



**Resona Holdings, Inc.**  
**Consolidated Financial Results for Fiscal Year 2014**  
**(April 1, 2014 - March 31, 2015/ Unaudited)**  
**<under Japanese GAAP>**



Code number: 8308 Stock exchange listings: Tokyo  
 URL: <http://www.resona-gr.co.jp>  
 Representative: Kazuhiro Higashi, President and Representative Executive Officer  
 Contact: Satoshi Fukuoka, Financial Accounting Division, General Manager TEL: 03-6704-3111  
 General Meeting of Stockholders: June 19, 2015 Dividends payment date: June 4, 2015  
 Annual securities report issuing date: June 24, 2015 Trading accounts: Established  
 Supplemental information for the financial results: Available  
 Investor relations meeting: Scheduled (for institutional investors and analysts)

Note: Amounts of less than one million yen are rounded down.

## 1. Consolidated Financial Results for Fiscal Year 2014 (April 1, 2014- March 31, 2015)

### (1) Consolidated Operating Results (% represents the change from the previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income	
	Million yen	%	Million yen	%	Million yen	%
Fiscal Year 2014	861,278	( 4.2)	333,316	( 6.8)	211,477	( - 4.2)
Fiscal Year 2013	826,935	( -0.6)	312,169	( 9.5)	220,642	( -19.8)

Note: Comprehensive Income: FY 2014: 416,856 million yen ( 45.4%) FY 2013: 286,674 million yen ( -28.1%)

	Net Income per Share of Common Stock	Diluted Net Income per Share of Common Stock	Net Income to Net Assets Attributable to Stockholders Ratio	Ordinary Profits to Total Assets Ratio	Ordinary Profits to Ordinary Income Ratio
	Yen	Yen	%	%	%
Fiscal Year 2014	91.07	84.28	11.1	0.7	38.7
Fiscal Year 2013	89.71	64.97	11.4	0.7	37.8

(Reference) Equity in earnings of investments in affiliates: FY 2014: 153 million yen FY 2013: 143 million yen

### (2) Consolidated Financial Conditions

	Total Assets	Net Assets	Net Assets Attributable to Stockholders to Total Assets Ratio	Net Assets per Share of Common Stock
	Million yen	Million yen	%	Yen
March 31, 2015	46,586,565	2,143,379	4.2	690.66
March 31, 2014	44,719,434	1,956,412	4.1	552.89

(Reference) Net Assets Attributable to Stockholders: March 31, 2015: 1,978,778 million yen March 31, 2014: 1,817,180 million yen  
 Note: "Net Assets Attributable to Stockholders to Total Assets Ratio" is (Net assets at year-end minus Stock option at year-end minus Minority interests at year-end) divided by Total assets at year-end. This ratio is not calculated based on the "Notification on Consolidated Capital Adequacy".

### (3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at Fiscal Year-end
	Million yen	Million yen	Million yen	Million yen
Fiscal Year 2014	1,103,471	2,328,201	(290,120)	9,456,393
Fiscal Year 2013	2,243,206	1,315,192	(480,536)	6,314,735

## 2. Dividends on Common Stock

	Dividends per Share					Total Dividends (Annual)	Dividend Payout Ratio (Consolidated)	Dividends to Net Assets Ratio (Consolidated)
	1 <sup>st</sup> Quarter-end	2 <sup>nd</sup> Quarter-end	3 <sup>rd</sup> Quarter-end	Fiscal Year-end	Total			
	Yen	Yen	Yen	Yen	Yen			
Fiscal Year 2013	-	0.00	-	15.00	15.00	32,897	16.7	2.9
Fiscal Year 2014	-	0.00	-	17.00	17.00	39,493	18.7	2.7
Fiscal Year 2015 (Forecast)	-	8.50	-	8.50	17.00		23.5	

Note1: The figure above shows dividends on common stock. Please refer to following "Dividends on Classified Stock" with regard to the details of dividends on classified stock (unlisted) whose legal rights differ from common stock

**3. Earnings Forecasts for Fiscal Year 2015 (April 1, 2015 - March 31, 2016)**

(% represents the change from the same period in the previous fiscal year)

	Ordinary Profits		Net Income Attributable to Shares of the Parent		Net Income per Share of Common Stock
	<i>Million yen</i>	%	<i>Million yen</i>	%	<i>Yen</i>
1 <sup>st</sup> Half of Fiscal Year 2015	131,000	(-30.2)	91,000	(-31.4)	37.66
Fiscal Year 2015 (Full year)	254,000	(-23.8)	175,000	(-17.2)	72.31

**4. Other**

(1) Changes in Significant Subsidiaries during the Fiscal Year: No

(2) Changes in Accounting Policies, Changes in Accounting Estimates and Restatement during the Fiscal Year

A) Changes due to revision of accounting standards:	Yes
B) Changes due to other reasons:	No
C) Changes in accounting estimates:	No
D) Restatement:	No

(3) Number of Shares of Common Stock Outstanding

A) Total outstanding shares including treasury stock at the fiscal year-end				
March 31, 2015:	2,324,118,091 shares	March 31, 2014:	2,324,118,091 shares	
B) Treasury stock at the fiscal year-end				
March 31, 2015:	5,999,097 shares	March 31, 2014:	137,204,297 shares	
C) Average outstanding shares during the fiscal year				
Fiscal Year 2014:	2,193,242,258 shares	Fiscal Year 2013:	2,302,727,340 shares	

Note: Treasury stock at the fiscal year-end included the stocks owned by ESOP-type Stock Benefit Trust for the Employee Shareholding Association.

March 31, 2015: 5,057,000 shares      March 31, 2014: 6,273,200 shares

**(Reference) Summary of Non-Consolidated Financial Results****1. Non-Consolidated Financial Results for Fiscal Year 2014 (April 1, 2014 - March 31, 2015)**

(1) Operating Results

(% represents the change from the previous fiscal year)

	Operating Income		Operating Profits		Ordinary Profits	
	<i>Million yen</i>	%	<i>Million yen</i>	%	<i>Million yen</i>	%
Fiscal Year 2014	128,333	(-71.7)	121,106	(-72.9)	121,374	(-72.7)
Fiscal Year 2013	453,476	( 85.4)	446,623	( 88.1)	444,623	( 87.0)

	Net Income		Net Income per Share of Common Stock	Diluted Net Income per Share of Common Stock
	<i>Million yen</i>	%	<i>Yen</i>	<i>Yen</i>
Fiscal Year 2014	121,722	(-72.7)	50.15	46.75
Fiscal Year 2013	445,456	( 87.3)	187.34	134.28

(2) Financial Conditions

	Total Assets	Net Assets	Net Assets Attributable to Stockholders to Total Assets Ratio	Net Assets per Common Share
	<i>Million yen</i>	<i>Million yen</i>	%	<i>Yen</i>
March 31, 2015	1,458,116	1,071,955	73.5	299.47
March 31, 2014	1,561,549	1,177,184	75.4	260.24

(Reference) Net Assets Attributable to Stockholders: March 31, 2015: 1,071,955 million yen      March 31, 2014: 1,177,184 million yen

## 2. Non- Consolidated Earnings Forecasts for Fiscal Year 2015 (April 1, 2015 - March 31, 2016)

(% represents the change from the same period in the previous fiscal year)

	Operating Income	Operating Profits	Ordinary Profits	Net Income	Net Income per Share of Common Stock
	Million yen %	Million yen %	Million yen %	Million yen %	Yen
1 <sup>st</sup> Half of Fiscal Year 2015	101,000 (268.0)	97,000 (306.0)	97,000 (301.5)	97,000 (300.0)	40.25
Fiscal Year 2015 (Full year)	202,000 ( 57.4)	194,000 ( 60.2)	194,000 ( 59.8)	194,000 ( 59.4)	80.50

Note: Disclaimer regarding Audit status

Audit of the consolidated and non-consolidated financial results in accordance with Financial Instruments and Exchange Act ("FIEA") is still in process at the time of disclosing this report.

Note: Disclaimer regarding Forward-looking Statements

This report contains forward-looking statements, which are based on the information currently available and certain assumptions the company considers to be reasonable. Risks, uncertainties and other factors may cause actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

Please refer to attachment "1. Operating Results and Financial Condition (4) Risk factors" for important factors which may have an effect on actual financial results. Also, please refer to attachment "1. Operating Results and Financial Condition (1) Operating Results" for the assumptions used for the Earnings Forecasts.

Note: How to get supplemental information for the financial results

Supplemental information for the financial results is disclosed through TD net. Investor relations meeting for institutional investor or analyst is scheduled on May 19, 2015. Materials for the meeting will be available on the web site after the meeting.

### o Dividends on Classified Stock

Dividends per share on classified stock whose legal rights differ from common stock are as follows:

		Dividends per Share				
		1 <sup>st</sup> Quarter-end	2 <sup>nd</sup> Quarter-end	3 <sup>rd</sup> Quarter-end	Fiscal Year-end	Total
		Yen	Yen	Yen	Yen	Yen
Class C No.1 Preferred Stock	FY 2013	-	0.00	-	68.00	68.00
	FY 2014	-	0.00	-	54.40	54.40
	FY 2015 (Forecast)	-	-	-	-	-
Class F No.1 Preferred Stock	FY 2013	-	0.00	-	185.00	185.00
	FY 2014	-	0.00	-	148.00	148.00
	FY 2015 (Forecast)	-	-	-	-	-
Class Three No.1 Preferred Stock	FY 2013	-	0.00	-	19.02	19.02
	FY 2014	-	0.00	-	-	-
	FY 2015 (Forecast)	-	-	-	-	-
Class Four Preferred Stock	FY 2013	-	0.00	-	992.50	992.50
	FY 2014	-	0.00	-	992.50	992.50
	FY 2015 (Forecast)	-	-	-	-	-
Class Five Preferred Stock	FY 2013	-	0.00	-	918.75	918.75
	FY 2014	-	0.00	-	918.75	918.75
	FY 2015 (Forecast)	-	459.375	-	459.375	918.75
Class Six Preferred Stock	FY 2013	-	0.00	-	1,237.50	1,237.50
	FY 2014	-	0.00	-	1,237.50	1,237.50
	FY 2015 (Forecast)	-	618.75	-	618.75	1,237.50

Note: Regarding Class C No.1 Preferred Stock and Class F No.1 Preferred Stock, it was implemented special preferred distribution funded by other capital surplus (total annual amount is 12.0 billion yen and 20.0 billion yen, respectively, 1.1% decrease in net assets) for the fiscal year 2013 in addition to above table. There is a plan to implement the same amount of special preferred distribution (1.1% decrease in net assets) for the fiscal year 2014. The special preferred dividends will be appropriated to repayment of public funds for Class C No.1 Preferred Stock and Class F No.1 Preferred Stock in accordance with "Agreement on Handling of Shares as Public Funds" contracted with the Deposit Insurance Corporation in Japan on June 21, 2013.

(Reference)

Formula for Forecasted Net Income per Share of Common Stock

$$\frac{\text{Forecasted net income attributable to owners of the parent} - \text{Forecasted total dividend for preferred stock}}{\text{Forecasted average number of shares of common stock (excluding treasury stock)}}$$

\* Forecasted average number of shares of common stock (excluding treasury stock): 2,318,118,994 shares

\* Forecasted total dividend for preferred stock: 2<sup>nd</sup> Quarter: 3,693 million yen Full year: 7,387 million yen

Note: Forecasted total dividend for preferred stock is calculated with impact of acquisition and cancellation of treasury stock (Class C No.1 Preferred Stock, Class F No.1 Preferred Stock, Class Four Preferred Stock) for the fiscal year 2015.

**Contents of Attachment**

1. Operating Results and Financial Conditions.....	2
(1) Operating Results.....	2
(2) Financial Conditions.....	2
(3) Basic Policy on Profit Distribution and Dividends for Fiscal Year 2014 and 2015.....	2
(4) Risk Factors.....	3
2. Information on Resona Group.....	3
3. Management Policy.....	3
(1) Principle Management Policy.....	3
(2) Management Targets.....	4
(3) Medium-to-Long Term Management Strategy.....	4
(4) Key Issues.....	5
4. Basic Stance on Selection of Accounting Standards.....	6
5. Consolidated Financial Statements.....	7
(1) Consolidated Balance Sheet.....	7
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income.....	8
(3) Consolidated Statement of Changes in Net Assets.....	10
(4) Consolidated Statement of Cash Flows.....	12
(5) Note on Going-Concern Assumption.....	13
(6) Significant Accounting Policies Applied in Preparing Consolidated Financial Statements.....	13
(7) Changes in Accounting Policies, Changes in Accounting Estimates and Restatement.....	16
(8) Notes to Consolidated Financial Statements.....	17
Segment Information.....	25
Per Share Information.....	26
Subsequent Events.....	27
Statement of Trust Assets and Liabilities.....	28
6. Non-consolidated Financial Statements.....	30
(1) Non-consolidated Balance Sheet.....	30
(2) Non-consolidated Statement of Income.....	32
(3) Non-consolidated Statement of Changes in Net Assets.....	33
(4) Note on Going-Concern Assumption.....	33

## 1. Operating Results and Financial Conditions

### (1) Operating Results

Consolidated gross operating profit for the fiscal year 2014 increased by ¥23.9 billion from the previous fiscal year to ¥632.4 billion due to increase in fees and commissions mainly relating to financial instruments sales and real estate brokerage and increase in net gains on bonds, though interest income decreased due to narrowed spread between deposit rates and loan rates. Net income before income taxes and minority interests increased by ¥14.1 billion from the previous fiscal year to ¥326.2 billion, because net gains on stocks and other securities were strong and credit costs were continuously gain on reversal, though general and administrative expenses increased due to the effect from increase in the consumption tax rate etc. Net income was ¥211.4 billion decreasing ¥9.1 billion from the previous fiscal year as a result that income taxes increased mainly by the effect of reversal of deferred tax assets due to reduced income tax rates.

As for total of the group banks, actual net operating profit increased by ¥22.4 billion from the previous fiscal year to ¥245.1 billion due to increase in fees and commissions and net gains on bonds. Net gains on stocks and other securities increased by ¥22.2 billion to ¥44.5 billion, and total credit costs was ¥24.3 billion of gain on reversal continuously although it decreased by ¥2.7 billion from the previous fiscal year. As a result, net income before income taxes increased by ¥19.2 billion from the previous fiscal year to ¥293.2 billion.

As for operating results of Resona Holdings, Inc. (hereinafter the "Company") on a non-consolidated basis, operating income decreased by ¥325.1 billion from the previous fiscal year to ¥128.3 billion mainly due to decrease in dividends from the group banks, ordinary profits decreased by ¥323.2 billion from the previous fiscal year to ¥121.3 billion, and net income decreased by ¥323.7 billion from the previous year to ¥121.7 billion.

#### (Earnings Forecasts)

For consolidated earnings forecasts for the fiscal year 2015, ordinary profits and net income attributable to owners of the parent are expected to amount to ¥254.0 billion and ¥175.0 billion, respectively, which are mostly comprised of the group banks' earnings. For total of the group banks, actual net operating profit and net income are expected to amount to ¥246.0 billion and ¥160.0 billion, respectively.

For the Company on a non-consolidated basis, operating income, ordinary profits and net income are expected to amount to ¥202.0 billion, ¥194.0 billion and ¥194.0 billion, respectively.

### (2) Financial Conditions

Total assets on a consolidated basis increased by ¥1,867.1 billion from the previous fiscal year-end to ¥46,586.5 billion. With regards to major items of assets, securities decreased by ¥1,834.2 billion to ¥6,864.2 billion, but loans and bills discounted increased by ¥785.6 billion to ¥27,487.2 billion. With regards to liabilities, deposits increased by ¥966.9 billion from the previous fiscal year-end to ¥36,712.8 billion. Net assets increased by ¥186.9 billion from the previous fiscal year-end to ¥2,143.3 billion mainly due to the result of net income. Total trust assets increased by ¥610.8 billion from the previous fiscal year-end to ¥24,526.6 billion.

With regards to cash flows on a consolidated basis, cash flows from operating activities was provided by ¥1,103.4 billion mainly due to increase in deposits and interest receipts. Cash flows from investing activities was provided by ¥2,328.2 billion mainly due to proceeds from sales of securities. And cash flows from financing activities was used in ¥290.1 billion mainly due to purchases of treasury stock. As a result, cash and cash equivalents increased by ¥3,141.6 billion from the beginning of the fiscal year 2014 to ¥9,456.3 billion.

### (3) Basic Policy on Profit Distribution and Dividends for Fiscal Year 2014 and 2015

Annual dividends per share of common stock of the Company was increased by ¥2 (approximate 13% increase) from ¥15 per share to ¥17 per share from the dividends for the fiscal year 2014 (year-end dividend), by taking burden decrease on preferred dividends for the fiscal year 2015 and after in advance, due to the advanced repayment for the preferred stocks issued under the Act on Emergency Measures for Early Strengthening of Financial Functions and substantive exchange of capital (capital exchange) etc.

As for dividends for the fiscal year 2015 and after, the Company plans to continue steady dividends in conjunction with striving for enhancement of equity capital through accumulating retained earnings in order to achieve the target level of common equity Tier 1 ratio.

In case the Company carries out a share buyback of ¥175.0 billion of bond-type preferred stocks which remains after the Class Four preferred stock acquisition, the Company will consider increasing dividends for common stock subject to the business environment and financial condition, since the burden on preferred dividends is expected to decrease.

Furthermore, while the Company has distributed profits once a year as year-end dividends, the Company will begin to pay interim dividends (distribution of surplus with a record date of September 30 each year) from the fiscal year 2015 in order to increase opportunity to return profits to stockholders.

**(4) Risk Factors**

Operational and other risks faced by the Company and the Group that could materially affect the decisions of investors are set out as follows. The Company recognizes probability of these risks, takes necessary actions to prevent these risks from occurring, and responds appropriately when these risks do occur.

- Risk of an increase in credit cost
- Risk associated with market transactions
- Risks associated with fluctuations in foreign currency exchange rates
- Risk associated with holding securities
- Risk associated with funding and liquidity
- Risk associated with market turbulence
- Risk associated with business strategy
- Risk of worsening net assets attributable to stockholders to total assets ratio
- Matters related to public funds
- Risks associated with credit ratings
- Risks associated with deferred tax assets
- Risks associated with projected benefit obligation
- Risk associated with trust asset management
- Risk associated with processing errors or fraud by directors and employees
- Risk associated with systems failure
- Risk associated with leakage of information
- Risk associated with outsourcing
- Risk associated with financial crimes
- Risk associated with natural disasters
- Risk associated with violation of laws
- Risk associated with significant lawsuits
- Risk associated with failure of keeping human resources
- Risk associated with rumors and unfounded information
- Risk associated with holding company system
- Risk associated with changes in regulations
- Risk associated with effectiveness of risk management policies and procedures
- Assessment concerning internal control over financial reporting

The risk factors were disclosed in the latest Annual Securities Report. Details of the above risk factors will be disclosed in 14<sup>th</sup> Annual Securities Report for the fiscal year 2014.

**2. Information on Resona Group**

Overview of the Group is omitted because there have been no significant change from “the Group organization chart” and “Information of the affiliates” included in the latest Annual Securities Report submitted on June 25<sup>th</sup> 2014.

**3. Management Policy****(1) Principle Management Policy**

The Group, based on the CORPORATE MISSION stated below, will make the utmost efforts to become a financial group which is trusted by regional societies and appreciated by stockholders and the market. The Group will continue to implement reforms for further progression and work to maximize its corporate value.

**[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) Management Targets**

Quantitative targets stated in “Business Revitalization Plan for the Period ending March 2018” (Medium-term Management Plan) announced in February 2015 are as follows:

Total of the Group Banks	Fiscal Year 2017 (Plan)
Gross operating profit	¥ 600.0 billion
Expenses	¥ 338.0 billion
Actual net operating profit	¥ 262.0 billion
Net income before income taxes	¥ 238.0 billion
Net income	¥ 163.0 billion

Group Consolidated		Fiscal Year 2017
Profitability	Net income	¥ 175.0 billion
	Shareholders' equity ROE (Note 1)	Above 10% (throughout the planned period)
Financial Soundness	Common equity Tier 1 capital ratio (Note 2) (excluding net unrealized gains/losses on available-for-sale securities)	Around 8%
Efficiency	Consolidated expense ratio	In the middle of 50% range

(Note 1)  $(\text{Net income} - \text{Amount equivalent to annual dividends for preferred shares}) / \{(\text{Total shareholders' equity at the beginning of the fiscal year} - \text{Aggregate amount paid for preferred shares at the beginning of the fiscal year} + \text{Total shareholders' equity at the end of the fiscal year} - \text{Aggregate amount paid for preferred shares at the end of the fiscal year}) / 2\} \times 100$

(Note 2) Under the international standards

(Note 3)  $\text{Consolidated operating expenses} / \text{Consolidated gross operating profits} \times 100$

**(3) Medium-to Long-Term Management Strategy**

In order to further strengthen response to various changes in operating environment while reexamining the efforts worked over the past decade or so, the Group announced “Business Revitalization Plan for the Period ending March 2018” (Medium-term Management Plan, hereinafter “New Plan”) in February 2015. The New Plan presents renewed resolution for and the direction of medium- to long-term growth as the Group’s “shift in mindset toward aggressive management” for the next decade, looking ahead at the years following full repayment of public funds.

In order to ensure the Group’s sustainable growth following the full repayment of public funds, while upholding the basic stance of “Customers’ joy and happiness are Resona’s.” the Group will implement business strategies based on the basic scenarios comprising “cultivating strategic business areas even further” and “challenging to create new profit opportunities” and promote four foundation strategies as new efforts of reform looking ahead to changes in the operating environment.

By setting the Group’s strengths of regional and retail businesses as its core businesses, the Group will strive to further advance the differentiation strategies with “solutions” leveraged by trust and real estate functions as one of the pillar. In addition, the Group will work toward the realization of the Omni-channel concept that reforms customer contact based on marketing, and aim to further evolve the regional retail strategy through the enhancement of the Group’s three open platforms including strategic investment, alliance and others.

Through these efforts, the Group will aim to create new value for the customers by providing “stand-out” retail financial services. In addition, the Group will aim to become “No. 1 Retail Bank” as “Financial Service Group” which is the most trusted by customers in the region and keeps moving toward the future together with customers, while continuing to evolve and innovate the business with closely supporting small and medium sized entities and individual customers.

**(4) Key Issues**

The Group recognizes the following items are key issues to be addressed to aim for a “No.1 Retail Bank.”

**I. Business strategy****1. Cultivating strategic business areas even further**

In order to ensure “sustainable growth driven by income from main businesses,” the Group will make efforts in “cultivating strategic business areas even further” through sophistication in the differentiation strategies focusing on the regional and retail banking businesses.

The Group will implement “growth, turnaround, succession solution” and “total life solution” within the strategic business domain. In addition, as a developed form of “retail x trust,” the Group will newly establish “Resona seamless style,” that all group banks have trust function as a standard feature and enhance the Group’s ability to provide trust solutions, in order to provide a high quality trust services to the customers.

The Group will promote optimization of the Group’s operating system through coordination and concentration of various functions and strengthen regional sales capabilities, with a focus on the Tokyo metropolitan area and Kansai area, in order to accurately meet customer needs that are becoming diversified, sophisticated and complicated.

Furthermore, the Group will evolve the “cross-selling,” that addresses customers’ diverse needs through a wide variety of solutions, to “group-wide cross-selling.”

**a. “Growth, turnaround, succession solution”**

In order to overcome the situation that domestic profit from loans and deposits tends to decline due to the drop in lending rates and to reinforce the corporate business, the Group will establish a brand as “Resona, No.1 in SME business” by enhancing the “growth, turnaround, succession solution” for SMEs through innovating the sales styles (relations, solutions, speed) and by providing multifaceted added value to the customers through providing solutions.

**b. “Total life solution”**

While the business environment changes quickly such as a progress of the aging society with low birthrates and a concentration of population and wealth, and financial needs of individual customers diversify, the Group will establish a brand as “Resona, No.1 in Personal business” by providing “total life solutions” to the customers that give comprehensive support to asset formation and life planning from financial aspects according to the customers’ various life events and plans in their life.

**2. Challenging to create new profit opportunities**

In the “retail” domain that is the Group’s principal business market, customers’ financial behaviors have become diversified and various changes have been occurred. In this circumstance, customers who we “cannot meet” at the extension of conventional business models and sales methods have been getting increasing. The Group understands that addressing such changes would lead to new business opportunities.

Looking ahead to the next decade, the Group aims to further enhance the customer base through the pursuit of retail financial services that “stands out” for the higher quality and the creation of new customer value beyond the boundaries of conventional framework of banks. To be specific, the Group will promote “realization of the Omni-channel concept” that reforms customer contact based on marketing, and “enhancement of open platforms” through strengthening strategic investments and other measures.

**a. “Realization of the Omni-channel concept”**

The Group will make the following efforts toward the “realization of the Omni-channel concept” that offers high quality and customized retail financial services at the optimal place, time and channel, and that meticulously responds to customers’ financial behavior and values, such as sophistication of marketing, “reconstruction of the value chain” through new efforts to “know our customers well”, “acquaint with our customers” and “communicate with our customers,” services innovations including “24-hour/365-day” business, strengthening linkage between face-to-face channels and non-face to face channels by enhancing internet services.

**b. “Enhancement of open platforms”**

Looking ahead to the next decade, in order to provide unconventional retail financial services to a broad range of domestic customers, the Group will make efforts in further enhancing the three “open platforms” which consist of “retail banking,” “trust, real estate, international business” and “system and clerical work process” through “strategic investment” to strengthen retail functions and “expansion of alliances” including cooperation with other financial institutions, and aim to become “No.1 retail” financial services group.



## II. Base strategies

### 1. Service reforms - Next Stage

The Group has made efforts in the “service reforms” that constantly thinks from a customer’s perspective, and has carried out customer-oriented reforms that are free from financial institutions customs, such as “open until 17:00” and “no waiting time.” The Group will further reinforce the effort and will move to the “Next State” of “service reforms” toward the realization of further innovative services such as the “24-hour/365-day” business.

### 2. Operational reforms - 3rd Stage

Positioning the next “Operational reforms” as “3rd Stage,” that are a collection of reform know-how in the past such as branch clerical work reforms and business process reforms, the Group will move to “further ahead” reforms such as development of new branches to improve customers’ convenience, drastic reform of cost structure, innovations in the back office system and establishment of a one-platform system for clerical work.

### 3. Next-generation HR management

The Group will achieve a shift change to “aggressive management” by innovating into a “group-based personnel management” for the optimization of human resource allocation beyond the boundaries of business and corporate unit. The Group will establish an advanced education support system and re-establish the whole HR system that is a further development of the “diversity management.”

### 4. Sophistication in capital management

The Group will continue to strive to maintain and strengthen the financial base that generates stable revenues from sound assets through a lending portfolio that is diversified to small lots, a stable deposit procurement platform, and establishment of robust risk management system. The Group will achieve “sophistication in capital management” through ensuring a high-level balance between risk and return, generating stable profits, accumulating capital, and responding to financial regulations and rules, as a part of these efforts.

## 4. Basic Stance on Selection of Accounting Standards

The Company applies accounting principles generally accepted in Japan, though, in response to IFRS adoption in the future, the Company makes an effort to conduct impact study and clarifying the issues. Timing of the adoption is not determined yet.

## 5. Consolidated Financial Statements

## (1) Consolidated Balance Sheet

(Millions of yen)

	March 31, 2014	March 31, 2015
<b>Assets</b>		
Cash and due from banks	¥ 6,471,899	¥ 9,672,994
Call loans and bills bought	154,318	36,243
Monetary claims bought	332,671	443,004
Trading assets	616,571	589,687
Money held in trust	193	186
Securities	8,698,464	6,864,211
Loans and bills discounted	26,701,668	27,487,284
Foreign exchange assets	72,757	97,945
Other assets	934,781	749,994
Tangible fixed assets	307,887	305,493
Buildings	102,298	99,065
Land	189,862	187,022
Leased assets	5,709	8,061
Construction in progress	523	1,222
Other tangible fixed assets	9,493	10,121
Intangible fixed assets	40,475	37,398
Software	7,571	6,820
Leased assets	27,759	25,450
Other intangible fixed assets	5,144	5,127
Net defined benefit asset	24,548	27,155
Deferred tax assets	128,970	5,663
Customers' liabilities for acceptances and guarantees	490,552	478,968
Reserve for possible loan losses	(256,192)	(209,582)
Reserve for possible losses on investments	(133)	(83)
<b>Total Assets</b>	<b>44,719,434</b>	<b>46,586,565</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Deposits	35,745,906	36,712,851
Negotiable certificates of deposit	1,949,860	2,130,640
Call money and bills sold	854,793	1,531,519
Payables under repurchase agreements	38,994	50,993
Payables under securities lending transactions	49,891	24,122
Trading liabilities	305,542	302,869
Borrowed money	1,081,701	737,051
Foreign exchange liabilities	1,173	1,439
Bonds	696,418	667,707
Due to trust account	533,844	617,622
Other liabilities	902,887	1,080,968
Reserve for employees' bonuses	18,070	20,002
Net defined benefit liability	26,978	28,837
Other reserves	42,418	35,651
Deferred tax liabilities	290	476
Deferred tax liabilities for land revaluation	23,696	21,465
Acceptances and guarantees	490,552	478,968
<b>Total Liabilities</b>	<b>42,763,022</b>	<b>44,443,186</b>
<b>Net Assets</b>		
Capital stock	50,472	50,472
Capital surplus	409,293	145,916
Retained earnings	1,169,785	1,335,800
Treasury stock	(85,855)	(2,483)
Total stockholders' equity	1,543,696	1,529,706
Net unrealized gains on available-for-sale securities	244,166	423,076
Net deferred gains on hedges	28,110	33,158
Revaluation reserve for land	41,254	43,485
Foreign currency translation adjustments	(4,081)	(1,542)
Remeasurements of defined benefit plans	(35,965)	(49,105)
Total accumulated other comprehensive income	273,484	449,072
Minority interests in consolidated subsidiaries	139,231	164,600
<b>Total Net Assets</b>	<b>1,956,412</b>	<b>2,143,379</b>
<b>Total Liabilities and Net Assets</b>	<b>¥ 44,719,434</b>	<b>¥ 46,586,565</b>

**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**  
**[Consolidated Statement of Income]**

(Millions of yen)

	For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015
<b>Ordinary income</b>	¥ 826,935	¥ 861,278
Interest income	472,832	466,655
Interest on loans and bills discounted	392,555	373,090
Interest and dividends on securities	54,691	60,743
Interest on call loans and bills bought	770	931
Interest on receivables under securities borrowing transactions	62	22
Interest on due from banks	4,317	8,308
Other interest income	20,434	23,558
Trust fees	23,748	22,776
Fees and commissions	189,209	201,031
Trading income	1,338	5,973
Other operating income	34,085	45,231
Other ordinary income	105,721	119,609
Reversal of reserve for possible loan losses	29,198	27,627
Recoveries of written-off loans	20,566	13,853
Other	55,957	78,128
<b>Ordinary expenses</b>	514,766	527,961
Interest expenses	42,820	40,666
Interest on deposits	18,152	14,851
Interest on negotiable certificates of deposit	1,317	1,825
Interest on call money and bills sold	689	1,613
Interest on payables under repurchase agreement	47	79
Interest on payables under securities lending transactions	546	936
Interest on borrowed money	2,422	2,581
Interest on bonds	17,926	17,121
Other interest expenses	1,717	1,657
Fees and commissions	54,165	54,590
Trading expenses	2,254	752
Other operating expenses	13,450	13,176
General and administrative expenses	348,498	357,767
Other ordinary expenses	53,576	61,008
Other	53,576	61,008
<b>Ordinary profits</b>	312,169	333,316
<b>Extraordinary gains</b>	2,958	104
Gains on disposal of fixed assets	2,958	104
<b>Extraordinary losses</b>	3,042	7,169
Losses on disposal of fixed assets	1,379	1,430
Impairment losses on fixed assets	1,662	5,738
<b>Net income before income taxes and minority interests</b>	312,085	326,251
Income taxes – current	32,855	45,417
Income taxes – deferred	51,736	63,417
Total income taxes	84,591	108,835
<b>Net income before minority interests</b>	227,494	217,415
<b>Minority interests in net income</b>	6,851	5,937
<b>Net income</b>	¥ 220,642	¥ 211,477

**[Consolidated Statement of Comprehensive Income]***(Millions of yen)*

	<b>For the fiscal year ended March 31, 2014</b>	<b>For the fiscal year ended March 31, 2015</b>
<b>Net income before minority interests</b>	¥ 227,494	¥ 217,415
<b>Other comprehensive income</b>	59,180	199,441
Net unrealized gains (losses) on available-for-sale securities	57,582	178,920
Net deferred gains (losses) on hedges	(8,208)	5,047
Revaluation reserve for land	(6)	2,231
Foreign currency translation adjustments	9,808	26,385
Remeasurements of defined benefit plans	-	(13,157)
Share of other comprehensive income of affiliates accounted for using the equity method	4	13
<b>Total comprehensive income</b>	<b>286,674</b>	<b>416,856</b>
<b>Comprehensive income attributable to:</b>		
Owners of the parent	270,289	387,065
Minority interests	¥ 16,385	¥ 29,791

**(3) Consolidated Statement of Changes in Net Assets**  
**For the fiscal year ended March 31, 2014**

(Millions of yen)

	Stockholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at the beginning of the fiscal year	¥340,472	¥237,082	¥1,315,470	¥(89,596)	¥1,803,428
Changes during the fiscal year					
Dividends paid			(46,327)		(46,327)
Net income			220,642		220,642
Purchase of treasury stock				(434,532)	(434,532)
Disposal of treasury stock		(0)		485	484
Cancellation of treasury stock		(437,788)		437,788	-
Transfer from retained earnings to capital surplus	320,000		(320,000)		-
Transfer from capital stock to capital surplus	(610,000)	610,000			-
Net changes except for stockholders' equity during the fiscal year					
Total changes during the fiscal year	(290,000)	172,210	(145,684)	3,741	(259,732)
Balance at the end of the fiscal year	¥50,472	¥409,293	¥1,169,785	¥(85,855)	¥1,543,696

	Accumulated other comprehensive income						Minority interests in consolidated subsidiaries	Total net assets
	Net unrealized gains on available-for-sale securities	Net deferred gains on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	¥186,573	¥36,319	¥41,260	¥(4,350)	-	¥259,803	¥126,072	¥2,189,304
Changes during the fiscal year								
Dividends paid								(46,327)
Net income								220,642
Purchase of treasury stock								(434,532)
Disposal of treasury stock								484
Cancellation of treasury stock								-
Transfer from retained earnings to capital surplus								-
Transfer from capital stock to capital surplus								-
Net changes except for stockholders' equity during the fiscal year	57,592	(8,208)	(6)	268	(35,965)	13,681	13,159	26,840
Total changes during the fiscal year	57,592	(8,208)	(6)	268	(35,965)	13,681	13,159	(232,892)
Balance at the end of the fiscal year	¥244,166	¥28,110	¥41,254	¥(4,081)	¥(35,965)	¥273,484	¥139,231	¥1,956,412

**(3) Consolidated Statement of Changes in Net Assets - Continued**  
**For the fiscal year ended March 31, 2015**

(Millions of yen)

	Stockholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at the beginning of the fiscal year	¥50,472	¥409,293	¥1,169,785	¥(85,855)	¥1,543,696
Cumulative effect of changes in accounting policies			1,483		1,483
Restated balance	50,472	409,293	1,171,268	(85,855)	1,545,179
Changes during the fiscal year					
Dividends paid - other capital surplus		(32,000)			(32,000)
Dividends paid			(46,946)		(46,946)
Net income			211,477		211,477
Purchase of treasury stock				(234,951)	(234,951)
Disposal of treasury stock		3,568		83,378	86,946
Cancellation of treasury stock		(234,945)		234,945	-
Net changes except for stockholders' equity during the fiscal year					
Total changes during the fiscal year	-	(263,376)	164,531	83,371	(15,473)
Balance at the end of the fiscal year	¥50,472	¥145,916	¥1,335,800	¥(2,483)	¥1,529,706

	Accumulated other comprehensive income						Minority interests in consolidated subsidiaries	Total net assets
	Net unrealized gains on available-for-sale securities	Net deferred gains on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	¥244,166	¥28,110	¥41,254	¥(4,081)	¥(35,965)	¥273,484	¥139,231	¥1,956,412
Cumulative effect of changes in accounting policies								1,483
Restated balance	244,166	28,110	41,254	(4,081)	(35,965)	273,484	139,231	1,957,896
Changes during the fiscal year								
Dividends paid - other capital surplus								(32,000)
Dividends paid								(46,946)
Net income								211,477
Purchase of treasury stock								(234,951)
Disposal of treasury stock								86,946
Cancellation of treasury stock								-
Net changes except for stockholders' equity during the fiscal year	178,910	5,047	2,231	2,539	(13,140)	175,587	25,369	200,956
Total changes during the fiscal year	178,910	5,047	2,231	2,539	(13,140)	175,587	25,369	185,483
Balance at the end of the fiscal year	¥423,076	¥33,158	¥43,485	¥(1,542)	¥(49,105)	¥449,072	¥164,600	¥2,143,379

**(4) Consolidated Statement of Cash Flows***(Millions of yen)*

	<b>For the fiscal year ended March 31, 2014</b>	<b>For the fiscal year ended March 31, 2015</b>
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	¥ 312,085	¥ 326,251
Adjustment for:		
Depreciation and amortization	26,935	25,726
Impairment losses on fixed assets	1,662	5,738
Equity in earnings of investments in affiliates	(143)	(153)
Increase/(decrease) in reserve for possible loan losses	(49,340)	(46,610)
Increase/(decrease) in reserve for possible losses on investments	(27)	(49)
Increase/(decrease) in reserve for employees' bonuses	(112)	1,932
(Increase)/decrease in net defined benefit asset	(4,776)	(6,178)
Increase/(decrease) in net defined benefit liability	(4,610)	(8,221)
Interest income (accrual basis)	(472,832)	(466,655)
Interest expenses (accrual basis)	42,820	40,666
Net (gains)/losses on securities	(24,973)	(64,720)
Net foreign exchange (gains)/losses	(4,128)	(12,906)
Net (gains)/losses on disposal of fixed assets	(1,578)	1,326
Net (increase)/decrease in trading assets	170,568	26,883
Net increase/(decrease) in trading liabilities	(40,531)	(2,672)
Net (increase)/decrease in loans and bills discounted	(211,547)	(785,615)
Net increase/(decrease) in deposits	361,035	966,944
Net increase/(decrease) in negotiable certificates of deposit	648,460	180,780
Net increase/(decrease) in borrowed money (excluding subordinated borrowed money)	409,831	(333,650)
Net (increase)/decrease in due from banks (excluding those deposited at Bank of Japan)	(7,778)	(59,438)
Net (increase)/decrease in call loans and other	73,369	7,741
Net increase/(decrease) in call money and other	604,192	688,724
Net increase/(decrease) in payables under securities lending transactions	49,891	(25,769)
Net (increase)/decrease in foreign exchange assets	(4,975)	(25,188)
Net increase/(decrease) in foreign exchange liabilities	(289)	265
Net increase/(decrease) in straight bonds	(31,522)	500
Net increase/(decrease) in due to trust account	85,050	83,778
Interest receipts (cash basis)	484,398	470,258
Interest payments (cash basis)	(52,941)	(43,327)
Other, net	(23,426)	127,249
Subtotal	<u>2,334,766</u>	<u>1,073,611</u>
Income taxes paid or tax refund	(91,559)	29,860
<b>Net cash provided by/(used in) operating activities</b>	<u>2,243,206</u>	<u>1,103,471</u>
<b>Cash flows from investing activities</b>		
Purchases of securities	(15,330,890)	(16,562,521)
Proceeds from sales of securities	14,663,580	18,010,807
Proceeds from redemption of securities	1,990,814	892,679
Purchases of tangible fixed assets	(8,965)	(10,649)
Proceeds from sales of tangible fixed assets	1,004	290
Purchases of intangible fixed assets	(2,649)	(2,272)
Proceeds from disposal of intangible fixed assets	2,397	-
Other, net	(99)	(130)
<b>Net cash provided by/(used in) investing activities</b>	<u>1,315,192</u>	<u>2,328,201</u>
<b>Cash flows from financing activities</b>		
Repayment of subordinated borrowed money	-	(11,000)
Repayment of subordinated bonds	-	(51,800)
Dividends paid	(46,327)	(78,946)
Dividends paid to minority stockholders of consolidated subsidiaries	(348)	(640)
Purchases of treasury stock	(434,532)	(234,951)
Proceeds from sales of treasury stock	672	87,217
<b>Net cash provided by/(used in) financing activities</b>	<u>(480,536)</u>	<u>(290,120)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	112	104
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>3,077,974</u>	<u>3,141,657</u>
<b>Cash and cash equivalents at the beginning of the fiscal year</b>	<u>3,236,761</u>	<u>6,314,735</u>
<b>Cash and cash equivalents at the end of the fiscal year</b>	<u>¥ 6,314,735</u>	<u>¥ 9,456,393</u>

**(5) Note on Going-Concern Assumption**

Not applicable

**(6) Significant Accounting Policies Applied in Preparing Consolidated Financial Statements**

## 1. Scope of Consolidation

- (1) Number of consolidated subsidiaries: 15  
 Names of principal companies: Resona Bank, Ltd.  
 Saitama Resona Bank, Ltd.  
 The Kinki Osaka Bank, Ltd.

- (2) Non-consolidated subsidiaries  
 Name of principal company: Asahi Servicos e Representacoes Ltda.

Non-consolidated subsidiaries are immaterial with respect to assets, ordinary income, net income/loss (based on the owned interest) and retained earnings (based on the owned interest), accumulated other comprehensive income (based on the owned interest), etc. They are excluded from the consolidation as reasonable judgment on the financial conditions and operating results can still be expected even if they were not consolidated.

## 2. Application of the Equity Method

- (1) Number of non-consolidated subsidiaries accounted for by the equity method: None

- (2) Number of affiliates accounted for by the equity method: 1 company  
 Name of the company: Japan Trustee Services Bank, Ltd.

- (3) Non-consolidated subsidiaries not accounted for by the equity method  
 Name of principal company: Asahi Servicos e Representacoes Ltda.

- (4) Number of affiliates not accounted for by the equity method: None  
 Non-consolidated subsidiaries and affiliates, which are not accounted for by the equity method, are not material to the consolidated financial statements with respect to net income/loss (based on the owned interest), retained earnings (based on the owned interest), accumulated other comprehensive income (based on owned interest), etc. and accordingly, the equity method is not applied to them.

## 3. Balance Sheet Dates of Consolidated Subsidiaries

- (1) Balance sheet dates of the consolidated subsidiaries are as follows:

End of December: 3 companies  
 End of March: 12 companies

- (2) All subsidiaries have been consolidated based on their accounts at their respective balance sheet dates. Appropriate adjustments have been made for significant transactions occurring during the period from the respective balance sheet dates of the above subsidiaries to the consolidated balance sheet date.

## 4. Accounting Policies

- (1) Trading assets/trading liabilities and trading income/trading expenses

Transactions whose purpose are to earn a profit by taking advantage of short-term fluctuations in the market or discrepancies in interest rates, currency exchange rates, share prices or other market indices on different markets ("transactions for trading purposes") are included in "Trading assets" or "Trading liabilities" as appropriate in the consolidated balance sheets on a trade-date basis. Income and expenses on the transactions for such trading purposes are included in "Trading income" and "Trading expenses" in the consolidated statements of income on a trade-date basis.

Securities and monetary claims etc. held for trading purposes are stated at fair value as of the consolidated balance sheet date. Derivatives, including swaps, futures and options, held for trading purposes, are stated at the fair values as if they were closed out value assuming the respective contracts are closed-out at the consolidated balance sheet date.

Trading income and trading expenses include interest received and paid during the fiscal year, net changes in fair value of securities and monetary claims, etc., and changes in the close-out value of derivatives during the fiscal year.

- (2) Securities

Held-to-maturity debt securities are stated at amortized cost determined by the moving average method (the amortization/accumulation is calculated by the straight-line method).

Investments in non-consolidated subsidiaries and affiliates which are not accounted for by the equity method are stated at amortized cost determined by the moving-average method.



Available-for-sale equity securities are stated at fair value based on the average quoted market prices in the last month of the fiscal year. Other marketable available-for-sale securities are stated at their respective market value and the cost of these securities sold is determined by the moving average method. Non-marketable available-for-sale securities whose fair value cannot be readily determined are stated at cost determined by the moving-average method.

Net unrealized gains or losses, net of applicable taxes, on available-for-sale securities are included as a component of net assets.

### (3) Derivative transactions

Derivative transactions (excluding “transactions for trading purposes”) are stated at fair value.

### (4) Depreciation for fixed assets

#### (i) Tangible fixed assets (except for leased assets)

Depreciation of tangible fixed assets is mainly computed by the straight-line method for buildings and by the declining-balance method for equipment over the estimated useful lives. The estimated useful lives of major tangible fixed assets are as follows:

- Buildings: 2 ~ 50 years
- Equipment: 2 ~ 20 years

#### (ii) Intangible fixed assets (except for leased assets)

Amortization of intangible fixed assets is computed by the straight-line method. Software for internal use is amortized over the estimated useful lives (mainly 5 years) determined by the Company and its consolidated subsidiaries.

#### (iii) Leased assets

Finance leases other than those which are deemed to transfer the ownership of the leased assets to the lessee, which are included in tangible fixed assets or intangible fixed assets, are depreciated by a straight-line method over the lease term. Residual value of those leased assets is zero unless any guaranteed amount is prescribed in the lease agreement.

Depreciation of leased assets deemed to transfer ownership to the lessee is computed by the same method used for owned assets.

### (5) Deferred charges

Share issuance costs are charged to expense as paid.

### (6) Reserve for possible loan losses

The principal consolidated subsidiaries have provided reserve for possible loan losses in accordance with their internal standards for write-offs and reserves as follows:

For claims to insolvent borrowers who are undergoing bankruptcy or special liquidation, etc. (hereinafter, “bankrupt obligors”) or who are in substantially the same deteriorating financial condition, although not yet in formal bankruptcy proceedings (hereinafter “effectively bankrupt obligors”), a reserve is provided at the full amount of claims after deducting any direct write-offs and excluding the amounts deemed collectible from the disposal of collateral and the amounts recoverable from the execution of guarantees.

For claims to borrowers who are not currently in the condition of bankruptcy or insolvency but with a high probability of becoming insolvent and certain identified claims subject to close watch, which exceeds a certain threshold, the Discounted Cash Flows Method (the “DCF Method”) is applied to determine the amount of reserve for individually large balances which exceeds a certain pre-established threshold amount. The DCF method, however, is applied only when future cash flows from collection of principal and interest can be reasonably estimated. Under the DCF Method, a reserve is provided for the difference between the present value of future cash flows discounted by the original interest rate and the carrying value of the claim.

For claims to other borrowers, a reserve is computed by using the loss ratios derived from the historical loss experience for a specified period.

For claims to certain foreign borrowers with country risk exposure, a reserve is provided for the estimated losses determined by considering the political and economic situation of respective countries.

The operating divisions initially assess all claims based on the internal standards for self-assessment of asset quality. The Internal Audit Division, which is independent from the operating divisions, examines their assessments.

For collateralized or guaranteed claims, etc. to bankrupt obligors and effectively bankrupt obligors, uncollectible amount (i.e., the carrying value less the amounts collectible from the disposal of collateral and execution of guarantees) are directly written-off. Such uncollectible amount is determined considering a valuation of the collateral and guarantees and is ¥244,262 million.

Other consolidated subsidiaries mainly provide a general reserve against claims at the amount deemed necessary based on their historical loan-loss experience and a reserve for specific claims individually determined to be uncollectible such as those to bankrupt obligors.

## (7) Reserve for possible losses on investments

Reserve for possible losses on investments is provided for possible losses on investments in securities based on assessment of the issuers' financial condition and other factors.

## (8) Reserve for employees' bonuses

The reserve for employees' bonuses is provided for the payment of performance incentive bonuses to be paid to employees at an estimated amount accrued as of the consolidated balance sheet date.

## (9) Other reserves

Other reserves are provided to cover future expenses and losses that can be reasonably estimated.

Major components are as follows:

- (i) Reserve for losses on reimbursement of dormant deposits: ¥24,082 million  
A reserve for losses on reimbursement of dormant deposits is provided for the estimated future losses resulting from reimbursements of dormant deposits subsequent to the period of derecognition of the related liabilities.
- (ii) Reserve for losses on burden charge under the credit guarantee system: ¥5,383 million  
A reserve for losses on burden charge under the credit guarantee system is provided for the estimated future losses to be charged by the credit guarantee corporation under the burden sharing system for credit losses on loans.
- (iii) Reserve for Resona Club points: ¥4,261 million  
A reserve for Resona Club points is provided for the estimated future losses by usage of the points awarded to the Resona Club members.
- (iv) Reserve for losses on interest repayments: ¥536 million  
A reserve for losses on interest repayments is provided for the future losses on interest repayment claims based on the historical experience for such repayments.

## (10) Employees' retirement benefits

Regarding determination of retirement benefit obligations, the benefit formula basis is adopted as the method of attributing expected benefit to the periods until this fiscal year end. Prior service cost and unrecognized actuarial gains and losses are accounted for as follows:

Prior service cost:	charged to expense in the fiscal year it is incurred
Unrecognized actuarial gains and losses:	charged to income/expense from the next fiscal year of the incurrence by the straight-line method over a period defined within the average remaining service years of eligible employees (ten years).

Certain consolidated subsidiaries estimated net defined benefit liability and retirement benefit costs using the simplified method whereby the retirement benefit obligations amount that would be payable if the eligible employees terminate the employment.

## (11) Translation of assets and liabilities denominated in foreign currencies into Japanese yen

Assets and liabilities denominated in foreign currencies of consolidated domestic banking subsidiaries, except for the investments in affiliates on which historical foreign exchange rates are used, are translated into Japanese yen, primarily at the exchange rates on the consolidated balance sheet dates.

Assets and liabilities denominated in foreign currencies of other consolidated subsidiaries are translated into Japanese yen at the exchange rates on the respective balance sheet dates.

## (12) Hedge accounting

- (i) Hedges of interest rate risk  
Consolidated domestic banking subsidiaries apply the deferral hedge accounting to the hedge of interest rate risk associated with their financial assets and liabilities in accordance with the Japanese Institute of Certified Public Accountants ("JICPA") Industry Audit Committee Report No. 24 "Accounting and Auditing Treatments on the Application of Accounting Standards for Financial Instruments in the Banking Industry." In assessment of effectiveness of fair value hedge, the hedged instruments such as loans and deposits and hedging instruments such as interest swaps are specified as a group with similar remaining term. In assessing effectiveness of cash flow hedge, the correlation of the interest sensitivities of the hedged instruments and the hedging instruments are examined.
- (ii) Hedges of foreign currency risk  
Certain consolidated domestic banking subsidiaries apply the deferral hedge accounting to hedge of the foreign currency risk associated with their financial assets and liabilities denominated in foreign currencies in

accordance with JICPA Industry Audit Committee Report No. 25 “Accounting and Auditing Treatments for Foreign Currency Transactions in the Banking Industry.”

Assessment of the effectiveness of these hedge transactions is conducted by confirming whether notional amount of hedging currency swaps, foreign exchange swaps, etc. is corresponding to hedged receivables or payables denominated in foreign currencies.

In addition, in application of the deferral hedge accounting or the fair value hedge accounting to hedges of foreign exchange risk of securities denominated in foreign currencies other than bonds, at the inception of each hedge, the hedge effectiveness is assessed by confirming whether the foreign currency payable amount of hedging spot or forward exchange contracts exceed the acquisition costs of the hedged securities denominated in foreign currencies.

(iii) Transaction among consolidated subsidiaries

Because internal interest swaps, currency swaps, and other derivative transactions specified as hedging instruments are strictly processed based on the appropriate market pricing and covered by corresponding external transactions as required by the JICPA Industry Audit Committee Reports No. 24 and No. 25, gains and losses on these internal derivative transactions within consolidated banking subsidiaries or with their trading accounts, are not eliminated, and are recognized as profit or deferred.

The hedging of certain assets and liabilities are accounted for by the deferral hedge accounting, fair value hedge accounting and the special treatment of interest rate swaps.

(13) Cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows represent cash and due from the Bank of Japan included in “Cash and due from banks” on the consolidated balance sheets.

(14) Consumption taxes

The Company and consolidated domestic subsidiaries account for consumption tax and local consumption tax with the tax-exclusion method.

(15) Consolidated corporate-tax system

The Company and certain consolidated domestic subsidiaries adopt consolidated corporate-tax system with the Company being a parent company under the system.

## **(7) Changes in Accounting Policies, Changes in Accounting Estimates and Restatement**

### Change in Accounting Policies

(Application of Accounting Standard for Retirement Benefits, etc.)

The Group applied ASBJ Statement No. 26 “Accounting Standard for Retirement Benefits” issued on May 17, 2012 and ASBJ Guidance No. 25 “Guidance on Accounting Standard for Retirement Benefits” issued on March 26, 2015 for the main clause of Article 35 of the accounting standard and the main clause of Article 67 of the guidance, since the beginning of the fiscal year 2014.

Accordingly, the Group reviewed the calculation method of defined benefit obligation and service cost, and changed the method of attributing expected benefit to periods from the straight-line basis to the benefit formula basis. The Group also changed the bond maturity which is used to determine the discount rate, from the use of an approximate period over the expected average remaining working lives of employees to the use of a single weighted-average discount rate reflecting the estimated timing and amount of benefit payment.

The transitional treatment stated in Article 37 of the accounting standard was applied at the adoption, thus the impact from the change in calculation method of defined benefit obligation and service cost was recognized as “retained earnings” at the beginning of the fiscal year 2014.

As a result, “net defined benefit asset” was increased by ¥636 million, “net defined benefit liability” was decreased by ¥1,110 million, and “retained earnings” was increased by ¥1,483 million at the beginning of the fiscal year 2014. The impact to “ordinary profits” and “net income before income taxes and minority interests” for the fiscal year 2014 is immaterial. For the effects on per share information, please refer to “Per Share Information”.

### Additional Information

(Public Funds to be Repaid for Class C No.1 Preferred Stock and Class F No.1 Preferred Stock)

The Company and the Deposit Insurance Corporation of Japan signed a contract “Agreement on Handling of Shares as Public Funds” on June 21, 2013, which predicates that the aggregate amount to be repaid by the Company for the preferred stocks subscribed and owned by the Resolution and Collection Corporation is ¥160.0 billion and the repayments will be implemented in the form of special preferred dividends for the preferred stocks.

The aggregate amount to be repaid by the Company for the Class C No. 1 preferred stocks and Class F No. 1 preferred stocks as of the end of this fiscal year was ¥128.0 billion.

**(8) Notes to Consolidated Financial Statements****(Notes to Consolidated Balance Sheet)**

March 31, 2015

1. Securities include equity investments in non-consolidated subsidiaries and affiliates of ¥19,580 million and capital subscriptions to entities of ¥4,693 million.
2. There is no stock lent under consumption agreements in "Securities." There is no portion of unsecured borrowed securities, securities purchased under resale agreements and securities borrowed with cash collateral.
3. Loans to borrowers in legal bankruptcy amounted to ¥6,852 million, and past due loans amounted to ¥335,546 million.

Loans to borrowers in legal bankruptcy are loans for which payment of principals or interests has not been received for a substantial period or, for other reasons, there are no prospects for collection of principals or interests, and accordingly, no interest has been accrued (excluding balance already written off and hereinafter referred to as "nonaccrual loans") and also certain specific condition stated in the Implementation Ordinances for the Corporation Tax Act (Cabinet Order No. 97, 1965), Items i through v in Article 96-1-3 or the circumstances stated in Article 96-1-4 exists.

Past due loans are nonaccrual loans, other than loans to borrowers in legal bankruptcy and loans whose interest payments have been rescheduled in order to support the restructuring of the borrowers.

4. Loans past due 3 months or more amounted to ¥1,407 million.  
Loans past due 3 months or more are loans on which payment of principal or interest is overdue for 3 months or more from the contract payment date. These loans do not include "loans to borrowers in legal bankruptcy" nor "past due loans."
5. Restructured loans amounted to ¥236,208 million.  
Restructured loans are those which consolidated subsidiaries have provided special terms and conditions: - including reduction of the interest rates, reschedule of the interest and principal payments, or waiver of claims on the borrowers, all of which are more favorable to the borrowers than the corresponding terms in the original loan agreements. These loans do not include "loans to borrowers in legal bankruptcy", "past due loans" and "loans past due 3 months or more."
6. Loans to borrowers in legal bankruptcy, past due loans, loans past due 3 months or more and restructured loans amounted to ¥580,014 million in the aggregate. The amounts presented in above 3. to 6. are stated at the amounts before net of the reserve for possible loan losses.
7. Bills discounted are recorded as lending/borrowing transactions in accordance with the JICPA Industry Audit Committee Report No. 24. The Group has a right to sell or collateralize such bills at their discretion. The total face value of bank acceptance bills, commercial bills, documentary bills and foreign currency bills bought, etc., which were obtained at a discount, was ¥141,558 million.

8. Assets pledged as collateral were as follows:

## Assets pledged as collateral:

• Cash and due from banks	¥10,579 million
• Trading assets	¥50,993 million
• Securities	¥3,534,541 million
• Loans and bills discounted	¥131,451 million
• Other assets	¥3,872 million

## Debt collateralized:

• Deposits	¥197,646 million
• Payables under repurchase agreements	¥50,993 million
• Payables under securities lending transactions	¥24,122 million
• Borrowed money	¥665,925 million

Other than noted on the table, "Cash and due from banks", "Securities" and "Other assets", in the amount of ¥80 million, ¥888,333 million, and ¥594 million, respectively, were pledged as collateral for settlement of foreign exchange or futures transactions and others.

"Other assets" include the initial margins for future transactions in the amount of ¥10,261 million, cash collateral paid for financial instruments in the amount of ¥66,218 million and guarantee deposits in the amount of ¥21,311 million.

9. Overdrafts agreements on current accounts and commitment line agreements for loans are agreements to extend loans up to the prearranged amount upon customers' requests, unless any terms or conditions in the agreements are violated. Unused balances related to these agreements amounted to ¥8,429,964 million including ¥8,041,012 million of agreements with original terms of one year or less or those that are unconditionally cancellable by the Group at any time without penalty.

The unused balances do not necessarily affect future cash flows of the consolidated subsidiaries because most of those agreements are expected to expire without being exercised. In addition, most agreements contain provisions, which stipulate that the consolidated subsidiaries may decline to extend loans or reduce the prearranged commitment amount when there are adverse changes in the financial conditions of the borrowers or for other reasons.

When extending loans to customers, the Group may request collateral or guarantees such as real estate and securities if deemed necessary.

After originating loans, the Group periodically checks the financial condition of the borrowers based on its internal rules and, if necessary, takes measures to ensure the security of the loans.

10. Certain domestic consolidated subsidiaries adopted a special one-time measure to revalue their land used in operations in accordance with the "Act Concerning Land Revaluation" (Act 34, announced on March 31, 1998). The land revaluation differences have been recorded in "revaluation reserve for land" as a separate component of net assets with the related income taxes included in "deferred tax liabilities for land revaluation."

Revaluation date: March 31, 1998

The revaluation method as stated in Article 3, Item 3 of the Act Concerning Land Revaluation:

The revaluation was based on the official notice prices stated in the "Act of Public Notice of Land Prices (assessed date, January 1, 1998)" as stipulated in Article 2, Item 1 of the "Ordinance for the Act Concerning Land Revaluation (Government Ordinance No. 119, announced on March 31, 1998) after making reasonable adjustments for the location and quality of the sites.

The aggregate carrying value of the land after one-time revaluation exceeded its aggregate fair value that was determined in accordance with Article 10 of the Act: ¥27,847 million

11. Accumulated depreciation of tangible fixed assets: ¥219,999 million
12. Deferred profit on tangible fixed assets deducted for tax purposes: ¥51,203 million
13. Borrowed money includes subordinated borrowings of ¥26,000 million that are subordinated to other debt in repayment by special covenants.
14. Bonds include subordinated bonds or perpetual subordinated bonds of ¥583,352 million.
15. The principal amount of trust with the principal indemnification agreement which a consolidated domestic banking subsidiary as a trustee has been administrating and operating is ¥637,296 million.
16. Guarantees are provided on certain privately placed bonds, in accordance with Article 2, Item 3 of FIFA, included in "Securities." The amount of the guarantees is ¥339,503 million.

#### (Notes to Consolidated Statement of Income)

For the fiscal year 2014

1. "Other ordinary income" includes gains on sales of stocks and other securities in the amount of ¥47,407 million.
2. "Other ordinary expenses" includes:
- |  |                 |
|--|-----------------|
| • Write-offs of loans                              | ¥17,795 million |
| • Losses on sales of stocks and other securities   | ¥2,179 million  |
| • Impairment losses on stocks and other securities | ¥665 million    |

**(Notes to Consolidated Statement of Comprehensive Income)**

For the fiscal year 2014

## 1. Reclassification adjustment and tax effect of other comprehensive income

Net unrealized gains (losses) on available-for-sale securities		
Amount incurred during the fiscal year	¥ 306,568	million
Reclassification adjustment	<u>(65,926)</u>	
Prior to deducting tax effect	240,641	
Tax effect	<u>(61,721)</u>	
Net unrealized gains (losses) on available-for-sale securities	<u>¥ 178,920</u>	
Net deferred gains (losses) on hedges		
Amount incurred during the fiscal year	¥ 28,254	
Reclassification adjustment	<u>(22,964)</u>	
Prior to deducting tax effect	5,290	
Tax effect	<u>(242)</u>	
Net deferred gains (losses) on hedges	<u>¥ 5,047</u>	
Revaluation reserve for land		
Amount incurred during the fiscal year	¥ -	
Reclassification adjustment	<u>-</u>	
Prior to deducting tax effect	-	
Tax effect	<u>2,231</u>	
Revaluation reserve for land	<u>¥ 2,231</u>	
Foreign currency translation adjustments		
Amount incurred during the fiscal year	¥ 26,385	
Reclassification adjustment	<u>-</u>	
Prior to deducting tax effect	26,385	
Tax effect	<u>-</u>	
Foreign currency translation adjustments	<u>¥ 26,385</u>	
Remeasurements of defined benefit plans		
Amount incurred during the fiscal year	¥ (16,619)	
Reclassification adjustment	<u>1,220</u>	
Prior to deducting tax effect	(15,399)	
Tax effect	<u>2,242</u>	
Remeasurements of defined benefit plans	<u>¥ (13,157)</u>	
Share of other comprehensive income of affiliates accounted for using equity method		
Amount incurred during the fiscal year	¥ 8	
Reclassification adjustment	<u>5</u>	
Share of other comprehensive income of affiliates accounted for using equity method	13	
Total other comprehensive income	<u>¥ 199,441</u>	

**(Notes to Consolidated Statement of Changes in Net Assets)**

For the fiscal year 2014

1. The changes in the number and class of shares issued and treasury stock are as follows:

*(Shares in thousand)*

	Number of shares at the beginning of the fiscal year	During the fiscal year 2014		Number of shares at the end of the fiscal year	Remarks
		Number of shares increased	Number of shares decreased		
Issued stock					
Common stock	2,324,118	-	-	2,324,118	
Classified stock					
Class C No.1 preferred stock	12,000	-	-	12,000	
Class F No.1 preferred stock	8,000	-	-	8,000	
Class Three No.1 preferred stock	98,000	-	98,000	-	(*1)
Class Four preferred stock	2,520	-	-	2,520	
Class Five preferred stock	4,000	-	-	4,000	
Class Six preferred stock	3,000	-	-	3,000	
Total	2,451,638	-	98,000	2,353,638	
Treasury stock					
Common stock	137,204	11	131,216	5,999	(*2)
Classified stock					
Class Three No.1 preferred stock	-	98,000	98,000	-	(*3)
Total	137,204	98,011	229,216	5,999	

Note: (\*1) The decrease represents cancellation of own common stock of 98,000 thousand shares which acquired based on ceiling on total number of shares available for acquisition resolved at the board of directors' meetings held on July 25, 2014.

(\*2) The increase represents acquisition of 11 thousand shares of the odd-lot shares.

The decrease represents disposal of own common stock of 130,000 thousand shares due to the third party allotment of shares resolved at the board of directors' meetings held on February 27, 2015, disposal 0 thousand shares of odd-lot shares and the 1,216 thousand shares sold by ESOP-type Stock Benefit Trust for the Employee Shareholding Association to Employee Shareholdings Association of the Company.

Number of shares at the beginning of the fiscal year and the end of the fiscal year include 6,273 thousand shares and 5,057 thousand shares, respectively, owned by ESOP-type Stock Benefit Trust for the Employee Shareholding Association.

(\*3) The increase represents acquisition of own common stock of 98,000 thousand shares based on the ceiling on total number of shares available for acquisition as described Note (\*1). Also, the decrease represents cancellation of own common stock of 98,000 thousand shares which acquired based on the ceiling on total number of shares available for acquisition as described Note (\*1).

2. Detail of cash dividend

- (1) Dividends paid in the fiscal year 2014

Resolu-tion	Type of stock	Cash dividends	Dividend per share	Source of dividends	Dividend record date	Effective date
		<i>Millions of yen</i>	<i>Yen</i>			
May 13, 2014	Classified stock			Capital surplus	March 31, 2014	June 4, 2014
	Class C No.1 preferred stock	12,000	1,000.00			
	Class F No.1 preferred stock	20,000	2,500.00			
	Common stock	32,897	15.00	Retained earnings	March 31, 2014	June 5, 2014
	Classified stock					
	Class C No.1 preferred stock	816	68.00			
	Class F No.1 preferred stock	1,480	185.00			
	Class Three No.1 preferred stock	1,863	19.02			
	Class Four preferred stock	2,501	992.50			
	Class Five preferred stock	3,675	918.75			
	Class Six preferred stock	3,712	1,237.50			

Note: Total cash dividends for common stock include ¥94 million of dividends paid to ESOP-type Stock Benefit Trust for the Employee Shareholding Association.

(2) Dividends with record dates before March 31, 2015 and effective dates after April 1, 2015

The following dividends are proposed to the board of directors meeting held on May 12, 2015.

Type of stock	Cash dividends	Dividend per share	Source of dividends	Dividend record date	Effective date
	<i>Millions of yen</i>	<i>Yen</i>			
Classified stock			Capital surplus	March 31, 2015	June 3, 2015
Class C No.1 preferred stock	12,000	1,000.00			
Class F No.1 preferred stock	20,000	2,500.00			
Common stock	39,493	17.00	Retained earnings	March 31, 2015	June 4, 2015
Classified stock					
Class C No.1 preferred stock	652	54.40			
Class F No.1 preferred stock	1,184	148.00			
Class Four preferred stock	2,501	992.50			
Class Five preferred stock	3,675	918.75			
Class Six preferred stock	3,712	1,237.50			

Note: Total cash dividends for common stock include ¥85 million of dividends paid to ESOP-type Stock Benefit Trust for the Employee Shareholding Association.

**(Notes to Consolidated Statement of Cash Flows)**

For the fiscal year 2014

The reconciliation between cash and cash equivalents in the consolidated statement of cash flows and cash and due from banks in the consolidated balance sheet is as follows:

Cash and due from banks	¥9,672,994	million
Less: Due from except for The Bank of Japan	(216,601)	
Cash and cash equivalents	¥9,456,393	



**(Financial Instruments)**

For the fiscal year 2014

## 1. Fair value of financial instruments

Amount on consolidated balance sheet, fair value and difference between them as of March 31, 2015 were as follows. Non-marketable securities whose fair values cannot be reliably determined such as non-listed equity securities are not included in the next table. (Refer to 2.)

Fair value of financial instruments is calculated based on its internal rules which are in accordance with ASBJ Statement No. 10 "Accounting Standards for Financial Instruments."

*(Millions of yen)*

	Amount on consolidated balance sheet	Fair value	Difference
(1) Cash and due from banks	¥ 9,672,994	¥ 9,672,994	¥ -
(2) Call loans and bills bought	36,243	36,243	-
(3) Monetary claims bought (*1)	442,351	439,163	(3,187)
(4) Trading assets			
Trading securities	277,487	277,487	-
(5) Securities			
Held-to-maturity debt securities	2,435,747	2,508,381	72,633
Available-for-sale securities	4,359,873	4,359,873	-
(6) Loans and bills discounted	27,487,284		
Reserve for possible loan losses (*1)	(190,189)		
	27,297,095	27,504,238	207,143
(7) Foreign exchange assets (*1)	97,945	97,945	-
<b>Total assets</b>	<b>¥ 44,619,738</b>	<b>¥ 44,896,327</b>	<b>¥ 276,588</b>
(1) Deposits	¥ 36,712,851	¥ 36,713,515	¥ 664
(2) Negotiable certificates of deposit	2,130,640	2,130,640	-
(3) Call money and bills sold	1,531,519	1,531,519	-
(4) Payables under repurchase agreements	50,993	50,993	-
(5) Payables under securities lending transactions	24,122	24,122	-
(6) Borrowed money	737,051	737,514	462
(7) Foreign exchange liabilities	1,439	1,439	-
(8) Bonds	667,707	699,433	31,725
(9) Due to trust account	617,622	617,622	-
<b>Total liabilities</b>	<b>¥ 42,473,947</b>	<b>¥ 42,506,800</b>	<b>¥ 32,852</b>
Derivative transactions (*2)			
Hedge accounting not applied	23,911	23,911	-
Hedge accounting applied	74,924	74,641	(282)
<b>Total derivative transactions</b>	<b>¥ 98,835</b>	<b>¥ 98,553</b>	<b>¥ (282)</b>

	Contractual amounts	Fair values
Other		
Guarantee contract (*3)	¥ 478,968	¥ (9,734)

Notes:

(\*1) Reserve for possible loan losses corresponding to loans and bills discounted are deducted. Specific reserve for possible loan losses corresponding to monetary claims bought and foreign exchange assets are excluded from the amount on consolidated balance sheet directly due to immateriality.

(\*2) Derivative financial instruments included in trading assets/liabilities and other assets/liabilities are presented in total. Assets (positive amount) and liabilities (negative amount) arising from derivative transactions are presented on a net basis.

(\*3) Contractual amount of guarantee contract is equal to acceptances and guarantees in the consolidated balance sheets.

## 2. Financial instruments whose fair values cannot be reliably determined

Financial instruments whose fair values cannot be reliably determined as of March 31, 2015 were as follows. Financial instruments are not included (5) Securities of above table 1.

*(Millions of yen)*

Classification	Amount on consolidated balance sheet
Unlisted stocks (*1)(*2)	¥ 54,426
Investments in partnerships (*2) (*3)	14,163
<b>Total</b>	<b>¥ 68,590</b>

Notes:

(\*1) Unlisted stocks do not carry quoted market prices. Since the fair values of these securities cannot be reliably determined, their fair values are not disclosed. Unlisted stocks are amount before reserve for possible losses on investments and the total of both domestic and foreign securities.

(\*2) For the fiscal year 2014, impairment losses of unlisted stocks was ¥654 million.

(\*3) Investments in partnerships contain assets such as unlisted stocks which do not carry quoted market prices. Since the fair values of these securities cannot be reliably determined, their fair values are not disclosed. Investments in partnerships are the total of both domestic and foreign assets.

**(Securities)**

For the fiscal year 2014

“Securities” in the consolidated balance sheet, negotiable certificates of deposit in “Cash and due from banks”, trust beneficiary certificate in “Monetary claims bought”, and trading securities and short-term bonds in “Trading assets” were included in the following tables.

## 1. Trading securities (As of March 31, 2015)

(Millions of yen)

	Net unrealized gains (losses) recorded in the consolidated statement of income during the fiscal year
Trading securities	¥ 48

## 2. Held-to-maturity debt securities (As of March 31, 2015)

(Millions of yen)

	Type	Amount on consolidated balance sheet	Estimated fair Value	Net unrealized gains (losses)
Fair value exceeding amount on consolidated balance sheet	Japanese government bonds	¥ 1,962,010	¥ 2,019,082	¥ 57,072
	Japanese local government bonds	445,668	461,081	15,412
	Japanese corporate bonds	14,119	14,273	154
	Total	2,421,798	2,494,437	72,638
Fair value below amount on consolidated balance sheet	Japanese government bonds	-	-	-
	Japanese local government bonds	13,260	13,256	(0)
	Japanese corporate bonds	689	684	(4)
	Total	13,949	13,943	(5)
Grand Total		¥ 2,435,747	¥ 2,508,381	¥ 72,633

## 3. Available-for-sale securities (As of March 31, 2015)

(Millions of yen)

	Type	Amount on consolidated balance sheet	Acquisition/ amortized cost	Net unrealized gains (losses)
Amount on consolidated balance sheet exceeding acquisition or amortized cost	Japanese stocks	¥ 859,863	¥ 318,372	¥ 541,490
	Bonds	2,485,370	2,471,437	13,932
	Japanese government bonds	1,682,332	1,678,554	3,778
	Japanese local government bonds	117,781	114,058	3,722
	Japanese corporate bonds	685,255	678,824	6,431
	Other	296,629	275,487	21,142
	Total	3,641,862	3,065,296	576,565
Amount on consolidated balance sheet below acquisition or amortized cost	Japanese stocks	11,079	12,598	(1,519)
	Bonds	714,572	715,565	(992)
	Japanese government bonds	472,541	472,633	(91)
	Japanese local government bonds	39,748	39,850	(101)
	Japanese corporate bonds	202,281	203,081	(799)
	Other	36,798	37,158	(359)
	Total	762,449	765,322	(2,872)
Grand Total		¥ 4,404,312	¥ 3,830,618	¥ 573,662

Note: Unlisted stocks in the amounts of ¥34,822 million and investments in partnerships in the amounts of ¥9,493 million, whose fair value cannot be reliably determined, are not included in available-for-sale securities on above.

4. Held-to-maturity debt securities sold during the fiscal year (from April 1, 2014 to March 31, 2015)  
None

## 5. Available-for-sale securities sold during the fiscal year (from April 1, 2014 to March 31, 2015)

*(Millions of yen)*

	Proceeds from sales	Gains on sales	Losses on sales
Japanese stocks	¥ 16,025	¥ 12,028	¥ 45
Bonds	14,786,072	20,166	2,620
Japanese government bonds	14,108,120	16,778	2,431
Japanese local government bonds	189,958	1,908	25
Japanese corporate bonds	487,993	1,479	163
Other	3,053,560	47,512	7,178
Total	¥ 17,855,657	¥ 79,706	¥ 9,844

## 6. Impairment of Securities

Securities except trading securities(excluding whose fair values cannot be reliably determined), of which market values substantially declined in comparison with acquisition cost and the market value rarely recovers to the acquisition cost, are recorded at the market value on the consolidated balance sheet and the valuation difference is recognized as an impairment loss.

For the fiscal year 2014, an impairment loss was amounted to ¥20 million.

To assess whether or not a decline in fair values is substantial, the Group considers not only the severity and duration of the decline in value but also the classification of the security issuer which is used in the self-assessment of asset quality as follows:

- (i) For issuers who are classified as bankrupt obligors, effectively bankrupt obligors, and borrowers with a high probability of becoming insolvent:  
where the fair value is lower than the amortized cost or acquisition cost.
- (ii) For issuers who are classified as borrowers under close watch or issuers who are not rated:  
where the fair value declined by 30% or more compared to the amortized cost or acquisition cost.
- (iii) Other: where the fair value declined by 50% or more compared to the amortized cost or acquisition cost.

**(Deferred Tax Accounting)**

Following the promulgation on March 31, 2015 of the “Act on the Partial Revision of the Income Tax etc. (Act No. 9 of 2015)”, corporation tax rate has been reduced from the fiscal years beginning on or after April 1, 2015. In line with these changes, the normal effective statutory tax rates used to measure deferred tax assets and liabilities were changed from 35.59% to 33.02% for temporary differences expected to be reversed in the fiscal year beginning on April 1, 2015 and to 32.24% for those expected to be reversed in the fiscal years beginning on or after April 1, 2016.

As a result of this change, deferred tax assets decreased by ¥13,068 million, net unrealized gains on available-for-sale securities increased by ¥14,776 million, net deferred gains on hedges increased by ¥1,632 million and income taxes—deferred increased by ¥13,068 million. In addition, deferred tax liabilities for land revaluation decreased by ¥2,231 million and revaluation reserve for land increased by the same amount.

**【Segment Information】**

For the fiscal year 2014

## 1. Segment information

Principal operating activities of the segments are as follows:

Segment	Principal operating activity
Consumer banking	Mainly for individual customers, provide consulting services regarding consumer loan, asset management and asset succession
Corporate banking	Mainly for corporate customers, support their business growth by providing services regarding corporate loan, trust asset management, real estate business, corporate pension and business succession
Market trading	In financial markets, transaction in short term lending, borrowing, bond purchase and sale, and derivatives trading

## 2. Profit and loss by segment

Profit and loss of each segment for the fiscal year ended March 31, 2015 were as follows:

*(Millions of yen)*

	Segment				Other	Total
	Consumer banking	Corporate banking	Market trading	Sub total		
Gross operating profit	¥ 259,197	¥ 282,067	¥ 79,329	¥ 620,594	¥ (3,846)	¥ 616,747
General and administrative expenses	(172,477)	(155,594)	(10,339)	(338,411)	-	(338,411)
Actual net operating profit	86,720	126,426	68,989	282,135	(3,846)	278,289
Credit cost	158	24,564	-	24,722	-	24,722
Net operating profit less credit cost	¥ 86,878	¥ 150,991	¥ 68,989	¥ 306,858	¥ (3,846)	¥ 303,012

Notes:

- Total amount is aggregated by the figures of three consolidated subsidiary banks and three consolidated credit guarantee subsidiaries.
- The Consumer banking unit and Corporate banking unit contain operating results of the three consolidated credit guarantee subsidiaries.
- Actual net operating profit of Corporate banking unit does not include credit cost incurred in trust accounts amounting to ¥47 million of gain.
- Gross operating profit of the Market trading unit contains some portion of gains/losses on equity securities.
- "Other" includes all other departments, such as management office, which are not operating segments.
- Depreciation expense is included in general and administrative expenses.

## 3. Reconciliation between the segment information and the consolidated financial statements for the fiscal years ended March 31, 2015 was as follows:

*(Millions of yen)*

Profit	Amount
Total amounts of segments	¥ 306,858
Net gains (losses) of "Other"	(3,846)
Net non-recurring gains (losses) other than credit cost	21,907
Net extraordinary gains (losses)	(7,045)
Profit (losses) of consolidated subsidiaries which are not included in segments, etc.	8,377
Income before income taxes and minority interests	¥ 326,251

Notes:

- Non-recurring gains (losses) other than credit cost include some portion of gain/loss on securities and retirement benefit expenses.
- Net extraordinary gains (losses) other than credit cost include impairment loss.

**【Per Share Information】**

## 1. Net assets per share of common stock and its calculation base

*(Millions of yen, except "Net assets per share of common stock" and number of shares)*

	Fiscal Year 2013 From April 1, 2013 To March 31, 2014	Fiscal Year 2014 From April 1, 2014 To March 31, 2015
Net assets per share of common stock	552.89 yen	690.66 yen
(Calculation base)		
Total net assets	¥ 1,956,412	¥ 2,143,379
Deductions from total net assets	747,280	542,326
Minority interests	139,231	164,600
Preferred stock	594,000	366,000
Preferred dividends	14,048	11,725
Net assets attributable to common stock at the end of the fiscal year	¥ 1,209,132	¥ 1,601,053
Number of shares of common stock at the end of the fiscal year used for the calculation of net assets per share of common stock (shares in thousand)	2,186,913	2,318,118

Notes:

(\*1) Regarding to Class C No.1 preferred stock and Class F No.1 preferred stock, the right to receive the distribution of residual assets (total amount is ¥ 160.0 billion) is not decreased by the special preferred dividends as described in "additional information".

In order to represent the actual conditions of the repayment scheme (the repayment of public fund has been implemented by special preferred dividends funded by other capital surplus) based on "Public funds full repayment plan" announced on May 10, 2013, "Net assets attributable to common stock at the end of the fiscal year" was calculated after deducting the Public funds to be repaid for the preferred stocks (¥160.0 billion for previous fiscal year and ¥128.0 billion for this fiscal year) from "Total net assets"(specifically, included in "Preferred stock" of "Deductions from total net assets"). To avoid duplicated deduction of Public funds to be repaid impact described above, the special preferred dividends of ¥32.0 billion, which record date is at the end of this fiscal year and is funded by other capital surplus, is not deducted from "Total net assets".

(\*2) The number of shares of common stock at the end of the fiscal year used for the calculation of net assets per share of common stock is after deductions of 1) the number of treasury shares and 2) the number of shares held by ESOP-type Stock Benefit Trust for the Employee Shareholding Association (6,273 thousands shares as of March 31, 2014 and 5,057 thousands shares as of March 31, 2015).

## 2. Net income per share of common stock, diluted net income per share of common stock and those calculation bases

*(Millions of yen, except "Net income per share of common stock" and number of shares)*

	Fiscal Year 2013 March 31, 2014	Fiscal Year 2014 March 31, 2015
(1) Net income per share of common stock	89.71 yen	91.07 yen
(Calculation base)		
Net income	¥ 220,642	¥ 211,477
Amounts not attributable to common stock	14,048	11,725
Dividends on preferred stock	14,048	11,725
Net income attributable to common stock	¥ 206,594	¥ 199,752
Weighted-average number of common shares during the fiscal year (thousands of shares)	2,302,727	2,193,242
(2) Diluted net income per share of common stock	64.97 yen	84.28 yen
(Calculation base)		
Adjustments in net income	¥ 4,159	¥ 1,836
Dividends on preferred stock	¥ 4,159	¥ 1,836
Increase in number of common shares (thousands of shares)	940,883	198,513
Preferred stock (thousands of shares)	940,883	198,513
Outline of dilutive securities which were not included in the calculation of "Diluted net income per share" because they do not have dilutive effect.	Not applicable	Not applicable

Note: Average number of common shares during the period is after deductions of 1) the number of treasury shares and 2) the number of shares held by the ESOP-type Stock Benefit Trust for the Employee Shareholding Association (6,924 thousands shares and 5,637 thousand shares for the fiscal years ended March 31, 2014 and 2015, respectively.)

## (Change in Accounting Policies)

The Group applied ASBJ Statement No. 26 “Accounting Standard for Retirement Benefits” issued on May 17, 2012 and ASBJ Guidance No. 25 “Guidance on Accounting Standard for Retirement Benefits” issued on March 26, 2015 for the main clause of Article 35 of the accounting standard and the main clause of Article 67 of the guidance, since the beginning of the fiscal year 2014. The transitional treatment stated in Article 37 of the accounting standard was applied at the adoption.

As a result, net assets per share of common stock was increased by ¥0.67 at the beginning of the fiscal year 2014. The impact to net income per share and diluted net income per share of common stock are immaterial.

**【Subsequent Events】**

Resona Holdings, Inc. (“Resona Holdings”), at the Board of Directors’ meeting held on May 12, 2015 (the “Board of Directors’ Meeting”), passed a resolution to submit for deliberation at the annual shareholders’ meeting scheduled to be held on June 19, 2015 (the “Annual Shareholders Meeting”) the advanced repayment in a lump-sum of the public funds relating to Class C Preferred Shares and Class F Preferred Shares (collectively, the “Early Strengthening Act Preferred Shares”) through the acquisition of all of the Early Strengthening Act Preferred Shares by Resona Holdings (the proposal submitted for deliberation above shall be referred to as the “Proposal”). In addition, the Board of Directors’ Meeting passed a resolution for Resona Holdings to acquire the Early Strengthening Act Preferred Shares (the “Acquisition of Own Shares”) pursuant to Article 53 of the articles of incorporation of Resona Holdings under Article 459, paragraph (1) of the Companies Act, subject to the approval of the Proposal at the Annual Shareholders’ Meeting.

Resona Holdings plans to cancel the acquired Early Strengthening Act Preferred Shares immediately after their acquisition.

## 1. Lump-Sum Advanced Repayment of the Early Strengthening Act Preferred Shares

With respect to the Early Strengthening Act Preferred Shares, Resona Holdings has extended the Simultaneous Acquisition Date (the date of simultaneous conversion into ordinary shares) of the shares up to the date immediately following the date of the annual shareholders’ meeting regarding the fiscal year ending March 2018, and on June 2014, has implemented the repayment in the aggregate of 32.0 billion yen through a special preferred dividend using other capital surplus as the source, and, plans to implement further repayments amounting to 32.0 billion yen on June 4, 2015. As a result of the above, the amount required for repayment regarding the Early Strengthening Act Preferred Shares is expected to be 96.0 billion yen, which is the amount obtained by deducting the aggregate of the payment of the special preferred dividend (64.0 billion yen) from the initial injected amount (160.0 billion yen).

In consideration of the fact that Resona Holdings’ recent performance has been steady, among other factors, at the Board of Directors’ Meeting, subject to the approval of the Proposal at the Annual Shareholders’ Meeting, Resona Holdings determined to acquire the Early Strengthening Act Preferred Shares pursuant to the terms and conditions set forth below, and intends to apply for the repayment of the public funds to the relevant authorities after the Annual Shareholders’ Meeting.

Terms and Conditions for Repayment of Public Funds (Acquisition of Own Shares (Early Strengthening Act Preferred Shares))

## (i) Class of shares to be acquired

Early Strengthening Act Preferred Shares (Class C Preferred Shares and Class F Preferred Shares)

## (ii) Total number of shares to be acquired

Class C Preferred Shares: 12,000,000 shares, Class F Preferred Shares: 8,000,000 shares

## (iii) Total amount of the acquisition price of the shares

96.0 billion yen (among which, Class C Shares amounting to a total of 36.0 billion yen, and Class F Shares amounting to a total of 60.0 billion yen)

## 2. Establishment of the Threshold for Class C Preferred Shares and Class F Preferred Shares

The Acquisition of Own Shares will be used for the early repayment of the public funds, and, implemented according to the following contents subject to (i) the approval of the Proposal at the Annual Shareholders’ Meeting and (ii) confirmation from the relevant authorities that the terms and conditions to repay the public funds have been arranged without causing a burden on citizens.

(1) Class of shares subject to acquisition	Class C Preferred Shares and Class F Preferred Shares
(2) Total number of shares to be acquired	Class C Preferred Shares: 12,000,000 shares Class F Preferred Shares: 8,000,000 shares (the numbers of shares stated here is the same as the total number of issued and outstanding shares of these shares.)
(3) Amount of the acquisition price of the shares	Class C Preferred Shares: 3,000.00 yen per share Class F Preferred Shares: 7,500.00 yen per share
(4) Total amount of the acquisition price of the shares	96.0 billion yen (among which, Class C Preferred Shares amounting to a total of 36.0 billion yen, and Class F Preferred Shares amounting to a total of 60.0 billion yen)
(5) Period of acquisition	1 year from June 19, 2015

**【Statement of Trust Assets and Liabilities】**

March 31, 2015

*(Millions of Yen)*

Assets	Amount	Liabilities	Amount
Loans and bills discounted	¥ 36,695	Money trusts	¥ 6,747,262
Securities	179	Pension trusts	3,465,103
Beneficiary rights	23,152,807	Property formation benefit trusts	943
Securities held in custody account	11,339	Securities investment trusts	12,979,070
Monetary claims	251,995	Money entrusted other than	
Tangible fixed assets	430,024	money trusts	362,087
Intangible fixed assets	1,554	Securities trusts	11,380
Other claims	10,443	Monetary claims trusts	270,907
Due from banking account	617,622	Land and fixtures trusts	112,221
Cash and due from banks	13,956	Composite trusts	577,641
<b>Total assets</b>	<b>¥ 24,526,618</b>	<b>Total liabilities</b>	<b>¥ 24,526,618</b>

## Notes:

1. Amounts of less than one million yen have been rounded down.
2. The trust without readily determinable monetary values was excluded.
3. Beneficiary rights worth of ¥23,152,807 million were re-entrusted for asset administration purpose.
4. Co-managed trust funds under other trust bank's administration amounted to ¥448,713 million.
5. Loans and bills discounted where the Bank guarantees the principal is amounted to ¥36,695 million include followings:

	<i>(Millions of Yen)</i>
Loans to borrowers in legal bankruptcy	¥ 16
Past-due loans	690
Loans past due 3 months or more	19
Restructured loans	6
<b>Total</b>	<b>¥ 733</b>

6. Subsidiary subject to aggregation is Resona Bank, Ltd., only.

Appendix: The trust in the principal indemnification agreement, including the trust that was re-entrusted for operations, consists of followings.

Money trusts		<i>(Millions of Yen)</i>	
Assets	Amount	Liabilities	Amount
Loans and bills discounted	¥ 36,695	Principal	¥ 637,296
Other	600,769	Special loan loss reserve	110
		Other	58
<b>Total assets</b>	<b>¥ 637,464</b>	<b>Total liabilities</b>	<b>¥ 637,464</b>

## Comparison of Statements of Trust Assets and Liabilities

(Millions of Yen)

Assets	March 31, 2014 (A)	March 31, 2015 (B)	Difference (B)-(A)
Loans and bills discounted	¥ 43,862	¥ 36,695	¥ (7,167)
Securities	120	179	58
Beneficiary rights	22,563,199	23,152,807	589,607
Securities held in custody account	7,895	11,339	3,443
Monetary claims	297,118	251,995	(45,122)
Tangible fixed assets	444,689	430,024	(14,664)
Intangible fixed assets	2,004	1,554	(450)
Other claims	7,371	10,443	3,071
Due from banking account	533,844	617,622	83,778
Cash and due from banks	15,701	13,956	(1,745)
<b>Total assets</b>	<b>23,915,807</b>	<b>24,526,618</b>	<b>610,810</b>
Co-managed trust funds under other trust bank's administration	¥ 580,919	¥ 448,713	¥ (132,206)

Liabilities	March 31, 2014 (A)	March 31, 2015 (B)	Difference (B)-(A)
Money trusts	¥ 7,022,390	¥ 6,747,262	¥ (275,127)
Pension trusts	3,696,076	3,465,103	(230,972)
Property formation benefit trusts	1,109	943	(166)
Securities investment trusts	11,786,070	12,979,070	1,192,999
Money entrusted other than money trusts	347,706	362,087	14,381
Securities trusts	33,736	11,380	(22,356)
Monetary claims trusts	317,816	270,907	(46,908)
Land and fixtures trusts	119,752	112,221	(7,531)
Land and fixtures lease trusts	2,810	-	(2,810)
Composite trusts	588,337	577,641	(10,696)
<b>Total liabilities</b>	<b>¥ 23,915,807</b>	<b>¥ 24,526,618</b>	<b>¥ 610,810</b>

Note: Amounts of less than one million yen have been rounded down.



**6. Non-Consolidated Financial Statements****(1) Non-Consolidated Balance Sheet***(Millions of yen)*

	March 31, 2014	March 31, 2015
<b>Assets</b>		
Current assets		
Cash and due from banks	¥ 365	¥ 730
Money held in trust	193	186
Securities	275,300	266,000
Prepaid expenses	6	5
Deferred tax assets	118	149
Accrued income	3	4
Other receivable	22,595	27,818
Accrued income taxes refund	69,912	1
Total current assets	<u>368,495</u>	<u>294,896</u>
Non-current assets		
Tangible fixed assets		
Tools, furniture and fixtures, net	4	3
Leased assets, net	3	2
Total tangible fixed assets	<u>8</u>	<u>5</u>
Intangible fixed assets		
Trademarks	0	-
Software	5	2
Total intangible fixed assets	<u>5</u>	<u>2</u>
Investments and other assets		
Investments in subsidiaries and affiliates	1,116,174	1,116,174
Long-term loans to subsidiaries and affiliates	79,500	49,500
Other	2	30
Reserve for possible losses on investments	(2,638)	(2,494)
Total investments and other assets	<u>1,193,038</u>	<u>1,163,211</u>
Total non-current assets	<u>1,193,053</u>	<u>1,163,219</u>
<b>Total Assets</b>	<u>¥ 1,561,549</u>	<u>¥ 1,458,116</u>

**(1) Non-Consolidated Balance Sheet - Continued***(Millions of yen)*

	March 31, 2014	March 31, 2015
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Current liabilities		
Lease obligations	¥ 1	1
Other payable	354	1,250
Accrued expenses	684	641
Income taxes payable	192	1,824
Consumption taxes payable	22	139
Reserve for employees' bonuses	465	580
Other	569	441
Total current liabilities	<u>2,289</u>	<u>4,879</u>
Non-current liabilities		
Bonds	80,000	80,000
Long-term debts to subsidiaries and affiliates	302,071	301,279
Lease obligations	2	1
Total non-current liabilities	<u>382,074</u>	<u>381,281</u>
<b>Total Liabilities</b>	<u>384,364</u>	<u>386,160</u>
<b>Net Assets</b>		
<b>Stockholder's equity</b>		
Capital stock	50,472	50,472
Capital surplus		
Capital reserve	50,472	50,472
Other capital surplus	462,210	198,834
Total capital surplus	<u>512,683</u>	<u>249,306</u>
Retained earnings		
Other retained earnings		
Retained earnings carried forward	699,883	774,659
Total retained earnings	<u>699,883</u>	<u>774,659</u>
Treasury stock	(85,855)	(2,483)
Total stockholders' equity	<u>1,177,184</u>	<u>1,071,955</u>
<b>Total Net Assets</b>	<u>1,177,184</u>	<u>1,071,955</u>
<b>Total Liabilities and Net Assets</b>	<u>¥ 1,561,549</u>	<u>¥ 1,458,116</u>

**(2) Non-Consolidated Statement of Income***(Millions of yen)*

	<b>For the fiscal year ended March 31, 2014</b>	<b>For the fiscal year ended March 31, 2015</b>
<b>Operating income</b>		
Dividends from subsidiaries and affiliates	¥ 447,381	¥ 122,672
Fees from subsidiaries and affiliates	4,325	4,334
Interest on loans to subsidiaries and affiliates	1,770	1,327
Total operating income	<u>453,476</u>	<u>128,333</u>
<b>Operating expenses</b>		
Interest on debts	2,313	2,411
Interest on bonds	506	393
General and administrative expenses	4,032	4,421
Total operating expenses	<u>6,852</u>	<u>7,226</u>
<b>Operating profits</b>	<u>446,623</u>	<u>121,106</u>
<b>Non-operating income</b>		
Interest income on securities	82	39
Fees and commissions	108	102
Reversal of reserve for possible losses on investments	307	144
Gain on forfeiture of unclaimed dividends	-	129
Interest on tax refunds	10	0
Other	3	10
Total non-operating income	<u>512</u>	<u>426</u>
<b>Non-operating expenses</b>		
Total non-operating expenses	<u>2,513</u>	<u>158</u>
<b>Ordinary profits</b>	<u>444,623</u>	<u>121,374</u>
<b>Net income before income taxes</b>	<u>444,623</u>	<u>121,374</u>
Income taxes – current	(835)	(316)
Income taxes – deferred	1	(30)
Total income taxes	<u>(833)</u>	<u>(347)</u>
<b>Net income</b>	<u>¥ 445,456</u>	<u>¥ 121,722</u>

**(3) Non-Consolidated Statement of Changes in Net Assets**

For the fiscal year ended March 31, 2014

(Millions of yen)

	Stockholders' equity					Treasury stock	Total stockholders' equity	Total net assets
	Capital stock	Capital surplus			Retained earnings			
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings			
					Retained earnings carried forward			
Balance at the beginning of the fiscal year	¥340,472	¥340,472	-	¥340,472	¥620,754	¥(89,596)	¥1,212,102	¥1,212,102
Changes during the fiscal year								
Dividends paid					(46,327)		(46,327)	(46,327)
Net income					445,456		445,456	445,456
Purchase of treasury stock						(434,532)	(434,532)	(434,532)
Disposal of treasury stock			(0)	(0)		485	484	484
Cancellation of treasury stock			(437,788)	(437,788)		437,788	-	-
Transfer from retained earnings to capital stock	320,000				(320,000)		-	-
Transfer from capital stock to capital surplus	(610,000)		610,000	610,000			-	-
Transfer from capital reserve to other capital surplus		(290,000)	290,000	-			-	-
Total changes during the fiscal year	(290,000)	(290,000)	462,210	172,210	79,129	3,741	(34,918)	(34,918)
Balance at the end of the fiscal year	¥50,472	¥50,472	¥462,210	¥512,683	¥699,883	¥(85,855)	¥1,177,184	¥1,177,184

For the fiscal year ended March 31, 2015

	Stockholders' equity					Treasury stock	Total stockholders' equity	Total net assets
	Capital stock	Capital surplus			Retained earnings			
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings			
					Retained earnings carried forward			
Balance at the beginning of the fiscal year	¥50,472	¥50,472	¥462,210	¥512,683	¥699,883	¥(85,855)	¥1,177,184	¥1,177,184
Changes during the fiscal year								
Dividends paid - other capital surplus			(32,000)	(32,000)			(32,000)	(32,000)
Dividends paid					(46,946)		(46,946)	(46,946)
Net income					121,722		121,722	121,722
Purchase of treasury stock						(234,951)	(234,951)	(234,951)
Disposal of treasury stock			3,568	3,568		83,378	86,946	86,946
Cancellation of treasury stock			(234,945)	(234,945)		234,945	-	-
Total changes during the fiscal year	-	-	(263,376)	(263,376)	74,775	83,371	(105,229)	(105,229)
Balance at the end of the fiscal year	¥50,472	¥50,472	¥198,834	¥249,306	¥774,659	¥(2,483)	¥1,071,955	¥1,071,955

**(4) Note on Going-Concern Assumption**

Not applicable