November 5, 2010
Resona Holdings, Inc.

Submission of a New "Business Revitalization Plan" and Formulation of "Resona Capital Restructuring Plan"

Resona Holdings, Inc. (President: Seiji Higaki) hereby announces that it submitted a new "Business Revitalization Plan" (the "Revitalization Plan") and formulated the "Resona Capital Restructuring Plan" (the "Plan") today.

I. New "Revitalization Plan"

Resona Group has been striving towards the "Establishment of a True Retail Bank" under the Group's prior revitalization plan submitted in November 2008. Now the Group has formulated an updated revitalization plan focused on addressing the challenges of creating a "True Retail Bank." The three main points of the business strategy are as follows:

> Resona Group will explore more thoroughly and further strengthen the "True Retail Bank" strategy that will help revitalize the Japanese economy and will provide customers a combination of finance and trust services under the theme "All Resona" power.
> Resona Group will strengthen "cross sales" to meet customer needs for multiple financial services and will continue to pursue a regional strategy centered on the two largest metropolitan areas contributing to the Japanese economy, greater Tokyo and Kansai.
> Resona Group will take a further step in operational reform aimed at improving productivity, such as expense efficiency, etc., and will become competitive by promoting six smart initiatives.

Six smart initiatives: transaction style, middle- and back-office operations, headquarters, business operation style, channels and infrastructure

→ For details of the Revitalization Plan, please see the Outline of the "Business Revitalization Plan" dated November 2010.

II. "Resona Capital Restructuring Plan" ~Vision for the Full Repayment of Public Funds~

Together with the submission of the new Revitalization Plan, the Resona Group has formulated its "Resona Capital Restructuring Plan," which will restructure its financial base to establish a common stock-centered and easy-to-understand capital structure, as well as present a vision for the full repayment of public funds and ensuring the quality of future capital in light of expected reforms based on the new Basel Capital Accord (Basel III).

Background of the Formulation of the Plan

Resona Group has engaged in reforms towards revitalization of its business and has stepped up management efforts to make significant advances as a "True Retail Bank" since the infusion of public funds that was implemented in 2003 pursuant to the Deposit Insurance Law. During that period, Resona Group has worked to steadily accumulate surplus as funds available for repayment of public funds and has reduced the total amount of the public funds to almost 50% of its peak (on an infusion amount basis: from 3,128 billion yen to 1,685.2 billion yen at the end of September of this year).

Of the outstanding public funds, the preferred shares issued pursuant to the Deposit Insurance Law (the "Deposit Law Preferred Shares") amount to 1,263.5 billion yen (on an infusion amount basis), and such shares are central to the capital of Resona Group.

To date, the Deposit Law Preferred Shares have supported the revitalization and growth of Resona Group. On the other hand, the Deposit Law Preferred Shares have complicated the assessment of Resona's common stock shareholder value because of their terms*.

* The Deposit Law Preferred Shares have the following characteristics:

(1) (In liquidation distribution) The common stock is subordinated to the Deposit Law Preferred Shares.

(2) The Deposit Law Preferred Shares are shares with acquisition rights (conversion rights), the holder of which can acquire common stock at its option and may dilute the equity of the common stock shareholders.

(3) Since the exchange price (conversion price) fluctuates depending on the share price (a reset clause that resets the exchange price to the then-current market price per share of our common stock), the investment value per common stock will change due to changes in the number of the dilutive shares; and

(4) The Deposit Law Preferred Shares have voting rights.

Resona Group formulated the Plan in order to dispel concerns relating to the above-mentioned complications in assessing the value of our common stock and to further gain shareholders' trust as the most unique "True Retail Bank" in Japan capable of generating stable returns from sound assets through strengths such as its well-diversified loans, stable deposit funding, market operations with limited risks, and extensive branch network and services.

Resona Group will make a bold policy shift in respect of its capital policy from the "repayment of public funds" to the "improvement of common stock shareholder value" in the future.

<Outline of the Plan>

■ **Implementation of a capital exchange and additional repayment of public funds**

○ **Implementation of the repayment of the Deposit Law Preferred Shares of up to 900 billion yen** [(1) + (2) below]

(1) **Effectively an exchange between the Deposit Law Preferred Shares and common stock (issued through a public offering):** approximately 600 billion yen

(2) **Additional repayment** from surplus of approximately 300 billion yen

[Purpose/Effect]

(i) **Restructuring** from a financial base **centered on "public fund preferred shares" to establish a "common stock" centered and easy-to-understand capital structure**

(ii) Shifting the emphasis of capital policy **from the "repayment of public funds" to the "improvement of common stock shareholder value"**

・ Improvement of the long-term total return to be earned by the common stock shareholders (linking the future business results directly to the improvement of common stock shareholder value)

・ Policy of increasing annual dividends per common stock by 20%, subject to the implementation of the Plan

(iii) Acceleration of the repayment of the Deposit Law Preferred Shares to **clearly present a vision for the full repayment of public funds**

(iv) **Exclusion of uncertainty** relating to the stock valuation (major reduction in the number of potential shares and thus elimination of the dilutive effect that may be caused in the future)

(v) Concurrent achievement of **improvement of the quality of capital** based on the new Basel Capital Accord

<Image of Capital Exchange>

<Current>		**<After implementing the Plan>**		**<Remarks>**
Early Strengthening Law Preferred Shares 160 billion yen		Early Strengthening Law Preferred Shares	→	- Measures have been taken, through the acquisition of treasury shares, to respond to dilution.
Preferred Shares based on the Deposit Insurance Law 1,263.5 billion yen	⇒	Preferred Shares based on the Deposit Insurance Law	→	- We plan to make additional repurchases of shares out of profits, and we expect that effect of dilution will not become evident.
		Common Stock		
Common Stock based on the Deposit Insurance Law 261.6 billion yen		Common Stock held by Deposit Insurance Corporation	→	- Repayment of the Preferred Shares based on the Deposit Insurance Law shall be prioritized. - For the time being, the Company will not request secondary offering of the common stock based on the Deposit Insurance Law.

*Basically, the capital restructuring shall be conducted without impacting on the asset side of the balance sheet.

○ The details of the measures and policies of the Plan are as follows:

1. Implementation of a Capital Exchange and Additional Repayment of Public Funds

(1) The Capital Exchange

- We intend to conduct a capital exchange using a concept similar to the exchange offer of convertible preferred shares (Class Nine Preferred Shares) (issuance of new common stock through an allotment of shares to persons other than shareholders and repurchase of preferred shares) implemented in September 2009.

  Specifically, we intend to issue common stock through a public offering with an upper limit of 600 billion yen (the "Issuance of Common Stock through a Public Offering"), for the purpose of raising funds available for the repurchase and cancellation (the "Repayment") of the Deposit Law Preferred Shares and will conduct the Repayment of the Deposit Law Preferred Shares and thereby achieve in substance a capital exchange.

  * Today, Resona Holdings filed a shelf registration statement for the issuance of common stock in connection with the Issuance of Common Stock through a Public Offering. In case of implementing the Issuance of Common Stock through a Public Offering, Resona Holdings plans to secure funds available for the Repayment of the Deposit Law Preferred Shares by reducing amounts of stated capital and capital reserve simultaneously upon the issuance of new shares, in accordance with Article 447 and Article 448 of the Company Law (Kaisha Hou), up to the planned amount of issuance (upper limit: 600 billion yen) described in such shelf registration statement. Therefore, there will be no change in the capital amount either before or after the date of issuance of common stock.

  → As to the policy of the Issuance of Common Stock through a Public

Offering, please see the press release "Announcement Regarding Filing of Shelf Registration Statement for Future Equity Issuances" dated today. The specific schedule, terms and conditions, total amount of issuance, etc. are not yet determined.

(2) Additional Repayment of Public Funds

- In addition to the above, by appropriating a part of the surplus of the Company (approximately 300 billion yen) together with the above as funds available for the Repayment of public funds, we will move forward to consider and discuss the implementation of Repayment of the Deposit Law Preferred Shares, the total value of which is approximately 900 billion yen.

  Together with the Repayment of 400 billion yen (on an infusion amount basis) that was implemented in August 2010, it is expected that the total amount of the Repayment of the Deposit Law Preferred Shares will be 1,300.0 billion yen, at most, and that the balance that amounted to 1,663.5 billion yen after the initial infusion will reach a level where full repayment is within reach.

  * The measures stated above are subject to the implementation of the Issuance of Common Stock through a Public Offering, the reaching of an agreement with regulatory authorities concerning the Repayment of the Deposit Law Preferred Shares, etc.

  → As to the details of the Repayment of the Deposit Law Preferred Shares, please see the press release "Authorization of Repurchase of Shares up to Prescribed Maximum Limit" dated today.

(3) Major Effect of the Measures Stated Above

i) Reduction of the Potential Shares

- In the case of implementing the Issuance of Common Stock through a Public Offering, although the number of outstanding common stock will be increased, the number of potential shares (900 million shares at most) is expected to be reduced by implementing the Repayment of the Deposit Law Preferred Shares of approximately 900 billion yen in total value. Together with the Repayment of 400 billion yen (on an infusion amount basis) that was implemented in August 2010, the reduced number of potential shares of the Company's common stock issuable upon conversion of the Deposit Law Preferred Shares is expected to be up to 1.3 billion shares.

* The number of reduced potential shares by the Repayment that was implemented in August of this year is calculated based on the exchange price effective at the time of implementation, and the number of reduced potential shares by the future Repayment is calculated based on today's current exchange price.

- The lower limit of the exchange price is fixed for the Deposit Law Preferred Shares. If the number of reduced potential shares is calculated based on this lower limit of the exchange price, the implementation of the Repayment of 900 billion yen in total market value would result in a reduced number of potential shares of 4.6 billion shares at most, which would be 6.1 billion shares at most if combined with the Repayment of 400 billion yen (on an infusion amount basis) that was implemented in August 2010.

  In addition, since the future profit (surplus) will be accumulated and appropriated to the Repayment under the Plan, we expect it is unlikely that the effect of dilution will become evident in the future.

ii) Convergence of Valuation

- The Deposit Law Preferred Shares, which are shares with acquisition rights, contain characteristics that might complicate investment decisions – for instance, valuation measures, such as the price book-value ratio (PBR) and the price earnings ratio (PER), that are generally referred to as references for making a investment decision lead to the vast divergence in valuations due to the existence of a large number of potential shares and other similar factors.

It is anticipated that the implementation of the Plan will accelerate the Repayment of the Deposit Law Preferred Shares and converge these valuation measures in order to facilitate investment decisions.

In addition, upon implementing the Plan, the book value per share of common stock (BPS) as a basis of valuation of common stock (calculated by deducting capital stock related to the preferred shares) (the actual amount for Fiscal Year ending March 2010 is 44.77 yen) is expected to improve. We intend to make further improvement of BPS through (retained) earnings earned in the future.

2. Dividend Increase and Medium-to-Long Term Dividend Policy

- Business results have been strong, and dividends on the Deposit Law Preferred Shares are expected to be reduced on account of the Plan. Therefore, in order to respond to requests from the common stock shareholders while taking a balanced approach to the increase of capital, the Company plans to increase dividends per common stock for this fiscal year by 20% to the currently outstanding forecast for annual dividends (10 yen per share) on the Company's common stock, subject to the implementation of the Plan, and intends to pay a stable dividend thereafter. Also, after completing the Repayment of the Deposit Law Preferred Shares, the Company plans to clarify its dividend policy, including a target level for the dividend payout ratio, etc.

  → The forecast for future dividends per share will be announced after the completion of Repayment of the Deposit Law Preferred Shares in connection with the implementation of the Plan.

* Current Business Results

- Since business results, up to the 2nd quarter of the Fiscal Year Ending March 31, 2011, have been strong and the Group revised the outlook for its business results, please see "Revisions of the Earnings Forecasts for the 1st Half of Fiscal Year 2010" published on October 29, 2010. Also, the details of the financial results for the 2nd quarter of the Fiscal Year Ending March 31, 2011 are expected to be published on November 12, 2010.

3. Future Policy for Repayment of Public Funds

Types of Public Funds Infusion Amount Basis (at the end of September 2010)	Future Policy for Repayment, etc.
Preferred Shares based on the Deposit Insurance Law 1,263.5 billion yen	○ After the Repayment of approximately 900 billion yen in total market value, as described above, the Company plans to accumulate future (retained) earnings and repay the public funds. Given the performance of current earnings, the Company assumes that the Repayment would be completed in approximately five (5) years. However, the Company will observe trends of the future tightening of capital adequacy regulations, etc. and flexibly and quickly consider the specific timing of the Repayment.
Common Stock based on the Deposit Insurance Law 261.6 billion yen	○ The Company desires to prioritize the Repayment of the Deposit Law Preferred Shares. At the moment, we do not plan to submit a request for the secondary offering of the Common Stock held by the Deposit Insurance Corporation of Japan.
Preferred Shares based on the Early Strengthening Law (Class C and Class F Preferred Shares)	○ The common stocks to be delivered in connection with the mandatory repurchase of the preferred shares are

160 billion yen	already held by the Company as treasury shares. The Company believes there is little chance of increasing the number of the outstanding shares.

4. Policy Responding to the Tightened Basel Capital Accord ("Basel III")

- With respect to the Basel Capital Accord, at present, Resona Group continues to pursue its "True Retail Bank" strategy focused on its domestic business and so currently expects to remain subject to the capital adequacy requirements for domestic operations (second standard). However, in order to secure reliable capital strength, the Group operates its business with a high capital adequacy ratio, taking reference to the international standard (first standard). Also, the Group aims to further strengthen its ability to provide its business partners who operate overseas with services as much as reasonably possible as a bank with only domestic operations through an existing overseas network and alliance, etc.

- If the Plan is implemented within this fiscal year, a common equity capital ratio of approximately 5.5% and a Tier 1 ratio of approximately 7%, each of which is approximately 1% over the minimum level of the capital adequacy ratio required by Basel III in January 2015, is expected to be achieved as of the end of March 2011. With these ratios as its target for capital adequacy management, the Company aims to secure the excess capital (buffer) required by Basel III by accumulating future earnings.

  * At this moment, details - such as the target level, the calculation method and the timing of implementation for the capital adequacy ratio of Basel III in Japan - have yet to be determined. Therefore, the capital adequacy ratio numbers, etc. under Basel III described above are estimated by the Company based on the press releases distributed by the Group of Governors and Heads of Supervision dated September 12, 2010, or the public materials created by the Basel Committee on Banking Supervision

that have been published so far.

Forward-Looking Statements Legend

This press release contains statements that are “forward-looking statements" regarding our intent, belief or current expectations of management with respect to our future results of operations and financial condition. Any such forward-looking statements are not historical facts but instead represent only our belief regarding future events, many of which, by their nature, are inherently uncertain and outside our control. Important factors that could cause actual results to differ from those in specific forward-looking statements include, without limitation, economic and market conditions, regulatory changes, consumer sentiment, political events, level and volatility of interest rates, currency exchange rates, security valuations and competitive conditions. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ.