Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have been audited the consolidated financial statements, namely, the consolidated balance sheet as of March 31, 2024, and the consolidated statement of income and consolidated statement of changes in net assets for the fiscal year from April 1, 2023 to March 31, 2024, and the related notes by Deloitte Touche Tohmatsu LLC, and have received the Independent Auditor's Report dated May 9, 2024. These documents are English translations of the audited Japanese consolidated financial statements translated and edited by the Company.

1. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

		March 31, 2024
Assets		
Cash and due from banks	¥	20,924,259
Call loans and bills bought		105,851
Deposits paid for bonds borrowing transactions		8,448
Monetary claims bought		498,298
Trading assets		350,467
Securities		9,381,654
Loans and bills discounted		42,745,789
Foreign exchange assets		149,963
Lease receivables and investments in leases		181,335
Other assets		1,140,181
Tangible fixed assets		349,780
Buildings		109,822
Land		176,197
Leased assets		13,595
Construction in progress		2,799
Other tangible fixed assets		47,365
Intangible fixed assets		45,565
Software		19,720
Leased assets		19,983
Other intangible fixed assets		5,862
Net defined benefit asset		87,769
Deferred tax assets		3,844
Customers' liabilities for acceptances and guarantees		397,178
Reserve for possible loan losses		(219,490)
Reserve for possible losses on investments		(12)
Total Assets		76,150,887
Liabilities and Net Assets		
Liabilities		
Deposits		63,560,338
Negotiable certificates of deposit		831,250
Call money and bills sold		823,745
Payables under securities lending transactions		1,881,539
Trading liabilities		75,596
Borrowed money		3,299,144
Foreign exchange liabilities		7,783
Bonds		181,000
Due to trust account		1,314,105
Other liabilities		850,844
Reserve for employees' bonuses		21,014
Net defined benefit liability		8,035
Other reserves		24,926
Deferred tax liabilities		78,621
Deferred tax liabilities for land revaluation		17,589
Acceptances and guarantees		397,178
Total Liabilities		73,372,714
Net Assets		
Capital stock		50,552
Capital surplus		109,501
Retained earnings		2,072,691
Treasury stock		(7,322)
Total stockholders' equity		2,225,423
Net unrealized gains on available-for-sale securities		473,960
Net deferred gains on hedges		9,102
Revaluation reserve for land		38,280
Foreign currency translation adjustments		(137)
Remeasurements of defined benefit plans		13,714
Total accumulated other comprehensive income		534,920
Stock acquisition rights		137
Non-controlling interests		17,691
Total Net Assets		2,778,173
Total Liabilities and Net Assets	¥	76,150,887

(2) Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	
Ordinary income	¥	941,663
Interest income		509,232
Interest on loans and bills discounted		365,112
Interest and dividends on securities		89,190
Interest on call loans and bills bought		5,450
Interest on receivables under securities borrowing transactions		545
Interest on due from banks		19,968
Other interest income		28,965
Trust fees		25,424
Fees and commissions		264,757
Trading income		809
Other operating income		56,957
Other ordinary income		84,482
Recoveries of written-off loans		8,036
Other		76,445
Ordinary expenses		718,700
Interest expenses		87,536
Interest on deposits		32,415
Interest on negotiable certificates of deposit		51
Interest on call money and bills sold		7,255
Interest on payables under repurchase agreements		0
Interest on payables under securities lending transactions		38,750
Interest on borrowed money		3,061
Interest on bonds		1,419
Other interest expenses		4,580
Fees and commissions		76,650
Trading expenses		11
Other operating expenses		65,513
General and administrative expenses		423,136
Other ordinary expenses		65,852
Provision to reserve for possible loan losses		21,969
Other		43,882
Ordinary profits		222,962
Extraordinary gains		4,042
Gains on disposal of fixed assets		4,042
Extraordinary losses		4,001
Losses on disposal of fixed assets		1,337
Impairment losses on fixed assets		2,664
Income before income taxes		223,004
Income taxes – current		61,175
Income taxes – deferred		3,507
Total income taxes		64,683
Net income		158,321
Net loss attributable to non-controlling interests		609
Net income attributable to owners of parent	¥	158,930

(3) Consolidated Statement of Changes in Net Assets

For the fiscal year ended March 31, 2024

(Millions of yen)

	Stockholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity	Net unreali -zed gains on available-for-sale securities	Net deferred gains on hedges
Balance at the beginning of the fiscal year	¥ 50,552	¥ 134,452	¥ 1,963,546	¥ (8,154)	¥ 2,140,398	¥ 343,081	¥ 5,617
Changes during the fiscal year							
Dividends paid			(50,932)		(50,932)		
Net income attributable to owners of parent			158,930		158,930		
Purchase of treasury stock				(26,090)	(26,090)		
Disposal of treasury stock		(26)		2,028	2,001		
Cancellation of treasury stock		(24,893)		24,893	—		
Reversal of revaluation reserve for land			1,146		1,146		
Changes in ownership interest of parent due to transactions with non-controlling interests		(31)			(31)		
Net changes except for stockholders' equity during the fiscal year						130,878	3,485
Total changes during the fiscal year	—	(24,951)	109,144	831	85,024	130,878	3,485
Balance at the end of the fiscal year	¥ 50,552	¥ 109,501	¥ 2,072,691	¥ (7,322)	¥ 2,225,423	¥ 473,960	¥ 9,102

	Accumulated other comprehensive income				Stock acquisition rights	Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustments	Remeasure -ments of defined benefit plans	Total accumulated other comp -rehensive income			
Balance at the beginning of the fiscal year	¥ 39,426	¥ (880)	¥ (11,759)	¥ 375,485	¥ 215	¥ 17,953	¥ 2,534,052
Changes during the fiscal year							
Dividends paid							(50,932)
Net income attributable to owners of parent							158,930
Purchase of treasury stock							(26,090)
Disposal of treasury stock							2,001
Cancellation of treasury stock							—
Reversal of revaluation reserve for land							1,146
Changes in ownership interest of parent due to transactions with non-controlling interests							(31)
Net changes except for stockholders' equity during the fiscal year	(1,146)	743	25,473	159,435	(78)	(261)	159,095
Total changes during the fiscal year	(1,146)	743	25,473	159,435	(78)	(261)	244,120
Balance at the end of the fiscal year	¥ 38,280	¥ (137)	¥ 13,714	¥ 534,920	¥ 137	¥ 17,691	¥ 2,778,173

(4) Notes to Consolidated Financial Statements

Amounts of less than one million Japanese yen (“yen”) are rounded down.

Definitions of “subsidiaries” and “affiliates” are based on Article 2, Paragraph 8 of the Banking Act and Article 4-2 of the Enforcement Ordinance of the Banking Act.

Significant Accounting Policies Applied in Preparing Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 35
Names of principal companies: Resona Bank, Ltd.
Saitama Resona Bank, Ltd.
Kansai Mirai Financial Group, Inc.
Kansai Mirai Bank, Ltd.
The Minato Bank, Ltd.

Resona Innovation Partners Co., Ltd. is included in the scope of consolidation from this fiscal year due to the new establishment, and Shutoken Leasing Co., Ltd. and DFL Lease Co., Ltd. due to the acquisition of shares. Minato Business Service Co., Ltd. is excluded from the scope of consolidation from this fiscal year due to liquidation.

(2) Non-consolidated subsidiaries
Name of principal companies: Asahi Servicos e Representacoes Ltda.
Katsushika Leiki Center Co., Ltd.
Endo KankoSetsubi Co., Ltd.

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 of the Group can still be expected even if they were not consolidated.

(3) Companies that are not accounted as subsidiary even though the majority of the voting rights are held under the account of the Company
Name of the companies: Fuso Shoji Co., Ltd.
Nippon Valve Controls, Inc.
Valtech, Inc.
Kokusai Bunkazai Co., Ltd.

A consolidated subsidiary of the Company that is a venture capital company is holding the shares of Fuso Shoji Co., Ltd., Nippon Valve Controls, Inc., Valtech, Inc., and Kokusai Bunkazai Co., Ltd., as a business transaction for investment and development purposes. Since the shareholding is not for the purpose of making such companies as a group company, the Company does not regard such companies as its subsidiaries.

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: 5 companies
Name of principal company: Custody Bank of Japan, Ltd.

(3) Non-consolidated subsidiaries not accounted for by the equity method
Name of principal company: Asahi Servicos e Representacoes Ltda.
Katsushika Leiki Center Co., Ltd.
Endo KankoSetsubi Co., Ltd.

(4) Affiliates not accounted for by the equity method
Name of principal company: SAC Capital Private Limited

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: 32 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. Amortization of goodwill

Goodwill is amortized in equal amounts for the duration of effectiveness of the goodwill up to 20 years. Goodwill of an insignificant amount is accounted as expenses in the fiscal year when it occurred.

5. 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 sheet 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 statement 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 cost determined by the moving-average method.

Available-for-sale securities are stated at their respective market value and the cost of these securities sold is principally determined by the moving average method. Stocks that do not have market price 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. The estimated useful lives of major tangible fixed assets are as follows:
• Buildings: 3 ~ 50 years
• Other: 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

Bond issuance costs and share delivery 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 (hereinafter, "potentially bankrupt obligors") 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 potentially bankrupt obligors and claims to borrowers who require special attention for further management (hereinafter, "special attention obligors") including borrowers with problems in lending terms or status of performance, borrowers whose business results are poor or unstable and borrowers with problems in their financial condition and all or part of loans to whom are special attention claims (hereinafter, "obligors under special management"), a reserve is computed by estimating mainly the expected loss for the next three years. For claims to borrowers who are special attention obligors but not obligors under special management and borrowers whose business performance is satisfactory and financial condition does not have a noteworthy problem (hereinafter, "normal obligors"), a reserve is computed by estimating mainly the expected loss for the next one year. The expected loss ratio that will be the basis for calculating the amount of the expected loss is computed by calculating the loss ratios based upon the average of the actual loss ratios for a specified period derived from the historical loss experience for one year or three years, with necessary adjustments such as future outlook. Such adjustments are made by adding an excess if a loss ratio based on the average over a specified longer period in the past taking into account the business cycle, etc. exceeds the foregoing loss ratio, and by considering the ratio of increase in the actual loan loss rate over the recent period for certain special attention obligors, obligors under special management and potentially bankrupt obligors, to appropriately incorporate uncertainty of a future loan loss.

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 ¥130,870 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: ¥12,973 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 Resona Club points: ¥5,068 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.

(iii) Reserve for losses on burden charge under the credit guarantee system: ¥4,674 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.

(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 (10 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) Lease transactions

Finance lease transactions are accounted for by the method for normal buying and selling transactions, and the amount equivalent to interest income is allocated to each period.

(13) Revenue

The “Accounting Standard for Revenue Recognition” (ASBJ Accounting Statement No. 29 issued on March 31, 2020) is applied to recognize revenue based on the amount expected to be received in exchange for the promised goods or service when the control of such promised goods or service is transferred to the customer. Revenues generated from contracts with customers that are subject to the application of the above standard are included in “trust fees” and “fees and commissions income.”
“Trust fees” are revenue from the custody and management of the trust assets entrusted by customers, and revenue is mainly recognized over the period in which such services are provided.
“Fees and commissions income” mainly consist of revenue from the provision of services such as deposits, loans and foreign exchanges.
Service revenue related to deposits and loans includes revenue from account transfer business, internet banking services, syndicated loans and commitment lines. Revenue from account transfer business and internet banking services are recognized mainly at the time when such services are provided, and revenue from syndicated loans and commitment lines are recognized when such services are provided or over the period in which such services are provided.
Service revenue related to foreign exchange businesses is mainly revenue from domestic and overseas remittance fees, which is recognized mainly at the time when such services are provided.

(14) 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 Committee Practical Guideline No. 24 “Accounting and Auditing Treatments on the Application of Accounting Standards for Financial Instruments in the Banking Industry”, issued on March 17, 2022. Individual hedges are also used in some cases.

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. With regard to an individual hedge, since principal conditions underlying the hedged items and hedging instruments are substantially the same, the hedge is deemed effective based on this.

(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 Committee Practical Guideline 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 Committee Practical Guidelines 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.

(15) Group tax sharing system

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

(16) Share benefit trust for officers

The Company has introduced the performance share unit plan using a share benefit trust scheme for the executive officers of the Company and the representative directors, directors with executive power, and executive officers of Resona Bank, Ltd., Saitama Resona Bank, Ltd., Kansai Mirai Financial Group, Inc., Kansai Mirai Bank, Ltd., and The Minato Bank, Ltd. It is accounted in line with the “Practical Treatments of Transactions for Delivery of Own Shares to Employees, etc. through Trust” (Practical Issues Task Force No. 30 of March 26, 2015).

(Important Estimates in Accounting)

The item whose amount is included in the consolidated financial statements for this fiscal year based upon estimates for accounting purposes and which may significantly affect consolidated financial statements for the next fiscal year is reserve for possible loan losses.

(1) Amount included in the consolidated financial statements for this fiscal year: ¥219,490 million

(2) Other information helpful to understand contents of important estimates in accounting

(i) Method of calculation
In its treatment of claims including loans, when calculating the reserve for possible loan losses, the Company, in principle, conducts a credit rating on the borrower to determine the borrower category, individually examines the details of the use of funds etc. of the claims, and assesses and classifies them according to the degree of risk of collectability or damage to value, while taking into account the status of collateral and guarantees, etc.

Details of the method of calculation of reserve for possible loan losses are described in “Significant Accounting Policies Applied in Preparing Consolidated Financial Statements; 5. Accounting policies; (6) Reserve for possible loan losses.”

(ii) Principle assumptions
The principal assumption regarding reserve for possible loan losses is “prospect of future business performance of borrowers in determining borrower category” and “future outlook in the calculation of the estimated loss amount.” “Prospect of future business performance of borrowers in determining borrower category” is determined by individually judging each borrower’s ability to gain profits. “Future outlook in the calculation of the estimated loss amount” is determined by applying the necessary adjustments to loss ratios based on past averages.

These assumptions may be affected by future changes in economic conditions and various other circumstances.

(iii) Effect on consolidated financial statements for the next fiscal year
If the assumption used for the initial estimate is changed due to change in business performance of individual borrowers, etc., there can be a material effect on reserve for possible loan losses in consolidated financial statements for the next fiscal year.

(Additional Information)

ESOP-type Stock Benefit Trust for the Employee Shareholding Association

With the purpose of giving an incentive to enhance corporate value on a medium-to-long term basis, the Company effects transactions to deliver the Company’s own shares to the Employee Shareholding Association through a trust (ESOP-type Stock Benefit Trust for the Employee Shareholding Association).

(1) Outline of transactions

The Company sets up a trust whose beneficiaries are the employees who belong to the Employee Shareholding Association of Resona Holdings (hereinafter called “the Company’s Shareholding Association”) and fulfill certain conditions. The trust acquires the number of shares of the Company that the Company’s Shareholding Association is expected to acquire during the trust period, within the purchase period determined in advance. Subsequently, the trust sells the shares of the Company to the Company’s Shareholding Association at a certain date of every month. If as of the end of the trust period, a trust profit is recognized as a result of a rise in the stock price and other factors, the profit is distributed in cash to the employees and others who are beneficiaries of the trust in proportion to the number of shares purchased during the period and other factors. If a transfer loss arises due to a decline in the stock price and a liability on the trust assets remains, the Company is responsible for fully settling the liability based on the indemnity clause stipulated in the non-recourse loan agreement.

(2) Company’s own shares remaining in the trust

The Company’s own shares remaining in the trust are accounted as treasury stock in the net assets at their book value in the trust (excluding associated expenses). The book value and number of shares of such treasury stock are ¥5,087 million and 9,365 thousand shares, respectively.

Share Benefit Trust for Officers

The Company has introduced the performance share unit plan using a share benefit trust scheme for the executive officers of the Company and the representative directors, officers with executive power, and executive officers of Resona Bank, Ltd., Saitama Resona Bank, Ltd., Kansai Mirai Financial Group, Inc., Kansai Mirai Bank, Ltd., and The Minato Bank, Ltd (hereinafter, collectively with the Company’s executive officers, “the Company’s Group Officers”).

(1) Outline of transactions

The Company sets up a trust whose beneficiaries are the Company’s Group Officers and fulfill certain conditions set forth in the rules for grant of shares. The trust acquires a certain number of shares of the Company, within the purchase period determined in advance. The Company’s Group Officers are given points according to their positions and achievements during the trust period, pursuant to the rules for grant of shares. The Company’s Group Officers who meet the conditions for beneficiaries set forth in the rules for grant of shares will receive delivery of shares of the Company, etc. corresponding the number of the points given, in principle after the results of the final fiscal year of the medium-term management plan are fixed. No voting rights in respect of shares of the Company under this trust will be exercised during the trust period, in order to ensure neutrality to the management.

(2) Company’s own shares remaining in the trust

The Company’s own shares remaining in the trust are accounted as treasury stock in the net assets at their book value in the trust (excluding associated expenses). The book value and number of shares of such treasury stock are ¥1,636 million and 2,993 thousand shares, respectively.

Notes to Consolidated Financial Statements

(Notes to Consolidated Balance Sheet)

March 31, 2024

1. Equity investments and capital subscriptions to subsidiaries and affiliates (excluding consolidated subsidiaries) amounted to ¥48,901 million in total.

2. There is no stock lent under consumption agreements in “Securities.” There is no portion of unsecured borrowed securities and securities purchased under resale agreements. Of securities borrowed with cash collateral under lending agreements that permit borrowers to freely dispose of such securities by selling or repledging them, ¥8,838 million was held without such disposal as of the end of this fiscal year.

3. The claims based on the Banking Act and the Act on Emergency Measures for Revitalization of Financial Functions are as described below. The claims are the items recorded as the corporate bonds in the “securities” on the consolidated balance sheet (the redemption of the principal and the payment of interest of which are guaranteed in whole or in part, and limited to those the issuance of which was by way of private placement (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act) of securities), loans, foreign exchanges, accrued interest and provisional payments in “other assets” and customer’s liabilities for acceptances and guarantees as well as the securities on loan for securities loan as provided in the notes (limited to those for loan for use or lease contract).

Bankruptcy or reorganization claims and similar claims	¥62,723 million
Claims with risk	¥381,170 million
Loans past due 3 months or more	¥1,949 million
Restructured loans	¥238,329 million
Total amount	¥684,172 million

Bankruptcy or reorganization claims and similar claims are claims against debtors with failed business status due to commencement of bankruptcy proceedings, commencement of reorganization proceedings, or commencement of rehabilitation proceedings or the like and claims similar thereto.
Claims with risk are claims of which debtor is not yet in a failed business status but such debtor’s financial status and business performance are worsening, and for which it is highly likely that the collection of principal or receipt of interest in accordance with the contract is not made, other than claims that fall under “bankruptcy or reorganization claims or similar claims.”
Loans past due 3 months or more are loans whose principal or interest payments are delinquent for three months or more from the day following the contract payment date which do not fall under “bankruptcy or reorganization claims or similar claims” or “claims with risk.”
Restructured loans are loans for which an agreement is made to waive or reduce interest, defer payment of interest, defer payment of principal, waive claims or make other arrangement favorable to the debtor, for the purpose of facilitating reorganization of the debtor’s management or support of the debtor, which do not fall under “bankruptcy or reorganization claims or similar claims,” “claims with risk” or “loans past due 3 months or more.”
The amounts presented above are stated at the amounts before deduction of the reserve for possible loan losses.

4. Bills discounted are recorded as lending/borrowing transactions in accordance with the JICPA Industry Committee Practical Guidelines 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 ¥89,308 million.

5. For loan participations, of the amount of participation in principal accounted for as loans to original borrowers, ¥33,548 million was included in the consolidated balance sheet, in accordance with the Accounting System Committee Report No. 3, “Accounting Treatment and Representation of Loan Participation” issued by JICPA on November 28, 2014.

6. Assets pledged as collateral were as follows:

Assets pledged as collateral:		
• Cash and due from banks	¥	1,007 million
• Securities		5,828,994 million
• Loans and bills discounted		1,478,203 million
• Other assets		8,084 million
Debt collateralized:		
• Deposits	¥	100,678 million
• Payables under securities lending transactions		1,881,539 million
• Borrowed money		3,261,250 million
• Other debt		18,453 million

Other than noted on the table, “Securities” and “Other assets,” in the amount of ¥194,153 million and ¥450,678 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 ¥98,292 million, cash collateral paid for financial instruments in the amount of ¥94,712 million and guarantee deposits in the amount of ¥20,306 million.

7. 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 ¥11,364,704 million including ¥10,496,791 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.

8. 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.

9. Accumulated depreciation of tangible fixed assets: ¥349,238 million

10. Deferred profit on tangible fixed assets deducted for tax purposes: ¥45,550 million

11. Bonds include ¥36,000 million of subordinated bonds with a covenant that performance of the obligation is subordinated to that of other obligations.

12. 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 ¥1,320,288 million.

13. Guarantees are provided on certain privately placed bonds, in accordance with Article 2, Item 3 of the Financial Instruments and Exchange Act, included in "Securities." The amount of the guarantees is ¥681,634 million.

(Notes to Consolidated Statement of Income)

For the fiscal year 2023

1. “Other ordinary income” includes gains on sales of stocks and other securities in the amount of ¥68,971 million.

2. “Other ordinary expenses” includes:

• Write-offs of loans	¥	18,481 million
• Losses on sales of stocks and other securities		3,080 million
• Impairment losses on stocks and other securities		228 million

(Notes to Consolidated Statement of Changes in Net Assets)

For the fiscal year 2023

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 2023		Number of shares at the end of the fiscal year	Remarks
		Number of shares increased	Number of shares decreased		
Issued stock					
Common stock	2,377,665	–	34,676	2,342,989	(Note 1)
Treasury stock					
Common stock	16,030	36,155	39,065	13,119	(Note 2)

Notes:

1. The decrease in the number of shares of the issued common stock represents cancellation of shares of the Company pursuant to Article 178 of the Companies Act.
2. The increase in the number of treasury stock represents acquisition of 15,351 thousand shares resulting from the acquisition of treasury stock resolved at the board of directors meeting on May 12, 2023, acquisition of 19,325 thousand shares resulting from the acquisition of treasury stock resolved at the board of directors meeting on November 10, 2023, acquisition of 12 thousand shares of the shares less than one unit, and acquisition of 1,466 thousand shares by the share benefit trust for officers.
   The decrease in the number of treasury stock represents cancellation of 34,676 thousand shares described in above (1), disposal of 0 thousand shares of the shares less than one unit, sale of 1,980 thousand shares held by the ESOP-type Stock Benefit Trust for the Employee Shareholding Association of the Company to the Employee Shareholding Association, the exercise of stock subscription rights (stock options) for 146 thousand shares as well as the provision of 2,262 thousand shares by the share benefit trust for officers to the Company’s Group Officers.
   The number of shares at the beginning of the fiscal year includes 11,345 thousand shares owned by the ESOP-type Stock Benefit Trust for the Employee Shareholding Association and 3,789 thousand shares owned by the share benefit trust for officers. The number of shares at the end of the fiscal year include 9,365 thousand shares owned by the ESOP-type Stock Benefit Trust for the Employee Shareholding Association and 2,993 thousand shares owned by the share benefit trust for officers.

2. The stock subscription rights and stock subscription rights held by the Company are as follows:

Category	Type of stock subscription right	Class of shares that are the subject of stock subscription right	Number of shares that are the subject of stock subscription right				Balance at the end of the consolidated fiscal year (millions of yen)	Remarks
			At the beginning of the fiscal year	During the fiscal year 2023		At the end of the fiscal year		
				Increase	Decrease			
Company	Stock subscription right for stock option	–					137	
Total		–					137	

3. Detail of cash dividend

(1) Dividends paid in the fiscal year 2023

Resolution	Type of stock	Cash dividends	Dividend per share	Source of dividends	Dividend record date	Effective date
		Millions of yen	*Yen*			
The board of directors meeting held on May 12, 2023	Common stock	24,956	10.50	Retained earnings	March 31, 2023	June 8, 2023

Note: Total cash dividends for common stock include ¥119 million of dividends paid to ESOP-type Stock Benefit Trust for the Employee Shareholding Association and ¥39 million of dividends paid to the share benefit trust for officers.

Resolution	Type of stock	Cash dividends	Dividend per share	Source of dividends	Dividend record date	Effective date
		Millions of yen	*Yen*			
The board of directors meeting held on November 10, 2023	Common stock	25,976	11.00	Retained earnings	September 30, 2023	December 8, 2023

Note: Total cash dividends for common stock include ¥113 million of dividends paid to ESOP-type Stock Benefit Trust for the Employee Shareholding Association and ¥33 million of dividends paid to the share benefit trust for officers.

(2) Dividends with record dates falling on or before this fiscal year end and effective dates after this fiscal year end

The following dividends are proposed to the board of directors meeting held on May 14, 2024.

Type of stock	Cash dividends	Dividend per share	Source of dividends	Dividend record date	Effective date
	Millions of yen	*Yen*			
Common stock	25,764	11.00	Retained earnings	March 31, 2024	June 11, 2024

Note: Total cash dividends for common stock include ¥103 million of dividends paid to ESOP-type Stock Benefit Trust for the Employee Shareholding Association and ¥32 million of dividends paid to the share benefit trust for officers.

(Financial Instruments)

For the fiscal year 2023

1. Conditions of financial instruments

(1) Policies and objectives for using financial instruments

The Group aims to become a financial services group useful to customers and provide various financial instruments corresponding to customer needs. In addition, the Group utilizes financial instruments for risk-taking and risk-control in order to improve its profitability and secure sound operations.

The Group responds to customers' funding needs through providing credit such as lending, loans, undertaking private placement bonds and guarantees to individuals and corporate customers. It holds bonds such as Japanese government bonds as stable investments and securities such as stocks for maintaining strong relationship with customers. Recently the Group began providing interest rate-related and currency-related derivatives to meet sophisticated and diversified customer needs.

To provide these financial services, the Group raises funds by using financial instruments such as customer deposits, issuance of bonds and funding from the inter-bank market.

Asset and Liability Management (ALM) is in place to manage the interest rate gap between short-term and long-term and interest fluctuation risk resulting from its investment and funding activities, and to improve profitability management across business divisions. As part of ALM, the Group executes derivative transactions, which are designated to hedge the interest rate gap between short-term and long-term and interest fluctuation risks, as well as covering transactions related to customers' derivative contracts.

Certain consolidated subsidiaries and affiliates conduct domestic banking services such as credit guarantee, and foreign banking services under foreign regulations.

(2) Type of and risks associated with financial instruments

(i) Type of and risks associated with loans and bills discounted

The Group's primary geographical business area is the metropolitan areas of Tokyo and Saitama, and the Kansai region mainly Osaka. Loans to small-to-mid-size companies and individual mortgages comprise a significant portion of our credit portfolio. These loans are exposed to credit risks in which the Group may suffer losses due to a decline or the disappearance of an asset's value as a result of deterioration of the financial position of obligors.

(ii) Type of and risks associated with securities

Securities, which each bank of the Group holds, are bonds, stocks, investment limited partnerships, investment trusts in partnership and others. The Group holds them to promote business in addition to generating investment income and capital appreciation, and smooth cash flow operation.

Securities are exposed to market risks in which the Group may suffer losses due to changes in values of assets and liabilities or revenues generated from them by variance of risk factors such as interest rate, stock market and foreign exchange market, and credit risks in which the Group may suffer losses due to a decline or the disappearance of asset's value as a result of deterioration of the financial position of obligors.

(iii) Type of and risks associated with derivative transactions

The Group utilizes derivative instruments such as interest rate-related products, currency-related products, stock-related products and bond-related products.

- Interest rate-related products: futures, future options, forward rate agreements, swaps and options
- Currency-related products: forward exchange contracts, swaps and options
- Stock-related products: index futures, index options and over-the-counter options
- Bond-related products: futures, future options and over-the-counter options

Derivative transactions are essential to satisfy the sophisticated and diverse financial needs of customers and to control various risks to which each bank of the Group is exposed. The Group's basic policy is to execute derivative transactions in line with its business strategy and resources under the appropriate risk management system after accurately identifying risks associated with the transactions.

Each bank of the Group executes derivative transactions in order to respond to customers' risk hedging needs, hedging risks of financial assets and liabilities, and for trading purposes as follows.

(a) Customers' risk hedging needs

Customers are exposed to various risks and, accordingly, their needs to hedge these risks are essential and diverse. One of the primary purposes of derivative transactions for each bank of the Group is to provide customers with financial products which enable them to achieve their objectives of hedging and mitigating risks. Each bank of the Group develops a variety of derivatives and makes an effort to increase its ability to provide those financial products in order to offer sophisticated financial solutions to customers.

Derivative transactions may, however, result in significant losses to customers depending upon the design and nature of the products. Accordingly, in offering such products to customers, each bank of the Group follows the approach which ensure that:

- Sufficient explanation of the products and associated risks

Customers are given sufficient explanation on the nature of products and their risks in writing. A description of the product, structure, hedge effectiveness (including explanation of which customers would not be able to gain expected economic effects and which the economic effects from the hedge transactions would be against customers' interests), market risk and credit risk associated with the product are required to be included in the explanation documents (proposal, written explanation of derivative risks).

Customers are given explanation in accurate and simplified terms instead of difficult technical terms. Customers are given cooperation to confirm completeness of the explanation and full understanding by using designated documents with check column.

- Customers' responsibility and capability to enter into a transaction

Customers are ready to take responsibility for the products fully, and are capable and willing to enter into the transactions based on their own judgment.

Customers are not engaged in transactions which are recognized as improper from the points of transaction amount, term, and level of risk of view, according to customers' knowledge, experience, assets, purpose of transaction, capacity to meet loss and internal management systems.

- Providing relevant fair value information

Customers are provided with relevant fair value information (i.e., unrealized gains and losses on customers' positions) to assist them in evaluating the products and transactions, periodically or whenever considered necessary.

(b) Hedging risks of financial assets and liabilities

Each bank of the Group uses derivatives to manage interest rate and foreign currency risks associated with various financial assets and liabilities, such as loans and deposits. Each bank of the Group uses fair value hedges to protect the fair value of assets and liabilities against risks such as interest rate fluctuations, and cash flow hedges to ensure future cash flows from their variability on an individual and a portfolio basis. As for foreign currency risks, each bank of the Group uses foreign currency hedges to protect future fair value of assets and liabilities against risks such as foreign currency fluctuations.

Derivative transactions designated as hedges are strictly monitored by assessing hedge effectiveness periodically in accordance with the relevant hedge accounting guidelines.

For a portfolio hedge of interest rate risks, hedge effectiveness is assessed by grouping hedging instruments and hedged items according to their maturities to determine that certain critical conditions are satisfied, or confirming high correlation between the changes in interest rate factors underlying the hedging instruments and hedged items by means of regression analyses. For an individual hedge, hedge effectiveness is assessed individually. For a foreign currency hedge, hedge effectiveness is assessed by confirming that the principal and interest amount of receivables and liabilities denominated in foreign currencies exceed the principal and interest amount of hedging instruments.

(c) Trading activities

Each bank of the Group engages in derivative transactions for trading activities to earn profits by taking advantage of short-term fluctuations in market indices or market gaps, as well as to hedge risks to which we may be exposed and to cover transactions we conduct with our customers in the market.

Risks associated with derivative transactions are credit risks and market risks. Each bank of the Group determines and monitors credit exposures by measuring credit risks based on the current exposure method periodically, adding the credit exposure together with the on-balance sheet transactions such as loans, and the Loan and Credit Division, independent from Market Divisions and Operation Divisions, establishing individual credit limits. The division reviews the transaction and credit limits applicable to each of the counterparties, on an on-going basis, in response to the changes in creditworthiness of the counterparties.

Refer to following "(3) (ii) Market risk management."

(iv) Type of and risks associated with financial liabilities

Each bank of the Group raises funds through acceptance of customer deposits, funding in the market and issuing bonds. These are exposed to risks of fluctuation in interest rates and foreign exchange rates and liquidity risk and may be difficult to raise due to the fluctuation of the financial economic environment.

(v) Type of and risks associated with non-banking subsidiaries and affiliates accounted for by the equity method

Non-banking subsidiaries and affiliates accounted for by the equity method include Resona Guarantee Co., Ltd. which conducts a credit guarantee business and Resona Card Co., Ltd. which conducts a credit card administration and credit guarantee business. They are exposed to credit risk and market risk related to each business activity.

(3) Risk management system related to financial instruments

The Company has established the Group Risk Management Policy that serves as the basic risk management policy. Based on the policy and operational characteristics, each bank of the Group established its own risk management policy "Basic Policy for Risk Management," approved by the Board of Directors of each bank of the Group, including basic policies for credit risk management, market risk management and liquidity risk management. In accordance with the Basic Policy for Risk Management, each bank of the Group manages risks and establishes detailed rules over risk management activities.

Each bank of the Group plans and conducts internal audits depending on the degree of intrinsic risks and the risk management system.

(i) Credit risk management

In accordance with the Basic Policy for Risk Management, Credit Risk Management-related Departments, independent from sales promotion-related divisions, are responsible for determining and monitoring credit exposures at each bank of the Group. As an organization responsible for credit risk management, each bank of the Group sets up Credit Committee and Credit Risk Management-related Departments, which include the

Credit Risk Management Division, Credit Analysis Division and Administration of Problem Loans. The Credit Committee has been established to resolve, discuss and report significant credit matters as a whole. The Credit Risk Management Division is a division to propose policies and procedures over credit rating and a framework necessary for appropriate credit risk management such as credit analysis. The Credit Analysis Division is a division to review operational and financial conditions, qualitative factors, funding purpose, repayment plan, etc. of counterparties, and determine credit exposures by considering the nature of risks associated with the transaction appropriately. The Administration of Problem Loans is a division to understand the business condition of the counterparties with problems and engage in rehabilitation, resolution and correction of the business.

Under the foregoing organizational structure, each bank of the Group makes an effort to control and reduce credit risk. For instance, each bank of the Group applies strict control of credit concentration risk to a specific customer (or customer group) by measures such as establishing a credit limit (credit ceiling), as such risk may materially affect the operation of the Group.

Each bank of the Group controls credit risks within certain amounts by measuring credit risks from the perspective of managing the whole credit portfolio and setting credit limits.

(ii) Market risk management

(a) Market risk management system

In accordance with the Basic Policy for Risk Management, each bank of the Group established the Risk Management Division (middle-office) and Office Management Division (back-office), independent from Transaction Divisions (front-office), to enable mutual checks and balances. The ALM Committee has been established to manage changes and conditions of funding, revenue, risk and cost, and to discuss and report corresponding actions to the circumstances.

Each bank of the Group establishes policies such as “Market Risk Management Policy” to manage market risk appropriately and strictly in accordance with the Basic Policy for Risk Management.

As for market risks resulting from fair market valuation of transactions or changes in risk factors such as interest, market prices, and foreign currency exchange, each bank of the Group measures risk exposures by Value at Risk (“VaR”), establishes limits of risk exposure, limits of loss and limits of sensitivity by product, and monitors those observance conditions. In addition, each bank of the Group regularly measures potential loss amounts based on stress-scenario testing.

Each bank of the Group monitors and reports to management about risk exposures and profit/loss conditions, including observance of the conditions of the credit limits. It also leads checks and balances by the Risk Management Division (middle-office) to the Transaction Divisions (front-office).

(b) Quantitative information on market risk

Each bank of the Group measures VaR of market risks based on the purpose of holding financial instruments: trading, banking and policy-oriented stocks. The CVA (credit valuation adjustment for derivative transactions) is included in the risks for banking. Market risk exposure of the Group is measured by simply aggregating VaR of Resona Bank, Ltd. and Saitama Resona Bank, Ltd. as well as Kansai Mirai Financial Group.

Risk exposures of certain products and affiliated companies are excluded from the market risk exposure of the Group, as the effect is confirmed to be immaterial.

(Trading)

The Group adopts a historical simulation method (holding period is 10 business days, confidence interval is 99%, observation period is 250 business days) in order to measure VaR associated with securities held for trading and derivative instruments. The market risk exposure of the Group in the trading operation as of March 31, 2024 is ¥377 million.

(Banking)

In the banking operation, each bank of the Group deals with financial instruments other than those held for trading and policy-oriented stocks, and any other assets and liabilities. The Group adopts a historical simulation method or delta method (holding period is 20 or 125 business days, confidence interval is 99%, observation period is 250 or 1,250 business days) in order to measure VaR associated with the banking operation. The market risk exposure of the Group in the banking operation as of March 31, 2024 is ¥81,467 million.

(Policy-oriented stocks)

Each bank of the Group measures VaR or manages risks associated with policy-oriented stocks separately from the trading and the banking operation. The Group adopts a historical simulation method or delta method (holding period is 125 business days, confidence interval is 99%, observation period is 250 or 1,250 business days) in order to measure VaR associated with policy-oriented stocks, and measures risk exposure by considering impairment risks. The market risk exposure of the Group on the policy-oriented stocks as of March 31, 2024 is ¥9,564 million.

(c) Verification system of VaR

Each bank of the Group performs a backtesting which reconciles VaR measured by the model for each measurement unit with actual market fluctuations in order to verify reliability and effectiveness of the risk measurement model.

VaR represents a risk exposure under a certain probability calculated statistically based on the historical market movements. In the case that the actual market fluctuates over the ranges anticipated by the historical market movements, fair market values may fluctuate over VaR.

(iii) Liquidity risk management

In accordance with the Basic Policy for Risk Management, each bank of the Group has established the Cash Management Division and the Liquidity Risk Management Division, to enable mutual checks and balances. The ALM Committee, the Liquidity Risk Management Committee and others monitor and report to management timely and appropriately.

Each bank of the Group establishes policies such as the “Liquidity Risk Management Policy” to manage liquidity risk appropriately and strictly in accordance with the Basic Policies for Risk Management.

For cash flow management, each bank of the Group establishes liquidity risk phases (normal and 3 levels under emergency condition) and carries out corresponding actions at each phase determined in advance.

Each bank of the Group monitors liquidity risks by defining a key indicator for liquidity risk management based on its size and nature of the business and circumstances over a liquidity risk. Each bank of the Group establishes guidelines of a key indicator for liquidity risk management as necessary.

As for market liquidity risks in which each bank of the Group may suffer losses because it cannot make transactions on market or is forced to make significantly unfavorable transactions due to market turmoil, each bank of the Group investigates and reports on the conditions of the market liquidity risk and properly manages such risks by setting guidelines as necessary and monitoring them on a daily basis.

(4) Supplementary explanation relating to fair value of financial instruments and other

Since the calculation of the fair value of financial instruments uses certain assumptions, the result of such calculation may vary, if different assumptions are used.

2. Fair value of financial instruments

Amounts on consolidated balance sheet, fair value and difference between them as of March 31, 2024 were as follows. Stocks that do not carry quoted market prices and investments in partnerships are not included in the table below (Refer to Note 1). Since cash and due from banks, call loans and bills bought, deposits paid for bonds borrowing transactions, foreign exchanges (assets and liabilities), call money and bills sold, payables under repurchase agreements, payables under securities lending transaction and due to trust accounts are settled within a short period and the fair values are approximate to the book values, these products have been omitted.

(Millions of yen)

	Amount on consolidated balance sheet	Fair value	Difference
(1) Monetary claims bought (*1)	498,159	494,640	(3,518)
(2) Trading assets			
Trading securities	255,832	255,832	-
(3) Securities			
Held-to-maturity debt securities	4,609,256	4,444,478	(164,778)
Available-for-sale securities (*2)	4,646,279	4,646,279	-
(4) Loans and bills discounted	42,745,789		
Reserve for possible loan losses (*1)	(210,541)		
	42,535,247	42,515,618	(19,629)
Total assets	¥ 52,544,776	¥ 52,356,850	¥ (187,925)
(1) Deposits	¥ 63,560,338	¥ 63,560,352	¥ 14
(2) Negotiable certificates of deposit	831,250	831,251	1
(3) Borrowed money	3,299,144	3,278,131	(21,013)
(4) Bonds	181,000	181,956	956
Total liabilities	¥ 67,871,733	¥ 67,851,692	¥ (20,040)
Derivative transactions (*3)			
Hedge accounting not applied	26,982	26,982	-
Hedge accounting applied (*4)	12,893	12,910	16
Total derivative transactions	¥ 39,876	¥ 39,893	¥ 16

Notes:

(*1) General reserve for possible loan losses, specific reserve for possible loan losses and special reserve for certain overseas loans corresponding to loans and bills discounted are deducted. Reserve for possible loan losses corresponding to monetary claims bought are excluded from the amount on consolidated balance sheet directly due to immateriality.

(*2) Available-for-sale securities include investment trusts subject to the application of the treatment to deem the net asset value as fair value as stipulated in Paragraph 24-9 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Accounting Statement No. 31 issued on June 17, 2021).

(*3) 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.

(*4) Derivative transactions subject to hedge accounting include interest rate swaps designated as a hedging method to fix the cash flows of hedging subjects, such as loans, to which deferred hedge accounting is mainly applied. The “Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR (ASBJ PITF No. 40 issued on March 17, 2022)” is applied to these hedging transactions.

(Note 1) The amounts included in the consolidated balance sheet of stocks that do not carry quoted market prices and investments in partnerships were as follows. These financial instruments are not included in “Available-for-sale securities” in the table above for fair value of financial instruments.

(Millions of yen)

Classification	Amount on consolidated balance sheet
Unlisted stocks (*1) (*2)	¥ 55,993
Investments in partnerships (*3)	70,124

Notes:
(*1) The fair values of unlisted stocks are not disclosed pursuant to Paragraph 5 of the “Application Guidelines for the Disclosure of the Fair Values and others of Financial Instruments” (PITF No. 19 issued on March 31, 2020).
(*2) For the fiscal year 2023, impairment losses of unlisted stocks amounted to ¥56 million.
(*3) The fair values of investments in partnerships are not disclosed pursuant to Paragraph 24-16 of the “Guidelines for the Application of the Accounting Standard to Fair Value Calculation” (PITF No. 31 issued on June 17, 2021).

3. Breakdown of the fair value of financial instruments by each level

The fair values of financial instruments are categorized into the following 3 levels, based on the observability and significance of the inputs used for the fair value calculation.
Level 1 fair value: Fair values calculated using, among the observable inputs concerning the calculation of fair value, the quoted prices in active markets for the assets or liabilities subject to fair value calculation.
Level 2 fair value: Fair values calculated using, among the observable inputs concerning the calculation of fair value, the inputs for fair value calculation other than Level 1 inputs.
Level 3 fair value: Fair values calculated using the unobservable inputs concerning the calculation of fair values.

If multiple inputs that have significant impact on the fair value calculation are used, the fair value is categorized under the level of the lowest priority in fair value calculation among the levels which each such input belongs to.

(1) Financial instruments provided in fair values in the consolidated balance sheet (March 31, 2024)

Millions of yen

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	—	—	—	—
Trading assets				
Trading securities				
Japanese government bonds	180	—	—	180
Japanese local government bonds	—	5,660	—	5,660
Others	—	249,991	—	249,991
Securities				
Available-for-sale securities				
Japanese stocks	1,051,245	—	—	1,051,245
Japanese government bonds	499,544	—	—	499,544
Japanese local government bonds	—	617,256	—	617,256
Japanese corporate bonds	—	352,187	680,920	1,033,107
Others	395,090	1,041,663	31	1,436,785
Total assets	1,946,061	2,266,760	680,952	4,893,773
Derivative transactions				
Interest-rate related	—	37,457	—	37,457
Currency-related	—	2,423	—	2,423
Stock-related	—	—	—	—
Bond-related	(4)	—	—	(4)
Total derivative transactions	(4)	39,880	—	39,876

(*) Investment trusts subject to the treatment to deem the net asset value as fair value as stipulated in Paragraph 24-9 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Accounting Statement No. 31 issued on June 17, 2021) are not included in available-for-sale securities. The amount of investment trusts subject to the application of the treatment of Paragraph 24-9 in the consolidated balance sheet amounts to ¥8,338 million.

(2) Financial instruments other than those provided in fair values in the consolidated balance sheet (March 31, 2024)

Millions of yen

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	—	—	494,640	494,640
Securities				
Held-to-maturity debt securities	2,606,097	1,837,615	765	4,444,478
Japanese government bonds	2,606,097	—	—	2,606,097
Japanese local government bonds	—	1,426,402	—	1,426,402
Japanese corporate bonds	—	397,289	765	398,054
Others	—	13,923	—	13,923
Loans	—	—	42,515,618	42,515,618
Total assets	2,606,097	1,837,615	43,011,024	47,454,737
Deposits	—	63,560,352	—	63,560,352
Negotiable certificates of deposits	—	831,251	—	831,251
Borrowed money	—	3,278,131	—	3,278,131
Bonds	—	181,956	—	181,956
Total liabilities	—	67,851,692	—	67,851,692

(Note 1) Valuation method used for the fair value calculation and inputs concerning the fair value calculation

Assets

Monetary claims bought

For certificates of beneficial interest in loan claims trusts, the prices presented by external vendors (brokers) as well as the prices calculated by applying similar calculation method for the fair value of loans are used as the fair values, which are categorized under Level 3 fair value. For monetary claims bought that do not fall under the above category, the book values are used as their fair values, since these monetary claims are short-term and the fair values approximate the book values. These are categorized under Level 3 fair value.

Trading assets

Trading assets for which unadjusted quoted prices in an active market can be used are categorized under Level 1 fair value. Japanese government bonds are the main components of this category.
Trading assets for which publicly announced quoted prices are used but the market is not active are categorized under Level 2 fair value. Japanese local government bonds and short-term corporate bonds are the main components of this category.

Securities

Securities for which unadjusted quoted prices in an active market can be used are categorized under Level 1 fair value. Listed stocks and Japanese government bonds are the main components of this category. Securities for which publicly announced quoted prices are used but the market is not active are categorized under Level 2 fair value. Japanese local government bonds and corporate bonds are the main components of this category. For investment trusts for which no market trading prices exist, if there were no material restrictions that are expected to cause market participants to demand compensation for the risk with respect to cancellation or repurchase requests, their net asset value is used as the fair value and they are categorized under Level 2 fair value.
For privately placed bonds and others, the fair value is principally calculated by discounting the total of principal and interest by a discount rate reflecting risk factors such as credit risks for respective category and preservation rate based on the internal rating. They are categorized under Level 3 fair value since discount rates are not observable.
The fair value for stock subscription right is calculated using the option pricing model. Because the listing probability, expected rate of return on stock, and stock price volatility, which are inputs for the calculation, are unobservable, stock subscription rights are categorized into Level 3 fair value.
The notes related to the securities based on the purpose of holding are provided under the section (Securities).

Loans

For loans, the fair values are calculated by discounting the total of principal and interest by a discount rate, which is a market rate adjusted to reflect credit risks and others, for each category based on the type, internal rating and period of the loan. For floating rate loans, the book values are used as their fair values, since they reflect market rates in a short period and the fair values and book values are approximate so long as the credit status of the borrower has not significantly changed after the making of the loan. For the claims against bankrupt obligors, effectively bankrupt obligors and potentially bankrupt obligors, the fair values are calculated using the discounted present value of the estimated future cash flows or the discounted present value calculated using the estimated recovery amount on collaterals and guarantees. These are categorized under Level 3 fair value.

Liabilities

Deposits and negotiable certificates of deposits

For demand deposits, the amounts of payment if demanded on the consolidated balance sheet date (book value) are considered as the fair value. For the fair values of time deposits and negotiable certificates of deposits, the present values are calculated by categorizing such deposits into certain periods and discounting the future cash flows where market rates are used as the discount rate therefor. For those with short remaining term (less than one year), the book values are principally used as the fair values, since the fair values approximate the book values. These are categorized under Level 2 fair value.

Borrowed money

For the borrowed money under floating rates, as the interest rates for such borrowed money reflects market rates in a short period and the credit status of the Company and the consolidated subsidiaries has not significantly changed from the dates of the borrowing, the fair values are believed to approximate the book values. Therefore, the book values are used as the fair values. For borrowed money with fixed interest rate, the present values are calculated by discounting the total of the principal and interest of the borrowed money concerned by a market rate adjusted to reflect the premium applicable to the Company or the consolidated subsidiary. For such borrowed money with short loan period, the book values are used as the fair values since the fair values approximate the book values. These are categorized under Level 2 fair value.

Corporate bonds

Market prices are used as the fair values of the corporate bonds issued by the Company and the consolidated subsidiaries of the Company. These are categorized under Level 2 fair value.

Derivative transactions

Derivative transactions for which unadjusted quoted prices in active markets can be used are categorized under Level 1 fair value. The main components of this category are bond futures and interest rate futures.
However, since most of the derivative transactions are over-the-counter transactions and publicly announced quoted prices are not available, the fair values for them are calculated using valuation methods such as the present value method and the Black-Scholes model depending on the type of transaction and the period until maturity. The main inputs used in these valuation methods include interest rates, exchange rates and volatilities. Adjustments are made according to the credit risk of the counterparty and the credit risk of the Company itself. These transactions are categorized under Level 2 fair value if unobservable inputs are not used or the impact of such unobservable inputs are insignificant. The main components of this category include plain vanilla interest rate swap transactions and forward exchange transactions.

(Note 2) Information on Level 3 fair values of the financial instruments provided in the consolidated balance sheet in fair values

(1) Quantitative information on the significant unobservable inputs (March 31, 2024)

Category	Valuation method	Significant unobservable input	Range of input	Weighted average of input
Securities				
Corporate bonds				
Privately placed bonds	Present value	Discount rate	0.2% to 28.7%	0.8%
Other				
Stock subscription rights	Option pricing model	Listing probability	10.0%	
		Expected rate of return on stock	19.0% to 22.0%	
		Stock price volatility	69.8% to 143.6%	

(2) Adjustments of the balance from the beginning to the end of the fiscal year and the valuation profit (or loss) recognized in the profit (or loss) of this fiscal year (March 31, 2024)

Millions of yen

	Balance as of the beginning of the year	Profit / loss or other comprehensive income of the year		Net amount of purchase, sale, issue and settlement	Entry into Level 3 fair value	Entry from Level 3 fair value	Balance as of the end of the year	Valuation profit / loss of financial assets and liabilities held on the consolidated balance sheet date among profit / loss of the year
		Reported in profit / loss (*)	Reported in other compre-hensive income					
Monetary claims bought	20	—	(0)	(20)	—	—	—	—
Securities								
Other securities								
Corporate bond	696,705	(1,327)	(612)	(13,844)	—	—	680,920	—
Other	—	—	—	31	—	—	31	—

(*) Included in “other operating income” and “other operating expenses” of the consolidated statement of income.

(3) Fair value evaluation process
The Group establishes the policy and procedures for fair value calculation at the middle office, and each trading section conducts fair value calculation according to them. The calculated fair values are subject to the verification of the reasonableness of the valuation method and the inputs used in the fair value calculation and the appropriateness of the categorization of fair value level by an independent evaluation section. A valuation model that most appropriately reflects the characteristics, nature and risks of each asset is used in fair value calculation. In case of using quoted prices obtained from a third party, the reasonableness of the price is verified by using appropriate methods such as verification of the valuation method and inputs used and comparing with the fair value of similar financial instruments.

(4) Impact on fair values by changes in significant unobservable inputs
The significant unobservable inputs used in the fair value calculation for privately placed bonds are discount rates. A discount rate is a coefficient for converting future cash flows into the present value, and mainly consists of risk premium, which is the amount of return required by market participants to compensate for uncertainty of the cash flows of a financial instrument due mainly to credit risks. Generally speaking, when a discount rate goes up, the present value goes down.
Significant unobservable inputs used to calculate the fair value of stock subscription rights are listing probability, expected rate of return on stock, and stock price volatility. When the listing probability goes up, the present value goes up. When the expected rate of return on stock goes up, the present value goes up. When the stock price volatility goes up, the present value goes up.

(Securities)
For the fiscal year 2023

“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, 2024)

(Millions of yen)

	Net unrealized gains (losses) recorded in the consolidated statement of income during the fiscal year
Trading securities	(¥110)

2. Held-to-maturity debt securities (As of March 31, 2024)

(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	¥ 861,640	¥ 864,124	¥ 2,483
	Japanese local government bonds	218,792	219,518	726
	Japanese corporate bonds	19,043	19,163	119
	Total	1,099,476	1,102,806	3,329
Fair value below amount on consolidated balance sheet	Japanese government bonds	1,875,395	1,741,973	(133,421)
	Japanese local government bonds	1,223,384	1,206,883	(16,500)
	Japanese corporate bonds	395,858	378,890	(16,967)
	Other	15,142	13,923	(1,218)
	Total	3,509,779	3,341,672	(168,107)
Grand Total		¥ 4,609,256	¥4,444,478	(¥164,778)

3. Available-for-sale securities (As of March 31, 2024)

(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	¥1,014,400	¥248,087	¥766,313
	Bonds	264,885	263,823	1,061
	Japanese government bonds	74,213	74,051	161
	Japanese corporate bonds	190,671	189,771	900
	Other	281,986	269,335	12,650
	Total	1,561,272	781,246	780,025
Amount on consolidated balance sheet below acquisition or amortized cost	Japanese stocks	36,845	42,640	(5,794)
	Bonds	1,885,024	1,951,909	(66,885)
	Japanese government bonds	425,331	465,278	(39,947)
	Japanese local government bonds	617,256	627,153	(9,896)
	Japanese corporate bonds	842,436	859,477	(17,041)
	Other	1,163,137	1,214,855	(51,717)
	Total	3,085,007	3,209,405	(124,397)
Grand Total		¥4,646,279	¥3,990,651	¥655,628

4. Held-to-maturity debt securities sold during the fiscal year (from April 1, 2023 to March 31, 2024)

None

5. Available-for-sale securities sold during the fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

Type	Proceeds from sales	Gains on sales	Losses on sales
Japanese stocks	¥ 79,306	¥ 56,753	¥ 78
Bonds	1,308,187	3,897	14,324
Japanese government bonds	1,238,861	3,708	13,924
Japanese local government bonds	30,527	52	295
Japanese corporate bonds	38,798	135	105
Other	1,097,813	15,995	25,046
Total	¥ 2,485,307	¥ 76,645	¥ 39,450

6. Impairment of securities

Securities except trading securities (excluding stocks that do not carry quoted market prices and investments in partnerships), 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 2023, an impairment loss amounted to ¥1,632 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:
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.

(Revenue recognition)
Information on the breakdown of the revenue generated from contracts with customers

(*Millions of yen*)

Category	Consolidated fiscal year ended on March 31, 2024
Ordinary income	941,663
Trust fees	25,424
Fees and commissions income	264,757
Deposit & loan business	73,566
Foreign exchange business	37,893
Trust-related business	38,534
Securities-related business	27,804
Agency business	12,801
Custody & rental safety deposit box business	2,892
Guarantee business	10,095

(Note) Revenues pursuant to the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10) are included in the above table. The breakdown of the fees and commissions income is provided for major businesses.

(Per Share Information)

1. Net assets per share of common stock 1,184.76 yen
2. Net income attributable to owners of parent per share 67.78 yen
3. Diluted net income per share of common stock 67.77 yen

(Stock Options)

Terms and size of stock opinions and changes thereto
The Company’s stock option came by giving the equal number of the stock subscription rights of the Company to the holders of each series of the stock subscription rights of Kansai Mirai Financial Group, Inc. in exchange for such stock subscription rights as part of the summary share exchange between the Company and Kansai Mirai Financial Group, Inc. that took effect on April 1, 2021. Such stock subscription rights were given by Kansai Mirai Financial Group, Inc. in exchange for the stock option granted by The Minato Bank, Ltd. on April 1, 2018.

(1) Terms of stock options

	Resona Holdings, Inc. Series 1 Stock Subscription Right
Types and number of grantees	4 Directors of The Minato Bank, Ltd. 6 Executive Officers of The Minato Bank, Ltd.
Number of stock options per class of shares	70,224 ordinary shares
Date of grant	April 1, 2021
Conditions for vesting	There is no provision for conditions for vesting
Relevant service period	There is no provision for relevant service period
Exercise period	From April 1, 2021 to July 20, 2042

	Resona Holdings, Inc. Series 2 Stock Subscription Right
Types and number of grantees	5 Directors of The Minato Bank, Ltd. (including one Outside Director) 9 Executive Officers of The Minato Bank, Ltd.
Number of stock options per class of shares	77,280 ordinary shares
Date of grant	April 1, 2021
Conditions for vesting	When the grantee loses the position as Director or Executive Officer of The Minato Bank, Ltd.
Relevant service period	From June 27, 2013 to the close of ordinary general meeting of shareholders of The Minato Bank, Ltd. for the fiscal year 2013
Exercise period	From April 1, 2021 to July 19, 2043

	Resona Holdings, Inc. Series 3 Stock Subscription Right
Types and number of grantees	5 Directors of The Minato Bank, Ltd. (including one Outside Director) 15 Executive Officers of The Minato Bank, Ltd.
Number of stock options per class of shares	80,976 ordinary shares
Date of grant	April 1, 2021
Conditions for vesting	When the grantee loses the position as Director or Executive Officer of The Minato Bank, Ltd.
Relevant service period	From June 27, 2014 to the close of ordinary general meeting of shareholders of The Minato Bank, Ltd. for the fiscal year 2014
Exercise period	From April 1, 2021 to July 18, 2044

	Resona Holdings, Inc. Series 4 Stock Subscription Right
Types and number of grantees	7 Directors of The Minato Bank, Ltd. (including two Outside Directors) 16 Executive Officers of The Minato Bank, Ltd.
Number of stock options per class of shares	63,168 ordinary shares
Date of grant	April 1, 2021
Conditions for vesting	When the grantee loses the position as Director or Executive Officer of The Minato Bank, Ltd.
Relevant service period	From June 26, 2015 to the close of ordinary general meeting of shareholders of The Minato Bank, Ltd. for the fiscal year 2015
Exercise period	From April 1, 2021 to July 17, 2045

	Resona Holdings, Inc. Series 5 Stock Subscription Right
Types and number of grantees	7 Directors of The Minato Bank, Ltd. (including two Outside Directors) 15 Executive Officers of The Minato Bank, Ltd.
Number of stock options per class of shares	116,928 ordinary shares
Date of grant	April 1, 2021
Conditions for vesting	When the grantee loses the position as Director or Executive Officer of The Minato Bank, Ltd.
Relevant service period	From June 29, 2016 to the close of ordinary general meeting of shareholders of The Minato Bank, Ltd. for the fiscal year 2016
Exercise period	From April 1, 2021 to July 21, 2046

	Resona Holdings, Inc. Series 6 Stock Subscription Right
Types and number of grantees	8 Directors of The Minato Bank, Ltd. (including two Outside Directors) 18 Executive Officers of The Minato Bank, Ltd.
Number of stock options per class of shares	99,456 ordinary shares
Date of grant	April 1, 2021
Conditions for vesting	When the grantee loses the position as Director or Executive Officer of The Minato Bank, Ltd.
Relevant service period	From June 29, 2017 to the close of ordinary general meeting of shareholders of The Minato Bank, Ltd. for the fiscal year 2017
Exercise period	From April 1, 2021 to July 21, 2047

(2) Size of stock options and changes thereto

The descriptions below are for the stock options existing as of the fiscal year ended March 31, 2024 and the number of stock options are described as converted into shares.

(i) Number of stock options

	Series 1 Stock Subscription Right	Series 2 Stock Subscription Right	Series 3 Stock Subscription Right	Series 4 Stock Subscription Right	Series 5 Stock Subscription Right	Series 6 Stock Subscription Right
Before vesting						
At the end of the previous fiscal year	—	—	4,032	10,752	24,528	27,888
Grant	—	—	—	—	—	—
Expiration	—	—	—	—	—	—
Vested	—	—	4,032	2,016	3,696	2,688
Balance not vested	—	—	—	8,736	20,832	25,200
After vesting						
At the end of the previous fiscal year	21,504	53,088	56,112	45,024	81,984	54,768
Vested	—	—	4,032	2,016	3,696	2,688
Exercise of right	21,504	36,624	30,240	14,448	28,896	14,784
Expiration	—	—	—	—	—	—
Balance not exercised	—	16,464	29,904	32,592	56,784	42,672

(ii) Unit price information

	Series 1 Stock Subscription Right	Series 2 Stock Subscription Right	Series 3 Stock Subscription Right	Series 4 Stock Subscription Right	Series 5 Stock Subscription Right	Series 6 Stock Subscription Right
Exercise price (Yen)	1	1	1	1	1	1
Average stock price at the time of exercise (Yen)	767	810	808	829	786	797
Fair value per share on the date of grant (Yen)	392	494	538	919	455	592

(Material Subsequent Events)

The Company resolved at its board of directors meeting held on November 10, 2023 to merge and absorb its wholly-owned subsidiary, Kansai Mirai Financial Group, Inc., into the Company, effective as of April 1, 2024 (the “Merger”). The Company concluded a merger agreement for the Merger, and the Merger took effect on April 1, 2024.

1. Purpose of the Merger
The purpose of the Merger is to establish an optimal organizational structure to evolve into the next stage of Resona’s endeavors to “strengthen Group governance,” which is a measure to contribute to “further strengthening the consolidated management of Group companies,” a key concept set forth in the Company’s current Medium-term Management Plan.

2. Summary of the Merger
(1) Schedule of the Merger

Date of resolution by the Board of Directors to approve the merger agreement (Kansai Mirai Financial Group, Inc.)	November 9, 2023
Date of resolution by the Board of Directors to approve the merger agreement (the Company)	November 10, 2023
Date of signing the merger agreement	November 10, 2023
Effective date of the Merger	April 1, 2024

(Note) For the Company, the Merger falls under a simplified merger (*kan'i gappei*) as stipulated in Article 796, paragraph (2) of the Companies Act, and for Kansai Mirai Financial Group, Inc., the Merger falls under an abbreviated merger (*ryakushiki gappei*) as stipulated in Article 784, paragraph (1) of the same Act. Therefore, the two parties will carry out the Merger without obtaining approval for the merger agreement from their own general meetings of shareholders.

(2) Method of the Merger

The Merger is an absorption-type merger (simplified merger/abbreviated merger) with the Company being the surviving company and Kansai Mirai Financial Group, Inc. the disappearing company.

(3) Allocation related to the Merger

Since the Company owns all the shares of Kansai Mirai Financial Group, Inc., there will be no allocation of shares or other monetary assets upon the Merger.

(4) Handling of share options and corporate bonds with share options of the disappearing company

N/A

(5) Outline of accounting procedures applied

The transaction was accounted for as transactions under common control in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, January 16, 2019).

2. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheet

(Millions of yen)

		March 31, 2024
Assets		
Current assets		80,092
Cash and due from banks		62,012
Prepaid expenses		18
Temporary payment		8,373
Accrued income		227
Other receivable		710
Consumption taxes refund receivable		16
Income taxes refund receivable		8,732
Non-current assets		1,246,472
Tangible fixed assets		17
Tools, furniture and fixtures, net		17
Intangible fixed assets		18
Trademark right		1
Software		17
Investments and other assets		1,246,436
Securities		18,994
Investments in subsidiaries and affiliates		1,228,299
Long-term prepaid expenses		3
Deferred tax assets		160
Other		0
Reserve for possible losses on investments		(1,021)
Total Assets	¥	1,326,565
Liabilities		
Current liabilities		52,030
Short-term borrowings		9,100
Bonds redeemable within one year		40,000
Other payable		1,369
Accrued expenses		286
Income taxes payable		38
Reserve for employees' bonuses		689
Reserve for officers' bonuses		138
Other		409
Non-current liabilities		234,284
Bonds		105,000
Long-term debts to subsidiaries and affiliates		129,186
Reserve for share compensation for officers		98
Total Liabilities		286,315
Net Assets		
Stockholder's equity		1,042,365
Capital stock		50,552
Capital surplus		147,923
Capital reserve		147,923
Retained earnings		851,211
Other retained earnings		851,211
Retained earnings carried forward		851,211
Treasury stock		(7,322)
Valuation, translation adjustments		(2,254)
Other securities translation adjustments		(2,254)
Stock subscription rights		137
Total Net Assets		1,040,249
Total Liabilities and Net Assets	¥	1,326,565

(2) Non-Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024
Operating income	83,911
Dividends from subsidiaries and affiliates	78,914
Fees from subsidiaries and affiliates	4,997
Operating expenses	8,194
Interest on debts	524
Interest on bonds	535
Bond issuance costs	169
General and administrative expenses	6,964
Operating profits	75,717
Non-operating income	575
Dividend income	214
Fees and commissions	68
Reversal of reserve for possible losses on investments	140
Gain on forfeiture of unclaimed dividends	50
Other	102
Non-operating expenses	192
Ordinary profits	76,099
Extraordinary loss	519
Valuation loss on shares of subsidiaries and affiliates	519
Income before income taxes	75,580
Income taxes – current	(461)
Income taxes – deferred	26
Total income taxes	(434)
Net income	¥ 76,014

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

For the fiscal year ended March 31, 2024

(Millions of yen)

	Stockholders' equity			
	Capital stock	Capital surplus		
		Capital reserve	Other capital surplus	Total capital surplus
Balance at the beginning of the fiscal year	¥ 50,552	¥ 147,923	–	¥ 147,923
Changes during the fiscal year				
Dividends paid				
Net income				
Purchase of treasury stock				
Disposal of treasury stock			(26)	(26)
Cancellation of treasury stock			(24,893)	(24,893)
Transfer from retained earnings to capital surplus			24,920	24,920
Total changes in items other than stockholder's equity during the fiscal year				
Total changes during the fiscal year	–	–	–	–
Balance at the end of the fiscal year	¥ 50,552	¥ 147,923	–	¥ 147,923

	Stockholders' equity			Valuation, translation adjustments
	Retained earnings	Treasury stock	Total stockholders' equity	Valuation, adjustments: other securities
	Other retained earnings			
	Retained earnings carried forward			
Balance at the beginning of the fiscal year	¥ 851,049	¥ (8,154)	¥ 1,041,372	(52)
Changes during the fiscal year				
Dividends paid	(50,932)		(50,932)	
Net income	76,014		76,014	
Purchase of treasury stock		(26,090)	(26,090)	
Disposal of treasury stock		2,028	2,001	
Cancellation of treasury stock		24,893	–	
Transfer from retained earnings to capital surplus	(24,920)		–	
Total changes in items other than stockholder's equity during the fiscal year				(2,201)
Total changes during the fiscal year	162	831	993	(2,201)
Balance at the end of the fiscal year	¥ 851,211	¥ (7,322)	¥ 1,042,365	(2,254)

	Valuation, translation adjustments	Stock subscription rights	Total net assets
	Total valuation, translation adjustments		
Balance at the beginning of the fiscal year	(52)	215	¥ 1,041,535
Changes during the fiscal year			–
Dividends paid			(50,932)
Net income			76,014
Purchase of treasury stock			(26,090)
Disposal of treasury stock			2,001
Cancellation of treasury stock			–
Transfer from retained earnings to capital surplus			–
Total changes in items other than stockholder's equity during the fiscal year	(2,201)	(78)	(2,280)
Total changes during the fiscal year	(2,201)	(78)	(1,286)
Balance at the end of the fiscal year	(2,254)	137	¥ 1,040,249

(4) Notes to Non-Consolidated Financial Statements

(Significant Accounting Policies)

1. Securities

(1) Held-to-maturity debt securities are stated at amortized cost determined by the moving average method.

(2) Investments in subsidiaries and affiliates are stated at cost determined by the moving-average method.

(3) Available-for-sale securities are stated at their respective fair values (the cost of these securities sold is principally determined by the moving average method). Stocks that do not have market price are stated at cost determined by the moving-average method. Net unrealized gains or losses on available-for-sale securities are included as a component of net assets.

2. Depreciation for fixed assets

(1) Tangible fixed assets (except for leased assets)

Depreciation of tangible fixed assets is computed by the declining-balance method. The estimated useful lives of major tangible fixed assets are as follows:

• Tools, furniture and fixtures: 2 ~ 20 years

(2) Intangible fixed assets (except for leased assets)

• Trademark right: Amortization of trademark right is computed by the straight-line method over 10 years.
• Software: Amortization of software for internal use is computed by the straight-line method over the estimated useful lives (mainly 5 years) determined by the Company.

3. Deferred charges

Bond issuance costs and share delivery costs are charged to expense as paid.

4. Basis for reserves

(1) Reserve for possible losses on investments

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

(2) 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 balance sheet date.

(3) Reserve for officers' bonuses

The reserve for officers' bonuses is provided for the payment of annual incentives to be paid to officers at an estimated amount accrued as of the balance sheet date.

(4) Reserve for share compensation for officers

The reserve for share compensation for officers is provided for the payment of compensation under share compensation scheme for officers of the Company at an estimated amount of compensation for officers that are deemed to have accrued as of the balance sheet date.

5. Revenue recognition

The Company applies the "Accounting Standards for Revenue Recognition" (ASBJ Statement No. 29 issued on March 31, 2020) and others, and recognizes revenue at the amount expected to be received in exchange for the promised goods or services at the time when the control of such goods or services is transferred to customers.

6. Group tax sharing system

The Company adopts group tax sharing system with the Company being a parent company under the system.

7. Share benefit trust for officers

The Company has introduced the performance share unit plan using a share benefit trust scheme for the executive officers of the Company and the representative directors, officers with executive power, and executive officers of Resona Bank, Ltd., Saitama Resona Bank, Ltd., Kansai Mirai Financial Group, Inc., Kansai Mirai Bank, Ltd., and The Minato Bank, Ltd. It is accounted in line with the "Practical Treatments of Transactions for Delivery of Own Shares to Employees, etc. through Trust" (Practical Issues Task Force No. 30 of March 26, 2015).

(Additional Information)

ESOP-type Stock Benefit Trust for the Employee Shareholding Association

With the purpose of giving an incentive to enhance corporate value on a medium-to-long term basis, the Company effects transactions to deliver the Company's own shares to the Employee Shareholding Association through a trust (ESOP-type Stock Benefit Trust for the Employee Shareholding Association).

(1) Outline of transactions

The Company sets up a trust whose beneficiaries are the employees who belong to the Employee Shareholding Association of Resona Holdings (hereinafter called "the Company's Shareholding Association") and fulfill certain conditions. The trust acquires the number of shares of the Company that the Company's Shareholding Association is expected to acquire during the trust period, within the purchase period determined in advance. Subsequently, the trust sells the shares of the Company to the Company's Shareholding Association at a certain date of every month. If as of the end of the trust period, a trust profit is recognized as a result of a rise in the stock price and other factors, the profit is distributed in cash to the employees and others who are beneficiaries of the trust in proportion to the number of shares purchased during the period and other factors. If a transfer loss arises due to a decline in the stock price and a liability on the trust assets remains, the Company is responsible for fully settling the liability based on the indemnity clause stipulated in the non-recourse loan agreement.

(2) Company's own shares remaining in the trust

The Company's own shares remaining in the trust are accounted as treasury stock in the net assets at their book value in the trust (excluding associated expenses). The book value and number of shares of such treasury stock are ¥5,087 million and 9,365 thousand shares, respectively.

(3) Book value of borrowings accounted for under total amount method

¥4,186 million

Share Benefit Trust for Officers

As described in the Notes to Consolidated Financial Statements.

(Notes to Non-Consolidated Balance Sheet)
March 31, 2024

1. Amounts of less than one million Japanese yen are rounded down.

2. Accumulated depreciation of tangible fixed assets: ¥72 million

3. Monetary claims and monetary debts to subsidiaries and affiliates

Short-term monetary claims to subsidiaries and affiliates:	¥ 61,958 million
Short-term monetary debts to subsidiaries and affiliates:	9,186 million
Long-term monetary debts to subsidiaries and affiliates:	129,186 million

(Notes to Non-Consolidated Statement of Income)
For the fiscal year 2023

1. Amounts of less than one million Japanese yen are rounded down.

2. Transactions with subsidiaries and affiliates

Operating income	¥ 83,911 million
Operating expenses	603 million
Non-operating transactions	22 million

(Notes to Non-Consolidated Statement of Changes in Net Assets)
For the fiscal year 2023

1. Amounts of less than one million Japanese yen are rounded down.

2. The changes in the number and class of treasury stock are as follows:

(Shares in thousand)

	Number of shares at the beginning of the fiscal year	During the fiscal year 2022		Number of shares at the end of the fiscal year	Remarks
		Number of shares increased	Number of shares decreased		
Treasury stock					
Common stock	16,030	36,155	39,065	13,119	(Note)

Note: The increase in the number of treasury stock represents acquisition of 15,351 thousand shares resulting from the acquisition of treasury stock resolved at the board of directors meeting on May 12, 2023, acquisition of 19,325 thousand shares resulting from the acquisition of treasury stock resolved at the board of directors meeting on November 10, 2023, acquisition of 1,466 thousand shares by the share benefit trust for officers and acquisition of 12 thousand shares of the shares less than one unit.

The decrease in the number of treasury stock represents cancellation of 34,676 thousand shares pursuant to Article 178 of the Companies Act, the provision of 2,262 thousand shares by the share benefit trust for officers to the Group officers, sale of 1,980 thousand shares held by the ESOP-type Stock Benefit Trust for the Employee Shareholding Association of the Company to the Employee Shareholding Association, the exercise of stock subscription rights (stock options) for 146 thousand shares and disposal of 0 thousand shares of the shares less than one unit.

The number of shares at the beginning of the fiscal year includes 11,345 thousand shares owned by the ESOP-type Stock Benefit Trust for the Employee Shareholding Association and 3,789 thousand shares owned by the share benefit trust for officers. The number of shares at the end of the fiscal year include 9,365 thousand shares owned by the ESOP-type Stock Benefit Trust for the Employee Shareholding Association and 2,993 thousand shares owned by the share benefit trust for officers.

(Notes to Deferred Tax Accounting)
March 31, 2024

Breakdown of deferred tax assets and liabilities with respect to each significant cause

Deferred tax assets:		
Write-downs of equity investments to subsidiaries and affiliates	¥	519,074 million
Tax loss carryforwards (Note)		18,915 million
Reserve for possible losses on investments		312 million
Other		278 million
Gross deferred tax assets		538,580 million
Valuation allowance for tax loss carryforwards (Note)		(18,915 million)
Valuation allowance for deductive temporary difference		(519,441 million)
Gross valuation allowance		(538,356 million)
Total deferred tax assets		224 million
Total deferred tax liabilities		(64 million)
Net deferred tax assets		160 million

Note: Amounts of tax loss carryforward and deferred tax assets therefrom by remaining term (millions of yen)

	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	Over 5 years	Total
Tax loss carryforward (Note)	70	64	13,930	1,897	2,056	895	18,915
Valuation allowance	(70)	(64)	(13,930)	(1,897)	(2,056)	(895)	(18,915)
Deferred tax assets	–	–	–	–	–	–	–

Note: Tax loss carryforward is calculated by multiplying statutory effective tax rate.

(Notes to Related Party Transactions)
For the fiscal year 2023

Subsidiaries

Type	Name	Voting Rights Holding or Held (%)	Relation with the Party	Transactions	Transaction Amount (Millions of yen)	Account	Balance as of March 31, 2024 (Millions of yen)
Subsidiary	Resona Bank, Ltd.	(Holding) Directly 100.00％	Business management, Deposit transactions, Monetary loans, Interlocking directors	Deposit of current account	101,910	Cash and due from banks	61,283
				Borrowing of funds	–	Long-term debts to subsidiaries and affiliates	129,186
				Interest expense on debts	518	Accrued expenses	86

Notes: (1) Transaction amount for deposit of current account represents average balance during the fiscal year.
(2) Debts are non-collateralized with a lump-sum repayment at maturity and the interest rate was determined rationally based on actual market rate.

(Notes to Per Share Information)

1. Net assets per share of common stock 446.42 yen
2. Net income per share 32.42 yen
3. Diluted net income per share 32.41 yen

(Material Subsequent Events)

As described in the Notes to Consolidated Financial Statements (Material Subsequent Events).

Audit Committee's Report

Audit Report

The Audit Committee has audited the performance of duties of Directors and Executive Officers for the 23rd business year from April 1, 2023 to March 31, 2024. We report the method and results of our audit as follows.

1. Method and Contents of Audits

The Audit Committee regularly received reports from Directors, Executive Officers, employees, etc. on the details of the resolutions of the Board of Directors regarding the matters set forth in Article 416, Paragraph 1, Items 1(b) and (e) of the Companies Act, and the status of development and operation of the system (internal control system) maintained in accordance with such resolutions, requested explanations as necessary, expressed our opinions, and conducted audits using the following methods.

(i) In compliance with the Audit Committee audit regulations established by the Audit Committee, and in accordance with the audit policies and division of duties for the current term, etc. as well as in cooperation with the internal control department, etc. of the Company through means such as telephone lines and the Internet, etc., we attended important meetings, received reports from Directors and Executive Officers, etc. regarding the performance of their duties, requested explanations as necessary, and viewed important decision-making documents, etc., and inspected the status of operations and assets at the head office and main business locations. Additionally, in regard to subsidiaries, the Audit Committee communicated and exchanged information with Directors and Audit & Supervisory Board Members, etc. of subsidiaries and received reports on business from subsidiaries as necessary.

(ii) The Audit Committee oversaw and verified whether the accounting auditor maintained an independent position and conducted an appropriate audit, received reports from the accounting auditor on the status of the performance of its duties, and requested explanations as necessary. Additionally, the Audit Committee received notification from the accounting auditor that, in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, November 16, 2021), etc., it had developed systems in order to ensure that its duties are appropriately performed (i.e., notification of the matters stated in the items of Article 131 of the Ordinance on Accounting of Companies) and requested explanations as necessary.

Using the methods above, the Audit Committee examined the business report, the supplementary schedules thereto, the financial statements (i.e., the balance sheet, statement of income, statement of changes in net assets, and notes to non-consolidated financial statements), the supplementary schedules to the financial statements, and the consolidated financial statements (i.e., the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to consolidated financial statements) for the business year.

2. Audit Results

(1) Results of audit of business report, etc.

(i) We find that the business report and the supplementary schedules thereto accurately present the status of the company in accordance with laws, regulations, and the articles of incorporation.

(ii) We do not find any misconduct nor any material fact constituting a violation of any law, regulation, or the articles of incorporation in relation to the performance of Directors and Executive Officers of their duties.

(iii) We find the content of the resolutions of the Board of Directors regarding internal control systems to be reasonable. Additionally, we do not find any matters that should be commented upon in regard to the statements in the business report or the performance of Directors and Executive Officers of their duties relating to the internal control systems.

(2) Results of audit of financial statements and supplementary schedules thereto

We find the methods and results of the audit by the accounting auditor, Deloitte Touche Tohmatsu LLC, to be reasonable.

(3) Results of audit of consolidated financial statements

We find the methods and results of the audit by the accounting auditor, Deloitte Touche Tohmatsu LLC, to be reasonable.

3. Material subsequent events

At the board of directors meeting held on May 14, 2024, it was resolved to set an acquisition quota for our common shares (up to a total of 30,000,000 shares and 20 billion yen in total, respectively) with an acquisition period from May 15, 2024 to June 21, 2024. Additionally, it was decided to cancel treasury shares in accordance with the provisions of Article 178 of the Companies Act.

May 14, 2024

Resona Holdings, Inc. Audit Committee

Member of Audit Committee Masaki Yamauchi
Member of Audit Committee Katsuyuki Tanaka
Member of Audit Committee Ryuji Yasuda
Member of Audit Committee Hisahiko Oikawa

(Note) Members of the Audit Committee Masaki Yamauchi, Katsuyuki Tanaka and Ryuji Yasuda are Outside Directors as defined in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

(Reference)

1. Financial Summary of Resona Bank, Ltd.

(1) Balance Sheet as of the End of the 22nd Term

(Millions of yen)

		March 31, 2024
Assets		
Cash and due from banks	¥	12,437,022
Call loans		92,536
Monetary claims bought		279,652
Trading assets		344,944
Securities		5,346,628
Loans and bills discounted		23,853,760
Foreign exchange assets		113,247
Other assets		764,911
Tangible fixed assets		203,184
Intangible fixed assets		36,276
Prepaid pension cost		35,109
Customers' liabilities for acceptances and guarantees		250,305
Reserve for possible loan losses		(114,506)
Total Assets		43,643,074
Liabilities and Net Assets		
Liabilities		
Deposits		35,096,601
Negotiable certificates of deposit		550,110
Call money		826,279
Payables under securities lending transactions		1,364,159
Trading liabilities		78,511
Borrowed money		1,862,199
Foreign exchange liabilities		12,220
Bonds		36,000
Due to trust account		1,314,105
Other liabilities		425,249
Reserve for employees' bonuses		9,180
Other reserves		12,206
Deferred tax liabilities		87,892
Deferred tax liabilities for land revaluation		17,589
Acceptances and guarantees		250,305
Total Liabilities		41,942,610
Net Assets		
Capital stock		279,928
Capital surplus		377,178
Capital reserve		279,928
Other capital surplus		97,250
Retained earnings		595,949
Other retained earnings		595,949
Retained earnings carried forward		595,949
Total stockholders' equity		1,253,056
Net unrealized gains on available-for-sale securities		405,914
Net deferred gains on hedges		3,252
Revaluation reserve for land		38,239
Total valuation and translation differences		447,406
Total Net Assets		1,700,463
Total Liabilities and Net Assets	¥	43,643,074

(2) Statement of Income for the 22nd Term

(Millions of yen)

		For the fiscal year ended March 31, 2024
Ordinary income	¥	543,233
Interest income		292,276
Interest on loans and bills discounted		192,351
Interest and dividends on securities		59,809
Trust fees		25,371
Fees and commissions		146,523
Trading income		823
Other operating income		18,487
Other ordinary income		59,751
Ordinary expenses		407,701
Interest expenses		74,253
Interest on deposits		27,539
Fees and commissions		61,203
Trading expenses		111
Other operating expenses		21,073
General and administrative expenses		215,833
Other ordinary expenses		35,226
Ordinary profits		135,532
Extraordinary gains		1,922
Extraordinary losses		2,612
Income before income taxes		134,842
Income taxes – current		39,678
Income taxes – deferred		(762)
Total income taxes		38,915
Net income	¥	95,926

2. Financial Summary of Saitama Resona Bank, Ltd.

(1) Balance Sheet as of the End of the 22nd Term

(Millions of yen)

		March 31, 2024
Assets		
Cash and due from banks	¥	6,712,467
Call loans		11,922
Monetary claims bought		53,995
Trading account securities		9,300
Securities		2,684,895
Loans and bills discounted		8,978,865
Foreign exchange assets		12,654
Other assets		245,465
Tangible fixed assets		51,433
Intangible fixed assets		2,653
Prepaid pension cost		9,698
Customers’ liabilities for acceptances and guarantees		28,291
Reserve for possible loan losses		(24,549)
Total Assets		18,777,096
Liabilities and Net Assets		
Liabilities		
Deposits		17,376,211
Negotiable certificates of deposit		42,730
Call money		7,571
Payables under securities lending transactions		177,901
Borrowed money		539,443
Foreign exchange liabilities		826
Other liabilities		122,773
Reserve for employees’ bonuses		3,461
Other reserves		6,139
Deferred tax liabilities		5,248
Acceptances and guarantees		28,291
Total Liabilities		18,310,598
Net Assets		
Capital stock		70,000
Capital surplus		100,000
Capital reserve		100,000
Retained earnings		229,718
Legal reserve		20,012
Other retained earnings		209,705
Retained earnings carried forward		209,705
Total stockholders’ equity		399,718
Net unrealized gains on available-for-sale securities		61,266
Net deferred gains on hedges		5,512
Total valuation and translation differences		66,778
Total Net Assets		466,497
Total Liabilities and Net Assets	¥	18,777,096

(2) Statement of Income for the 22nd Term

(Millions of yen)

		For the fiscal year ended March 31, 2024
Ordinary income	¥	168,102
Interest income		90,246
Interest on loans and bills discounted		67,811
Interest and dividends on securities		16,200
Trust fees		70
Fees and commissions		51,619
Other operating income		6,466
Other ordinary income		19,699
Ordinary expenses		128,502
Interest expenses		6,878
Interest on deposits		1,079
Fees and commissions		21,193
Other operating expenses		11,437
General and administrative expenses		78,153
Other ordinary expenses		10,839
Ordinary profits		39,599
Extraordinary losses		323
Income before income taxes		39,275
Income taxes – current		11,170
Income taxes – deferred		390
Total income taxes		11,560
Net income	¥	27,715

3. Financial Summary of Kansai Mirai Financial Group, Inc.

(1) Consolidated Balance Sheet as of the End of the 7th Term

(Millions of yen)

		March 31, 2024
Assets		
Cash and due from banks	¥	1,724,389
Call loans and bills bought		3,258
Securities		1,320,264
Loans and bills discounted		10,100,304
Foreign exchange assets		16,303
Lease receivables and investment in leases		33,746
Other assets		166,089
Tangible fixed assets		87,701
Intangible fixed assets		4,446
Net defined benefit asset		36,105
Deferred tax assets		13,138
Customers' liabilities for acceptances and guarantees		41,533
Reserve for possible loan losses		(56,934)
Total Assets		13,490,346
Liabilities and Net Assets		
Liabilities		
Deposits		11,143,346
Negotiable certificates of deposit		403,710
Call money and bills sold		3,913
Payables under securities lending transactions		339,478
Borrowed money		889,804
Foreign exchange liabilities		798
Other liabilities		98,697
Reserve for employees' bonuses		5,419
Net defined benefit liability		5,597
Other reserves		4,551
Deferred tax liabilities		3,968
Acceptances and guarantees		41,533
Total Liabilities		12,940,821
Net Assets		
Capital stock		29,589
Capital surplus		308,936
Retained earnings		193,024
Total stockholders' equity		531,551
Net unrealized gains on available-for-sale securities		8,547
Net deferred gains on hedges		337
Remeasurements of defined benefit plans		9,047
Total accumulated other comprehensive income		17,933
Non-controlling interests		40
Total Net Assets		549,525
Total Liabilities and Net Assets	¥	13,490,346

(2) Consolidated Statement of Income for the 7th Term

(Millions of yen)

		For the fiscal year ended March 31, 2024
Ordinary income	¥	191,935
Interest income		115,145
Interest on loans and bills discounted		98,098
Interest and dividends on securities		12,170
Trust fees		14
Fees and commissions		46,615
Other operating income		25,333
Other ordinary income		4,827
Ordinary expenses		162,943
Interest expenses		4,331
Interest on deposits		2,269
Fees and commissions		17,504
Other operating expenses		27,440
General and administrative expenses		101,513
Other ordinary expenses		12,153
Ordinary profits		28,991
Extraordinary gains		2,092
Extraordinary losses		984
Income before income taxes		30,099
Income taxes – current		4,211
Income taxes – deferred		3,935
Total income taxes		8,147
Net income		21,951
Net income attributable to non-controlling interests		4
Net income attributable to owners of parent	¥	21,947

4. Financial Summary of Kansai Mirai Bank, Ltd.

(1) Balance Sheet as of the End of the 5th Term

(Millions of yen)

		March 31, 2024
Assets		
Cash and due from banks	¥	1,034,286
Securities		776,375
Loans and bills discounted		7,020,434
Foreign exchange assets		8,927
Other assets		68,892
Tangible fixed assets		63,542
Intangible fixed assets		5,185
Prepaid pension cost		22,254
Deferred tax assets		10,131
Customers' liabilities for acceptances and guarantees		28,006
Reserve for possible loan losses		(31,247)
Total Assets		9,006,789
Liabilities and Net Assets		
Liabilities		
Deposits		7,297,865
Negotiable certificates of deposit		444,170
Call money		3,913
Payables under securities lending transactions		275,042
Borrowed money		530,500
Foreign exchange liabilities		259
Other liabilities		52,670
Reserve for employees' bonuses		3,203
Reserve for employees' retirement benefits		6,663
Other reserves		2,980
Deferred tax liabilities for land revaluation		209
Acceptances and guarantees		28,006
Total Liabilities		8,645,484
Net Assets		
Capital stock		38,971
Capital surplus		170,998
Capital reserve		38,971
Other capital surplus		132,026
Retained earnings		151,783
Other retained earnings		151,783
Retained earnings carried forward		151,783
Total stockholders' equity		361,753
Net unrealized gains on available-for-sale securities		(1,032)
Net deferred gains on hedges		107
Revaluation reserve for land		476
Total valuation and translation differences		(448)
Total Net Assets		361,304
Total Liabilities and Net Assets	¥	9,006,789

(2) Statement of Income for the 5th Term

(Millions of yen)

	For the fiscal year ended March 31, 2024
Ordinary income	¥ 114,426
Interest income	80,795
Interest on loans and bills discounted	70,293
Interest and dividends on securities	8,594
Trust fees	14
Fees and commissions	28,541
Other operating income	1,741
Other ordinary income	3,333
Ordinary expenses	96,919
Interest expenses	3,261
Interest on deposits	1,563
Fees and commissions	15,276
Other operating expenses	2,878
General and administrative expenses	66,665
Other ordinary expenses	8,835
Ordinary profits	17,507
Extraordinary gains	2,101
Extraordinary losses	689
Income before income taxes	18,919
Income taxes – current	798
Income taxes – deferred	2,766
Total income taxes	3,565
Net income	¥ 15,353

5. Financial Summary of The Minato Bank, Ltd.

(1) Balance Sheet as of the End of the 25th Term

(Millions of yen)

	March 31, 2024
Assets	
Cash and due from banks	¥ 689,831
Call loans	3,258
Securities	572,930
Loans and bills discounted	3,151,451
Foreign exchange assets	7,375
Other assets	60,729
Tangible fixed assets	27,655
Intangible fixed assets	3,833
Prepaid pension cost	3,016
Deferred tax assets	318
Customers' liabilities for acceptances and guarantees	13,414
Reserve for possible loan losses	(19,170)
Total Assets	4,514,643
Liabilities and Net Assets	
Liabilities	
Deposits	3,863,663
Negotiable certificates of deposit	12,740
Payables under securities lending transactions	64,435
Borrowed money	357,900
Foreign exchange liabilities	539
Other liabilities	17,651
Reserve for employees' bonuses	1,780
Other reserves	1,355
Acceptances and guarantees	13,414
Total Liabilities	4,333,480
Net Assets	
Capital stock	39,984
Capital surplus	62,109
Capital reserve	39,931
Other capital surplus	22,177
Retained earnings	64,609
Legal reserve	53
Other retained earnings	64,555
General reserve	2,325
Retained earnings carried forward	62,230
Total stockholders' equity	166,703
Net unrealized gains on available-for-sale securities	14,233
Net deferred gains on hedges	227
Total valuation and translation differences	14,460
Total Net Assets	181,163
Total Liabilities and Net Assets	¥ 4,514,643

(2) Statement of Income for the 25th Term

(Millions of yen)

	For the fiscal year ended March 31, 2024
Ordinary income	¥ 52,144
Interest income	34,779
Interest on loans and bills discounted	27,940
Interest and dividends on securities	5,148
Fees and commissions	14,647
Other operating income	698
Other ordinary income	2,018
Ordinary expenses	43,788
Interest expenses	1,101
Interest on deposits	705
Fees and commissions	4,512
Other operating expenses	2,674
General and administrative expenses	31,787
Other ordinary expenses	3,711
Ordinary profits	8,355
Extraordinary losses	407
Income before income taxes	7,948
Income taxes – current	2,374
Income taxes – deferred	960
Total income taxes	3,335
Net income	¥ 4,613

6. Statement of Trust Assets and Liabilities

Statement of Trust Assets and Liabilities

(Millions of yen)

		March 31, 2024
Assets		
Loans and bills discounted	¥	6,981
Securities		20
Beneficiary rights		27,058,706
Securities held in custody account		20,523
Monetary claims		885,393
Tangible fixed assets		308,962
Intangible fixed assets		13,003
Other claims		4,101
Due from banking account		1,314,105
Cash and due from banks		189,771
Total assets		29,801,569
Liabilities		
Money trusts		12,364,468
Pension trusts		2,604,253
Property formation benefit trusts		1,073
Securities investment trusts		12,923,073
Money entrusted other than money trusts		442,969
Securities trusts		20,525
Monetary claims trusts		887,273
Land and fixtures trusts		–
Composite trusts		557,931
Total liabilities	¥	29,801,569

Notes: (1) Amounts of less than ¥1 million have been rounded down.

(2) The trust without readily determinable monetary values was excluded.

(3) Beneficiary rights worth ¥27,058,706 million were re-entrusted for asset administration purpose.

(4) Co-managed trust funds under other trust bank’s administration amounted to ¥136,905 million.

(5) Claims where the bank guarantees the principal amounted to ¥6,981 million including ¥134 million in claims with risks and ¥6,846 million in normal claims.

There are no bankruptcy or reorganization claims and similar claims, loans past due 3 months or more, and restructured loans.

The total amount of bankruptcy or reorganization claims and other similar claims, claims with risks, loans past due 3 months or more, and restructured loans is ¥134 million.

(6) Subsidiaries subject to aggregation are Resona Bank, Ltd., Saitama Resona Bank, Ltd. and Kansai Mirai Bank, Ltd.

(Supplementary note) The trust in the principal indemnification agreement, including the trust that was re-entrusted for operations, consists of following.

Money trusts

(Millions of yen)

Assets		
Loans and bills discounted	¥	6,981
Other		1,313,416
Total assets		1,320,397
Liabilities		
Principal		1,320,288
Special loan loss reserve		21
Other		87
Total liabilities	¥	1,320,397