Last updated: August 29, 2019

CORPORATE GOVERNANCE

Resona Holdings, Inc.

Kazuhiro Higashi
President and Representative Executive Officer
Inquiries: Corporate Governance Office
TEL.: +81-3-6704-3111
Securities Code No.: 8308
http://www.resona-gr.co.jp/

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*.
http://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

The Company has positioned striking an optimal balance between financial soundness, profitability and shareholder returns in a way that improves corporate value as a fundamental capital policy.

1. Solidifying financial soundness

The Company aims to raise its equity ratio and, to this end, is working to secure a sufficient level of equity 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) of approximately 9.0% by the end of the final year of the medium-term management plan (fiscal 2019).

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 equity sufficient 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. Strengthening profitability

The Company will continue to aim for an ROE surpassing 10% by maintaining financial management conscious of capital efficiency, risk, cost and returns.

3. Enhancing shareholder returns

For fiscal 2018, the Company paid annual dividends of ¥21 per share of common stock (comprising interim dividends of ¥10.5 and year-end dividends of ¥10.5), thereby raising the amount of annual dividends for common stock ¥1 per share and achieving a third consecutive annual increase in dividends.

For fiscal 2019, the Company intends to pay annual dividends of ¥21 per share of common stock (comprising interim dividends of ¥10.5 and year-end dividends of ¥10.5), on par with annual dividends paid for fiscal 2018.. In line with its policy of enhancing shareholder returns, improving capital efficiency, and taking a flexible capital management approach, the Company also announced a budget for up to ¥10.0 billion in share repurchases on May 10, 2019, with the end of the repurchasing period being set at June 14, 2019. On June 12, 2019, the Company completed share repurchases based on this budget.

Looking ahead, the Company will continue to implement its shareholder return policy under the medium-term management plan, taking into account the introduction of various measures to enhance shareholder returns and giving due consideration to maintaining a balance between financial soundness and profitability as well as opportunities for growth investment.

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*
http://www.resonagr.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.

As of March 31, 2019, the total value of policy-oriented stocks held by Resona Bank and Saitama Resona Bank amounted to ¥332.0 billion. This represents a decrease of approximately ¥1 trillion (or 75%) compared with the level recorded at the end of March 2003.

In addition, as of March 31, 2018, the Company verified the appropriateness of the holdings of policy-oriented stocks and concluded that:

- The burden of holding these policy-oriented stocks is not in excess of the Company's financial strength.
- 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.

As a result of the aforementioned activities, in fiscal 2018 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

Resona Bank and Saitama Resona Bank have established Resona Corporate Pension Fund (hereinafter the "Fund"), charging it with the management of pension assets associated with defined benefit pension plans, the payment of pensions and other pension-related administrative tasks. Resona Holdings is systematically allocating to the Fund human resources who have worked for such subsidiaries as Resona Bank and are equipped with experience in securities management and pension trusts. By doing so, the Company is ensuring that the Fund is capable of determining asset management methodologies by itself, undertaking proactive risk management and thus fulfilling specialist roles as an asset owner. In addition, the Fund has announced its adherence to Japan's Stewardship Code.

The Fund mandates that such important matters as making changes to its constitution, drafting an annual budget, business reporting, announcing financial results and managing pension assets must be approved by its board of representatives. The Fund also mandates that one half of the membership of its board of representatives consists of those appointed by the Company, while other half consists of those elected from among pension beneficiaries via mutual voting. Moreover, directors elected from among members of the board of representatives and the Company's 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, Resona Holdings is ensuring the proper management of conflicts of interest between corporate pension beneficiaries and the Company.

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 April 2017.
http://www.resona-gr.co.jp/holdings/english/newsrelease_c/20170428_6a.htmll

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 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 18th Ordinary General Meeting of Shareholders.

https://www.resona-gr.co.jp/holdings/english/investors/stock/meeting/pdf/notice20190524.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, Resona Bank and Saitama Resona Bank 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, Resona Bank or Saitama Resona Bank 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 11 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 Kaoru Isono is concurrently serving as a director of Kansai Mirai Financial Group, Inc., a listed subsidiary of the Company.

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 other directors holds concurrent position as a senior executive or a director at listed companies.

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

Outline and Objectives 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 effectiveness as a whole. To this end, the opinions of each director with regard to their assessment of the operations and functionality of the Board as well as matters discussed at the Board of Directors' meetings are collected. Furthermore, outside directors participate in discussions aimed at assessing the effectiveness of the Board of Directors. Based on all the directors' opinions on these subjects and the conclusions reached at the outside directors' meeting, the Board of Directors finalized the analysis and evaluation of its fiscal 2018 activities at a meeting held in May 2019. Currently, the Board of Directors is striving to utilize the results of said analysis and evaluation to make further improvements in its operations and

to enhance its supervisory and decision-making functions.

For the fiscal 2018 self-evaluation, the Board of Directors updated a number of the items being examined in the course of its self-evaluation, to this end employing external consultants charged with reviewing the items being scrutinized from a third-party perspective. The updated items are thus included in the Board's latest self-evaluation.

The Board's fiscal 2018 initiatives aimed at addressing issues identified in the fiscal 2017 self-evaluation are as follows:

(1) Providing sufficient information to outside directors prior to Board meetings and improving the content of agenda items presented

- Prior to Board of Directors' meetings, the Board strove to ensure that outside directors were informed about the status of discussions undertaken by the executive team with regard to agenda items to be submitted to the Board of Directors. Furthermore, in conjunction with presentations of agenda items at Board of Directors' meetings, the Chairman provided supplemental information on the main points under discussion. In these ways, the Board ensured that meaningful conclusions were reached in each session.

(2) Improving the content of reporting to the Board of Directors

- To facilitate the close assessment of reports on the status of operations from each division in light of the Company's overall strategies, the Board mandated reporting formats to be revised while making other improvements in reporting methods. This enabled the Board to better focus on reviewing reports relevant to key issues the Company is now confronting.

(3) Better utilizing free discussion sessions

- The Board engaged in intensive discussions addressing the Company's medium- to long-term management challenges, such as those associated with the settlement business, and examined the status of its medium-term management plan. By doing so, the Board ensured all directors' swift understanding of these matters.

The overall results of the fiscal 2018 self-evaluation and measures to improve issues are as follows:

The evaluation concluded that the operations of the Board were "Adequate" on the whole and the overall effectiveness of the Board of Directors was confirmed. In addition, the April 2019 outside directors' meeting concluded that in terms of efficiency, the Chairman's handling of discussions was sufficient. This meeting also determined that the appointment of the current Chairman, a director who concurrently serves as President and Executive Officer, was appropriate. Furthermore, the Board has made it a rule to appoint Chairman via mutual voting, giving due consideration to results of annual self-evaluation with regard to Chairman's handling of discussions.

However, although the content of reporting on such matters as operational status to the Board of Directors was improved in comparison with fiscal 2017, the Board of Directors believes that it needs to further improve reporting content by placing stronger focus on medium- to long-term management challenges and the Resona Group's overall strategies. In these ways, the Board of Directors will enhance its effectiveness.

Therefore, the Board's initiatives for fiscal 2019 aimed at addressing issues identified in its fiscal 2018 self-evaluation are as follows.

(1) Clarifying issues to be discussed in light of medium- to long-term management challenges

- With regard to its assessment of the content of reporting by each department and subsidiary on their status of operations, the Board will place stronger focus on such matters as the status of initiatives being executed under the medium-term management plan. At the same time, the Board will utilize such opportunities as free discussion sessions to vigorously address medium- and long-term management challenges the Company is now confronting.

(2) Maintaining even more effective discussion vis-à-vis the overall strategies for the Resona Group

- Maintaining a firm managerial grip on subsidiaries' operations, the Board will engage in intensive discussion aimed at addressing strategies being executed by Group banks as well as other Group companies. Employing such tools as free discussion sessions, the Board will ensure even more effective discussion vis-à-vis the overall strategies for the Resona Group.

For fiscal 2019, the Company's Board of Directors will address these and other issues while enhancing the content of discussions through the improvement of its operations based on such input as the opinions of individual directors.

Evaluation methods and the outline of evaluation results:
The following results indicate the aggregation of opinions submitted by the directors with regard to their assessments of 22 items based on a scale covering four-grades of evaluation. ("Sufficient," "Adequate," "Improvement needed," and "Insufficient") Overall results suggest that the Board of Directors' operations were "Adequate."

1. Operations of the Board (eight items)	
(1) Meeting frequency:	Sufficient
(2) Meeting length:	Adequate
(3) Content of meeting materials:	Improvement needed
(4) Presentations on individual agenda items:	Adequate
(5) Chairman's leadership:	Sufficient
(6) Chairman's performance:	Sufficient
(7) Expression of opinions by each director:	Sufficient
(8) Opportunities given to directors to acquire sufficient information:	Adequate
2. Agenda items submitted to the Board meetings (six items)	
(1) Selection of items:	Adequate
(2) Frequency and content of periodic reporting on risk management activities:	Sufficient
(3) Frequency and content of periodic reporting on matters being executed:	Adequate
(4) Frequency and content of periodic reporting from the Nominating Committee	Sufficient
(5) Frequency and content of periodic reporting from the Compensation Committee	Sufficient
(6) Frequency and content of periodic reporting from the Audit Committee	Adequate
3. Functions of the Board (eight items)	
(1) Diversity of the Board's composition:	Adequate
(2) Supervisory functions over business execution	Adequate
(3) Discussion of strategies and plans:	Adequate
(4) Establishment of an environment that supports appropriate risk taking:	Adequate
(5) Timeliness of decision making:	Adequate
(6) Objective and multifaceted viewpoints applied in discussion:	Adequate
(7) Roles and responsibilities of each director:	Adequate
(8) Contribution to decision making that gives due consideration to interest of each stakeholder group:	Improvement needed

Note: For details of fiscal 2018 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 Governance Policy*.

Principle 5.1: Policy for Constructive Dialogue with Shareholders
The Company established the *Basic Policy for Promoting Constructive Dialogues with Shareholders, Investors, etc.,* and

discloses the policy through the following medium.

Outline of *Basic Policy for Promoting Constructive Dialogues with Shareholders, Investors, etc.*
http://www.resona-gr.co.jp/holdings/english/about/governance/pdf/related_policies1.pdf
For more details on the Company's IR activities, please also refer to III. 2. "IR Activities" of this report.

Principle 5.2: Establishing and Disclosing Business Strategy and Business Plan

- Resona Holdings is determined to remain true to its fundamental philosophy of "Customers' happiness is our pleasure." By doing so, the Company aims to become the industry leader in terms of retail banking. Specifically, the Company is striving to become the financial service group of choice for customers in communities around Japan and to continue to engage with them in a way that leads to mutual prosperity well into the future.
- Today, Japan's financial industry is affected by widespread structural upheaval. This include changes in demographic composition, the rapid aging of society, drastic advances in technologies and the emergence of new competitors making entries into the industry from totally different sectors. Taking the rapidly evolving environment into account, in April 2017 the Company announced a medium-term management plan to be implemented throughout the period leading up to the end of fiscal 2019. This plan comprises three basic strategies while specifying management indices the Company aims to achieve. Details follow.

Three Basic Strategies

(1) Evolution of "Omni-Channel"
- Expanding the customer base—increasing the number of customers
- Increasing points of contact with customers—increasing points of contact with customers by utilizing both face-to-face and non face-to-face channels
- Adopting sophisticated marketing methods—upgrading marketing methods via the use of financial and non-financial information

(2) Nurturing a total of 26,000 "Omni-Advisors"
- Ensuring that each Omni-Advisor is capable of delivering solutions to customers—stepping up human resource development
- Diversifying the lineup of solutions—helping Omni-Advisors strengthen their prowess in their areas of specialty

(3) Establishing an "Omni-Regional" platform
- Creating a more robust and open business platform—cultivating relationships with regional financial institutions in diverse ways and developing new business functions that have similarities with banking operations
- Initiating the full-scale operation of "Smart Stores" (online branches)—expanding the customer base throughout the country

Main Targets in Terms of Management Indices[1] (fiscal 2019)

- Net income attributable to owners of the parent: ¥170 billion
- Consolidated fee income ratio: 30% to 35%
- Consolidated cost income ratio: Around 60%
- ROE[2]: 10% or more
- Common Equity Tier 1 Capital ratio[3]: 9%

1. Figures include the effect of the inclusion of Kansai Mirai Financial Group, Inc. into the scope of consolidation.
2. ROE = (net income attributable to owners of the parent – preferred dividends) / (total shareholders' equity – the balance of outstanding preferred shares); this calculation is based on the average of stock prices at the beginning and the end of the fiscal year.
3. Excluding unrealized gain on available-for-sale securities, net of tax effect.

2. Capital Structure

Percentage of Foreign Shareholders:	More than 30%

[Status of Major Shareholders] Update

Shareholder	Number of Shares Held	Percentage of Shares Held
The Master Trust Bank of Japan, Ltd. (Trust Account)	125,548,000	5.40
The Dai-ichi Life Insurance Company, Ltd.	125,241,900	5.39
Japan Trustee Services Bank, Ltd. (Trust Account)	107,033,900	4.60
Japan Trustee Services Bank, Ltd. (Trust Account No. 9)	78,124,600	3.36
Nippon Life Insurance Company	65,488,095	2.81
AMUNDI GROUP	45,133,700	1.94
Japan Trustee Services Bank, Ltd. (Trust Account No. 5)	42,456,700	1.82
Japan Trustee Services Bank, Ltd. (Trust Account No. 7)	41,309,600	1.77
STATE STREET BANK AND TRUST COMPANY 505001	39,048,441	1.68
JPMorgan Securities Japan Co., Ltd.	36,206,489	1.55

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

Fiscal Year-End:	March 31

Type of Business:	Bank

Number of Employees (consolidated) as of the End of the Previous Fiscal Year:	More than 1000

Sales (consolidated) as of the End of the Previous Fiscal Year:	¥100 billion to less than ¥1 trillion

Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year:	10 to less than 50

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

Kansai Mirai Financial Group, Inc. is the only listed company among Resona Holdings' subsidiaries. Kansai Mirai Financial Group is listed on the first section of the Tokyo Stock Exchange.

Resona Holdings aims to help Kansai Mirai Financial Group undertake independent management. At the same time, Resona Holdings will strive to develop overarching governance systems for the entire Group, including Kansai Mirai Financial Group, in line with its "*Corporate Mission* (Resona Group Management

Philosophy)," *Basic Policy for Group Internal Control Systems* and other important principles. In this way, the Company will maximize the corporate value of the Resona Group.

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.

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation:	15

Term of Office Stipulated in Articles of Incorporation:	1 year

Chairman of the Board of Directors	President

Number of Directors Update:	11

[Outside Directors]

Number of Outside Directors:	6

Number of Outside Directors Designated as Independent Directors Pursuant to the Securities Listing Regulations of the Tokyo Stock Exchange	6

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
Yoko Sanuki	Lawyer								○			
Mitsudo Urano	Appointed from another company								○			
Tadamitsu Matsui	Appointed from another company								○			
Hidehiko Sato	Lawyer								○			
Chiharu Baba	Appointed from another company								○			
Kimie Iwata	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
Yoko Sanuki	Audit Committee	Independent Director	<Important Concurrent Positions> Lawyer; Representative of NS Law Office Outside Audit & Supervisory Board member of MEDIPAL HOLDINGS CORPORATION	Based on her knowledge and experience as an expert in law, Ms. Sanuki proactively brings to the Board of Directors and other committees sound opinions and advice, especially from the perspective of preventing legal risk as well as ensuring compliance. Ms. Sanuki has not participated in the management of a corporate entity in the past other than to serve as an outside director or corporate auditor. However, leveraging her knowledge and experience as well as her independent status vis-à-vis the management of the Company's daily business, Resona Holdings anticipates Ms. Sanuki will continue to oversee the affairs of the Company without causing conflicts of interest with general shareholders. Ms. Sanuki attended 15 of the 16 Board of Directors meetings and all 13 Audit Committee meetings held during fiscal 2018. Ms. Sanuki had held her 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 2019.
Mitsudo Urano	Compensation Committee	Independent Director	<Important Concurrent Positions> Outside director of HOYA CORPORATION Outside director of Hitachi Transport System, Ltd.	Mr. Urano proactively brings to the Board of Directors and other committees sound opinions and advice, especially from the perspective of facilitating reforms in management and corporate culture. He draws on concept building capabilities and experience that he has nurtured through his service as a chief executive officer in the fields of manufacturing and logistics. 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. Urano will continue to oversee the affairs of the Company without causing conflicts of interest with general shareholders. Mr. Urano attended 14 of the 16 Board of

				Directors meetings and all five Compensation Committee meetings held during fiscal 2018. Mr. Urano 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 2019.
Tadamitsu Matsui	Nominating and Compensation committees	Independent Director	<Important Concurrent Positions> 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 13 Nominating Committee meetings and four of the five Compensation Committee meetings held during fiscal 2018. Mr. Matsui had held his position as an outside director of Resona Holdings for a period of five years as of the close of the Company's General Meeting of Shareholders held in June 2019.
Hidehiko Sato	Nominating and Audit Committee	Independent Director	<Important Concurrent Position> Lawyer; Hibiki Law Office	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 13

				Nominating Committee meetings and 12 of the 13 Audit Committee meetings held during fiscal 2018. Mr. Sato 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 2019.
Chiharu Baba	Audit Committee	Independent Director	<Important Concurrent Positions> Outside director of Tohoku Electric Power Co., Inc. Outside director of MIRAIT Holdings Corporation	Mr. Baba is expected to contribute to the Company by proactively offering opinions and advice especially from the perspective of profit management and risk management based on his knowledge and experience as an expert in finance. 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. 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 all of the 13 Audit Committee meetings held during fiscal 2018. Mr. Baba had held his 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 2019.
Kimie Iwata	Nominating and Compensation committees	Independent Director	<Important Concurrent Positions> Audit and inspection commissioner of the Tokyo Metropolitan Government Outside director of Sumitomo Corporation Outside director of Ajinomoto Co., Inc.	Ms. Iwata is expected to proactively bring 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 be able to oversee the affairs of the Company without causing conflicts of interest with general shareholders.

[Committees]

Committee Composition and Chairman

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

[Executive Officers] Update

Number of Executive Officers:	16

Status of Concurrent Positions Update

Name	Representative Authority	Concurrent Position Held (Director)	Concurrent Position Held (Employee)	
			Nominating Committee	Compensation Committee
Kazuhiro Higashi	Yes	Yes	X	X	No
Shoichi Iwanaga	Yes	Yes	X	X	No
Satoshi Fukuoka	Yes	Yes	X	X	No
Masahiro Minami	No	No	X	X	No
Kazuyoshi Ikeda	No	No	X	X	No
Takayuki Torii	No	No	X	X	No
Kazuyo Shinya	No	No	X	X	No
Masanori Hirokawa	No	No	X	X	No
Tomoo Yoshizaki	No	No	X	X	No
Mikio Noguchi	No	No	X	X	No
Shigeki Ishida	No	No	X	X	No
Hisahiko Oikawa	No	No	X	X	No
Koichi Akiyama	No	No	X	X	No
Ichiko Shinada	No	No	X	X	No
Hideki Tahara	No	No	X	X	No
Gen Nakahara	No	No	X	X	No

[Auditing Structure]

Appointment of Directors and/or Staff to Support the Audit Committee:	Yes

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 prior consultation.

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

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

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

Disclosure of Individual Executive Officer Remuneration:	Individual amounts are not disclosed

Supplementary Explanation Update

[Total Amounts of Compensation for Directors and Executive Officers]
(Period covered: April 1, 2018 to March 31, 2019)

(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)	2 (2)	38 (38)	38 (38)	–	–
Executive Officers	14 (15)	260 (490)	173 (326)	61 (115)	25 (48)
Outside Directors	6 (6)	79 (79)	79 (79)	– (–)	– (–)

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 2018 and includes one director who retired on June 22, 2018.
3. As of March 31, 2019, the number of directors and executive officers was 10 and 15, respectively. Of this number, three officers held the concurrent positions of director and executive officer.
4. For officers that held the concurrent positions of director and executive officer, compensation as a director was not paid.
5. Basic compensation paid includes the position-based fixed portion and the duty-based additional fixed portion.
6. Performance Share Units presented above represent the amounts recorded as expenses during fiscal 2018 in reference to such factors as stock price fluctuations.

7. In addition to the amounts presented above, the Company has seen fluctuations in its stock prices and has posted a reversal of allowance previously recorded as expenses totaling ¥1,508,000 in preparation for the future delivery of Performance Share Units to six recipients who had already stepped down from their positions.
8. The Company aims to separately disclose the status of compensation paid to its directors, executive and other officers who concurrently serve as directors or executive officers at consolidated subsidiaries. To this end, yen figures in parentheses above present the sums of compensation received by such individuals for their duties as directors or executive officers at the Company and consolidated subsidiaries during fiscal 2018. 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 one executive officer who held the concurrent position of Representative Director and President at Saitama Resona Bank, Limited, a Group bank.
9. None of the directors or executive officers received, in aggregate, compensation totaling ¥100 million or more.

Policy on Determining Remuneration Amounts and Calculation Methods:	Yes

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.
(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 Performance Share Units.

1. Compensation Systems for Directors

Compensation for directors consists of position-based compensation and a duty-based additional portion in cash. In order to further ensure sound supervision over executive officers, performance-based compensation was abolished as of June 2017.

(1) Position-based compensation (fixed compensation)
The position-based fixed portion is determined by the nature and scope of responsibilities held by each individual.

(2) Duty-based additional portion (fixed compensation)
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.

2. Compensation Systems for Executive Officers

Compensation for executive officers consists of position-based compensation and performance-based compensation. Performance-based compensation comprises cash compensation determined on the basis of the Company's annual operating results as well as Performance Share Units that reflect medium-to long-term results. In order to maintain and increase motivation to fully carry out business, a significant ratio of compensation is accounted for by performance-based compensation (details follow). Furthermore, the composition of

compensation paid to executive officers who take senior positions places a greater emphasis on the performance-based variable portion.

Any executive officer holding a concurrent position as director is paid only the amount of compensation due an executive officer.

Position-based compensation (fixed compensation)	Performance-based compensation (variable compensation; standard amount)		Total
Cash compensation	Cash compensation(annual incentive)	Performance Share Units (medium- to long-term incentive)	
50%-60%	20%-25%	20%-25%	100%

Note:

The percentage figures for performance-based compensation stated above are standard amounts presented as ratios to total compensation.

With regard to performance-based compensation, the "standard amount" is the amount paid when the annual performance targets for the previous fiscal year are by and large met and, in the case of the Performance Share Units of said portion, the amount paid per year when the ROE for the final fiscal year covered by the medium-term management plan substantially exceeds (by approximately 15% or more) the targeted amount.

(1) Position-based compensation (fixed compensation)

The position-based fixed portion is determined by the nature and scope of responsibilities held by each individual.

(2) Performance-based compensation (variable compensation)

Performance-based compensation consists of cash compensation (annual incentive) and Performance Share Units (medium- to long-term incentives).

Basis for the calculation of performance-based compensation (variable compensation) for executive officers

(1)Cash compensation (annual incentive):

The cash component is determined based on the Company's annual operating results and individual achievements in the previous fiscal year. The amount allocated to this portion may be as low as zero or as high as one and a half 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, 4) the Common Equity Tier 1 ratio, and 5) the performance of the Group's mainstay operations. 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 Compensation Committee also assesses the achievements of each executive officer based upon the performance of said executive officer and other factors.

The Group's performance Determined by the committee based on the level of achievement regarding the aforementioned five indices	×	Individual performance Determined by the committee based on individual achievements and other factors	=	Cash compensation for executive officers (annual incentive)

(2) Performance Share Units (medium- to long-term incentives):

Performance Share Units (PSUs) are paid to individuals in executive positions at Resona Holdings, Inc., Resona Bank, Limited and Saitama Resona Bank, Limited. The term of the PSU plan coincides with the term of the medium-term management plan (April 2017 to March 2020).

The aim of PSUs is to increase the incentive for these individuals to realize the aims of the Company's medium-term management plan while linking the compensation system itself more closely to shareholder value.

Shares of the Company and other compensation will be delivered in a single lump sum once the delivery ratio is fixed. The delivery ratio may be any amount between 0% and 100%, depending upon the consolidated ROE (based on shareholders' equity) for the fiscal year ending March 2020, the final year under the medium-term management plan. Common stock accounts for 60% of the overall value of PSUs and cash compensation accounts for the remaining 40%, giving consideration to the income taxes borne by the recipients.

In addition, the Company has set its consolidated ROE target at 10% or greater for the final year of the medium-term management plan. When this target is met, the delivery ratio will be 50% of the upper limit.

[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. Corporate Governance Office personnel provide 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 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.

Opinions or requests made at meetings of the Board of Directors are acted on by the Corporate Governance Office and the status and results of steps taken based on such opinions and requests are periodically reported to outside directors and the Board of Directors.

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 conditions	Date of retirement from the office of president	Current term of office
Takuji Watanabe	Senior Advisor to Saitama Resona Bank	Taking concurrent position at external entities	Part time with compensation	March 31, 2014	One year
Masahito Kamijo	Senior Advisor to Saitama Resona Bank	Taking concurrent position at external entities	Part time with compensation	March 31, 2015	One year

Notes:

1. Information presented above describes the status of individuals who serve as senior advisors to the Resona Group subsequent to retirement from the office of president at Resona Bank or Saitama Resona Bank.
2. 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.

3. 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.
4. 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.

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 11 directors, six of whom are outside directors, and the numbers of male and female directors are nine 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 and Saitama Resona Bank 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 2018, the Board of Directors met 16 times, with an average attendance rate among the directors of 96.7%.

Nominating Committee

The Nominating Committee comprises three 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 13 times in fiscal 2018. 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 2018. 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 2018, the committee met five 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 2018, this committee met 43 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 2018 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, 2019, the Internal Audit Division was composed of a general manager and 114 support staff, 83 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 2018. The relevant accounting audit was conducted by the following certified public accountants.

Deloitte Touche Tohmatsu LLC
Ayako Makino (Two years)
Keisuke Yamaguchi (Three years)
Kenji Ota (Four years)
(35 other support staff)
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 Update

	Supplementary Explanations
Early Notification of General Shareholder Meeting:	Distributed convocation notices 16 days prior (June 5) to the General Meeting of Shareholders date (June 21)
Scheduling Annual General Shareholder Meetings Avoiding the Peak Day:	Held the Annual General Meeting of Shareholders six days prior (June 21) to the peak shareholder meeting date (June 27).
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:	A voting rights electronic exercise platform for institutional investors has been established for use from the fiscal 2007 Annual General Meeting of Shareholders. For the Company's 18th Ordinary General Meeting of Shareholders, the convocation notice was posted on the Company's website and the website of the Tokyo Stock Exchange on May 24, 2019, 12 days prior to the physical mailing of such notice (June 5).
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	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.

2. IR Activities Update

	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	The Company provides briefings on the Group's business, financial performance and business strategies as well as other important information through the following initiatives. ● Corporate briefings using live broadcasting via the Internet, with the Representative Executive Officer (President) giving presentations. The content of briefings is available upon demand. ● Corporate briefings at securities companies' branch offices, with the Representative Executive Officer(the Executive Officer in charge of the Finance and Accounting Division) giving presentations (annually 12 occasions) ● Participation in the Nikkei IR Investment Fair 2018 hosted by Nikkei Inc., a leading

		domestic business newspaper publisher (The Representative Executive Officer (the Executive Officer in charge of the Finance and Accounting Division) gave corporate briefings)

Periodic Investor Briefings for Analysts and Institutional Investors:	Yes	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 Representative Executive Officer (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.

Periodic Investor Briefings for Overseas Investors:	Yes	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. 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. In addition to the above, the Representative Executive Officer (President and the Executive Officer in charge of the Finance and Accounting Division) undertake individual visits to overseas investors while holding individual meetings with such investors in Japan on numerous occasions.

Posting of IR Materials on Website	Yes	IR presentation materials, financial results reports, securities reports, integrated reports and Resona Today (the Resona Group's bulletin report) as well as the Company's credit rating, Basel III information (capital adequacy), information and financial disclosure guidelines and *Basic Policy for Promoting Constructive Dialogues with Shareholders, Investors, etc.*, are posted on the Company's website: http://www.resona-gr.co.jp/holdings/english/investors/ir/presentation/ Presentation materials used at the aforementioned briefings on its operating results and the video recordings of such briefings are available through the Company's website along with summaries of presentations and ensuing question and answer sessions.

Establishment of Department and/or Manager in Charge of IR	—	(IR Department): Finance and Accounting Division; (IR Executive Officer): Satoshi Fukuoka (IR Inquiries): Finance and Accounting Division, Narunobu Ota, General Manager

3. Measures to Ensure Due Respect for Stakeholders Update

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Resona Group's *Corporate Mission* defines a set of core values shared by all officers and employees and provides guidelines for their business conduct. The *Resona Way* (Resona Group Corporate Promises) determines the fundamental stance of the Group in its pursuit of the *Corporate Mission*. Based on these values, the Company formulated *Resona Group CSR Policies* 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. Having identified the pursuit of United Nations Sustainable Development Goals (SDGs) as its key initiative, in February 2018 the Company established the Group SDGs Promotion Committee chaired by President of Resona Holdings, with the aim of advancing its CSR activities. In November 2018, the Company also announced 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.
Initiatives to Facilitate the Realization of SDGs	The Company identified the four priority themes that must be addressed by the Resona Group. These themes are (1) local communities; (2) the low birthrate and an aging society; (3) the environment; and (4) human rights. Going forward, the Company will strive to live up to its commitment announced via RSC2030. To this end, the Company will help resolve environmental and social issues while facilitating the sustainable development of society. In addition to the Company's website, the Company utilizes various disclosure materials to publicize its initiatives. The following are a few examples of the Group's initiatives aimed at facilitating the realization of SDGs. Local Community Programs <Service Reforms> In its ongoing efforts to enhance customer services, the Resona Group continues to implement a variety of measures. These measures include the "shorter waiting time" campaign and the establishment of counters that are open until 5 p.m.* The Group also increased the number of branches operating during national holidays. As part of strengthened initiatives for improving accessibility, the Group puts its emphasis on making its branches more convenient for the elderly and people with disabilities. To that end, the Group has set up Priority ATMs that preferentially offer ATM service to such individuals, along with Priority Seats for their convenience. At the same time, for those who use wheelchairs, the Group introduced lower desks and set up the booths for viewing safety deposit boxes with accessibility in mind. Moreover, employees who complete the "Ninchishō (Dementia) Supporter" training program (sponsored by Japan's Ministry of Health, Labour and Welfare) are assigned to every Resona Group bank branch. In these ways, the Resona Group is working to create bank branches that guarantee access and peace of mind for all visitors. *As of April 2019, these counters are maintained at branches run by Resona Bank, Limited and Saitama Resona Bank, Limited as well as those formerly run by The Kinki Osaka Bank, Limited and currently under the management of Kansai Mirai Bank, Limited. <CSR Initiatives through the Provision of Financial Services> In addition to these initiatives, the Resona Group undertakes various activities in response to an aging society with rapidly declining birthrates. These activities include developing products and services to accommodate customer needs relating to asset inheritance. Moreover, the Resona Group promotes various other activities that aim to help solve issues in communities through financial services—the Group's field of expertise—such as providing support for regional corporations through various orientations and business matchmaking events, implementing plans to support new product development and the recruiting activities of regional corporations. Programs for the Next Generation <Resona Kids' Money Academy> As part of efforts to contribute to local communities and society at large, since 2005 the Resona Group has been active in helping children learn financial and economic subjects. During the summer 2018 school vacation period, events were held at 231

locations nationwide. The more than 4,000 children who participated were introduced to the importance of money and how it links to realizing future dreams. Since the program's inception, the cumulative total of participants has exceeded 37,000.

Note: Number of locations and participants include figures associated with Mirai Kids' Money Academy events.

<Supporting Human Resource Nurturing Overseas>To help nurture human resources capable of serving as bridges between Japan and other countries, the Resona Group makes ongoing contributions to overseas scholarship programs. Utilizing proceeds from the management of donations contributed by Resona Bank, the University of Hong Kong and the Chinese University of Hong Kong maintain a "Resona Bank Scholarship Program." Meanwhile, Bank Resona Perdania in Indonesia grants scholarships to students studying at Darma Persada University. In fiscal 2018, Bank Resona Perdania also presented lectures at this university with the aim of nurturing financial literacy under the theme "knowing Indonesia's banks and the country's financial industry."

<Contribution of Funds for Activities Undertaken by The Resona Foundation for Future >
In November 2015, the Resona Group established and began funding the activities of The Resona Foundation for Future. With the objective of helping single parent households, The Resona Foundation for Future has been providing scholarships for a cumulative total of 180 high school students in need of financial assistance to support their pursuit of higher education. It also hosted various cultural exchange events involving outdoor recreation activities, inviting a cumulative total of 208 people to take part. Furthermore, the Foundation has provided a total of 12 people with career assistance, helping them raise their career awareness and establish economic independence. Thanks to the pursuit of social contribution activities on these three fronts, the Foundation was certified as a public interest incorporated foundation under the Japanese laws, transitioning from the former status of general incorporated foundation in April 2018.

<Supporting the nationwide "School Festival for the Special Needs School">
Since 1994, the Resona Group has been supporting initiatives undertaken by the Nationwide Special Needs School Alliance for Cultural Activities., presenting Resona Group Awards to participants of the annual "School Festival for the Special Needs School" sponsored by this alliance. In 2014, in conjunction with the establishment of the "Re: Heart Club," a volunteer-based initiative run by Group employees, the Group began holding award ceremonies at the Resona Group's Tokyo Head Office. These annual ceremonies honor a number of students who created outstanding artwork and were chosen to receive Resona Group Awards and their family members are invited to attend. Thanks to these longstanding initiatives, in December 2017 the Group was chosen to by the Ministry of Education, Culture, Sports, Science and Technology to receive the Minister's Awards as a Supporter of Lifelong Learning for People with Disabilities.

Environmental Initiatives

Promoting Environmental Management
With the aim of clarifying its approach to environmental initiatives, the Resona Group has formulated the *Resona Group Environmental Policies* and is giving appropriate consideration to environmental preservation in the course of its corporate activities. The Resona Group works to ensure that each officer and employee is able to clearly perceive their mission to do their best to preserve the global environment as a community member.

The Resona Group acquired ISO14001 environmental management system certification for its head office buildings in Tokyo and Osaka and the Resona Group OBP Office Building as well as for Saitama Resona Bank's Head Office building. As such, the Resona Group is working to establish an effective environmental management system. Also, through its mainstay activities, the Resona Group offers a variety of products, including eco housing and other environmental protection-related loans, SRI funds and community trusts to help finance environmental protection-related activities.

Initiatives in Financing
The Resona Group's *Credit Policy,* which lays out its basic principles for credit risk management, includes a statement regarding its commitment to giving due consideration to the environment in the course of financing. Specifically, the Group is committed to abstaining from providing finance to development and other types of projects that pose a significant threat to the environment. The Group also aspires to assist customers who engage in environment-friendly initiatives by proactively providing financial services.

The aforementioned commitment is also featured in "Our Fundamental Stance toward Financing Services," which is posted on the Company's website to publicize its stance toward financial services that give due consideration to social and environmental concerns. (Japanese only.)

Environmental Protection Initiatives

Initiatives undertaken by the "Re: Heart Club," which is run by employee volunteers, include a tree planting project titled "Resona cultivates bonds" aimed at facilitating reconstruction efforts being undertaken to help disaster-hit communities, especially the restoration of forest reserves that previously lined coastlines devastated by the Great East Japan Earthquake. In fiscal 2018, the project marked its sixth anniversary, with a total of 126 employees participating in tree planting in said fiscal year.

Diversity Management

Policies and Structures for Diversity Promotion

The Resona Group believes that a diverse workforce best enables employees to appreciate different ways of thinking, inspire one another, drive innovation and feel their job rewarding. The Group also recognizes that diversity promotion is essential to securing medium- to long-term corporate growth. Accordingly, the Group is proactively promoting diversity management.

For example, 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 working environment for middle-aged or older staff, people with disabilities and sexual minorities—a workplace in which everyone understands and respects the characteristics of their fellows. By doing so, the Group is helping its employees work vibrantly and pursue their full potential.

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 diversity promotion initiatives and the Company's performance vis-à-vis targets are periodically reported to and discussed by the Board of Directors, ensuring that all directors are updated on this issue.

Please also refer to the Company's website for details of diversity management.
(https://www.resona-gr.co.jp/holdings/english/csr/activity/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 the "Female Employees' Networking Seminar" 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 expectant mothers, those raising infants 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 initiated the Diversity Management Training as part of curriculum at Resona Business School, striving to raise diversity awareness among those in managerial positions.

- Resona Bank and Saitama Resona Bank mandate that the heads of all business units must attend seminars aimed at nurturing managers who proactively assist their staff's engagement in childrearing. At each workplace, there are those 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. In fiscal 2018, all eligible male employees at Resona Bank and Saitama Resona Bank were able to take childcare leave or utilize similar programs. Also, these banks began switching a portion of childcare leave to additional paid leave, stepping up efforts to encourage male employees to take childcare leave.
- The Company holds "Nursing Care Seminars" periodically and has put in place an in-house counseling desk to help employees address nursing care issues they are facing.

■ 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 hinder them from serving at the 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 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.

<Current Status and Future Target for Promoting Female Workers>

By implementing and further enhancing initiatives aimed at aiding female workers' career development, the Resona Group will increase their representation among managerial personnel in line with the following target.

	Fiscal 2018 result	2020 target
Indicator: Proportion of female workers in managerial or higher positions	28.3%	30.0%

The status of women's participation assessed by other indicators is as follows.

	Fiscal 2018 results
Proportion of women among new recruits	55.3%
Proportion of women among those who have been newly promoted to managerial positions	38.9%
The number of female workers in managerial or higher positions	903

Of the 10 directors serving at Resona Holdings, one director (outside director) is female. Also, two of the 13 executive officers are women. Thus, the proportion of female representation among directors and executive officers amounts to 13.0%.

Note: All figures presented above are the sum of Resona Bank, Limited and Saitama Resona Bank, Limited.

<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. 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. 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 2018 rating program sponsored by work with Pride (wwP), an NPO aimed at assisting sexual minorities in their pursuit of equal rights, for the second consecutive year.

Development of Policies on Information Provision to Stakeholders	The Resona Group formulated its *Basic Policy on Information Disclosure and Financial Reporting* 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.

IV. Matters Related to the Internal Control Systems

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

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.

(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 an 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.

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. The Service Quality Management Committee is composed of members from these management divisions. Through the implementation of cross-organizational initiatives based on the deliberation and management conducted by the Group Compliance Committee and the Service Quality Management Committee, the Resona Group is taking on the challenge of becoming the most-trusted banking group.

(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 and Saitama Resona Bank; 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

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.

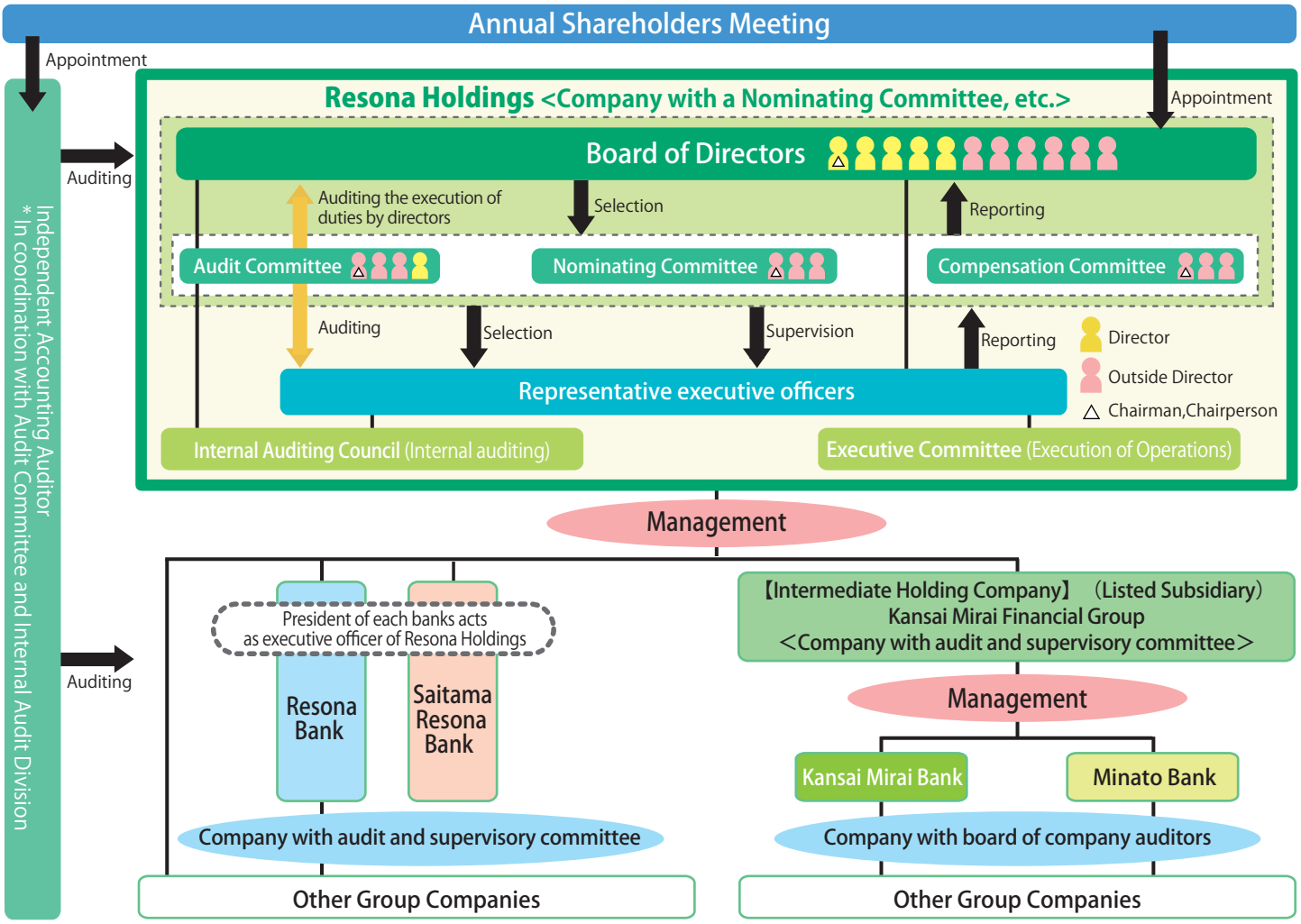
2. Formulation of Internal Rules Concerning Timely Disclosure

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】

