



April 28, 2022

Company Name: Resona Holdings, Inc.

Director, President and Representative Executive Officer: Masahiro Minami  
(Code No.: 8308, Prime Market of the Tokyo Stock Exchange)

### **Announcement Regarding the Revision of Earnings Target for the Fiscal Year 2021**

Resona Holdings, Inc. (“RHD”) hereby announces that it revised its consolidated earnings target for the fiscal year 2021 (April 1, 2021- March 31, 2022) which it announced on Nov. 9, 2021 as detailed below. RHD maintained the dividends forecast for its common stock (fiscal year-end: 10.50 yen per share, annual total: 21.00 yen per share) which it announced on the same day.

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

Consolidated Earnings Target for the Fiscal Year 2021 (April 1, 2021 - March 31, 2022)

	Net Income Attributable to Owners of the Parent	Net Income per Share of Common Stock
	(Billion Yen)	(Yen)
Previous target (A) (Announced on Nov. 9, 2021)	145.0	59.66
<b>Revised target (B)</b>	<b>109.0</b>	<b>45.02</b>
Change (B – A)	(36.0)	-
Rate of change (%)	(24.8)	-
(Reference) Fiscal Year 2020	124.4	54.19

#### **2. Reason for the Revision**

RHD revised its target of net income attributable to owners of the parent downward by JPY 36.0 billion, primarily because in the fourth quarter of fiscal year 2021 1) it implemented the measure to restore soundness of its securities portfolio, cutting latent losses on its foreign bonds, in response to the rapid rise in the U.S. treasury yield and 2) it also revised down the obligor categories of certain corporate borrowers so that it could add loan loss reserves. Further details will be forthcoming on May 12, 2022 when RHD officially announces its fiscal year 2021 results.

(Reference) Dividend Forecast for the Fiscal Year 2021

	2nd Quarter-end (Act.)	Fiscal Year-end (Forecast)	Total
	(Yen)	(Yen)	(Yen)
Dividends per share	10.50	10.50	21.00

(Note) No change to the dividends forecast announced on Nov. 9, 2021.

(Note) Earnings target reported herein are based on the data available as of the date of this announcement. Please be aware that actual results may differ from what are reported herein.

**[Reference Information]**

**1. Outline of Consolidated Income**

- In response to the sharp rise in the U.S. interest rates in the 4Q, RHD's subsidiary banks sold some of their available-for-sale securities, mostly foreign bonds, with a view to ensuring flexibility and soundness in the management of securities portfolio in the coming fiscal year 2022, selecting and disposing of those securities they find economically unreasonable to carry, incurring net loss on bonds amounting to JPY 50.9 billion in the 4Q, or JPY54.0 billion for the full year (JPY 68.0 billion decrease on a year-on-year basis).
- In addition, RHD's subsidiary banks revised down obligor categories of certain borrowers and incurred credit expenses amounting to JPY38.5 billion in the 4Q of last fiscal year, or JPY59.0 billion for the full year (JPY1.5 billion decrease on a year-on-year basis).
- Due to the reasons described above, net income attributable to owners of the parent is estimated to be JPY109.0 billion, JPY15.4 billion lower than the previous fiscal year.
- As we continue to work on income and cost structure reforms, RHD's consolidated core income, which is defined as 1) net interest income from domestic loans and deposits plus 2) fee income less 3) operating expenses, is steadily on the rise and estimated to be JPY129 billion (increase of JPY12.6 billion on a year-on-year basis).

(Billions of yen)

	1-3Q Cumulative (Act)	Fiscal year 2021	
		Full year (Est)	Year-on-year change
Gross operating profit	476.1	602.0	(37.1)
Net gains on bonds (including futures)	(3.1)	(54.0)	(68.0)
Operating expenses	(309.4)	(416.0)	(0.4)
Actual net operating profit	167.1	186.0	(38.0)
Net gains on stocks (including equity derivatives)	44.2	47.0	9.7
Credit related expenses	(20.5)	(59.0)	(1.5)
Income before income taxes	179.2	155.0	(29.3)
Net income attributable to owners of parent	126.5	109.0	(15.4)
Core income(*)	95.3	129.0	12.6

(\*) Net interest income from domestic loans and deposits + Fee income + Operating expenses

## 2. Unrealized Gain/(loss) on Available-for-sale Securities (Total of Group Banks)

(Billions of yen)

	End of Dec. 2021		End of Mar. 2022	
	Acquisition cost	Unrealized gains/(losses)	Acquisition cost	Unrealized gains/(losses)
Available-for-sale securities	4,651.6	601.5	4,159.5	521.2
Bonds	2,706.6	(7.9)	2,940.1	(33.0)
JGBs	932.2	(9.9)	1,137.3	(22.4)
Stocks	307.9	623.9	305.9	586.3
Other	1,637.0	(14.5)	913.3	(32.0)
Foreign bonds	992.5	(22.9)	562.5	(33.0)
Investment trusts (Domestic)	640.7	5.3	346.8	(3.7)
3 assets, total	2,565.5	(27.5)	2,046.7	(61.3)

(Note) 3 assets = JGBs + Foreign bonds + Investment trusts (Domestic)

JGB (10 years)	0.070%	0.210%
US Treasury (10 years)	1.5101%	2.3380%
Nikkei Stock Average	28,791.71 yen	27,821.43 yen

## 3. Claims Disclosure According to the Financial Reconstruction Act (Total of Group Banks)

(Billions of yen)

	End of Dec. 2021	End of Mar. 2022
NPL, total (A)	474.2	538.2
Unrecoverable or valueless claims	56.0	53.6
Risk claims	308.4	370.5
Special attention loans	109.7	114.0
Normal claims	39,930.2	40,147.1
Financial Reconstruction Act total (B)	40,404.5	40,685.3
NPL Ratio (A)/(B)	1.17%	1.32%

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