February 27, 2015

To whom it may concern,

Resona Holdings, Inc.
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Full Repayment of Public Funds and Formulation of New Medium-term Management Plan

- Aiming at Becoming No. 1 Retail Bank-

Resona Holdings, Inc. (hereinafter, "Resona Holdings") hereby announces that today it has revealed measures towards the full repayment of public funds and that it has formulated a "Business Revitalization Plan" (hereinafter, the "Revitalization Plan") as its new Medium-term Management Plan including a future capital management policy.

I. Full Repayment of Public Funds

As a sincere response to the capital infusion of public funds, the Resona Group (hereinafter, the "Group") has made group-wide efforts in the Resona reforms with a focus on governance reforms, customer-oriented service reforms and drastic financial reforms in order to achieve early business revitalization and transform itself into a financial group that is truly valuable for the Japanese economy.

With regard to the public funds which have supported the Group's business revitalization and growth, we had previously announced our plan to fully repay the public funds in the fiscal year ending March 2018 within the "Public Funds Full Repayment Plan" published in May 2013. However, in light of our strong current business results and other factors, we have decided to make full repayment of public funds promptly after the 14-th annual shareholders' meeting scheduled to be held in June 2015 subject to the approval of shareholders at the said meeting. Details of the proposals at the annual shareholders' meeting will be announced at the same time as our financial results announcement for the fiscal year ending March 2015 scheduled in May 2015.

In order to further strengthen our response to various changes in our operating environment while reexamining our measures over the past decade or so, we also announce our new "Business Revitalization Plan for the Period ending March 2018" (hereinafter, the "New Plan"). The New Plan presents our renewed resolution for and the direction of medium- to long-term growth as the Group's "shift in mindset toward aggressive management" for the next decade, looking ahead at the years following our full repayment of public funds.

We would like to take this opportunity to express our sincere appreciation for the tremendous support and cooperation of the Japanese people, our customers and shareholders that we have received over many years. The Group continues to aim to become a financial services group that is the most trusted by customers in the region while upholding our basic stance that "Customers' joy and happiness are Resona's." We would also appreciate your further support and encouragement going forward.

II. New Capital Management Policy

In light of the full repayment of public funds which has been the top priority in the Group's capital management policy, we hereby announce its new elemental concept which will underpin the Group's sustainable growth in the future.

1. Target Level of Capital Adequacy Ratio

- Regarding the target level of our medium- to long-term capital adequacy ratio following the full repayment of public funds, we will aim to secure sufficient capital adequacy under the Japanese standard currently applied as well as steadily maintaining a 8.0% or higher common equity Tier 1 ratio (excluding net unrealized gains/losses on available-for-sale securities) under the international standard as soon as possible in light of the following three points.

  (1) Further contributing to regional society and economic development through the steady supply of funds and the provision of services, etc.

  (2) Securing capital as a trusted financial institution from a global perspective and realizing sustainable growth

  (3) Attaining an excess capital buffer in preparation for flexible response to strategic investment opportunities as well as the possible tightening of capital adequacy regulations

- We will strive to operate with an awareness of our capital efficiency even after the full repayment of public funds with the aim of continuously achieving a level of ROE that exceeds 10%.

2. Measures towards Qualitative and Quantitative Reinforcement of Equity Capital

- With the aim of reinforcing equity capital both qualitatively and quantitatively, we will review our existing equity capital structures through the de facto capital exchange.

- Specifically, we will carry out a disposition of treasury shares (allocation to a third party) amounting to 86.5 billion yen (Note 1) in March 2015, and will obtain Class Four Preferred Shares amounting to 63.0 billion yen, which have already become eligible for exercise of the Call, out of bond-type preferred shares amounting to 238.0 billion yen issued by Resona Holdings immediately following the full repayment of public funds, subject to the approvals of the relevant authorities (Note 2).

- Both our capital adequacy ratio under the Japanese standard and the common equity Tier 1 ratio under the international standard are anticipated to increase as a result of these measures. For details, please refer to the news release entitled “Disposition of Treasury Shares through the Third-Party Allotment of Shares” issued today.

(Note 1) Scheduled subscribers to the third-party allotment are The Dai-ichi Life Insurance Company, Limited and Nippon Life Insurance Company.

(Note 2) The following effects are anticipated as a result of de facto capital exchange, etc.

(1) Increase in equity capital
The amount of equity capital will increase by 23.5 billion yen under Japanese standard, and the amount of common equity Tier 1 will increase by 86.5 billion yen under the international standard.

(2) Increase in profit attributable to common shareholders
The cost of preferred dividends after the fiscal year 2015 will decrease by 4.3 billion yen (2.5 billion yen for Class Four Preferred Shares and 1.8 billion yen for preferred shares under the Act on Emergency Measures for Early Strengthening of Financial Functions) per annum.

- Regarding the remaining bond-type preferred shares of 175.0 billion yen, we will consider share buybacks through the accumulation of surplus (other retained earnings) from a medium- to long-term perspective in light of our management environment and financial condition as part of our measures for qualitative improvement of equity capital.

3. Dividend Policy

- With regard to Resona Holdings’ annual dividend per common share, it is our policy to increase the annual dividend by two yen (up approximately 13%) from 15 yen per share to 17 yen per share effective from the year-end dividend for the fiscal year ending March 2015, ahead of a decrease in the cost of preferred dividends after the fiscal year ending March 2016, as a result of the advanced repayment of preferred shares issued pursuant to the Act on Emergency Measures for Early Strengthening of Financial Functions and the de facto capital exchange. For details, please refer to the news release entitled “Resona Holdings Announces Revision of Dividends Forecast per Share of Common Stock for the Fiscal Year Ending March 2015” issued today.

- As for dividends for after the fiscal year ending March 2016, we will continue to strive to achieve steady dividend payout in conjunction with our enhancement of equity capital in order to achieve the target level of our capital adequacy ratio as soon as possible.

- If we carry out a share buyback of bond-type preferred shares amounting to 175.0 billion yen that remain after the acquisition of Class Four Preferred Shares, we will consider increasing common dividends subject to our financial condition and business environment, since the burden of preferred dividends is expected to decrease.

- While we have distributed profits once a year as a year-end dividend in the past, we will begin to pay an interim dividend (dividends from surplus with the record date of September 30 each year) in order to enhance opportunities to return profits to our shareholders after the fiscal year ending March 2016.

4. New Shareholder Benefit Program

- With the aim of increasing the attractiveness of Resona Holdings' shares to individual investors and creating an incentive for the long-term holding of Resona Holdings' shares by many investors, we will introduce a new shareholder benefit program.

III. The New Plan (Medium-term Management Plan)

1. Overview of the Plan

- **Target position:** "No.1 Retail Bank"
- - A "financial services group" that is the most trusted by our regional customers and that continues on our course for the future -**Basic Stance:** "Customers' joy and happiness are Resona's"
- **Management policy:**

Succession and further deepening of "Resona-ism"	✓ Seeking improvement and penetration of the Resona brand by succeeding the "DNA of reform" that has always been implemented from the customers' perspective without being excessively caught in governing by precedence or conventional ways of thinking since the injection of public funds and by continuing to provide retail financial services that exceed customers' expectations and to make unrelenting efforts in reform.
Establishing a business model as a new financial services company	✓ In accordance with the changes in the financial behaviors of our customers as well as the diversification, sophistication and complexity of customer needs, aiming to establish a new retail financial services framework in order to provide new value under the basic stance that "Customers' joy and happiness are Resona's."
Further deepening of the Group consolidated management	✓ By bringing together all solution functions of the Group, as a measure to strengthen our structure for meeting customer needs, aiming to improve both productivity and efficiency through our operating advantage of having multiple corporate statuses according to regional characteristics and the enhancement of the Group's three open platforms.

- **Positioning of the Plan:** "Shift in mindset toward aggressive management"
- **Points of the Plan:**

○ In order to ensure the Group's sustainable growth following the full repayment of public funds, we will implement business strategies based on the basic scenarios comprising "cultivating strategic business areas even further" and "challenging to create new profit opportunities" and promote four foundation strategies as new reform measures looking ahead to changes in the operating environment while upholding our basic stance that "Customers' joy and happiness are Resona's."

○ By setting the Group's strengths of regional and retail businesses as its core businesses, we will strive to further advance our differentiation strategies with "solutions" leveraged by trust and real estate functions as one of the pillar. In addition, we will work towards the realization of the Omni-channel concept as reforms in customer contact based on marketing while aiming to further evolve our regional retail strategy through the enhancement of the Group's three open platforms (Note 1) with strategic investment and alliance and others.

(Note 1) The open platforms of "retail platform/functions" "trust, real estate, international operations" and "clerical work and systems" which are the basis of the Group's regional retail strategy

○ Through these measures, we will aim to create new value for our customers by realizing "stand-out" retail financial services.

2. Business Strategy

Seeing various changes in the retail domain as a new business opportunity, we will implement a business strategy based on the two basic scenarios comprising "cultivating strategic business areas even further" and "capturing new profit opportunities."

(1) Cultivating strategic business areas even further

○ In order to ensure "sustainable growth driven by income from main business," we will make efforts in "cultivating strategic business areas even further" through the sophistication in our differentiation strategy with "solutions" as one of the pillar.

○ As a basic business strategy in the strategic business domain, we will implement "growth, turnaround, succession solution" and "total life solution" through trust and real estate brokerage function on a Group-wide basis and aggressively promote effective measures which will result in creating "customers' joy and happiness" including the enhancement of funding functions, establishment of a business solution-type business and improvement in ability to support asset formation.

Growth, turnaround, succession solution	[Establish a brand as "Resona, No.1 in SME business"] ✓ In order to realize the reinforcement of our corporate business, we will make Group-wide efforts in strengthening our "growth, turnaround, succession solution" for SMEs while differentiating sales styles and providing added value that is multifaceted.
Total life solution	[Establish a brand as "Resona, No.1 in transactions for individual customers"] ✓ Amid the increasingly diversified, sophisticated and complex needs of individual customers, we intend to make efforts in "total life solutions" that provide comprehensive support in financial aspects including asset formation and life planning according to customers' various events and plans in life.

(2) Challenging to create new profit opportunities

○ Seeing the changes in customers' financial behaviors as a new business opportunity for the Group, we aim to create new customer value beyond the boundaries of the conventional frameworks of banks by pursuing retail financial services that "stand out" for their higher quality from a medium- to long-term perspective looking ahead at the next decade.

Omni-channel Strategy	✓ We will make the following efforts to offer high quality and customized retail financial services at the optimal place, time and channel by responding in detail to customers' financial behavior and values. ✓ Through the "sophistication of our marketing" and "reconstruction of the value chain," we will make serious efforts in realizing retail financial services with a higher quality and creating new customer value. ✓ By significantly enhancing customer usability, we will aim to expand our customer base to those who cannot normally visit our branches as well as those outside the strategic regions that will let our customer base enhance dramatically.
Open platform Strategy	✓ In order to provide unconventional retail financial services to a broad range of domestic customers we will aim to further enhance our three "open platforms" of "retail platform/functions," "trust, real estate, international operations" and "clerical work and systems" which are the basis of the Group's regional retail strategy by working on various strategies and measures such as "strategic investment" to strengthen retail functions and "expansion of alliances."

3. Foundation Strategies

○ In order to ensure the sustainable growth of the Group, we will seek to maintain and strengthen a robust management platform through our four foundation strategies that support our aggressive business strategy.

Service reform Next Stage	✓ While further strengthening our measures for customer-centric "service reforms" including "extended service hours until 5:00 p.m." and "zero-waiting time," we will shift to the next reform stage towards the realization of further innovative services such as "24-hour/365-day" business hours.
Operational reform 3rd Stage	✓ By positioning the next "operational reform" that are a collection of reform know-how of the past as the "3rd Stage," we will transition to reforms that are "further ahead" such as the establishment of new sales offices that will enhance customer usability, drastic cost structure reforms, innovations in the back office structure and the establishment of a one-platform system for clerical work.
Next-generation HR management	✓ We will aim to transform into a "group-based HR management" for the optimization of human resource allocation beyond the boundaries of existing business divisions and corporate status. ✓ We will seek to secure new financial professionals by promoting the re-establishment of the overall personnel system that is a further development of the "diversity management" concept.
Sophistication in capital management	✓ While continuing to maintain and strengthen the financial base that generates stable revenues from sound assets, steadily post profits and strive to accumulate capital to support our business growth, we aim to respond to financial regulations and rules that are becoming increasingly sophisticated and complex, allocating management resources to achieve sustainable growth and to optimize shareholder returns.

IV. Outline of the Earnings Plan etc.

The following is the financial plan for the final year of the new Medium-term Management Plan. Gross operating profit for the fiscal year ending March 2018 is planned to increase by 43.0 billion yen from the fiscal year ending March 2015 on planned basis. Furthermore, income before income taxes deducting temporally contributing factor such as credit expenses and gains on sales of stocks among others is planned to increase by 42.0 billion yen from the fiscal year ending March 2015 on a planned basis.

[Financial Plan (Group banks' total)]

Group banks' total (billions of yen)	FY ending March 2018 Plan
Gross operating profits	600.0
Expenses	338.0
Actual net operating profit	262.0
Income before income taxes	238.0
Net income	163.0

[Financial indicators (Group consolidated)]

Group consolidated (billions of yen, %)		FY ending March 2018FY ending March 2018
Profitability	Net income	175.0
	Shareholders' equity ROE (Note 1)	Above 10% (Through the period of the New Plan)
Financial soundness	Common equity Tier 1 capital ratio (Note 2) (excluding net unrealized gains/losses on available-for-sale securities)	Around 8%
Efficiency	Consolidated expense ratio (Note 3)	Upper half of 50%

(Note 1) (Net income – Amount equivalent to annual dividends for preferred shares) / ｛(Shareholders' equity at beginning of period - Aggregate amount paid in for preferred shares at beginning of period + total shareholders' equity at end of period - Aggregate amount paid in for preferred shares at end of period) /2｝x100

(Note 2) Under the international standard

(Note 3) Consolidated operating expenses / consolidated gross operating profits x100