

**We will make progress toward our vision of “Retail No.1” based on the fundamental stance that “Customers’ happiness is our pleasure.”**

The Japanese economy recovered moderately during the fiscal year ended March 2017, with steady improvement in employment and income and through the impact of a strong overseas economy centered on the United States. However, the operating environment for financial institutions was extremely challenging due to factors including the impact of negative interest rates.

Under these circumstances, Resona Holdings’ consolidated actual net operating profit decreased by ¥56.8 billion from the previous fiscal year to ¥218.2 billion. Interest income decreased because the spread between deposit rates and loan rates narrowed in the low interest rate environment, and net gains on bonds decreased. An increase in the loan balance, solid income from corporate solutions and our commitment to low-cost operations partially offset these declines. Net income attributable to owners of the parent decreased by ¥22.3 billion to ¥161.4 billion with improvements in credit costs and other positive factors. We have maintained a sound financial condition, with the nonperforming loan ratio at 1.35% and the capital adequacy ratio at 11.69% as of March 31, 2017.

In February 2017, the Resona Group began offering “Resona Fund Wrap” with consulting services in which we provide proposals for optimizing asset allocation, and the total account balance exceeded ¥100 billion in June 2017. We also opened three Seven Days Plazas in the fiscal year ended March 2017 and added two more in May 2017, for a total of 16 Seven Days Plazas nationwide that are open every day. Overseas, in January 2017, we announced that we would acquire the shares of AFC Merchant Bank, a Singapore-based financial institution and make it a subsidiary. We are expanding our domestic and overseas networks in this way. Moreover, in March 2017 we announced a “basic agreement concerning a business integration” between Minato Bank, Kansai Urban Banking Corporation and Kinki Osaka Bank in order to create a new retail financial services model that is in step with the future of the Kansai region.

In April 2017, we launched our new medium-term management plan (Change to the “Next”). We view the maturing society, technological advancement, and change in societal and industrial structures as business opportunities, and we will create a next-generation retail financial services model to provide the best solutions for more customers, whenever and wherever they need us.

The Resona Group will maintain its fundamental stance that “Customers’ happiness is our pleasure.” We are making the utmost effort to maximize corporate value as the “Retail No.1” financial services group that is most supported by regional customers as it walks with them into the future.

We are counting on your continued support.

July 2017

**Kazuhiro Higashi**

Director, President and Representative Executive Officer, Resona Holdings, Inc.  
Chairman of the Board, President and Representative Director, Resona Bank, Limited

