

Disclaimer: The Consolidated and Non-Consolidated Financial Statements and the Notes thereto in the following pages are those included in the English translation of the summary of the financial results for Fiscal Year 2014 of Resona Holdings, Inc. (*Kessan Tanshin*) disclosed on May 12, 2015 in accordance with the rules of the Tokyo Stock Exchange, under the title "Consolidated Financial Results for Fiscal Year 2014 (April 1, 2014 – March 31, 2015 / Unaudited) <under Japanese GAAP>", and are provided for information purposes only.

1. Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Millions of yen)

| | March 31, 2014 | March 31, 2015 |
|---|---------------------|---------------------|
| Assets | | |
| 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) |
| Total Assets | 44,719,434 | 46,586,565 |
| Liabilities and Net Assets | | |
| Liabilities | | |
| 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 |
| Total Liabilities | 42,763,022 | 44,443,186 |
| Net Assets | | |
| 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 |
| Total Net Assets | 1,956,412 | 2,143,379 |
| Total Liabilities and Net Assets | ¥ 44,719,434 | ¥ 46,586,565 |

(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 |
|--|--|--|
| Ordinary income | ¥ 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 |
| Ordinary expenses | 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 |
| Ordinary profits | 312,169 | 333,316 |
| Extraordinary gains | 2,958 | 104 |
| Gains on disposal of fixed assets | 2,958 | 104 |
| Extraordinary losses | 3,042 | 7,169 |
| Losses on disposal of fixed assets | 1,379 | 1,430 |
| Impairment losses on fixed assets | 1,662 | 5,738 |
| Net income before income taxes and minority interests | 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 |
| Net income before minority interests | 227,494 | 217,415 |
| Minority interests in net income | 6,851 | 5,937 |
| Net income | ¥ 220,642 | ¥ 211,477 |

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

| | For the fiscal year ended March 31, 2014 | For the fiscal year ended March 31, 2015 |
|--|---|---|
| Net income before minority interests | ¥ 227,494 | ¥ 217,415 |
| Other comprehensive income | 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 |
| Total comprehensive income | <u>286,674</u> | <u>416,856</u> |
| Comprehensive income attributable to: | | |
| 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)

| | For the fiscal year ended March 31, 2014 | For the fiscal year ended March 31, 2015 |
|--|--|--|
| Cash flows from operating activities | | |
| 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 | 2,334,766 | 1,073,611 |
| Income taxes paid or tax refund | (91,559) | 29,860 |
| Net cash provided by/(used in) operating activities | 2,243,206 | 1,103,471 |
| Cash flows from investing activities | | |
| 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) |
| Net cash provided by/(used in) investing activities | 1,315,192 | 2,328,201 |
| Cash flows from financing activities | | |
| 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 |
| Net cash provided by/(used in) financing activities | (480,536) | (290,120) |
| Effect of exchange rate changes on cash and cash equivalents | 112 | 104 |
| Net increase/(decrease) in cash and cash equivalents | 3,077,974 | 3,141,657 |
| Cash and cash equivalents at the beginning of the fiscal year | 3,236,761 | 6,314,735 |
| Cash and cash equivalents at the end of the fiscal year | ¥ 6,314,735 | ¥ 9,456,393 |

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

(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 | - |
| Total assets | ¥ 44,619,738 | ¥ 44,896,327 | ¥ 276,588 |
| (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 | - |
| Total liabilities | ¥ 42,473,947 | ¥ 42,506,800 | ¥ 32,852 |
| Derivative transactions (*2) | | | |
| Hedge accounting not applied | 23,911 | 23,911 | - |
| Hedge accounting applied | 74,924 | 74,641 | (282) |
| Total derivative transactions | ¥ 98,835 | ¥ 98,553 | ¥ (282) |

| | 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 |
| Total | ¥ 68,590 |

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:

- 1.Total amount is aggregated by the figures of three consolidated subsidiary banks and three consolidated credit guarantee subsidiaries.
- 2.The Consumer banking unit and Corporate banking unit contain operating results of the three consolidated credit guarantee subsidiaries.
- 3.Actual net operating profit of Corporate banking unit does not include credit cost incurred in trust accounts amounting to ¥47 million of gain.
- 4.Gross operating profit of the Market trading unit contains some portion of gains/losses on equity securities.
- 5.“Other” includes all other departments, such as management office, which are not operating segments.
- 6.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:

1. Non-recurring gains (losses) other than credit cost include some portion of gain/loss on securities and retirement benefit expenses.
2. 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 | 11,339 | Securities investment trusts | 12,979,070 |
| account | 251,995 | Money entrusted other than | |
| Monetary claims | 430,024 | money trusts | 362,087 |
| Tangible fixed assets | 1,554 | Securities trusts | 11,380 |
| Intangible fixed assets | 10,443 | Monetary claims trusts | 270,907 |
| Other claims | 617,622 | Land and fixtures trusts | 112,221 |
| Due from banking account | 13,956 | Composite trusts | 577,641 |
| Cash and due from banks | | | |
| Total assets | ¥ 24,526,618 | Total liabilities | ¥ 24,526,618 |

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:

(Millions of Yen)

| | |
|--|--------------|
| Loans to borrowers in legal bankruptcy | ¥ 16 |
| Past-due loans | 690 |
| Loans past due 3 months or more | 19 |
| Restructured loans | 6 |
| Total | ¥ 733 |

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 |
| Total assets | ¥ 637,464 | Total liabilities | ¥ 637,464 |

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) |
| Total assets | 23,915,807 | 24,526,618 | 610,810 |
| 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) |
| Total liabilities | ¥ 23,915,807 | ¥ 24,526,618 | ¥ 610,810 |

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

2. Non-Consolidated Financial Statements
(1) Non-Consolidated Balance Sheet

(Millions of yen)

| | March 31, 2014 | March 31, 2015 |
|--|----------------|----------------|
| Assets | | |
| 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 | 368,495 | 294,896 |
| Non-current assets | | |
| Tangible fixed assets | | |
| Tools, furniture and fixtures, net | 4 | 3 |
| Leased assets, net | 3 | 2 |
| Total tangible fixed assets | 8 | 5 |
| Intangible fixed assets | | |
| Trademarks | 0 | - |
| Software | 5 | 2 |
| Total intangible fixed assets | 5 | 2 |
| 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 | 1,193,038 | 1,163,211 |
| Total non-current assets | 1,193,053 | 1,163,219 |
| Total Assets | ¥ 1,561,549 | ¥ 1,458,116 |

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

| | March 31, 2014 | March 31, 2015 |
|--|--------------------|--------------------|
| Liabilities and Net Assets | | |
| Liabilities | | |
| 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 | 2,289 | 4,879 |
| 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 | 382,074 | 381,281 |
| Total Liabilities | 384,364 | 386,160 |
| Net Assets | | |
| Stockholder's equity | | |
| Capital stock | 50,472 | 50,472 |
| Capital surplus | | |
| Capital reserve | 50,472 | 50,472 |
| Other capital surplus | 462,210 | 198,834 |
| Total capital surplus | 512,683 | 249,306 |
| Retained earnings | | |
| Other retained earnings | | |
| Retained earnings carried forward | 699,883 | 774,659 |
| Total retained earnings | 699,883 | 774,659 |
| Treasury stock | (85,855) | (2,483) |
| Total stockholders' equity | 1,177,184 | 1,071,955 |
| Total Net Assets | 1,177,184 | 1,071,955 |
| Total Liabilities and Net Assets | ¥ 1,561,549 | ¥ 1,458,116 |

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

| | For the fiscal year ended March 31, 2014 | For the fiscal year ended March 31, 2015 |
|--|---|---|
| Operating income | | |
| 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> |
| Operating expenses | | |
| 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> |
| Operating profits | <u>446,623</u> | <u>121,106</u> |
| Non-operating income | | |
| 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> |
| Non-operating expenses | | |
| Total non-operating expenses | <u>2,513</u> | <u>158</u> |
| Ordinary profits | <u>444,623</u> | <u>121,374</u> |
| Net income before income taxes | <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> |
| Net income | <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