

**Business Report for the 13<sup>th</sup> Term**  
**(from April 1, 2013 to March 31, 2014)**

(English Translation of the Japanese Original)

# Business Report for the 13<sup>th</sup> Term

## (from April 1, 2013 to March 31, 2014)

### 1. Current Status of the Company

#### (1) Business Developments and Results of the Corporate Group

##### (A) Principal Business Activities of the Corporate Group

The Group is a financial service provider centered on banking and trust banking business with a capacity to also provide services in other financial-related businesses such as factoring, credit card administration and venture capital operations.

##### (B) Financial and Economic Environment

Looking at Japan's economy during the fiscal year ended March 31, 2014, the yen weakened and stock prices climbed in the financial markets based on growing anticipation of positive effects from the government's economic measures, and consumer confidence improved in the light of the increase in asset values. Business sentiment among corporations also improved with trends of orders reflecting signs of capital investment bottoming out. A last-minute rise in consumer demand had been seen before the hike in the consumption tax rate implemented in April 2014. Regarding product prices, import prices increased due to the drop in the yen and the consumer price index rose year-on-year.

Meanwhile, in the U.S., consumer spending remained strong and the unemployment rate declined in the labor market. On the other hand, product prices did not increase as actively as targeted by the U.S. Federal Reserve Board (FRB). Europe's economies began to show sign of gradual improvement from the summer. In China, the real GDP growth rate exceeded the target set by the government, although it slowed during the period January-March 2014.

Looking at the financial markets, the yen weakened further in the foreign exchange market as the Bank of Japan continued to follow a monetary easing policy. The Nikkei average price remained at a higher level than the previous fiscal year and marked, at one point, 16,320.22 yen. The U.S. stock prices were bullish on the back of improved economic indicators. Meanwhile, the FRB decided to reduce the pace of purchases under its current asset purchase program in late 2013, which caused the long-term interest rates in the U.S. to follow an upward trend before the change of policy by the FRB. During the period January-March 2014, there was growing interest in the market about the timing of an interest rate rise and there were some fluctuations in short- and medium-term interest rates which are more prone to be impacted by the effects of the policy interest rate. Meanwhile, in Japan, long-term interest rates moved with downside potential on the back of large-scale government bond purchases by the Bank of Japan, although the long-term interest rates rose in early spring of 2013.

##### (C) Business Developments and Results of the Corporate Group

Based on the fundamental principle of "the customer's happiness is our happiness," the Group endeavors to be highly trusted by customers and local communities through accelerating its management reforms focusing on demonstrating "All Resona" thoroughly pursuing "Cross-selling activities" and promoting "Low-cost operations"

under three core medium-to-long-term management policies: "Succession and further deepening of *Resonaism*," "Structuring of a business model as new financial services business", and "Further development of the Group's consolidated management".

In the strategic areas where the Group concentrates its management resources, the Group establishes four leading fields ("Solution", "Funding business", "Succession business" and "Customer Asset Management (CAM) business"). By pursuing the optimum combination of these four fields in accordance with the characteristics of the local community, needs of customers and other factors, we work to become a financial services company that is strongly supported by customers.

—Solution—

The Group recognizes the importance of understanding customers' concerns and anxieties as well as their increasingly diverse and sophisticated needs by identifying the underlying issues in a multi-dimensional manner, and continuing to provide optimal solutions from a medium- and long-term perspective.

With our operational style based on close and mid-to-long term relationships with customers, we offer a one-stop service that includes trust and real estate solutions, in addition to the banking function of "Resona" as a commercial bank, as we will aim to achieve provision of financial services which satisfy the needs of as many customers as possible.

—Funding business—

Despite constant changes in the financial services environment, the traditional role of indirect finance in society, i.e., to stand by and support the development of customers and local communities and the rise of new industries and growing sectors, remains unchanged.

Providing a smooth supply of funds is the most critical mission of a local community-oriented financial institution, and the expansion of general transactions with customers from those funding is the basis for growth for the Group. It is based on this perception that we will exert further efforts in the area of loans to individuals and small and midsize enterprises. Concurrently, the Group continues to aim at maintaining and enhancing the quality of its loan portfolio.

—Succession business—

We expect that the needs of customers to "leave behind" assets, such as transferring their assets or business from one generation to the next, will further increase, while at the same time becoming more diversified and sophisticated. Taking this into consideration, the Group offers a full lineup of products, including will trust and estate planning, asset inheritance trust, education savings trust, owner stock succession trust, and real estate functions. We focus on providing extensive consulting services that respond to our customers' needs in an aim to establish the most trusted inheritance business brand.

—Customer Asset Management (CAM) business—

In order to respond appropriately to the diversified and sophisticated needs of customers to "increase", "entrust" and "leave behind", we have set in place the core, consisting of the management solution offering business and the life planning support business. It is based on this platform that we offer proposals to accommodate these situations of customers and provide optimal solution functions, products and services in response to customers' potential and apparent needs. Such products and services include deposit transactions, various investment trust and insurance products that have been reinforced through business alliances, and trust and real estate administration services that support our differentiation strategy.

(Results for Consolidated Fiscal Year Ended March 31, 2014)

Consolidated net income for the fiscal year amounted to ¥220.6 billion. Although this is a drop from that for the previous fiscal year, with the exclusion of the effect of a review of company classifications relating to tax-effect accounting conducted in the previous fiscal year, it increased by ¥35.6 billion year-on-year. The increase was primarily due to an improvement in stock-related income (up ¥30.1 billion year-on-year) and the factor that with respect to total credit costs, a reversal of the allowance for doubtful receivables was recorded again (up ¥13.4 billion year-on-year). Consolidated gross profit amounted to ¥608.5 billion (down ¥28.6 billion year-on-year), as a result of efforts to cover a fall in interest income caused by a decrease in loan-deposit interest margin, as well as a drop in security-related income with an increase in loans and fees and commissions income mainly generated from sales of financial products, etc.

Consolidated total assets decreased by ¥1,608.8 billion from the previous fiscal year to ¥44,719.4 billion. Consolidated net assets totaled ¥1,956.4 billion (down ¥232.8 billion year-on-year) owing to repayment of public funds, etc.

The ratio of non-performing loans (total of each of the Group-affiliated banks, including each of the trust accounts with a contract clause for covering the principal) based on the Financial Revitalization Law was 1.74% and the balance of trust assets totaled ¥23,915.8 billion (up ¥538.4 billion year-on-year).

#### (D) Issues to be Addressed by the Corporate Group

##### (1) Basic Strategies

###### (i) Selection and concentration of business domains

We aim to boost profitability and realize "Maximization of the corporate value of the Group" by allocating management resources efficiently and effectively. To this end, we will strive to establish competitive advantages through focusing the "geographical axis" in two large urban areas (the Osaka-centered "Kansai Area" and the "Greater Tokyo Area" centered on Tokyo and Saitama) and the "customer axis" on retail.

###### (ii) Pursuit of a distinctive Resona Style

"Resona Style" serves as a basis to support reforms and improve competitiveness so that the Group can achieve evolution to a financial service provider, which is free from the traditional common practices and customs of the banking industry. As we move forward, we will continue to work on our themes of "Creating a New Corporate Culture", "Focusing on Individuals" and "Striving to Become the Most Trusted Company" toward the establishment of a distinctive Resona Style and our evolution.

##### (2) Priority Measures

###### (i) Creating and excavating new business opportunities with an eye towards future "Change"

We will actively develop new business opportunities stemming from various changes while maintaining our close relationships with customers and sophisticated solutions as key drivers. To do so, we will endeavor to expand and deepen our sales activities by exploring deeper and more thoroughly the needs of customers.

###### (ii) Strategic enhancement of customer contacts

Amid the changes observed in customers' financial behaviors and transaction styles due to various changes in the business environment, we have now returned to the starting point to review and strategically enhance our customer contact points. This will be done from various viewpoints, including "area", "marketing", "human resources" and "channels".

(iii) Further acceleration of low-cost operations

We intend to extend our know-how on operational reforms that we have accumulated to date in the field of deposits also to the loan and housing loan businesses with the aim of further improving the quality of services and achieving low-cost operations.

In addition, from the perspective of selection and concentration of management resources, we, as a financial services company, will enhance our comprehensive capabilities through effective alliances and other means in response to the diverse and sophisticated needs of customers.

(iv) Maintaining the robust financial base to support sustainable growth

Recognizing that the establishment of a robust financial base is indispensable to achieving sustainable growth, we will continue to maintain and reinforce our financial base. Such base generates stable profits from sound assets, consisting of small lots of loans, stable procurement of deposits, and risk-controlled asset management on the market.

(2) Operating Performance of the Corporate Group and the Company

A. Operating performance of the Corporate Group

(Billions of yen)

|                                   | FY2010   | FY2011   | FY2012   | FY2013   |
|-----------------------------------|----------|----------|----------|----------|
| Consolidated ordinary income      | 859.8    | 850.3    | 832.1    | 826.9    |
| Consolidated ordinary profit      | 210.2    | 274.8    | 285.1    | 312.1    |
| Consolidated net income           | 160.0    | 253.6    | 275.1    | 220.6    |
| Consolidated comprehensive income | 132.5    | 300.8    | 398.6    | 286.6    |
| Consolidated net assets           | 1,592.5  | 1,843.3  | 2,189.3  | 1,956.4  |
| Consolidated total assets         | 42,706.8 | 43,199.8 | 43,110.6 | 44,719.4 |

Note: Amounts less than one hundred million yen have been rounded down.

B. Operating performance of the Company

(Billions of yen)

|  | FY2010             | FY2011              | FY2012              | FY2013              |
|--|--------------------|---------------------|---------------------|---------------------|
| Operating income                                     | 31.3               | 158.3               | 244.5               | 453.4               |
| Dividends from subsidiaries and affiliates           | 24.7               | 151.5               | 238.0               | 447.3               |
| Subsidiaries in the banking business                 | 24.7               | 149.4               | 237.9               | 447.3               |
| Other subsidiaries                                   | 0                  | 2.1                 | 0                   | 0                   |
| Net income   | 26,223 million yen | 151,165 million yen | 237,832 million yen | 445,456 million yen |
| Net income per share (or net loss per share)         | -25.17 yen         | 54.74 yen           | 90.43 yen           | 187.34 yen          |
| Total assets   | 1,260.2            | 1,350.3             | 1,519.8             | 1,561.5             |
| Shares of subsidiaries in the banking business, etc. | 1,092.3            | 1,092.3             | 1,092.3             | 1,092.3             |
| Shares of other subsidiaries, etc.                   | 30.0               | 28.8                | 23.8                | 23.8                |

Notes:

1. Amounts less than the specified unit have been rounded down.
2. Net income per share (or net loss per share) was derived by deducting from net income, the amount of dividends on preferred shares for the period and the amount of retirement difference associated with the preferred shares and dividing the result by the average number of ordinary shares issued during the period (excluding own shares and shares of the Company held by ESOP-type Stock Benefit Trust for the Employee Shareholding Association).

(3) Employees of the Corporate Group

A. Number of employees of the Corporate Group

|                     | As of March 31, 2014               |                  | As of March 31, 2013               |                  |
|---------------------|------------------------------------|------------------|------------------------------------|------------------|
|                     | Banking and trust banking business | Other businesses | Banking and trust banking business | Other businesses |
| Number of employees | 16,187                             | 349              | 16,479                             | 347              |

Note: Figures represent the number of employees on duty.

B. Number of employees of the Company

|                                       | As of March 31, 2014  | As of March 31, 2013  |
|---------------------------------------|-----------------------|-----------------------|
| Number of employees                   | 603                   | 533                   |
| Average age                           | 44 years and 7 months | 44 years and 2 months |
| Average number of years of employment | 20 years and 4 months | 19 years and 7 months |
| Average monthly salary                | 543 thousand yen      | 541 thousand yen      |

Notes:

1. All employees of the Company have been seconded from Resona Bank, Ltd., Saitama Resona Bank, Ltd., The Kinki Osaka Bank, Ltd. and four other companies.
2. "Average age" and "average monthly salary" do not include data on employees seconded from companies other than Resona Bank, Ltd., Saitama Resona Bank, Ltd. and The Kinki Osaka Bank, Ltd. "Average number of years of employment" include the average number of years of employment also at Resona Bank, Ltd., Saitama Resona Bank, Ltd. and The Kinki Osaka Bank, Ltd. respectively prior to the seconding.
3. "Average age", "average number of years of employment" and "average monthly salary" are presented with amounts less than the specified unit respectively rounded down.
4. "Average monthly salary" represents the average salary for March including overtime and does not include bonus.

(4) Principal Sales Offices of the Corporate Group

A. Principal sales offices of the Corporate Group

(i) Banking and trust banking business

Resona Bank, Ltd. Osaka Office, Tokyo Office and 346 other offices (349 offices as of March 31, 2013)

Saitama Resona Bank, Ltd. Saitama Office and 130 other offices (131 offices as of March 31, 2013)

The Kinki Osaka Bank, Ltd. Head Office and 127 other offices (128 offices as of March 31, 2013)

(ii) Other businesses

Resona Kessai Service Co., Ltd. Head Office and three other offices

Resona Card Co., Ltd. Head Office and one other office

Resona Capital Co., Ltd. Head Office

B. Offices of the Company

| Name of Office    | Location  | Date Established  |
|-------------------|---|-------------------|
| Tokyo Head Office | Fukagawa Gatharia W2 Bldg. 5-65, Kiba 1-Chome, Koto-ku, Tokyo | May 6, 2010       |
| Osaka Head Office | 2-1, Bingomachi 2-Chome, Chuo-ku, Osaka                       | December 12, 2001 |

(5) Capital Investment by the Corporate Group

A. Total capital investment

(Millions of yen)

|                          | Banking and trust banking business | Other businesses |
|--------------------------|------------------------------------|------------------|
| Total capital investment | 27,446                             | 181              |

Note: Amounts less than 1 million yen have been rounded down.

B. Principal new establishments

(Millions of yen)

|                                    | Description   | Amount |
|------------------------------------|---|--------|
| Banking and trust banking business | Installation and renewal of software  | 11,306 |
|                                    | Establishment of new branches (Sagamiono branch of Resona Bank and others)                            | 2,446  |
|                                    | Sale and disposal of head offices (Sale of the head office of P.T. Bank Resona Perdanania and others) |        |

Note: Amounts less than 1 million yen have been rounded down.



## (6) Principal Status of Parent Company, Subsidiaries and Affiliates

## A. Parent Company

Not applicable.

## B. Subsidiaries and affiliates

| Name of Company                     | Location   | Principal Operations   | Date Established     | Capital (Millions of yen) | Company's Voting Rights Ratio in Subsidiary/Affiliate (%) | Dividends to the Company (Millions of yen) |
|-------------------------------------|--|--|----------------------|---------------------------|---|--|
| Resona Bank, Ltd.                   | 2-1, Bingomachi<br>2-Chome, Chuo-ku,<br>Osaka            | Banking and trust banking business                             | May 15, 1918         | 279,928                   | 100.00  | 401,257                                    |
| Saitama Resona Bank, Ltd.           | 4-1, Tokiwa 7-Chome,<br>Urawa-ku, Saitama                | Banking business   | August 27,<br>2002   | 70,000                    | 100.00  | 42,560                                     |
| The Kinki Osaka Bank, Ltd.          | 4-27, Shiromi<br>1-Chome, Chuo-ku,<br>Osaka              | Banking business   | November 24,<br>1950 | 38,971                    | 100.00  | 3,510                                      |
| Resona Guarantee Co., Ltd.          | 13-10, Tokiwa<br>10-Chome, Urawa-ku,<br>Saitama          | Credit guarantee   | May 8, 1975          | 14,000                    | 100.00<br>(49.02)   | —  |
| Daiwa Guarantee Co., Ltd.           | 2-1, Bingomachi<br>2-Chome, Chuo-ku,<br>Osaka            | Credit guarantee   | July 23, 1969        | 6,000                     | 100.00<br>(100.00)  | —  |
| Kinki Osaka Shinyo Hosho Co., Ltd.  | 4-27, Shiromi<br>1-Chome, Chuo-ku,<br>Osaka              | Credit guarantee   | March 17, 1995       | 6,397                     | 100.00<br>(100.00)  | —  |
| Resona Kessai Service Co., Ltd.     | 10-5, Nihonbashi<br>Kayabacho 1-Chome,<br>Chuo-ku, Tokyo | Factoring business   | October 25,<br>1978  | 1,000                     | 100.00  | —  |
| Resona Card Co., Ltd.               | 2-20, Toyo 2-Chome,<br>Koto-ku, Tokyo                    | Credit card administration and credit guarantee                | February 12,<br>1983 | 1,000                     | 77.58   | 28   |
| Resona Capital Co., Ltd.            | 10-5, Nihonbashi<br>Kayabacho 1-Chome,<br>Chuo-ku, Tokyo | Venture capital business                                       | March 29, 1988       | 5,049                     | 100.00  | —  |
| Resona Research Institute Co., Ltd. | 2-1, Bingomachi<br>2-Chome, Chuo-ku,<br>Osaka            | Consulting business  | October 1, 1986      | 100                       | 100.00  | —  |
| Resona Business Service Co., Ltd.   | 25-11, Ueno<br>5-Chome, Taito-ku,<br>Tokyo               | Back office and other entrusted operations, personnel dispatch | October 2,<br>1987   | 60                        | 100.00  | 25   |
| Japan Trustee Services Bank, Ltd.   | 8-11, Harumi<br>1-Chome, Chuo-ku,<br>Tokyo               | Banking and trust banking business                             | June 20, 2000        | 51,000                    | 33.33<br>(33.33)  | —  |
| P.T. Bank Resona Perdanania         | 5th & 6th Floor,<br>Menara Mulia, Jl.                    | Banking business   | February 15,<br>1956 | 285 billion               | 43.41   | —  |

|  |   |  |  |  |         |  |
|--|---|--|--|--|---------|--|
|  | Jenderal Gatot Subroto, Kav. 9-11, South Jakarta, 12930, Jakarta, Indonesia |  |  | Indonesia<br>n Rupiah<br>(¥2,593<br>million) | (43.41) |  |
|--|---|--|--|--|---------|--|

Notes:

1. Amounts less than 1 million yen have been rounded down.
2. The yen amount of capital was computed using the foreign exchange rate as of the fiscal closing date.
3. "Company's voting rights ratio in subsidiary/affiliate" is presented with the figure rounded down to the nearest two decimal points.
4. The figure in parenthesis under "Company's voting rights ratio in subsidiary/affiliate" is inclusive and represents the ratio of voting rights indirectly held by the Company.
5. P.T. Bank Resona Perdania relocated its head office on January 13, 2014.

(7) Principal Lenders

| Lender            | Loan Balance           | Investment in the Company   |                     |
|-------------------|------------------------|-----------------------------|---------------------|
|                   |                        | Number of Shares in Holding | Voting Rights Ratio |
| Resona Bank, Ltd. | Million yen<br>302,071 | —                           | —                   |

(8) Business Transfers

Not applicable.

(9) Other Principal Matters Relating to the Status of the Corporate Group

"Public Funds Full Repayment Plan"

A. Background and outline of the Public Funds Full Repayment Plan

Upon taking the initial steps in the new stage with a view toward the next 10 years, the Company developed the "Resona Capital Reconstruction Plan" (formulated and announced in November 2010) to propose a secure course for the full repayment of the public funds, and formulated the "Public Funds Full Repayment Plan" (hereafter, "the Plan") on May 10, 2013 for a final stage toward the full repayment of the public funds in order to enable the Company to fully repay public funds, as well as enhance the share value of ordinary shareholders. Various initiatives proposed in relation to the Plan were approved at the Ordinary General Meeting of Shareholders, etc. held on June 21, 2013. The Company will endeavor to repay the outstanding amount of public funds as early as possible.

The background underlying the formulation of the Plan is described below.

- (a) Full repayment of the public funds at as early a date as possible is the social responsibility of Resona Holdings, and it believes that through performing such responsibility, it is possible to enhance its corporate value.
- (b) In order to make a bold policy in respect of the capital policy of Resona Holdings shift from the "repayment of public funds" into the "enhancement of the ordinary shareholders' value," it is necessary to reduce the number of potential shares regarding the preferred shares pursuant to the Deposit Insurance Act (hereafter, the "Deposit Insurance Act Preferred Shares"), as much as possible, at an early stage, and also it is necessary to fully repay the preferred shares pursuant to the Act on

Emergency Measures for Early Strengthening of Financial Functions (hereafter, the "Early Strengthening Act Preferred Shares"), without being affected by changes in the market price of the ordinary shares.

- (c) Additionally, uncertainty of the supply and demand for shares must be eradicated by clarifying the course for disposal of the ordinary shares pursuant to the Deposit Insurance Act (hereafter, the "Deposit Insurance Act Ordinary Shares").
- (d) Accumulation of surplus is in progress at a speed exceeding the forecasts at the time of formulation of the "Resona Capital Reconstruction Plan", and it became possible to respond to the expectations of all shareholders by indicating a course of simultaneous resolution of the above three issues, while maintaining the managerial soundness of Resona Holdings.

## B. Details of the Plan and status of implementation

According to the Plan, public funds in the amount of 515.6 billion yen (on the basis of injected amount) were repaid during the fiscal year ended March 31, 2014. As a result, the outstanding amount of public funds as of the end of the fiscal year ended March 31, 2014 was reduced to 356.0 billion yen (the outstanding amount as of the end of the previous fiscal year was 871.6 billion yen; the both figures are on the basis of injection amount.). Details of the Plan and status of implementation thereof are as follows:

- a. Measures toward repayment of the public funds regarding the Deposit Insurance Act Preferred Shares
  - In accordance with the upper limit set for acquisition of own shares (acquisitions of up to 300.0 billion yen) resolved at a meeting of the Board of Directors held on May 10, 2013, acquisition and disposal of own shares were completed as of February 6, 2014, and the Company repaid 254.0 billion yen (on the basis of injected amount; 298.0 billion yen on the basis of acquisition price).
  - With regard to the outstanding amount of 196.0 billion yen (on the basis of injected amount), the Company plans to complete repayment thereof by the end of the fiscal year ending March 2018 based on the accumulation of retained earnings going forward.
- b. Measures toward repayment of the public funds regarding the Deposit Insurance Act Ordinary Shares
  - In accordance with the threshold for acquisition of own shares (acquisitions of up to 100.0 billion yen) resolved at a meeting of the Board of Directors held on May 10, 2013, acquisition and cancellation of own shares were completed as of July 25, 2013, and the Company repaid 99.2 billion yen (on the basis of injected amount; 99.9 billion yen on the basis of acquisition amount).
  - Further, given the disposition of the Deposit Insurance Act Ordinary Shares by the Deposit Insurance Corporation of Japan as of February 6, 2014, the residual 162.4 billion yen (on the basis of injected amount) was fully repaid, as a result of which the Company completed repayment of the Deposit Insurance Act Ordinary Shares (the amount of disposition totaling 170.5 billion yen of which 36.4 billion yen (66,726,000 shares) was handled by way of acquisition of own shares as of February 6, 2014 in accordance with the threshold for acquisition of own shares (acquisition of up to 174.7 billion yen) resolved at a meeting of the Board of Directors held on January 31, 2014.
- c. Measures toward the repayment of the public funds regarding the Early Strengthening Act Preferred Shares
  - Based on the amendment to the Articles of Incorporation approved at the Ordinary General Meeting of

Shareholders, etc. held on June 21, 2013, the terms of the Early Strengthening Act Preferred Shares were changed and the Simultaneous Acquisition Date of such preferred shares (the date of simultaneous conversion into ordinary shares) has been extended up to the date immediately following the date of the Ordinary General Meeting of Shareholders to be held regarding the fiscal year ending March 31, 2018, and during that period, the repayment in installments in the aggregate amount of 32.0 billion yen each year shall be implemented through the special preferred dividend (other capital surplus shall be the source).

d. Implementation of the dividend increase to ordinary shares

- As the redemption to the shareholders of ordinary shares, the dividends to the ordinary shares were increased by 3 yen (increase by 25%) from 12 yen (per share) per year to 15 yen (per share) per year effective from the fiscal year ended March 31, 2014. The Company will endeavor to continue to pay out stable dividends for the following fiscal year and thereafter.

Taking the opportunity of the formulation of the Plan, the total number of authorized shares in a class of ordinary shares was reduced from 7.3 billion shares to 6.0 billion shares (effective as from July 24, 2013). In addition, the Company secured other capital surplus totaling 900.0 billion yen (effective as from June 24, 2013) as the source of repayment of public funds by implementing capitalization of retained earnings and reduction of amount of capital and capital reserve.

(Note) As a basis of the measures described in a. through d. above, the Company will ensure sufficient equity capital under domestic standards based on Basel III implemented effective from the fiscal year ended March 31, 2014, provided that the Company will conduct effective equity capital management by taking into account international uniform standards.

## 2. Matters Relating Directors and Executive Officers of the Company

### (1) Directors and Executive Officers

#### Directors

(As of March 31, 2014)

| Name             | Role   | Key Concurrent Responsibilities  |
|------------------|--|--|
| Kazuhiro Higashi |  | Representative Director, President and Executive Officer of Resona Bank, Ltd.  |
| Toshiki Hara     |  | Director and Executive Officer of Resona Bank, Ltd.  |
| Tetsuya Kan      |  | Director and Executive Officer of Resona Bank, Ltd.  |
| Kaoru Isono      | Member of Audit Committee  |  |
| *Tsutomu Okuda   | Chairman of Compensation Committee                                 | Director and Senior Advisor of J. Front Retailing Co., Ltd.;<br>Outside Director of Japan Exchange Group, Inc.   |
| *Shusai Nagai    | Chairman of Audit Committee; member of Nomination Committee        | Outside Director of Saitama Resona Bank, Ltd.;<br>Professor, Faculty of Business Administration of Toyo Gakuen University Graduate School  |
| *Emi Osono       | Member of Nomination Committee                                     | Professor of Hitotsubashi University Graduate School of International Corporate Strategy;<br>Outside Director of Lawson, Inc.  |
| *Toshio Arima    | Chairman of Nomination Committee; member of Compensation Committee | Chairman of the Board, Global Compact Japan Network;<br>Outside Director of Kirin Holdings Company, Limited.;<br>Outside Director of Fuji Heavy Industries Ltd.  |
| *Yoko Sanuki     | Member of Audit Committee  | Representative of NS Law Office;<br>Outside Director of Meiji Holdings Co., Ltd.   |
| *Mitsudo Urano   | Member of Compensation Committee                                   | Senior Advisor of Nichirei Corporation;<br>Outside Director of Mitsui Fudosan Co., Ltd.;<br>Outside Corporate Auditor of JX Holdings, Inc.<br>Outside Director of Yokogawa Electric Corporation;<br>Outside Director of HOYA CORPORATION |

Note: \* Outside director as set out in Article 2, Item 15 of the Companies Act.

## Executive Officers

(As of March 31, 2014)

| Name              | Position & Role  | Key Concurrent Responsibilities   |
|-------------------|--|---|
| *Kazuhiro Higashi | President  | As described in the previous page.  |
| *Toshiki Hara     | In charge of Human Resources Division  | As described in the previous page.  |
| *Tetsuya Kan      | In charge of Group Strategy Division and Purchasing Strategy Division  | As described in the previous page.  |
| Masahito Kamijo   | In charge of Group Strategy Division (corporate management of Saitama Resona Bank, Ltd.)                         | Representative Director and President of Saitama Resona Bank, Ltd.  |
| Koji Nakamae      | In charge of Group Strategy Division (corporate management of The Kinki Osaka Bank, Ltd.)                        | Representative Director, President and Executive Officer of The Kinki Osaka Bank, Ltd.                    |
| Koichi Matsui     | In charge of Risk Management Division and Compliance Division  | Senior Managing Executive Officer of Resona Bank, Ltd.;<br>Outside Director of The Kinki Osaka Bank, Ltd. |
| Toru Muraki       | In charge of Operational Reform Division and Information Technology Planning Division                            | Senior Managing Executive Officer of Resona Bank, Ltd.;<br>Executive Officer of Saitama Resona Bank, Ltd. |
| Makoto Nomura     | In charge of Financial Accounting Division   | Outside Director of Saitama Resona Bank, Ltd.   |
| Tetsuya Shiratori | Manager of Information Technology Planning Division; in charge of Group Strategy Division (new services, etc.)   | Executive Officer of Resona Bank, Ltd.  |
| Yasunori Uno      | Manager of Internal Audit Division; in charge of Internal Audit Division   | Executive Officer of Resona Bank, Ltd.  |
| Kenichiro Masuda  | In charge of Corporate Communication Division, Institute for Financial Marketing and Corporate Governance Office | Executive Officer of Resona Bank, Ltd.;<br>Outside Director of The Kinki Osaka Bank, Ltd.                 |
| Takayuki Torii    | In charge of Credit Risk Management Division   | Executive Officer of Resona Bank, Ltd.  |

## Notes:

- \* Representative Executive Officer

2. Kazuhiro Higashi, Toshiki Hara and Tetsuya Kan each serve concurrently as a director.

Personnel changes of directors and executive officers during the fiscal year ended March 31, 2014

| Name              | Position          | Other   |
|-------------------|-------------------|---|
| Toshiki Hara      | Director          | Assumed the position as of June 21, 2013.                         |
| Tetsuya Kan       | Director          | Assumed the position as of June 21, 2013.                         |
| Mitsudo Urano     | Outside Director  | Assumed the position as of June 21, 2013.                         |
| Seiji Higaki      | Director          | Resigned as of June 21, 2013 at the expiry of his term of office. |
| Yasuhiro Maehara  | Outside Director  | Resigned as of June 21, 2013 at the expiry of his term of office. |
| Tetsuya Shiratori | Executive Officer | Assumed the position as of January 10, 2014.                      |

(For reference)

Directors and executive officers of the Company as of April 1, 2014 are as follows.

Directors

(As of April 1, 2014)

| Name             | Role   | Key Concurrent Responsibilities  |
|------------------|--|--|
| Kazuhiro Higashi |  | Representative Director, President and Executive Officer of Resona Bank, Ltd.  |
| Tetsuya Kan      |  | Director and Executive Officer of Resona Bank, Ltd.  |
| Kaoru Isono      | Member of Audit Committee  |  |
| *Tsutomu Okuda   | Chairman of Compensation Committee                                 | Director and Senior Advisor of J. Front Retailing Co., Ltd.;<br>Outside Director of Japan Exchange Group, Inc.   |
| *Shusai Nagai    | Chairman of Audit Committee; member of Nomination Committee        | Outside Director of Saitama Resona Bank, Ltd.;<br>Professor, Faculty of Business Administration of Toyo Gakuen University Graduate School  |
| *Emi Osono       | Member of Nomination Committee                                     | Professor of Hitotsubashi University Graduate School of International Corporate Strategy;<br>Outside Director of Lawson, Inc.  |
| *Toshio Arima    | Chairman of Nomination Committee; member of Compensation Committee | Chairman of the Board, Global Compact Japan Network;<br>Outside Director of Kirin Holdings Company, Limited.;<br>Outside Director of Fuji Heavy Industries Ltd.  |
| *Yoko Sanuki     | Member of Audit Committee  | Representative of NS Law Office;<br>Outside Director of Meiji Holdings Co., Ltd.   |
| *Mitsudo Urano   | Member of Compensation Committee                                   | Senior Advisor of Nichirei Corporation;<br>Outside Director of Mitsui Fudosan Co., Ltd.;<br>Outside Corporate Auditor of JX Holdings, Inc.<br>Outside Director of Yokogawa Electric Corporation;<br>Outside Director of HOYA CORPORATION |

Note: \* Outside director as set out in Article 2, Item 15 of the Companies Act.



## Executive Officers

(As of April 1, 2014)

| Name               | Position & Role  | Key Concurrent Responsibilities  |
|--------------------|--|--|
| *Kazuhiro Higashi  | President  | As described in the previous page.   |
| *Tetsuya Kan       | In charge of Group Strategy Division and Purchasing Strategy Division  | As described in the previous page.   |
| *Yuji Furukawa     | In charge of Human Resources Division  | Director and Executive Officer of Resona Bank, Ltd.; Executive Officer of Saitama Resona Bank, Ltd.    |
| Kazuyoshi Ikeda    | In charge of Group Strategy Division (corporate management of Saitama Resona Bank, Ltd.)                                 | Representative Director and President of Saitama Resona Bank, Ltd.                                     |
| Koji Nakamae       | In charge of Group Strategy Division (corporate management of The Kinki Osaka Bank, Ltd.)                                | Representative Director, President and Executive Officer of The Kinki Osaka Bank, Ltd.                 |
| Toru Muraki        | In charge of Operational Reform Division and Information Technology Planning Division                                    | Senior Managing Executive Officer of Resona Bank, Ltd.; Executive Officer of Saitama Resona Bank, Ltd. |
| Makoto Nomura      | In charge of Financial Accounting Division   | Outside Director of Saitama Resona Bank, Ltd.  |
| Tetsuya Shiratori  | In charge of Group Strategy Division (new services, etc.) and vice in charge of Information Technology Planning Division | Managing Executive Officer of Resona Bank, Ltd.  |
| Yasunori Uno       | In charge of Internal Audit Division   | Executive Officer of Resona Bank, Ltd.   |
| Kenichiro Masuda   | In charge of Corporate Communication Division, Institute for Financial Marketing and Corporate Governance Office         | Executive Officer of Resona Bank, Ltd.; Outside Director of The Kinki Osaka Bank, Ltd.                 |
| Takahiro Kawashima | In charge of Compliance Division   | Executive Officer of Resona Bank, Ltd.   |
| Takayuki Torii     | In charge of Risk Management Division and Credit Risk Management Division  | Executive Officer of Resona Bank, Ltd.   |

## Notes:

- \* Representative Executive Officer
- Kazuhiro Higashi and Tetsuya Kan each serve concurrently as a director.

## (2) Remuneration of Directors

Remuneration of directors for the fiscal year ended March 31, 2014

(Number of persons; millions of yen)

| Classification    | No. of Officers | Total Amount of Remuneration |                                |                          |    |
|-------------------|-----------------|------------------------------|--------------------------------|--------------------------|----|
|                   |                 | Basic Compensation           | Performance-Based Compensation | Share-Based Compensation |    |
| Director          | 9               | 95                           | 87                             | 7                        | —  |
| Executive Officer | 10              | 133                          | 69                             | 52                       | 10 |
| Total             | 19              | 228                          | 156                            | 60                       | 10 |

Notes:

1. Amounts less than 1 million yen have been rounded down.
2. The above includes one director who assumed the position as of June 21, 2013, two directors who resigned as of June 21, 2013, one executive officer who assumed the position as of January 10, 2014 and two executive officers who resigned as of March 31, 2014.
3. There were 10 directors and 12 executive officers as of March 31, 2014, with 3 individuals holding concurrent positions as director and executive officer.
4. Individuals holding concurrent positions as director and executive officer are not paid the portion of compensation for the director. Two executive officers holding concurrent positions as representative director and president of subsidiary banks, Saitama Resona Bank, Ltd. and The Kinki Osaka Bank, Ltd. are not given the portion of compensation for executive officer.
5. Basic compensation includes the fixed compensation based on position and the additional fixed portion based on duty.
6. No director receives ¥100 million or more in total consolidated remuneration.

### Policy for Determination of Individual Remuneration, etc. for Directors and Executive Officers

The Compensation Committee defines the policy on determining individual remuneration for directors and executive officers of the Company as follows and decides on the remuneration amounts based on this policy.

Remuneration for directors and executive officers of the Company shall be structured to include performance-based compensation with the aim of increasing motivation to raise corporate value and to clarify accountability.

Furthermore, remuneration for executive officers shall be structured to include share-based compensation with the aim of increasing motivation to achieve sustainable growth of the Resona Group and enhance shareholder value on a mid-to-long-term basis (introduced in June 2010.)

#### (1) Compensation system for directors

Remuneration for directors consists of fixed compensation based on position, variable compensation based on performance and additional fixed compensation based on duty.

In order to ensure sound supervision over executive officers, the ratio of position-based compensation and performance-based compensation (standard amount) is set at 95 to 5, with higher weight placed on position-based compensation.

(i) Position-based compensation (fixed compensation)

Position-based compensation is provided in accordance with the magnitude of the responsibility by position.

(ii) Performance-based compensation (variable compensation)

Performance-based compensation of a director is provided based on the operating results of the Company for the previous fiscal year.

(iii) Additional duty-based compensation (fixed compensation)

Each outside director serving as a member of the Nomination Committee, Compensation Committee or Audit Committee is paid an additional portion based on the respective duty of a member.

(2) Compensation system for executive officers

Remuneration of executive officers consists of fixed compensation based on position, variable compensation based on performance and share-based compensation.

In order to maintain and increase motivation to fully carry out business, the ratio between position-based compensation and performance-based compensation (standard amount) is set at 60 to 40, with a suitably enhanced percentage of the performance-based compensation.

(i) Position-based compensation (fixed compensation)

Position-based compensation is provided in accordance with the magnitude of the responsibility by position.

(ii) Performance-based compensation (variable compensation)

Performance-based compensation of an executive officer is provided based on the operating results of the Company and the personal performance in the previous fiscal year.

(iii) Share-based compensation (variable compensation)

In the event income before income taxes of the previous fiscal year under the medium-term management plan exceeds a certain level, share-based compensation is provided for the purpose of acquiring shares of the Company. An executive officer receiving this compensation acquires the shares of the Company by contributing a certain amount to the Directors' Shareholding Association on a monthly basis, and holds the shares for up to one year after retirement from his or her position.

A certain amount of each type of compensation is paid by cash on a monthly basis.

Any officer holding concurrent positions as a director and executive officer is given only the portion of compensation for an executive officer.

An executive officer holding a concurrent position as a representative director and president of a subsidiary bank is not given the portion of compensation for an executive officer.

The retirement benefit plan for directors and executive officers was terminated effective June 25, 2004.

### 3. Matters Relating to Outside Directors

#### (1) Concurrent positions and other status of outside directors

| Name          | Concurrent Positions and Other Status  |
|---------------|--|
| Tsutomu Okuda | Director and Senior Advisor of J. Front Retailing Co., Ltd.<br>Outside Director of Japan Exchange Group, Inc.  |
| Shusai Nagai  | Outside Director of Saitama Resona Bank, Ltd.*<br>Professor, Faculty of Business Administration of Toyo Gakuen University Graduate School  |
| Emi Osono     | Professor of Hitotsubashi University Graduate School of International Corporate Strategy<br>Outside Director of Lawson, Inc.   |
| Toshio Arima  | Chairman of the Board, Global Compact Japan Network<br>Outside Director of Kirin Holdings Company, Limited.<br>Outside Director of Fuji Heavy Industries Ltd.  |
| Yoko Sanuki   | Representative of NS Law Office<br>Outside Director of Meiji Holdings Co., Ltd.  |
| Mitsudo Urano | Senior Advisor of Nichirei Corporation;<br>Outside Director of Mitsui Fudosan Co., Ltd.;<br>Outside Corporate Auditor of JX Holdings, Inc.<br>Outside Director of Yokogawa Electric Corporation;<br>Outside Director of HOYA CORPORATION |

#### Notes:

1. \*Saitama Resona Bank, Ltd. is wholly owned subsidiary of the Company.
2. There are no business relationships to note between other principal companies in which the directors hold concurrent positions, and the Company.
3. The above six outside directors are not related to executive officers and directors of the Company or the specified related business operators of the Company.
4. The above six outside directors are independent director(s)/auditor(s) under the provisions of the Tokyo Stock Exchange.

(2) Principal Activities of Outside Directors

Outside directors provide timely and appropriate comments on the management of the Company based on broad perspectives at meetings of Board of Directors, etc.

| Name          | Period in Office     | Attendance at Meetings of Board of Directors, etc. (FY2013)  | Comments at the Meetings of Board of Directors and Other Activities  |
|---------------|----------------------|--|--|
| Tsutomu Okuda | 7 years and 9 months | Board of Directors:<br>19 of the 19 meetings<br>Compensation Committee:<br>4 of the 4 meetings   | With a wealth of insight and experience as management in the retail sector, Tsutomu Okuda proactively offers opinions and advice across a wide spectrum of areas focusing particularly on sales strategies and business management innovation.                               |
| Shusai Nagai  | 7 years and 9 months | Board of Directors:<br>19 of the 19 meetings<br>Nomination Committee:<br>4 of the 4 meetings<br>Audit Committee:<br>14 of the 14 meetings      | As an expert in finance with a wealth of knowledge and experience, Shusai Nagai proactively offers opinions and advice across a wide spectrum of areas focusing particularly on comprehensive risk management and earnings management.                                       |
| Emi Osono     | 2 years and 9 months | Board of Directors:<br>15 of the 19 meetings<br>Nomination Committee:<br>3 of the 4 meetings   | As an expert in business management with a wealth of knowledge and experience, Emi Osono proactively offers opinions and advice across a wide spectrum of areas focusing particularly on business strategies and business reform.  |
| Toshio Arima  | 2 years and 9 months | Board of Directors:<br>17 of the 19 meetings<br>Nomination Committee:<br>4 of the 4 meetings<br>Compensation Committee:<br>4 of the 4 meetings | As a manager of manufacture business and sales business with his extensive idea and experience, Toshio Arima proactively offers opinions and advice across a wide spectrum of areas focusing particularly on customer service and CSR.                                       |
| Yoko Sanuki   | 1 year and 9 months  | Board of Directors:<br>18 of the 19 meetings<br>Audit Committee:<br>14 of the 14 meetings  | As an expert in law with a wealth of knowledge and experience, Yoko Sanuki proactively offers opinions and advice across a wide spectrum of areas focusing particularly on legal system and compliance.  |
| Mitsudo Urano | 9 months             | Board of Directors:<br>12 of the 14 meetings<br>Compensation Committee:<br>3 of the 3 meetings   | With a wealth of insights and experience as a business manager in manufacturing and logistics sectors, Mitsudo Urano proactively offers opinions and advice across a wide spectrum of areas, focusing particularly on management reforms and organizational climate reforms. |

Notes:

1. "Period in office" represents the period from the day on which the outside director assumed office to March 31, 2014, with any period of less than one month omitted.

2. There is no written resolution that assumes a Board resolution based on Article 370 of the Companies Act was reached.

(3) Liability Limitation Agreement

The Company has entered into an agreement with outside directors, Tsutomu Okuda, Shusai Nagai, Emi Osono, Toshio Arima, Yoko Sanuki and Mitsudo Urano respectively, which limits the outside directors' indemnity liability under Article 423, Paragraph 1 of the Companies Act to the aggregated amounts provided for in each of the items of Paragraph 1 in Article 425 of the Companies Act.

(4) Remuneration for Outside Directors

(Number of persons; millions of yen)

| Number of Directors | Total Amount of Remuneration |                                |
|---------------------|------------------------------|--------------------------------|
|                     | Basic Compensation           | Performance-Based Compensation |
| 7                   | 66                           | 5                              |

Notes:

1. Amounts less than 1 million yen have been rounded down.
2. The above includes 1 director who assumed the position as of June 21, 2013 and 1 director who resigned as of the same date.
3. "Basic compensation" includes fixed compensation based on position and the additional fixed portion based on duty.
4. Remuneration, etc. for outside directors from subsidiaries are as follows.

Number of directors paid: 1

Amount of remuneration, etc.: ¥7 million

#### 4. Information on Shares of the Company

##### (1) Number of Shares

###### Total number of authorized shares

|   |                           |
|---|---------------------------|
| Ordinary Shares                                       | 6,000,000 thousand shares |
| Preferred Shares                                      | 274,520 thousand shares   |
| (including Class C Preferred Shares:                  | 12,000 thousand shares)   |
| (including Class F Preferred Shares:                  | 8,000 thousand shares)    |
| (including Class 3 Preferred Shares:                  | 225,000 thousand shares)  |
| (including Class 4 Preferred Shares:                  | 2,520 thousand shares)    |
| (including Class 5 Preferred Shares:                  | 4,000 thousand shares)    |
| (including Class 6 Preferred Shares:                  | 3,000 thousand shares)    |
| (including First Series of Class 7 Preferred Shares:  | 10,000 thousand shares)   |
| (including Second Series of Class 7 Preferred Shares: | 10,000 thousand shares)   |
| (including Third Series of Class 7 Preferred Shares:  | 10,000 thousand shares)   |
| (including Fourth Series of Class 7 Preferred Shares: | 10,000 thousand shares)   |
| (including First Series of Class 8 Preferred Shares:  | 10,000 thousand shares)   |
| (including Second Series of Class 8 Preferred Shares: | 10,000 thousand shares)   |
| (including Third Series of Class 8 Preferred Shares:  | 10,000 thousand shares)   |
| (including Fourth Series of Class 8 Preferred Shares: | 10,000 thousand shares)   |

###### Notes:

1. Numbers of shares less than 1 thousand have been rounded down.
2. Partial amendment to the Articles of Incorporation was approved at the Ordinary General Meeting of Shareholders, etc. held on June 21, 2013 and came into effect on July 24, 2013, as a result of which the total number of authorized shares in the class with respect to ordinary shares decreased from 7,300,000 thousand shares to 6,000,000 thousand shares.
3. The total number of authorized shares in each class with respect to the First through Fourth Series of Class 7 Preferred Shares shall not exceed 10,000 thousand shares in the aggregate and the total number of authorized shares in each class with respect to the First through Fourth Series of Class 8 Preferred Shares shall not exceed 10,000 thousand shares in the aggregate, respectively.

###### Total number of issued shares

|  |                           |
|--|---------------------------|
| Ordinary Shares                                  | 2,324,118 thousand shares |
| Preferred Shares                                 | 127,520 thousand shares   |
| (including Class C First Issue Preferred Shares: | 12,000 thousand shares)   |
| (including Class F First Issue Preferred Shares: | 8,000 thousand shares)    |
| (including Class 3 First Issue Preferred Shares: | 98,000 thousand shares)   |
| (including Class 4 Preferred Shares:             | 2,520 thousand shares)    |
| (including Class 5 Preferred Shares:             | 4,000 thousand shares)    |
| (including Class 6 Preferred Shares:             | 3,000 thousand shares)    |



Notes:

1. Numbers of shares less than 1 thousand have been rounded down.
2. The Company acquired 190,839 thousand shares of ordinary shares on July 19, 2013 and cancelled all of them on July 25, 2013.
3. The Company acquired 127,000 thousand shares of Class 3 First Issue Preferred Shares on February 6, 2014 and cancelled all of them on the same date.

(2) Number of Shareholders as of March 31, 2014

|                                      |                      |
|--------------------------------------|----------------------|
| Ordinary Shares                      | 283,111 shareholders |
| Class C First Issue Preferred Shares | 1 shareholder        |
| Class F First Issue Preferred Shares | 1 shareholder        |
| Class 3 First Issue Preferred Shares | 1 shareholder        |
| Class 4 Preferred Shares             | 1 shareholder        |
| Class 5 Preferred Shares             | 1 shareholder        |
| Class 6 Preferred Shares             | 3 shareholders       |

Note: The number of shareholders of Ordinary Shares above includes 17,594 shareholders who only hold shares less than one unit.

(3) Principal Shareholders

(i) Ordinary Shares (top 10 shareholders)

| Name of Shareholder                                     | Investment in the Company                        |                        |
|---|--|------------------------|
|   | Number of Shares in Holding<br>(Thousand shares) | Shareholding Ratio (%) |
| Japan Trustee Services Bank, Ltd. (trust account)       | 95,265   | 4.34                   |
| The Master Trust Bank of Japan, Ltd. (trust account)    | 89,935   | 4.10                   |
| GOLDMAN, SACHS & CO. REG                                | 86,570   | 3.94                   |
| The Dai-ichi Life Insurance Company, Limited            | 55,241   | 2.51                   |
| CACEIS BANK FRANCE / CREDIT AGRICOLE SA                 | 39,483   | 1.80                   |
| STATE STREET BANK AND TRUST COMPANY 505225              | 32,435   | 1.47                   |
| JP MORGAN CHASE BANK 380072                             | 28,286   | 1.28                   |
| Japan Trustee Services Bank, Ltd. (trust account No. 4) | 26,927   | 1.22                   |
| STATE STREET BANK WEST CLIENT - TREATY                  | 26,019   | 1.18                   |
| STATE STREET BANK AND TRUST COMPANY                     | 24,992   | 1.13                   |

Notes:

1. Numbers of shares less than 1 thousand have been rounded down in the column of "number of shares in holding".
2. "Shareholding ratio" was calculated by deducting own shares (130,931 thousand shares) and rounding down to the nearest two decimal points. The number of own shares does not include 6,273 thousand shares of the Company held by ESOP-type Stock Benefit Trust for the Employee Shareholding Association.
3. Of the shareholders above, Japan Trustee Services Bank, Ltd. has 340 thousand or 33.33% of its shares held by Resona Bank, Ltd.
4. Based on the "Public Funds Full Repayment Plan" (Please refer to "Public Funds Full Repayment Plan" in (9) Other Principal Matters Relating to the Status of the Corporate Group of 1. Current Status of the Company described above.), the Company completed full repayment of the Deposit Insurance Act Ordinary Shares as of February 6, 2014. As a result, the number of shares held by the Deposit Insurance Corporation of Japan, which had been the largest shareholder of the Company as of the end of the previous fiscal year, became nil, and the Deposit Insurance Corporation of Japan is no longer a major shareholder of the Company.

(ii) Class C First Issue Preferred Shares

| Name of Shareholder                       | Investment in the Company |                    |
|---|---------------------------|--------------------|
|   | Number of Shares Held     | Shareholding Ratio |
| The Resolution and Collection Corporation | 12,000 thousand           | 100.00%            |

(iii) Class F First Issue Preferred Shares

| Name of Shareholder                       | Investment in the Company |                    |
|---|---------------------------|--------------------|
|   | Number of Shares Held     | Shareholding Ratio |
| The Resolution and Collection Corporation | 8,000 thousand            | 100.00%            |

(iv) Class 3 First Issue Preferred Shares

| Name of Shareholder                    | Investment in the Company |                    |
|--|---------------------------|--------------------|
|  | Number of Shares Held     | Shareholding Ratio |
| Deposit Insurance Corporation of Japan | 98,000 thousand           | 100.00%            |

(v) Class 4 Preferred Shares

| Name of Shareholder                                     | Investment in the Company |                    |
|---|---------------------------|--------------------|
|   | Number of Shares Held     | Shareholding Ratio |
| Shinkin Trust Bank, Ltd. (trust account)<br>No. 8260041 | 2,520 thousand            | 100.00%            |

(vi) Class 5 Preferred Shares

| Name of Shareholder | Investment in the Company |                    |
|---------------------|---------------------------|--------------------|
|                     | Number of Shares Held     | Shareholding Ratio |

|  |                |         |
|--|----------------|---------|
| The Dai-ichi Life Insurance Company, Limited | 4,000 thousand | 100.00% |
|--|----------------|---------|

(vii) Class 6 Preferred Shares

| Name of Shareholder                 | Investment in the Company                  |                           |
|-------------------------------------|--|---------------------------|
|                                     | Number of Shares Held<br>(Thousand shares) | Shareholding Ratio<br>(%) |
| Nippon Life Insurance Company       | 2,000                                      | 66.66                     |
| Meiji Yasuda Life Insurance Company | 800  | 26.66                     |
| Daido Life Insurance Company        | 200  | 6.66                      |

Note: Preferred Shares above are shown with any shares less than 1 thousand rounded down, and the shareholding ratios have been rounded down to the nearest two decimal points.

(4) Other Important Share Information

Acquisition, sale and holding of own shares

(i) Acquisition of own shares

| Class of share                       | Total number of shares  | Total acquisition price  |
|--------------------------------------|-------------------------|--------------------------|
| Ordinary Shares                      | 257,576 thousand shares | 136,437,993 thousand yen |
| Class 3 First Issue Preferred Shares | 127,000 thousand shares | 298,094,400 thousand yen |

(ii) Disposal of own shares

| Class of share                       | Total number of shares  | Total amount of disposal |
|--------------------------------------|-------------------------|--------------------------|
| Ordinary Shares                      | 190,840 thousand shares | 139,695,058 thousand yen |
| Class 3 First Issue Preferred Shares | 127,000 thousand shares | 298,094,400 thousand yen |

(iii) Own shares held as of March 31, 2014

| Class of share  | Total number of shares  |
|-----------------|-------------------------|
| Ordinary Shares | 130,931 thousand shares |

Notes:

1. Numbers of shares less than 1 thousand have been rounded down.
2. The number of own shares above does not include shares of the Company that were acquired or

disposed of, etc. by ESOP-type Stock Benefit Trust for the Employee Shareholding Association.

3. The amount of disposal of shares is calculated based on the average acquisition price of own shares of each relevant class at the time of disposition.
4. The Company resolved at meetings of the Board of Directors held on May 10, 2013 and June 21, 2013 to repurchase own shares (ordinary shares) pursuant to the provision of Article 53 of the Articles of Incorporation of the Company based on the provision of Paragraph 1 of Article 459 of the Companies Act and implemented the acquisition as described below. The Company cancelled all own shares (ordinary shares) acquired effective as of July 25, 2013.

- 1 Reason for the acquisition of own shares: Acquisition primarily aims at early repayment of public funds based on the Deposit Insurance Act and enhancement of share value through improvement of earnings per share by reducing the number of issued shares.
- 2 Method of acquisition: Acquisition of own shares was implemented through off-auction own share repurchase transaction (ToSTNeT-3) on the Tokyo Stock Exchange at 8:45 A.M. on July 19, 2013 at the closing price of 524 yen as of July 18, 2013.
- 3 Total number of shares acquired: 190,839 thousand shares
- 4 Total acquisition price: 99,999,950 thousand yen
- 5 Date of acquisition: July 19, 2013

5. The Company resolved at a meeting of the Board of Directors held on January 31, 2014 to repurchase own shares (ordinary shares) pursuant to the provision of Article 53 of the Articles of Incorporation of the Company based on the provision of Paragraph 1 of Article 459 of the "Companies Act," and implemented the acquisition as described below.

- 1 Reason for acquisition of own shares: Acquisition primarily aims at early repayment of public funds based on the Deposit Insurance Act and stable implementation of the "Public Funds Full Repayment Plan" announced on May 10, 2013, and also to secure flexibility for the capital policy of the Company.
- 2 Method of acquisition: Acquisition of own shares was implemented through closing price trading (ToSTNeT-2) at the Tokyo Stock Exchange from 8:20 A.M. to 8:45 A.M. on February 3, 2014 at the closing price of 546 yen as of January 31, 2014.
- 3 Total number of shares acquired: 66,726 thousand shares
- 4 Total acquisition price: 36,432,396 thousand yen

- 5 Date of acquisition: February 3, 2014
6. The Company resolved at the meeting of the Board of Directors held on May 10, 2013 to purchase own shares (Class 3 First Issue Preferred Shares) pursuant to the provision of Article 53 of the Articles of Incorporation of the Company based on the provision of Paragraph 1 of Article 459 of the Companies Act and implemented acquisition as described below. The Company cancelled all own shares (Class 3 First Issue Preferred Shares) acquired effective as of the date of acquisition.
- 1 Reason for acquisition of own shares: Acquisition primarily aims at early repayment of public funds based on the Deposit Insurance Act and stable implementation of the "Public Funds Full Repayment Plan" announced on May 10, 2013.
- 2 Date of acquisition: February 6, 2014

Contents of material agreements concluded with the Deposit Insurance Corporation of Japan:

At the time of implementation of the "Public Funds Full Repayment Plan" (Please refer to "Public Funds Full Repayment Plan" in (9) Other Principal Matters Relating to the Status of the Corporate Group of 1. Current Status of the Company described above), the Company entered into the "Agreement on Handling of Shares as Public Funds" with the Deposit Insurance Corporation of Japan as of June 21, 2013. An outline of the agreement is as described below.

(a) Arrangement for the outstanding amount of public funds to be repaid:

The total outstanding amount of public funds relating to Class C Preferred Shares and Class F Preferred Shares based on the Act on Emergency Measures for Early Strengthening of Financial Functions (hereafter, "Early Strengthening Act Preferred Shares"), which the Company is required to repay, shall be 160.0 billion yen as of June 21, 2013, and the Deposit Insurance Company of Japan shall not require the Company to repay in excess of such amount.

(b) Arrangement for the method of repayment of outstanding amount of public funds relating to Early Strengthening Act Preferred Shares:

Repayment shall be made by special preferred dividend, and the Company may repay the then outstanding amount of public funds at any time during the term of the agreement. The outstanding amount of public funds that must be repaid is the amount obtained by deducting the aggregate amount of special preferred dividends paid on the Early Strengthening Act Preferred Shares from 160.0 billion yen. In principle, the Company will proceed with certain procedures required for full repayment taking into account financial soundness and market stability once the terms of repayment are satisfied due to a rise in share price, etc.

(c) Arrangement for sale & purchase of shares:

Transfer of the Early Strengthening Act Preferred Shares to a third party is prohibited as long as special preferred dividends are being paid.

(d) Arrangement for the exercise of right to demand acquisition:

Not applicable (There is no change to the number of ordinary shares to be issued upon the exercise of

right to demand acquisition.)/

#### Content of the employee stock ownership plan

With the purpose of giving an incentive to enhance corporate value on a medium-to-long term basis, the Company adopts an employee incentive plan, "ESOP-type Stock Benefit Trust for the Employee Shareholding Association" (hereafter, "ESOP Trust").

An outline of the ESOP Trust is as provided below. The own shares indicated on this page do not include 6,273 thousand shares of the Company held by the ESOP Trust as of the end of the fiscal year ended March 31, 2014.

The Company sets up a trust whose beneficiaries are the employees who belong to the Employee Shareholding Association of Resona Holdings, Inc. (hereafter, "the Company's Shareholding Association") and fulfill certain conditions (the Company's subsidiary, Resona Bank, Ltd. is the trustee of the trust). 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.

#### Outline of the trust agreement

- (i) Trustor: The Company
- (ii) Trustee: Resona Bank, Ltd.
- (iii) Beneficiaries: Persons who belong to the Company's Shareholding Association and fulfill the conditions for beneficiaries
- (iv) Date of trust agreement: April 9, 2012
- (v) Trust period: April 9, 2012 to March 31, 2017 (plan)
- (vi) Exercise of voting rights: The trustee exercises the voting rights of the shares of the Company in accordance with the custodian's instruction, which reflects the status of exercise of voting rights by the Company's Shareholding Association.

\* If the Company's Shareholding Association sells the shares and as a result the trust contains no shares of the Company, any trust profit is distributed among the beneficiaries of the trust prior to the end of the trust period, and the trust is closed before the end of the trust period.

Total amount of shares scheduled to be purchased by the employee shareholding association:

3,444 million yen

Scope of persons who can receive the beneficiary right under the employee stock ownership plan and other rights:

Persons who are part of the Company's Shareholding Association and who fulfill the conditions for

beneficiaries

## 5. Matters Relating to the Accounting Auditor

### (1) Status of Accounting Auditor

(Millions of yen)

| Name   | Remuneration, etc. Associated with the Fiscal Year Ended March 31, 2014 | Other   |
|--|---|---|
| Deloitte Touche Tohmatsu LLC<br>Shigeru Omori, designated limited liability partner<br>Mitsuo Kimura, designated limited liability partner<br>Ayako Makino, designated limited liability partner | 190   | Services other than those provided in Paragraph 1 of Article 2 of the Certified Public Accountants Act<br>• Advisory services, etc. concerning the process of assessment of capital adequacy ratio based on Basel III |

Notes:

1. Amounts less than 1 million yen have been rounded down.
2. Money and other profit to be paid by the Company and its subsidiaries amount to a total of ¥694 million.

### (2) Liability Limitation Agreement

Not applicable.

### (3) Other Matters Relating to the Accounting Auditor

#### A. Policy on determining dismissal or non-reappointment of the accounting auditor

In the event the accounting auditor is recognized to fall under any of the items in Paragraph 1 of Article 340 of the Companies Act, the Audit Committee will dismiss the accounting auditor based on unanimous consent from members of the Committee.

In addition to the above, we will primarily review the qualifications of the accounting auditor, the status of a system to ensure that the duties of the accounting auditor are carried out properly, and the eligibility as the accounting auditor of the Group and determine the proposal concerning dismissal or non-reappointment of the accounting auditor to be submitted to the general meeting of shareholders by also taking into account the reporting made by the accounting auditor and the executive officers of the Company and mutual understanding between the accounting auditor and the management of the Group including auditors of subsidiaries.

#### B. Policy on exercise of rights given to the Board of Directors as set forth in the Articles of Incorporation pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act

The Group adopts the basic policy of promoting management reforms toward improving corporate value and placing a higher priority on accumulating retained earnings and restraining outflow of profits to realize prompt repayment of public funds. We will continue to provide stable dividend distribution. As described in B-d. of "Public Funds Full Repayment Plan" in (9) Other Principal Matters Relating to the Status of the Corporate Group of 1. Current Status of the Company described above, the Company increased the dividend on ordinary shares by 3 yen (increase by 25%) from 12 yen (per share) per year



to 15 yen (per share) per year effective from the fiscal year ended March 31, 2014. In regard to the Early Strengthening Act Preferred Shares, the Company will pay out special preferred dividends totaling 32.0 billion yen with capital surplus as the source in addition to the prescribed dividends.

With respect to the acquisition of own shares, we will exert efforts to secure an adequate level of capital and take action properly based on discussions with the respective authorities in order to manage appropriately our capital strategies toward repayment of public funds.

- C. Audit of financial documents of principal subsidiaries and affiliates of the Company by certified public accountants or an accounting auditor other than the accounting auditor of the Company

The accounting auditor of P.T. Bank Resona Perdania for the fiscal year ended December 31, 2013 was Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee).

## 6. System to Ensure Appropriateness of Operations

To establish a system that ensures appropriate operations and realize an internal control system befitting the Resona Group, the Company has established the "Basic Policies on Group Internal Control", which has been approved by the Board of Directors.

### Overview of "Basic Policy on Group Internal Control"

#### (1) Statement

The Company and other companies of the Group seriously view the fact that the Group had to reinforce capital through injecting a massive amount of public funds. In order to prevent the recurrence of such a situation, the Group hereby formulates the Basic Policies on Group Internal Control (hereafter, "the Basic Policies").

In accordance with the Basic Policies, the Group aims to establish an internal control system most befitting the Group and strives to manage and maintain control systems in optimal condition to ensure their efficacy, with a view to enhancing the Group's corporate value.

#### (2) Purpose of Internal Control (Basic Principles)

The Company and other companies of the Group adopt as the Group's basic principles, the fulfilling of the following four objectives in accordance with the generally accepted standards for evaluation of internal control systems.

##### (i) Enhancement of effectiveness and efficiency of operations

Promote enhancement of effectiveness and efficiency of operations for the purpose of ensuring soundness of business operations and improving corporate value.

##### (ii) Ensuring reliability of financial reporting

Exert efforts to ensure reliability of financial statements and information that can possibly have a material impact on financial statements for the purpose of attaining trust from investors and promoting transparency and fairness of information disclosure.

##### (iii) Legal and regulatory compliance

Adhere compliance with laws, regulations and other norms associated with the business activities in light of the public nature of the banking business and also with strong awareness for "Social Responsibility and Public Mission" of the Company and each of the Group companies. In addition, exert efforts to prevent and promptly detect any unauthorized actions.

##### (iv) Safeguarding of assets

Promote safeguarding of assets to ensure that acquisition, use and disposal of assets are appropriately performed and authorized, and pursue business activities based on the fundamental principles of exercising risk-taking suitable for management strength and earnings and promptly handling any inherent or expected losses, in light of the importance of managing risks in the banking business.

### (3) Development of a Framework of Internal Control Systems (Basic Provisions)

In order to achieve the objectives of internal control, the Company shall develop a framework of internal control systems comprised of basic components: control environment, risk assessment and response, control activities, information and communication, monitoring, and response to information technology (IT), and make efforts to ensure the effectiveness of the framework. In accordance with this policy, the Company will ensure the "Resona Group Corporate Mission" is shared throughout the Group to serve as the foundation for the following basic guidelines, set forth to ensure appropriate operations of the Group.

#### (i) Guidelines concerning a system to ensure that duties of executive officers and employees are executed in compliance with laws, regulations and the Articles of Incorporation

In order to ensure strict compliance with respective laws and regulations, the "Basic Compliance Policy" shall be defined, based on which the compliance system will be established and managed. In accordance with the Policy, a standard compliance structure is to be clearly identified and a compliance system is to be established by defining the roles of executive officers and employees. A compliance division shall be put in place to oversee legal and regulatory compliance, and the division reviews any matters requiring a certain degree of important decision-making and verify the lawfulness and other aspects of the matter in advance to ensure that duties executed by executive officers and employees are appropriate.

Furthermore, in order to protect customers and enhance their convenience, the "Group Policy on Providing Explanations to Customers", "Group Policy on Customer Service Quality Management", "Basic Policy on Handling of Information", "Group Risk Management Policy", and "Group Policy on Conflicts of Interest Management" shall be defined. Based on these policies, the Group shall establish and operate appropriate and adequate controls to manage responses to inquiries and complaints from customers, handle customer information, administer customer data and responses to customers when outsourcing operations, and manage conflicts of interest.

#### (ii) Guidelines concerning a system for retention and management of information relating to the execution of duties by executive officers

In order to ensure that information on execution of duties by executive officers is appropriately retained and managed, executive officers follow certain rules on areas including methods of retention and management of information under the "Regulations of Executive Officers", and ensure that the rules are strictly enforced. In addition, the "Basic Policy on Handling of Information" shall be set forth to ensure that handling, retention and management of information associated with the execution of duties by executive officers and employees is properly performed.

#### (iii) Guidelines concerning management of risk that may cause losses and other related controls

In order to establish a risk management system for the Company and each of the Group companies, the "Group Risk Management Policy" shall be formulated and a risk management division shall be established for comprehensively managing various risks. The risk management division is to exercise comprehensive risk management by overseeing the category-specific risk management performed by each risk managing department.

In addition, to secure adequate levels of capital and capital adequacy ratio, the "Basic Policy on Group Capital Management" is to be formulated so as to establish an effective system to manage capital.

Furthermore, the "Basic Policy on Group Crisis Management" shall be established based on which proper crisis management controls are to be established and exercised even under normal conditions. In this way, even in the event any risk identified materializes due to a disaster, system failure or other cause and expands beyond the scope of risk management and develops into a crisis, it will be possible to promptly respond and take risk-mitigating measures to quickly restore the operations (continuation or recovery of operations).

(iv) Guidelines concerning a system to ensure that duties of executive officers are carried out efficiently

The "Regulations on Segregation of Duties" and "Regulations of Executive Officers" relating to executive officers and the organizational structure shall be formulated to clearly define the scope of coverage, roles and authority, and responsibilities of each organ, and a system shall be put in place to ensure duties are executed properly and efficiently. In addition, the "Regulations of the Board of Directors" and other internal regulations on important meetings are defined to secure a system to ensure that decisions are made properly and efficiently.

(v) Guidelines concerning a system to ensure that operations of the Corporate Group, consisting of the Company and all Group companies, are executed appropriately

The Company and each company of the Group shall, based on the "Resona Group Corporate Mission", endeavor to win trust from customers, accept challenges in pursuing innovation, secure transparency of management, and contribute to the development of local communities, and set forth the following policies, aiming to ensure appropriate operations of the corporate group.

(1) In accordance with the "Group Business Management Regulations" separately defined, the Company shall manage the businesses of Group companies, aiming to maximize the corporate value of the Group. Operationally, business management standards are to be established, and matters requiring adequate discussions in advance between the Company and each of the Group companies and those that must be reported by Group companies to the Company shall be defined.

(2) The Company shall set forth the "Basic Policy on Information Disclosure and Financial Reporting" and promote fair, timely and appropriate information disclosure and reliable financial reporting while also maintaining effectiveness of controls on information disclosure including internal control over financial reporting in the Company and each company of the Group.

(3) The Company shall formulate the "Basic IT Policy regarding IT", which is the source of competitiveness that helps the Company and other Group companies enhance their corporate value, and exert efforts to ensure that IT functions including the effectiveness of internal control is continuously and appropriately maintained and that the practicability of IT strategies is secured.

(4) In order to put in place an internal audit system in the Company and each of the Group companies, the "Basic Policy on Group Internal Audit" shall be formulated, and internal audit departments

independent of business operations departments must be established. The internal audit departments shall examine and evaluate the status of execution of various business activities of the Company and Group companies respectively and promote improvements as necessary.

(vi) Guidelines concerning employees to assist the duties of the Audit Committee

The Company establishes the Office of Audit Council as a unit directly reporting to the Audit Committee, and also formulates the "Regulations Concerning Assistants to the Operations of the Audit Committee" and has employees assisting the duties of the Audit Committee belong to the Office. Employees with the sufficient expertise to properly validate the various operations shall be assigned to the Office of Audit Council.

Regulations on the operations of the Office shall be separately defined by the Audit Committee.

(vii) Guidelines to ensure the independence of employees in the preceding paragraph from executive officers

In order to secure the independence of employees serving as assistants in the preceding paragraph from executive officers, the "Regulations Concerning Assistants to the Operations of the Audit Committee" provided in the preceding paragraph shall define, with regard to transfers and other activities of the employees, that discussions are to be held in advance with the Audit Committee or the Office of Audit Council.

Executive officers must exercise due care so as not to unfairly place any restriction on the said discussions or the execution of operations of the aforementioned employees.

(viii) Guidelines concerning a system for executive officers and employees to report to the Audit Committee and other reporting to the Audit Committee

All executive officers and employees shall abide by the "Regulations Concerning Reporting to the Audit Committee" and report in writing or orally to the Audit Committee any incident that has or may have material damage on the Company or Group companies, a situation that may considerably impair the credibility of the Group, a major deficiency or problem concerning the framework or procedures of internal control, a legal or regulatory violation or unfair act, and any other similar incidents.

Notwithstanding the aforementioned, the Audit Committee may, if deemed necessary, request an executive officer or an employee to report at any time.

(ix) Guidelines concerning a system to ensure that audits by the Audit Committee are conducted effectively

To ensure that audits by the Audit Committee are effectively performed, internal audit departments shall report the results of internal audits and of the status of improvements based on the comments calling for improvements to the Audit Committee in accordance with the "Basic Policy on Group Internal Audit" separately provided. Departments associated with internal control, such as internal audit, finance and accounting, risk management, and legal and regulatory compliance, shall promote smooth mutual understanding and collaboration with the Audit Committee.

## 7. Other

Not applicable.