outside directors)
- i. Engages in business execution at a company that is in an inter-directorial relationship with the listed company (this clause does not apply to family members of outside directors)
- j. Engages in business execution at a company that is a beneficiary of the listed company (this clause does not apply to family members of outside directors)
- k. Other

Outside Directors' Relationships with the Company (2) Update

Name	Membership of Committees (Nominating, Compensation or Audit committees)	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Tadamitsu Matsui	Nominating and Compensation committees	Independent Director	<p style="text-align: center;"><Important Concurrent Positions></p> Representative Director and President of MATSUI office corporation. Outside director of Adastria Co, Ltd. Outside director of NEXTAGE Co, Ltd. Outside director of Festaria Holdings Co, Ltd. Outside director of New Constructor's Network Co, Ltd.	Mr. Matsui proactively brings to the Board of Directors and other committees sound opinions and advice, especially from the perspective of facilitating reforms in management and customer services, employing his concept building capabilities and experience that he has nurtured through his service as a chief executive officer in the retailing business. Leveraging such capabilities and experience as well as his independent status vis-à-vis the management of the Company's daily business, Resona Holdings anticipates that Mr. Matsui will continue to oversee the affairs of the Company without causing conflicts of interest with general shareholders. Mr. Matsui attended all of the 16 Board of Directors meetings, all of the 11 Nominating Committee meetings and all of the seven Compensation Committee meetings held during fiscal 2020. Mr. Matsui had held his position as an outside director of Resona Holdings for a period of seven years as of the close of the Company's General Meeting of Shareholders held in June 2021.
Hidehiko Sato	Nominating and Audit Committee	Independent Director	<p style="text-align: center;"><Important Concurrent Position></p> Lawyer; Hibiki Law Office Outside director of Gurunavi, Inc.	Mr. Sato proactively brings valuable comments and opinions to the Board of Directors and other committees, especially from the perspectives of legal compliance and organization management, employing his knowledge as an expert in law and experience as a government official. Leveraging his knowledge and experience as well as his independent status vis-à-vis the management of the Company's daily business, Resona Holdings anticipates Mr. Sato will continue to oversee the affairs of the Company without causing conflicts of interest with general shareholders. Mr. Sato attended all of the 16 Board of Directors meetings, all of the 11 Nominating Committee meetings and all of the 13 Audit Committee meetings held

				during fiscal 2020. Mr. Sato had held his position as an outside director of Resona Holdings for a period of six years as of the close of the Company's General Meeting of Shareholders held in June 2021.
Chiharu Baba	Audit Committee	Independent Director	<p><Important Concurrent Positions></p> <p>Outside director of MIRAIT Holdings Corporation</p>	Mr. Baba proactively brings sound opinions and advice to management, especially from the perspective of profit management and risk management, based on his knowledge and experience as an expert in finance. Leveraging his concept building capabilities and experience as well as his independent status vis-à-vis the management of the Company's daily business, Resona Holdings anticipates Mr. Baba will continue to oversee the affairs of the Company without causing conflicts of interest with general shareholders. Mr. Baba attended all of the 16 Board of Directors meetings and 12 of the 13 Audit Committee meetings held during fiscal 2020. Mr. Baba had held his position as an outside director of Resona Holdings for a period of four years as of the close of the Company's General Meeting of Shareholders held in June 2021.
Kimie Iwata	Nominating and Compensation committees	Independent Director	<p><Important Concurrent Positions></p> <p>Audit and inspection commissioner of the Tokyo Metropolitan Government</p> <p>Outside director of Sumitomo Corporation</p> <p>Outside director of Ajinomoto Co, Inc.</p>	Ms. Iwata proactively brings sound opinions and advice to management, especially from the perspectives of customer service and diversity, as she has built a solid track record in corporate management in the manufacturing field and thereby developed robust conceptualization capabilities. She also boasts experience as a government official. Leveraging her experience and abilities as well as her independent status vis-à-vis the management of the Company's daily business, Resona Holdings anticipates Ms. Iwata will continue to oversee the affairs of the Company without causing conflicts of interest with general shareholders. Ms. Iwata attended 14 of the 16 Board of Directors meetings, nine of the 11 Nominating Committee meetings and all seven Compensation Committee meetings held during fiscal 2020. Ms. Iwata had held her position as an outside director of Resona Holdings for a period of two

				years as of the close of the Company's General Meeting of Shareholders held in June 2021.
Setsuko Egami	Nominating and Compensation committees	Independent Director	<p><Important Concurrent Positions> Outside director of Mitsubishi Estate Co., Ltd.</p>	<p>Ms. Egami proactively brings to bear her opinions and advice, especially from the perspectives of marketing strategies and human resource development, based on her experience in spearheading corporate management reforms. Leveraging her experience and abilities as well as her independent status vis-à-vis the management of the Company's daily business, Resona Holdings anticipates Ms. Egami will be able to oversee the affairs of the Company without causing conflicts of interest with general shareholders.</p> <p>Ms. Egami attended all 12 of the Board of Directors meetings, all eight of the Nominating Committee meetings and all four of the Compensation Committee meetings held during fiscal 2020 since she joined the Board of Directors. Ms. Egami had held her position as an outside director of Resona Holdings for a period of one year as of the close of the Company's General Meeting of Shareholders held in June 2021.</p>
Fumihiko Ike	Nominating and Audit Committee	Independent Director	<p><Important Concurrent Positions> Outside director of NTT DATA Corporation Outside director of Eisai Co., Ltd.</p>	<p>Mr. Ike is expected to proactively bring to bear his opinions and advice, especially from the perspective of management reforms, based on his expertise in IT and his experience as a manager in the field of global manufacturing. Leveraging his experience and abilities as well as his independent status vis-à-vis the management of the Company's daily business, Resona Holdings anticipates Mr. Ike will be able to oversee the affairs of the Company without causing conflicts of interest with general shareholders.</p>

[Committees]

Committee Composition and Chairman Update

	Total Number of Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairman
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Nominating Committee	5	0	0	5	Outside Director
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Compensation Committee	3	0	0	3	Outside Director
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Audit Committee	4	1	1	3	Outside Director
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[Executive Officers]

Number of Executive Officers:	18
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Status of Concurrent Positions

Name	Representative Authority	Concurrent Position Held (Director)	Concurrent Position		Concurrent Position Held (Employee)
			Nominating Committee	Compensation Committee	
Masahiro Minami	Yes	Yes	X	X	No
Mikio Noguchi	No	No	X	X	No
Shoichi Iwanaga	No	No	X	X	No
Satoshi Fukuoka	No	No	X	X	No
Tetsuya Kan	No	No	X	X	No
Kazuyo Shinya	No	No	X	X	No
Mikiko Ariake	No	No	X	X	No
Takashi Terahata	No	No	X	X	No
Shigeki Ishida	No	No	X	X	No
Hisahiko Oikawa	No	No	X	X	No
Hideki Tahara	No	No	X	X	No
Gen Nakahara	No	No	X	X	No
Kazutoshi Minami	No	No	X	X	No
Narunobu Ota	No	No	X	X	No
Shinichi Shinoto	No	No	X	X	No
Hideo Sekiguchi	No	No	X	X	No
Hitomi Sugimoto	No	No	X	X	No
Shinichiro Isa	No	No	X	X	No

[Auditing Structure]

Appointment of Directors and/or Staff to Support the Audit Committee:	Yes
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■ Matters Related to the Independence of Such Directors and/or Staff from Executive Officers

Established under the direct control of the Audit Committee, the Office of the Audit Committee is composed of specialist personnel who support the Audit Committee in the execution of its duties. In order to ensure the strict independence of such specialist personnel from executive officers, the Board of Directors stipulates that all relevant appointments and personnel transfers require the prior consent of the Audit Committee.

■ Cooperation among Audit Committee, Accounting Auditors and Internal Audit Departments

The Audit Committee receives reports from the Internal Audit Division with regard to such important matters as the *Internal Audit Basic Plan* and engages in discussions thereon. In addition to receiving reports on audit results furnished by said division, the committee may give specific instructions to the division regarding the execution of further inspections, if necessary, while requesting the submission of reports on such inspections. As such, the Company maintains an auditing structure that facilitates frequent and flexible collaboration between the Audit Committee and the Internal Audit Division. At the same time, the Audit Committee regularly receives reports from accounting auditors regarding the progress status of their auditing activities as well as audit results. Moreover, the chairman of the Audit Committee and full-time committee members attend monthly meetings with accounting auditors and the Internal Audit Division to exchange opinions, with the aim of ensuring cooperation between the committee, the division and accounting auditors—the three key entities engaged in auditing.

As explained above, at Resona Holdings, the Audit Committee, accounting auditors and the Internal Audit Division maintain collaborative relationships with each other to ensure management transparency and objectivity and thereby improve the effectiveness of corporate governance throughout the Resona Group.

[Independent Directors]

Number of Independent Directors:	6
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■ Matters Relating to Independent Directors

Outline of the “Standards for Electing Director Candidates”

Resona Holdings ensures that director and outside director candidates are chosen from among persons who have sufficient competencies for the supervision of management by having its Nominating Committee conduct thorough assessments based on “Standards for Electing Director Candidates” formulated by said committee. In addition, the eligibility of outside director candidates is also carefully examined in light of their independence from the Company in accordance with requirements set forth in said standards.

Summary of Standards

(Director Candidates)

The director candidates under these Standards shall meet the following conditions:

- (1) The person is suitable for the duty of supervising management from the viewpoint of facilitating the sustainable creation of Resona Group’s corporate value;
- (2) The person has the personality and knowledge required of a director, and has the willingness and ability required for faithfully performing his/her duties;
- (3) The person can secure the time necessary for faithfully performing his/her duties; and
- (4) The person meets the requirements of a director as specified by laws and regulations.

(Independence of Outside Directors)

1. The independent outside directors under these Standards shall meet the requirements for an outside director as specified by laws and regulations and shall fall under none of the following subparagraphs:

- (1) The person is an operating director, executive officer or other employee (hereinafter “operating person”) of the Company or its affiliate, or has been an operating person of the Company or its affiliate during a period of 10 years before assuming the office of a director;
- (2) The person is a large shareholder having voting rights of 5% or more of all voting rights of the Company, or the person is an operating person of a corporation, organization, etc., which has voting rights of 5% or more of all voting rights of the Company;
- (3) The person is an operating person of a company which has an important business relationship (Note 1) with the Company or its affiliate, or of its parent company or of its important subsidiary;
- (4) The person has received compensation or other property benefits in the amount of ¥10 million or more (the annual average over the past three years) as attorney, consultant, etc., of the Company or its affiliate, in addition to officer’s compensation of the Company; or the person is an operating person of a corporation, organization, ., of which sales to the Company or its affiliate account for 2% or more of the consolidated sales of the corporation, organization, etc.;
- (5) The person is an accounting auditor of the Company or its affiliate, or an employee, etc., of the accounting auditor;
- (6) The person is an operating person of a corporation, organization, etc., which received a donation from the Company or its affiliate in the amount of ¥10 million or more (the annual average over the past three years), or 30% of the annual total expenses of the corporation, organization, etc., whichever is the larger;
- (7) The person falls under any of the subparagraphs (2) through (6) during the period of past five years;
- (8) The spouse or a relative within the second degree of the person falls under any of the subparagraphs (1) through (6);
- (9) The person is an operating person of a corporation, organization, etc., which receives a director from the Company or its affiliate, or of its parent company, subsidiary, etc.;
- (10) A person whose term of office of outside director exceeds eight years in total; and
- (11) A person for whom a substantive conflict of interest could arise constantly in connection with general shareholders of the Company for any reasons other than those specified in above subparagraphs (1) through (10).

(Note 1) Important business relationship shall mean transactions, etc., which fall under any of the following:

- (i) Usual transaction is 2% or more of the consolidated operating gross profit of the Company, or of consolidated gross sales of the client.
- (ii) The balance of loans payable to the Company or its affiliate is specified in the business report of the client, and it is determined that such loan balance cannot be paid by other fund procurement means in a short period of time.

2. Even in the case that the person falls under any of the subparagraphs (1) through (11), if the Nominating Committee comprehensively judges his/her independence and determines that the person is qualified as an independent outside director, the person can be elected as an independent outside director candidate. In such case, the Nominating Committee shall explain the reasons, etc., for determining that the person is qualified as an independent outside director.

(Determination of director candidates)

1. When determining director candidates, the Nominating Committee shall select those director candidates who meet the requirements of director candidates as specified in these Standards and have various backgrounds and experience.
2. In addition to the above, when determining director candidates, the Nominating Committee shall ensure, in principle, that a majority of the Board of Directors are independent outside directors as specified in these Standards.

[Incentives]

Incentive Policies for Directors and/or Executive Officers:	Resona Holdings has adopted a performance-based compensation system
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■ Supplementary Explanation

Please see the section, “Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods,” below.

Recipients of Stock Options:

■ Supplementary Explanation

[Remuneration for Directors and Executive Officers]

Disclosure of Individual Director Remuneration:	Individual amounts are not disclosed
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Disclosure of Individual Executive Officer Remuneration:	Individual amounts are not disclosed
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■ Supplementary Explanation

[Total Amounts of Compensation for Directors and Executive Officers]

(Period covered: April 1, 2020 to March 31, 2021) (Units: Number of individuals, Millions of yen)

	No. of Individuals	Compensation Paid			
		Total	Fixed portion	Performance-based variable portion	
				Cash compensation	Performance Share Units
Directors (excluding Outside Directors)	3 (3)	67 (101)	57 (81)	10 (20)	—
Executive Officers	15 (17)	329 (718)	156 (350)	108 (233)	63 (134)
Outside Directors	7 (7)	89 (89)	89 (89)	— (—)	— (—)

Notes:

1. Amounts of compensation paid are rounded down to the nearest million yen.
2. No. of individuals represents the number of recipients among directors and executive officers who held office in fiscal 2020 and includes two directors who assumed the office on June 19, 2020, two directors and one executive officer who retired on the same day, and two executive officers who stepped aside from their positions on March 31, 2021.
3. For officers that held the concurrent positions of director and executive officer, compensation as a director was not paid.
4. Basic compensation paid includes the position-based fixed portion and the duty-based additional fixed portion.
5. Performance Share Units presented above represent the amounts recorded as expenses during fiscal 2019 in reference to such factors as stock price fluctuations.
6. In addition to the amounts presented above, the Company has posted a reversal of allowance totaling ¥3,000,000 for Performance Share Units delivered in fiscal 2020 in line with the achievement of targets of the

previous medium-term management plan.

7. Yen figures in parentheses above present the sums of compensation received by the Company's directors, executive and other officers for their duties as directors or executive officers at the Company and consolidated subsidiaries. In the first column, figures in parentheses indicate the total numbers of such individuals. Please note that compensation as an executive officer was not paid to two executive officers who held concurrent positions of Representative Director and President at Resona Bank, Limited and Saitama Resona Bank, Limited, both Group banks.
8. Monetary compensation (annual incentives) included in the compensation of directors is presented as the amount received during the fiscal year as consideration for the execution of duties in fiscal 2019 by executive officers of the Company and its consolidated subsidiaries.

<i>Policy on Determining Remuneration Amounts and Calculation Methods:</i>	Yes
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■ Disclosure of *Policy on Determining Remuneration Amounts and Calculation Methods* Update

Basic Concepts behind the Company's Compensation Systems for Directors and Executive Officers

- (1) Remuneration for directors and executive officers is determined by the Compensation Committee following objective and transparent procedures.
- (2) Compensation systems for directors are focused on rewarding their performance of their primary duty of providing the sound supervision of executive officers. Monetary compensation comprises position-based compensation and a duty-based additional portion.
- (3) Compensation systems for executive officers are designed to maintain and boost their motivation to carry out their business execution duties, with the performance-based variable portion accounting for a significant proportion of their total compensation.

In addition, with the aim of promoting the Group's sustainable growth and strengthening incentive systems for executive officers on a medium- to long-term basis to enhance its corporate value, Resona Holdings has adopted a system that included medium- to long-term incentives, namely Performance Share Units.

1. The position-based fixed portion is determined by the nature and scope of responsibilities held by each individual.
2. The duty-based additional fixed portion is determined by the nature and scope of responsibilities held by each outside director who serves as a member of the Nominating Committee, Compensation Committee or Audit Committee.
3. Annual incentives and medium- to long-term incentives
Executive officers are provided annual incentives and medium- to long-term incentives according to their performance. The ratio of performance-based compensation for upper management is designed to increase.

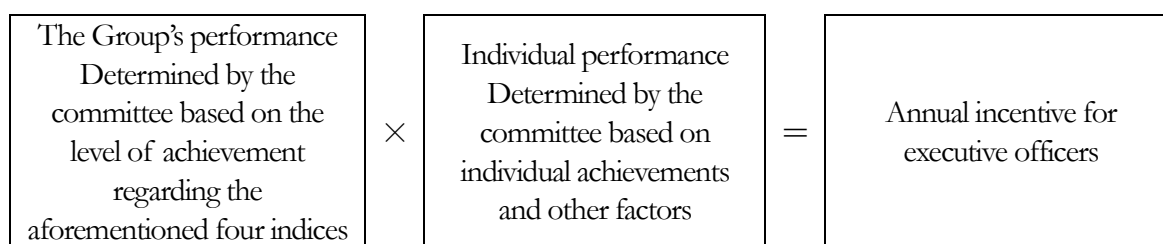
- (1) Annual incentives (performance-based compensation and monetary compensation):

Annual incentives are determined based on the Company's annual operating results and individual achievements. The amount allocated to this portion may be as low as zero or as high as 1.7 times the standard amount.

Specifically, the Compensation Committee's determination of the amount allocable is based on an examination of key indices, namely, 1) net income attributable to owners of parent, 2) the consolidated fee income ratio, 3) the consolidated cost-to-income ratio, and 4) the Common Equity Tier 1 ratio. These indices are examined annually by the committee in terms of consistency with medium-term management plan targets and vis-à-vis the status of the Resona Group's initiatives aimed at securing sustainable corporate development and medium- to long-term growth in corporate value.

The President formulates an evaluation to assess the achievements of each executive officer based upon the status of medium- to long-term initiatives and annual goals for operations supervised by said officers, and the

Compensation Committee then conducts an assessment. Regarding medium- to long-term initiatives, their individual accomplishments in connection with the “Resona Sustainability Challenge FY2030” are used for the assessment.



(2) Medium- to long-term incentives (performance-based and non-monetary compensation):

In fiscal 2020, the Resona Group refreshed its Performance Share Unit (PSU) plan, stipulating that PSUs be paid to individuals in executive positions at Resona Holdings, Inc., Resona Bank, Limited and Saitama Resona Bank, Limited (hereinafter “recipients”) in line with the evaluation of their achievements during the term of the new medium-term management plan (April 2020 to March 2023; hereinafter the “evaluation period”).

The aim of the PSU plan is to increase the incentive for recipients to realize the goals of the Company’s medium-term management plan while linking the compensation system itself more closely to shareholder value.

The PSU plan employs a trust scheme and grants each recipient annual points based on their position and duties during each year of the evaluation period. At the end of the evaluation period, the points to be granted to each recipient will be calculated by multiplying the cumulative total of their annual points by the appropriate performance-linked index, which may be as low as zero or as high as 1.5 times, depending upon the consolidated ROE (based on shareholders’ equity) and the relative TSR recorded for fiscal 2022, the final year of the medium-term management plan. The Resona Group will thereafter award common stock, which will in general account for 60% of the overall value of PSUs to be granted based on finalized points earned by the recipients, via the trust scheme. The Group will also provide the recipients with cash equivalent to the fair value of common stock that would otherwise be granted based on the remaining portion of PSUs. Instead of simply delivering all PSUs in the form of common stock, the Group incorporates a cash component into the PSU plan to help the recipients prepare for the payment of the income taxes levied on them upon the receipt of PSUs.

Note: For more details on the compensation system for executive officers, please see the webpage below.

<https://www.resona-gr.co.jp/holdings/english/about/governance/cg/index.html>

[Support System for Outside Directors]

As part of the support structure and system, specialist personnel (from the Corporate Governance Office) are appointed to provide information to outside directors. The Corporate Governance Office assists in the affairs and operations of the Board of Directors, the Nominating Committee and the Compensation Committee. The Office is charged with the responsibility of supporting directors in the execution of their supervisory and decision-making functions. The Office provides outside directors with prior explanations of matters to be discussed at scheduled Board of Directors meetings. Questions, opinions and suggestions from outside directors who received prior explanations, including those voiced by individuals who plan to be absent at an upcoming Board of Directors meeting, are compiled by the Corporate Governance Office and then relayed to the relevant and responsible divisions and related departments in addition to being presented at the Board of Directors meeting to spur active discussions. The appropriate executive officers and personnel of responsible divisions and departments provide direct explanations to outside directors in the cases of urgent and specific items.

In addition, seminars are held for newly appointed outside directors on particular aspects of the highly specialized banking business, with lectures presented by Executive Officers from the supervising sections of such directors.

Name	Title and position	Main activities	Employment	Date	of	Current term of
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			conditions	retirement from the office of President	office
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Notes:

1. Although Resona Holdings has in place no advisor system for itself, the Group is equipped with a senior advisor system to provide assistance to the Resona Group members and help them enhance their corporate value. Under this system, individuals who have retired from the office of President at Resona Bank or Saitama Resona Bank may sign a senior advisor contract with either of these banks. They provide “assistance” in the form of activities centered on contributing their expertise as managers of financial institutions in the fields of community contribution, public welfare and other social contribution initiatives that are not associated with decision making by the Company’s management. These activities may, where necessary, involve taking concurrent positions at external entities operating in these fields upon the request by Resona Bank and Saitama Resona Bank.
2. The roles of senior advisors, the upper limit of compensation paid to them, their terms of office and other factors associated with the senior advisor system are subject to the approval of the Nominating Committee. Thanks to this, the Company believes, the senior advisor system operates in a way that secures its objectivity and transparency.
3. The Company mandates that the appointment of senior advisors, including their reappointment, and any changes in the senior advisor system require the approval of the Nominating Committee.
4. In addition, because advisors of Kansai Mirai Bank and Minato Bank under the Kansai Mirai Financial Group, including the former Representative Director and President, engage in highly local and public social contribution initiatives, there are instances where they assume roles in public office at external organizations as needed. The advisory positions of each executive officer are listed below.

Name	Title and position	Main activities	Employment conditions	Date of retirement from the office of President	Current term of office
Shunji Ono	Special Advisor to Minato Bank	Taking concurrent position at external entities	Part time with compensation	March 31, 2018	Two years (renewed)
Koji Nakamae	Special Advisor to Kansai Mirai Bank	Taking concurrent position at external entities	Part time with compensation	March 31, 2019	One year (renewed)

Special advisors are not associated with the Company’s decision making and do not provide regular reports.

2. Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) [Update](#)

An overview of the current management structure is as follows. Please see 3. “Reasons for Adoption of Current Corporate Governance System” as described hereinafter for the rationale underlying the current management structure.

Board of Directors

The Board of Directors fully ensures that management engages in substantial discussion in fulfilling its responsibilities of making decisions about important Group management issues and supervising the execution of business activities by executive officers and directors. The Board of Directors consists of ten directors, six of whom are outside directors, and the numbers of male and female directors are eight and two, respectively. One of the specific features of the Committees Governance Model as a company with a nominating committee, etc., is that while the Board of Directors makes decisions regarding important management issues and supervises the execution of operations, clearly defined roles give executive officers responsibility for the execution of operations, thus

strengthening the Board of Directors' supervisory and decision-making functions. In addition, the presidents of Resona Bank, Saitama Resona Bank, and the Kansai Mirai Financial Group concurrently serve as executive officers of Resona Holdings in order to ensure the enhanced supervisory functions of the holding company vis-à-vis these banks. In fiscal 2020, the Board of Directors met 16 times, with an average attendance rate among the directors of 98.7%.

Nominating Committee

The Nominating Committee comprises five committee members, with one member serving as the committee chairman and all of the members being outside directors. The committee makes decisions regarding proposals for the selection and dismissal of directors that are submitted to the shareholders meeting, based on the specific qualities that the Group should seek in its directors as well as the "Standards for Electing Director Candidates" both of which have been discussed and decided on at the committee's meetings. This committee met 11 times in fiscal 2020. In June 2007, the Nominating Committee introduced a succession plan that serves as a mechanism to ensure that the most appropriate candidates fill top management roles and responsibilities with the aim of accelerating the Group's management reform and realizing the enhancement of corporate value on a sustainable basis. The status of the implementation of the succession plan is examined by the Nominating Committee and reported to the Board of Directors.

Audit Committee

The Audit Committee comprises four directors, including three outside directors, one of whom serves as the chairman, and another director who serves full-time. Audit Committee members are selected from among those with requisite experience and abilities as well as appropriate knowledge of finance, accounting, and laws as is necessary to conduct audits. In particular, at least one of the members is equipped with sufficient expertise in finance and accounting.

In addition to auditing the execution of duties by executive officers and directors, this committee makes decisions regarding proposals for the selection and dismissal of accounting auditors, which are submitted to the General Meeting of Shareholders. The Audit Committee receives reports from the Internal Audit Division with regard to such important matters as the Internal Audit Basic Plan and engages in discussions thereon. In addition to receiving reports on the audit results furnished by said division, the committee may give specific instructions to the division regarding the execution of further inspections, if necessary, while requesting the submission of reports on such inspections. As such, the Company maintains an auditing structure that facilitates frequent and flexible collaboration between the Audit Committee and the Internal Audit Division. Furthermore, the committee works with the Compliance Division, the Risk Management Division, the Finance and Accounting Division, and other divisions to supervise and verify internal control systems and make the necessary responses, urging executive officers and other responsible personnel to make essential improvements. This committee met 13 times in fiscal 2020. The Audit Committee also carries out the periodic analysis and evaluation of its overall effectiveness based on each committee member's assessments of and opinions regarding operations of the committee, agenda items being submitted to it and its functions.

Compensation Committee

The Compensation Committee comprises three committee members, with one member serving as the committee chairman and all of the members being outside directors. This committee makes decisions about policies regarding benefits for individual directors and executive officers as well as the actual benefits for specific individuals. In addition, the committee considers the role a director compensation system should play in enhancing the Group's corporate value. In fiscal 2020, the committee met seven times. The committee abolished the directors' retirement benefit system and introduced a performance-based compensation system in fiscal 2004. In addition, the committee adopted a compensation system that grants Performance Share Units in fiscal 2017.

There is no committee member who is mutually appointed through the auspices of another company.

Executive Committee

Resona Holdings set up the Executive Committee as a body to deliberate and report on generally important management items and important matters in the execution of operations to support the decision-making process in the execution of operations. The Executive Committee consists of representative executive officers as well as

executive officers and employs serious debate to ensure the transparency of decisions regarding significant management issues. In fiscal 2020, this committee met 38 times. Important issues related to the execution of the Company's business are reported to and discussed at this committee.

Internal Auditing Council

As a body to deliberate and report on important matters related to internal audits, Resona Holdings has established an Internal Auditing Council that is independent from the Executive Committee, which serves as a body for the execution of business. The council is composed of all representative executive officers, a full-time Audit Committee member, the executive officer in charge of the Internal Audit Division, the general manager of the Internal Audit Division and other personnel involved with internal auditing. The content of deliberations and reports are conveyed to both the Board of Directors and the Audit Committee. The council met 14 times in fiscal 2020 and, in addition to discussing the internal auditing plan, it reported on the results of internal audits.

The Status of Audits

As a part of its audit structure and system, Resona Holdings established the Internal Audit Division, which operates under the Board of Directors. This division maintains strict independence from divisions in charge of the execution of Group operations and is headed by an executive officer who has been specially appointed to oversee the audit function. As of March 31, 2021, the Internal Audit Division was composed of a general manager and 119 support staff, 70 of whom hold concurrent positions within such business units as the internal audit divisions of subsidiary banks. The Internal Audit Division conducts internal audits encompassing business operations and all operating divisions and departments excluding the Office of Audit Committee. This division strives to ensure healthy and appropriate business operations and to enhance corporate value through recommendations aimed at resolving problems and issues. Specifically, taking into consideration the degree of inherent risk present within individual operations at such internal control divisions as the Compliance Division, the Risk Management Division and the Finance and Accounting Division, the risk management framework of each operating division and department and the efficacy and efficiency of internal audits, the Internal Audit Division prepares a basic policy and plan for internal auditing for each fiscal year. After obtaining the opinions of the Audit Committee and the Company's accounting auditor, the Internal Audit Division submits this policy and plan to the Board of Directors for approval.

In addition to the results of internal audits, the results of executing recommended improvement measures at departments subject to audits is reported to the Board of Directors, the Audit Committee and the Internal Auditing Council. If the situation merits, the Audit Committee will directly instruct the Internal Audit Division to carry out and report on further inspections.

The Internal Audit Division receives periodic reports from accounting auditors with regard to audit results and the status of their auditing activities. Moreover, the division and accounting auditors work in close collaboration, regularly exchanging information so as to pool knowledge pertaining to internal control systems other relevant matters.

Deloitte Touche Tohmatsu LLC was appointed as the Company's accounting auditor for fiscal 2020. The relevant accounting audit was conducted by the following certified public accountants.

Deloitte Touche Tohmatsu LLC (17 years including the two-year period in which Deloitte engaged in joint audits with Ernst & Young ShinNihon LLC)

Ayako Makino (Four years)

Keisuke Yamaguchi (Five years)

Kenji Hatanaka (Two years)

(Other support staff: 22 CPAs, six individuals who have passed CPA exams and 24 others)

Note: Figures in parentheses are the number of consecutive accounting audit years.

3. Reasons for Adoption of Current Corporate Governance System

In June 2003, Resona Holdings has adopted the Committees Governance Model (currently known as the company with a nominating committee, etc., governance model) based on its recognition that said model is best suited for the Company's goal of securing a clear separation between functions for supervision and execution of business operations and strengthening the ability of its Board of Directors as a management oversight and decision-making

body. Since then, the Company has maintained a corporate governance system under this governance model.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Promote the Smooth Exercise of Voting Rights Updates

Supplementary Explanations

Early Notification of General Shareholder Meeting:	Distributed convocation notices 16 days prior (June 7) to the General Meeting of Shareholders date (June 23)
Scheduling Annual General Shareholder Meetings Avoiding the Peak Day:	Held the Annual General Meeting of Shareholders six days prior (June 23) to the peak shareholder meeting date (June 29).
Allowing Electronic Exercise of Voting Rights:	Electronic exercise of voting rights was implemented from the fiscal 2006 Annual General Meeting of Shareholders.
Participation in Electronic Voting Platform:	<p>A voting rights electronic exercise platform for institutional investors has been established for use from the fiscal 2007 Annual General Meeting of Shareholders.</p> <p style="text-align: center;">For the Company's 20th Ordinary General Meeting of Shareholders, the convocation notice was posted on the Company's website on May 26, 2021 and the website of the Tokyo Stock Exchange on May 27, 2021, 12 and 11 days prior to the physical mailing of such notice (June 7), respectively.</p>
Providing Convocation Notice in English:	Prepared convocation notices, reference materials and business reports in English and posted them on the voting rights electronic exercise platform for institutional investors and on Resona Holding's website since the fiscal 2011 Annual General Meeting of Shareholders
Other	<p>The Company recognizes shareholder meetings as an important forum for communication with its shareholders. Accordingly, Resona Holdings is making sincere efforts to present its various reports and information in an easy-to-understand format by significantly increasing the use of visual aids. As a part of these efforts, the Company has posted copies of its convocation notice and related reference materials as well as its Articles of Incorporation and Stock Handling Regulations on its website. These documents are available in Japanese only.</p> <p style="text-align: center;">Since the 2021 Ordinary General Meeting of Shareholders, the Company began live streaming the meeting of shareholders to all shareholders</p>

2. IR Activities

	Presentation by the Representative Director	Supplementary Explanations
Preparation and Publication of Disclosure Policy	—	Resona Holdings has formulated basic guidelines for information disclosure and financial reporting. These policies are posted on disclosure materials as well as the Company's website. (http://www.resona-gr.co.jp/holdings/english/investors/ir/guideline/)
Periodic Investor Briefings for Individual Investors:	Yes	<p>The Company provides briefings on the Group's business, financial performance and business strategies as well as other important information through the following initiatives.</p> <ul style="list-style-type: none"> ● Live corporate briefings via the Internet, with the Representative Executive Officer (President) giving presentations. The content of briefings is available upon demand. ● Live corporate briefings via the Internet at securities companies' branch offices, with the Executive Officer in charge of the Finance and Accounting Division giving presentations

		<ul style="list-style-type: none"> Corporate briefing videos uploaded to YouTube
Periodic Investor Briefings for Analysts and Institutional Investors:	Yes	<p>The Company holds biannual presentation meetings, each following the close of the six-month and full-year operating periods. The meetings target sell-side analysts and institutional investors, with the Representative Executive Officer (President) and the Executive Officer in charge of the Finance and Accounting Division giving presentations on the Company's business strategies and financial performance. On the dates of disclosure for its quarterly financial statement, the Company holds earnings conference calls, with the Executive Officer in charge of the Finance and Accounting Division giving a presentation on financial performance. In addition, the Company holds presentation meetings to discuss individual business strategies. The Company also holds individual and joint meetings to which sell-side analysts and institutional investors are invited.</p>
Periodic Investor Briefings for Overseas Investors:	Yes	<p>The Company participates in domestic conferences hosted by securities companies for overseas investors, providing briefings on details of the Group's business and financial performance, business strategies and other important information.</p> <p>Video recordings of briefings made to domestic institutional investors covering the Company's full-year and six-month operating results are accessible through the Company's website, with simultaneous translation into English provided for overseas viewers.</p> <p>In addition to the above, the Representative Executive Officer (President) and the Executive Officer in charge of the Finance and Accounting Division hold individual meetings with overseas investors on numerous occasions (using online meeting systems).</p>
Posting of IR and Other Materials on Website	Yes	<p>IR presentation materials, financial results reports, securities reports and integrated reports as well as the Company's credit rating, Basel III information (capital adequacy), information and financial disclosure guidelines and <i>Basic Policy for Promoting Constructive Dialogues with Shareholders, Investors, etc.</i>, are posted on the Company's website:</p> <p>http://www.resona-gr.co.jp/holdings/english/investors/ir/presentation/</p> <p>Presentation materials used at the aforementioned briefings on its operating results and the video and audio recordings of such briefings are available through the Company's website along with summaries of presentations and ensuing question and answer sessions.</p>
Establishment of Department and/or Manager in Charge of IR	—	<p>(IR Department): Finance and Accounting Division; (IR Executive Officer): Narunobu Ota (IR Inquiries): Finance and Accounting Division, Hiroshi Saito, General Manager</p>

3. Measures to Ensure Due Respect for Stakeholders Update

Supplementary Explanations

Stipulation of Internal Rules for Respecting the Position of Stakeholders	<p>The Resona Group's <i>Corporate Mission</i> defines a set of core values shared by all officers and employees and provides guidelines for their business conduct. The <i>Resona Way</i> (Resona Group Corporate Promises) determines the fundamental stance of the Group toward each stakeholder group (customers, shareholders, employees and society as a whole). Furthermore, the <i>Resona Standards</i> (the Resona Group's Behavior Guidelines) provide specific guidelines about the behavior expected from directors and employees under the aforementioned values.</p>
Implementation of Environmental Preservation, CSR and Other Activities	<p>The Resona Group seeks to help resolve various social issues in ways that fully take advantage of its unique strengths in financial services, which represent its core operations, and to thereby create customer value. Remaining true to our fundamental stance "Customers' happiness is our pleasure," we will strive to become the financial service group of choice for customers in the communities in which we operate and to realize "Retail No. 1." In these ways, we will maximize our corporate value while pursuing mutual growth with customers.</p> <p>The Company also formulated <i>Resona Group CSR Policies</i> aimed at addressing material issues defined by ISO 26000 standards and clarifying its approach to initiatives aimed at fulfilling its corporate social responsibility. The Resona Group strives to contribute to the development of a sustainable society in line with these policies.</p> <p>Furthermore, the Company has positioned pursuing United Nations Sustainable Development Goals (SDGs) as a key initiative for advancing its CSR activities, and, to this end, established the Group SDGs Promotion Committee chaired by President of Resona Holdings. To contribute to the realization of SDGs in 2030, the Resona Group has identified "Local communities (revitalizing local economies)," "Low birthrate and an aging society (eliminating future uncertainty caused by a low birthrate and aging society)," the "Environment (addressing global warming and climate change)" and "Human rights (diversity and inclusion)" as priority themes that it should tackle.</p> <p>Addressing these four priority themes, the Company announced the Resona Sustainability Challenge 2030 (RSC2030), which represents its commitment to contributing to the realization of SDGs in 2030 and, to this end, vitalizing regional communities via the provision of financial services. To further accelerate its SDG initiatives, the Resona Group clarified its role and vision for realizing a sustainable society in addition to establishing and announcing long-term sustainability goals for 2030.</p> <p>Regarding the "Environment (addressing global warming and climate change)" issues of priority environmental and social issues, the Group discloses information in line with the international TCFD guidance.</p> <p>For the details of the content and initiatives described above, please also refer our integrated reports and other materials posted on our corporate website.</p> <p>Integrated Report https://www.resona-gr.co.jp/holdings/english/investors/financial/integrated/index.html</p> <p>Corporate Website (sustainability section) https://www.resona-gr.co.jp/holdings/english/sustainability/index.html</p>
Development of Policies on Information Provision to Stakeholders	<p>The Resona Group formulated its <i>Basic Policy on Information Disclosure and Financial Reporting</i> with the aims of promoting the open, fair and timely disclosure of relevant information, the reliability of financial reports and the efficacy of information disclosure control. Important matters regarding information disclosure and information disclosure control are reported to and discussed at meetings of the Executive Committee. The Group goes beyond the mandatory disclosure items set forth in the timely disclosure rules of the stock exchanges and provides shareholders, investors and customers with timely and up-to-date management information through a wide range of media. These disclosure activities include briefings and press conferences conducted by the top management of the Group and a full program of investor relations activities.</p>
Other	<p>Initiatives to Promote Diversity & Inclusion</p> <p>Policies and Structures for Diversity Promotion</p> <p>Proactively promoting diversity & inclusion, the Resona Group's top management regularly provides employees with messages aimed at communicating its belief that a workforce comprising diverse human resources who respect each other and are open to</p>

learning diverse ways of thinking will facilitate innovation and help Resona become an even stronger and more creative financial service company.

In 2005, the Resona Women's Council, an advisory group, was formed to directly reflect women's perspectives and opinions in the Group's top management. The Council focuses on proposing a variety of measures aimed at raising female workers' awareness of career development opportunities and assisting those endeavoring to strike a balance between their duties and such life events as child rearing. In line with its objective of realizing greater corporate value through the creation of a working environment that encourages women to aim for success, the Council has succeeded in getting a number of their proposals on track.

Moreover, in 2011 the Company established the Diversity Promotion Office. Not content with simply providing support for women, the Resona Group is striving to create an even more inclusive workplace in which everyone can pursue their full potential and work vibrantly no matter their age, disability, sexual orientation or gender identity.

For Group officers and employees, the Company has in place an evaluation system that places greater emphasis on their attitude toward the maintenance of a favorable workplace environment especially in terms of diversity. By doing so, the Company is steadily practicing diversity management.

In addition, the status of workforce diversity and the Company's performance vis-à-vis targets are periodically shared among the President and executive officers and then reported to and discussed by the Board of Directors, and Board members' opinions and evaluations are reflected in future initiatives.

- Diversity & Inclusion: Message from Management (corporate website)
https://www.resona-gr.co.jp/holdings/english/sustainability/sdgs/human_rights/diversity.html

Examples of Diversity Promotion Initiatives:

■ Helping women develop robust careers

To help female employees raise their career awareness and facilitate networking among them, the Company is providing various job rank-based training programs and seminars for female manager and officer candidates. These include establishing a "Mentoring System," providing such training sessions as the "Women's Training Workshops on Leadership" and "My Career Training" as well as hosting a gathering aimed at facilitating exchanges between Group female employees and external participants from different business sectors.

■ Helping employees who endeavor to strike a balance between family duties and work

- The Company prepares easy-to-understand guidebooks aimed at providing helpful tips on striking a balance between work and child rearing and helping resolve a variety of issues parents may go through in the course of nurturing future generations. In these ways, the Company ensures that all employees are well-versed in the assistance programs available to them.
- The Company is striving to offer optimal assistance to those expecting to take childcare leave, those currently on childcare leave and those who have been reinstated following childcare leave. To this end, the Company hosts the "Introductory Parenting Seminar," which covers topics on various childrearing-assistance programs, as well as the "Resona Reinstating Support Seminar" and the "Working Mothers Assistance Seminar." These seminars are designed to help attendees get a clearer picture of what it takes to strike a balance between work and child rearing, inform them about the support systems available to them and to help them consider their ideal career path after reinstatement by, for example, having employees who have gone through similar experiences serve as lecturers.
- The Company also provides all employees with Diversity Training designed to help raise their awareness, call their attention to the significance of diversity and encourage them to address issues arising from unconscious biases that often inhibit diversity promotion.
- The Company mandates that all employees attend seminars aimed at nurturing managers who proactively assist their staff's engagement in childrearing. At each workplace, there are heads of business units who have completed the seminars and declared their commitment to assisting their staff with the pursuit of an optimal work-life balance.
- The Resona Group encourages male employees to play a greater role in childrearing. Since fiscal 2020, all eligible male employees at Resona Bank, Saitama Resona Bank, and Kansai Mirai Bank have been able to take childcare leave or utilize similar programs. Also, these banks have switched a portion of childcare leave to additional paid leave. Thanks to these efforts, the percentage of all eligible male employees who took childcare leave reached 90.3% in fiscal 2020 (total of Resona

Bank, Saitama Resona Bank, and Kansai Mirai Bank).

- The Company holds “Nursing Care Seminars” periodically and has created the “Work and Nursing Balance Support Guidebook” to raise awareness of various programs related to nursing as well as a pamphlet illustrating specific examples of such balance.

■ Helping employees adopt flexible working styles

- The Group has in place a “home ground area” system, which sets the employee’s working location based on his/her choice, as well as a “smart staff”^{*} system, in which employees are allowed to work shorter working hours and are given more limited job duties compared with other employees. The “Job Category Conversion System” allows for temporary switches between full-time employment, “smart staff” and “partner staff” positions. Furthermore, the “Job Return” system enables women who have resigned from the Group for child rearing and nursing care to get reinstated as “smart staff.” Through the introduction of these systems, the Group is encouraging its employees to proactively develop their careers while striving to remove factors that may hamper their serving at Group workplaces over the long-term.
- The Group has also designated “smart day(s)” to help all employees take annual paid leave at least once a month while granting the option of taking a half-day leave. As such, the Resona Group is helping employees across the board utilize annual paid leave and strike an optimal work-life balance.
- Other initiatives include introducing flextime, establishing satellite offices and allowing employees to work at home. As such, the Group is promoting diverse working styles and removing conventional restrictions in terms of time and location.

^{*}Smart staff: The Kansai Mirai Financial Group uses the term “select workers” to serve the same meaning.

<Current Status and Future Target for Promoting Female Workers>

The Company has been implementing and further enhancing initiatives aimed at aiding female workers’ career development, and has established the following indicators for fiscal 2030 as one of our long-term sustainability goals with the aim of expanding the Company’s business.

- Proportion of female officers at the Company: 30% or more
- Proportion of female workers in senior management in six Resona Group companies^{*}: 20% or more
- Proportion of female workers in managerial or higher positions in six Resona Group companies^{*}: 40% or more

^{*}Six Resona Group companies: Resona Bank, Limited; Saitama Resona Bank, Limited; Kansai Mirai Financial Group, Inc.; Kansai Mirai Bank; and Minato Bank

Latest results

- Proportion of female directors at the Company: 19.2% (as of June 23, 2021)
- Proportion of female workers in senior management in six Resona Group companies: 9.8% (as of the end of March 2021)
- Proportion of female workers in managerial or higher positions in the six Resona Group companies: 28.9% (as of the end of March 2021)

The results of women’s participation in 2020 assessed by other indicators is as follows.

- Proportion of women among new recruits
 - Resona Bank, Limited and Saitama Resona Bank, Limited : 43.9%
 - Kansai Mirai Bank and Minato Bank : 51.0%
- The number of female workers in managerial or higher positions
 - Resona Bank, Limited and Saitama Resona Bank, Limited : 938
 - Kansai Mirai Bank and Minato Bank : 373

<External Recognition>

For the three consecutive years beginning in fiscal 2014, Resona Holdings was selected to bear the Nadeshiko Label, an equality label awarded under a joint initiative between the Tokyo Stock Exchange and Japan’s Ministry of Economy, Trade and Industry to listed companies with excellent track records in facilitating women’s career development. In fiscal 2018, the Company was granted the Semi-Nadeshiko Label.

In addition, Resona Bank was commended as one of the “Winners of the Diversity Management Selection 100” a commendation program cosponsored by the Ministry of Economy, Trade and Industry in 2013, and in 2020, the Company

received the Minister of State for Special Missions (Gender Equality Bureau Cabinet Office) Award under a program titled “Leading Companies where Women Shine” under the auspices of the Cabinet Office. Meanwhile, Saitama Resona Bank was rated as a “Platinum-level Company” by Saitama Prefecture in 2012 for the diverse working styles it has made possible. In 2018, Saitama Resona Bank was also chosen to receive the Prime Minister Award under a program titled “Leading Companies where Women Shine” under the auspices of the Cabinet Office. In 2019, Kansai Mirai Bank received the Empowerment Award at the Fourth Osaka Sakuyahime Awards sponsored by the Osaka Chamber of Commerce and Industry.

The Resona Group is also endeavoring to ensure equality for members of the LGBT community from the perspective of raising human rights awareness among employees and promoting diversity in its workforce. This endeavor helped the Company obtain a “Gold” rating, the highest such under the Pride Index 2020 rating program sponsored by work with Pride (wwP), an NPO aimed at assisting sexual minorities in their pursuit of equal rights, for the fourth consecutive year.

IV. Matters Related to the Internal Control Systems

1. Basic Views on Internal Control Systems and the Progress of System Development

To enhance its corporate value, Resona Holdings' Board of Directors formulated the Group's *Basic Policies for Group Internal Control Systems* with the aim of structurally entrenching a system that ensures appropriate operations and simultaneously realizing the best possible internal control system.

Basic Policies for Group Internal Control Systems

(1) Statement

The Company and other companies of the Group* view seriously the fact that the Group had to accept a massive infusion of public funds to reinforce its capital. In order to prevent the recurrence of such a situation, the Group has formulated the *Basic Policies on Group Internal Control Systems*.

In accordance with these basic policies, the Group aims to establish an internal control system most befitting the Group and strives to manage and maintain control systems in optimal condition to ensure their efficacy, with a view to enhancing the Group's corporate value.

* Refer to companies set forth under Article 2, item 3 of the Companies Act and Article 3 of the Ordinance for Enforcement of the Companies Act. Hereinafter the same.

(2) Purpose of Internal Control Systems (Basic Principles)

In accordance with generally accepted evaluation standards for internal control systems, the Resona Group shall adopt as the Group's basic principles on internal controls the fulfillment of the following four goals.

a. Improve the efficacy and efficiency of operations

b. Assure the reliability of financial disclosure

c. Comply with legislation

d. Maintain the soundness of assets

(3) Constructing Internal Control Systems (Basic Guidelines)

Resona Holdings shall develop internal control systems composed of the basic elements required for the systems to fulfill their purposes, including a control framework, risk evaluation and response system, internal control activities, information and communication systems, monitoring standards and IT systems. Upon the establishment of the *Corporate Mission* shared throughout the Group and based on these policies, Resona Holdings determined the following basic guidelines for constructing systems to ensure that the Group's operations are conducted in an appropriate manner.

a. Guidelines to ensure that business operations of Resona Holdings' Executive Officers and employees as well as directors, executive officers and employees at each Group company are executed in compliance with legislation and Group regulations

b. Guidelines to store and manage information related to the execution of operations by executive officers

c. Guidelines to govern the management of loss risk that may arise at Resona Holdings or its Group companies and related systems

d. Guidelines to ensure that the responsibilities of Resona Holdings' executive officers and each Group company's directors and executive officers are carried out effectively

e. Guidelines to ensure that the operations of the corporate group, consisting of Resona Holdings and all Group companies, are conducted appropriately (including a system to ensure that the execution of operations by directors and executive officers at each Group company is reported to Resona Holdings)

f. Guidelines concerning assistants to the operations of the Audit Committee

g. Guidelines to ensure the independence of the specialist personnel mentioned above in relation to executive officers and that instructions to said personnel are carried out effectively

h. Guidelines concerning a reporting system for Resona Holdings' directors (excluding those concurrently serving as members of the Audit Committee), executive officers and employees and each Group company's directors, corporate auditors, executive officers and employees as well as persons who receive reports from the foregoing personnel to report to the Audit Committee

i. Guidelines concerning a system to ensure that a person who made the abovementioned reporting is not treated

disadvantageously

- j. Guidelines concerning the treatment of expenses incurred in connection with the execution of duties by the members of the Audit Committee
- k. Guidelines to ensure that audits by the Audit Committee are conducted effectively

Status of Internal Control Systems

The Resona Group is making every effort to properly develop and manage sound internal control systems, in accordance with the provisions of the *Basic Policy for Group Internal Control Systems*. The Resona Group is also working to ensure the efficacy of these systems.

(1) Status of Group Management Systems

The Resona Group strives to continuously strengthen its corporate governance by establishing responsible management systems and strengthening its supervision as well as surveillance functions, while working to improve the transparency of management. In June 2003, Resona Holdings became the first banking institution in Japan to adopt the Committees Governance Model (currently known as the company with a nominating committee, etc., governance model) with outside directors representing a majority of its Board of Directors, to stimulate debate. The Group also assigned decision making on crucial business matters and management surveillance to the Board of directors and the execution of operations to the executive officers, aiming to reinforce the surveillance and decision-making functions of the Board of Directors.

At the same time, we allow each subsidiary to engage in autonomous management while ensuring that the Group's fundamental approach to corporate governance is embraced in the course of their business operations. To this end, we are centralizing group governance, with Resona Holdings playing the primary role in the management of each subsidiary.

(2) Status of Internal Auditing Systems

The Resona Group recognizes that internal auditing plays an important function in supporting and enhancing its corporate value through the assessment, evaluation and improvement of the status of management activities aimed at ensuring the soundness of its business operations and securing the trust of society.

In line with this recognition, Resona Holdings has formulated the *Basic Policy on Group Internal Auditing*. Under the initiative of the Board of Directors, the Company also established the Internal Audit Division, which maintains strict independence from divisions in charge of the execution of the Group operations and is headed by an executive officer who has been specially appointed to oversee the audit function. Furthermore, with the aim of enhancing corporate governance through the strengthening of audit functions, relationships between the Internal Audit Division, the Board of Directors, the Audit Committee and representative executive officers are clearly defined. Specifically, communication between the Board of Directors and the Audit Committee serves as a reporting line of primary importance in the overall audit structure. Meanwhile, the committee has an explicit reporting line with the Internal Audit Division, through which it gives direct instructions and receives reports. This structure aims to secure solid supervision over representative executive officers and provide check-and-balance functions over their activities.

If a major issue arises concerning management at Group companies, Resona Holdings' Internal Audit Division performs audits with the internal auditing departments of each Group company.

The Internal Audit Division of the Company conducts risk-based audits utilizing the standard auditing methods of the Institute of Internal Auditors (IIA),* which is a global auditing leader, and is also expanding these techniques among Group companies. In addition, while monitoring the activities of the internal audit divisions of each company, the division supports the improvement of the quality of internal audits in part by providing information, conducting training, and supporting the acquisition of such qualifications as Certified Internal Auditor.

* Institute of Internal Auditors (IIA): An organization that plays a global leading role in the internal auditing field, and is credited with establishing internal auditing as a profession and a leading research body on the theory and

practice of internal auditing

(3) Compliance Systems

The Resona Group has established the *Corporate Mission*, which forms the basis for the judgments and behavior of directors and employees; the *Resona Way* (Resona Group Corporate Promises), which outlines the basic stance, based on the *Corporate Mission*, that directors and employees should take toward all stakeholders; and the *Resona Standards* (the Resona Group's Behavior Guidelines), which are specific guidelines about behavior expected from directors and employees under the *Corporate Mission* and the *Resona Way*.

Resona Holdings and the Group companies have prepared the *Basic Policy regarding Compliance*, which makes clear, from a compliance point of view, the roles of directors and employees as well as a basic framework for organizational systems and training programs. Each Group company formulates and implements its own *Compliance Program* every fiscal year as an action plan for strengthening its compliance posture. This approach allows Group companies to take the initiative in enhancing their own compliance structures.

Meanwhile, the *Resona Legal Counsel Hotline* and the *Resona Compliance Hotline* are available for employees seeking advice and wishing to report on compliance issues. We are constantly striving to strengthen these internal reporting systems. More specifically, we have clarified internal rules to make the systems safe for Group employees to use.

Moreover, the *Resona Accounting Audit Hotline* is in place and open to reports from external persons regarding fraudulent or inappropriate employee conduct in the course of settling accounts, accounting-related internal control activities and accounting audits.

Run by external law firms, the *Resona Legal Counsel Hotline* and the *Resona Accounting Audit Hotline* are independent from the Company's management. However, all incidents reported to these hotlines are directly reported to the outside director who serves as the chairman of the Audit Committee. In these ways, we are striving to improve the reliability and transparency of these systems.

As of March 13, 2020, both the *Resona Compliance Hotline* and *Resona Legal Counsel Hotline* have been registered as conforming with Japan's Consumer Affairs Agency's Whistleblowing Compliance Management System (WCMS) certification standards* based on self-declaration.

With regard to our compliance structure, we have established a Compliance Division at Resona Holdings and Group companies while appointing officers in charge of compliance at each bank branch, division and department within the Group. We have also established a Group Compliance Committee, which deliberates on compliance issues within the Group.

In addition, we have clearly defined the specific responsibilities of management divisions at Resona Holdings and each Group bank for handling customer relations, such as safeguarding customers, improving convenience, explaining our services clearly, consulting, responding to customer complaints and securely handling customer information. If operations are outsourced to a third party, the management divisions in charge are responsible for ensuring the appropriate handling of customer data and the quality of services provided.

* Under the auspices of the Consumer Affairs Agency, the Whistleblowing Compliance Management System (WCMS) certification program (a registration program based on self-declaration) grants rights to use the WCMS logo to business operators equipped with whistle-blowing systems that conform with the Guidelines for Private Enterprises Regarding the Development and Operation of Internal Reporting Systems Based on the Whistleblower Protection Act, upon the completion of prescribed procedures, including conformation by the Japan Institute of Business Law, a registration body designated by said agency.

* Kansai Mirai Financial Group, Inc. has implemented the same system as the Company.

<https://www.kmfg.co.jp/about/governance/compliance.html> (Japanese only)

(4) Status of Risk Management Systems

Resona Holdings has established the *Group Risk Management Policy* as its basic policy for conducting risk management within the Group. This policy clarifies the types and definitions of various risks, organizations and structures

required for effective risk management and the basic risk management framework to create a robust risk management system. Specifically, Resona Holdings has established a Risk Management Division in charge of comprehensive risk management as well as category-specific risk management divisions based on a policy of developing a risk management structure. Together with this, all of these divisions are working to strengthen Groupwide risk management through: (1) the presentation of risk management policies and standards to Group companies; (2) preparatory discussions on important matters concerning risk management at Resona Bank, Saitama Resona Bank, and Kansai Mirai Financial Group, Inc.; and (3) the receipt of periodical reports on the status of Group companies' risk management and exposure. Meanwhile, individual Group companies formulate their own risk management policies that coincide with the *Group Risk Management Policy*, factoring in their business scale, operations involved, business characteristics and risk management and exposure status in order to achieve the most efficient and appropriate risk management system for each company.

In particular, credit risk is a major risk category for banking operations. We define credit risk as “a risk that arises when the value of assets (including off-balance sheet assets) declines or disappears as a result of the deterioration of the financial position of obligors.” Having established a unified *Group Credit Policy*, which lays out a standard set of basic principles for credit management for the Group as a whole, the Resona Group conducts strict credit risk management. An overconcentration of credit extended to certain obligors and industries, as well as an inadequate framework for individual credit in the past, put Resona Holdings in a situation where we had to accept an injection of public funds. Based on this experience, the *Group Credit Policy* focuses on two facets of credit risk management: stringent credit score management and portfolio management that emphasizes risk diversification.

Also, we endeavor to manage market, liquidity, operational, reputational and other risks by: (1) setting necessary limits; (2) creating applicable guidelines; (3) assessing risks; (4) formulating contingency plans; and (5) employing other measures required according to the nature of each risk category.

Moreover, Resona Holdings and its Group companies have taken preparatory measures for cases where a risk materializes due to a disaster, system failure or other cause and is of such significance that it cancels out all their risk management efforts and develops into a crisis. In more specific terms, we have established a comprehensive crisis management structure, including the formulation of a basic crisis management policy, so that we will be able to counter any crisis efficiently and effectively and to ensure continued operations during such crisis, effecting quick operational recovery to normal conditions.

2. Basic Views on Eliminating Anti-Social Forces

Basic Approach to Elimination of Anti-Social Forces

The Resona Group believes that preventing and eradicating transactions with anti-social forces are critically important to its public mission and social responsibility as a financial institution. Our basic approach is to intervene in and nullify transactions that would support anti-social forces through the corporate activities of Resona Holdings and Group companies.

Status of Measures to Eliminate Anti-Social Forces

a. Internal Rules and Regulations

The Resona Group hereby declares that it will adopt a resolute stance when dealing with anti-social forces and in no way tolerate criminal activities. Specific internal rules and regulations exist based on the *Basic Policy regarding Compliance*.

b. Divisions and Managers Responsible for Preventing Illicit Demands

Resona Holdings and Group companies have designated their compliance divisions as the departments responsible for countering anti-social forces. The compliance divisions take appropriate measures to prevent and nullify transactions with anti-social forces.

Group banks have managers at each business base in charge of preventing illicit demands. These managers are registered at the nearest police station and receive special training by the Public Safety Commission, and they are responsible for preventing and resolutely resisting illicit demands from anti-social forces.

c. Cooperation with External Professional Organizations

The compliance divisions at Resona Holdings and Group companies have formed cooperative relationships with law enforcement agencies, law firms and other professional organizations, and branch offices communicate and consult with nearby police stations on safety issues.

d. Collecting and Managing Information on Anti-Social Forces

The compliance divisions of Resona Holdings and Group companies collect, analyze and uniformly manage internal and external information about anti-social forces.

e. Compliance Manual

Sections of Resona Holdings and Group companies' *Compliance Manual* are dedicated to providing guidance on resolutely acting as an organization to counter anti-social forces.

f. Training

The *Basic Policy regarding Compliance* clearly describes that preventing and eliminating transactions with anti-social forces is a matter of crucial importance for Resona Holdings and Group companies. We provide ongoing training and education on these compliance issues for directors and employees, spreading awareness throughout the organization.

g. Introduction of Terms of Crime Syndicate Elimination

Resona Holdings has introduced "terms of crime syndicate elimination" at its Group banks. Prior to entering into transactional or other kind of relationships with customers, we require those potential customers to declare and ensure that they are not, nor will not become, antisocial forces. If a customer violates his/her commitment or is deemed to be an antisocial force, we use the terms of commitment as a legal ground to terminate transactions with this customer. Through the use of the terms, Resona Holdings is working to prevent any transactions with antisocial forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures:	No
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■ Supplementary Explanation

Resona Holdings has not prepared any specific defense takeover measures, such as by issuing new stock or stock options for reasons other than raising capital for business purposes. Resona Holdings aims to enhance corporate value and shareholder returns without having to resort to such measures.

2. Other Matters Concerning the Corporate Governance System

Overview of Internal System for Timely Disclosure

1. Deliberation and Reporting Concerning Timely Disclosure

With the aim of ensuring the reliability of the Group's financial reporting and the appropriateness of its information disclosure, important matters regarding information disclosure and information disclosure control are reported to and discussed at meetings of the Executive Committee.

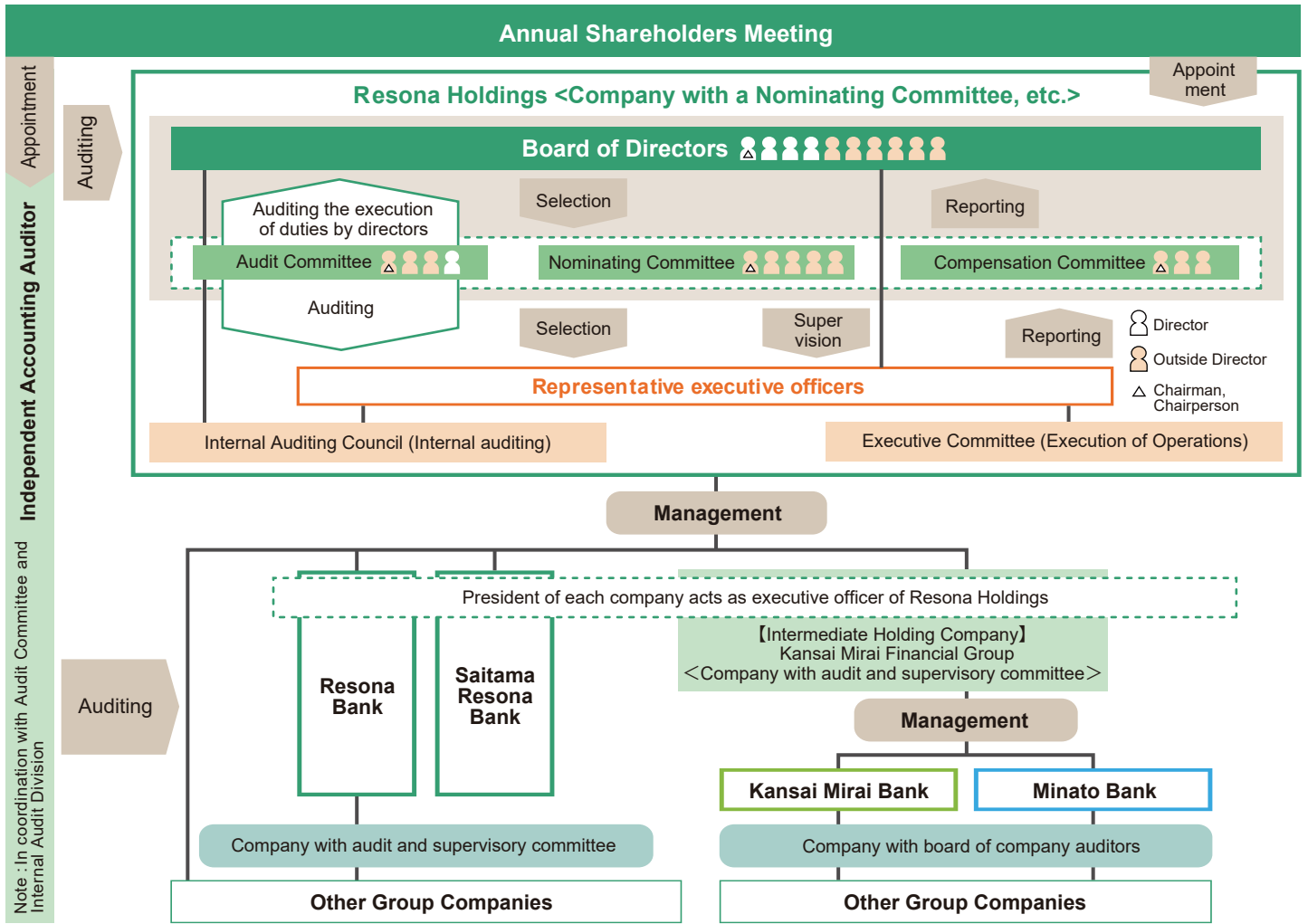
2. Formulation of Internal Rules Concerning Timely Disclosure

To ensure the appropriateness of its timely disclosure, Resona Holdings and its Group companies have formulated guidelines for timely disclosure.

3. Assignment of Dedicated Departments Responsible for Timely Disclosure

Resona Holdings has assigned certain departments to be responsible for timely disclosure. To promote timely disclosure, these departments enter into discussions with the relevant department once they obtain information to be disclosed, and they follow prescribed procedures to ensure that the disclosure of such information is done in an appropriate manner. These departments are also responsible for amending internal rules and regulations concerning timely disclosure and for reviewing, and revising when necessary, items and standard monetary amounts for consideration before making decisions concerning disclosure. These amendments and revisions are disseminated throughout the Group by these departments.

[Group Corporate Governance Framework]



[Resona Group Timely Disclosure System]

