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Resona Holdings, Inc.
Director, President and Representative Executive Officer
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# Announcement Regarding Realignment of Loan Guarantee Subsidiaries

Resona Holdings, Inc. (RHD, hereafter) aims at evolving its consolidated business management further. To this end, RHD has been working on reviewing its housing loan business processes and upgrading risk management system amid the changes in the environment surrounding the group's housing loan business. In April, 2017, RHD also decided to merge Resona Guarantee Co., Ltd. (RG, hereafter) and Daiwa Guarantee Co., Ltd., both of which were the group's loan guarantee subsidiaries, as part of its endeavors to further evolve its consolidated business management.

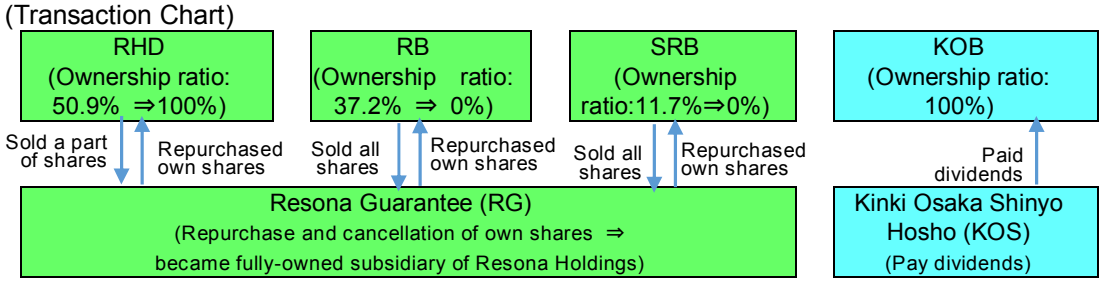
## 1. Outline of the Realignment

Following steps were taken based on the premise that both RG and Kinki Osaka Shinyo Hosho Co., Ltd. (KOS, hereafter) can maintain adequate capital level after these steps.

(1) RG became a fully-owned subsidiary of RHD through the repurchase of own shares by RG
RG repurchased a part of its own shares held by RHD and all shares held by Resona Bank, Ltd (RB hereafter) and Saitama Resona Bank, Ltd (SRB, hereafter).

(2) KOS paid dividends to Kinki Osaka Bank, Ltd (KOB, hereafter)

(Transaction Chart)




## 2. Impact of this realignment

Through the transaction illustrated above, RG became a fully-owned subsidiary of RHD, thus making a shift to the direct business management by RHD. This realignment makes it clear that the loan guarantee subsidiary is a common platform for the entire group, enabling it to better cope with the changes surrounding its housing loan business. Impact of this realignment on the financial performance of RHD and its banking subsidiaries are summarized as follows:

(Billions of yen, approximate figures)

| | Resona Holdings (Consolidated) | Non-consolidated | | | |
|---|---|---|---|---|---|
| | | Resona Holdings | Resona Bank | Saitama Resona Bank | Kinki Osaka Bank |
| Net Income | 14.0 | 24.0 | 53.5 | 13.5 | 5.0 |

(Note) Sum of non-consolidated figures of Resona Holdings and its banking subsidiaries does not agree with Resona Holdings' consolidated figure since intra-group transactions are cancelled in a consolidation process.

RHD will make an announcement promptly when it sees a material change from the earnings guidance it originally issued.