

Financial Highlights for Fiscal Year 2020



Resona Holdings

RESONA

May 11, 2021

Outline of Financial Results for FY2020

■ Net income attributable to owners of parent: JPY124.4 bn

- Down JPY27.9 bn, or 18.3%, YoY
Progress rate against the full year target*1 : +3.7%

■ Actual net operating profit: JPY224.0 bn

Down JPY17.9 bn, or 7.4%, YoY

- **Gross operating profit: JPY639.1 bn**, Down JPY19.5 bn, or 2.9%, YoY

- Net interest income from domestic loans and deposits:
Down JPY2.2 bn, YoY
Average loan balance: +6.42%, YoY, Loans rate : down by 7bps, YoY
[Excluding loans to the Japanese government and others]
Average loan balance: +3.25%, YoY, Loans rate: down by 4bps, YoY

Loans bal. surpassed the plan, loans rate was in line with the plan.

- Fee income: Up JPY1.2 bn, YoY, Fee income ratio : 29.9%

Corporate solution and settlement have been robust, AUM has been back on course of recovery.

- Net gains on bonds (including futures): Up JPY2.7 bn, YoY

- **Operating expenses: JPY415.5 bn**, improved by JPY1.6 bn, YoY

Both personnel and non-personnel expenses decreased.

■ Credit related expenses: JPY57.4 bn (cost)

Increased by JPY34.4 bn, YoY

Provisioned loan loss reserves from a preemptive standpoint by taking into account the potential impact from the long-lasting COVID-19 situation.

■ Completion of making KMFG a wholly-owned subsidiary of HD on April 1, '21

- Accelerate further group synergies and management resources optimization by strengthening the group's management integration
- Implement share buy-back to neutralize dilutive effect on EPS (May 12 – Sep. 30, up to 88 million shares)

	HD consolidated (JPY bn)	FY2020		YoY change		Target for FY2021 (d)
		(a)	(b)	%		
				(c)		
Net income attributable to owners of parent	(1)	124.4	(27.9)	(18.3)%		145.0
EPS (yen)	(2)	54.19	(12.08)	(18.2)%		
BPS (yen)	(3)	1,008.82	+104.22	+11.5%		
ROE(stockholders' equity) ²	(4)	6.88%	(2.03)%			
Gross operating profit	(5)	639.1	(19.5)	(2.9)%		
Net interest income	(6)	417.4	(13.6)			
Nil from loans and deposits ³	(7)	340.3	(2.2)			
Fee income	(8)	191.4	+1.2			
Fee income ratio	(9)	29.9%	+1.0%			
Trust fees	(10)	19.2	+0.1			
Fees and commission income	(11)	172.2	+1.1			
Other operating income	(12)	30.1	(7.1)			
Net gains on bonds (including futures)	(13)	14.0	+2.7			
Operating expenses (excluding group banks' non-recurring items)	(14)	(415.5)	+1.6	+0.3%		
Cost income ratio (OHR)	(15)	65.0%	+1.6%			
Actual net operating profit	(16)	224.0	(17.9)	(7.4)%		
Net gains on stocks (including equity derivatives)	(17)	37.2	+27.9			
Credit related expenses, net	(18)	(57.4)	(34.4)			
Other gains, net	(19)	(19.5)	(3.3)			
Net income before income taxes and non-controlling interests	(20)	184.3	(27.8)	(13.1)%		
Income taxes and other	(21)	(54.6)	+2.1			
Net income attributable to non-controlling interests	(22)	(5.2)	(2.2)			

*1. Full year target of FY2020: JPY120.0 bn

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

*3. Total of non-consolidated domestic banking accounts of group banks, deposits include NCDs

Updates on Businesses under the COVID-19 Pandemic(1)

Fulfilling our mission as a social infrastructure under the COVID-19 pandemic

Local Communities and Customers

- All domestic branches have maintained the provision of full-line banking services
- Business support including cash flow support
- Expansion of digital channels etc.



(Poster at branches)

Employees

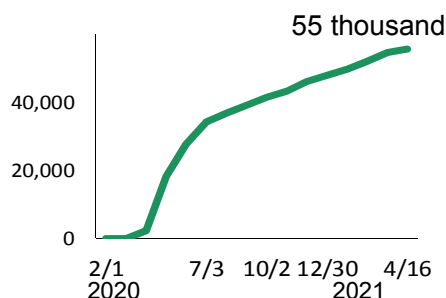
- Promote diverse working styles such as working from home or at satellite offices
- Expansion of on-line training sessions and education system etc.

Loan businesses trends in FY2020

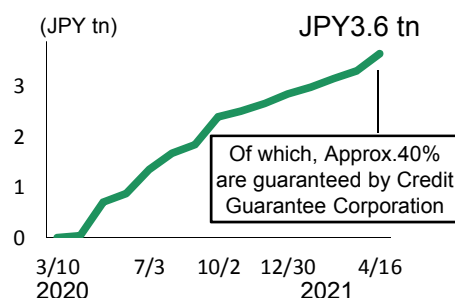
Loans and cash flow support for corporate customers

- Loans balance surpassed the plan mainly due to increase in loans demand from corporate customers
 - Average corporate loan balance excluding loans to HD: +6.31%, YoY

[# of COVID-19 related consultation*1]



[COVID-19 related loan origination*1]



- Response to demand for solutions to strengthen stronger financial base under the circumstance with COVID-19

➢ Utilize JPY31.0 bn of capital support fund*2

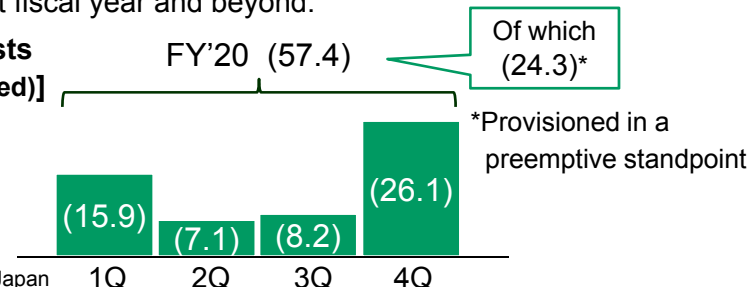
Housing loan

- Origination amount continued to be high level due to robust home acquisition demand
 - Residential housing loan origination: FY'20 JPY1.3 tn (+ 6.5%, YoY)
- Provide consultation regarding repayment flexibly
- Sound portfolio Subrogation payment ratio*3: 0.02%

Credit costs

- Provisioned loan loss reserves from a preemptive standpoint by taking into account the potential impact from the long-lasting COVID-19 situation, which reduced downside risks in the next fiscal year and beyond.

[Credit costs (consolidated)] (JPY bn)

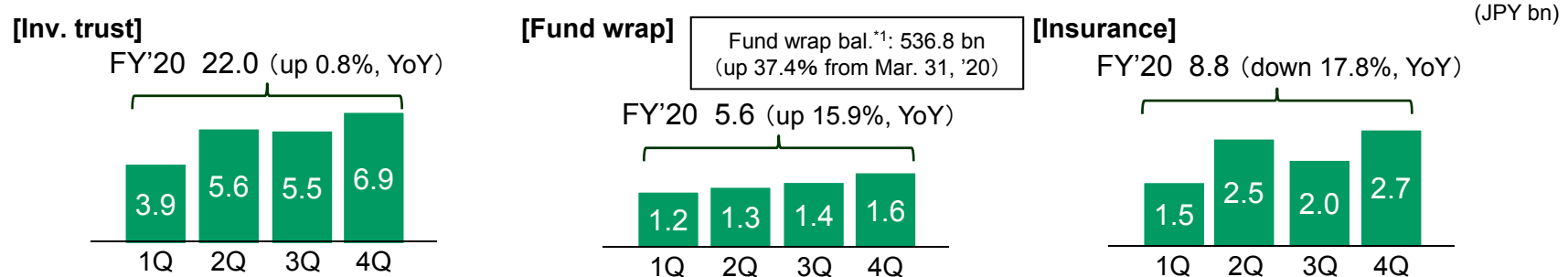


*1. Total of group banks based on the report from each bank *2. Funds cooperated with Development Bank of Japan and Resona stand alone funds *3. Housing loans guarantee subsidiaries' subrogation ratio x (1-collection after subrogation), residential housing loans + apartment loans

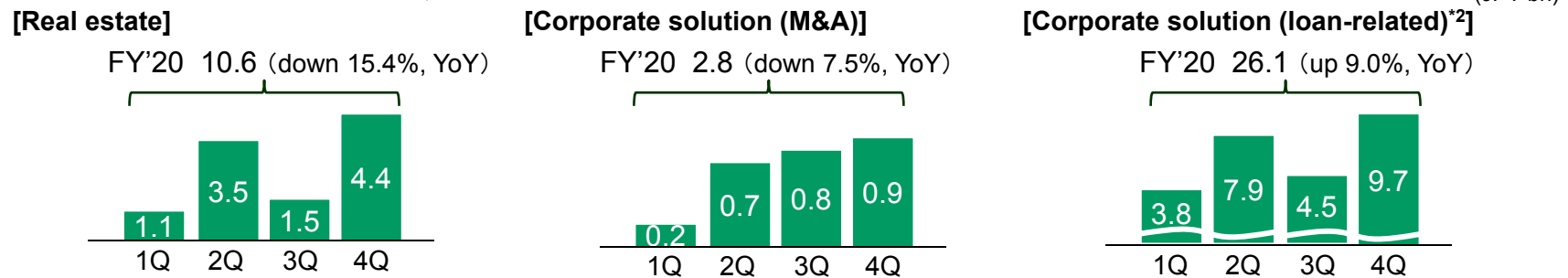
Updates on Businesses under the COVID-19 Pandemic(2)

Fee businesses trends in FY2020

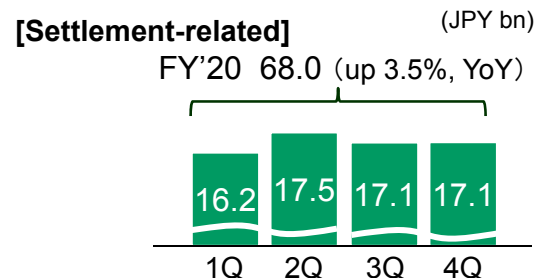
■ **Income from asset formation support businesses:** On a recovery trend mainly driven by fund wrap



■ **Succession (Real estate/M&A) and loan-related income:** Succession-related income decreased due to constraint on face-to-face business activities, while loan-related income has been on the rise



■ **Settlement and cashless-related Income:** On a stable trend mainly due to EB and debit card



- Resona Group App
 - Approx. 3.67 million downloads (+1.43 million from Mar. 31, '20)
- Resona Debit Card
 - # of debit card issued: 2.43 million (+0.42million from Mar. 31, '20)
 - Income from debit card: 3.3 billion (+45.6% , YoY)



*1. Balance of fund wrap (including corporation) of Mar. 31 '21

*2. Income from commitment line, syndicated loans, covenants, and private notes

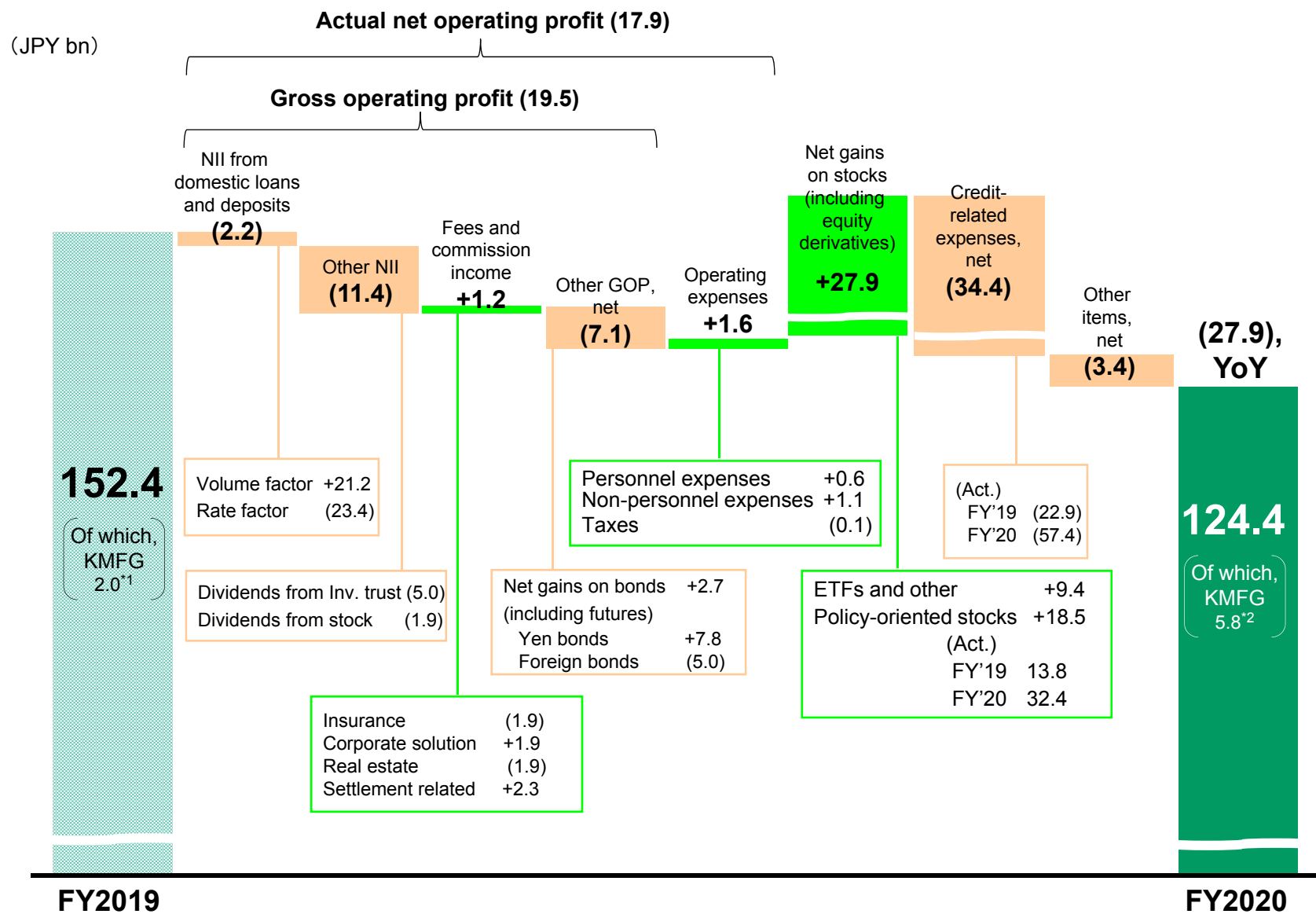
Breakdown of Financial Results

(JPY bn)	Resona Holdings (Consolidated)		Total of group banks		Resona Bank	Saitama Resona Bank	Total of group banks under KMFG	Difference				
	(a)	YoY	(c)	YoY					(e)	(f)	(g)	(a)-(c)
		(b)		(d)								
Gross operating profit	(1)	639.1	(19.5)	583.0	(22.3)	339.3	110.5	133.0	56.0			
Net interest income	(2)	417.4	(13.6)	410.3	(16.5)	221.5	83.2	105.5	7.1			
Nil from domestic loans and deposits	(3)			340.3	(2.2)	173.8	70.1	96.2				
Gains/(losses) on cancellation of investment trusts	(4)	1.6	(1.9)	1.0	(2.4)	(1.6)	(0.0)	2.6	0.5			
Fee income	(5)	191.4	+1.2	143.9	+1.5	94.4	25.7	23.7	47.5			
Fee income ratio	(6)	29.9%	+1.0%	24.6%	+1.1%	27.8%	23.3%	17.8%				
Trust fees	(7)	19.2	+0.1	19.2	+0.1	19.1	0.0		(0.0)			
Fees and commission income	(8)	172.2	+1.1	124.6	+1.3	75.2	25.7	23.7	47.5			
Other operating income	(9)	30.1	(7.1)	28.7	(7.2)	23.4	1.5	3.8	1.4			
Net gains on bonds (including futures)	(10)	14.0	+2.7	13.9	+2.1	12.9	(0.1)	1.1	0.1			
Operating expenses (excluding group banks' non-recurring items)	(11)	(415.5)	+1.6	*1 (390.9)	+2.5	(209.8)	(75.1)	*1 (105.9)	(24.6)			
Cost income ratio (OHR)	(12)	65.0%	+1.6%	67.0%	+2.0%	61.8%	67.9%	79.6%				
Actual net operating profit	(13)	224.0	(17.9)	192.0	(19.8)	129.5	35.4	27.1	31.9			
Core net operating profit *2 (excluding gains/(losses) on cancellation of investment trusts)	(14)			183.0	(7.4)	122.5	37.1	23.4				
Net gains on stocks (including equity derivatives)	(15)	37.2	+27.9	40.9	+22.2	22.8	14.9	3.1	(3.6)			
Credit related expenses, net	(16)	(57.4)	(34.4)	(52.3)	(33.5)	(32.3)	(9.0)	(10.8)	(5.1)			
Other gains/(losses), net	(17)	(19.5)	(3.3)	(17.3)	(1.0)	(8.4)	(3.7)	(5.1)	(2.2)			
Net income before income taxes	(18)	184.3	(27.8)	163.3	(32.1)	111.5	37.5	14.3	20.9			
Income taxes and other	(19)	(54.6)	+2.1	(48.0)	+5.0	(32.3)	(11.1)	(4.5)				
Net income attributable to non-controlling interests	(20)	(5.2)	(2.2)									
Net income (attributable to owners of parent)	(21)	124.4	(27.9)	115.3	(27.1)	79.2	26.3	9.7				

*1. Exclude goodwill amortization by KMB, JPY(0.7) bn, related to acquisition of former Biwako Bank

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

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



*1. KMFG consolidated net income x 51.2%

*2. KMFG consolidated net income(1-3Q) x 51.2%, KMFG consolidated net income(4Q) x 60.4%

Trend of Loans and Deposits (Domestic Account)

Total of Group Banks

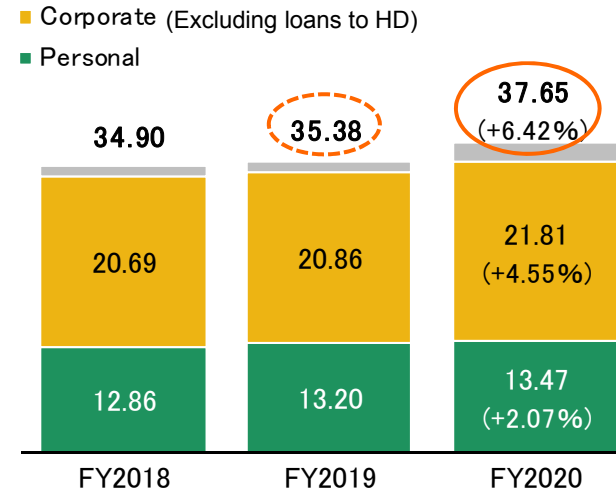
Average loan / deposit balance, rates and spread

- FY'20 (YoY)
 - Average loan balance : +6.42%, Loan rate : (7) bps
 - [Excluding loans to the Japanese government and others]
 - Average loan balance : +3.25%, Loan rate : (4) bps
 - => Full year (plan) +2.13% (3)bps

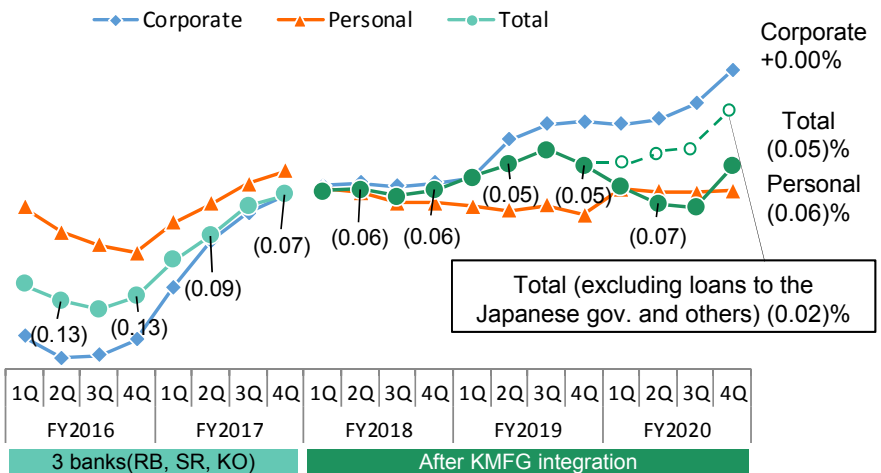
Avg. bal : Trillion Yen Income/Cost : Billion Yen		FY2020		FY2021	
		Act. (a)	YoY *3 (b)	Plan (c)	YoY *3 (d)
Loans	Avg. Bal. (1)	37.65	+6.42%	38.55	+2.39%
	Rate (2)	0.91%	(0.07)%	0.88%	(0.03)%
	Income (3)	345.8	(4.0)	341.3	(4.4)
Corporate Banking Business Unit *1	Avg. Bal. (4)	21.81	+4.55%	22.16	+1.60%
	Rate (5)	0.82%	(0.01)%	0.81%	(0.01)%
Corporate Loan	Avg. Bal. (6)	18.26	+6.31%	18.75	+2.67%
	Rate (7)	0.77%	(0.01)%	0.76%	(0.01)%
Personal Banking Business Unit *2	Avg. Bal. (8)	13.47	+2.07%	13.84	+2.74%
	Rate (9)	1.18%	(0.07)%	1.12%	(0.05)%
Deposits (Including NCDs)	Avg. Bal. (10)	56.04	+7.51%	56.99	+1.69%
	Rate (11)	0.00%	(0.00)%	0.00%	(0.00)%
	Cost (12)	(5.4)	+1.7	(4.7)	+0.7
Loan-to-deposit	Spread (13)	0.90%	(0.06)%	0.87%	(0.03)%
	Net interest income (14)	340.3	(2.2)	336.5	(3.7)

Trend of average loan balance, loan rate change

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



[Loan rate YoY change (%)]



*1. Corporate Banking Business Unit : Corporate loans (excluding loans to HD) + apartment loans, Figures are for internal administration purpose
 *2. Personal Banking Business Unit: Residential housing loans + other consumer loans, Figures are for internal administration purpose
 *3. Average balance : rate of change

Term-end Balance of Loans and Deposits

Total of Group Banks

Term-end loan balance

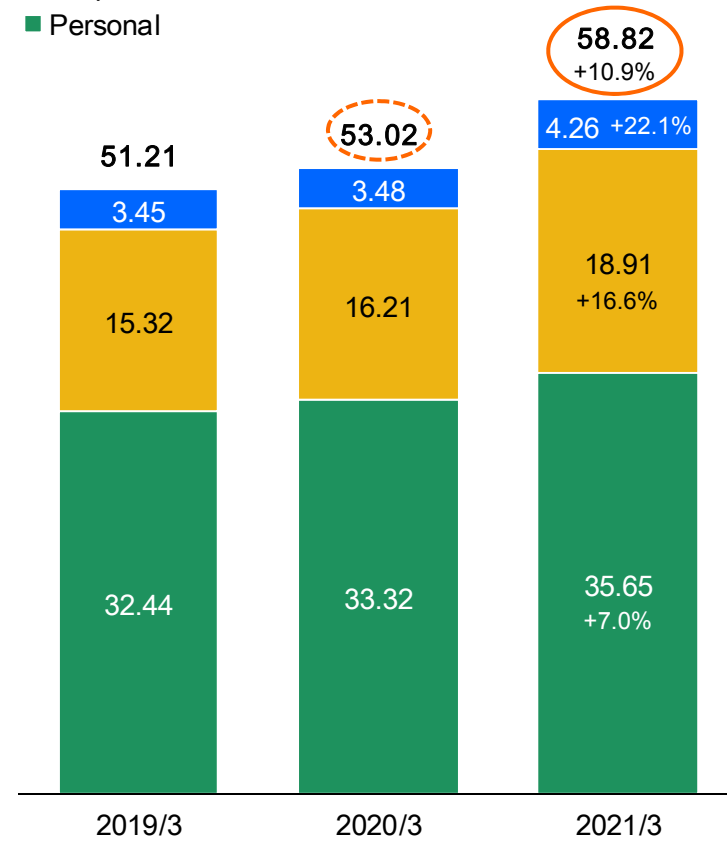
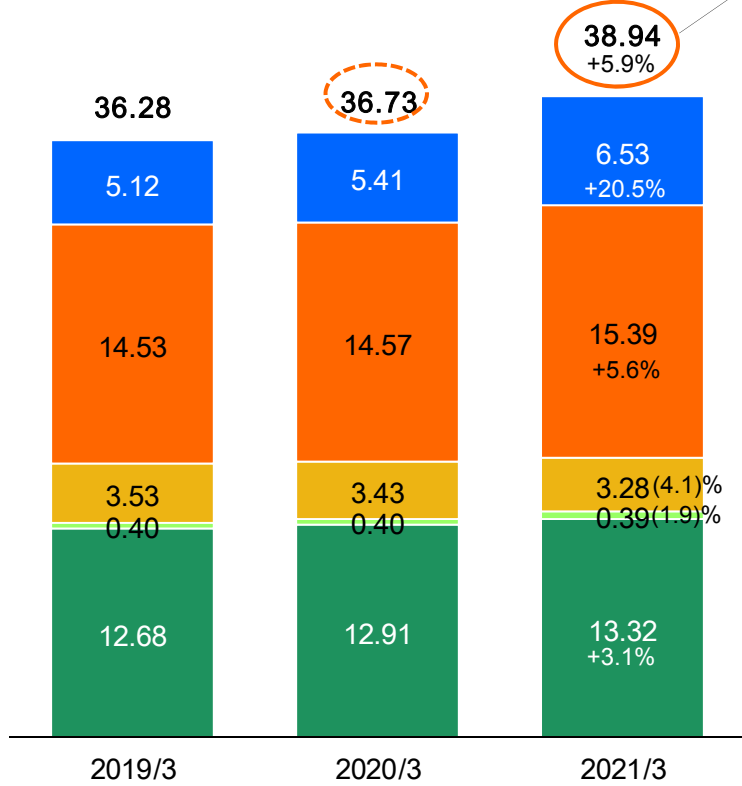
Term-end deposit balance

[JPY tn, % represents YoY change]

[JPY tn, % represents YoY change]

- Corporate (Large companies and other)
 - Corporate (SMEs)
 - Corporate (Apartment loans)
 - Personal (Consumer loans)
 - Personal (Residential housing loans)
- Of which, excluding loans to the Japanese gov. and others [1.23] +3.2%

- Other
- Corporate
- Personal



Housing Loan Business

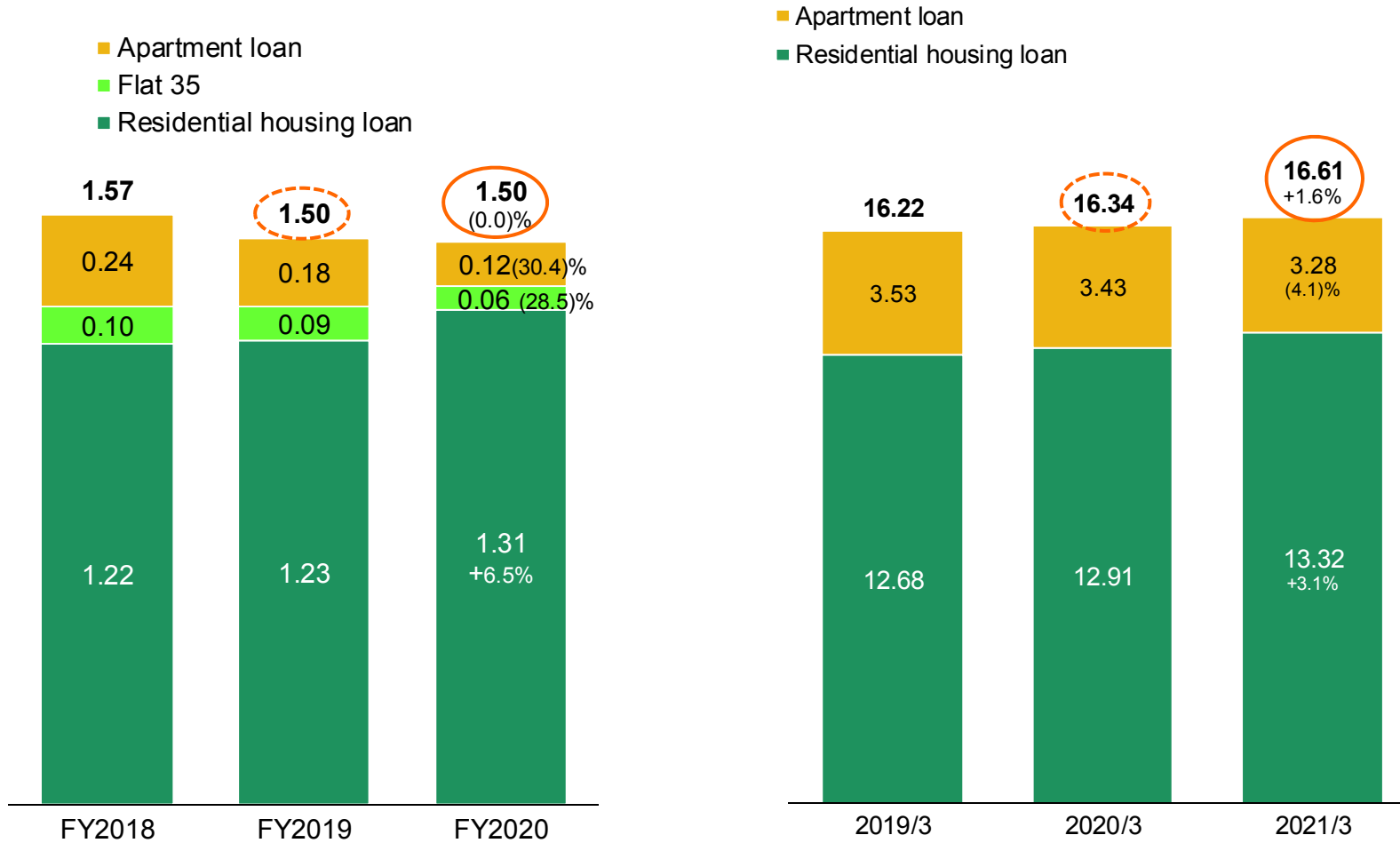
Total of Group Banks

New housing loan origination

Term-end housing loan balance

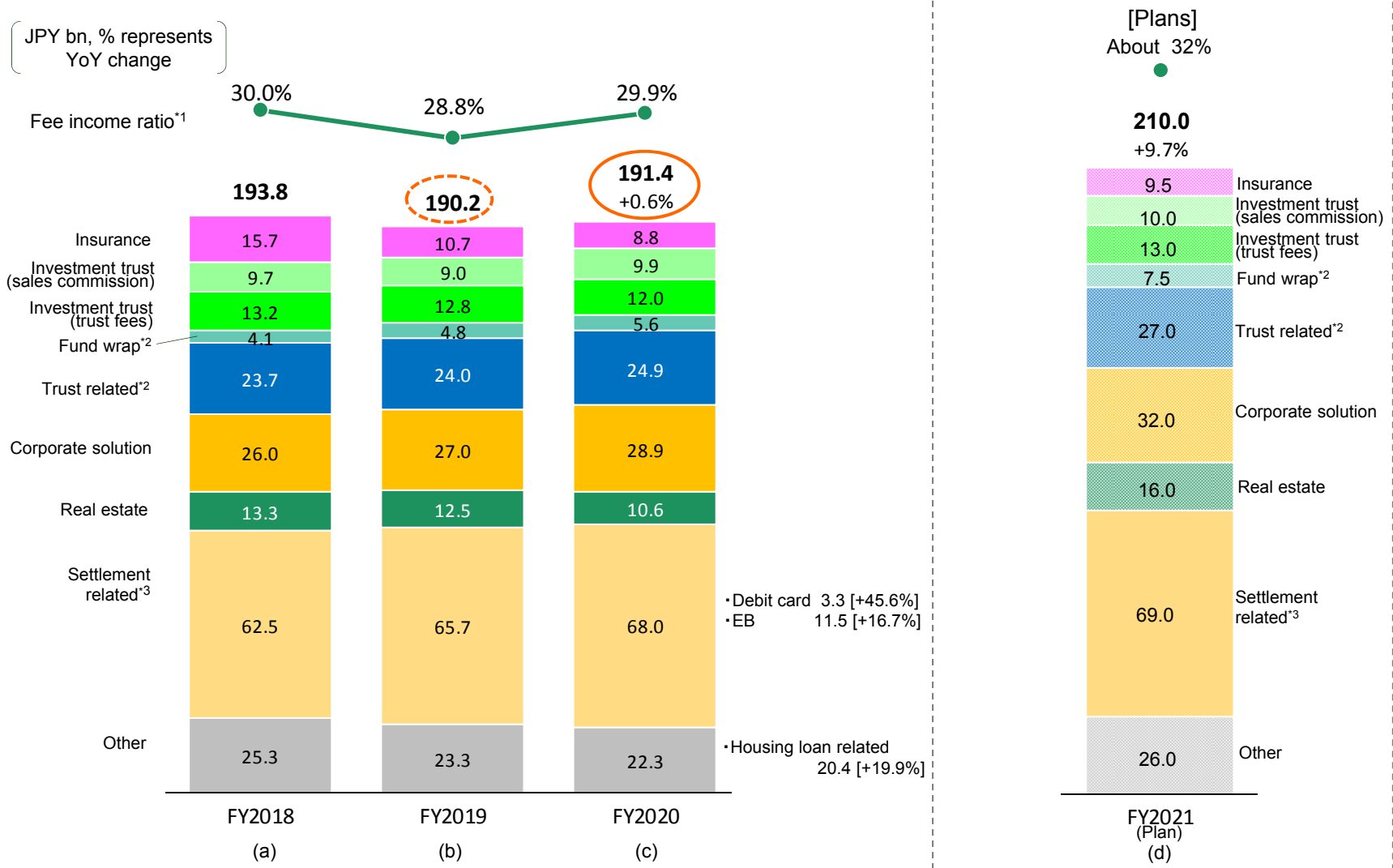
[JPY tn, % represents YoY change]

[JPY tn, % represents YoY change]



Fee Income

- Consolidated fee income ratio*1 : 29.9%
- Income from fund wrap (+15.9%, YoY), corporate solution (+7.1%, YoY) and settlement related (+3.5%, YoY) have increased. Income from Insurance and real estate have decreased by 17.8% and 15.4%, respectively.



*1. (Fees and commission income + trust fees) / Consolidated gross operating profit *2. Including fee income earned by Resona Asset Management

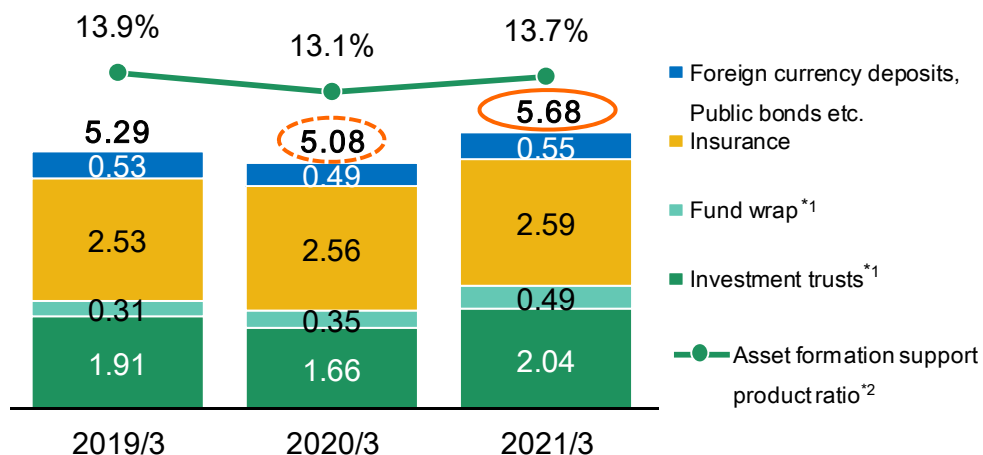
*3. Fees and commission from domestic exchange, account transfer, EB, debit card and fee income earned by Resona Kessai Service and Resona Card

Major Fee Businesses(1) (Asset Formation Support Business)

HD Consolidated

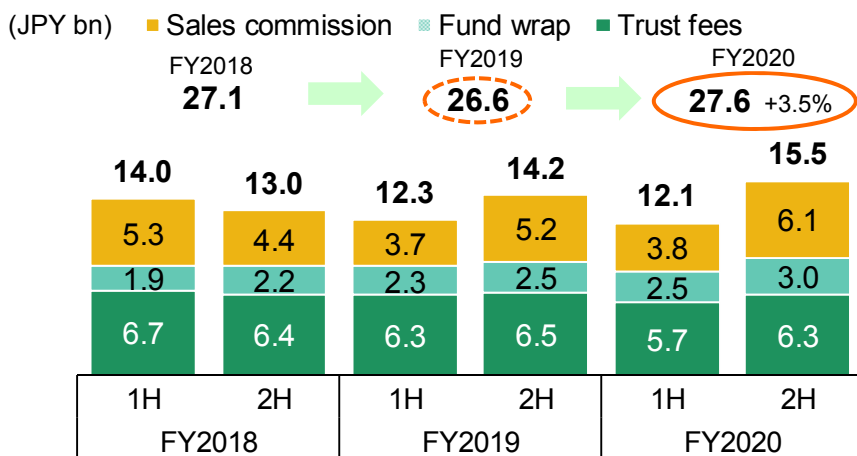
Balance of asset formation support products sold to individuals

(JPY tn)

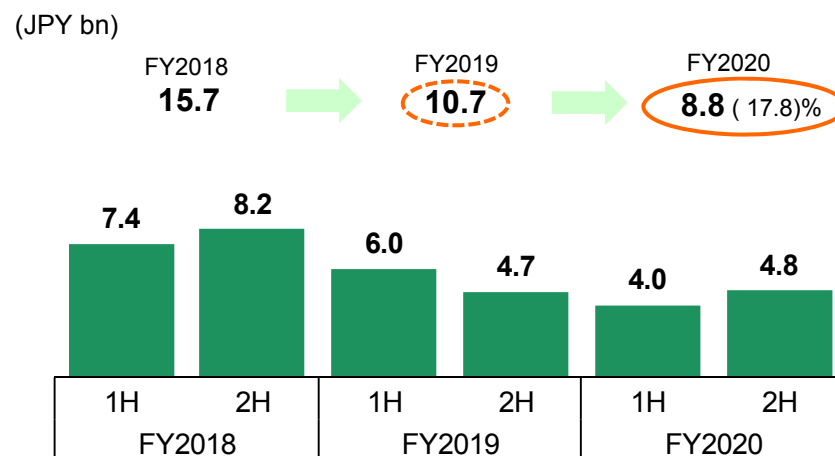


- Balance of fund wrap*1: '21/3 JPY490.9 bn (JPY536.8 bn including corporation)
- Change in balance of investment trust and fund wrap: FY'20 Approx. +JPY510.0 bn
 - Net inflow (new purchase – withdrawal and redemption): Approx. +JPY85.0 bn
- Number of individual customers having investment trust, fund wrap and insurance products: '21/3 936 thousand
 - NISA account holders*3: 387 thousand, +6.0%, YoY
- iDeCo participants*4: '21/3 135 thousand, +14.8%, YoY

Investment trust and fund wrap income



Insurance income



*1. Based on market value *2. Balance of asset formation support products sold to individuals / (balance of asset formation support products sold to individuals and yen deposits held by individuals) *3. NISA, Junior NISA, Cumulative NISA *4. iDeCo participants + members giving investment instructions

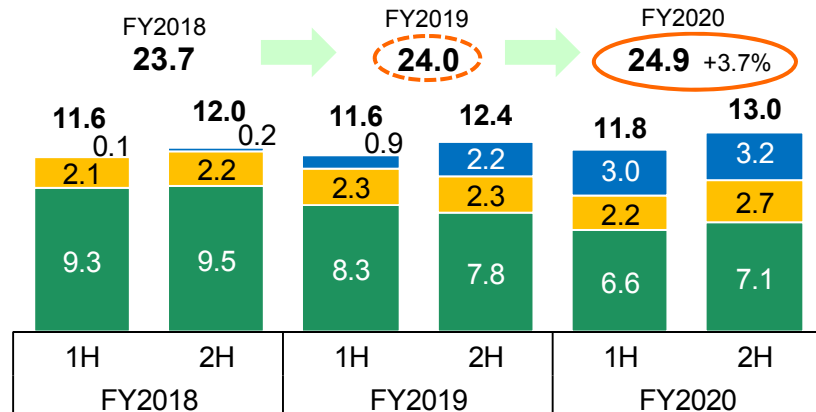
Major Fee Businesses(2) (Trust, Corporate Solution, Real Estate Business)

HD Consolidated

Trust-related business income

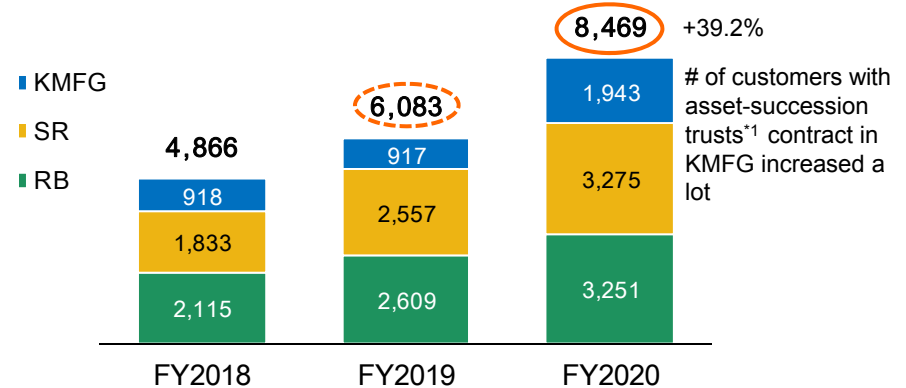
(JPY bn)

- Resona Asset Management
- Trust solution offered for asset and business succession
- Pension/Securities trust



- Expand business opportunities through providing group banks' customers with trust functions

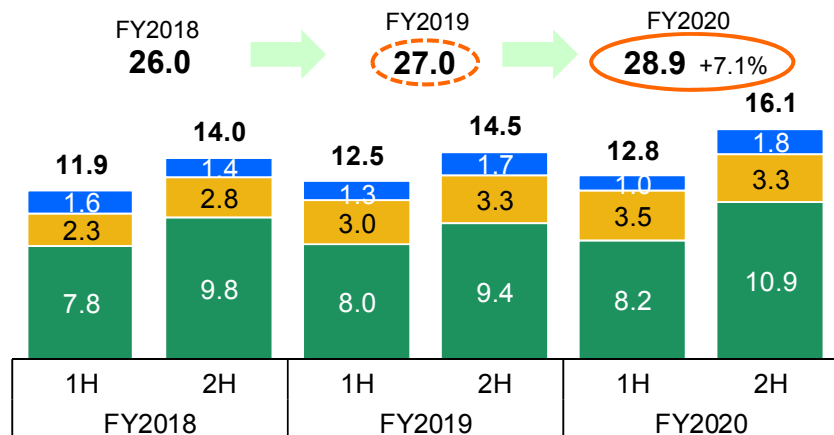
[Number of new asset succession-related contracts]



Corporate solutions business income

(JPY bn)

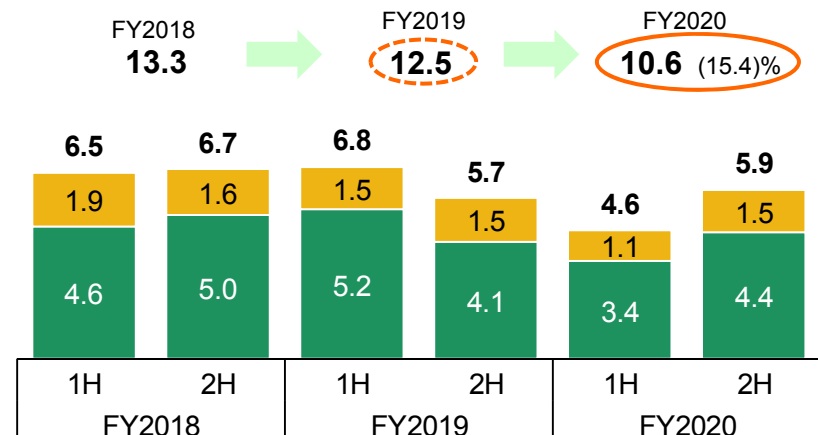
- M&A
- Private notes
- Commitment line, Syndicated loans, Covenants



Real estate business income*2

(JPY bn)

- Corporate
- Individual



*1. Heart Trust (package asset-succession trust product), My Trust (tailor-made asset-succession trust product)

*2. Excluding gains from investments in real estate funds

Credit Costs and NPL

HD Consolidated
Total of Group Banks

Credit costs

(JPY bn)	FY2018	FY2019	FY2020	FY2021 Plan
	(a)	(b)	(c)	(d)
Net credit cost (HD consolidated) (1)	(1.3)	(22.9)	(57.4)	(44.0)

Net credit cost (Total of group banks) (2)	0.1	(18.8)	(52.3)	(37.0)
General reserve (3)	11.2	(4.7)	(15.9)	
Specific reserve and other items (4)	(11.0)	(14.0)	(36.3)	
New bankruptcy, downward migration (5)	(31.3)	(27.1)	(45.0)	
Collection/upward migration (6)	20.2	13.1	8.7	

Difference (1) - (2) (7)	(1.4)	(4.1)	(5.1)	(7.0)
HL guarantee subsidiaries (8)	3.0	(2.3)	(0.5)	
Resona Card (9)	(2.2)	(2.1)	(1.5)	

<Credit cost ratio>

				(bps)
HD consolidated ^{*1} (10)	(0.3)	(6.2)	(15.0)	(11.0)
Total of group banks ^{*2} (11)	0.0	(5.0)	(13.4)	(9.1)

*(Note) Positive figures represent reversal gains

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

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

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

Outline of Preemptive provisioning in FY2020

Credit Costs in FY2020 (total of group banks)

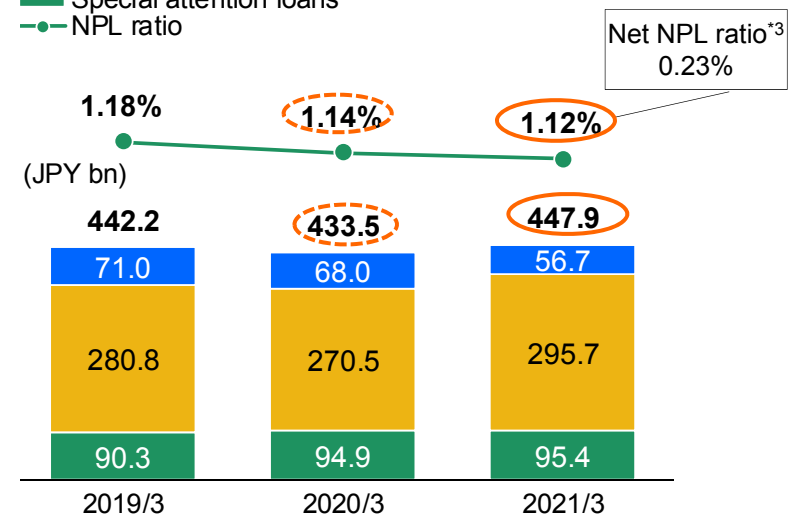
(JPY bn)

Total	(52.3)	
Preemptive provisioning	(24.3)	• Provisioned loan loss reserves from a preemptive standpoint against corporations in the industries that are expected to have a significant impact on credit risk by the effect of COVID-19
Top-down approach	(8.6)	<Portfolio-based response> • Provisioned additional loan loss reserves against other watch obligors(balance: approx. 510.0 bn)
Bottom-up approach	(15.7)	<Response to each corporation's> • Prepared to downside risk of corporations in a turnaround phase

NPL balance and ratio (total of group banks)

(Financial Reconstruction Act criteria)

- Unrecoverable or valueless claims
- Risk claims
- Special attention loans
- NPL ratio



Securities Portfolio

Total of Group Banks

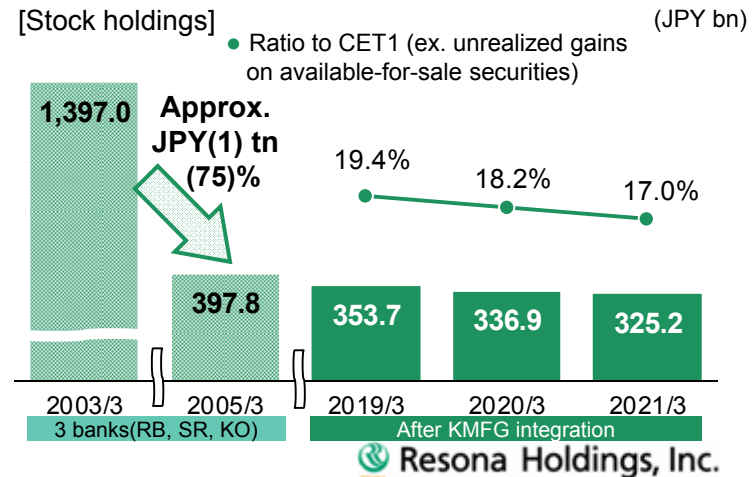
Securities portfolio*1

(JPY bn)	2019/3	2020/3	2021/3	Unrealized gains/(losses) (d)
	(a)	(b)	(c)	
Available-for-sale securities (1)	2,566.5	3,055.7	4,480.7	615.3
Stocks (2)	353.8	336.9	325.2	655.6
Bonds (3)	1,188.2	1,722.8	2,586.4	(13.1)
JGBs (4)	46.1	459.6	925.7	(15.4)
Average duration (years) (5)	6.7	14.8	13.1	-
Basis point value (BPV) (6)	(0.03)	(0.68)	(1.21)	-
Local government and corporate bonds (7)	1,142.0	1,263.1	1,660.6	2.3
Other (8)	1,024.5	995.9	1,569.0	(27.1)
Foreign bonds (9)	472.3	554.1	904.8	(26.8)
Average duration (years) (10)	5.3	2.4	6.3	-
Basis point value (BPV) (11)	(0.18)	(0.00)	(0.51)	-
Investment trusts (Domestic) (12)	540.6	435.0	658.4	(2.8)
Net unrealized gain (13)	598.3	420.7	615.3	
Bonds held to maturity (14)	2,127.4	1,968.4	1,942.2	11.5
JGBs (15)	1,539.5	1,144.2	1,035.6	6.6
Net unrealized gain (16)	47.1	28.1	11.5	

- Unrealized gains/(losses) in 3 assets (4)+(9)+(12) '19/3 +JPY2.4 bn ⇒ '20/3 JPY(6.9) bn ⇒ '21/3 JPY(45.1) bn
- CLO: Zero

Status of policy-oriented stocks held

- Balance of listed stocks disposed in FY2020 (acquisition cost basis): JPY11.6 bn, Net gain on sale: JPY32.9 bn (HD consolidated: JPY29.3 bn) Breakeven Nikkei average: Approx. 9,000 yen
- Policy for holding policy-oriented stocks
 - Since the capital enhancement with public funds, Resona Group has reduced the balance of the policy-oriented stocks to lessen the risk of price volatility. Our basic policy is to continue to reduce the balance of policy-oriented stocks.
 - The Group determines whether to hold policy-oriented stocks by evaluating the risks and returns, including feasibility of the development of a trading relationship in a medium- to long-term. The Group may also sell stocks in consideration of the market situations, management and financial strategies, even though the Group considers appropriate for holding from the risk-return perspective.
 - Plan to reduce JPY30.0 bn level in 3 years from Mar. '20
 - Aim to reduce the balance to 15% level of the CET1 capital*2



*1. Acquisition cost basis. The presented figures include marketable securities only
 *2. Excluding unrealized gains on available for sale securities

Capital Adequacy Ratio

HD
Consolidated

- CAR (Domestic std.) and CET1 ratio (International std.) as of Mar. 31, 2021 were 11.54% and 13.31%, respectively, maintaining sound capital adequacy level

Domestic standard				(Reference) International standard			
(JPY bn)	2020/3	2021/3	Change	(JPY bn)	2020/3	2021/3	Change
Capital adequacy ratio (1)	11.17%	11.54%	+0.37%	Common Equity Tier1 capital ratio (10)	12.28%	13.31%	+1.03%
Total capital (2)	1,947.0	2,003.4	+56.4	Excluding net unrealized gains on available-for-sale securities (11)	10.54%	10.81%	+0.27%
Core Capital: instruments and reserves (3)	2,012.4	2,076.3	+63.9	Tier1 capital ratio (12)	12.52%	13.50%	+0.98%
Stockholders' equity (4)	1,733.4	1,836.1	+102.6	Total capital ratio (13)	13.06%	14.14%	+1.08%
Adjusted non-controlling interests (5)	221.1	170.9	(50.2)	Common Equity Tier1 capital (14)	2,154.7	2,355.9	+201.2
Reserves included in Core Capital (6)	29.0	54.1	+25.1	Instruments and reserves (15)	2,232.9	2,436.5	+203.6
Subordinated loans and bonds subject to transitional arrangement (7)	60.4	43.5	(16.9)	Stockholders' equity (16)	1,733.4	1,836.1	+102.6
Core Capital: regulatory adjustments (8)	65.3	72.8	+7.5	Net unrealized gains on available-for-sale securities (17)	306.1	442.9	+136.7
Risk weighted assets (9)	17,427.7	17,351.9	(75.7)	Adjusted non-controlling interests (18)	178.7	143.4	(35.2)
				Regulatory adjustments (19)	78.1	80.5	+2.4
				Other Tier1 capital (20)	40.9	32.8	(8.0)
				Tier1 capital (21)	2,195.6	2,388.8	+193.1
				Tier2 capital (22)	95.4	114.2	+18.7
				Total capital (Tier1+Tier2) (23)	2,291.1	2,503.1	+211.9
				Risk weighted assets (24)	17,533.4	17,691.0	+157.6

- Change in total capital
 - Stockholders' equity +102.6 bn
 - Net income attributable to owners of parent +124.4 bn
 - Dividends distributed (48.3) bn
 - Increase in capital surplus due to change in ownership interest of KMFG +25.8 bn

■ Group banks, Bank holding company

Domestic standard	Resona (Consolidated)	Saitama Resona (Non-consolidated)	KMFG (Consolidated)
Capital adequacy ratio	10.88%	14.45%	8.40%

(Reference)

■ Trial calculation based on the finalization of Basel 3

CET1 ratio: Approx. 9.0%*
(Excluding net unrealized gains on available-for-sale securities)

*Trial calculation which took into consideration the estimated increase in RWAs owing to the finalization of Basel 3 (SA and capital floor revisions) based on the actual CET1 ratio excluding net unrealized gains on available-for-sales securities as of Mar. 31, 2021 reported as (11) in the above table

Earnings Targets for FY2021

HD Consolidated
Total of Group Banks

HD consolidated

(JPY bn)	Full-year	
		YoY change
Net income attributable to owners of the parent (1)	145.0	+20.6
KMFG Consolidated (2)	15.0	+9.2
Difference (3)	15.0	+1.9

*1

Common DPS

		DPS	YoY change
Common stock (annual) (4)		21.0 yen	-
Interim dividend (5)		10.5 yen	-

Total of group banks

(JPY bn)	Total of group banks		Resona Bank		Saitama Resona Bank		KMFG (total of group banks)	
	Full-year	YoY change	Full-year	YoY change	Full-year	YoY change	Full-year	YoY change
Gross operating profit (6)	599.0	+16.0	347.0	+7.7	114.0	+3.5	138.0	+5.0
Operating expenses (7)	(397.0)	(6.1)	(213.0)	(3.2)	(77.5)	(2.4)	(106.5)	(0.6)
Actual net operating profit (8)	202.0	+9.9	134.0	+4.5	36.5	+1.1	31.5	+4.4
Net gains on stocks (including equity derivatives) (9)	30.5	(10.4)	26.0	+3.2	3.5	(11.4)	1.0	(2.1)
Credit related expenses, net (10)	(37.0)	+15.3	(22.0)	+10.3	(6.5)	+2.5	(8.5)	+2.3
Income before income taxes (11)	181.5	+18.2	134.0	+22.5	29.0	(8.5)	18.5	+4.2
Net income (12)	127.5	+12.2	94.5	+15.3	20.5	(5.8)	12.5	+2.8

*1. HD's consolidated net income of FY2021 includes full amount of KMFG's consolidated net income since KMFG has become a wholly-owned subsidiary of HD

Capital Management

■ Implement share buy-back to neutralize dilutive effect on EPS from Making KMFG a wholly-owned subsidiary of HD

- # of shares to be acquired: Up to JPY 88 million shares
- Total acquisition cost: Up to JPY 50.0 bn
- Period of acquisition:
May 12, '21 - September 30, '21
- Method of acquisition: Market buying on TSE
 - (i) Purchase through Off-Floor Treasury Share Repurchase Trading on TSE (ToSTNeT-3): 70 million shares (scheduled)
 - (ii) Market buying pursuant to the discretionary purchase agreement

	After making KMFG a wholly-owned subsidiary (shareholding ratio: 100%)	Before making KMFG a wholly-owned subsidiary (shareholding ratio: 51.2%)	
HD consolidated net income (Earning target for FY'21)	145.0 bn	137.6 bn	
KMFG	15.0 bn	7.6 bn	
Total number of shares issued	2.50 bn shares	2.29 bn shares	
EPS	JPY 57.8	JPY 59.9	
	(1)	(2)	

(reference) Estimated

EPS Change	[[(1)-(2)] / (2)]
	(3.5)%

Total # of shares:
88 mn shares
(2.5 bn shares X 3.5%)

■ Making efforts to further expand shareholder returns as our basic policy is to strike an optimal balance between financial soundness, profitability and shareholder return

Financial soundness

- Secure sufficient equity capital under the current Japanese standard
- Aim for CET1 ratio*1 of 10% as of Mar. '23 under the international standard
 - CET1 ratio as of Mar. '21 (Act.): Approx. 9.0%

Profitability

- Continuously engage in financial management conscious of capital efficiency, risk, cost and return, and aim to secure ROE*2 exceeding 8%
 - FY'20 (Act.): 6.88%

Improve
Corporate Value

Shareholder return

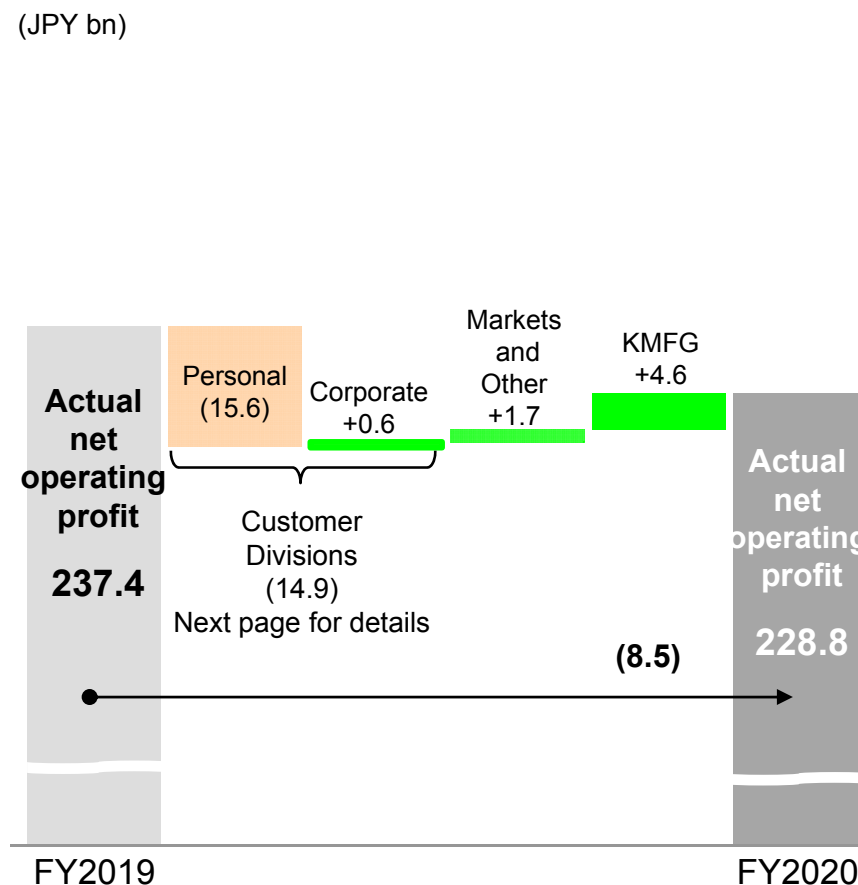
- Making efforts to further expand shareholder returns while considering such factors as the balance between financial soundness and profitability, and opportunities for growth investments
- Aim for a total shareholder return ratio of middle 40% range in the medium term while continue stable dividend stream
 - FY'20 (Act.): 38.8%

*1. Based on the finalization of Basel 3. Exclude unrealized gains on available-for-sale securities

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

(Reference) Outline of Financial Results of Each Segment

(JPY bn)		FY2020	YoY Change
Customer Divisions	Gross operating profit (1)	441.9	(13.7)
	Operating expense (2)	(299.5)	(1.1)
	Actual net operating profit (3)	142.4	(14.9)
Personal Banking	Gross operating profit (4)	182.1	(14.0)
	Operating expense (5)	(153.6)	(1.5)
	Actual net operating profit (6)	28.4	(15.6)
Corporate Banking	Gross operating profit (7)	259.8	+0.2
	Operating expense (8)	(145.8)	+0.3
	Actual net operating profit (9)	113.9	+0.6
Markets and Other	Gross operating profit (10)	59.0	+3.0
	Operating expense (11)	(6.4)	(1.2)
	Actual net operating profit (12)	52.9	+1.7
KMFG	Gross operating profit (13)	143.0	+0.5
	Operating expense (14)	(109.5)	+4.0
	Actual net operating profit (15)	33.4	+4.6
Total	Gross operating profit (16)	643.9	(10.1)
	Operating expense (17)	(415.5)	+1.6
	Actual net operating profit (18)	228.8	(8.5)



Definition of management accounting

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

(Reference) Outline of Financial Results of Customer Divisions

HD Consolidated
(exclude KMFG)

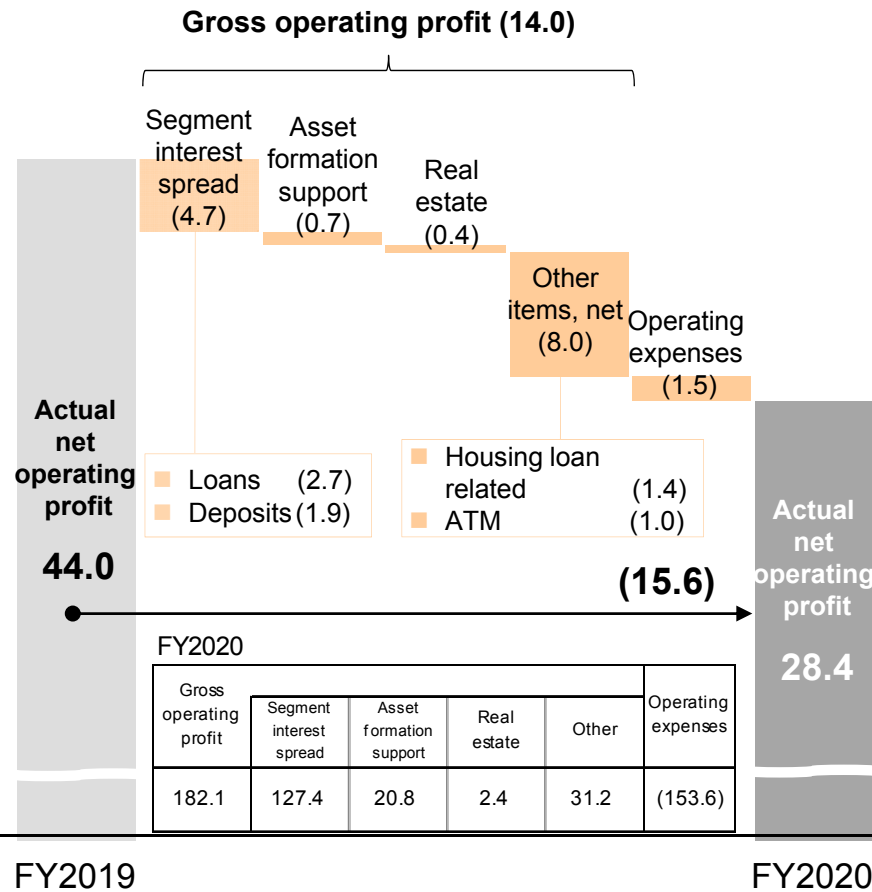
Personal Banking Segment

Corporate Banking Segment

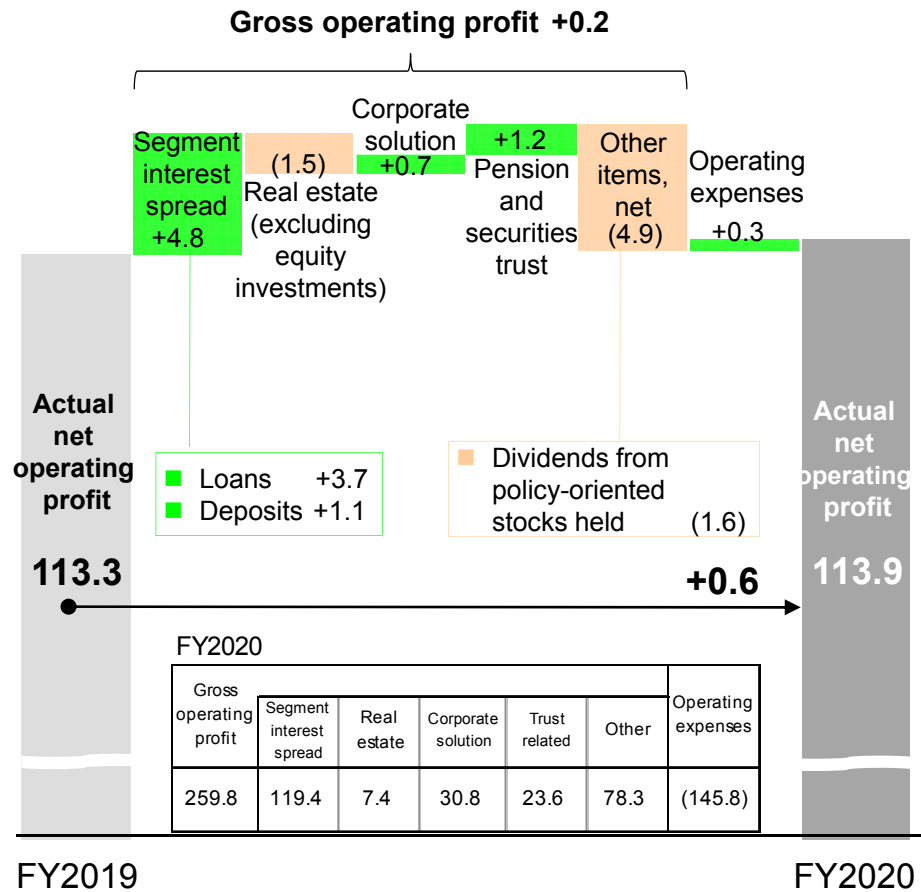
Actual net operating profit : Down JPY15.6 bn, YoY

Actual net operating profit : Up JPY0.6 bn, YoY

(JPY bn)



(JPY bn)



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

[HD] Resona Holdings, [RB] Resona Bank, [SR] Saitama Resona Bank,
[KMFG] Kansai Mirai Financial Group, [KMB] Kansai Mirai Bank*, [MB] Minato Bank
* [KU] Kansai Urban Banking Corporation and [KO] Kinki Osaka Bank merged on April 1, 2019

Negative figures represent items that would reduce net income.

Figures include data for internal administration purpose.

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

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

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