

October 31, 2017

Company Name: Resona Holdings, Inc.

Director, President and Representative Executive Officer: Kazuhiro Higashi  
(Code No.: 8308, 1st Section of the Tokyo Stock Exchange)

### **Announcement Regarding the Revision of Earnings Targets for the First Half of Fiscal Year 2017**

Resona Holdings, Inc. revised its earnings targets for the first half of fiscal year 2017 which it announced on May 12, 2017 as below.

#### **1. Revision of the Earnings Targets**

(1) Consolidated Earnings Targets of the First Half of Fiscal Year 2017 (April 1, 2017 - September 30, 2017)

	Net Income Attributable to Owners of the Parent	Net Income per Share of Common Stock
	(Billion Yen)	(Yen)
Previous targets (A) (Announced on May 12, 2017)	73.0	30.65
<b>Revised targets (B)</b>	<b>94.0</b>	<b>39.79</b>
Change (B – A)	+21.0	-
Rate of change (%)	+28.7	-
(Reference) First half of fiscal year 2016	96.9	40.17

#### **(2) Reason to Revise the Consolidated Earnings Targets**

The previous earnings target in terms of net interim income attributable to owners of the parent is revised upward due to the one-time gain arising from the realignment of loan guarantee subsidiaries (approx. JPY14.0 billion) which was announced on September 28, 2017 and the expected improvement in credit expenses at group banks from their respective targets.

#### **2. Earnings Targets for the Fiscal Year 2017 (Full Year)**

Details of earnings targets for fiscal year 2017 will be announced separately when Resona Holdings announces its business results for the first half of fiscal year 2017.

#### **[REFERENCE INFORMATION]**

(1) Earnings Targets of Group Banks for the First Half of Fiscal Year 2017

- Income before income taxes and net interim income as a simple sum of non-consolidated figures of group banks are estimated to be JPY160.5 billion and JPY144.5 billion, or JPY69.5 billion and JPY80.5 billion higher than their previous targets, respectively, primarily due to 1) a gain subsidiary banks posted for a sale of shares of a loan guarantee subsidiary (+ JPY53.5 billion from the previous target, approximate figure), and 2) booking of a gain from credit cost reversals partly helped by lower-than-expected new bankruptcy and downward borrower migrations at group banks (+ JPY13.5 billion from the previous target).
- The profits from intra-group transactions relating to the realignment of loan guarantee subsidiaries (JPY58.0 billion in total) are canceled out in a consolidation process. (Please also refer to a separate announcement on September 28, 2017 titled "Announcement Regarding Realignment of Loan Guarantee Subsidiaries")

*Earnings targets reported herein are based on the data available as of the date on which this material is announced. Please be aware that actual results may differ from the targets due to various factors.*

(Billion Yen)

	(Approx)					
	Resona	Saitama Resona	Kinki Osaka	Group Banks Total	Change from Previous target	Year-on-year change
Gross operating profit	173.5	62.0	25.5	261.0	+0.5	(14.4)
Operating expenses	(105.5)	(37.0)	(18.5)	(161.0)	+3.5	+2.3
Actual net operating profit	68.0	25.0	7.0	100.0	+4.0	(12.0)
Income before income taxes	112.5	39.0	8.5	160.5	+69.5	+40.2
Net income	106.0	31.0	7.5	144.5	+80.5	+57.2
Effect of realignment of loan guarantee	39.5	13.5	5.0	58.0		
Net gains on stocks (including futures)	43.0	12.5	1.0	57.0	+53.5	+55.4
Credit expenses, net	6.0	2.0	0.5	9.0	+13.5	+0.4

## (2) Classified Claims under the Financial Reconstruction Act Criteria (Total of Group Banks)

(Billion Yen)

[Banking and trust accounts]	Sep. 30, 2017	Mar. 31, 2017	Change
Classified claims under FRA criteria (A)	373.8	395.4	(21.6)
Unrecoverable or valueless claims	53.8	63.6	(9.8)
Risk claims	228.5	235.1	(6.5)
Special attention loans	91.4	96.6	(5.1)
Normal claims	28,854.8	28,792.5	+62.2
Total claims (B)	29,228.7	29,188.0	+40.6
NPL ratio (A)/(B)	1.27%	1.35%	(0.07)%

## (3) Estimated Unrealized Gain/ (Loss) on Available-for-Sale Securities (Total of Group Banks)

(Billion Yen)

	Sep. 30, 2017		Mar. 31, 2017		Change	
	B/S Amount	Net unrealized gain/(loss)	B/S Amount	Net unrealized gain/(loss)	B/S Amount	Net unrealized gain/(loss)
Available-for-sale securities*	2,893.0	603.3	2,958.7	555.4	(65.7)	+47.9
Bonds	1,245.2	(2.8)	1,429.1	(2.6)	(183.8)	(0.1)
Stocks	955.4	608.9	911.6	563.2	+43.8	+45.6
Other	692.2	(2.7)	617.9	(5.2)	+74.3	+2.4

Note: The figures presented in the table above include securities, negotiable certificates of deposit (NCDs) included in "cash and due from banks" and a portion of "monetary claims bought." The presented figures only include marketable securities.

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