RESONA

Resona Holdings, Inc.

ANNUAL REPORT

2010

CORPORATE PROFILE

Company Name: Resona Holdings, Inc.

Head Office: (Tokyo Head Office)
Fukagawa Gatharia W2 Bldg.,
5-65, Kiba 1-chome,
Koto-ku, Tokyo 135-8582, Japan
(Osaka Head Office)
2-1, Bingomachi 2-chome,
Chuo-ku, Osaka 540-8608, Japan

Chairman: Eiji Hosoya (Concurrently serves as Chairman of Resona Bank, Ltd.)

President: Seiji Higaki

Establishment: December 12, 2001

Paid-in Capital: ¥327,201 million (As of March 31, 2010, Non-consolidated)

Lines of Business: Management and supervision of banking and other subsidiaries as well as other ancillary activities

Stock Exchange Listings:
(Common Shares) Tokyo Stock Exchange (First Section)
Osaka Securities Exchange (First Section)

Credit Ratings (As of June 30, 2010):
Credit ratings for Resona Holdings and Resona Group banks are as follows:

	Long-term	Short-term
Resona Holdings	Long-term	Short-term
R&I	A-	—
Resona Bank	Long-term	Short-term
Moody's	A1	P-1
S&P	A-	A-2
R&I	A	a-1
JCR	A	J-1
Saitama Resona Bank	Long-term	Short-term
Moody's	A1	P-1
R&I	A	—
JCR	A	J-1
Kinki Osaka Bank	Long-term	Short-term
Moody's	A1	P-1

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This material contains certain forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the forward-looking statements as a result of various factors. Important factors that might cause such a material difference include, but are not limited to, those economic conditions referred to in this material as assumptions. In addition, the following items are among the factors that could cause actual results to differ materially from the forward-looking statements in this material: business conditions in the banking industry, the regulatory environment, new legislation, competition with other financial services companies, changing technology, and evolving banking industry standards and similar matters.

CORPORATE MISSION

The Resona Group aims at becoming a true “financial services group full of creativity.” Towards this goal, the Resona Group will:

1) live up to customers’ expectations,
2) renovate its organization,
3) implement transparent management, and
4) develop further with regional societies.

RESONA

RESONA WAY (Resona Group Corporate Promises)

Customers and “Resona”

Resona cherishes relationships with customers.

- The Resona Group offers its customers services with integrity for their joy and happiness, placing highest priority on winning their confidence in Resona.
- The Resona Group makes every effort to respond fully to the needs of customers by offering high-quality services.
- The Resona Group always welcomes customers with gratitude.

Shareholders and “Resona”

Resona cherishes relationships with shareholders.

- The Resona Group aims at maximizing its corporate value by implementing sound management based on a long-term perspective.
- The Resona Group returns an appropriate amount of sound profits to its shareholders.
- The Resona Group seeks to offer timely solutions to customer needs in all situations, endeavors for transparent management, and actively upgrades its disclosure.

Society and “Resona”

Resona places importance on its ties with society.

- The Resona Group makes every effort for an extensive number of citizens to acknowledge the significance of Resona’s existence.
- The Resona Group observes every rule of society.
- The Resona Group contributes to regional societies as a good corporate citizen.

Employees and “Resona”

Resona highly regards employees’ dignity and personality.

- The Resona Group creates a workplace where employees can take pride in being a member of Resona.
- The Resona Group thinks highly of its employees’ mind-set and endeavors to make the Group’s business atmosphere challenging and creative.
- The Resona Group cherishes each employee’s dignity and personality and evaluates ability and achievement in a fair manner.

About “Resona”

The Resona Group’s corporate name was derived from the Latin word *resonus* meaning “resonate” or “resound.” By adopting the corporate name Resona, we want to express our desire to build stronger ties with our customers by “resonating” or “resounding” with them. We designed our Group logo to suggest the resonance between the “R” in Resona and the “R” in the Resona Group’s key word “Regional.” We then enclosed the two “Rs” inside a perfect circle to express a sense of security and trust. We chose green as our principal Group color because it suggests “gentleness” and “transparency” and orange as the Group’s sub-color to create a sense of “familiarity” and “warmth.”

MESSAGE FROM THE CHAIRMAN

Let me first express my thanks to you for your continuing support of the Resona Group.

During the fiscal year ended March 31, 2010, despite the robust expansion in the economies of the emerging countries and the positive impact of various economic policies, uncertainty regarding future trends in the Japanese economy persisted.

Amid this operating environment, the Resona Group reported consolidated net income of ¥132.2 billion, an increase of ¥8.3 billion from the previous fiscal year. This expansion in net income was in part due to the decline in expenses related to the disposal of non-performing loans and lower income taxes. However, since the net income figure of ¥123.9 billion for the previous fiscal year included ¥62.0 billion in gains from the sale of the Group's Tokyo Head Office building, net income for the fiscal year ended March 31, 2010, in fact, represented a major gain in profitability.

The merger of Resona Bank, Ltd., and Resona Trust & Banking Co., Ltd., at the beginning of April 2009 has strengthened our capabilities for providing proposals to meet customers' lifestyle needs and address the issues facing our business customers. We have already generated major results in the areas of testamentary trusts and corporate pensions. We plan to continue to enhance our solution development capabilities, and, by pursuing the development of financial services that are one rank above those of other financial institutions under our "Retail x Trust" brand, we are working to establish a position as an unrivaled leader in retail financial services that will attract and motivate customers to maintain banking relationships with us for the long term.

Also during the fiscal year under review, we endeavored to improve the quality of our capital and increase the funds available for repayment of public funds while working to reduce the risk of dilution. These initiatives included the repurchase and retirement of Class Nine Preferred Shares, and the issuance of Common Shares and Class Six Preferred Shares. Looking to the longer term also, we will make every effort to repay the remainder of public funds, which now amount to approximately ¥2 trillion, while taking initiatives to maintain the soundness of the Group's operations by implementing conservative management policies.

Eiji Hosoya
Chairman and Representative Executive Officer
Resona Holdings, Inc.

In May 2010, we moved the Tokyo Head Office functions of Resona Holdings, Inc., and Resona Bank, Ltd., to the Kiba section of Tokyo's Koto Ward. By relocating our Head Office to the Fukagawa area of Tokyo, which is a locale rich in downtown urban feeling, we are aiming to create a symbol that will help us develop even closer relationships with our individual and SME customers.

As we continue to build our position as an unrivaled leader in retail financial services, we will appreciate your renewed support and encouragement in the years ahead.

July 2010

MESSAGE FROM THE PRESIDENT

I am grateful to you for your ongoing interest and patronage of the Resona Group.

Fiscal 2009, ended March 31, 2010, saw recovery in overseas economies and continued support for economic activities from government policies. While the economy staged a moderate recovery, conditions remained too uncertain to look with confidence toward a sustained recovery. Despite these continued difficult conditions in the economy, Resona Holdings was able to report its sixth consecutive year of profits. This was made possible by the financial, service, operational, and other reforms that we have implemented since receiving an infusion of public funds. We believe that the continued generation of net income has been a result of these many customer-centric reforms.

A year has passed since the merger of Resona Bank, Ltd., and Resona Trust & Banking Co., Ltd., and clearly visible results have emerged as a result of the merger in the fields of testamentary trusts and corporate pensions. We are continuing to focus on establishing our “Retail x Trust” brand concept, which delivers trust business services to our extensive customer base in the commercial banking business on a “one-stop” basis. We are also concentrating on training our human resources, in a medium-term time frame, to respond accurately to customer needs and assist them in addressing the financial and other issues they face. Saitama Resona Bank, Ltd., is playing the role of a regional financial institution by facilitating regional economic activities and aiming to contribute to the development of the local economy in Saitama Prefecture. Also, as the regional bank with one of the largest operating bases in the Osaka metropolitan area, the Kinki Osaka Bank, Ltd., is working to sustain close communication with customers in its service area and contribute to the community.

Seiji Higaki

President and Representative Executive Officer
Resona Holdings, Inc.

The Resona Group aims to “establish a position as an unrivaled leader in retail financial services” and, while striving to sustain its capabilities for offering financial and business solutions, its network, the level of its services, and its other strengths, the Group is also taking up the challenge of attaining a high level of efficiency. At first glance, these may seem to be inherently conflicting objectives, but, by attaining these on a higher level, the Resona Group as a whole will move forward to establish an unshakeable position as an unrivaled leader in retail financial services.

As in previous years, we continue to value your support and look forward to your encouragement going forward.

July 2010

RESONA GROUP AT A GLANCE

Resona Group's Structure

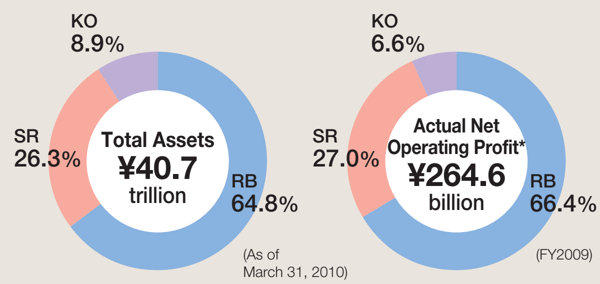
The Resona Group, with Resona Holdings as the Group holding company, is a financial services group comprising three commercial banks. With aggregate consolidated assets of approximately ¥40 trillion, the Resona Group ranks as Japan's fourth-largest financial group by asset size. Please note that Resona Trust & Banking merged with Resona Bank on April 1, 2009, thus becoming a commercial bank with full-line trust capabilities having a No. 1 client base and branch network.

Corporate Structure

Resona Holdings
Banking assets: ¥40.7 trillion
Trust assets: ¥26.7 trillion

- **Saitama Resona Bank (SR)** — Banking assets: ¥10.6 trillion
- **Resona Bank (RB)** — Banking assets: ¥26.0 trillion; Trust assets: ¥26.7 trillion
- **Kinki Osaka Bank (KO)** — Banking assets: ¥3.5 trillion

Notes: 1. Resona Bank and Resona Trust & Banking merged on April 1, 2009, with Resona Bank as the surviving company.
2. Banking assets and trust assets are as of March 31, 2010.



* Actual net operating profit: Net operating profit before transfer to general reserve for possible loan losses and expenses related to problem loan disposal in the trust account. (Aggregate of three banking subsidiaries)

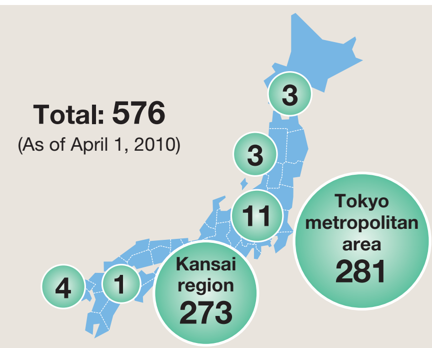
Competitive Strengths of Resona Group

(1) Strong franchise value

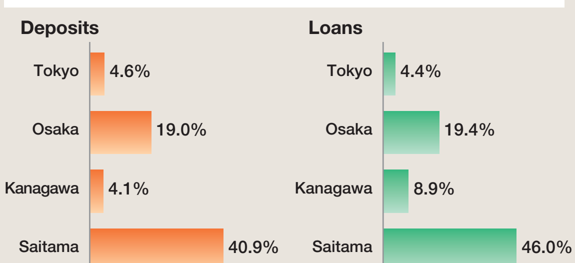
The Resona Group's key markets are the greater Tokyo metropolitan area and the Kansai region, where Japan's largest clusters of population, economic activity, and industry are concentrated. Our branch network in these two areas rivals those of Japan's megabanks, and we have established a strong presence. We are implementing marketing activities closely tailored to regional needs and are aiming to become "the unrivaled leader in retail financial services." Especially in Saitama and Osaka prefectures, our shares of deposits and loans are more than 40% and close to 20%, respectively.

Focus on Retail Banking Business

Number of Manned Branch Offices

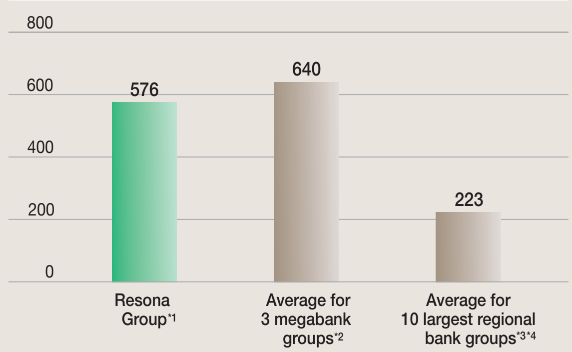


Market Share of Deposits and Loans



(As of March 31, 2010)

Composition of Manned Branch Offices



*1 Total of three Group banks (RB, SR, KO)
*2 BTMU + MUTB, Mizuho BK + Mizuho CBK + Mizuho TBK, SMBC
*3 10 largest regional bank groups in terms of consolidated total assets (Yokohama, Fukuoka FG, Chiba, Hokuhoku FG, Shizuoka, Yamaguchi FG, Joyo, Sapporo Hokuyo HD, Nishinihon City, Kyoto)
*4 Excluding certain regional bank groups for which relevant data are not publicly disclosed.

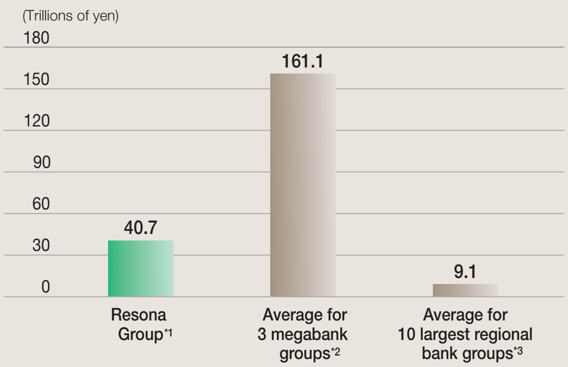
(2) Efficiencies derived from economies of scale

Compared with the principal regional banks in Japan, the Resona Group, with aggregate consolidated assets of approximately ¥40 trillion, can pursue greater economies of scale. Also, even though the Resona Group is closely focused on retail banking operations, it has a superior cost-to-income ratio, even in comparison with the Japanese megabank groups and top regional bank groups.

Efficiencies Derived from Economies of Scale

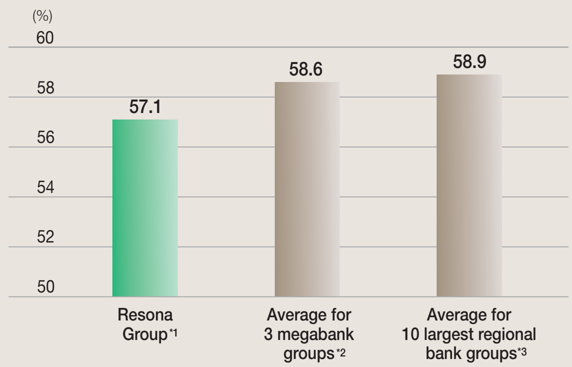
Consolidated Total Assets (As of March 31, 2010)

■ 4th largest banking group in Japan, with ¥40 trillion in assets



Consolidated Cost-to-Income Ratio (FY2009)

■ High operational efficiency



*1 Resona HD
*2 MUFG, Mizuho FG, SMFG
*3 10 largest regional banks in terms of consolidated total assets (Yokohama, Fukuoka FG, Chiba, Hokuhoku FG, Shizuoka, Yamaguchi FG, Joyo, Sapporo Hokuyo HD, Nishinihon City, Kyoto)

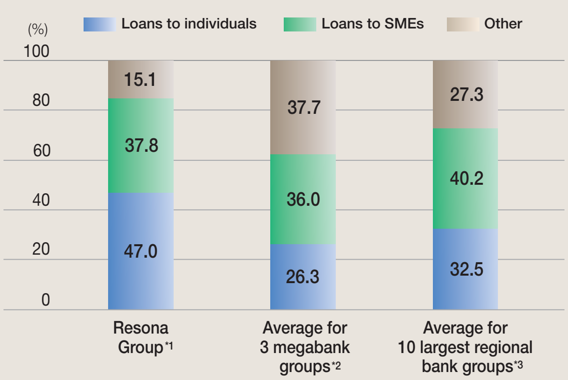
(3) Focus on retail banking business

Loans to SMEs and individuals account for more than 80% of total loans and bills discounted. Deposits placed by individuals account for more than 60% of total deposits. As these figures on the composition of deposits and loans suggest, Resona is strongly focused on retail banking.

Focus on Retail Banking Business

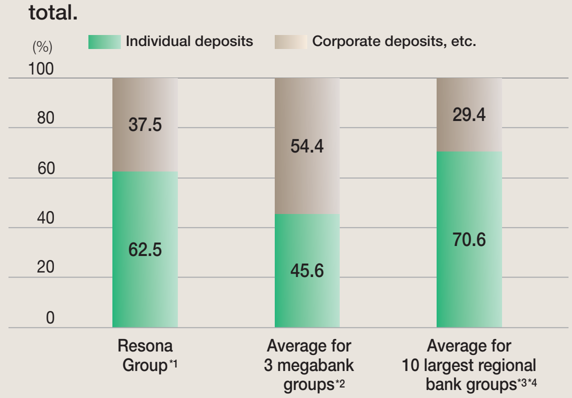
Comparison of Loan Portfolio
(Loans in the domestic account)

■ Loan portfolio focused on retail banking



Composition of Deposits
(Including negotiable certificates of deposit (NCDs))

■ Individual deposits account for more than 60% of the total.



*1 Total of three Group banks (RB, SR, KO)
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*4 Excluding certain regional bank groups for which relevant data are not publicly disclosed.

(As of March 31, 2010)

ADDRESSING MANAGEMENT ISSUES AND AIMING FOR SUSTAINABLE GROWTH

—Initiatives to “Establish a True Retail Bank” Are Generating Clear Results

The Resona Group is striving to establish a strong position as a “true retail bank.” For individual customers, we offer products and services that are optimal in a wide range of life scenes. We call this our “business that helps people design their lives.” For corporate customers, we offer optimal proposals to address the issues they face in a diversity of situations and to support their growth. We call this our “business that offers solutions for management challenges.”

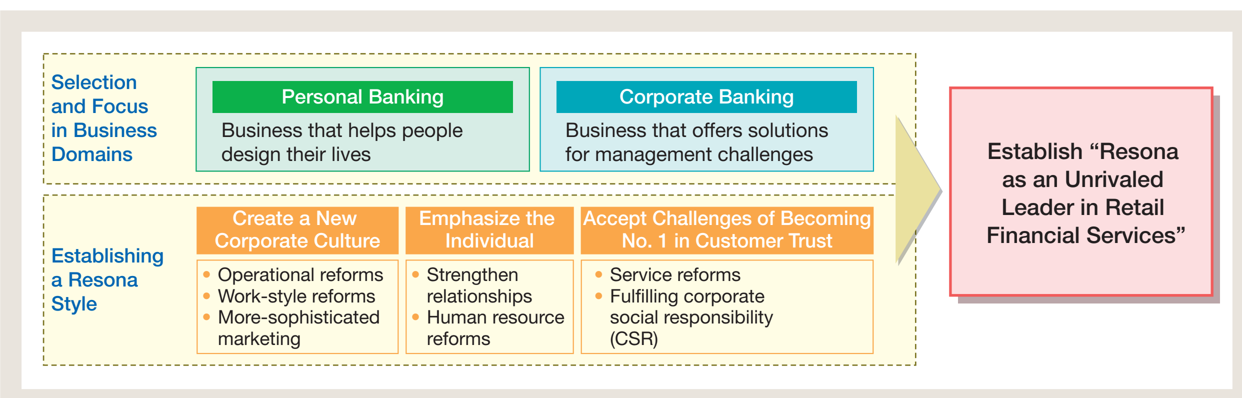
We are also working to establish a “Resona style,” as a financial services company that is not bound by the accepted wisdom and practices, and we are working to “create a new corporate culture,” “emphasize the individual,” and “accept the challenges of becoming No. 1 in terms of customer trust.”

These various initiatives aimed at establishing a position as a true retail bank are steadily generating visible results.

In April 2009, Resona Trust & Banking merged with Resona Bank, and, by combining and offering sophisticated trust functions to our customer base in commercial banking, we are now able to offer optimal solutions for helping customers address their business and financial issues. The number of new entrustments in the areas of testamentary trusts, asset succession, and corporate pensions has expanded substantially, and we are making steady progress toward implementing our “Retail x Trust” strategy.

Also, in our operational reforms, we are promoting our “six smart initiatives.” With the relocation of the Tokyo Head Office, we have been successful in generating results at our “smart branch offices” for individual customers.

[Initiatives Aimed at Establishing a Position as a True Retail Bank]



Establishing a Firm Brand of "Retail x Trust"

The Resona Group merged Resona Trust & Banking with Resona Bank in April 2009, thus making it possible to draw fully on the trust functions that are now concentrated in Resona Bank after the merger by offering individual customers assistance in life planning and providing corporate customers with support in addressing their management issues. By taking full advantage of the strength of being able to offer financial services, including trust functions, on a "one-stop" basis, Resona has been able to differentiate its services and has opened the way to marketing an expanded range of transactions to its customers.

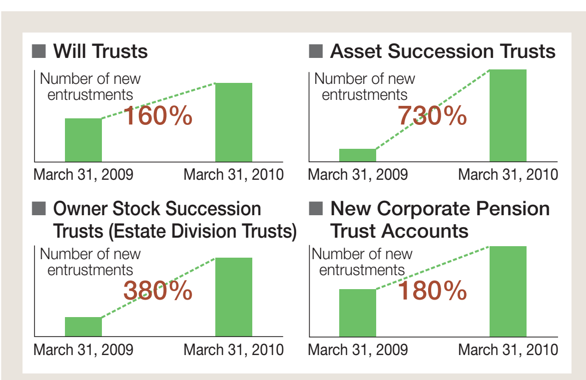
Personal Banking

During the fiscal year ended March 2010, we added approximately 1,300 new testaments in custody, which was 1.6 times the number in the previous fiscal year. Similarly, in the area of asset succession, new entrustments increased 7.3 times over the previous fiscal year, to about 100. Looking ahead, to meet customer requirements for asset succession services, we plan to provide a full set of support functions, making use of our newly developed beneficiary succession trusts. Our aim is to build this as one of the strong areas under the Resona brand. In addition, we plan to offer owner stock succession trusts and other products for owners of SMEs.

Corporate Banking

The number of newly entrusted corporate pension accounts during the fiscal year ended March 31, 2010, rose a highly favorable 1.8 times over the previous year, to 348. Along with the upcoming introduction of the International Financial Reporting Standards (IFRS), interest in making improvements in corporate balance sheets has risen, and, along with making proposals for corporate pension plans, we are actively taking the initiative in offering solutions to corporate clients that incorporate trust functions for dealing with a range of management issues.

[Trends in the Number of Trust Business Accounts]



[Lineup of Trust Solutions Offered to Address Corporate Management Issues]

Management Issues		Trust Solutions
Business succession	▶	Owner stock succession trusts
Preparation for IFRS (Retirement benefits)	▶	Corporate pension plan consulting
Trust for unwinding of cross-shareholdings	▶	Trust for liquidation of cross-shareholdings
Making effective use of treasury stock	▶	Trust-based employee stock ownership plan (ESOP)
Environmental protection	▶	Emissions quotas trust

Facilitating Financial Functions

The Resona Group is aware that the most-important role that society expects it to play is to provide a smooth supply of funding needed by corporate customers for the sound conduct of their business operations and by individual customers for their continuing livelihood. The Resona Group is working to perform this role by conducting its financial functions smoothly to meet the in-depth requirements of particular regional communities and the needs of individual customers.

Each of the Group banks has established a basic policy and Committees for Facilitating Financing for SMEs and Individuals. These committees, which discuss issues related to the facilitation of financing on a cross-organizational basis, are chaired by the respective bank presidents. In addition, at the working level, the Group banks have appointed persons to be responsible and leaders in its business divisions. These committees, responsible persons, and leaders are endeavoring to structure internal systems that will develop policies for facilitating finance and make sure that these policies are implemented throughout the Group. In addition, the Group banks have also set up special counters for receiving inquiries and complaints.

Looking ahead, in addition to facilitating financial functions, we want to make maximum use of the Resona Group's strengths in real estate and trust functions to provide high-quality services that meet customer needs.

Operational Reform Initiatives

To increase customer satisfaction, the Resona Bank has introduced the basic concepts of the "three NOs" and the "three -LESSes." To make these concepts more specific during the fiscal year ending March 31, 2011, we are taking another set of initiatives that we call the "six smart initiatives." These concepts, which are steadily generating positive results, are explained in more detail in the following charts.

[The Three NOs and Three -LESSes]

The three NOs	No waiting time	Aim to realize increased customer satisfaction (CS) and higher operational efficiency at the same time
	No transaction slips	
	No seal impressions	
The three -LESSes	Paperless	
	Cashless	
	Back office less	

[The Six Smart Initiatives]

Transaction Style	Shift to a transaction style that eliminates transaction slips by expanding the use of bank card transactions to 100% and shifting to 100% electronic banking and Internet banking
Middle and Back Offices	Reduce back-office processing and lower costs by moving toward immediate processing at the bank teller desk
Infra-structure	Accelerate the shift to paperless business processes by introducing the next-generation branch operating system (beginning in November 2010)
Operation Style	Make the transition to office systems that win true customer satisfaction by responding to a broad range of customer needs, not just to customer needs for the specific products and services they may have in mind
Channels	Introduce "Smart Branch Offices" for individual customers: Put the "three NOs" and "three -LESSes" into practice while promoting one-on-one services that meet the needs of each and every customer on the spot in bank branches
Head Office	Reform the Head Office work style by encouraging the shift to paperless business processes

Shift to Paperless Processing Operations

The Resona Bank is working to make the transition from the paper form-based mode of processing to paperless processing via IT systems. The aims of this shift are to lower costs and reduce operational risk.

Also, in view of the increase in the use of IT in bank transactions (use of bank cards and the Internet), we are striving to make the shift from transactions at the teller's desk, which require passbooks and seals, to the use of bank cards with biometric identification, which offers a higher degree of safety.

Installing the infrastructure for this paperless system will involve changes in the processing system, including the introduction of new-type, consulting-oriented terminals with card-based authorization functions for staff who are responsible for marketing services to customers. In addition, beginning in November 2010, we will begin the stage-by-stage introduction of a next-generation branch system that will be common across the Resona Group.

Transforming Branches from Processing Stations to Sales Activities

In September 2009, the Resona Bank renovated its Tama Plaza Branch and reopened it as a Smart Office for individual customers, which has begun pilot-branch activities aimed at establishing new transaction styles. The new office is promoting a transaction style that involves the use of bank cards and biometric identification. The office also offers PCs dedicated for Internet banking use, telephones especially for conducting banking transactions, and investment trust terminals (that allow customers to purchase investment trusts without procedures that require seals, paperwork, or signatures). The aim of this pilot office is to shift to a paperless style of transactions (which will also be an eco-friendly banking style). Also, in the lobby space, along with the consultation booths that have been there before, we have also installed new consulting corners based on the concepts of ease of use, being relatively close to teller counters, and offering a friendly atmosphere. The objective of these innovations is to offer services on a one-on-one basis that meet the needs of individual customers.

Relocation of the Tokyo Head Office and Reforms in Its Business Processes

In May 2010, Resona Holdings and Resona Bank moved their Tokyo Head Offices to the Kiba section of Tokyo's Koto Ward. They are now located in the Fukagawa Gatharia Building, which is a multifunction facility. Viewing this move as an opportunity for reforming our business processes, we conducted a "zero-based" review of what an office and a workplace should be with the objective of offering even higher-value-added services to customers through our office premises. We implemented initiatives aimed at work-style reforms, including higher business quality and swift decision making realized through improved intellectual productivity, and further pursuit of low-cost operations.

STATUS OF REPAYMENT OF PUBLIC FUNDS AND FUTURE CAPITAL POLICY

Details of Public Funds Outstanding and Approach to Repayment

Balance of Remaining Preferred Shares Issued as Part of the Capital Infusion: ¥1,823.5 Billion

Resona Holdings' basic policy is to use retained earnings and funds raised through the issuance of preferred shares (other capital surplus) to repay the public funds. Regarding Class C No. 1 and Class F No. 1 preferred shares with a provision for a mandatory conversion that were issued under Japan's Early Strengthening Law and are still outstanding, Resona Holdings has already completed the repurchase of approximately 63.5 million common shares and holds them as treasury shares (with a total purchase value of ¥85.2 billion) with a view to offsetting the dilutive effect if such a mandatory conversion were to take place.

Balance of Remaining Common Shares Issued as Part of the Capital Infusion: ¥261.6 Billion

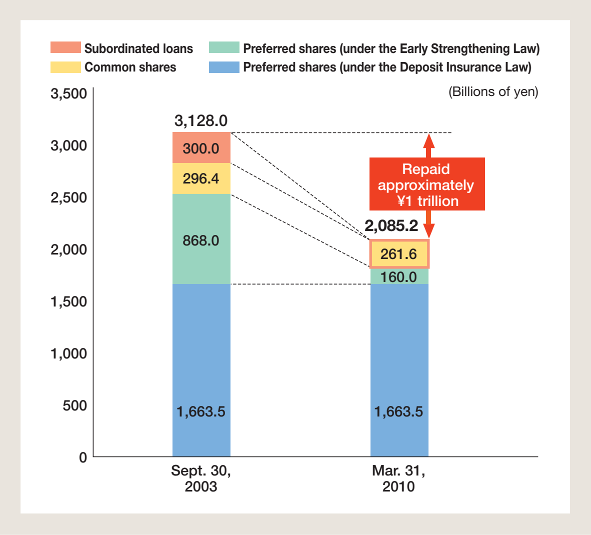
Resona Holdings is moving ahead with discussions with the relevant government authorities regarding the sale of these shares at an early date while giving due regard to market conditions.

[List of Public Funds Outstanding (on an infusion amount basis)] (Billions of yen)

	Amount Sept. 30, 2003 (1)	Amount March 31, 2010 (2)	Amount Repaid (2)-(1)
Total Public Funds Received	3,128.0	2,085.2	(1,042.7)
Preferred Shares	2,531.5	1,823.5	(708.0)
Early Strengthening Law	868.0	160.0	(708.0)
Class B No. 1	408.0	—	(408.0)
Class C No. 1	60.0	60.0	—
Class E No. 1	300.0	—	(300.0)
Class F No. 1	100.0	100.0	—
Deposit Insurance Law	1,663.5	1,663.5	—
Class One No. 1	550.0	550.0	—
Class Two No. 1	563.5	563.5	—
Class Three No. 1	550.0	550.0	—
Subordinated Loans	300.0	—	(300.0)
Common Shares	296.4	261.6	(34.7)

* Amounts less than ¥0.1 billion are rounded down.

[Progress in Repayment of Public Funds (on an infusion amount basis)]

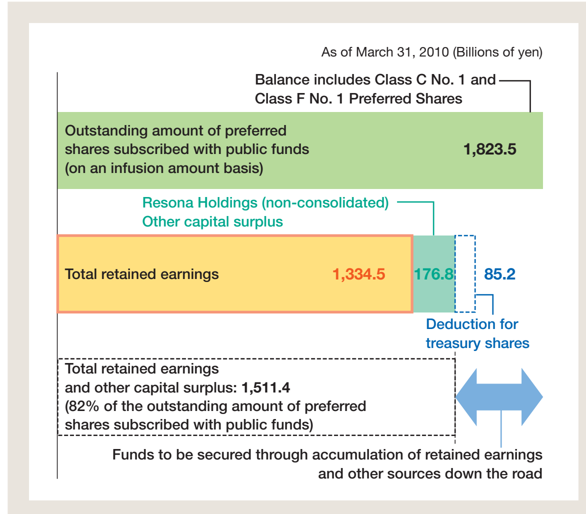


Resona Group Accumulated in Total ¥1,511.4 Billion in Funds Available for Repayments as of March 31, 2010

During the fiscal year ended March 31, 2010, retained earnings (total for the Resona Group) increased steadily and, in parallel with this, Resona Holdings has implemented a capital policy under which it repurchased and retired Class Nine Preferred Shares and issued Class Six Preferred Shares (non-convertible type).

As a result, as of March 31, 2010, the Resona Group accumulated ¥1,511.4 billion in funds available for repayments, which corresponds to approximately 82% of the remaining amount of preferred shares issued for the infusion of public funds (on an infusion amount basis).

[Accumulation of Funds Available for Repayments]



Appropriate Capital Management

At the same time that Resona Holdings has accumulated funds for the repayment of public funds, it has worked aggressively to increase the quality of its capital through appropriate capital management.

In September 2009, Resona Holdings repurchased Class Nine Preferred Shares at a price below the issue price and cancelled those shares. At the same time, through a placement of new common shares to a third party, Resona Holdings was able to enhance the quality of its capital and reduce the risk of dilution of its common shares, simultaneously. Moreover, outstanding perpetual subordinated bonds issued by Resona Bank were repurchased at a price below the issue price, thus further enhancing the quality of the capital.

In addition in August 2009, Resona Bank made its first issue of subordinated bonds primarily for domestic individual investors, thus working to further diversify its fund-raising sources.

[Capital Management during the Fiscal Year Ended March 31, 2010]

■ **Repurchase and cancellation of all Class Nine Preferred Shares**
(With a total issue price of ¥350.0 billion and a total repurchase price of ¥271.25 billion)
■ **Issued common shares**
(75 million shares, with a total issue price of ¥103.65 billion)
Implementation of an effective exchange between Class Nine Preferred Shares and the newly issued common shares (Exchange Offer)

● **Improvement in the quality of capital**
Repurchase of preferred shares at a lower price than the issue price
Increased high-quality capital through the issue of new common shares
● **Reduction in the number of potential shares**
The number of potential shares reduced through the repurchase of Class Nine Preferred Shares was greater than the number of new common shares issued.

■ **Repurchase of perpetual subordinated bonds in overseas markets**

● **Improvement in the quality of capital**
Repurchase of subordinated bonds at a lower price than the issue price (reported extraordinary profit)

■ **Issue of publicly subscribed subordinated bonds to institutional investors in the Japanese domestic market**
(Total issue price: ¥121.3 billion)
■ **Issue of publicly subscribed subordinated bonds to retail investors in the Japanese domestic market**
(Total issue price: ¥70 billion)

● **Diversified regulatory capital funding**

■ **Non-dilutive financing with Class Six Preferred Shares (bond type)**
(Total issue price: ¥75.0 billion)

● **Additional funds for repayments**

FINANCIAL REVIEW

Selected Financial Data (Consolidated)

Resona Holdings, Inc. and Consolidated Subsidiaries	Billions of Yen					
	FY2009 (A)	FY2008 (B)	FY2007	FY2006	FY2005	Change (A) – (B)
Scope of consolidation and application of the equity method:						
Consolidated subsidiaries	**18**	19	19	21	36	(1)
Affiliated companies accounted for by the equity method	**2**	2	2	2	2	—
Total	**20**	21	21	23	38	(1)
Income statement data:						
Net interest income	**499.4**	547.0	555.3	563.7	549.8	(47.5)
Trust fees	**28.7**	35.4	41.3	40.4	36.6	(6.6)
Net fees and commissions	**116.4**	117.8	147.0	157.0	144.4	(1.4)
Net trading income	**26.3**	21.0	67.8	21.5	4.9	5.3
Net other operating income (loss)	**7.4**	18.2	(42.3)	22.5	32.7	(10.8)
Total operating income	**678.3**	739.5	769.3	805.2	768.6	(61.1)
General and administrative expenses	**387.5**	384.4	385.9	384.6	384.0	3.0
Net credit costs	**114.6**	181.4	58.4	69.7	6.2	(66.7)
Other gains (losses), net	**(0.1)**	60.9	(2.1)	74.8	24.1	(61.0)
Income before income taxes and minority interests	**176.0**	234.1	322.6	426.0	402.5	(58.1)
Income taxes-current	**11.9**	9.5	15.2	12.4	15.6	2.3
Income taxes-deferred (benefit)	**27.7**	97.4	(4.4)	(263.6)	(9.1)	(69.6)
Minority interests in net income of subsidiaries	**4.0**	3.2	9.1	12.3	12.6	0.8
Net income	**132.2**	123.9	302.8	664.8	383.2	8.3
Balance sheet data:						
Trading assets	**522.7**	519.5	445.9	370.8	678.8	3.2
Securities	**8,915.3**	8,011.7	6,718.6	7,595.2	8,021.9	903.6
Loans and bills discounted	**26,263.5**	26,509.2	26,052.4	26,252.8	26,209.6	(245.7)
Deferred tax assets	**247.3**	308.8	371.8	309.2	3.5	(61.5)
Customers' liabilities for acceptances and guarantees	**760.3**	870.3	969.3	1,075.5	1,721.2	(110.0)
Reserve for possible loan losses	**(439.8)**	(440.9)	(490.8)	(543.1)	(538.4)	1.3
Total assets	**40,743.5**	39,863.1	39,916.1	39,985.6	40,399.5	880.3
Deposits, including negotiable certificates of deposit	**34,075.2**	32,689.8	32,997.5	33,531.3	33,320.9	1,385.4
Trading liabilities	**154.4**	122.2	139.3	115.3	71.0	32.1
Borrowed money	**623.6**	647.5	684.1	993.2	241.9	(23.8)
Bonds	**850.2**	825.2	892.1	866.1	763.4	25.0
Deferred tax liabilities	**0.0**	0.0	0.0	0.0	25.0	0.0
Acceptances and guarantees	**760.3**	870.3	969.3	1,075.5	1,721.2	(110.0)
Total liabilities	**38,471.6**	37,685.0	37,391.5	38,015.5	38,585.6	786.5
Minority interests in subsidiaries	**/**	/	/	/	156.8	/
Capital stock	**327.2**	327.2	327.2	327.2	327.2	—
Total net assets	**2,271.8**	2,178.0	2,524.6	1,970.1	/	93.8
Total shareholders' equity	**/**	/	/	/	1,657.0	/
Per share data (yen):						
Net assets per share	**44.77**	(303.63)	(137.11)	(236.76)	(784.99)	348.40
Net income per share	**88.32**	76.27	236.90	539.33	319.43	12.05
Diluted net income per share	**52.94**	53.83	164.01	342.37	170.53	(0.89)
Capital adequacy data (%):						
Tier 1 capital ratio	**10.20**	9.92	10.33	6.51	5.95	0.28
Total capital adequacy ratio	**13.81**	13.45	14.28	10.56	9.97	0.36
Other data:						
Return on equity (%)	**6.30**	5.58	14.41	38.33	—	0.72
Price earnings ratio (x)	**13.38**	17.17	7.00	5.87	12.67	(3.79)
Cost-to-income ratio (%)	**57.12**	51.98	50.16	47.76	49.96	5.14
Net deferred tax assets as a percentage of Tier 1 capital (%)	**11.90**	14.86	16.50	19.93	(1.51)	(2.96)
Number of employees	**16,756**	16,498	16,344	16,245	16,123	258
Trust assets under management and custody	**26,709.7**	34,420.3	36,733.5	34,203.0	30,041.3	(7,710.6)

*1 In accordance with revisions to the Business Accounting Standards Implementation Guidance No. 4, from FY2006, net assets per share include deferred gains or losses on derivatives qualified for hedge accounting.

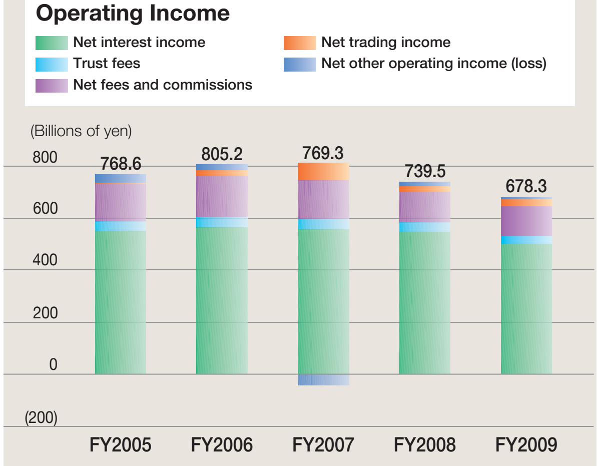
*2 On August 2, 2005, the Company implemented a reverse split of shares, consolidating every 1,000 shares into one share for all outstanding common and preferred stock shares. Also, on January 4, 2009, the Company implemented a split of shares, dividing every one share into 100 shares for all outstanding common and preferred stock shares. Per share data presented for FY2004 are multiplied by 10 times and the same data presented for FY2005 through FY2007 are divided by 100 with a view to ensuring comparability of the per share data presented.

[Outline of Financial Results for FY2009]

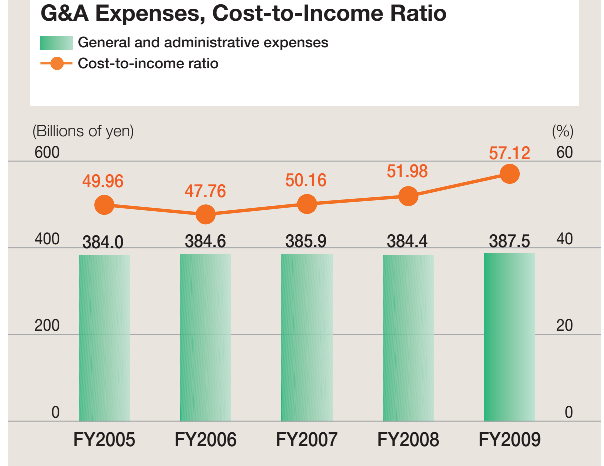
(Billions of yen)

	Resona Holdings (Consolidated) (A)	YoY Change	Difference (A)-(B)	Total of Group banks (Non-consolidated) (B)	YoY Change	Resona (Non-consolidated)	Saitama Resona	Kinki Osaka (Non-consolidated)
Gross operating profit	678.3	(61.1)	63.1	615.2	(60.1)	406.6	147.8	60.7
Net interest income	499.4	(47.5)	13.6	485.8	(46.5)	299.5	135.7	50.5
Income from loans and deposits (domestic operation)				445.6	(25.9)	283.1	117.6	44.8
Trust fees	28.7	(6.6)	—	28.7	(6.6)	28.7	—	—
Fees and commission income	116.4	(1.4)	48.7	67.6	(1.2)	47.7	12.0	7.9
Other operating income	33.7	(5.5)	0.8	32.9	(5.5)	30.6	0.0	2.2
Actual net operating profit				264.6	(48.0)	175.7	71.4	17.4
Operating expenses (including non-recurring items)	387.5	3.0	28.2	359.2	3.1	235.9	78.4	44.9
Net gain on stocks	0.6	42.8	(3.6)	4.3	41.9	2.1	0.7	1.3
Impairment loss/addition to reserve	(7.4)	22.7	(4.3)	(3.1)	22.6	(2.9)	(0.1)	(0.0)
Credit related expenses, net	114.6	(66.7)	32.5	82.1	(81.8)	54.1	16.7	11.2
Other gain/(loss), net	(0.8)	(103.5)	0.7	(1.5)	(103.2)	0.8	(1.6)	(0.7)
Income before income taxes	176.0	(58.1)	(0.5)	176.5	(42.7)	119.5	51.8	5.1
Income taxes and other	43.8	(66.4)	(9.6)	53.4	(45.0)	33.5	22.1	(2.2)
Net income	132.2	8.3	9.0	123.1	2.3	85.9	29.7	7.4

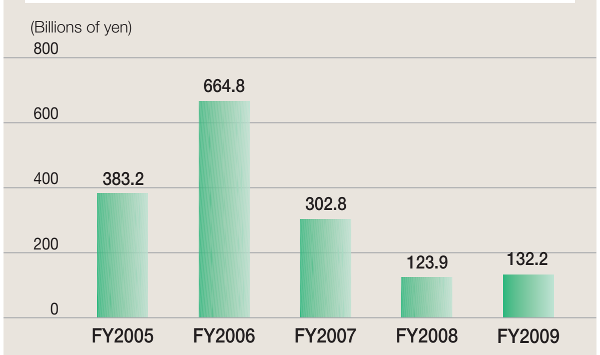
Operating Income



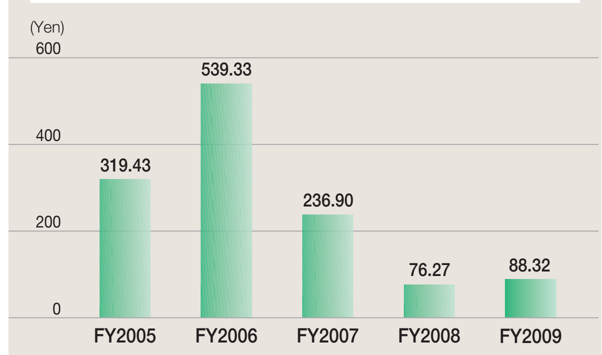
G&A Expenses, Cost-to-Income Ratio



Net Income



Net Income per Share



The consolidated financial position and operating results of the Resona Group (Resona Holdings, Inc., and consolidated subsidiaries) were as follows.

Total assets increased ¥880.3 billion, compared with the previous fiscal year-end, to ¥40,743.5 billion.

In assets, securities increased ¥903.6 billion, to ¥8,915.3 billion, and call loans and bills bought increased ¥213.8 billion, to ¥872.4 billion. Cash and due from banks were up ¥203.3 billion, to ¥1,607.6 billion. Loans and bills discounted, however, decreased ¥245.7 billion, to ¥26,263.5 billion.

In liabilities, deposits rose ¥847.8 billion, to ¥32,955.6 billion, and negotiable certificates of deposit increased ¥537.5 billion, to ¥1,119.5 billion. Bills sold under repurchase agreements decreased ¥657.4 billion, to ¥132.9 billion. Please note that time deposits, which are included in deposits, were up ¥325.9 billion, to ¥12,741.2 billion.

Among total equity, as a result of the repurchase and retirement of Class Nine Preferred Shares and other factors, total shareholders' equity, which is defined as total equity less total valuation and translation items and minority interests in consolidated subsidiaries, declined ¥7.9 billion, to ¥2,013.1 billion. Also, as a result of an increase in net unrealized gains on available-for-sale securities and other factors, total valuation and translation items rose ¥106.4 billion from the end of the previous fiscal year, to ¥133.3 billion. In addition, minority interests in consolidated subsidiaries decreased ¥4.5 billion, to ¥125.3 billion. As a result of the above, total equity increased ¥93.8 billion, to ¥2,271.8 billion.

Turning to overall business performance, as shown in the chart on the top on page 16, consolidated net income of Resona Holdings for the fiscal year under review amounted to ¥132.2 billion, ¥8.3 billion higher than the ¥123.9 billion reported for the previous fiscal year. In the previous year, Resona Holdings reported a net gain on the sale of its Tokyo Head Office building, after taxes, of ¥62.0 billion. Taking account of the absence of such a one-time gain reported in the previous fiscal year, the actual increase in consolidated net income was ¥70.3 billion.

The increase in consolidated net income was largely due to improvements in credit costs and gain (loss) on stocks. Consolidated credit costs showed an improvement of ¥66.7 billion, from ¥181.4 billion in the previous fiscal year, to ¥114.6 billion for the fiscal year under review. Net gain (loss) on stocks improved by ¥42.8 billion mostly attributable to the absence of an impairment loss reported in the previous fiscal year.

In addition, other income taxes increased ¥24.0 billion. In other words, income taxes, other than those related to the sale of the Tokyo Head Office building, decreased ¥24.0 billion from the previous fiscal year. This was primarily due to an additional booking of deferred tax assets by Resona Bank in relation to the change in tax effect treatment of the general reserve for possible loan losses.

The increase in consolidated operating expenses including non-recurring items was just ¥3.0 billion year on year despite an increase in expenses related to retirement benefits. Total operating expenses excluding such non-recurring items for the three Group banks declined ¥11.6 billion from the previous fiscal year.

Taking a look at top-line items, consolidated gross operating profit declined ¥61.1 billion and the total for Group banks on a simple summation basis decreased ¥60.1 billion.

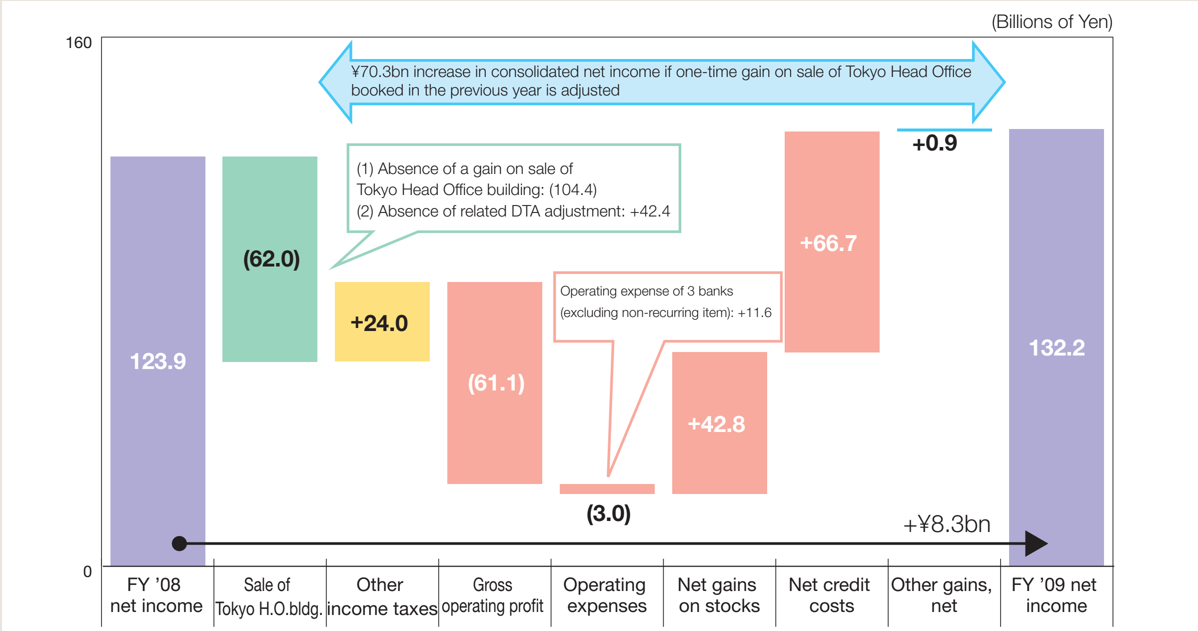
For the total of the three Group banks on a non-consolidated basis, as shown in the chart on the bottom on page 16, net interest income decreased ¥46.5 billion, principally because of the shrinkage in the loan-to-deposit spread following two reductions in policy interest rates that were implemented the year before last.

Fee income, which is the sum of income from fee-based transactions and trust fees, declined ¥7.9 billion from the previous fiscal year. Although the financial product sales business is on a recovery trend, income from fee businesses for corporations decreased. Income from bond transactions recorded an increase of ¥9.5 billion, but income from derivatives posted a decline.

Principal Resona Group Business Trends

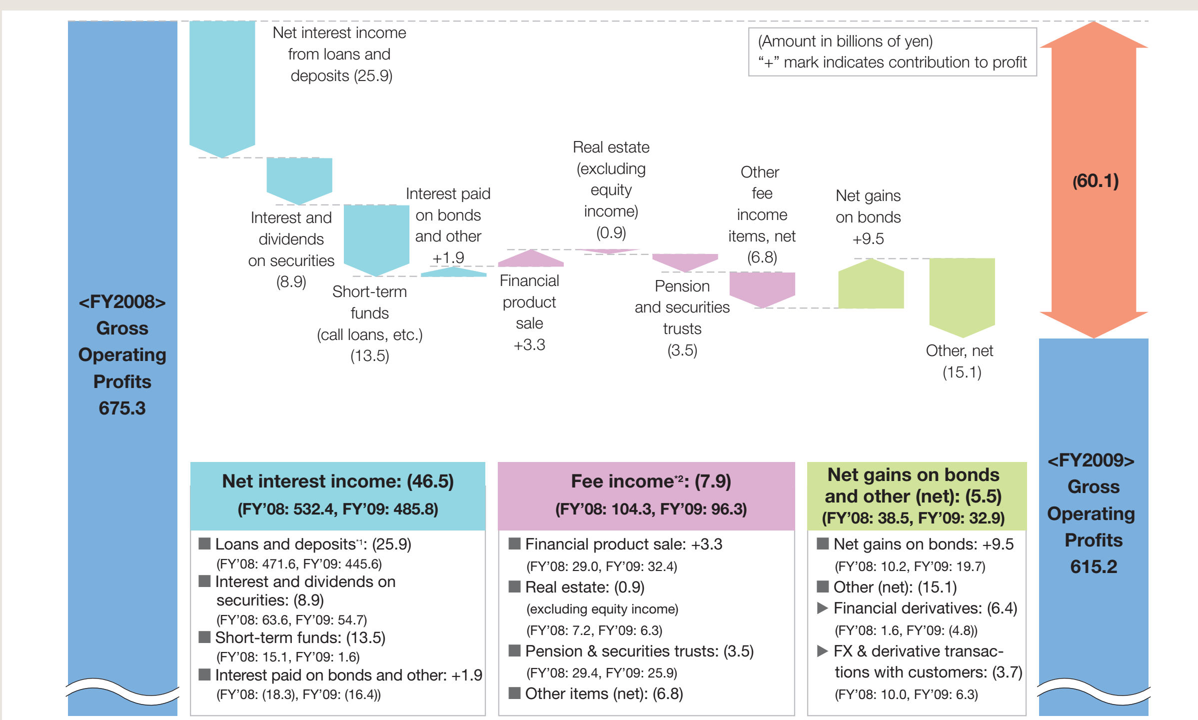
[Gap Analysis on Consolidated Net Income for FY2009 Compared with FY2008]

Consolidated net income for FY2009 increased ¥8.3bn from the previous fiscal year.



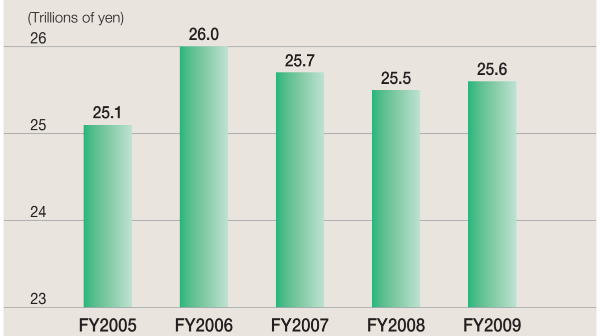
[Gap Analysis on Gross Operating Profits for FY2009 Compared with FY2008 (Total of Group Banks)]

Gross operating profits declined ¥60.1bn YoY, primarily due to the decrease in net interest income.



*1 Domestic operations (Deposits include NCDs)
*2 Fees and commission income plus trust fees

Trend of Average Loan Balance (Total of Group Banks)



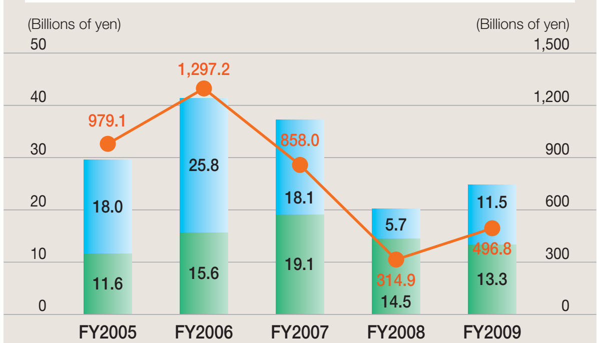
(Domestic banking account)

Balance of Housing Loans (Total of Group Banks)

Proper housing loans balance — Ratio of housing loans

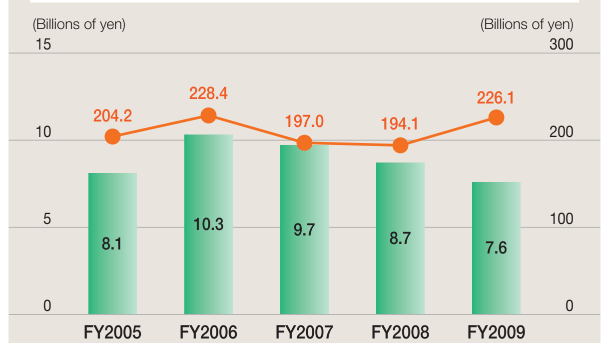
Sales of Investment Trusts (Total of Group Banks)

Trust fees — Amount sold per year (right scale)
Sales commissions



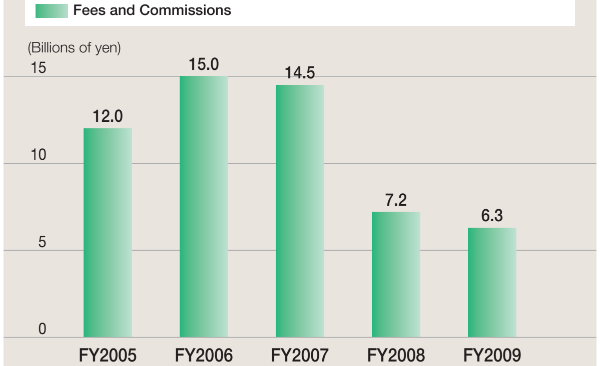
Sales of Personal Annuity Products (Total of Group Banks)

Related income — Amount sold per year (right scale)



Real Estate Business (Resona Bank)

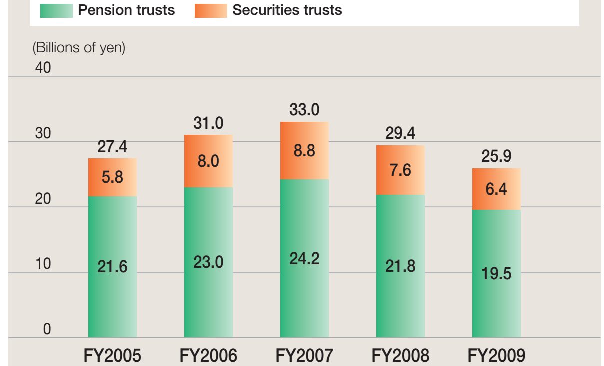
Fees and Commissions



Note: Exclude gains from investments in real estate funds.

Pension and Securities Trust Operations (Resona Bank)

Pension trusts — Securities trusts



Note: Agent fees paid from the former Resona Trust & Banking to Resona Bank have been included and adjusted.

Initiatives Aimed at Improving Financial Soundness

[Consolidated Balance Sheet of Resona Holdings (As of March 31, 2010)]

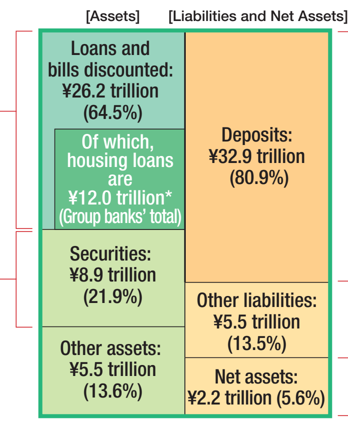
■ Sound assets backed by very stable deposit funding

Sound loan portfolio

- Well-diversified loan portfolio
  - Housing loan ratio at 45.7% (total of Group banks)
  - SME portfolio well-diversified into over 90 thousand clients
- Net NPL ratio standing at 0.43%

Conservative securities portfolio

- Mostly comprised of JGBs (Duration as of Mar. 31, 2010: 2.3 years)
- Limited downside risk relating to equity exposure
  - Stockholdings to Tier 1: Approx. 16.5%
  - Breakeven Nikkei Avg.: ¥7,300 level
- No exposure to the U.S. sub-prime-related assets



Total Assets: ¥40.7 trillion

Stable funding structure

- Strong retail deposit base
  - 13 million retail deposit accounts
  - Accounts for approx. 70% of total deposit funding
- Funding cost kept at a low level
  - Avg. cost of deposits: 0.16% (FY2009)
  - Low-cost liquidity deposits account for approx. 58% of total deposit funding
- Very limited dependence on inter-bank funding or securitization
- Ratio of loans and bills discounted to total deposits: 80%

Well capitalized on a regulatory basis

- Capital adequacy ratio: 13.81%
- Tier 1 ratio: 10.20%
- Ratio of net DTA to Tier 1: 11.90%

* The balance includes housing loans booked in the trust account.

[Consolidated Capital Adequacy Ratio and Total Qualifying Capital]

■ Consolidated Capital Adequacy Ratio of 13.81% Continues to be at a Sufficient Level

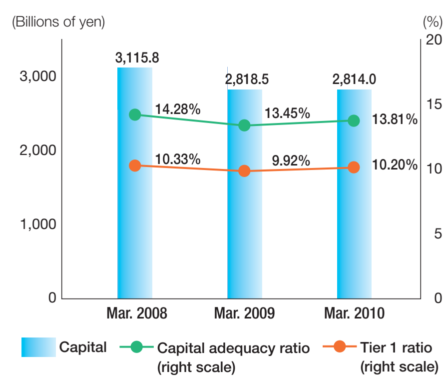
Consolidated Capital Adequacy Ratio
of Resona Holdings (Japanese Domestic Standard)

(Billions of yen, %)

	Mar. 31, 2008	Mar. 31, 2009	Mar. 31, 2010
Capital adequacy ratio	14.28	13.45	13.81
Tier 1 ratio	10.33	9.92	10.20
Qualifying capital	3,115.8	2,818.5	2,814.0
Basic items (Tier 1)	2,253.3	2,078.8	2,078.6
Supplementary items (Tier 2)	910.4	771.4	752.0
Deductions	47.8	31.6	16.7
Risk-weighted assets	21,809.3	20,944.8	20,364.1

For reference: Capital adequacy ratios of Group banks

Resona Bank: 11.03% (consolidated)
Kinki Osaka Bank: 10.71% (consolidated)
Saitama Resona Bank: 11.09% (non-consolidated)



Financial Soundness

Claims Disclosure According to the Financial Reconstruction Law (Total of the Three Banks*)

(Includes Jointly Operated Designated Money Trusts, of which the principal is guaranteed by a Group bank)

March 31		2010 (1)	2009 (2)	Change (1)-(2)
		Billions of Yen		
Unrecoverable or valueless claims		**94.5**	137.0	(42.4)
Risk claims		**409.5**	367.2	42.2
Claims in need of special attention		**154.8**	163.5	(8.7)
Subtotal	(A)	**658.9**	667.8	(8.9)
Nonclassified claims		**26,470.8**	26,893.7	(422.8)
Total claims	(B)	**27,129.7**	27,561.5	(431.8)
Ratio of classified claims (%)	(A)/(B)	**2.42**	2.42	0.00

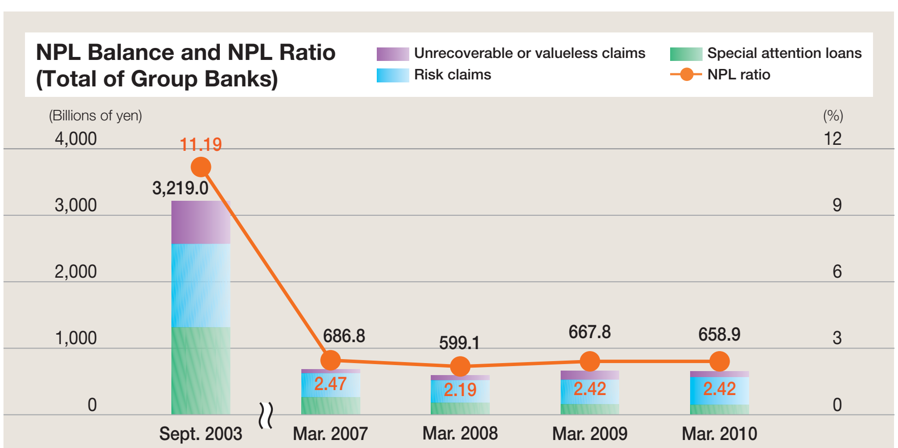
*Sum of non-consolidated figures for Resona Bank, Saitama Resona Bank, and Kinki Osaka Bank.

Reserve for Possible Loan Losses (Total of the Three Banks*)

(Includes Jointly Operated Designated Money Trusts, of which the principal is guaranteed by a Group bank)

March 31	2010 (1)	2009 (2)	Change (1)-(2)
	Billions of Yen		
General reserve for possible loan losses	**216.2**	225.4	(9.2)
Specific reserve for possible loan losses	**132.8**	125.8	6.9
Special reserve for certain overseas loans	**0.0**	0.8	(0.8)
Total reserve for possible loan losses	**349.0**	352.2	(3.1)
Reserve for write-off of loans in the trust account	**0.3**	0.3	(0.0)

*Sum of non-consolidated figures for Resona Bank, Saitama Resona Bank, and Kinki Osaka Bank.

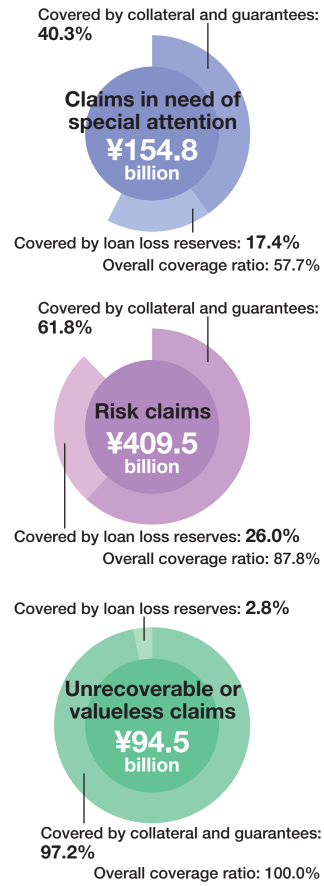


Risk Management Loans (Consolidated)

(Includes Jointly Operated Designated Money Trusts, of which the principal is guaranteed by a Group bank)

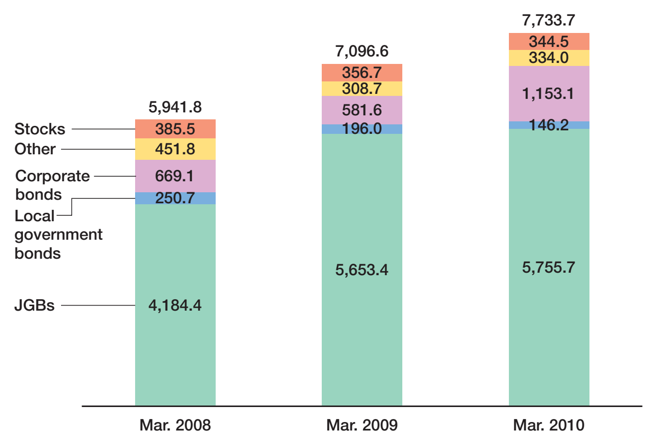
March 31	2010 (1)	2009 (2)	Change (1)-(2)
	Billions of Yen		
Loans to borrowers in legal bankruptcy	**35.3**	84.5	(49.2)
Past due loans	**484.6**	438.1	46.5
Loans past due three months or more	**13.9**	27.4	(13.4)
Restructured loans	**192.2**	163.2	28.9
Risk management loans	**726.1**	713.3	12.7

Coverage of Credit Exposure
(as of March 31, 2010)

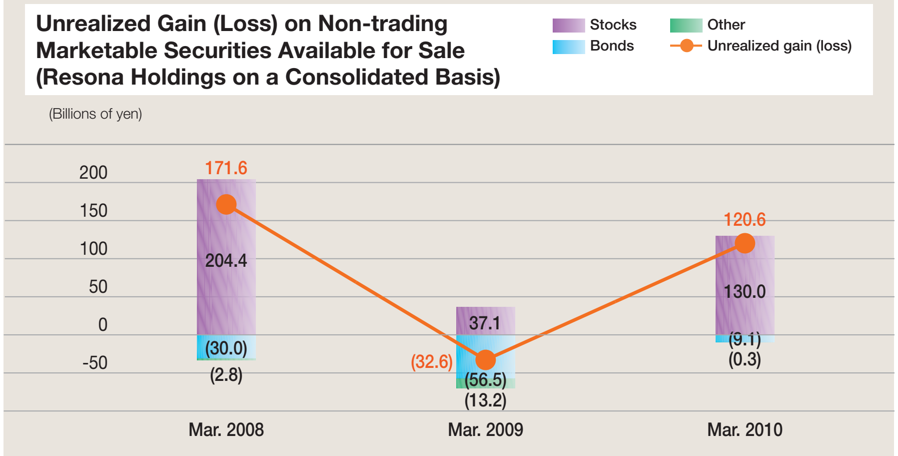


Securities Portfolio with Minimized Downside Risks

[Non-trading Marketable Securities Available for Sale] (Billions of yen, at cost)



Unrealized Gain (Loss) on Non-trading Marketable Securities Available for Sale (Resona Holdings on a Consolidated Basis)



CORPORATE GOVERNANCE

Basic Approach to Corporate Governance

The basic policy of the Resona Group is to strengthen its corporate governance by establishing responsible management systems and strengthening supervision as well as surveillance functions while working to improve the transparency of management.

With the injection of public funds into Resona Bank in June 2003, Resona Holdings became the first banking institution to adopt the Committees Governance Model in the interest of realizing highly transparent as well as sound and efficient management. Resona Holdings increased management transparency by appointing a majority of independent directors not only to the Nomination Committee, Compensation Committee, and Audit Committee, but also to the Board of Directors. In our quest for management that reflects the Resona Group's management philosophy, we have separated management oversight and operations functions, shifting certain responsibilities to the executive officers to enable quick decision making while bolstering the Board of Directors' supervisory function.

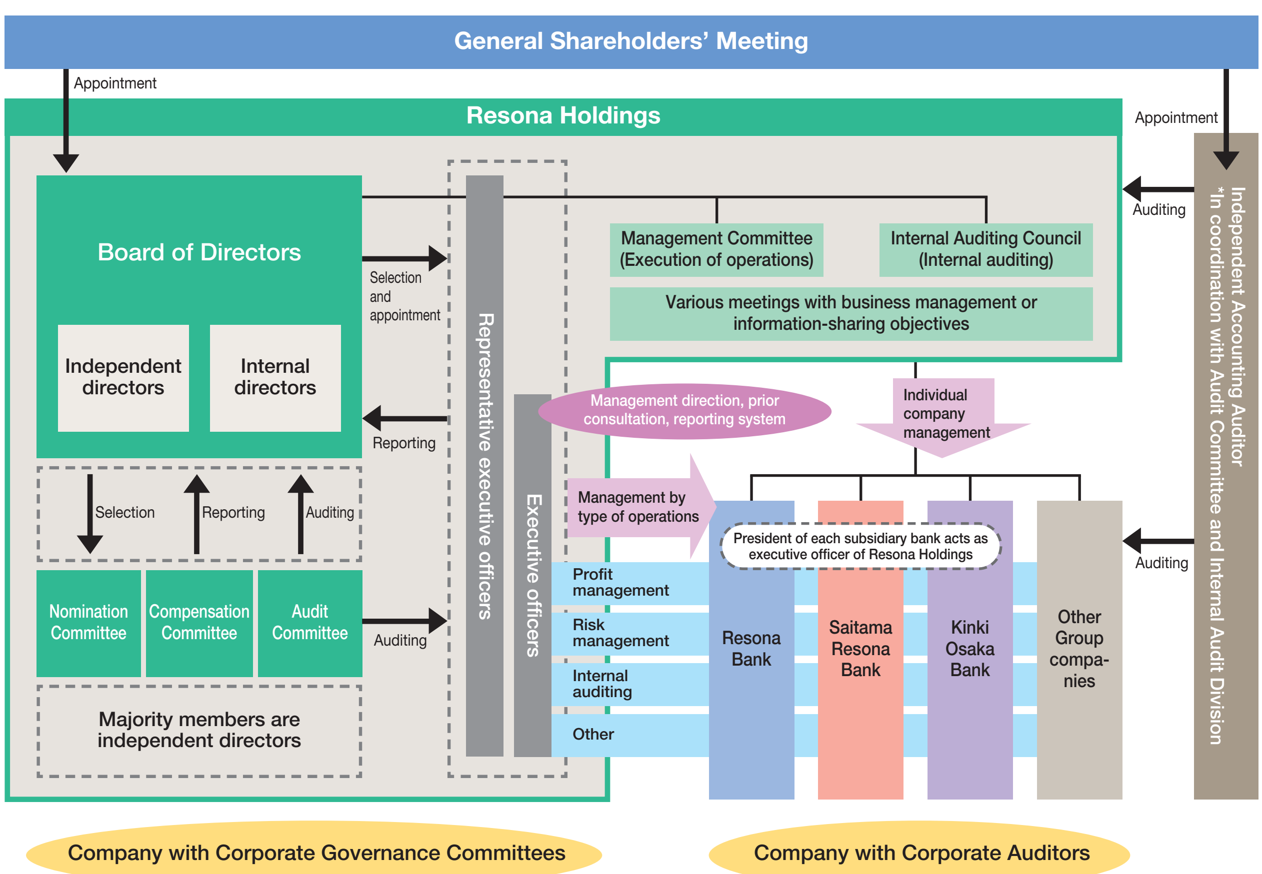
On the other hand, the subsidiary banks of Resona Holdings all adopt the Company with Corporate Auditors model. This governance framework at Group banks ensures consistency in the strengthening of Groupwide governance as a whole and the framework of subsidiary banks' governance structure that facilitates their autonomous management.

Activities at Resona Holdings

Board of Directors

The Board of Directors, with ten directors, six of whom are independent directors, fully ensures that management engages in substantial discussion in fulfilling their responsibilities of making decisions about the Group's important management issues and supervising the execution of business activities by executive officers and directors. One of the unique features of the Committees Governance Model

[Group Corporate Governance Framework]



is that, while the Board of Directors makes decisions regarding important management issues and supervises the execution of operations, clearly defined roles give executive officers responsibility for the execution of operations, thus strengthening the Board of Directors' supervisory function and accelerating the execution of operations. In fiscal 2009, the Board of Directors met 15 times. In June 2005, a system was adopted under which the presidents of all subsidiary banks became executive officers of Resona Holdings, and steps are being taken to enhance the supervisory functions of the holding company vis-`a-vis subsidiary banks.

Nomination Committee

The Nomination Committee comprises three directors, with the committee chairman and one other member being independent directors. The committee makes decisions regarding proposals for the selection and dismissal of directors that are submitted to the General Meeting of Shareholders, based on the specific qualities that the Group should seek in its directors as well as the Standards for Appointing Independent Director Candidates, both of which have been discussed and decided at the committee's meetings. In fiscal 2009, the committee met five times. Please note that, to accelerate the Group's management reforms and attain sustained increases in corporate value, the Nomination Committee introduced a succession plan in June 2007, which serves as a mechanism to ensure that the most appropriate candidates are selected to fill top management roles and responsibilities.

Compensation Committee

The Compensation Committee comprises three directors, including two independent directors, one of whom serves as the committee chairman. This committee makes decisions regarding policies for compensation and other benefits for individual directors and executive officers as well as the compensation and other benefits for specific individuals. In addition, the committee considers the role a director compensation system should play in enhancing the Group's corporate value. In fiscal 2009, the committee met three times. Please note that the committee chose to eliminate the directors' retirement benefit system in fiscal 2004 and introduced a performance-based compensation system. In fiscal 2010, the committee introduced a stock purchase based compensation system.

Audit Committee

The Audit Committee comprises three directors, including two independent directors, one of whom chairs the committee. In addition to auditing the execution of duties by executive officers and directors, this committee makes decisions regarding proposals for the selection and dismissal of independent accounting auditors. In addition, the committee works with the Internal Audit Division, Compliance Division, Risk Management Division, Financial Accounting Division, and other internal control related units to supervise and verify internal control systems and make the necessary responses, urging executive officers and other responsible persons to make necessary improvements. This committee met 14 times in fiscal 2009.

Executive Committee

Resona Holdings has set up an Executive Committee as a body to deliberate and report on generally important management items and important matters in the execution of operations to support the decision-making process in the execution of operations. The Executive Committee consists of representative executive officers as well as executive officers and employs serious debate to ensure the transparency of decisions regarding significant management issues. In fiscal 2009, this committee met 40 times.

Internal Auditing Council

As a body to deliberate and report on important matters related to internal audits, Resona Holdings has established an Internal Auditing Council that is independent from the Executive Committee, which serves as a body for the execution of business. The council is composed of all representative executive officers, the executive officer in charge of the Internal Audit Division, and a general manager of the Internal Audit Division. Contents of deliberations and reports are reported to the Board of Directors and the Audit Committee.

The council met 16 times in fiscal 2009 and, in addition to discussing the internal auditing plan, it reported on the results of internal audits.

Management Supervision of Group Companies

Resona Holdings, as the Group holding company, supervises the management of its subsidiary banks and other Group companies, with the objective of raising corporate value. The Company has established a system for managing and controlling Group companies, clearly identifying items for which prior discussion with Resona Holdings is necessary and items that require reporting.

Subsidiaries' Corporate Governance Systems

Subsidiary banks, which are managed as Group members by Resona Holdings, work together to raise corporate value.

The Board of Directors, which includes independent directors, fully ensures that management employs thorough discussion in making decisions regarding the execution of duties and oversees the execution of duties by directors and executive officers.

The Corporate Auditors Meeting, which comprises the corporate auditors, was established to carry out solid auditing functions in the subsidiary banks' operations.

In addition to this are the Executive Committee, a body that deliberates generally important issues related to management as well as important issues related to the execution of operations; the Credit Committee, which deliberates important items related to credit operations; and the Audit Committee, which deliberates important themes related to internal auditing.

Internal Control

Basic Stance

The Resona Group is implementing a thoroughgoing differentiation strategy with the aim of becoming "the unrivaled leader in retail financial services." Key elements of this strategy are further selectivity and concentration in business domains (review and confirmation of priority regions and priority businesses) and the establishment of a Resona Style (emphasizing the creation of a new corporate culture, placing more importance on individuals, and pursuing the most-trusted status).

Moving toward the attainment of these business goals, Resona is working to secure greater efficacy and efficiency in its operations and to clarify processes related to compliance in its business activities. We are aiming to construct internal control systems befitting the Resona Group—systems that are understood and followed by the entire Group.

Basic Policy

To enhance corporate value, the Resona Group has established a basic policy on internal control, which has been passed by the Board of Directors, to realize an internal control system that is appropriate for the Group.

Status of Internal Control Systems

In accordance with its basic policy in Group internal control systems, the Resona Group is striving to ensure the efficacy of its internal control systems through appropriate development and operations of all internal control systems, including the Internal Auditing System, the Compliance System, and the Risk Management System.

COMPLIANCE SYSTEMS

The Resona Group is strongly aware of the responsibilities of banking institutions to society and to acting in the public interest. Under its basic principles of compliance, the Group defines compliance as the strict observance not only of laws and regulations but also social norms to strengthen the trust placed in the Group by society at large. Therefore, the Resona Group has positioned compliance as a key management issue and is working to implement effectively and enhance the compliance systems of the Group as a whole.

Basic Activities

The Resona Group has established its *Corporate Mission*, which forms the basis for the judgments and behavior of directors and employees; the *Resona Way* (Resona Group Corporate Promises), which outlines the basic stance, based on the *Corporate Mission*, that directors and employees should take toward all Group stakeholders; and the *Resona Standards* (the Resona Group's Behavior Guidelines), specific guidelines about behavior expected from directors and employees under the *Corporate Mission* and the *Resona Way*. The *Corporate Mission, Resona Way,* and *Resona Standards* are applied uniformly across Group companies.

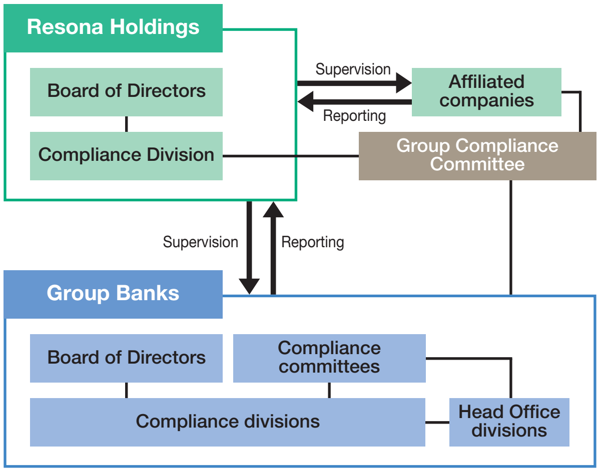
The introduction to the *Resona Standards* is "Aiming to Be a Good Company," a message from the chairman of Resona Holdings. It takes a clear stance on compliance at the Resona Group, stating that corporate ethics must be improved, and identifies the most important issues as 1) what the company can do for society as a member of society and 2) continuing to be a company that practices compliance.

Moreover, Resona Holdings and the Group banks have prepared a Basic Compliance Policy, which makes clear, from a compliance point of view, the roles of directors and employees as well as a basic framework for organizational systems based on the *Corporate Mission* and other statements. To put compliance into practice, we have also prepared a *Compliance Manual* that is distributed to all employees.

Group Management Systems

Group Compliance Management Systems

The Compliance Division at Resona Holdings controls Group compliance and works with compliance divisions at Group companies to strengthen compliance systems Groupwide. Resona Holdings, Group banks, and affiliated companies all have members on the Group Compliance Committee, which discusses and evaluates all problems related to Group compliance.



Systems for Protecting Group Customers

These days, amid such challenging developments as increasing investment needs from customers, the sophistication of information management required of businesses, and the development of such laws as the Act on the Protection of Personal Information and the Financial Instruments and Exchange Law, financial institutions must strive to provide customers with proper responses and improve user-friendliness, working harder than ever before to ensure that customers can use their services with peace of mind. Therefore, Resona Holdings and Group banks are working energetically to make improvements to their explanations to customers, responses to customer inquiries and complaints, the management of customer information, the management of outsourcers to which they have consigned operations, the management of conflicting interests in banking transactions on the part of Group banks and their customers, and other areas related to providing better responses and user-friendliness for customers.

Specifically, we have clearly defined the departments and individuals responsible for improving responses to and user-friendliness for customers, and they sit on the Service Quality Management Committee, which discusses and deliberates initiatives for raising customer trust and improving user-friendliness.

Compliance Programs

The members of the Resona Group have prepared compliance programs for putting guidelines into everyday action. Progress reports on compliance matters are made periodically to the boards of directors of Group member companies, and activities are under way to systematically strengthen compliance systems.

Compliance Advisory Resources

Resona Legal Counsel Hotline and Resona Compliance Hotline

We recognize an understanding of the issues and clear communication among all employees are essential to a strong compliance system; therefore, we have established Group compliance advice and reporting systems using the Resona Legal Counsel Hotline and the Resona Compliance Hotline.

Moving forward, we will make continuous efforts to ensure that the systems take root while working to detect compliance issues early and create a transparent corporate culture.

In accordance with the Whistleblower Protection Act, which went into effect in April 2006, we endeavor to protect whistleblowers with the previously mentioned hotlines as well as establish rules for internal reporting at Resona Holdings and all other Group companies.

Resona Accounting Audit Hotline

Resona Holdings has established the Resona Accounting Audit Hotline for reporting fraudulent or improper processing related to accounting or accounting-related internal controls and internal audits.

Management of Customer Information

The protection of customer information is one of the most important factors in enabling customers to use the Resona Group with peace of mind. We strive to properly manage information in compliance with the Act on the Protection of Personal Information by publicizing the Promise to Protect Personal Information of All Group Companies, establishing a framework for protecting against leaks or the loss of personal information, and conducting ongoing and thorough employee education.

Elimination of Anti-Social Forces

The Resona Group believes that preventing and eradicating transactions with anti-social forces are critically important to its public mission and social responsibility as a financial institution. Our basic approach is to intervene in and nullify transactions that would support anti-social forces through the corporate activities of Resona Holdings and Group companies.

The Resona Group has designated its compliance divisions as the departments responsible for countering anti-social forces and has set specific internal rules and regulations, as well as providing ongoing training and education on these compliance issues for directors and employees. To prevent and nullify transactions with anti-social forces, we have formed cooperative relationships with law-enforcement agencies, law firms, and other professional organizations.

Moreover, when commencing transactions with customers, we have the customers affirm and declare that they are not currently linked with anti-social forces and will not be so linked at any time in the future. If this affirmation should be violated, all Resona Group banks have introduced an “Anti-Social Force Clause” in their contracts that provides the legal basis for suspending transactions with such parties. Through these initiatives, the Group is strengthening its activities to prevent transactions with anti-social forces.

RISK MANAGEMENT SYSTEMS

RISK MANAGEMENT SYSTEMS

Basic Approach to Risk Management

We deeply regret the serious concern and inconvenience that the injection of public funds in June 2003 caused the people of Japan, our customers, and other stakeholders. Consequently, we have established the risk management principles below to enhance our risk management systems and methods as well as risk control. Resona Holdings and other Resona Group companies conduct their risk management activities with an eye to securing the soundness of operations and enhancing profitability.

1. We will not assume levels of risk in excess of our economic capital.
2. We will deal promptly with losses that we have incurred or expect to incur.
3. We will take risks appropriate for our earnings power.

Risk Management Policies and Systems

Resona Holdings has established the *Group Risk Management Policy* that serves as the Group's basic risk management policy.

Based on the *Group Risk Management Policy*, each Group bank has established its own risk management policy that is tailored to its operations, unique characteristics, and the risks it must address. The risk management policies of Resona Holdings and Group banks create a basic framework for managing risk by defining the types of risk that must be managed and establishing organizations or systems that manage risk.

Resona Holdings and Group banks have established risk management departments for managing different types of risk, along with a Risk Management Division, to integrate the management and control of all types of risk. Principal risk categories are outlined below, and each risk is managed using a method that is tailored to its characteristics.

Principal Group companies, other than the banks, have also established risk management policies that are tailored to their own operations, special characteristics, and risks. In addition to establishing risk management systems and frameworks, these policies establish guidelines for avoiding risks outside their fundamental business areas. These Group companies have also established risk management departments for managing different categories of risk and risk management divisions for comprehensive risk management.

In addition, to prepare for the worst case scenario in which risks are triggered by disasters or systems failures, and the effect goes beyond the scope of usual risk management and reaches a crisis proportion, Resona Holdings and all Resona Group companies have established a crisis management policy to respond quickly and achieve a fast recovery of operations through sustaining business activities or early rehabilitation of operations.

Risk Category		Definition	Risk Management Methods	
				Comprehensive risk management (setting risk limits, assessing risk, allocation of risk capital, etc.)
Credit risk		Risk of losses that arises when the value of assets (including off balance sheet assets) declines or is destroyed as a result of the deterioration of the financial position of obligors	Credit analysis and management, credit rating system, portfolio management, setting risk limits, etc.	
Market risk		Risk of losses that may occur when the price of assets and liabilities (including off balance sheet assets and liabilities) change because of fluctuations in market risk factors, including interest rates, foreign currency exchange rates, and stock prices	Setting risk limits, setting loss limits, setting position limits, etc.	
Liquidity risk		Risk of losses that may occur when a party is unable to raise the necessary funds or is forced to raise such funds at an extremely high cost	Recognition of liquidity emergencies, response system for emergencies, guidelines for liquidity risk management indicators, etc.	
Operational risk		Risk of losses that may occur when internal processes, personnel, and/or systems function improperly or fail to function and when external factors result in such losses	Control self-assessments (CSAs), analysis of loss data, key risk indicator (KRI), etc.	
	Processing risk	Risk of losses that may occur when management and/or staff fail to perform processing work accurately and when an accident or fraud occurs	Improvements in business processes, training and education, guidance for clerical operations, etc.	
	Systems risk	Risk of losses that may occur when computer systems cease to function or perform improperly and when fraud occurs	Control through systems risk management standards, preparation of contingency plans, etc.	
	Legal and compliance risks	Risk of losses that may occur when legal regulations and contracts are violated and when fraudulent contracts are concluded	Compliance checks, improvements through compliance programs, etc.	
	Trust asset management risk	Risk of losses that may occur when a trustee fails to fulfill his/her fiduciary responsibilities and does not exercise the due care expected of a prudent manager	Improvement in business processes, training and education, guidance for clerical operations, etc.	
	Other operational risk	Risk of losses that may occur when tangible assets are damaged or destroyed as a result of natural disasters, fires, or other contingencies and the risk of losses resulting from external criminal activities that cause losses to clients and must be compensated	Improvements in facilities to minimize risks of natural disasters and financial crime by outsiders, strengthening procedures, etc.	
Reputational risk		Risk of losses that may occur when reports in the media, rumors, false information, and unfounded reports have a detrimental effect on a company's reputation	Dissemination of timely and appropriate information, monitoring of media, etc., preparation of crisis management systems.	

Group Management by Resona Holdings

Resona Holdings provides common guidance and direction to all Group companies regarding risk management policies, standards, and systems.

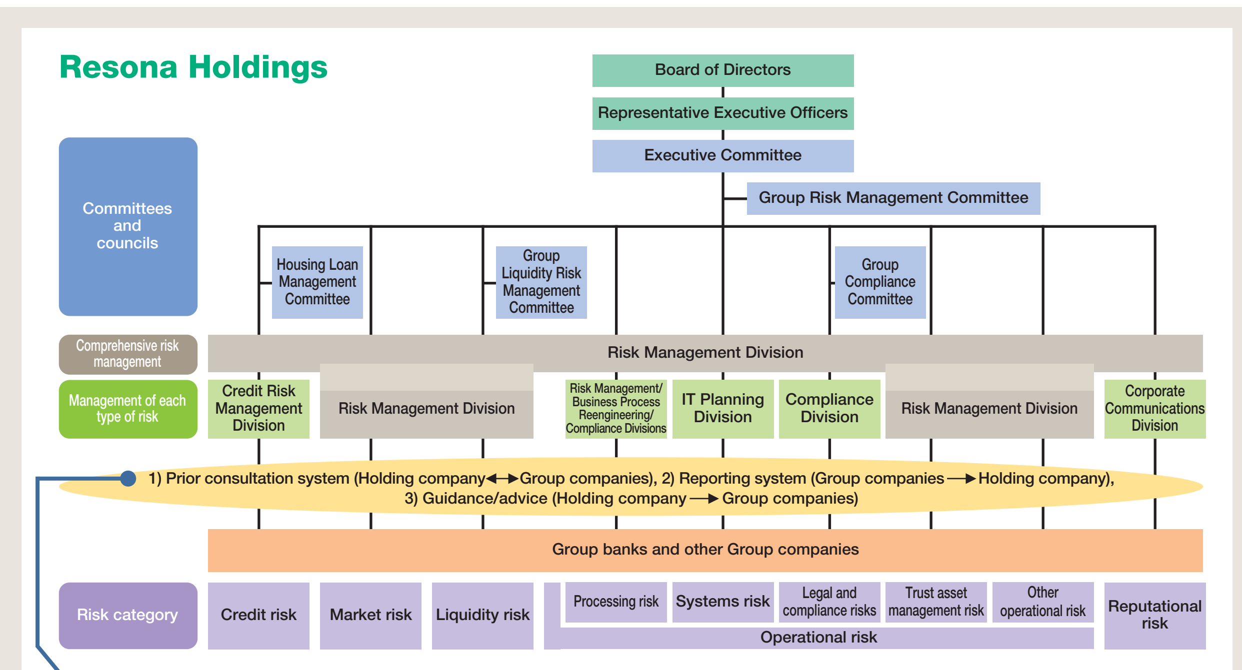
The Group management framework requires that Group companies confer with Resona Holdings in advance of making decisions on important matters related to risk management and base their decisions on those consultations.

In addition to providing direction to Group companies regarding risk management policies as well as rules, standards, and systems, Resona Holdings verifies risk management policies, rules, standards, and systems at all Group companies through prior consultation, thus controlling the Group risk management framework.

Furthermore, Resona Holdings controls risk taking by Group companies by requiring prior discussion of their limits and guidelines. Group companies must make reports to Resona Holdings regarding the risk conditions and their management on a regular and as-needed basis so that the holding company can provide guidance and direction as necessary.

As shown by the chart below, we have formed risk management divisions within Resona Holdings for managing each type of risk on a Groupwide basis.

[Group Risk Management Systems in Outline]



Resona Holdings Group Management Framework	
1) Prior discussion system	Group companies must engage in prior discussion with Resona Holdings in the situations listed below. • When establishing or revising important risk management policies or rules • When establishing all types of risk-related limits and guidelines • When making decisions about other important risk management matters
2) Reporting system	• All Group companies must make periodic reports to Resona Holdings regarding the status of risks and risk management. • Reports are made as needed, for example, when critical risk management issues arise.
3) Guidance and advice	•Resona Holdings presents such Groupwide risk management items as policies, standards, and systems to all Group companies. •Resona Holdings provides individual guidance and advice as necessary, based on reports from Group companies.

COMPREHENSIVE RISK MANAGEMENT

Basic Approach to Comprehensive Risk Management

Comprehensive risk management measures and controls differing kinds of risk from an overall perspective, and its objective is to maintain the sound management of the Resona Group as a whole. To secure such sound management, the fundamental approach is to manage operations so as to maintain major types of risk within the limits of core capital.

Comprehensive Risk Management Systems

Comprehensive risk management divisions have been formed within Resona Holdings and the Group banks, and each of these divisions is responsible for comprehensive risk management of the Group and the banks, respectively.

All Group banks measure the volume of credit risk, market risk, and operational risk using the risk management indicator value at risk (VaR*) and establish risk limits (make risk capital allocations) on these types of risk. Risk management is conducted to control risk within these established limits.

When the Group banks set their risk limits, Resona Holdings holds prior consultation with each bank and verifies the details of the limits to be established to confirm the soundness of the Group as a whole. In addition, Resona Holdings receives periodic reports from the Group banks regarding the status of risk management and confirms the status of comprehensive risk management of the Group.

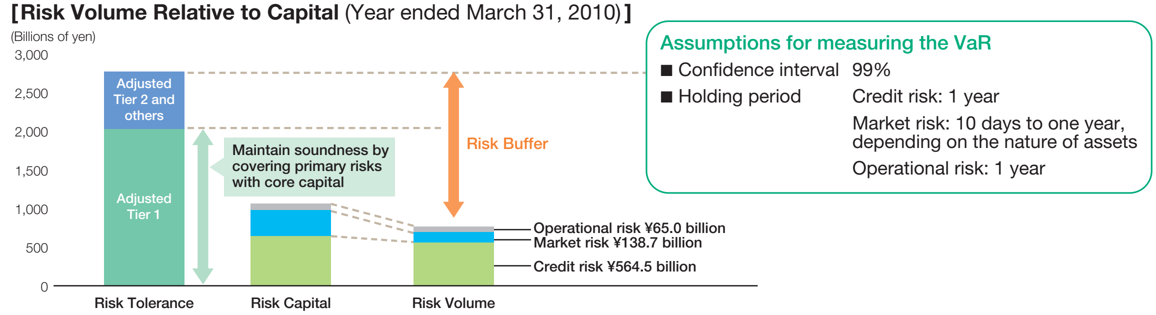
In addition, although the Resona Group is constantly working to improve the quality of risk measurement through various means, including the application of the VaR method, there are risks that cannot be quantified by statistical data compiled using such means. Based on this fact, Resona Holdings and Group banks strive to study and understand the incompleteness and specific weak points of the VaR method, thereby assessing and recognizing the impact of such limitations of their risk measurement. For risks that cannot be identified or quantified by the VaR method, Resona Holdings conducts qualitative assessment through various stress-testing and the use of risk-assessment mapping. In this way, Resona Holdings aims to enhance the quality of its comprehensive risk management.

* VaR, or value at risk, is a risk management indicator that is calculated using statistical methods to measure the maximum loss that may occur over a specified period (holding period) with a specified confidence interval (probability).

[Resona Group's Allocation of Risk Capital (Establishment of Risk Limits)**]**

- Primary risks such as credit, market, and operational risks are controlled within the adjusted Tier 1 limit.
- Sufficient risk buffers are provided against the risk volume assumed under a stress scenario or the risks difficult to measure.

[Risk Volume Relative to Capital (Year ended March 31, 2010)**]**



CREDIT RISK MANAGEMENT

Basic Approach to Credit Risk Management

We define credit risk as "a risk that arises when the value of assets declines or is destroyed as a result of the deterioration of the financial position of obligors."

The Resona Group manages credit risk by maintaining appropriate earnings in relation to credit costs (average credit loss amount) by accumulating sound and profitable assets through appropriate credit analysis and management. At the same time, by promoting the thorough distribution of risk through accurate credit portfolio management and controlling credit risk within appropriate limits, we aim to maintain the soundness of our operations.

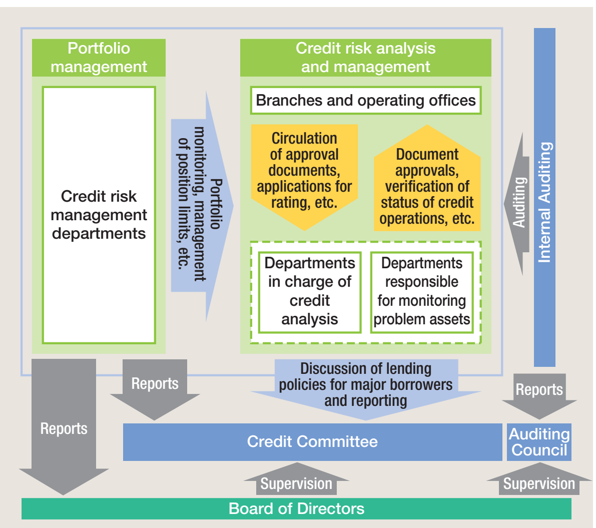
Positioning credit risk management as one of the most important management issues, Resona Holdings has formulated the *Group Risk Management Policy*. Based on this policy, the Resona Group establishes and upgrades its credit risk management systems and relevant procedures.

Credit Risk Management Frameworks and Systems

The Credit Risk Management Division is in charge of managing credit risk at Resona Holdings. This division collects information relating to credit and other risks from all Resona Group banks and controls credit risk management in the Resona Group while coordinating relevant activities through effective planning and strategy formulation. When the division identifies credit risk management issues through its operations, it collaborates with the Risk Management Division in charge of comprehensive risk management within the entire Group, on an as-required basis, to make appropriate responses, such as instructing relevant Resona Group banks and divisions to solve the issues. In addition, the Credit Risk Management Division, regularly or on an as-required basis, monitors the status of Groupwide credit risk and Group banks' management. The results of such monitoring are reported to the management of Resona Holdings through the Executive Committee and other relevant committees.

With the aim of complementing the aforementioned Groupwide structure and systems, Resona Group banks have in place effective credit risk management frameworks and systems consistent with the nature of their credit risk management. Organizations responsible for credit risk management at Resona Group banks are credit committees and credit risk management-related departments, which include divisions responsible for credit risk management, credit analysis, and administration of problem loans.

[Credit Risk Management System of the Resona Group Banks]



Credit Policy

The Resona Group, reflecting upon its experience of receiving a capital infusion with public funds, has established a unified *Group Credit Policy*, which lays out a standard set of basic principles for credit management for the Group as a whole. The Credit Policy describes in detail principles and rules for credit operations with the objective of building a sound portfolio of loans to SMEs and individuals that is well diversified and yielding appropriate returns. *Group Credit Policy* is frequently referred to in the daily operating procedures as well as on the occasions of internal training.

Outline of Procedures for Credit Risk Management

■ Identification and Assessment of Credit Risk

To accurately assess and measure credit risk, each Group bank assigns a credit rating to every obligor and reviews this rating at least once a year. Also, in cases where claims are past due or the business performance of obligors deteriorates, timely and appropriate reviews are conducted.

Moreover, to accurately assess and measure the credit risk of the Group's credit portfolio, Group companies measure exposure and credit costs (average loan loss amount) and use statistical methods, such as value at risk (VaR), to quantify risk volume.

■ Monitoring of Credit Risk

Group banks monitor the credit risk standing of their customers by monitoring their fulfillment of contractual repayment schedules, their business performance, financial position, qualitative factors, and other indicators. Especially for customers to which the Resona Group has major credit exposure and may have a major impact on the Group's management, monitoring is carried out more strictly and on a continuing basis.

To monitor the credit risk of the Group's portfolio, related data is classified according to assigned credit rating, industry, region, and other criteria. Based on this classification, Group banks calculate credit risk exposure, credit costs, credit VaR, and other indicators and follow carefully and analyze changes in credit risk, concentrations of credit risk, and risk versus return conditions.

■ Control and Mitigation of Credit Risk

When screening applications for credit, Group banks examine and gain a firm grasp of the applicant's financial position, uses of funds, resources for the repayment of obligations, and other related matters, and, then taking account of special risk characteristics or other issues, perform appropriate credit analyses.

To deal with concentrations of exposure to specific customers or groups of customers, in view of possible repercussions for the Resona Group's management, Group banks set credit limits, or credit ceilings, and adopt other measures to manage such circumstances.

When we determine that certain customers need to be given special attention because of deterioration in performance or other circumstances, Group banks make appropriate provisions for potential credit losses and immediately take steps to revitalize the customer's business activities and recover credit to keep losses to an absolute minimum. In addition, Group banks are taking active initiatives to reduce credit risk by working to make improvements in the management of customers' business operations through providing support in the form of management consultation, management guidance, and management improvement activities.

Internal Credit Ratings

Outline of Internal Credit Ratings

Resona Group banks assess the credit risk of their customers based on their financial position and other factors in accordance with established rules, assigning one of 12 notch ratings. These credit ratings reflect the obligor's credit risk standing, and they are used as one important criterion in making judgments regarding the extension of credit. Assignment of customers to the obligor classification is based on their credit ratings. Since necessary write-offs and loan loss reserves are estimated based on the results of self-assessments of asset quality, the internal credit rating system occupies an extremely important position as a basic indicator for self-assessments as well as write-offs and provision of loan loss reserves. Expected credit costs are calculated based on the probability of default for each credit rating category, and such estimated credit costs are used to measure and manage the profitability of individual customer accounts. As a result, the Group works to obtain earnings that are commensurate with the credit risk taken.

Various models used in such internal credit ratings are verified at least once a year by the Credit Risk Management Division for adequacy. The results of such verification are reported to the management of Resona Holdings, and these risk models are subject to review and revision on an as-required basis.

[Credit Rating Scale]

Obligor Ratings	Borrower Category		Definition
SA	Normal	Outstanding	Very high probability of meeting obligations; operations are stable
A		Superior	High probability of meeting obligations; operations are stable
B		Good	Sufficient probability of meeting obligations but, if the economy and business environment deteriorate substantially, there is a possibility this will have an effect on the obligor
C		Above average	There are no problems regarding the probability of meeting obligations, but, if the economy and the business environment deteriorate substantially, there is a possibility that the probability of meeting future obligations will decrease.
D		Average	There are no problems regarding the probability of meeting obligations for the time being, but, if the economy and business environment deteriorate substantially, there is a possibility that the probability of meeting future obligations will decrease.
E		Below average	There are no problems regarding the probability of meeting obligations at present, but there are elements of uncertainty regarding business performance and financial position, and, as a result of changes or other developments related to economic trends and the business environment, there is concern that problems may arise related to meeting future obligations.
F	Watch	Watch I	Business performance is weak or uncertain, and there are problems related to financial position and other matters; therefore, monitoring and attention are necessary going forward.
G		Watch II	Business performance is weak or uncertain, and there are problems related to financial position and other matters; therefore, close monitoring and attention are necessary going forward.
H		Special attention	Business performance is weak or uncertain, there are problems related to financial position and other matters regarding the obligor, and there are problems regarding lending conditions and meeting obligations.
I	Doubtful		At present, the obligor is not in bankruptcy but is experiencing management difficulties, the state of progress toward the implementation of management reform plans is not satisfactory, and, going forward, there is a strong possibility of bankruptcy.
J	Effectively Bankrupt		Although not, in fact, legally or formally, in bankruptcy, the obligor is effectively in bankruptcy, as it is recognized to be experiencing serious management difficulties, and there are no prospects for restructuring.
K	Bankrupt		The obligor is legally and formally in bankruptcy.

Outline of Rating Procedures

■ Corporate Exposures

For industrial corporations in general, business proprietorships, financial institutions, and others, the Group uses a rating model to assign credit scores based on the obligor's financial information. The Group decides on credit ratings based also on qualitative factors, ratings by external agencies, the credit condition of related parties, and, the most important, the most up-to-date information that can be collected. In the case of governments, regional governments and entities, and other obligors for which scoring based on rating models is not appropriate, ratings are assigned based on financial strengths, taking account of the special features of these entities.

■ Specialised Lending

In the case of non-recourse loans for which the nonexempt property is public infrastructure, tangible assets (such as ships and aircraft), and/or commercial real estate, such loans are divided into four types—project finance, object finance, commercial real estate lending, and highly volatile commercial real estate lending—and scoring models for each of these four types are applied. For all of these four types, indicators that are used as the basis for scoring include the loan to value (LTV) ratio (ratio of the loan exposure to the value of the assets) and the debt service coverage ratio (DSCR, the ratio of the annual interest and principal to be paid to net income). In addition, qualitative and other information, such as the viability of the underlying business activities and information on the nonexempt property, is also taken into account in deciding on ratings.

■ Retail Exposures

Exposure other than that outstanding to industrial corporations is divided into three categories—residential mortgage exposures, qualified revolving retail exposures, and other retail exposure. Exposures in each category that have similar risk characteristics are then organized into pools and risk management is conducted for each of these pools.

■ Equity Exposures

Resona Bank and Saitama Resona Bank employ the PD/LGD method* for calculating risk assets for its equity investments for relationship purposes (with the exception of those stocks for which other methods of calculation have been specified) and use the same method that is used in calculating exposure to industrial corporations to assign credit ratings.

* Under the PD/LGD method, credit risk assets are calculated by assigning a credit rating to the obligor, and then taking into account the probability of default (PD) (the probable ratio of defaults over a one-year period) measured for each credit rating category and the loss given default (LGD).

■ Funds, Etc. (Equivalent Exposure Basis)

The Resona Group makes investments in equity investment trusts, bond investment trusts, and various types of other funds. In calculating risk assets for funds, the Group conducts a look-through (examination of the individual assets underlying these funds) and, in principle, uses the total amount of underlying individual credit risk assets to calculate its credit risk exposure. When the PD/LGD method is used to calculate the credit risk assets of the underlying assets through the conduct of a look-through, the credit rating is determined using a similar approach as applied to exposures to industrial corporations.

■ LGD (Loss Given Default) Ratings

The Resona Group adopts an LGD rating approach which assigns a rating to an individual credit. Together with the internal credit ratings, LGD ratings are used as criteria for decision making in the assessment of individual credit while being applied in the monitoring of overall profitability for each customer account as well as in credit portfolio management. Individual credits are assigned with a rating in accordance with their estimated collectibility as measured in LGD. A high rating indicates low LGD, representing high collectibility at loan default, while a low rating indicates high LGD, representing low collectibility.

■ Parameter Estimates

Resona Bank and Saitama Resona Bank estimate and verify the probability of default (PD: probability of an obligor experiencing default within a year) for each internal credit rating category in accordance with the stipulation under the Notification on Capital Adequacy, based on their combined past data. For retail exposures, PD is estimated for each of the loan pools defined by the two banks. Such estimates are used in the calculation of the two banks' capital adequacy ratios. These parameters are also used for decision making concerning risk capital allocation and risk-adjusted asset management by major business lines.

[Portfolio Classification and Internal Credit Ratings]

Asset Classification			Definition	Applicable Systems and Rules
Corporate Exposures	Corporate	Enterprises	Business with credit amount exceeding ¥100 million	Internal Credit and LGD Ratings
		Self-employed Individuals	Self-employed individuals with credit amount exceeding ¥100 million	Internal Credit and LGD Ratings
		Specialised Lending	Project finance, object finance, commercial real estate lending, and highly volatile commercial real estate lending	Internal Credit Ratings
	Sovereign		Central governments, central banks, government affiliated institutions, local public organizations, certain public corporations, credit guarantee corporations, international institutions, and others (Japan, overseas)	Internal Credit and LGD Ratings
	Financial Institution		Banks and securities companies (Japan, overseas)	Internal Credit and LGD Ratings
Retail Exposures	Residential Mortgage		Loans for individuals to acquire residential real estate	Rules for Retail Pool Management*
	Qualifying Revolving Loans		Unsecured card loans for individuals with a credit ceiling of less than ¥10 million	
	Other Retail Exposures		Retail exposures (excluding exposures to those who are self-employed) other than loans to acquire residential real estate and qualifying revolving loans Exposures other than the above having a credit amount less than ¥100 million	
Equity Exposures			Cross-held stocks	Internal Credit Ratings

* Internal credit ratings are applied to those enterprises classified as "other retail exposures."

Portfolio Management

Framework to Monitor and Eliminate Concentration Risks

Credit portfolio management, which involves management of the overall portfolio of loans and bills discounted, is one of the two pillars of credit risk management, with credit analysis and management being another pillar.

Excessive concentrations of loans and bills discounted to certain obligors resulted in substantial credit losses, and, in light of the Resona Group's experience in receiving a capital infusion with public funds, it has implemented a credit ceiling system that prevents excessive concentration of risk. Under this system, Group banks established an upper limit based on their respective financial strength to prevent the total credits they extend to a single obligor from exceeding the ceiling. Adherence by subsidiary banks to their respective ceilings is monitored on a regular basis.

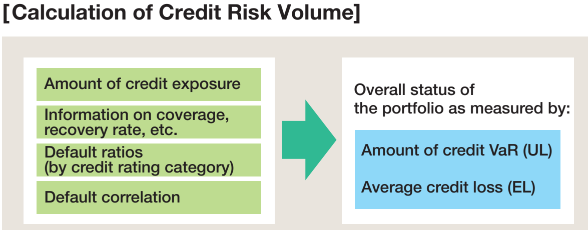
By analyzing the composition of our credit portfolio by such criteria as credit rating, industry, and regional classifications, we regularly monitor changes in the amount of credit exposure and credit costs as well as the state of risks and returns.

In particular, for managing the housing loan portfolio, which is becoming an increasingly large portion of the total portfolio, we have formed the Housing Loan Management Committee, a cross-Group organization that meets periodically, to enhance the sophistication of credit risk management.

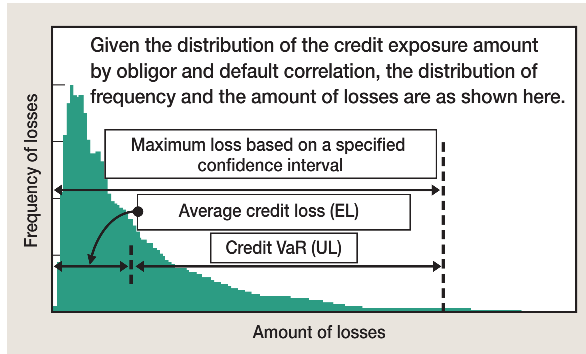
Quantifying and Establishing Limits for Credit Risk

The Resona Group calculates credit risk for its entire credit portfolio using a model to quantify credit risk, and this is used for internal control purposes. Specifically, using the credit amount, status of coverage, the ratio of recoveries, the default ratios by credit rating category, default correlations, and other data, the average credit loss (EL: expected loss) as well as credit VaR (UL: unexpected loss) are calculated. The Resona Group establishes a limit on credit VaR to control quantified credit risk within a fixed limit.

[Calculation of Credit Risk Volume]



[General Image of the Distribution of Losses]



Distributing Credit Risk Volume by Segment

To promote the sophistication of risk management with such initiatives as credit portfolio analysis, it is necessary to calculate credit VaR for individual obligors as well as for individual industries and geographic regions. The Resona Group uses the concept of marginal credit VaR* to distribute the credit VaR measured for the entire credit portfolio to individual obligor units, and, after compiling the risk by segment, uses these data in portfolio analysis.

* Marginal credit VaR measures the effect of a specific obligor on the credit VaR of the entire credit portfolio. Specifically, the calculation involves determining the decrease (increase) in credit VaR when the credit extended to a specific obligor is removed from (added to) the credit portfolio.

Credit Analysis and Management

Individual Credit Assessments

Credit analysis and management entail case-by-case credit assessments, or the credit management of individual obligors. In handling credit operations, to make highly accurate and reliable credit assessments, Group bank branches engage in comprehensive evaluations of such quantitative information as financial statements and such qualitative information as information about the business environment and the quality of the management, along with assessments of how the loan will be used, the adequacy of repayment sources, lending conditions, and other matters.

In cases where credit exposure and the level of credit risk involved exceed certain established levels, the Head Office divisions responsible for credit analysis and management of problem claims make decisions on the application. The credit analysis divisions use an assessment system that takes account of the potential obligor's size, industry, and the level of credit risk.

Obligor Management

After credit has been granted, the Group banks monitor the use of loan proceeds and the fulfillment of lending conditions as well as periodically assess business conditions and the status of company plans.

Through the monitoring of the status of obligors' credit risk, the credit analysis divisions, on an as-required basis, formulate appropriate policies and specific measures. Based on these policies and measures, the credit analysis divisions provide necessary guidance to branch offices while monitoring their operations to assure that the guidance provided is closely observed. In particular, the credit analysis divisions monitor large obligors more strictly and frequently, compared with other obligors, due to the significant impact they could have on its management and performance. In addition, the credit analysis divisions conduct discussions with and make reports to the Credit Committees with regard to the status of credit risk management and relevant policies for such obligors.

Resona Group banks, in principle, manage problem loans in accordance with the significance of their credit risk. In more specific terms, such claims are separately managed depending on their internal ratings and obligor classification assigned to them. For obligors falling below a certain rating and obligor classification, the division responsible for problem loan management works to accurately monitor and manage their business status. After assessing their ability to recover their business in an appropriate manner, the problem loan management division makes a decision on business revitalization or liquidation and claim collection. For obligors whose business is deemed recoverable, the Group banks, as necessary, provide guidance in preparation of restructuring plans, to provide as much support as possible for implementation of these plans. In addition, for those obligors behind in their payments, the Group banks identify and analyze the reasons for this delay in payment, provide timely consultation and advice, and take other initiatives to prevent prolongation of such delays. Especially in the case of SMEs, in view of the roles of financial institutions in society, the Group banks provide support through detailed management consultation and guidance as well as offer support for preparing management improvement plans, thus taking aggressive initiatives in helping them to revitalize their businesses.

Self-Assessments, Write-Offs, and Reserves

Self-Assessments of Asset Quality

Self-assessments of asset quality involve assessing the individual assets that Group banks hold and classifying them according to the degree of risk in their recovery and impairment with a view to fully understanding the condition of the banks' assets and increasing their financial soundness.

Self-assessments of asset quality are the means for credit risk management as well as a preparatory step for compiling objective and accurate financial statements which fully reflect the write-offs and provisions of loan loss reserves necessitated by the results of such self-assessments.

Rating	Borrower category	Claims category	Write-offs/reserves
SA	Normal	I (unclassified)	Reserves are provided based on the expected credit loss rate*.
A			
B			
C			
D			
E			
F	Watch	II	
G			
H	Special Attention		
I	Doubtful	III	The uncovered portion is provided for with reserves or write-offs*.
J	Effectively Bankrupt	IV	
K	Bankrupt		

* For certain large obligors among Watch, Special Attention, and Doubtful borrowers, reserves are provided based on the discounted cash flow (DCF) method.

Criteria for Write-Offs and Reserves

The Resona Group banks have established *Criteria for Write-Offs and Reserves*, and, based on the results of their self-assessments of asset quality, in principle, Group banks make write-offs of exposure and provisions to loan loss reserves.

- For exposure to obligors classified as normal, Group banks set aside provisions to loan loss reserves based on expected losses calculated using the historical loan loss rate for a specified period in the past. The amount of expected losses over the coming one-year period is added to the general reserve for possible loan losses.
- For exposure to watch obligors, Group banks set aside provisions to loan loss reserves based on expected losses calculated using the historical loan loss rate for a specified period in the past. The amount of expected losses over the coming one-year period (or over the coming three-year period in the case of watch obligors requiring special attention) is added to the general reserve for possible loan losses.
- For exposure to doubtful obligors, Group banks subtract the amount deemed recoverable based on the value of collateral upon disposal and the value of guarantees, and then, based on the expected loss ratio calculated from actual defaults over a specified period in the past, the Group banks estimate the amount of the expected loss over the coming three years and add this expected loss to the specific reserve for possible loan losses.
- For exposure to effectively bankrupt and bankrupt obligors, Group banks subtract the amount deemed recoverable based on the value of collateral upon disposal and the value of guarantees and then either write off the unrecoverable amount or add such amount to the specific reserve for possible loan losses.

Securitization Transactions

The Notification on Capital Adequacy issued by the Financial Services Agency defines securitization transactions as follows. "Transactions in which the underlying assets are classified into two or more categories by the level of credit risk (from preferred to subordinated) and then sold, in part or in their entirety, to third parties. However, specialised lending claims are excluded from such transactions."

Securitization Exposures Held by the Holding Company Group as an Investor

The Group banks may hold for investment purposes securitized products for which the underlying assets are housing loans or other claims that have been issued and are traded as well as investment instruments, etc., for which the underlying assets are commercial real estate, etc. These may include instruments that are classified as securitization exposure. To manage the risk of this exposure, criteria based on ratings issued by qualified credit rating agencies (Eligible External Credit Assessment Institutions (ECAI)) have been established for acquiring such securitized products and investment instruments. Position limits are established for the sake of controlling and diversifying risk.

Securitization Exposures Originated by the Holding Company Group

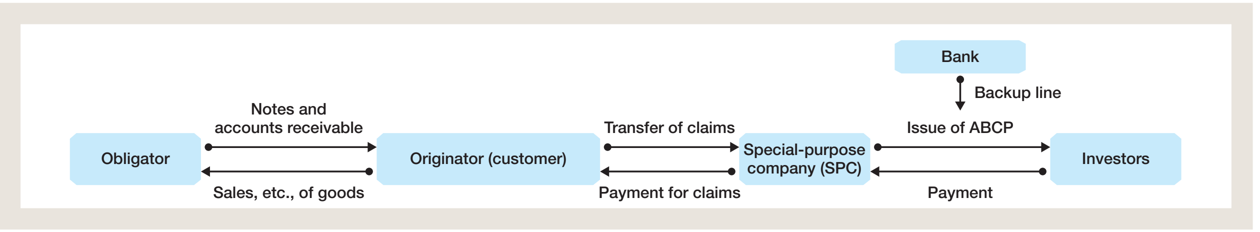
To control credit risk and interest rate risk of assets on the balance sheets, when housing loans and non-performing loans are securitized and in those cases where the Group holds a portion of such securitized claims, these claims may be included among securitization exposure. When assets held by the Group banks are securitized, various relevant laws and regulations are confirmed and judgments are made regarding the effects of risk transfer, the appropriateness of transaction schemes, and other considerations.

Securitization Exposure as Sponsor of Securitization Programs

The Group banks offer asset-backed commercial paper (ABCP) programs (Please refer to the diagram on page 35.) and asset-based lending (ABL) programs to enable its customers to raise funds through the securitization of their accounts receivable and notes receivable. Certain ABCP backup line exposure and ABL securitization exposure may be classified as securitization exposure. When such transactions are conducted, conditions regarding claims that can be securitized and originator criteria have been established. In addition, confirmations are made regarding the absence of related risks, including the risk that claims may be contested by third parties, risks of fraud—such as the non-existence of the actual claims—the risks of dilution of claims as a result of the return of goods, and the risk of claims being offset by counterclaims.

As mentioned on page 34, each of the Group banks is aware of the wide range of risk inherent in securitization transactions, including credit risk, interest rate risk, and operational risk, and works to manage these risks appropriately.

[Example of ABCP Program Scheme]



Credit Risk Mitigation Techniques

Credit risk mitigation is possible by taking measures to provide coverage for credit exposure, such as taking collateral, guarantees, and other methods that supplement the obligor's credit standing and enhance the quality of credit exposure.

Eligible collateral includes deposits held at Resona Group banks, Japanese Government Bonds and other bonds or stocks of listed companies and other marketable securities, commercial bills, real estate, and other items. This pledged collateral is retained under strict standards and properly managed by regular appraisal of their values. Additionally, guarantees of all types, agreements on bank transactions that allow for a netting of unpledged deposits and loans obligations, and cross-netting contracts for derivative transactions and repurchase agreements are among the credit risk mitigation techniques. The Resona Group considers profits and cash flows generated by an obligor to be the primary source for repayments and makes efforts not to depend too much on collateral and guarantees for collecting and recovering credits.

Derivative Transactions

Policies Regarding Setting Credit Lines and Risk Capital Allocation

Regarding counterparty risk in derivative transactions, the Group banks add this risk to the credit risk relating to loans and other transactions with the same counterparty to supervise and manage credit risk in a comprehensive manner. Group banks make proper credit judgments and establish credit lines based on the *Group Credit Policy*, which established the principles, rules, and guidelines for actions related to credit risk management. Unlike risk arising from loans and other credit-providing activities, the credit risk amount arising from derivative transactions fluctuates according to market trends. For this reason, the credit risk amount after transactions have been conducted is monitored periodically according to a method that takes account of the fair value and future risks (the "current exposure" method). In transactions with financial institutions, Group banks set credit lines based on the credit rating of such financial institutions, prevailing financial conditions, and other considerations. In addition, the risk capital for derivative transactions is included in the risk capital allocated to credit and market risks.

Policies Regarding Collateral and Calculation of Reserves

In addition to the management of loans and other forms of credit, Resona Group banks adhere to the strict control of credit lines and the status of collateral pledged. Furthermore, Resona Group banks calculate amounts of loan loss reserves based on their criteria for self-assessments of asset quality, write-offs, and provisions of loan loss reserves.

Impact of Additional Collateral Required due to Deterioration of Own Credit Standing

In its market-related business activities such as derivative transactions with collateral agreements, the Resona Group works to manage counterparty risk through such frameworks as establishing credit lines for individual counterparties. In the event that the Resona Group is forced to additionally pledge qualified financial assets as collateral due to a deterioration in its credit standing, or that transaction volumes exceed, or are expected to exceed, the credit lines established due to market and transaction conditions, it will review and adjust transactions with applicable counterparties or review and revise, if deemed necessary, policies relating to transactions of applicable financial products.

MARKET RISK MANAGEMENT

Basic Approach to Market Risk Management

Market risk is the risk of losses that may occur when the value of assets and liabilities (including off balance sheet assets and liabilities) changes because of fluctuations in market risk factors, including interest rates, foreign currency exchange rates, and stock prices.

The Resona Group works to maximize the profit it generates from market transactions while restraining the inherent losses that may arise from market transactions within a specified limit. The objective of this approach is to simultaneously enhance the efficiency of its capital and ensure the soundness of management of the Resona Group through the appropriate and strict management of market risk.

Market Risk Management Methods

All Group banks estimate the fair value of market transactions and establish limits on risk capital, loss limits, and sensitivity*1 by types of instruments.

In principle, the status of observance of various limits is monitored on a daily basis and, in some cases, on a monthly basis, to ensure that limits are maintained and assess profits and losses. The potential loss amount based on certain stress scenarios is calculated on a regular basis.

Resona Holdings supervises risk in the Group as a whole, and, as necessary, provides guidance and advice to the Group banks.

*1 The amount of fluctuation in the fair value of a market transaction corresponding to a change in market price indices. An example of this is basis point value (BPV), which reflects a change in fair value based on a 0.01% change in the interest rate.

[Group VaR Performance]

The VaR for Resona Bank, Saitama Resona Bank, and Kinki Osaka Bank in the period from April 1, 2009 to March 31, 2010 was as follows.

Resona Bank

(Billions of yen)	Period end	Maximum	Minimum	Average
Trading transactions	2.22	4.04	0.82	2.11
Banking transactions	48.0	50.1	41.8	45.7

* Excluding cross-held stocks.

	Trading transactions	Banking transactions
Confidence interval	99%	99%
Holding period	10 business days	20 business days*
Observation period	One year	Five years
Risk measurement method	Historical Simulation Method	Historical Simulation Method

* The holding periods for alternative investments and investment funds held for relationship purposes are 250 business days and 125 business days, respectively.

Saitama Resona Bank

(Billions of yen)	Period end	Maximum	Minimum	Average
Trading transactions	0.02	0.09	0.01	0.04
Banking transactions	25.2	28.2	24.0	26.1

* Excluding cross-held stocks.

	Trading transactions	Banking transactions
Confidence interval	99%	99%
Holding period	10 business days	20 business days
Observation period	One year	Five years
Risk measurement method	Historical Simulation Method	Historical Simulation Method

Kinki Osaka Bank

(Billions of yen)	Period end	Maximum	Minimum	Average
Trading transactions	0.00	0.01	0.00	0.00
Banking transactions	12.9	12.9	6.2	8.9

* Excluding cross-held stocks.

	Trading transactions	Banking transactions
Confidence interval	99%	99%
Holding period	10 business days	125 business days
Observation period	One year	Five years
Risk measurement method	Historical Simulation Method	Historical Simulation Method

Equity Exposures in the Banking Book

For investments in funds in the banking book, which are held for investment purposes or for relationship purposes, and for investments in equities, which are held for relationship purposes and other strategic objectives, the Resona Group banks strictly select, only after prior analysis of each issuer, such investments according to the rules and regulations set internally. In addition, to restrain excessive risk taking, the Group banks set position limits in advance on such investments, quantify the risk involved, and report such data to the management on a regular basis.

Also, the middle office, which is independent of the front office, supervises these investments by quantifying various risks on a portfolio basis. The Group banks calculate the risk of price fluctuations using the VaR method, employing a holding period of 125 business days with a confidence interval of 99%.

Furthermore, for non-marketable securities held by the Resona Group banks, risks in association with holding such securities are being measured in terms of credit risk, regardless of their type, such as available-for-sale securities and stocks of subsidiaries and affiliated companies.

Interest Rate Risk in the Banking Book

Risk Management Policies and Procedural Overview

With the aim of stabilizing and maximizing earnings, the Resona Group banks strive to manage interest rate risk in the banking book in an appropriate manner through close observation of interest rate fluctuations and overall economic conditions and optimal risk diversification. In principle, the Resona Group banks engage in derivative transactions primarily for the purpose of hedging risks. Detailed procedures are the same as those followed in the risk management of trading transactions: The Resona Group banks allocate risk capital and establish loss limits to restrain excessive risk taking, while the middle office, independent of the front office, monitors interest rate and other risks, in principle, on a daily basis. In addition, the middle office monitors the status of risk limit observance and earnings. The results of such monitoring are regularly reported to the management to assure appropriate risk management.

In addition to ordinary risk measurement, the Resona Group banks regularly conduct stress-testing to quantify the impact of sudden changes in market conditions. The Resona Group performs monitoring in conjunction with the quantified amounts while applying the results of such quantification in its comprehensive risk management.

Outline of Methods Used by Resona Group to Measure Interest Rate Risk in the Banking Book

The methods used by the Resona Group to measure interest rate risk in the banking book for internal control purposes are outlined as follows:

- Holding period:
  Resona Bank, Saitama Resona Bank: 20 business days
  Kinki Osaka Bank: 125 business days
- Confidence interval: 99%
- Observation period: 5 years
- Risk measurement methods: Historical Simulation Method
- Other major assumptions: Among liquid deposits without maturity dates, for those that have been held in accounts for long periods (so-called core deposits), interest rate risk is calculated over a maximum period of 5 years and an average period of 2.5 years. In addition, at Resona Bank and Saitama Resona Bank, the interest rate risk for housing loans, etc., is based on future cash flow estimates that take account of possible prepayments. Estimates of loans that may be repaid before maturity are calculated based on analyses of the actual records of the time intervals from the time loans were made to early repayments.

LIQUIDITY RISK MANAGEMENT

Basic Approach to Liquidity Risk Management

Liquidity risk is the risk of losses that may occur when a party is unable to secure the cash required for meeting the cash flow requirements arising from the mismatching of the maturities of fund uses and fund sources and/or to cover an unexpected outflow of funds and, as a result, is obliged to raise such funds at an extremely high cost, thus incurring losses (cash management risk). Liquidity risk losses may also occur when dislocations and other problems in the market make it impossible for parties to conduct transactions, and, as a result, they are obliged to engage in transactions at highly unfavorable prices (market liquidity risk).

We have developed systems for management of liquidity risk that require periodic and appropriate monitoring activities and reports to management. Resona Holdings, which is responsible for overall management supervision, has established a liquidity risk management unit, and has developed overall Group systems for managing liquidity risk.

Assessment of Liquidity Risk

Resona Holdings and Group banks conduct assessments of the level of liquidity risk and make decisions as to whether conditions are normal or in need of attention. When conditions are found to be in need of attention, such conditions are further subdivided as follows: Phase 1 (Caution required), Phase 2 (Concerned situation), and Phase 3 (Critical). After the level of liquidity risk has been identified, systems have been developed to take predetermined specific measures in a timely and appropriate manner.

Also, in making such assessments regarding the level of liquidity risk, we make comprehensive evaluations, analyzing the situation by looking at both Groupwide external factors (the price of Resona Holdings stock, the Company's credit rating, reputational factors, the economic climate, and monetary policies) and internal factors (deposits and market borrowings that indicate the stability of funds operation at Group banks).

Liquidity Risk Indicators

All Group banks establish essential liquidity risk indices based on their size and special characteristics as well as their liquidity condition, and use these to monitor liquidity. In addition, prior discussions are held with Resona Holdings as necessary to establish and manage guidelines for liquidity risk indices. Based on the understanding that it is particularly important to hold an ample volume of liquid assets to maintain stable funds operation, each of the Group banks has established guidelines for minimum levels of amounts of liquid assets they will hold, based on their size and nature of their operations. These guidelines are followed strictly on a daily basis to implement smooth funds operation. Moreover, Group banks make daily reports to Resona Holdings on the status of principal liquidity risk indices.

Response System for Liquidity Emergencies

To deal with liquidity emergencies, Resona Holdings convenes a meeting of the Group Liquidity Risk Management Committee. Each of the Resona Group banks deals with liquidity emergencies in a similar way by convening meetings of liquidity risk management committees. Moreover, in the event that the emergency is a serious crisis or is likely to become one, a Crisis Response Headquarters—headed by the president—is formed to organize the response.

OPERATIONAL RISK MANAGEMENT

Basic Approach to Operational Risk Management

Operational risk is the risk of losses that may occur when internal processes, personnel, and/or systems function improperly or fail to function and when external factors result in such losses. Operational risks encompass a wide range, including processing, systems, legal, and compliance risks, and such risks may arise in all business processes, products, and services.

In dealing with operational risks, the Resona Group works to manage and reduce risks by identifying and evaluating potential and inherent risks and discussing measures to prevent incidents that will have a major impact on business or result in losses or inconvenience for our customers. We also promote the full preparedness of our management systems by including outsourced operations within the scope of our operational risk management activities. In addition, to grasp the degree of the impact that potential operational risks might have on their businesses, we will quantify operational risks and use this information as a part of comprehensive risk management.

[Classification of Operational Risk]

Risk Categories Adopted by Resona Group		Specific Examples (Possible internal and external examples)
Processing risk	Fraud	• Embezzlement of customer deposits • Misappropriation of the bank's assets • Intentional unauthorized trading, fabrication
	Processing errors	• Loss due to processing error • Loss or accidental disposal of important items • Loss due to failure to meet due date
Systems risk		• Systems failure • Hacking, infection with computer viruses
Legal and compliance risks		• Loss due to violation of duty to explain • Misuse of a stronger bargaining position
Trust asset management risk		• Loss due to misfeasance • Failure to perform fiduciary duties • Violation of management guidelines
Other operational risk	Disasters	• Cessation of business activities due to disaster or power outage
	External crime	• Compensation for damage due to counterfeit or stolen cards • Damage due to robbery, theft
	Defects of facilities and equipment	• Damage to equipment due to natural disasters and terrorism • Loss compensation caused by defective equipment
	Human resources management	• Litigation over unpaid allowance for overtime work • Compensation for work-related accident cases • Settlement package for sexual harassment lawsuit, etc.

Operational Risk Management Structure

Resona Holdings provides guidance and advice to all Resona Group banks on their risk management structure through prior consultations over their risk management policies, rules and regulations, and important measures for operational risk management. It also monitors conditions of operational risk with each Group bank and reports to the management.

Furthermore, Resona Holdings and each Group bank maintain a structure in which the Board of Directors, Executive Committee, divisions responsible for comprehensive risk management, divisions responsible for managing each category of risk, and internal auditing departments play their clearly defined roles and ensure collaboration as well as mutual checking.

Collection and Use of Loss Data

The Resona Group uses unified Group standards to collect loss data related to operational risks. Based on these data, Group banks and Resona Holdings analyze operational risks that have become evident. In addition, to grasp the degree of the impact that potential operational risks might have on their businesses, they use loss data to quantify operational risks and use this information as a part of comprehensive risk management.

Responding to Emerging Risks

If an incident happens at a Group bank that may give rise to significant operational risks, a system is in place that requires making an initial report to management teams at the respective bank and Resona Holdings as well as any other relevant parties. This system works to promote information sharing regarding potential cases of operational risk by ensuring rapid reporting to management teams as well as relevant parties.

In the event that a risk materializes and has a substantial impact on the business, under this system, we can endeavor to make a rapid and appropriate initial response to prevent further impact.

Operational Risk Control Self-Assessments

We conduct operational risk assessments (Operational Risk—Control Self-Assessment [OpR-CSA]) and evaluate the status of risks inherent in all operations (frequency of potential risks materializing and their impacts) as well as the status of risk management (design of systems and their operating condition) to handle inherent risks.

Based on operational risk assessments, we work to make improvements in the status of controls based on a management enhancement plan to prevent major incidents and, by establishing and monitoring a risk index (key risk indicator, KRI), to identify the status of risk at an early stage.

Processing Risks

Processing risk is the risk of losses that may occur when management and/or staff fail to perform processing work accurately and when an accident or fraud occurs.

Accurate and fast processing is necessary for banks to earn customer trust. To accurately and quickly handle the high-volume, extremely time-sensitive transaction processing that arises in the wide spectrum of banking operations, we must have measures in place to control and minimize processing risks. To this end, we are continuing to take initiatives to understand processing errors and other risks that have emerged and conduct monitoring activities.

Responding to Processing Risks

To prevent processing errors, the Resona Group has processing procedures in place and conducts employee education and training. Furthermore, the Group is promoting systematization to reduce processing errors and carries out ongoing reviews of its work procedures and processing to make them simpler and concentrate handling in specific centers.

Clerical work processing that occurs at branch offices is verified to ensure that internal control functions are working to prevent processing errors and misconduct. Representatives from the Head Office's administration departments visit branch offices to provide advice.

For risks that have occurred, we collect data on clerical errors and operational mistakes, and conditions for occurrence and degree of impact are scrutinized and assessed. After understanding all factors through a multifaceted analysis, operational processes are reviewed and training to prevent recurrence is thoroughly implemented.

On the other hand, in the case of inherent risks, we identify and assess such risks based on the status of control deficiencies that have been discovered, the actual situations in practice based on on-site inspections, and other information, and then develop corrective measures based on the level of importance.

Systems Risk

Systems risk is the risk of losses that may occur when computer systems are down or perform improperly as a result of defects. Systems risk may also arise and result in losses when computers are used improperly.

Our basic approach to the management of systems risk is to examine risks that have occurred because of systems failure and make assessments, etc., of risks inherent in each type of system.

Resona Group banks have established systems risk management guidelines as the basis of their systems risk management. Under these management systems, Group banks work to improve information security by taking quick and appropriate action to deal with systems failure, by raising the quality of information systems to prevent failures, establishing measures to prevent the spread of risk when failures occur, and prevent the loss or leakage of customer information. Further, we have a contingency plan in place to handle such emergencies as systems failures or disasters.

Legal and Compliance Risks

Legal and compliance risks are the risk of losses that may occur when legal regulations and contracts are violated and when fraudulent contracts are concluded. Such risk may also arise when improper conduct occurs, such as violation of the duty to give proper explanations to clients and improper use of a superior or advantageous position.

To manage legal and compliance risks, we identify, assess, and gain an understanding of inherent risks as well as the risks that have already occurred, take appropriate measures to prevent such risks before they occur and prevent recurrences, and work to monitor and reduce such risks.

Specific related activities at Group banks include conducting systematic training on inherent risk for management and employees to raise their awareness of compliance issues. Along with heightening the awareness of legal and compliance risks, we also have the Legal and Compliance Risk Management divisions and others conduct compliance checks and provide guidance and advice with the objective of preventing the occurrence and recurrence of such risks. Also, under the Group banks' compliance and other programs, verifications are made of the status of controls, and measures are taken to reduce risk through initiatives, such as reflecting compliance in business processes and conduct of compliance programs.

Regarding legal and compliance risks that have occurred, we identify and assess the impact of the occurrence of such risks and, after analysis of the related facts, take appropriate measures to prevent a recurrence. In addition, the Legal and Compliance Risk Management divisions compile and manage information related to lawsuits to provide for systems for gaining an accurate grasp of risks involved in such lawsuits and other litigation.

Efforts to Prevent Financial Crime

In recent years, incidence of financial crime has been on the rise. The Resona Group has taken action to strengthen identity verification to prevent disbursements with stolen passbooks, money laundering, and the establishment of accounts for improper uses. We strive to protect the precious assets of our customers, and as countermeasures to forged and stolen bank cards, we have implemented a service where individuals can set limits on the amount of money that can be withdrawn from ATMs, a card lock service, and an IC card with a biometric verification function.

To deal with crimes involving deceptive requests for bank transfers, we have provided toll-free numbers in each of the Group banks for making related inquiries. We are also accepting requests for return of such funds (when they remain in the accounts of the perpetrators of these crimes), in accord with the Law for Relief to Persons Victimized by Deceptive Transfer Requests.

In addition, when customers begin transactions, we are beginning to request and receive pledges with clauses (anti-social group clauses) that they are not currently linked to and will not have future connections with anti-social groups. If this pledge is broken and this corresponds to anti-social forces, the Group banks have introduced a pledge with a clause (known as the "exclusion of anti-social forces clause") that provides the legal basis for taking stronger steps to suspend transactions with such forces.

Trust Asset Management Risk

Trust asset management risk is the risk of losses that may occur when a trustee, in the course of managing trust assets, fails to fulfill his/her fiduciary responsibilities and does not exercise the due care that is the responsibility of a prudent manager, thus resulting in loss of trust assets and the need to compensate clients for such losses.

In managing and administering trust funds, we are required to fulfill our fiduciary responsibilities and provide valuable advice to customers. Resona Bank's principal businesses are managing and administering important customer assets, including their pension funds, and we recognize that the fulfillment of fiduciary responsibility is an especially important role. Risks inherent in the management of trust assets, which are borne by trust managers, are in one or more of the categories of processing, systems, and legal and compliance risk. To fulfill their responsibilities, trust managers must fulfill their fiduciary duties and have an awareness of the risks of trust asset management. They are required to identify, assess, understand, manage, and work to reduce such risks from the perspectives of an understanding of risks that have occurred and inherent risks that may occur.

To manage trust asset management risk, the units in charge of such risk monitor periodically and manage the status of compliance with management guidelines and the appropriateness of asset management activities. For risks that have occurred, depending on the causes, we take effective measures to prevent recurrences by calling for attention to these matters in the relevant business units, reviewing business processes, and taking other measures. For inherent risks, we implement reviews of the items being monitored and the frequency of monitoring with the objective of controlling and reducing risk.

In addition, in the management and supervision of trust asset management activities, we are audited by an external auditing organization according to U.S. auditing standard SAS70, and our trust asset management operations have been found to be in compliance with that auditing standard.

REPUTATIONAL RISK MANAGEMENT

Reputational risk is the risk of losses that may occur when reports in the media, rumors, false information, and unfounded reports have a detrimental effect on a company's reputation.

Reputational risk is linked to all other types of risk, and in the event that reputational issues arise, they can cause more damage than may be expected, including loss of trust, a fall in share prices, fewer transactions, and damage to the brand. These potential issues are the reason why we consider reputational risk to be an important area within risk management.

Managing Reputational Risk

The Resona Group takes preventive measures against the emergence of reputational risk by maintaining and enhancing trust through the timely and appropriate disclosure of information.

Given that reputational risk can materialize through the mass media, bad publicity, or rumors, we monitor all types of media for such risks as Internet rumors or speculative articles in the mass media, to work to provide ourselves with information on potential risks early on.

When reputational risk materializes, we protect the profits of our stakeholders (shareholders, customers, and employees) with a quick and appropriate response to prevent further impact. If there is a possibility that Group operations will be affected, and there is a real crisis, the matter is quickly transferred to the Crisis Management System.

Responses to external inquiries are centralized at Resona Holdings, rather than at individual Group companies, so as to preserve the consistency of the Group's information disclosure to the media.

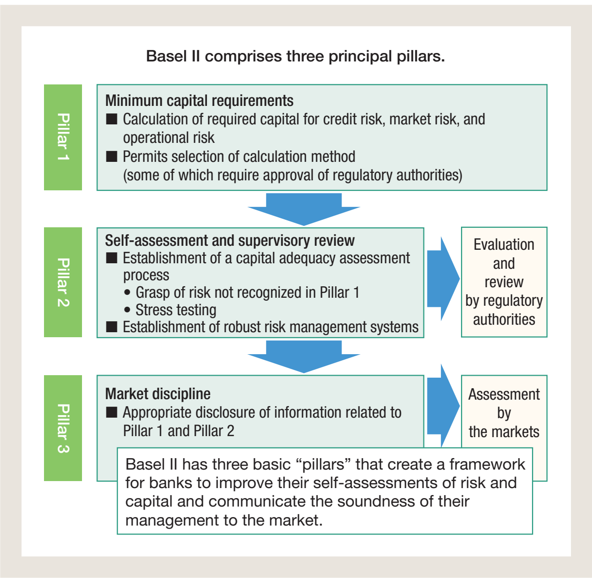
CAPITAL MANAGEMENT SYSTEM

Resona Group's Response to Basel II

Japanese banks adopted the Basel II capital adequacy standards, which are a framework aimed at securing the soundness of banks through enhancement of capital, from the fiscal year ended March 31, 2007.

To secure sufficient capital for the Resona Group, in line with the Basel II framework, Resona Holdings has established a "Basic Policy for Group Capital Management," while all Resona Group banks have established their own basic policies for capital management. These policies set forth (1) taking actions for maintaining a sufficient level of capital, (2) taking actions for the proper capital assessment, and (3) taking initiatives for the accurate computation of the capital adequacy ratio. The Group is also moving forward with initiatives to enhance the level of risk management.

Basel II Framework



Method for Calculating the Capital Adequacy Ratio

Amount of Credit Risk Assets	Operational Risk Equivalent Assets
Foundation Internal Ratings-Based (F-IRB) Approach	The Standardized Approach (Note 3)
Resona Holdings, Inc. Resona Bank, Ltd. Saitama Resona Bank, Ltd. (Note 2)	Resona Holdings, Inc. Resona Bank, Ltd. Saitama Resona Bank, Ltd. The Kinki Osaka Bank, Ltd.

Note: The amount equivalent to market risk is not included since all Group banks apply the "special measure for exempting inclusion."

Notes: (1) The Resona Group banks use the method shown above in calculating their capital ratios. The Capital Adequacy Ratio of Resona Holdings, Inc., is calculated on a consolidated basis under BIS Domestic Standards, defined in "Standards for Bank Holding Companies to Examine the Adequacy of its Capital Based on Assets, Etc. held by it and its Subsidiaries pursuant to Article 52-25 of the Banking Law" (Notification 20, issued in 2006 by the Financial Services Agency). The capital adequacy ratio of each subsidiary bank is calculated on a consolidated and/or non-consolidated basis under BIS Domestic Standards, defined in "Standards for Banks to Examine the Adequacy of its Capital Based on Assets, Etc. held by it and its Subsidiaries pursuant to Article 14-2 of the Banking Law" (Notification 19, issued in 2006 by the Financial Services Agency). For the period ending December 31, 2008 to March 31, 2012, the capital adequacy ratio is calculated based on "Exceptional Standards for Banks to Examine the Adequacy of its Capital Based on Assets, Etc. held by it and its Subsidiaries pursuant to Article 14-2 of the Banking Law" (Notification 79, issued in 2008 by the Financial Services Agency).

(2) The Kinki Osaka Bank, Ltd., is currently preparing for transition to the Foundation Internal Ratings-Based (F-IRB) Approach in calculating the credit risk assets.

(3) Under the Standardized Approach, the amount equivalent to operational risk is calculated based on "gross profit" for the previous three years. The "gross profit" is defined under the Notification on Consolidated Capital Adequacy and differs from the "gross operating profit" that appears on the Resona Group's financial statements.

The Emergence of the Financial Crisis and the Group's Response

As is still fresh in our memories, as a result of the financial crisis that followed the Lehman Shock in September 2008, the world's banks suffered a serious blow.

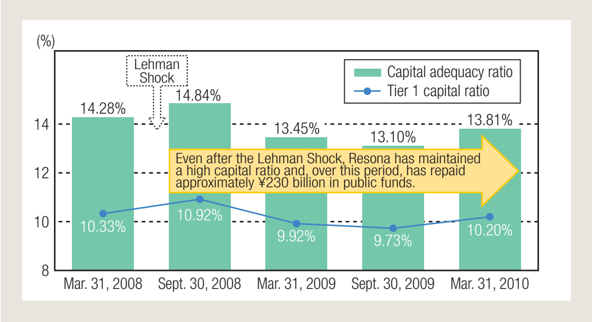
The Resona Group was affected by the crisis, but its losses were extremely marginal. The reason for this is that the Group has implemented the following policies in capital management and in risk management.

- Strengthening its tolerance for stress in its lending activities (through building a low-risk loan portfolio, with an emphasis on relatively small loan amounts dispersed over many borrowers, lending secured by credit guarantee associations, and housing loans)
- Conducting detailed analysis of asset content
- Taking early action in dealing with assets where there is a possibility of expanding losses
- Making no increase in its equity portfolio
- Limiting the amount of investment products with complicated risk characteristics (not holding high-risk securitized products)

Low risk, sound asset portfolio
↓
Strength of the Resona Group

At present, many types of policies for strengthening financial regulation are under consideration, including the revision to Basel II capital requirements. The Resona Group is continuing to focus on "adequate capital management and strict risk management" to avoid capital losses and maintain a sound asset portfolio.

Trends in the Consolidated Capital Adequacy Ratio of Resona Holdings, Inc.



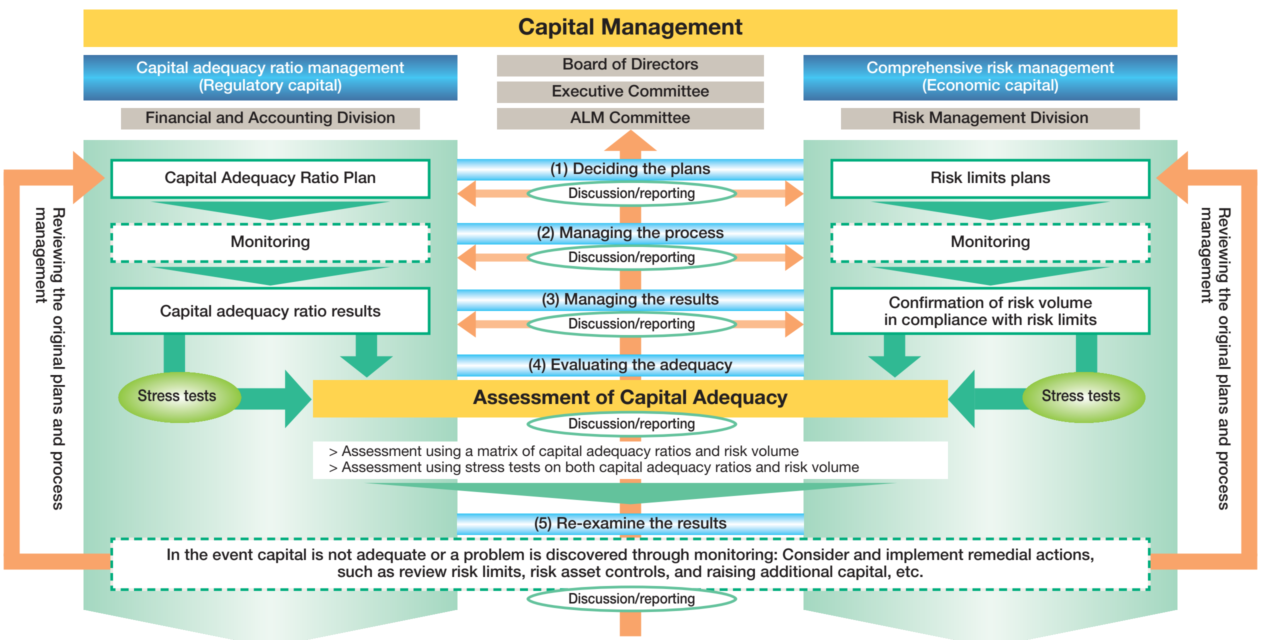
Governance and Application of the PDCA Cycle in Capital Management

Resona Holdings and all Group banks believe that, to maintain sound and stable business operations, securing sufficient capital to cover the risk taken is extremely important. Accordingly, the Company manages the capital of the Resona Group to maintain the appropriate level of its capital adequacy ratio.

Specifically, departments in charge of capital adequacy ratio management (Financial Accounting Division) and departments in charge of comprehensive risk management (Risk Management Division) each play their respective rolls such as deciding the capital adequacy ratio plans and risk limits, monitoring compliance with these plans, analyzing and evaluating the actual results, and assessing the level of capital adequacy.

These departments consider policies in response when necessary, and, by conducting sufficient discussion with one another, they supervise the status of the capital and make accurate and timely reports to the management. Accordingly, as a result of these activities, the Group is able to implement flexible measures to manage its capital.

[Capital Adequacy Assessment System of Resona Holdings, Inc.]



Resona Holdings and Resona Group banks evaluate the "level of capital adequacy" from two perspectives: 1) management of the capital adequacy ratio based on the Basel II regulations and 2) comprehensive risk management. In addition, to prepare for risks that may emerge under unforeseen conditions, we conduct a range of stress tests to measure the impact under various scenarios, and, by taking account of the principal risks that are not included in pillar 1 of the Basel II capital adequacy calculations (such as credit concentration risk, interest rate risk in the banking book, and other risks), we make comprehensive assessments of capital adequacy.

Under this system for capital management, during the fiscal year ended March 31, 2010, Resona Holdings and Resona Group banks continued to secure a level of capital sufficient for sustaining the sound and stable operation of their business activities.

INTERNAL AUDITING SYSTEMS

Group Internal Auditing

The objective of internal auditing at the Resona Group is to serve the essential function of facilitating improvements in corporate value by verifying and evaluating progress as well as promoting improvements in all management activities to ensure sound and appropriate operations and to gain social trust in the business management systems established by Resona Holdings and other Group companies.

To ensure that internal audits meet our objectives and serve their functions properly, we put internal auditing systems in place and make sure that they are effective, establishing independent internal auditing departments at Resona Holdings and its Group companies and clearly establishing their internal auditing responsibilities, including the authority to conduct audits, the authority to access information, and their obligation of confidentiality.

Organization

We believe that the role that the internal auditing units play in working to attain the Resona Group's management objectives of "responding to the trust of customers" and "conducting transparent management" is extremely important. Accordingly, we have created the organization structure below for internal auditing.

In Resona Holdings, we have formed the Internal Audit Division, which reports to the Representative Executive Officers and the executive officer in charge of internal auditing. Moreover, we have formed an Internal Audit Council, separate from the Executive Committee and made up of Representative Executive Officers, the executive officer in charge of internal auditing, and the general manager of the Internal Audit Division, to discuss matters related to internal auditing.

The Group's subsidiary banks have established independent internal audit divisions under the direction of their respective boards of directors. According to the type of business and size of operations, these banks have formed "auditing councils," which report directly to the board of directors of their banks to make decisions on important and fundamental matters related to internal auditing.

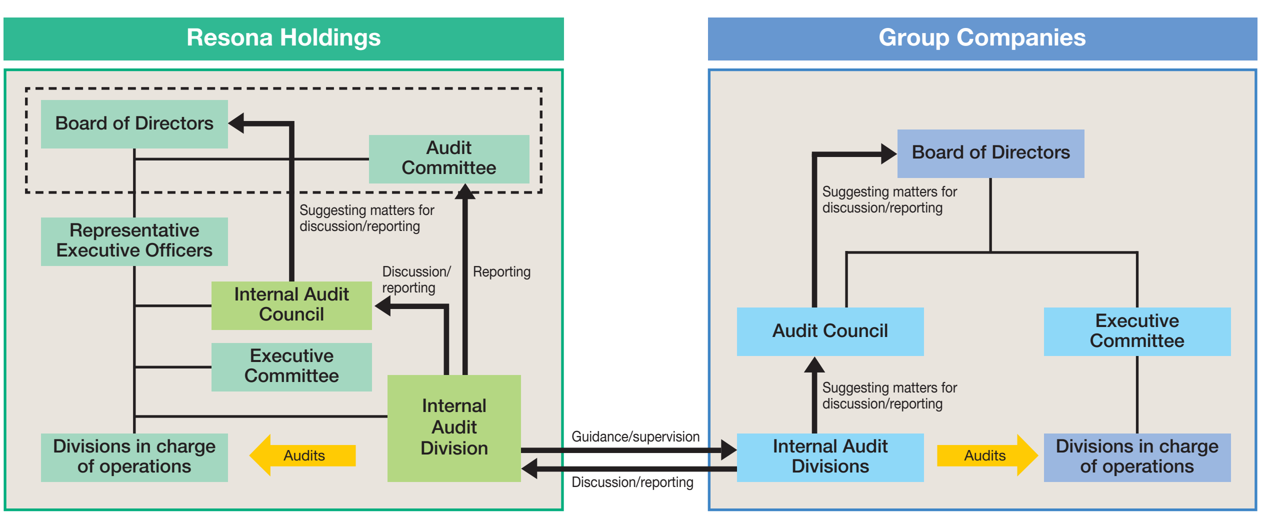
Functions and Roles

To guide the preparation of specific plans for internal auditing, the Internal Audit Division of Resona Holdings prepares the *Basic Plan for Internal Auditing*, a manual containing the Group's policies, a statement of issues subject to auditing, and other major items. This manual is approved by the Board of Directors of Resona Holdings.

The internal auditing departments of each of the Group companies also prepare basic plans for internal auditing in discussion with the Internal Audit Division of Resona Holdings. These plans are to be approved by the boards of directors of the respective banks.

The internal auditing divisions at Resona Holdings and its Group companies conduct audits based on the *Basic Plan for Internal Auditing*. Resona Holdings reports the results of internal audits to its Board of Directors and the Audit Committee. Group companies report results of internal audits to their respective boards of directors and auditors as well as Resona Holdings.

[Group Internal Auditing Systems]



CORPORATE SOCIAL RESPONSIBILITY (CSR)

Participation in the Challenge 25 Campaign, a Grassroots Global Warming Prevention Program Supported by Japan's Ministry of the Environment

Each Resona Group company is participating in the Challenge 25 Campaign, a global warming prevention program supported by Japan's Ministry of the Environment. While each company is naturally taking measures to conserve resources and energy with a view to reducing its own direct environmental footprint, they are making proactive efforts in additional areas. For example, they are undertaking such environmental consciousness raising measures as those to facilitate paperless transactions with customers and organize environmental business study groups, and they are also offering their customers environment-related support through the provision of such financial services as eco housing loans and environmental financing products.

Individual Investor-Focused IR Activities Led by Members of Resona Group's Management Team

In March 2010, Resona Holdings held an IR seminar for individual investors in its Osaka Head Office building. Entitled "Common Sense for Banks Is Not Common Sense for the General Public! Discussing the Corporate Value of the Resona Group as It Strives to Be a True Retail Banking Group," the seminar provided a venue for a dialogue between Resona Holdings Chairman Eiji Hosoya and economic journalist Seiichi Takarabe. Resona also participated in the *TSE IR Festa 2010* event sponsored by the Tokyo Stock Exchange (March 2010, Tokyo) and the *Company Presentations for Individual Investors* program sponsored by the Securities Analysts Association of Japan (March 2010, Tokyo/Osaka), at which Resona Holdings President Seiji Higaki directly explained the Resona Group's management situation to investors.

Resona Bank Awarded Grand Prize in the 3rd Annual J-Win Diversity Awards in Recognition of Proactive Efforts to Promote Diversity

In March 2010, Resona Bank received the Grand Prize in the 3rd Annual J-Win Diversity Awards program. This program is organized by the Japan Women's Innovative Network (J-Win), a nonprofit organization engaged in activities designed to promote the widespread use of diversity management. Resona Bank was selected to receive the grand prize in view of its strong diversity performance and particularly proactive initiatives with respect to the active use of female staff. The reasons for the Grand Prize are stated as follows. Resona Bank strives to elicit the maximum level of power from each of its employees through such measures as those aimed at "promoting a shared understanding of top management's proactive posture, eliminating differentials between male and female employees and between full- and part-time employees, and making the Bank an organization that gives due recognition to the efforts of employees regardless of their employment status. By implementing diversity-oriented human resource strategies, Resona Bank has earned recognition as an organization that encourages the emergence of numerous "women leaders and dynamically active women who achieve strong performances."

Aiming to Earn the Trust of Local Communities in Saitama Prefecture

Implementing Diverse Measures Coordinated with Regional Government Programs

In line with its goal of "being a bank that earns the trust of everyone in Saitama Prefecture and grows in step with local communities," Saitama Resona Bank is engaged in diverse activities coordinated with regional programs. In November 2009, the bank organized a booth at the National Lifelong Learning Festival *Manabipia Saitama 2009* event, where it offered financial education courses for children, seminars on environmental themes, and other educational programs. In December 2009, as in the previous year, the bank and Saitama Prefecture cosponsored the annual "Agriculture and Food Exposition/Business Convention" event, which is designed to help expand the scope of business opportunities available to agricultural producers, food product manufacturers, and other businesses based in Saitama through such measures as those to arrange publicity for Saitama food products and to open up new marketing routes. The bank also works in harmony with Saitama Prefecture's housing-related policies to provide housing loans and house remodeling loans as well as undertakes various other measures coordinated with regional government programs.

Cooperating with the Environmental Protection Efforts of Osaka Prefecture and Sakai City

Moving Forward with Measures Integrated with Those of Regional Communities

In accordance with its slogan—"We love the earth! Let's all eco together!"—Kinki Osaka Bank is proactively working to protect the natural environment in the regions where it operates. In September 2009, the bank reduced the size of its fleets of marketing-use automobiles and motorcycles by replacing many of those motor vehicles with electrically power-assisted bicycles. Other examples of how the bank is moving forward with measures integrated with those of regional communities include the December 2009 conclusion of a confirmation agreement with Osaka Prefecture regarding the "Osaka Eco Strategy to Create Flower City" program for transforming itself into a flower-filled city and the solicitation of 22 financial institutions that operate in Sakai City to participate in the February 2010 establishment of the "Sakai Eco Finance Supporters Club" to provide financial support for realizing the "Cool City Sakai" low-carbon city concept of Sakai City, which is seeking to become an "environmental model city."

Deloitte.

Deloitte Touche Tohmatsu LLC
MS Shibaura Building
4-13-23, Shibaura
Minato-ku, Tokyo 108-8530
Japan

Tel:+81 (3) 3457 7321
Fax:+81 (3) 3457 1694
www.deloitte.com/jp

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Resona Holdings, Inc.:

We have audited the accompanying consolidated balance sheets of Resona Holdings, Inc. (the "Company") and consolidated subsidiaries as of March 31, 2010 and 2009, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Resona Holdings, Inc. and consolidated subsidiaries as of March 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC.

June 22, 2010

Member of
Deloitte Touche Tohmatsu

CONSOLIDATED BALANCE SHEETS

Resona Holdings, Inc. and consolidated subsidiaries
March 31, 2010 and 2009

	Millions of yen		Millions of U.S. dollars (Note 1)
	2010	2009	**2010**
Assets:			
Cash and due from banks (Notes 3, 13 and 29)	**¥ 1,607,691**	¥ 1,404,333	**$ 17,279**
Call loans and bills bought (Notes 4 and 29)	**872,442**	658,619	**9,377**
Deposits paid for securities borrowing transactions (Note 29)	**56,541**	245,111	**607**
Monetary claims bought (Note 29)	**419,212**	403,411	**4,505**
Trading assets (Notes 5, 13, 29 and 30)	**522,796**	519,567	**5,619**
Securities (Notes 6, 13 and 29)	**8,915,317**	8,011,712	**95,822**
Loans and bills discounted (Notes 7, 13, 14, 29 and 34)	**26,263,548**	26,509,254	**282,282**
Foreign exchange assets (Notes 8 and 29)	**61,269**	78,588	**658**
Other assets (Notes 9, 13, 29, 30 and 31)	**1,086,792**	906,688	**11,680**
Premises and equipment (Notes 10, 12, 21 and 28)	**322,297**	326,503	**3,464**
Intangible fixed assets (Notes 11, 12 and 28)	**50,467**	61,107	**542**
Deferred tax assets (Note 27)	**247,379**	308,893	**2,658**
Customers' liabilities for acceptances and guarantees (Notes 20 and 29)	**760,305**	870,318	**8,171**
Reserve for possible loan losses (Note 29)	**(439,604)**	(440,967)	**(4,724)**
Reserve for possible losses on investments	**(2,925)**	—	**(31)**
Total Assets	**¥40,743,531**	¥39,863,143	**$437,914**
Liabilities and Equity:			
Deposits (Notes 13, 15, 29 and 34)	**¥32,955,610**	¥32,107,797	**$354,209**
Negotiable certificates of deposit (Note 29)	**1,119,590**	582,040	**12,033**
Call money and bills sold (Notes 4 and 29)	**393,243**	336,790	**4,226**
Bills sold under repurchase agreements (Notes 13 and 29)	**132,976**	790,455	**1,429**
Deposits received for securities lending transactions (Notes 13 and 29)	**55,933**	79,613	**601**
Trading liabilities (Notes 5, 29 and 30)	**154,402**	122,205	**1,659**
Borrowed money (Notes 13, 16, 29 and 34)	**623,620**	647,508	**6,702**
Foreign exchange liabilities (Notes 8 and 29)	**3,085**	2,548	**33**
Bonds (Notes 17 and 29)	**850,264**	825,258	**9,138**
Due to trust account (Note 29)	**376,687**	345,877	**4,048**
Other liabilities (Notes 13, 16, 18, 29, 30, 31 and 34)	**964,944**	898,915	**10,371**
Reserve for employees' bonuses	**12,412**	12,403	**133**
Reserve for employees' retirement benefits (Note 31)	**9,821**	6,707	**105**
Other reserves (Note 19)	**28,999**	25,901	**311**
Deferred tax liabilities (Note 27)	**24**	22	**0**
Deferred tax liabilities on land revaluation (Note 21)	**29,709**	30,695	**319**
Acceptances and guarantees (Notes 20 and 29)	**760,305**	870,318	**8,171**
Total Liabilities	**¥38,471,633**	¥37,685,059	**$413,495**
Equity (Notes 22 and 36):			
Capital stock	**¥ 327,201**	¥ 327,201	**$ 3,516**
Capital surplus	**400,709**	493,309	**4,306**
Retained earnings	**1,372,119**	1,287,467	**14,747**
Treasury stock at cost	**(86,840)**	(86,795)	**(933)**
Valuation and translation differences:			
Net unrealized gains (losses) on available-for-sale securities (Note 6)	**83,129**	(32,345)	**893**
Net deferred gains on hedges	**13,789**	21,976	**148**
Revaluation reserve for land (Note 21)	**40,271**	41,712	**432**
Foreign currency translation adjustments	**(3,807)**	(4,363)	**(40)**
Total	**2,146,571**	2,048,163	**23,071**
Minority interests in consolidated subsidiaries	**125,326**	129,921	**1,347**
Total Equity	**2,271,897**	2,178,084	**24,418**
Total Liabilities and Equity	**¥40,743,531**	¥39,863,143	**$437,914**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

Resona Holdings, Inc. and consolidated subsidiaries
Years ended March 31, 2010 and 2009

	Millions of yen		Millions of U.S. dollars (Note 1)
	2010	2009	**2010**
Income:			
Interest income (Note 23)	**¥588,792**	¥ 677,567	**$6,328**
Trust fees	**28,727**	35,414	**308**
Fees and commissions	**165,671**	166,611	**1,780**
Trading profits (Note 24)	**26,526**	21,277	**285**
Other operating income (Note 25)	**39,747**	42,467	**427**
Other income (Note 26)	**54,383**	163,516	**584**
Total Income	**903,849**	1,106,855	**9,714**
Expenses:			
Interest expenses (Note 23)	**89,292**	130,492	**959**
Fees and commissions	**49,270**	48,804	**529**
Trading losses	**196**	251	**2**
Other operating expenses (Note 25)	**32,306**	24,209	**347**
General and administrative expenses	**387,502**	384,465	**4,164**
Other expenses (Note 26)	**169,222**	284,436	**1,818**
Total Expenses	**727,792**	872,658	**7,822**
Income before income taxes and minority interests	**176,057**	234,196	**1,892**
Income taxes (Note 27):			
Current	**11,954**	9,563	**128**
Deferred	**27,774**	97,471	**298**
Total Income Taxes	**39,728**	107,035	**426**
Minority interests in net income	**4,098**	3,250	**44**
Net income	**¥132,230**	¥ 123,910	**$1,421**

	Yen		U.S. dollars (Note 1)
Per common share information:			
Net income per share (Basic) (Note 32)	**¥88.32**	¥76.27	**$0.94**
Net income per share (Diluted) (Note 32)	**52.94**	53.83	**0.56**
Cash dividends applicable to the year (Notes 22 and 36)	**10.00**	10.00	**0.10**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Resona Holdings, Inc. and consolidated subsidiaries
Years ended March 31, 2010 and 2009

	Millions of yen		Millions of U.S. dollars (Note 1)
	2010	2009	**2010**
Equity:			
Capital stock:			
Balance at beginning of year	**¥ 327,201**	¥ 327,201	**$ 3,516**
Changes of items during the year			
Net changes during the year	**—**	—	**—**
Balance at end of year	**¥ 327,201**	¥ 327,201	**$ 3,516**
Capital surplus:			
Balance at beginning of year	**¥ 493,309**	¥ 673,764	**$ 5,302**
Changes of items during the year			
Issuance of preferred stock	**178,650**	—	**1,920**
Disposal of treasury stock	**(0)**	(19)	**(0)**
Retirement of treasury stock	**(271,250)**	(180,435)	**(2,915)**
Net changes during the year	**(92,600)**	(180,455)	**(995)**
Balance at end of year	**¥ 400,709**	¥ 493,309	**$ 4,306**
Retained earnings:			
Balance at beginning of year	**¥1,287,467**	¥1,190,557	**$13,837**
Changes of items during the year			
Dividends paid	**(49,019)**	(44,249)	**(526)**
Net income	**132,230**	123,910	**1,421**
Reversal of revaluation reserve for land	**1,440**	17,249	**15**
Net changes during the year	**84,652**	96,910	**909**
Balance at end of year	**¥1,372,119**	¥1,287,467	**$14,747**
Treasury stock at cost:			
Balance at beginning of year	**¥ (86,795)**	¥ (1,280)	**$ (932)**
Changes of items during the year			
Acquisitions of treasury stock	**(271,302)**	(266,256)	**(2,915)**
Disposal of treasury stock	**6**	306	**0**
Retirement of treasury stock	**271,250**	180,435	**2,915**
Net changes during the year	**(45)**	(85,514)	**(0)**
Balance at end of year	**¥ (86,840)**	¥ (86,795)	**$ (933)**
Valuation and translation differences:			
Net unrealized gains (losses) on available-for-sale securities:			
Balance at beginning of year	**¥ (32,345)**	¥ 123,207	**$ (347)**
Changes of items during the year			
Net changes during the year	**115,475**	(155,553)	**1,241**
Balance at end of year	**¥ 83,129**	¥ (32,345)	**$ 893**
Net deferred gains on hedges:			
Balance at beginning of year	**¥ 21,976**	¥ 18,308	**$ 236**
Changes of items during the year			
Net changes during the year	**(8,187)**	3,668	**(87)**
Balance at end of year	**¥ 13,789**	¥ 21,976	**$ 148**

(Continued)

	Millions of yen 2010	Millions of yen 2009	Millions of U.S. dollars (Note 1) 2010
Revaluation reserve for land:			
Balance at beginning of year	**¥ 41,712**	¥ 58,961	**$ 448**
Changes of items during the year			
Net changes during the year	**(1,440)**	(17,249)	**(15)**
Balance at end of year	**¥ 40,271**	¥ 41,712	**$ 432**
Foreign currency translation adjustments:			
Balance at beginning of year	**¥ (4,363)**	¥ (2,252)	**$ (46)**
Changes of items during the year			
Net changes during the year	**555**	(2,111)	**5**
Balance at end of year	**¥ (3,807)**	¥ (4,363)	**$ (40)**
Total:			
Balance at beginning of year	**¥2,048,163**	¥2,388,467	**$22,013**
Changes of items during the year			
Issuance of preferred stock	**178,650**	—	**1,920**
Dividends paid	**(49,019)**	(44,249)	**(526)**
Net income	**132,230**	123,910	**1,421**
Acquisitions of treasury stock	**(271,302)**	(266,256)	**(2,915)**
Disposal of treasury stock	**6**	287	**0**
Reversal of revaluation reserve for land	**1,440**	17,249	**15**
Net changes of items in valuation and translation differences	**106,402**	(171,245)	**1,143**
Net changes during the year	**98,408**	(340,304)	**1,057**
Balance at end of year	**¥2,146,571**	¥2,048,163	**$23,071**
Minority interests in consolidated subsidiaries:			
Balance at beginning of year	**¥ 129,921**	¥ 136,188	**$ 1,396**
Changes of items during the year			
Net changes during the year	**(4,595)**	(6,267)	**(49)**
Balance at end of year	**¥ 125,326**	¥ 129,921	**$ 1,347**
Total equity:			
Balance at beginning of year	**¥2,178,084**	¥2,524,656	**$23,410**
Changes of items during the year			
Issuance of preferred stock	**178,650**	—	**1,920**
Dividends paid	**(49,019)**	(44,249)	**(526)**
Net income	**132,230**	123,910	**1,421**
Acquisitions of treasury stock	**(271,302)**	(266,256)	**(2,915)**
Disposal of treasury stock	**6**	287	**0**
Reversal of revaluation reserve for land	**1,440**	17,249	**15**
Net changes of items in valuation and translation differences	**101,806**	(177,512)	**1,094**
Net changes during the year	**93,813**	(346,571)	**1,008**
Balance at end of year	**¥2,271,897**	¥2,178,084	**$24,418**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Resona Holdings, Inc. and consolidated subsidiaries
Years ended March 31, 2010 and 2009

	Millions of yen		Millions of U.S. dollars (Note 1)
	2010	2009	2010
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 176,057	¥ 234,196	$ 1,892
Adjustments for:			
Depreciation and amortization	24,235	20,920	260
Impairment losses on premises, equipment and intangible fixed assets	3,636	3,370	39
Amortization of goodwill	7,242	7,242	77
Equity in earnings of investments in affiliated companies	(90)	(201)	(0)
Decrease in reserve for possible loan losses	(1,362)	(49,835)	(14)
Increase in reserve for possible losses on investments	2,925	—	31
Increase (decrease) in reserve for employees' bonuses	8	(4,562)	0
Increase in reserve for employees' retirement benefits	3,114	2,357	33
Interest income (accrual basis)	(588,792)	(677,567)	(6,328)
Interest expenses (accrual basis)	89,292	130,492	959
Net losses (gains) on securities	(19,190)	456	(206)
Net gains on money held in trust	—	(73)	—
Net foreign exchange gains	(55,004)	(61,305)	(591)
Net losses (gains) on disposal of premises, equipment and intangible fixed assets	1,263	(103,314)	13
Net increase in trading assets	(3,228)	(73,605)	(34)
Net increase (decrease) in trading liabilities	32,197	(39,087)	346
Net decrease (increase) in loans and bills discounted	245,706	(456,793)	2,640
Net increase in deposits	847,812	472,368	9,112
Net increase (decrease) in negotiable certificates of deposit	537,550	(780,090)	5,777
Net increase (decrease) in borrowed money (excluding subordinated borrowed money)	(23,887)	9,321	(256)
Net decrease (increase) in due from banks (excluding deposits with the Bank of Japan)	(29,277)	598,816	(314)
Net decrease (increase) in call loans, bills bought and monetary claims bought	(229,624)	1,091,515	(2,468)
Net decrease (increase) in deposits paid for securities borrowing transactions	188,570	(143,861)	2,026
Net increase (decrease) in call money, bills sold and bills sold under repurchase agreements	(601,025)	681,941	(6,459)
Net increase (decrease) in deposits received for securities lending transactions	(23,680)	38,975	(254)
Net decrease (increase) in foreign exchange assets	17,318	(6,734)	186
Net increase (decrease) in foreign exchange liabilities	537	(348)	5
Net increase (decrease) in straight bonds	(109,637)	10,326	(1,178)
Net increase (decrease) in due to trust account	30,810	(22,119)	331
Interest receipts (cash basis)	601,668	681,558	6,466
Interest payments (cash basis)	(90,520)	(137,854)	(972)
Other—net	(32,918)	(21,564)	(353)
Subtotal	1,001,705	1,404,942	10,766
Income taxes refund	22,783	64,287	244
Net cash provided by operating activities	1,024,489	1,469,230	11,011
Cash flows from investing activities:			
Purchases of securities	(36,550,181)	(35,881,690)	(392,843)
Proceeds from sales of securities	30,653,401	28,338,559	329,464
Proceeds from maturities of securities	5,056,145	6,243,375	54,343
Increase in money held in trust	—	(232,557)	—
Decrease in money held in trust	—	232,557	—
Purchases of premises and equipment	(10,932)	(10,883)	(117)
Proceeds from disposal of premises and equipment	574	165,099	6
Purchases of intangible fixed assets	(7,115)	(9,567)	(76)
Proceeds from disposal of intangible fixed assets	45	2	0
Net cash used in investing activities	(858,062)	(1,155,104)	(9,222)
Cash flows from financing activities:			
Proceeds from subordinated borrowed money	11,000	—	118
Repayment of subordinated borrowed money	(11,000)	(46,000)	(118)
Proceeds from issuance of subordinated bonds	200,747	—	2,157
Repayment of subordinated bonds	(50,320)	—	(540)
Proceeds from issuance of preferred stock	177,852	—	1,911
Dividends paid	(49,019)	(44,249)	(526)
Dividends paid to minority shareholders of consolidated subsidiaries	(313)	(211)	(3)
Payments related to acquisitions of treasury stock	(271,302)	(266,256)	(2,915)
Proceeds from sales of treasury stock	6	287	0
Net cash provided by (used in) financing activities	7,651	(356,430)	82
Effect of exchange rate changes on cash and cash equivalents	2	(148)	0
Increase (decrease) in cash and cash equivalents	174,080	(42,453)	1,871
Cash and cash equivalents at beginning of year	1,111,291	1,153,744	11,944
Cash and cash equivalents at end of year (Note 3)	¥ 1,285,371	¥ 1,111,291	$ 13,815

See accompanying notes to the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Resona Holdings, Inc. and consolidated subsidiaries
Years ended March 31, 2010 and 2009

1. Basis of Presentation

The accompanying consolidated financial statements have been prepared from the accounts maintained by Resona Holdings, Inc. (the "Company") and its consolidated subsidiaries (together, the "Group") in accordance with the provisions set forth in the Financial Instruments and Exchange Act and its related accounting regulations and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

In addition, the notes to the consolidated financial statements include certain information, which is not required under Japanese GAAP but is presented herein as additional information.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of the readers outside Japan and has been made at the rate of ¥93.04 to U.S.$1.00, the rate of exchange prevailing in the Tokyo Foreign Exchange Market on March 31, 2010. The inclusion of such amounts is not intended to imply that yen amounts have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate.

Amounts of less than one million yen and one million U.S. dollars have been rounded down to the nearest million in the presentation of the accompanying consolidated financial statements. As a result, the totals in yen and U.S. dollars do not necessarily agree with the sum of the individual amounts.

2. Summary of Significant Accounting Policies

(1) Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Principles of consolidation

The Group defines its consolidation scope using the control and influence concept. Under the control and influence concept, those entities in which the Group, directly or indirectly, is able to exercise control over finance and operations through voting interest and/or other means are fully consolidated, and those entities over which the Group has the ability to exercise significant influence are accounted for by the equity method.

In order to apply the control and influence criteria for certain collective investment vehicles, such as investment associations (*Toshi Jigyo Kumiai*), limited partnerships, *Tokumei Kumiai* (silent partnership) structures and other entities with similar characteristics, the Group looks to the proportionate share of decision-making authority over such vehicles, together with other factors indicating substantial control and influence, in accordance with the guidance of Practical Issues Task Force ("PITF") No. 20, "Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations," issued by the Accounting Standards Board of Japan (the "ASBJ").

(a) Scope of consolidation

The number of consolidated subsidiaries as of March 31, 2010 and 2009 was 18 and 19, respectively.

The changes in the number of consolidated subsidiaries for the years ended March 31, 2010 and 2009 were as follows:

	2010	2009
At beginning of year	**19**	19
Decrease:		
Merger	**1**	—
At end of year	**18**	19

The Group excludes accounts of certain subsidiaries from consolidation when the total assets, total income, net income or loss, retained earnings, deferred gains or losses on hedges and other components of equity of these subsidiaries would not have a material effect on the consolidated financial statements.

For the year ended March 31, 2009, the Group excludes one special purpose securitization vehicle from the scope of consolidation pursuant to Article 8, Paragraph 7 of the Financial Statements Regulations for Terminology, Forms and Preparation of Financial Statements, which does not regard a special purpose entity as subsidiary of an investor irrespective of the indicator of control if the entity is established and operated for the purpose of asset securitization and satisfies certain eligible criteria. ASBJ Implementation Guidance No. 15, "Implementation Guidance on Disclosures about Certain Special Purpose Entities," requires a company to disclose the information regarding the nature, relationships, transactions and financial figures of a special purpose entity which would be determined to be a subsidiary in its substance but is not regarded as a subsidiary in accordance with another accounting pronouncement. In accordance with this guidance, the Group has disclosed the information for such special purpose securitization vehicle in Note 2. (g), "Special purpose entities."

(b) Application of the equity method of accounting

The number of affiliates accounted for by the equity method as of March 31, 2010 and 2009 was 2.

The equity method of accounting has not been applied to investments in certain non-consolidated subsidiaries and affiliates, as the net income or loss, retained earnings, deferred gains or losses on hedges and other components of equity of these subsidiaries and affiliates are immaterial in relation to the consolidated financial statements.

Non-consolidated subsidiaries and affiliates include investment funds in the form of an investment association *(Toshi Jigyo Kumiai),* an unincorporated entity similar to an investment partnership.

Entities not accounted for as affiliates in which the Group owns voting interests of 20% or more (but not more than 50%) included one joint venture as of March 31, 2010, and one company and one joint venture as of March 31, 2009. Those companies are portfolio investees of a venture capital, one of the consolidated subsidiaries, and are invested in solely for operating purposes to nurture the venture businesses. The joint venture was established by the banks in the Kinki region registered with the Second Association of Regional Banks to guarantee residential mortgage loans, and its operation is administered by all those banks' discussion and unanimous vote. The Group does not have intent to control or exercise influence over these entities and they were not accounted for as affiliates.

(c) Balance sheet dates of consolidated subsidiaries

The balance sheet dates of the consolidated subsidiaries as of March 31, 2010 and 2009 were as follows:

	2010	2009
End of December	**4 subsidiaries**	4 subsidiaries
End of March	**14 subsidiaries**	15 subsidiaries

Subsidiaries have been consolidated based on their accounts at their respective balance sheet dates. Appropriate adjustments have been made for significant intervening transactions occurring during the period from the respective balance sheet dates of the above subsidiaries to the consolidated balance sheet date.

(d) Goodwill

Assets and liabilities of consolidated subsidiaries are measured at fair value when they are first included in the scope of consolidation.

The Group accounts for an excess of cost over the fair value of net assets of an acquired company in a purchase business combination as goodwill. Goodwill is included in "Intangible fixed assets" and is amortized over a period of 5 years, using the straight-line method. Goodwill, however, is charged to expense when incurred if the amount is not significant.

(e) Eliminations of intercompany balances and transactions

All significant intercompany transactions, related account balances, and unrealized profits and losses have been eliminated in consolidation.

(f) Unification of accounting policies applied to foreign subsidiaries for the consolidated financial statements

The accounting policies and procedures applied to the Company and its subsidiaries for similar transactions and events under similar circumstances are, in principle, unified for the preparation of the consolidated financial statements.

Financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States tentatively may be used for the consolidation process as far as the following items are adjusted in the consolidation process;

(i) Amortization of goodwill
(ii) Actuarial gains and losses of defined benefit plans recognized outside profit or loss
(iii) Capitalization of intangible assets arising from development phases
(iv) Cancellation of fair value model accounting for property, plant, and equipment and investment properties and incorporation of the cost model accounting
(v) Retrospective application when accounting policies are changed
(vi) Accounting for net income attributable to a minority interest

(g) Special purpose entities

The Group securitized its residential mortgage loans through special purpose entities ("SPEs"), which were established in the Cayman Islands, mainly to mitigate credit risks on such loans. Under the securitization scheme, the Group transferred residential mortgage loans to those special purpose entities, which issued bonds backed by the transferred loans to third-party investors and paid the proceeds from the issuance to the Group for the transferred loans.

As of March 31, 2009, one of the SPEs was excluded from the scope of consolidation pursuant to Article 8 Paragraph 7 of the Financial Statements Regulations for Terminology, Forms and Preparation of Financial Statements and was subject to the disclosure requirements in accordance with ASBJ Implementation Guidance No. 15. Its total assets and liabilities as of March 31, 2009 were ¥4,960 million and ¥4,979 million. The Group had no investments with voting rights in that entity and dispatched no directors, officers or employees to the entity. The amounts of transactions with the special purpose entity in the years ended March 31, 2009 were as follows:

As of March 31, 2009	Millions of yen
Transferred assets:	
Residential mortgage loan claims	¥3,460
Retained interest:	
Subordinated claims on assets transferred	2,251

Note: Income and expenses such as trust fees and dividends are not disclosed due to the immaterial amounts involved.

The Group exercised the clean-up clause provided in the transfer agreement of the residential mortgage loans relating to above mentioned non-consolidated SPE, and that SPE was liquidated during the year ended March 31, 2010.

(3) Trading assets and trading liabilities

Transactions whose purposes are to earn a profit by taking advantage of short-term fluctuations in the market or discrepancies in interest rates, currency exchange rates, share prices or other market indices on different markets ("transactions for trading purposes") are included in "Trading assets" or "Trading liabilities," as appropriate, in the consolidated balance sheets on a trade-date basis.

Securities and monetary claims, etc. held for trading purposes are stated at fair value as of the consolidated balance sheet date. Derivatives including swaps, futures and options, held for trading purposes are stated at the fair values as if they were closed out, assuming the respective contracts are closed out at the consolidated balance sheet dates.

(4) Trading profits and trading losses

Profits and losses on transactions for trading purposes are included in "Trading profits" or "Trading losses," as appropriate, in the consolidated statements of income on a trade-date basis.

Trading profits and trading losses include interest received and paid during the year, net changes in fair value of securities and monetary claims, etc., and changes in the close-out value of derivatives during the year.

(5) Securities

Securities other than investments in non-consolidated subsidiaries and affiliates which are accounted for by the equity method are classified and accounted for, depending on management's intent, as follows:

(i) held-to-maturity debt securities, which management has the positive intent and ability to hold to maturity, are stated at amortized cost determined by the moving-average method (the amortization/accretion is calculated by the straight-line method).

(ii) investments in non-consolidated subsidiaries and affiliates which are not accounted for by the equity method are stated at cost determined by the moving-average method.

(iii) marketable available-for-sale securities are stated at fair value with unrealized gains and losses, net of applicable tax effects, reported in a separate component of equity. The fair values of domestic equity securities with quoted market prices are determined based on the average quoted market prices in the last month of the year. The fair values of securities other than domestic equity securities with quoted market prices are generally determined based on their respective quoted market prices at the balance sheet dates (the cost of these securities sold is determined by the moving-average method), otherwise, reasonable estimates of fair values are used.

(iv) non-marketable available-for-sale securities without the readily determinable fair value are stated at cost or amortized cost as of March 31, 2009. Non-marketable available-for-sale securities whose fair value cannot be reliably determined are stated at cost as of March 31, 2010.

The cost of these securities sold is determined by the moving average method.

Investment securities other than trading securities are written down to estimated fair value when the decline in fair value is determined to be other-than-temporary based on the assessment of the severity and duration of the decline in value, the issuers' credit standing and certain other factors. Impairment losses are recognized by a charge against income.

Accounting change

On March 10, 2008, the ASBJ revised ASBJ Statement No. 10 "Accounting Standard for Financial Instruments" and issued ASBJ Guidance No. 19 "Guidance on Disclosures about Fair Value of Financial Instruments". This accounting standard and the guidance are applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010 with early adoption permitted from the beginning of the fiscal years ending before March 31, 2010. The Group applied the revised accounting standard and the new guidance effective March 31, 2010.

Non-marketable available-for-sale securities without readily determinable fair values were generally stated at cost or amortized cost prior to the end of the year ended March 31, 2010. However, since the end of the year ended March 31, 2010, the scope of fair value measurement was expanded and, therefore, the measurement at cost or amortized cost of available-for-sale securities has been prohibited unless the fair value cannot be reliably determined due to the revised accounting standard and the guidance. Under the revised accounting standard and the guidance, certain non-marketable debt securities, such as privately placed corporate bonds, which were previously measured at cost or amortized cost, are measured at fair value as of March 31, 2010.

As a result of the change, securities increased by ¥256 million ($2 million), reserve for possible loan losses decreased by ¥3,510 million ($37 million), deferred tax assets decreased by ¥362 million ($3 million), net unrealized gains on available-for-sale securities increased by ¥530 million ($5 million) and income before income taxes and minority interests increased by ¥2,873 million ($30 million), compared to the amounts calculated under the previous method.

(6) Derivatives and hedge accounting

Derivatives are classified and accounted for as follows:

(i) all derivatives other than those used for hedging purposes are recognized as either assets or liabilities and measured at fair value, with gains or losses recognized currently in the consolidated statements of income.

(ii) derivatives used for hedging purposes, if they meet certain hedging criteria, including high correlation and effectiveness between the hedging instruments and the hedged items, are recognized as either assets or liabilities and measured at fair value. Gains or losses on derivatives used for hedging purposes are generally deferred over the terms of the hedged items and are reclassified to income when gains and losses on the hedged items are recognized. Net deferred gains or losses on qualifying hedges are reported as a separate component of equity. Fair value hedge accounting can be applied for certain hedged items, including available-for-sale securities.

An exceptional accounting treatment is applicable to certain hedging relationships with interest rate swaps. Interest rate swaps which qualify for hedge accounting and meet specific matching criteria, requiring certain critical terms of the swaps and the hedged items to be substantially the same, are not remeasured at fair value and the interest differentials paid or received are recognized over the term of the swap agreements and netted with the interest income or expenses of the hedged transactions in the consolidated statements of income.

Generally, a specific hedging relationship is designated between a stand-alone derivative and a single asset or liability (or a group of identical assets or liabilities) as a condition for the application of hedge accounting. However, certain industry-specific hedge accounting may be applied as follows.

(a) Hedges of interest rate risk

Consolidated domestic banking subsidiaries apply deferral hedge accounting to the hedges of interest rate risk associated with financial assets and liabilities in accordance with the Industry Audit Committee Report No. 24, "Accounting and Auditing Treatments on the Application of Accounting Standards for Financial Instruments in the Banking Industry," issued by the Japanese Institute of Certified Public Accountants (the "JICPA Industry Audit Committee Report No. 24").

The JICPA Industry Audit Committee Report No. 24 permits banks to designate a group of derivatives as a hedge of a group of financial assets or financial liabilities, taking into consideration the nature of derivative activities in the banking industry. Under the JICPA Industry Audit Committee Report No. 24, hedges to offset changes in fair value of fixed rate instruments (such as loans or deposits) ("fair value hedges") and changes in anticipated cash flows from variable rate instruments ("cash flow hedges") are applied by grouping hedging instruments and hedged items by their maturities.

For fair value hedges, a group of hedging instruments are designated as a hedge of a group of assets or liabilities which are grouped by their maturities in the same manner as the group of hedging instruments. The assessment of hedge effectiveness is generally based on the analysis of the changes in interest rate factors affecting the respective fair values of the groups of hedging instruments and hedged items rather than the assessment based on the accumulated changes in relevant fair values.

For cash flow hedges, the hedging instruments and hedged items are grouped based on their index repricing dates and/or maturities. A regression analysis is employed to test the correlations between interest rate indices underlying the hedging instruments and hedged items to determine the effectiveness of the hedge. A hedge is, however, assumed to be effective and the assessment can be omitted when the interest rate indices are the same for each of the hedging instruments and hedged items, and the repricing dates and intervals are substantially identical for the hedging instruments and hedged items.

Prior to April 1, 2003, consolidated domestic banking subsidiaries applied macro hedge accounting for interest rate-related derivatives to manage interest rate risk from various financial assets and liabilities as a whole, in accordance with the JICPA Industry Audit Committee Report No. 15, "Provisional Accounting and Auditing Treatments on the Application of Accounting Standards for Financial Instruments in the Banking Industry" (the "JICPA Industry Audit Committee Report No. 15"). Under macro hedge accounting, gains and losses on hedging derivatives were deferred and amortized by the straight-line method over a defined period pursuant to their internal risk management policies.

In accordance with the transitional treatment in the JICPA Industry Audit Committee Report No. 24, which superseded the JICPA Industry Audit Committee Report No. 15, deferred hedge gains or losses recorded in the prior periods under macro hedges were recognized as interest income or expenses over a period not exceeding 10 years from the fiscal year ended March 31, 2004, based on the remaining terms and notional amounts of the hedging instruments. The remaining balances of deferred hedge gains on macro hedges as of March 31, 2010 and 2009 were ¥285 million ($3 million) and ¥1,051 million, respectively, the remaining balance of deferred hedge losses on macro hedge as of March 31, 2009 was ¥399 million.

Certain assets and liabilities were accounted for using deferral hedge accounting or fair value hedge accounting, designating a stand-alone derivative as a hedge of a specific asset (group of assets) or specific liability (group of liabilities).

(b) Hedges of foreign currency risk

Consolidated domestic banking subsidiaries apply deferral hedge accounting to the hedges of foreign currency risk associated with foreign-currency-denominated financial assets and liabilities in accordance with the JICPA Industry Audit Committee Report No. 25, "Accounting and Auditing Treatments for Foreign Currency Transactions in the Banking Industry" (the "JICPA Industry Audit Committee Report No. 25").

In accordance with the JICPA Industry Audit Committee Report No. 25, consolidated domestic banking subsidiaries designate certain currency swaps and foreign exchange swaps as hedges for the exposure to changes in foreign exchange rates associated with foreign-currency-denominated receivables or payables when the foreign currency positions of the hedged receivables or payables including principals and the related accrued interest are expected to exceed the principal and related accrued interest on the hedging instruments over the terms of the hedging instruments. Hedges are assessed as effective when it is determined that banking subsidiaries continue to hold foreign currency positions of the hedging derivatives corresponding to the positions of the hedged items denominated in foreign currencies.

For hedges of foreign-currency-denominated available-for-sales securities (other than bonds), consolidated domestic banking subsidiaries adopt deferral hedge accounting and fair value hedge accounting on a portfolio basis to hedge the foreign currency risk attributable to such securities. The hedging criteria include specific designation of hedged securities and the foreign-currency-denominated on- and off-balance sheet liability positions covering the costs of the hedged securities denominated in the same foreign currencies.

(c) Inter- and intra-company derivative transactions

For inter- and intra-company derivative transactions ("internal derivatives"), including currency and interest rate swaps, consolidated domestic banking subsidiaries currently recognize gains and losses on internal derivatives or defers them as assets or liabilities without elimination in accordance with the JICPA Industry Audit Committee Reports No. 24 and No. 25, which permit a bank to retain the gains and losses on internal derivatives without elimination in the financial statements if the bank establishes and follows the strict hedging criteria for external transactions, requiring mirror-image transactions to be entered into within three business days with external parties after the designation of the internal derivatives as hedging instruments.

(7) Depreciation and amortization

(a) Premises and equipment (excluding leased assets)

Depreciation of premises and equipment (excluding leased assets) is mainly computed by the straight-line method for buildings and by the declining-balance method for equipment over the estimated useful lives. The estimated useful lives of major premises and equipment are as follows:

- Buildings: 2 ~ 50 years
- Equipment: 2 ~ 20 years

(b) Intangible fixed assets (excluding leased assets)

Amortization of intangible fixed assets (excluding leased assets) is mainly computed by the straight-line method. Costs of software developed and obtained for internal use are capitalized and amortized by the straight-line method over the estimated useful lives (mainly 5 years).

(c) Leased assets

Leased assets other than those under finance leases that are deemed to transfer the ownership of the leased property to the lessee are depreciated by the straight-line method over the lease term. Residual value of those leased assets is zero unless any guaranteed amount is prescribed in the lease agreement.

Furthermore, depreciation of leased assets deemed to transfer the ownership to the lessee is computed by the same method used for the proprietary assets.

(8) Long-lived assets

The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group (identified as a cash-generating unit) exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset or asset group exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or asset group (i.e., value in use) or the net selling price at disposition.

For the purpose of testing impairment, certain domestic banking subsidiaries recognize individual branch offices as cash-generating units for which they identify specific cash flows. Assets which do not have identifiable cash flows such as corporate headquarters, training center, computer center and welfare facilities are treated as corporate assets as a whole. Branch offices to be closed and facilities not used in operations are individually assessed for impairment.

Recoverable amounts are generally measured by net realizable value, which is principally determined at appraisal values less estimated disposal costs. For certain branch offices used in operations, recoverable amounts are measured by value in use, which is calculated based on the present value of future cash flows using a reasonable discount rate.

(9) Deferred charges

Discounts on bonds are presented as a deduction from bonds and amortized by the straight-line method over the terms of the bonds or the periods before the bonds are redeemable.

Bond issuance costs are charged to expense as incurred.

(10) Dormant deposits

Consolidated domestic banking subsidiaries derecognize the balance of customer deposits in their balance sheets and recognize a gain when they determine that the deposit account has been dormant for a period of more than 5 years and they are not able to locate or identify claimants for the balance after reasonable efforts. However, the balance has generally been reimbursed subsequent to the period of derecognition if a legitimate claimant appears, and such reimbursement of deposit is accounted for as a charge against income.

The Company provides a reserve for future losses on estimated reimbursements in responses to the legitimate claims subsequent to the period of derecognition of the related deposit liabilities.

(11) Reserve for possible loan losses

The principal consolidated subsidiaries have provided reserves for possible loan losses in accordance with their internal standards for write-offs and reserves as follows:

For claims to insolvent borrowers who are undergoing bankruptcy or special liquidation ("borrowers under bankruptcy proceedings") or who are in substantially the same deteriorating financial condition although not yet in formal bankruptcy proceedings ("borrowers substantially in bankruptcy"), a reserve is provided at the full amount of claims after deducting any direct write-offs and excluding the amounts deemed collectible from the disposal of collateral and the amounts recoverable from the execution of guarantees.

For claims to borrowers who are not currently in the condition of bankruptcy or insolvency but with a high probability of becoming insolvent ("borrowers with high probability of becoming insolvent") and certain identified claims subject to close watch, including claims to borrowers with restructured loan terms ("restructured loans"), the discounted cash flow method (the "DCF method") is applied to determine the amount of reserve for individually large balances which exceeds a certain pre-established threshold in amount. The DCF method, however, is applied only when future cash flows from collection of principal and interest can be reasonably estimated. Under the DCF method, a reserve is provided for the difference between the present value of future cash flows discounted by the original interest rate and the carrying value of the claim.

For claims to other borrowers, a reserve is computed by using the loan loss ratios derived from the historical loss experience for a specified period.

For claims to certain foreign borrowers with country risk exposure, a reserve is provided for the estimated losses determined by considering the political and economic situations of respective countries.

The operating divisions initially assess all claims based on the internal standards for self-assessment of asset quality. The Internal Audit Division, which is independent from the operating divisions, examines their assessments. The reserves for possible loan losses are provided based on the results of these assessments of the operating divisions and the examination of the Internal Audit Division.

For collateralized or guaranteed claims to borrowers under bankruptcy proceedings and borrowers substantially in bankruptcy, uncollectible amounts (i.e., the carrying value less the amounts collectible from the disposal of collateral and execution of guarantees) are directly written off. Such uncollectible amounts as of March 31, 2010 and 2009 were ¥485,117 million ($5,214 million) and ¥494,193 million, respectively.

Other consolidated subsidiaries mainly provide a general reserve against claims at the amount deemed necessary based on their historical loan-loss experience, and a reserve for specific claims individually determined to be uncollectible such as those to borrowers under bankruptcy proceedings.

(12) Reserve for possible losses on investments

A reserve for possible losses on investments is provided for the estimated losses on certain non-marketable equity securities based on an assessment of the issuers' financial condition and uncertainty about future recoverability of the decline in fair values of the investments.

(13) Reserve for employees' bonuses

A reserve for employees' bonuses is provided for the payment of performance bonuses to employees at an estimated amount accrued as of the consolidated balance sheet dates.

(14) Reserve for employees' retirement benefits

A reserve for employees' retirement benefits is provided for the payment of retirement benefits to employees in the amount deemed necessary based on the projected benefit obligation and the fair value of plan assets as of the consolidated balance sheet dates. Prior service cost is charged to expense as incurred. Unrecognized actuarial gains and losses are amortized from the next year after incurrence by the straight-line method over a period (10 years) defined within the average remaining service years of eligible employees.

Accounting change

ASBJ Statement No. 19 "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" issued on July 31, 2008. The Group applied this partial amendment from the year ending March 31, 2010. There was no effect by the accounting change because the Group resulted in the adoption of the same discount rate determined under previous accounting standard.

(15) Other reserves

Other reserves are provided to cover future expenses and losses that can be reasonably estimated.

(16) Translation of foreign currencies

The financial statements of foreign subsidiaries are translated into Japanese yen at the exchange rates as of the respective balance sheet dates, except for equity accounts, which are translated at historical exchange rates. Differences arising from such translations are shown as "Foreign currency translation adjustments" as a separate component of equity.

Consolidated domestic banking subsidiaries translate foreign-currency-denominated assets and liabilities into Japanese yen primarily at the exchange rates at the balance sheet dates, with the exception of investments in affiliates which are translated at historical exchange rates.

Foreign-currency-denominated assets and liabilities of other consolidated subsidiaries are translated into Japanese yen at the exchange rates at the respective balance sheet dates.

(17) Income taxes

The provision for income taxes is computed based on the pre-tax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax rates to the temporary differences.

The Group assesses the realizability of deferred tax assets based on an assessment of the available evidence, including future taxable income, future reversal of existing temporary differences and tax planning strategies. A valuation allowance reduces the carrying amount of deferred tax assets to the extent that it is not probable that sufficient taxable income will be available to allow the benefit of part or all of the deferred tax assets to be realized. Such valuation allowance may be reversed to the extent that it becomes probable that sufficient taxable income will be available and warrant the realization of tax benefits.

The Company has filed with the Japanese tax authorities a national income tax return under the consolidated corporate-tax system, which allows national income tax payments to be based on the combined profits or losses of the Company and its wholly owned domestic subsidiaries. Deferred taxes are measured based on the future tax benefits expected to be realized in consideration of the expected combined profits or losses of eligible companies in accordance with the consolidated corporate-tax system. Consolidated corporate-tax amounts, once determined, are allocated to each of the subsidiaries and are used as a basis for the income taxes to be recorded in their separate financial statements.

In addition to "income", the tax basis of the enterprise taxes includes "added value" and "amount of capital," as defined in the Local Tax Law, and the enterprise taxes based on "added value" and "amount of capital" are included in "General and administrative expenses" in the consolidated statements of income in accordance with PITF No. 12,"Practical Treatment of Presentation of External Standards Transaction Portion of Enterprise Taxes on the Statement of Operations," issued by the ASBJ.

(18) Consumption tax

The Company and its domestic consolidated subsidiaries account for consumption tax and local consumption tax by the tax-exclusion method whereby receipts and payments of consumption taxes are not included in the transaction amounts and, accordingly, consumption tax amounts do not affect the measurement of profit or loss transactions.

(19) Leases

All finance lease transactions entered into on or after April 1, 2008 are capitalized, recognizing leased assets and corresponding obligations under finance leases in the balance sheets.

Finance lease transactions that do not transfer ownership of the leased property to the lessee entered into before fiscal years beginning on April 1, 2008 are accounted for as operating lease transactions and "as if capitalized" information is disclosed in the notes to the lessee's financial statements.

(20) Appropriations of retained earnings

Appropriations of retained earnings at each year end are reflected on the consolidated financial statements for the following year upon shareholders' approval or resolution of the Board of Directors.

(21) Cash and cash equivalents

Cash and cash equivalents generally include cash and short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash and cash equivalents on the consolidated statements of cash flows include cash and the balances due from the Bank of Japan.

(22) Per share information

Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the year, retroactively adjusted for any stock splits.

Diluted net income per share reflects the potential dilutive effect of outstanding warrants and convertible securities, including convertible preferred stocks, which would occur if such warrants or conversion options were exercised and the securities were converted into common stock. Diluted net income per share of common stock assumes full conversion of outstanding convertible securities at the beginning of the year (or at the time of issuance, if the securities were issued during the year) with applicable adjustments for related interest expenses and dividends, net of any tax effect, and exercise of all conversion options outstanding.

For the years ended March 31, 2010 and 2009, diluted net income per share was computed reflecting the potential dilutive effect of outstanding convertible preferred stock, which was assumed to be fully converted into common stock at the beginning of the year, with an applicable adjustment for the related preferred dividends.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

(23) New accounting pronouncements

(a) Asset retirement obligations

On March 31, 2008, the ASBJ issued ASBJ Statement No. 18, "Accounting Standard for Asset Retirement Obligations." Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset.

The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made.

Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

The accumulated differences arising from as-if retroactive calculation for the period from the original transaction date, when the asset retirement obligations occurred, to the beginning of the fiscal year of new accounting introduction (i.e. the fiscal year ending March 31, 2011) is to be charged to income (Statement of Income).

The Group estimates the effect of this additional charge to income (Statement of Income) of accumulated differences for the fiscal year ending on March 31, 2011, and will not be material.

This standard is effective for fiscal years beginning on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or before March 31, 2010.

(b) Business combinations

On December 26, 2008, the ASBJ issued a revised accounting standard for business combinations, ASBJ Statement No. 21, "Accounting Standard for Business Combinations." Principal accounting changes under the revised accounting standard are as follows:

(i) The current accounting standard for business combinations allows companies to apply the pooling of interests method of accounting when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests. The revised standard requires to account for such business combination by the purchase method and the pooling of interest method is no longer allowed.

(ii) The current accounting standard accounts for the research and development costs to be charged to expense as incurred. Under the revised standard, an in-process research and development (IPR&D) acquired by the business combination is capitalized as an intangible asset.

(iii) The current accounting standard required that a bargain purchase gain (negative goodwill) to be systematically amortized within 20 years. Under the revised standard, the acquirer recognizes a bargain purchase gain in profit or loss on the acquisition date after reassessing whether the company has correctly identified all of the assets acquired and all of the liabilities assumed and appropriately allocated the purchase price to those identified assets and liabilities.

This standard is applicable to business combinations undertaken on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or after April 1, 2009.

(c) Segment information disclosures

On March 21, 2008, the ASBJ revised ASBJ Statement No. 17 "Accounting Standard for Segment Information Disclosures" and issued ASBJ Guidance No. 20 "Guidance on Accounting Standard for Segment Information Disclosures". Under the standard and guidance, an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. This accounting standard and the guidance are applicable to segment information disclosures for the fiscal years beginning on or after April 1, 2010.

(d) Accounting changes and error corrections

On December 4, 2009, ASBJ issued ASBJ Segment No. 24 "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No. 24 "Guidance on Accounting Standard for Accounting Changes and Error Corrections". Accounting treatments under this standard and guidance are as follows;

(i) Changes in Accounting Policies

When a new accounting policy is applied with revision of accounting standards, a new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.

(ii) Changes in Presentations

When the presentation of financial statements is changed, prior period financial statements are reclassified in accordance with the new presentation.

(iii) Changes in Accounting Estimates
A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.

(iv) Corrections of Prior Period Errors
When an error in prior period financial statements is discovered, those statements are restated.

This accounting standard and the guidance are applicable to accounting changes and corrections of prior period errors which are made from the beginning of the fiscal year that begins on or after April 1, 2011.

(e) Presentation of comprehensive income

On June 30, 2010, the ASBJ issued ASBJ Statement No. 25, “Accounting Standard for Presentation of Comprehensive Income” and ASBJ Statement No. 22 “Revised Accounting Standard for Consolidated Financial Statements“ to prescribe the presentation of comprehensive income and other comprehensive income.

Under the new accounting standards, a company should disclose comprehensive income in a single format with net income or loss, or in a separate format for comprehensive income statement that results in two separate statements broken down into a current/existing Statement of Income and a Statement of Other Comprehensive Income.

When amounts previously presented in other comprehensive income are reclassified to profit or loss, such reclassifications are disclosed as reclassification adjustments. A reclassification adjustment is included with the related component of other comprehensive income in the period that the adjustment is reclassified to profit or loss. The reclassification adjustments are presented either in the consolidated statement of income or in the note to the financial statements.

This standard is effective for fiscal years ending on or after March 31, 2011 with early adoption permitted for fiscal years ending on or after September 30, 2010.

3. Cash and Cash Equivalents

The reconciliation between “Cash and cash equivalents” in the consolidated statements of cash flows and “Cash and due from banks” in the consolidated balance sheets as of March 31, 2010 and 2009 is as follows:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Cash and due from banks	**¥1,607,691**	¥1,404,333	**$17,279**
Due from banks except for the Bank of Japan	**(322,320)**	(293,042)	**(3,464)**
Cash and cash equivalents	**¥1,285,371**	¥1,111,291	**$13,815**

4. Call Loans and Bills Bought, and Call Money and Bills Sold

Call loans and bills bought as of March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Call loans	**¥872,442**	¥658,619	**$9,377**
Bills bought	**—**	—	**—**
Total	**¥872,442**	¥658,619	**$9,377**

Call money and bills sold as of March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Call money	**¥393,243**	¥336,790	**$4,226**
Bills sold	**—**	—	**—**
Total	**¥393,243**	¥336,790	**$4,226**

5. Trading Assets and Trading Liabilities

Trading assets and liabilities as of March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Trading assets:			
Trading securities	**¥ 13,516**	¥ 23,548	**$ 145**
Derivatives of trading securities	**18**	4	**0**
Derivatives of securities related to trading transactions	**0**	119	**0**
Trading-related financial derivatives	**168,630**	149,837	**1,812**
Commercial paper	**340,630**	346,058	**3,661**
Total	**¥522,796**	¥519,567	**$5,619**
Trading liabilities:			
Derivatives of trading securities	**¥ 4**	¥ 5	**$ 0**
Trading-related financial derivatives	**154,397**	122,199	**1,659**
Total	**¥154,402**	¥122,205	**$1,659**

6. Securities

Securities as of March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Japanese government bonds	**¥6,559,368**	¥5,971,992	**$70,500**
Japanese local government bonds	**401,555**	420,654	**4,315**
Japanese corporate bonds	**1,172,294**	975,396	**12,599**
Japanese stocks	**569,027**	482,231	**6,115**
Other securities	**213,071**	161,438	**2,290**
Total	**¥8,915,317**	¥8,011,712	**$95,822**

As of March 31, 2010 and 2009, securities included equity investments in non-consolidated subsidiaries and affiliates, accounted for by the equity method or the cost method, of ¥19,198 million ($206 million) and ¥19,121 million, respectively, and capital subscriptions to entities such as limited liability companies of ¥4,768 million ($51 million) and ¥6,260 million, respectively.

The amortized costs, aggregate fair values and unrealized gains and losses of held-to-maturity debt securities as of March 31, 2010 and 2009 were as follows:

	Millions of yen		
	Amortized costs	Estimated fair values	Net unrealized gains (losses)
March 31, 2010			
Fair value exceeding amortized cost:			
Held-to-maturity debt securities:			
Japanese government bonds	**¥ 817,238**	**¥ 833,043**	**¥15,804**
Japanese local government bonds	**239,271**	**248,288**	**9,017**
Japanese corporate bonds	**12,520**	**12,730**	**210**
Total	**¥1,069,029**	**¥1,094,061**	**¥25,032**
Fair value below amortized cost:			
Held-to-maturity debt securities:			
Japanese local government bonds	**¥ 13,995**	**¥ 13,885**	**¥ (109)**
Japanese corporate bonds	**4,177**	**4,098**	**(78)**
Total	**¥ 18,172**	**¥ 17,984**	**¥ (187)**
Grand total	**¥1,087,202**	**¥1,112,046**	**¥24,844**

	Millions of U.S. dollars		
	Amortized costs	Estimated fair values	Net unrealized gains (losses)
March 31, 2010			
Fair value exceeding amortized cost:			
Held-to-maturity debt securities:			
Japanese government bonds	**$ 8,783**	**$ 8,953**	**$169**
Japanese local government bonds	**2,571**	**2,668**	**96**
Japanese corporate bonds	**134**	**136**	**2**
Total	**$11,489**	**$11,759**	**$269**
Fair value below amortized cost:			
Held-to-maturity debt securities:			
Japanese local government bonds	**$ 150**	**$ 149**	**$ (1)**
Japanese corporate bonds	**44**	**44**	**(0)**
Total	**$ 195**	**$ 193**	**$ (2)**
Grand total	**$11,685**	**$11,952**	**$267**

	Millions of yen				
	Amortized costs	Estimated fair values	Net unrealized gains	Gross unrealized gains	Gross unrealized losses
March 31, 2009					
Held-to-maturity debt securities:					
Japanese government bonds	¥375,290	¥377,848	¥2,557	¥3,346	¥789
Japanese local government bonds	223,811	228,595	4,784	4,842	58
Total	¥599,101	¥606,443	¥7,342	¥8,189	¥847

The carrying values, amortized costs and unrealized gains (losses) on available-for-sale securities as of March 31, 2010 were as follows:

	Millions of yen		
	Carrying values	Amortized costs	Net unrealized gains (losses)
March 31, 2010			
Carrying value exceeding amortized cost:			
Japanese stocks	**¥ 401,479**	**¥ 257,750**	**¥143,728**
Bonds:			
Japanese government bonds	**1,275,403**	**1,268,368**	**7,035**
Japanese local government bonds	**109,193**	**106,895**	**2,297**
Japanese corporate bonds	**783,503**	**778,964**	**4,539**
Total bonds	**2,168,101**	**2,154,228**	**13,872**
Other	**84,021**	**78,966**	**5,055**
Total	**¥2,653,601**	**¥2,490,945**	**¥162,656**
Carrying value below amortized cost:			
Japanese stocks	**¥ 73,113**	**¥ 86,786**	**¥ (13,673)**
Bonds:			
Japanese government bonds	**4,466,726**	**4,487,346**	**(20,620)**
Japanese local government bonds	**39,095**	**39,351**	**(255)**
Japanese corporate bonds	**372,093**	**374,200**	**(2,107)**
Total bonds	**4,877,914**	**4,900,897**	**(22,982)**
Other	**249,710**	**255,103**	**(5,392)**
Total	**¥5,200,738**	**¥5,242,787**	**¥ (42,048)**
Grand total	**¥7,854,340**	**¥7,733,733**	**¥120,607**

	Millions of U.S. dollars		
	Carrying values	Amortized costs	Net unrealized gains (losses)
March 31, 2010			
Carrying value exceeding amortized cost:			
Japanese stocks	**$ 4,315**	**$ 2,770**	**$1,544**
Bonds:			
Japanese government bonds	**13,708**	**13,632**	**75**
Japanese local government bonds	**1,173**	**1,148**	**24**
Japanese corporate bonds	**8,421**	**8,372**	**48**
Total bonds	**23,302**	**23,153**	**149**
Other	**903**	**848**	**54**
Total	**$28,521**	**$26,772**	**$1,748**
Carrying value below amortized cost:			
Japanese stocks	**$ 785**	**$ 932**	**$ (146)**
Bonds:			
Japanese government bonds	**48,008**	**48,230**	**(221)**
Japanese local government bonds	**420**	**422**	**(2)**
Japanese corporate bonds	**3,999**	**4,021**	**(22)**
Total bonds	**52,428**	**52,675**	**(247)**
Other	**2,683**	**2,741**	**(57)**
Total	**$55,897**	**$56,349**	**$ (451)**
Grand total	**$84,418**	**$83,122**	**$1,296**

Note: ¥75,659 million ($813 million) of unlisted stocks and ¥24,657 million ($265 million) of investments in partnerships whose fair value cannot be reliably determined are not included in the table above.

The amortized costs, aggregate fair values and unrealized gains and losses of available-for-sale securities as of March 31, 2009 were as follows:

	Millions of yen				
	Amortized cost	Estimated fair value	Net unrealized gains (losses)	Gross unrealized gains	Gross unrealized losses
March 31, 2009					
Available-for-sale securities:					
Japanese stocks	¥ 356,788	¥ 393,976	¥ 37,188	¥68,445	¥ 31,256
Bonds:					
Japanese government bonds	5,653,432	5,596,702	(56,730)	2,102	58,832
Japanese local government bonds	196,053	196,843	790	1,310	520
Japanese corporate bonds	581,680	581,069	(611)	804	1,416
Total bonds	6,431,166	6,374,615	(56,551)	4,217	60,769
Other	308,732	295,500	(13,232)	2,489	15,721
Total	¥7,096,686	¥7,064,091	¥(32,594)	¥75,153	¥107,747

An impairment of securities is recognized if the decline in fair value is substantial and the decline is determined to be other than temporary. To assess whether or not a decline in fair value is substantial, the Group considers not only the severity and duration of the decline in value but also the classification of the security issuer which is used in the self-assessment of asset quality for loan loss reserving, as follows:

(i) For issuers who are classified as borrowers under bankruptcy proceedings, borrowers substantially in bankruptcy and borrowers with a high probability of becoming insolvent: where the fair value is lower than the carrying value.

(ii) For issuers who are classified as borrowers under close watch: where the fair value declines by 30% or more compared to the carrying value.

(iii) Other: where the fair value declines by 50% or more compared to the carrying value.

For the years ended March 31, 2010 and 2009, impairment losses of ¥2,744 million ($29 million) and ¥22,007 million, respectively, were recorded with respect to available-for-sale securities with fair values.

For the years ended March 31, 2010 and 2009, the Group did not reclassify any securities.

Proceeds from sales of available-for-sale securities, gross realized gains and gross realized losses for the years ended March 31, 2010 and 2009 were as follows:

	Millions of yen			Millions of U.S. dollars		
	Proceeds from sales	Gross realized gains	Gross realized losses	Proceeds from sales	Gross realized gains	Gross realized losses
March 31, 2010						
Available-for-sale securities:						
Japanese stocks	**¥ 19,639**	**¥ 6,970**	**¥ 120**	**$ 211**	**$ 74**	**$ 1**
Bonds:						
Japanese government bonds	**29,753,577**	**35,227**	**8,143**	**319,793**	**378**	**87**
Japanese local government bonds	**161,069**	**828**	**81**	**1,731**	**8**	**0**
Japanese corporate bonds	**371,202**	**2,297**	**6**	**3,989**	**24**	**0**
Total bonds	**30,285,849**	**38,353**	**8,230**	**325,514**	**412**	**88**
Other	**447,644**	**4,051**	**2,010**	**4,811**	**43**	**21**
Total	**¥30,753,133**	**¥49,376**	**¥10,361**	**$330,536**	**$530**	**$111**
March 31, 2009						
Available-for-sale securities	¥28,224,898	¥48,374	¥44,272			

Securities whose fair values were not reliably determined as of March 31, 2010 were principally as follows:

March 31, 2010	Millions of yen	Millions of U.S. dollars
Available-for-sale securities:		
Unlisted Japanese corporate stocks	**¥75,659**	**$813**
Investments in partnership	**24,657**	**265**

Securities whose fair values were not readily determinable as of March 31, 2009 were principally as follows:

March 31, 2009	Millions of yen
Held-to-maturity debt securities:	
Unlisted Japanese corporate bonds	¥ 26,360
Available-for-sale securities:	
Unlisted Japanese corporate bonds	367,967
Unlisted Japanese corporate stocks	69,145

The carrying values of securities classified as available-for-sale and held-to-maturity by maturities as of March 31, 2009 were as follows:

	Millions of yen			
	One year or less	One to five years	Five to ten years	Over ten years
March 31, 2009				
Bonds:				
Japanese government bonds	¥2,809,850	¥1,955,215	¥ 745,277	¥461,649
Japanese local government bonds	12,938	168,252	239,464	—
Japanese corporate bonds	323,744	591,739	18,259	41,652
Subtotal	3,146,533	2,715,207	1,003,001	503,301
Other	20,277	69,083	30,911	179,478
Total	¥3,166,810	¥2,784,291	¥1,033,912	¥682,779

A reconciliation of net unrealized gains on available-for-sale securities to the amounts included in "Net unrealized gains (losses) on available-for-sale securities," presented as a separate component of equity as of March 31, 2010 and 2009, on the consolidated balance sheets is as follows:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Net unrealized gains (losses) before taxes on available-for-sale securities	**¥120,607**	¥(32,594)	**$1,296**
Discontinued fair value hedge gains previously recognized as income	**(11,105)**	(11,889)	**(119)**
Deferred tax assets (liabilities)	**(26,234)**	12,166	**(281)**
Net unrealized gains (losses) on available-for-sale securities (before adjustment)	**83,267**	(32,318)	**894**
Amounts attributable to minority interests	**190**	36	**2**
The Company's portion of unrealized gains on available-for-sale securities of equity method investees	**52**	9	**0**
Amounts recorded in the consolidated balance sheets	**¥ 83,129**	¥(32,345)	**$ 893**

For securities borrowed without collateral, securities purchased under resale agreements and securities received under securities borrowing transactions collateralized with cash, which permit borrowers to sell or repledge such securities received, ¥50,418 million ($541 million) and ¥245,077 million of such securities were repledged, and ¥5,985 million ($64 million) and none of such securities were reloaned, as of March 31, 2010 and 2009, respectively.

¥37,908 million ($407 million) of securities loaned without collateral under securities lending agreement are included in Japanese government bonds as of March 31, 2010.

There were no loaned securities under securities lending agreements as of March 31, 2009.

There was no money held in trust for trading purpose as of March 31, 2010 and 2009.

7. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Bills discounted	**¥ 189,925**	¥ 216,320	**$ 2,041**
Loans on notes	**1,130,686**	1,261,711	**12,152**
Loans on deeds	**21,799,485**	21,664,585	**234,302**
Overdrafts	**3,143,450**	3,366,637	**33,786**
Total	**¥26,263,548**	¥26,509,254	**$282,282**

The following loans were included in loans and bills discounted as of March 31, 2010 and 2009.

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Loans to borrowers in legal bankruptcy	**¥ 35,324**	¥ 84,558	**$ 379**
Past due loans	**466,511**	418,639	**5,014**
Accruing loans contractually past due three months or more	**13,700**	27,373	**147**
Restructured loans	**188,583**	159,454	**2,026**
Total	**¥704,120**	¥690,025	**$7,567**

The above amounts are stated before the deduction of the reserve for possible loan losses.

"Loans to borrowers in legal bankruptcy" are nonaccrual loans which are highly probable to become unrecoverable. Specific conditions for inclusion in this category are as follows:

(i) Borrowers have made application for procedures under the Corporate Reorganization Law, Civil Rehabilitation Law, Bankruptcy Law, liquidation under the Company Act, or liquidation under other legal provisions.

(ii) Clearance of promissory notes or bills issued by the borrower is suspended.

"Past due loans" are loans on which accrued interest income is not recognized, excluding "Loans to borrowers in legal bankruptcy" and loans on which interest payments are deferred in order to support the borrowers' recovery from financial difficulties.

"Accruing loans contractually past due three months or more" include accruing loans for which principal or interest is past due three months or more.

"Restructured loans" are loans to borrowers in financial difficulty to whom the Group has provided financial support through modification of the lending terms to be more favorable to the borrower, including reduction of interest rates, suspension of repayment of principal and interest and debt forgiveness.

Bills discounted are recorded as lending transactions in accordance with the JICPA Industry Audit Committee Report No. 24. Certain consolidated banking subsidiaries have a right to sell or repledge as collateral such discounted bills at their discretion. The total face value of bank acceptance bills, commercial bills, documentary bills and foreign currency bills bought, which were obtained at a discount, was ¥201,266 million ($2,163 million) and ¥230,260 million as of March 31, 2010 and 2009, respectively.

8. Foreign Exchange

Foreign exchange assets and liabilities as of March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Assets:			
Due from foreign banks	**¥27,033**	¥43,100	**$290**
Foreign bills of exchange bought	**11,341**	13,939	**121**
Foreign bills of exchange receivable	**22,895**	21,547	**246**
Total	**¥61,269**	¥78,588	**$658**
Liabilities:			
Due to foreign banks	**¥ 2,234**	¥ 1,770	**$ 24**
Foreign bills of exchange sold	**511**	485	**5**
Foreign bills of exchange payable	**340**	291	**3**
Total	**¥ 3,085**	¥ 2,548	**$ 33**

9. Other Assets

Other assets as of March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Prepaid expenses	**¥ 16,742**	¥ 7,239	**$ 179**
Accrued income	**56,829**	61,818	**610**
Initial margins for futures transactions	**2,651**	1,486	**28**
Variation margins for futures transactions	**321**	1	**3**
Financial derivatives, principally including option premiums and contracts under hedge accounting	**307,386**	290,517	**3,303**
Prepaid pension cost	**138,253**	146,993	**1,485**
Guarantee deposits	**22,963**	23,337	**246**
Guarantee for derivative transactions	**189,188**	122,637	**2,033**
Other	**352,456**	252,656	**3,788**
Total	**¥1,086,792**	¥906,688	**$11,680**

10. Premises and Equipment

Premises and equipment as of March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Land, building, equipment and leased assets	**¥531,716**	¥530,351	**$5,714**
Construction in progress	**3,707**	2,281	**39**
Subtotal	**535,423**	532,632	**5,754**
Accumulated depreciation	**(213,126)**	(206,129)	**(2,290)**
Total	**¥322,297**	¥326,503	**$3,464**

Under certain conditions such as exchanges of fixed assets of similar kinds and sales and purchases resulting from expropriation, Japanese tax laws permit companies to effectively defer the recognition of taxable profit arising from such transactions by reducing the cost of the assets acquired. As of March 31, 2010 and 2009, such deferred profit amounted to ¥54,815 million ($589 million) and ¥54,815 million, respectively.

11. Intangible Fixed Assets

Intangible fixed assets as of March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Software	**¥13,985**	¥17,797	**$150**
Goodwill	**—**	7,242	**—**
Leased assets	**31,056**	30,609	**333**
Other intangible fixed assets	**5,425**	5,458	**58**
Total	**¥50,467**	¥61,107	**$542**

12. Long-Lived Assets

For the years ended March 31, 2010 and 2009, the Group recognized impairment losses of ¥3,636 million ($39 million) and ¥3,370 million. For all assets on which impairment losses were recognized, the Group used an estimated net selling price as the recoverable amount, which was higher than the discounted value in use.

13. Assets Pledged as Collateral

Assets pledged as collateral and debt collateralized as of March 31, 2010 and 2009 were as follows:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Assets pledged as collateral:			
Trading assets	**¥ 144,914**	¥ 170,791	**$ 1,557**
Securities	**5,616,701**	5,203,489	**60,368**
Loans and bills discounted	**204,219**	238,036	**2,194**
Other assets	**3,886**	3,978	**41**
Debt collateralized:			
Deposits	**¥ 175,895**	¥ 173,982	**$ 1,890**
Bills sold under repurchase agreements	**132,976**	790,455	**1,429**
Deposits received for securities lending transactions	**55,933**	79,613	**601**
Borrowed money	**550,400**	569,800	**5,915**
Other liabilities	**39**	39	**0**

In addition to the pledged assets shown above, “Cash and due from banks,” “Securities” and “Other assets,” amounting to ¥80 million ($0 million), ¥1,019,816 million ($10,961 million) and ¥189,800 million ($2,039 million), respectively, were pledged as collateral for settlements of foreign exchanges, over-the-counter derivatives transactions or futures transactions as of March 31, 2010.

In addition to the pledged assets shown above, “Cash and due from banks,” “Securities” and “Other assets,” amounting to ¥80 million, ¥964,143 million and ¥122,682 million, respectively, were pledged as collateral for settlements of foreign exchanges, over-the-counter derivatives transactions or futures transactions as of March 31, 2009.

“Other assets” included the guarantee deposits of ¥22,963 million ($246 million) and ¥23,337 million as of March 31, 2010 and 2009, respectively.

“Other assets” included initial margins for futures transactions in the amount of ¥2,651 million ($28 million) and ¥1,486 million as of March 31, 2010 and 2009, respectively.

14. Commitment Line Agreements

Overdraft agreements on current accounts and commitment-line agreements for loans are agreements to extend loans up to the prearranged amount at a quoted rate during a specific future period upon customers’ requests, unless any terms or conditions in the agreements are violated.

Unused balances related to these agreements amounted to ¥7,821,708 million ($84,068 million) and ¥8,182,364 million as of March 31, 2010 and 2009, respectively, including ¥7,623,747 million ($81,940 million) and ¥7,943,019 million of agreements with original terms of one year or less or those that are unconditionally cancellable by the Group at any time without penalty as of March 31, 2010 and 2009, respectively.

The unused balances do not necessarily affect future cash flows of the Group because most of these agreements are expected to expire without being exercised. In addition, most agreements contain provisions, which stipulate that the Group may decline to extend loans or reduce the prearranged commitment amount when there are adverse changes in the financial conditions of the borrowers, or for other reasons.

When extending loans to customers, the Group may request collateral or guarantees such as real estate and securities if deemed necessary. After originating loans, the Group periodically checks the financial condition of the borrowers based on its internal rules and, if necessary, takes measures to ensure the security of the loans.

15. Deposits

Deposits as of March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Current deposits	**¥ 2,541,211**	¥ 2,537,720	**$ 27,313**
Ordinary deposits	**16,262,333**	15,740,579	**174,788**
Savings deposits	**404,482**	437,199	**4,347**
Notice deposits	**142,197**	114,047	**1,528**
Time deposits	**12,741,257**	12,415,356	**136,943**
Other deposits	**864,128**	862,893	**9,287**
Total	**¥32,955,610**	¥32,107,797	**$354,209**

16. Borrowings and Lease Obligations

(1) Borrowings

As of March 31, 2010 and 2009, the weighted average annual interest rates applicable to borrowed money were 0.33% and 0.45%, respectively.

Borrowed money included borrowings from the Bank of Japan and other financial institutions. In addition, borrowed money included subordinated borrowings of ¥52,000 million ($558 million) and ¥52,000 million as of March 31, 2010 and 2009, respectively.

The following is summary of maturities of borrowed money subsequent to March 31, 2010:

Year Ending March 31	Millions of yen	Millions of U.S. dollars
2011	¥565,842	$6,081
2012	3,035	32
2013	834	8
2014	1,529	16
2015	287	3
2016 and thereafter	52,090	559
Total	¥623,620	$6,702

(2) Obligations under finance leases

As of March 31, 2010 and 2009, the weighted average annual interest rate applicable to the finance lease obligations was 0.34% and 0.30%, respectively.

The following is summary of maturities of finance lease obligations subsequent to March 31, 2010:

Year Ending March 31	Millions of yen	Millions of U.S. dollars
2011	¥ 9,300	$ 99
2012	9,330	100
2013	8,246	88
2014	4,147	44
2015	830	8
2016 and thereafter	—	—
Total	¥31,855	$342

Note: The table does not include the amounts related to finance lease transactions that do not transfer ownership of the leased property to the lessee entered into before April 1, 2008. The information about such finance leases is disclosed in Note 28.

17. Bonds

Bonds as of March 31, 2010 and 2009 consisted of the following:

	Rate	Maturity	Millions of yen	Millions of U.S. dollars
As of March 31, 2010				
The Company:				
Straight bond	0.69%	June 24, 2010	¥ 30,000	$ 322
Straight bond	1.09%	December 17, 2010	30,000	322
Straight bond	1.64%	December 15, 2011	20,000	214
Straight bond	1.70%	June 20, 2013	30,000	322
Resona Bank, Limited(5):				
Subordinated bonds(1)	0.8225% to 5.986%	September 24, 2014 to Perpetuity	622,476	6,690
Saitama Resona Bank, Ltd.(5):				
Subordinated bonds	0.83063% to 2.181%	March 8, 2016 to Perpetuity	105,500	1,133
Asahi Finance (Cayman) Ltd.(2):				
Subordinated bond	4.25%	Perpetuity	10,000	107
P.T. Bank Resona Perdania(3):				
Straight bond(4)	9.6%	December 6, 2010	1,314	14
Straight bond(4)	10.9%	April 15, 2011	973	10
Total			¥850,264	$9,138
As of March 31, 2009				
The Company:				
Straight bond	1.28%	August 12, 2009	¥ 50,000	
Straight bond	0.84%	December 17, 2009	30,000	
Straight bond	0.69%	June 24, 2010	30,000	
Straight bond	1.09%	December 17, 2010	30,000	
Straight bond	1.32%	December 15, 2009	30,000	
Straight bond	1.64%	December 15, 2011	20,000	
Straight bond	1.70%	June 20, 2013	30,000	
Resona Bank, Limited(5):				
Subordinated bonds(1)	1.20% to 5.986%	September 24, 2014 to Perpetuity	498,332	
Saitama Resona Bank, Ltd.(5):				
Subordinated bonds	1.1575% to 2.08%	March 8, 2016 to Perpetuity	95,000	
Asahi Finance (Cayman) Ltd.(2):				
Subordinated bond	4.25%	Perpetuity	10,000	
P.T. Bank Resona Perdania(3):				
Straight bond(4)	9.6%	December 6, 2010	1,105	
Straight bond(4)	10.9%	April 15, 2011	820	
Total			¥825,258	

Notes: (1) The amount includes the balances of foreign currency-denominated bonds originally issued at EUR 1,498 million, U.S.$1,299 million and £335 million as of March 31, 2010. The amount includes the balances of foreign currency-denominated bonds originally issued at EUR 1,798 million, U.S.$1,299 million and £400 million as of March 31, 2009.
(2) Asahi Finance (Cayman) Ltd. is a wholly owned subsidiary of the Company.
(3) P.T. Bank Resona Perdania is a consolidated subsidiary of Resona Bank, Limited, which has 43.4%.of voting rights.
(4) The amount includes the balance of foreign currency-denominated bonds originally issued at 233,488 million and 232,020 million of Indonesian rupee as of March 31, 2010 and 2009, respectively.
(5) Resona Bank, Limited and Saitama Resona Bank, Ltd. are both wholly owned subsidiaries of the Company.

The following is a summary of the maturities of bonds subsequent to March 31, 2010:

Year Ending March 31	Millions of yen	Millions of U.S. dollars
2011	¥ 61,314	$ 659
2012	20,973	225
2013	—	—
2014	30,000	322
2015	20,000	214
2016 and thereafter	717,975	7,716
Total	¥850,264	$9,138

Note: The above amounts are stated at carrying amounts.

18. Other Liabilities

Other liabilities as of March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Accrued income taxes	**¥ 9,748**	¥ 4,661	**$ 104**
Accrued expenses	**62,468**	64,023	**671**
Unearned income	**22,255**	23,998	**239**
Financial derivatives, principally including option premiums and contracts under hedge accounting	**282,345**	254,394	**3,034**
Other	**588,125**	551,838	**6,321**
Total	**¥964,944**	¥898,915	**$10,371**

19. Other Reserves

Other reserves are provided to cover future expenses and losses that can be reasonably estimated.

Other reserves as of March 31, 2010 and 2009 mainly include a reserve for losses on trust transactions, a reserve for losses on the reimbursement of dormant deposits, a reserve for losses on burden charge under the credit guarantee system, a reserve for Resona Club points and a reserve for losses on interest repayments.

(i) A reserve for losses on trust transactions is provided for the estimated future losses on the trust transactions without the principal indemnification which a consolidated domestic banking subsidiary as a trustee has been administrating and operating, and amounted to ¥11,092 million ($119 million) and ¥10,906 million as of March 31, 2010 and 2009, respectively.

(ii) A reserve for losses on reimbursement of dormant deposits is provided for the estimated future losses resulting from reimbursements of dormant deposits subsequent to the period of derecognition of the related liabilities, and amounted to ¥8,305 million ($89 million) and ¥6,928 million as of March 31, 2010 and 2009, respectively.

(iii) A reserve for losses on burden charge under the credit guarantee system is provided for the estimated future losses to be charged by the credit guarantee corporation under the burden sharing system for credit losses on loans to certain small- and medium-sized companies, and amounted to ¥5,000 million ($53 million) and ¥4,749 million as of March 31, 2010 and 2009, respectively.

(iv) A reserve for Resona Club points is provided for the estimated future losses by usage of the points awarded to the Resona Club members and amounted to ¥3,547 million ($38 million) and ¥2,665 million as of March 31, 2010 and 2009, respectively.

(v) A reserve for losses on interest repayments is provided for the future losses on interest repayment claims based on the historical experience for such repayments and amounted to ¥632 million ($6 million) and ¥550 million as of March 31, 2010 and 2009, respectively.

20. Customers' Liabilities for Acceptances and Guarantees

All contingent liabilities arising from acceptances and guarantees are reflected in "Acceptances and guarantees." As a contra account, "Customers' liabilities for acceptances and guarantees" is shown on the assets side of the consolidated balance sheets, representing the Group's right of indemnity from the applicants.

In addition to the acceptances and guarantees described above, a consolidated domestic banking subsidiary guarantees the principals on certain jointly managed trust products. The guaranteed principal amounts held in such trusts were ¥456,479 million ($4,906 million) and ¥410,635 million as of March 31, 2010 and 2009, respectively.

21. Revaluation Reserve for Land

Effective March 31, 1998, certain domestic consolidated subsidiaries adopted a special one-time measure to revalue their land used in operations in accordance with the “Law Concerning Land Revaluation” (Law 34, announced on March 31, 1998). The land revaluation differences have been recorded in “Revaluation reserve for land” as a separate component of equity in the year ended March 31, 2007 with the related income taxes included in “Deferred tax liabilities on land revaluation”.

In accordance with Article 3, Item 3 of the Law, the revaluation was based on the official notice prices stated in the “Law of Public Notice of Land Prices” (assessment date, January 1, 1998) as stipulated in Article 2, Item 1 of the “Ordinance for the Law Concerning Land Revaluation” (Government Ordinance No. 119, announced on March 31, 1998) after making reasonable adjustments for the location and quality of the sites.

The aggregate carrying value of the land after one-time revaluation exceeded its aggregate fair value that was determined in accordance with Article 10 of the Law by ¥28,243 million ($303 million) and ¥25,131 million as of March 31, 2010 and 2009.

22. Equity

The significant provisions in the Company Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Company Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders’ meeting. For companies that meet certain criteria such as; (1) having a Board of Directors, (2) having independent auditors, (3) having a Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation.

The Board of Directors of companies with board committees (an appointment committee, compensation committee and audit committee) can also declare dividends (except for dividends-in-kind) because such companies with board committees already, by nature, meet the above criteria under the Company Act, even though such companies have an audit committee instead of the Board of Corporate Auditors. The Company is organized as a company with board committees.

The Company Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements. Interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate.

The Company Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increase, decrease and transfer of stated capital, reserve and surplus

The Company Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of the aggregate amount of the legal reserve and additional paid-in capital equals 25% of common stock.

Under the Company Act, the total amount of additional paid-in capital and legal reserve may be available for dividends by resolution of the shareholders after transferring of the amount to retained earnings without limitation. The Company Act also provides that stated capital, legal reserve, additional paid-in capital, other capital surplus (capital surplus other than additional paid-in capital) and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders. In addition, the Company can do so without resolution of the shareholders when it meets certain other conditions under Article 447-3 and 448-3.

(c) Treasury stock and treasury stock acquisition rights

The Company Act also provides for companies to acquire treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock acquired cannot exceed the amount available for distribution to the shareholders which is determined by specific formula.

Under the Company Act, stock acquisition rights are presented as a separate component of equity.

The Company Act also provides that companies can acquire both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

(d) Accounting standards for treasury shares and appropriation of legal reserve

The ASBJ Statement No. 1, "Accounting Standards for Treasury Shares and Appropriation of Legal Reserve," and ASBJ Guidance No. 2, "Guidance on Accounting Standards for Treasury Shares and Appropriation of Legal Reserve," clarify the accounting treatment for retirement of treasury stock, requiring the cost of retired treasury stock be first deducted from other capital surplus (capital surplus other than additional paid-in capital). These standards also require that when the other capital surplus at the end of the year would become negative as a result of retirement of treasury stock, the negative balance of other capital surplus shall be zero and the negative balance shall be deducted from other earned surplus (retained earnings other than the legal reserve).

Common stock and preferred stock as of March 31, 2010 were as follows:

March 31, 2010	Number of shares		Per share (Yen)						
Class of stock	Authorized	Issued and outstanding	Interim cash dividend	Year-end cash dividend paid[1]	Liquidation value	Convertible or not	Convertible period	Voting right	Conversion ratio or price
Common stock	7,300,000,000	1,214,957,691	¥—	¥ 10.00	¥ —	No	Not applicable	Yes	Not applicable
Class C No. 1 preferred stock[3]	12,000,000	12,000,000	—	68.00	5,000	Yes	January 1, 2002 to March 31, 2015	No	¥1,667
Class F No. 1 preferred stock[3]	8,000,000	8,000,000	—	185.00	12,500	Yes	July 1, 2003 to November 30, 2014	No	¥3,597
Class one No. 1 preferred stock[3]	275,000,000	275,000,000	—	28.68	2,000	Yes	On or after July 1, 2006	Yes	¥1,409
Class two No. 1 preferred stock[3]	281,780,800	281,780,786	—	28.68	2,000	Yes	On or after July 1, 2008	Yes	¥1,206
Class three No. 1 preferred stock[3]	275,000,000	275,000,000	—	28.68	2,000	Yes	On or after July 1, 2010	Yes	[2]
Class four preferred stock	10,000,000	2,520,000	—	992.50	25,000	No	—	No	—
Class five preferred stock	10,000,000	4,000,000	—	918.75	25,000	No	—	No	—
Class six preferred stock	10,000,000	3,000,000	—	386.51	25,000	No	—	No	—

Notes: (1) The payment of year-end cash dividends was approved at the Board of Directors' meeting held on May 14, 2010.
(2) The initial conversion price of Class three No. 1 preferred stock is determined based on the market prices of the Company's common stocks on the Tokyo Stock Exchange on July 1, 2010, where the floor conversion price is ¥170.
(3) The preferred stocks stated above are moving strike convertible securities.
(4) In addition to the above, the authorized number of the shares for Class seven preferred stock and Class eight preferred stock was 10,000,000 shares, in each one, as of March 31, 2010.

Holders or registered pledges of preferred stocks are entitled to receive annual dividends and the distribution of residual assets in priority to shareholders of common stock but *pari passu* among themselves. The Company may pay up to one-half the annual dividends payable on each class of preferred stock as an interim dividend. Dividends on the preferred stock are not cumulative.

Each preferred stock except for Class four and Class five preferred stocks is convertible into common stock at the option of the holder. Conversion prices or ratios are determined based on the market price of the Company's common stock multiplied by certain conversion ratios which are subject to certain reset provisions.

The Company may repurchase Class four preferred stock with cash at a price of ¥25,000 plus a daily basis of annual dividends on or after August 31, 2013.

The Company may repurchase Class five preferred stock with cash at a price of ¥25,000 plus a daily basis of annual dividends on or after August 28, 2014.

Holders of preferred stock (Class C No. 1, Class F No. 1, Class four, Class five and Class six preferred stock) are not entitled to vote at general shareholders' meeting except where the articles of incorporation entitle the holders to vote.

Common stock and preferred stock as of March 31, 2009 were as follows:

March 31, 2009	Number of shares		Per share (Yen)						
Class of stock	Authorized	Issued and outstanding	Interim cash dividend	Year-end cash dividend paid (1)	Liquidation value	Convertible or not	Convertible period	Voting right	Conversion ratio or price
Common stock	7,300,000,000	1,139,957,691	¥—	¥ 10.00	¥ —	No	Not applicable	Yes	Not applicable
Class C No. 1 preferred stock	12,000,000	12,000,000	—	68.00	5,000	Yes	January 1, 2002 to March 31, 2015	No	¥1,667
Class F No. 1 preferred stock	8,000,000	8,000,000	—	185.00	12,500	Yes	July 1, 2003 to November 30, 2014	No	¥3,597
Class one No. 1 preferred stock	275,000,000	275,000,000	—	31.90	2,000	Yes	On or after July 1, 2006	Yes	¥1,753
Class two No. 1 preferred stock	281,780,800	281,780,786	—	31.90	2,000	Yes	On or after July 1, 2008	Yes	¥1,226
Class three No. 1 preferred stock	275,000,000	275,000,000	—	31.90	2,000	Yes	On or after July 1, 2010	Yes	(2)
Class four preferred stock	10,000,000	2,520,000	—	992.50	25,000	No	—	No	—
Class five preferred stock	10,000,000	4,000,000	—	918.75	25,000	No	—	No	—
Class nine preferred stock	10,000,000	10,000,000	—	325.50	35,000	Yes	On or after June 5, 2008	No	¥3,324.65

Notes: (1) The payment of year-end cash dividends was approved at the Board of Directors' meeting held on May 15, 2009.
(2) The initial conversion price of Class three No. 1 preferred stock is determined based on the market prices of the Company's common stock on the Tokyo Stock Exchange on July 1, 2010, where the floor conversion price is ¥170.
(3) In addition to the above, the authorized number of the shares for Class six preferred stock, Class seven preferred stock and Class eight preferred stock was 10,000,000 shares, in each one, as of March 31, 2009.

Holders or registered pledges of preferred stocks are entitled to receive annual dividends and the distribution of residual assets in priority to shareholders of common stock but *pari passu* among themselves. The Company may pay up to one-half the annual dividends payable on each class of preferred stock as an interim dividend. Dividends on the preferred stock are not cumulative.

Each preferred stock except for Class four and Class five preferred stock is convertible into common stock at the option of the holder. Conversion prices or ratios are determined based on the market price of the Company's common stock multiplied by certain conversion ratios which are subject to certain reset provisions.

The Company may repurchase Class four preferred stock with cash at a price of ¥25,000 plus a daily basis of annual dividends on or after August 31, 2013.

The Company may repurchase Class five preferred stock with cash at a price of ¥25,000 plus a daily basis of annual dividends on or after August 28, 2014.

Holders of preferred stock (Class C No. 1, Class F No. 1, Class four, Class five and Class nine preferred stock) are not entitled to vote at general shareholders' meeting except where the articles of incorporation entitle the holders to vote.

The changes in the number and class of shares issued and outstanding and treasury stock for the year ended March 31, 2010 were as follows:

	(Shares in thousands)				
		Changes during the year			
	As of March 31, 2009	Increase	Decrease	As of March 31, 2010	
Issued stock:					
Common stock	1,139,957	75,000	—	1,214,957	(1)
Preferred stock:					
Class C No. 1 Preferred Stock	12,000	—	—	12,000	
Class F No. 1 Preferred Stock	8,000	—	—	8,000	
Class one No. 1 Preferred stock	275,000	—	—	275,000	
Class two No. 1 Preferred stock	281,780	—	—	281,780	
Class three No. 1 Preferred stock	275,000	—	—	275,000	
Class four Preferred stock	2,520	—	—	2,520	
Class five Preferred stock	4,000	—	—	4,000	
Class six Preferred stock	—	3,000	—	3,000	(1)
Class nine Preferred stock	10,000	—	10,000	—	(2)
Total	2,008,258	78,000	10,000	2,076,258	
Treasury stock:					
Common stock	64,133	40	4	64,168	(3)
Preferred stock:					
Class nine Preferred Stock	—	10,000	10,000	—	(2)
Total	64,133	10,040	10,004	64,168	

Notes: (1) The increase in the number of the common stock and preferred stock (Class six) is due to issued stocks.
(2) The increase in the number of the treasury stock of preferred stock (Class nine) is due to the shares acquired within the preapproved limit on treasury stock acquisition. The decreases are due to the retirements of the acquired shares of these preferred stocks.
(3) The increase in the number of the treasury stock of common stock includes the shares acquired within the preapproved limit on treasury stock acquisition of odd-lot shares. The decrease includes the disposal of odd-lot shares.

The changes in the number and class of shares issued and outstanding and treasury stock for the year ended March 31, 2009 were as follows:

	(Shares in thousands)				
		Changes during the year			
	As of March 31, 2008	Increase	Decrease	As of March 31, 2009	
Issued stock:					
Common stock	1,139,957	—	—	1,139,957	
Preferred stock:					
Class B No. 1 Preferred Stock	27,220	—	27,220	—	(2)
Class C No. 1 Preferred Stock	12,000	—	—	12,000	
Class E No. 1 Preferred Stock	957	—	957	—	(2)
Class F No. 1 Preferred Stock	8,000	—	—	8,000	
Class one No. 1 Preferred stock	275,000	—	—	275,000	
Class two No. 1 Preferred stock	281,780	—	0	281,780	(3)
Class three No. 1 Preferred stock	275,000	—	—	275,000	
Class four Preferred stock	2,520	—	—	2,520	
Class five Preferred stock	4,000	—	—	4,000	
Class nine Preferred stock	10,000	—	—	10,000	
Total	2,036,436	—	28,177	2,008,258	
Treasury stock:					
Common stock	438	63,920	226	64,133	(4)
Preferred stock:					
Class B No. 1 Preferred Stock	—	27,220	27,220	—	(2)
Class E No. 1 Preferred Stock	—	957	957	—	(2)
Class two No. 1 Preferred stock	—	0	0	—	(3)
Total	438	92,098	28,404	64,133	

Notes: (1) The Company split its common stock and preferred stock at a ratio of 100-for-1, effective on January 4, 2009. The numbers of shares are calculated on the assumption that the stock had been split as of March 31, 2008 in the table above.

(2) The increases in the number of the treasury stock of preferred stock (Class B No. 1 and Class E No. 1) is due to the shares acquired within the preapproved limit on treasury stock acquisition. The decreases are due to the retirements of the acquired shares of these preferred stock.

(3) The increase in the number of the treasury stock of preferred stock (Class two No. 1) is due to the exercise of the acquisition rights. The decrease is due to the disposal of the acquired shares of the preferred stock.

(4) The increase in the number of the treasury stock of common stock includes the shares acquired within the preapproved limit on treasury stock acquisition and the acquisition of odd-lot shares. The decrease includes the disposal of odd-lot shares.

23. Interest Income and Expenses

Interest income and expenses for the years ended March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Interest income:			
Interest on loans and bills discounted	**¥509,771**	¥565,879	**$5,479**
Interest and dividends on securities	**55,104**	63,564	**592**
Interest on call loans and bills bought	**1,650**	10,222	**17**
Interest on deposits paid for securities borrowing transactions	**111**	632	**1**
Interest on due from banks	**1,866**	10,290	**20**
Other interest income	**20,287**	26,977	**218**
Total	**¥588,792**	¥677,567	**$6,328**
Interest expenses:			
Interest on deposits	**¥ 52,865**	¥ 80,347	**$ 568**
Interest on negotiable certificates of deposit	**2,101**	7,480	**22**
Interest on call money and bills sold	**809**	2,271	**8**
Interest on bills sold under repurchase agreements	**474**	1,360	**5**
Interest on deposits received for securities lending transactions	**273**	601	**2**
Interest on borrowed money	**2,445**	5,351	**26**
Interest on bonds	**27,001**	28,518	**290**
Other interest expenses	**3,321**	4,559	**35**
Total	**¥ 89,292**	¥130,492	**$ 959**

24. Trading Profits

Trading profits for the years ended March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Trading profits:			
Income from trading securities	**¥ 942**	¥ 1,215	**$ 10**
Income from trading-related financial derivatives	**24,415**	16,155	**262**
Other trading profits	**1,169**	3,906	**12**
Total	**¥26,526**	¥21,277	**$285**

Income from trading securities included net valuation gain of ¥164 million ($1 million) and ¥339 million for the years ended March 31, 2010 and 2009.

25. Other Operating Income and Expenses

Other operating income and expenses for the years ended March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Other operating income:			
Gains on foreign exchange transactions	**¥ —**	¥ 6,693	**$ —**
Gains on sales of Japanese government bonds and other	**39,584**	34,424	**425**
Income for financial derivatives	**—**	1,215	**—**
Other	**162**	134	**1**
Total	**¥39,747**	¥42,467	**$427**
Other operating expenses:			
Losses on foreign exchange transactions	**¥ 8,634**	¥ —	**$ 92**
Losses on sales of Japanese government bonds and other	**9,520**	18,383	**102**
Losses on redemption of Japanese government bonds and other	**3,072**	4,560	**33**
Impairment losses on Japanese government bonds and other	**7,204**	1,264	**77**
Expenses for financial derivatives	**3,874**	—	**41**
Total	**¥32,306**	¥24,209	**$347**

26. Other Income and Expenses

Other income and expenses for the years ended March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Other income:			
Gains on sales of stocks and other securities	**¥ 9,007**	¥ 13,630	**$ 96**
Gains on disposal of premises, equipment and intangible fixed assets	**76**	105,183	**0**
Recoveries of written-off loans	**23,974**	22,395	**257**
Other	**21,324**	22,307	**229**
Total	**¥ 54,383**	¥163,516	**$ 584**
Other expenses:			
Write-offs of loans	**¥ 72,971**	¥191,598	**$ 784**
Provision for reserve for possible loan losses	**59,455**	8,715	**639**
Losses on sales of stocks and other securities	**840**	25,566	**9**
Impairment losses on stocks and other securities	**4,590**	30,272	**49**
Losses on disposal of premises, equipment and intangible fixed assets	**1,339**	1,869	**14**
Impairment losses on premises, equipment and intangible fixed assets	**3,636**	3,370	**39**
Other	**26,387**	23,044	**283**
Total	**¥169,222**	¥284,436	**$1,818**

27. Income Taxes

The Company and its consolidated domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40.63% for the years ended March 31, 2010 and 2009, respectively.

The tax effects of significant temporary differences and loss carry-forwards which resulted in deferred tax assets and liabilities as of March 31, 2010 and 2009 were as follows:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Deferred tax assets:			
Write-downs of securities	**¥ 921,965**	¥ 940,033	**$ 9,909**
Tax loss carry-forwards	**786,104**	1,087,369	**8,449**
Reserve for possible loan losses and write-offs of loans	**292,427**	263,854	**3,143**
Reserve for employees' retirement benefits	**54,520**	45,447	**585**
Unrealized losses on available-for-sale securities	**1,075**	15,061	**11**
Other	**92,585**	110,236	**995**
Gross deferred tax assets	**2,148,678**	2,462,002	**23,094**
Less: valuation allowance	**(1,834,530)**	(2,098,458)	**(19,717)**
Total deferred tax assets	**314,148**	363,544	**3,376**
Deferred tax liabilities:			
Unrealized gains on available-for-sale securities	**(26,234)**	(81)	**(281)**
Gains on securities transferred to employees' retirement benefit trust	**(17,963)**	(19,126)	**(193)**
Deferred gains on hedges	**(9,821)**	(15,370)	**(105)**
Dividends receivable	**(1,863)**	(1,447)	**(20)**
Unrealized losses on Japanese government bonds deductible for tax purpose	**(1,678)**	(10,081)	**(18)**
Other	**(9,232)**	(8,564)	**(99)**
Total deferred tax liabilities	**(66,793)**	(54,672)	**(717)**
Net deferred tax assets	**¥ 247,354**	¥ 308,871	**$ 2,658**

Reconciliations between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of income for the years ended March 31, 2010 and 2009 were as follows:

	2010	2009
Normal effective statutory tax rate	**40.63%**	40.63%
Expiration of net operating loss carry-forward	**133.34**	—
Amortization of goodwill	**1.59**	1.25
Change in valuation allowance	**(149.91)**	6.35
Lower tax rates applicable to income of subsidiaries	**(2.04)**	(1.57)
Dividends exempted for income tax purposes	**(1.43)**	(2.46)
Other	**0.38**	1.50
Effective tax rate	**22.56%**	45.70%

28. Leases

(1) Lessee

(a) Finance leases

The Group mainly leases cash dispensers and software.

Certain system outsourcing contracts closely combine software finance leases with maintenance and other services and those lease elements are not able to be separated from the entire contracts in order to be recognized as assets and liabilities in the consolidated balance sheets. Future amounts payable determined under such system outsourcing contracts were ¥9,380 million ($100 million) and ¥19,359 million as of March 31, 2010 and 2009, respectively.

As mentioned in Note 2. (19), the Group accounted for finance lease transactions that do not transfer ownership of the leased property to the lessee entered into before April 1, 2008 as operating lease transactions. Total lease payments under such finance lease transactions were ¥1,806 million ($19 million) and ¥2,509 million as of March 31, 2010 and 2009, respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation and obligations under such finance leases as abovementioned as of March 31, 2010 and 2009, and the related depreciation expense and interest expense under such finance leases for the years ended March 31, 2010 and 2009, on an "as if capitalized" basis, were as follows:

Pro forma acquisition cost, accumulated depreciation and net carrying value of the leased assets as of March 31, 2010 and 2009:

	Millions of yen						Millions of U.S. dollars		
	2010			2009			**2010**		
	Equipment	Other	Total	Equipment	Other	Total	Equipment	Other	Total
Acquisition costs	**¥7,015**	**¥426**	**¥7,441**	¥9,105	¥498	¥9,604	**$75**	**$4**	**$79**
Accumulated depreciation	**5,374**	**217**	**5,591**	5,945	197	6,143	**57**	**2**	**60**
Net book value	**¥1,640**	**¥209**	**¥1,849**	¥3,160	¥300	¥3,460	**$17**	**$2**	**$19**

Future minimum lease payments excluding interests as of March 31, 2010 and March 31, 2009:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Due within one year	**¥1,110**	¥1,742	**$11**
Due after one year	**1,046**	2,155	**11**
Total	**¥2,157**	¥3,898	**$23**

Pro forma depreciation and interest expense for the years ended March 31, 2010 and 2009:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Depreciation	**¥1,601**	¥2,399	**$17**
Interest expense	**78**	136	**0**

Computation of pro forma depreciation:

Pro forma depreciation is computed by the straight-line method over the lease term of the respective assets without residual value.

Computation of pro forma interest expense:

The difference between the total minimum lease payments and the acquisition cost of the asset is considered as pro forma interest expense. The effective interest method is used to allocate the interest over the lease term.

(b) Operating leases

As of March 31, 2010 and 2009, future minimum lease payments including interest expense under non-cancellable operating leases were as follows:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Due within one year	**¥1,247**	¥3,775	**$13**
Due after one year	**4,396**	4,466	**47**
Total	**¥5,643**	¥8,241	**$60**

(2) Lessor

(a) Operating leases

As of March 31, 2010 and 2009, future minimum lease payments including interest income under non-cancellable operating leases were as follows:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Due within one year	**¥ 71**	¥ 51	**$0**
Due after one year	**720**	822	**7**
Total	**¥792**	¥874	**$8**

29. Financial Instruments and Related Disclosures

On March 10, 2008, the ASBJ revised ASBJ Statement No. 10 "Accounting Standard for Financial Instruments" and issued ASBJ Guidance No. 19 "Guidance on Disclosures about Fair Value of Financial Instruments." This accounting standard and the guidance are applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010 with early adoption permitted from the beginning of the fiscal years ending before March 31, 2010. The Group applied the revised accounting standard and the new guidance effective March 31, 2010.

Quantitative market disclosures (Election of one-year deferral)

In connection with market risk management, quantitative disclosures for market risk are also required if a company holds significant financial assets and liabilities that are essential in view of the business purposes and activities and are highly sensitive to market risk variables. Such quantitative market risk disclosures shall include the quantitative measures of market risk (e.g., value-at-risk) for financial instruments whose market risk is quantitatively analyzed. For financial instruments for which a company does not perform a quantitative analysis of market risk, hypothetical changes in fair values arising from the reasonably possible changes in relevant risk variables (e.g., sensitivity analysis) shall be disclosed along with the discussion about underlying assumptions and calculation method.

One-year deferral is permitted for the following quantitative market disclosures of financial instruments required under paragraph 40-2 (1) (iii) of the ASBJ Statement No. 10.

A company, which holds significant financial assets and liabilities that are essential in view of the business purposes and activities and occupy most of the assets and the liabilities, and are exposed to fluctuation risks such as interest risks, foreign currency exchange and stocks, are required to disclose; (i) financial instruments applying quantitative analysis relating to market risk and (ii) financial instruments not applying quantitative analysis relating to market risk.

The Group elected the one-year deferral of these disclosures adopting related provisions for the fiscal year ended March 31, 2010, and chooses to disclose the information for the fiscal years ending on and after March 31, 2011.

I. Conditions of financial instruments

(1) Policies and objectives for using financial instruments

As a financial service group comprising three commercial banks with aggregate consolidated assets of approximately 40 trillion, the Group aims to render useful financial services to customers and provides various financial instruments corresponding to the customer needs. In addition, the Group utilizes financial instruments for risk-taking and risk-control in order to improve its profitability and secure soundness of operations.

The Group responds to customer's funding needs through providing credit such as lending, loans, undertaking private placement bonds and guarantees to individuals and corporate customers. It holds bonds such as Japanese government bonds as stable investments and securities such as stocks for keeping strong relationship with customers. Recently the Group provides interest rate-related and currency-related derivatives to meet sophisticated and diversified customer needs.

To provide these financial services, the Group raises funds by financial instruments such as customer deposits, bond issuance and funding from the inter-bank market.

Asset and Liability Management (ALM) is in place to manage the interest rate gap between short-term and long-term and interest fluctuation risk resulting from its investment and funding activities, and to improve profitability management across business divisions. As part of ALM, the Group executes derivative transactions, which are designated to hedge the interest rate gap between short-term and long-term and interest fluctuation risk, and which covers transactions related to customers' derivative contracts.

Certain consolidated subsidiaries and affiliates conduct domestic banking services, credit guarantee and management of collection of claims, and foreign banking services under foreign regulations.

(2) Type of and risks associated with financial instruments

(a) Type of and risks associated with loans and bills discounted

The Group' primary geographical business area is mainly the metropolitan areas of Tokyo and Saitama, and the Kansai region mainly Osaka. Loans to small-to-mid-size companies and individual mortgages comprise a significant portion of our credit portfolio. These loans are exposed to credit risks in which the Group may suffer losses due to decline or disappearance of assets value as a result of deterioration of the financial position of obligors.

(b) Type of and risks associated with securities

Securities, which each bank of the Group holds, are bonds, stocks, investment trusts, investment trusts in partnership and specified purpose funds. The Group holds them to promote business in addition to as net investments and smooth cash flow operation. Japanese government bonds occupy 73% of securities as of March 31, 2010.

Securities are exposed to market risks in which the Group may suffer losses due to changes in values of assets and liabilities or revenues generated from them by variance of risk factors such as interest rate, stock market and foreign exchange market, and credit risks in which the Group may suffer losses due to decline or disappearance of assets value as a result of deterioration of the financial position of obligors.

(c) Type of and risks associated with derivative transactions

The Group utilizes derivative instruments such as interest rate-related products, currency-related products, stock-related products and bond-related products.

(i) Interest rate-related products: futures, futures options, forward rate agreements, swaps, and options
(ii) Currency-related products: forward exchange contracts, swaps and options
(iii) Stock-related products: index futures, index options, and over-the-counter options
(iv) Bond-related products: futures, futures options, and over-the-counter options

Derivative transactions are essential to satisfy sophisticated and diverse financial needs of customers and to control various risks to which each bank of the Group is exposed. The Group's basic policy is to execute derivative transactions in line with its business strategy and resources under the appropriate risk management system after accurately identifying risks associated with the transactions.

Each bank of the Group executes derivative transactions in order to respond to customers' risk hedge needs, hedging risks of financial assets and liabilities, and for trading purposes.

(i) Customers' risk hedging needs

Customers are exposed to various risks and, accordingly, their needs to hedge these risks are essential and diverse. One of the primary purposes of derivative transactions for each bank of the Group is to provide customers with financial products which enable them to achieve their objectives of hedging and mitigating risks. Each bank of the Group develops a variety of derivatives and makes an effort to increase its ability to provide those financial products in order to offer sophisticated financial solutions to customers.

Derivative transactions may, however, result in significant losses to customers depending upon the design and nature of the products. Accordingly, in offering such products to customers, each bank of the Group follows strict guidelines which ensure that:

- Customers are given sufficient explanation on the nature of products and their risks in writing. A description of the product, structure, market risk and credit risk associated with the product are required to be included in the explanation documents.
- Customers are ready to take responsibility for the products fully, and are capable and willing to enter into the transactions based on their own judgement.
- Customers are provided with relevant fair value information (i.e., unrealized gains and losses on customers' positions) to assist them in evaluating the products and transactions, periodically or whenever considered necessary.

(ii) Hedging risks of financial assets and liabilities

Each bank of the Group uses derivatives to manage interest rate and foreign currency risks associated with various financial assets and liabilities, such as loans and deposits. Each bank of the Group uses fair value hedges to protect the fair value of assets and liabilities against risks such as interest rate fluctuations, and cash flow hedges to insure future cash flows from their variability on an individual and a portfolio basis. As for foreign currency risks, each bank of the Group uses foreign currency hedges to protect future fair value of assets and liabilities against risks such foreign currency fluctuations.

Derivative transactions designated as hedges are strictly monitored by assessing hedge effectiveness periodically in accordance with the relevant hedge accounting guidelines.

For a portfolio hedge of interest rate risks, hedge effectiveness is assessed by grouping hedging instruments and hedged items according to their maturities to determine that certain critical conditions are satisfied, or confirming that high correlation between the changes in interest rate factors underlying the hedging instruments and hedged items by means of regression analyses. For an individual hedge, hedge effectiveness is assessed individually. For a foreign currency hedge, hedge effectiveness is assessed by confirming that the principal and interest amount of foreign-currency-denominated receivables and liabilities exceed the principal and interest amount of hedge instruments.

(iii) Trading activities

Each bank of the Group engages in trading activities to earn profits by taking advantage of short-term fluctuations in market indices or market gaps.

Risks associated with derivative transactions are credit risks and market risks. Each bank of the Group determines and monitors credit exposure by measuring credit risks based on the current exposure method periodically, adding the credit exposure together with on-balance sheet transactions such as loans, and the Loan and Credit Division, independent from market divisions and operation divisions, establishing individual credit limits. The division reviews transaction and credit limits applicable to each of the counterparties, on an on-going basis, in response to the changes in creditworthiness of the counterparties.

Refer to following (3) (b) “Market risk management.”

(d) Type of and risks associated with financial liabilities

Each bank of the Group raises funds through customer deposits, funding in the market and bond issuance. Customer deposits comprise 85% of liabilities as of March 31, 2010. Liabilities are exposed to liquidity risk and may be difficult to fund based on the fluctuation of the financial economic environment.

(e) Type of and risks associated with non-banking subsidiaries and affiliates accounted for by the equity method

Non-banking subsidiaries and affiliates accounted for by the equity method include Resona Guarantee Co., Ltd. which conducts a credit guarantee business, Resona Servicer Co., Ltd. which conducts a credit administration and service functions business and Resona Card Co., Ltd. which conducts a credit card administration and credit guarantee business. They are exposed to credit risk and market risk related to each business activity.

(3) Risk management system relating to financial instruments

The Company has established the Group Risk Management Policy that serves as the basic risk management policy. Based on the Policy and operational characteristics, each bank of the Group established its own risk management policy “Basic Policy for Risk Management,” approved by the Board of Directors of each bank of the Group, including basic policies for credit risk management, market risk management and liquidity risk management. In accordance with the Basic Policy for Risk Management, each bank of the Group manages risks and establishes detailed rules over risk management activities.

Each bank of the Group plans and conducts internal audits depending on the degrees of intrinsic risks and risk management system.

(a) Credit risk management

In accordance with the Basic Policy for Risk Management, Credit Risk Management-related Departments, independent from sales promotion-related divisions, are responsible for determining and monitoring credit exposures. As an organization responsible for credit risk management, each bank of the Group sets up Credit Committee and Credit Risk Management-related Departments, which include the Credit Risk Management Division, Credit Analysis Division, and Administration of Problem Loans. The Credit Committee has been established to resolve, discuss and report significant credit matters as a whole. The Credit Risk Management Division is a division to propose policies and procedures over credit rating and a framework necessary for appropriate credit risk management such as credit analysis. The Credit Analysis Division is a division to review operational and financial conditions, qualitative factors, funding purpose, repayment plan etc. of counterparties, and determine credit exposures by considering the nature of risks associated with the transaction appropriately. The Administration of Problem Loans is a division to understand the business condition of the counterparties with problems and engage in rehabilitation, resolution and correction of the business.

To reduce credit risks, each bank of the Group makes an effort to include “offsetting” provisions of credit claims (i.e., unsecured portion of loans) into debt obligations (i.e., non-collateralized deposits) in case of customers’ insolvency under banking account agreements with customers. Collateral is composed of deposits with each bank of the Group, bonds such as Japanese government bonds, securities such as listed corporate stocks, commercial bills, and real estate. Other than the collateral, each bank of the Group reduces credit risks by utilizing guarantees, contracts to offset loans and deposits on each bank of the Group without collateral, and negotiated netting contracts of derivative transactions and repurchase transactions. Each bank of the Group controls credit risks within certain amounts by measuring credit risks from the perspective of managing the whole credit portfolio and setting credit limits.

(b) Market risk management

In accordance with the Basic Policy for Risk Management, each bank of the Group established the Risk Management Division (middle-office) and Office Management Division (back-office), Independent from Transaction Divisions (front-office), to enable mutual checks and balances. The ALM Committee has been established to manage changes and conditions of funding, revenue, risk and cost, and to discuss and report corresponding actions to the circumstances.

Each bank of the Group establishes policies such as “Market Risk Management Policy” to manage market risk appropriately and strictly in accordance with the Basic Policies for Risk Management.

As for market risks resulting from fair market valuation of transactions or changes in risk factors such as interest, market prices, and foreign currency exchange, each bank of the Group measures risk exposures by Value at Risk (“VaR”), establishes limits of risk exposure, limits of loss and limits of sensitivity by product, and monitors those observance conditions. In addition, each bank of the Group regularly measures potential loss amounts based on stress-scenario testing.

Each bank of the Group monitors and reports to management about risk exposures and profit/loss conditions, including observance of the conditions of the credit limits. It also leads checks and balances by the Risk Management Division (middle-office) to the Transaction Divisions (front-office).

(c) Liquidity risk management

In accordance with the Basic Policy for Risk Management, each bank of the Group has established the Cash Management Division and the Liquidity Risk Management Division, to enable mutual checks and balances. The ALM Committee and the Liquidity Risk Management Committee monitors and reports to management timely and appropriately.

Each bank of the Group establishes policies such as the “Liquidity Risk Management Policy” to manage liquidity risk appropriately and strictly in accordance with the Basic Policies for Risk Management.

For cash flow management, each bank of the Group establishes liquidity risk phases (normal and 3 levels under emergency condition) and carries out corresponding actions at each phase determined in advance.

Each bank of the Group monitors liquidity risks by defining a key indicator for liquidity risk management based on its size and nature of the business and circumstances over a liquidity risk. Each bank of the Group establishes guidelines of a key indicator for liquidity risk management as necessary.

As for market liquidity risks in which each bank of the Group may suffer losses because it can not make transactions on market or is forced to make significantly unfavorable transactions due to market turmoil, each bank of the Group researches and reports conditions of the market liquidity risk on monthly basis and establishes necessary guidelines to monitor it on daily basis.

(4) Supplementary explanation relating to fair value of financial instruments and other

The fair value of financial instruments includes, in addition to the value determined based on the market price, a valuation calculated on a reasonable basis if no market price is available. Certain assumptions are used for the calculation of such amount. Accordingly, the result of such calculation may vary if different assumptions are used. Refer to (Note 1) Calculation method of fair value of financial instruments on II. Fair value of financial instruments for certain assumptions.

II. Fair value of financial instruments

Carrying amounts, fair values and differences between them as of March 31, 2010 are as follows. Non-marketable securities whose fair values cannot be reliably determined such as non-listed equity securities are not included on below table.

	Millions of yen		
As of March 31, 2010	Carrying amounts	Fair values	Difference
(1) Cash and due from banks	**¥ 1,607,691**	**¥ 1,607,691**	**¥ —**
(2) Call loans and bills bought	**872,442**	**872,442**	**—**
(3) Deposits paid for securities borrowing transactions	**56,541**	**56,541**	**—**
(4) Monetary claims bought[(1)]	**419,101**	**420,855**	**1,753**
(5) Trading assets			
Trading securities	**354,146**	**354,146**	**—**
(6) Securities			
Held-to-maturity debt securities	**1,087,202**	**1,112,046**	**24,844**
Available-for-sale securities	**7,703,831**	**7,703,831**	**—**
(7) Loans and bills discounted	**26,263,548**		
Reserve for possible loan losses[(1)]	**(381,379)**		
	25,882,168	**26,250,087**	**367,918**
(8) Foreign exchange assets[(1)]	**61,269**	**61,269**	**—**
Total Assets	**¥38,044,396**	**¥38,438,913**	**¥394,516**
(1) Deposits	**¥32,955,610**	**¥32,974,526**	**¥ 18,916**
(2) Negotiable certificates of deposit	**1,119,590**	**1,119,616**	**26**
(3) Call money and bills sold	**393,243**	**393,243**	**—**
(4) Bills sold under repurchase agreements	**132,976**	**132,976**	**—**
(5) Deposits received for securities lending transactions	**55,933**	**55,933**	**—**
(6) Borrowed money	**623,620**	**625,108**	**1,488**
(7) Foreign exchange liabilities	**3,085**	**3,085**	**—**
(8) Bonds	**850,264**	**850,361**	**96**
(9) Due to trust account	**376,687**	**376,687**	**—**
Total Liabilities	**¥36,511,012**	**¥36,531,540**	**¥ 20,527**
Derivative transactions[(2)]			
Hedge accounting is not applied	**¥ 71,892**	**¥ 71,892**	**¥ —**
Hedge accounting is applied	**(32,653)**	**(32,947)**	**(294)**
Total Derivative Transactions	**¥ 39,239**	**¥ 38,944**	**¥ (294)**

	Millions of yen	
As of March 31, 2010	Contractual amounts	Fair values
Other		
Guarantee contract[(3)]	**¥760,305**	**¥(20,972)**

As of March 31, 2010	Millions of U.S. dollars Carrying amounts	Fair values	Difference
(1) Cash and due from banks	**$ 17,279**	**$ 17,279**	**$ —**
(2) Call loans and bills bought	**9,377**	**9,377**	**—**
(3) Deposits paid for securities borrowing transactions	**607**	**607**	**—**
(4) Monetary claims bought[1]	**4,504**	**4,523**	**18**
(5) Trading assets			
Trading securities	**3,806**	**3,806**	**—**
(6) Securities			
Held-to-maturity debt securities	**11,685**	**11,952**	**267**
Available-for-sale securities	**82,801**	**82,801**	**—**
(7) Loans and bills discounted	**282,282**		
Reserve for possible loan losses[1]	**(4,099)**		
	278,183	**282,137**	**3,954**
(8) Foreign exchange assets[1]	**658**	**658**	**—**
Total Assets	**$408,903**	**$413,143**	**$4,240**
(1) Deposits	**$354,209**	**$354,412**	**$ 203**
(2) Negotiable certificates of deposit	**12,033**	**12,033**	**0**
(3) Call money and bills sold	**4,226**	**4,226**	**—**
(4) Bills sold under repurchase agreements	**1,429**	**1,429**	**—**
(5) Deposits received for securities lending transactions	**601**	**601**	**—**
(6) Borrowed money	**6,702**	**6,718**	**15**
(7) Foreign exchange liabilities	**33**	**33**	**—**
(8) Bonds	**9,138**	**9,139**	**1**
(9) Due to trust account	**4,048**	**4,048**	**—**
Total Liabilities	**$392,422**	**$392,643**	**$ 220**
Derivative transactions[2]			
Hedge accounting is not applied	**$ 772**	**$ 772**	**$ —**
Hedge accounting is applied	**(350)**	**(354)**	**(3)**
Total Derivative Transactions	**$ 421**	**$ 418**	**$ (3)**

As of March 31, 2010	Millions of U.S. dollars Contractual amounts	Fair values
Other		
Guarantee contract[3]	**$8,171**	**$(225)**

Notes: (1) Reserve for possible loan losses corresponding to loans and bills discounted are deducted. Specific reserve for possible loan losses corresponding to monetary claims bought and foreign exchange assets are excluded from balance sheet amount directly due to immateriality.
(2) Derivative financial instruments included in trading assets/liabilities and other assets/liabilities are presented in total. Assets (positive amount) and liabilities (negative amount) arising from derivative transactions are presented on a net basis.
(3) Contractual amount of guarantee contract is equal to acceptances and guarantees in consolidated balance sheets.

(Note 1) Calculation method of fair values of financial instruments

• Assets

(1) Cash and due from banks

For due from banks which have no maturity, since fair values of these items approximate carrying amounts, the Group deems the carrying amounts to be fair values. For due from banks which have maturity, since contractual terms of these items are short (i.e., within one year) and fair values of these items approximate carrying amounts, the Group deems the carrying amounts to be fair value.

(2) Call loans and bills bought and (3) Deposits paid for securities borrowing transactions

Since contractual terms of these items are short (i.e., within one year) and fair values of these items approximate carrying amounts, the Group deems the carrying amounts to be fair value.

(4) Monetary claims bought

Fair values for deed of beneficiary certificate of loan trust are based on the values provided by third parties (brokers) or calculated by a similar method used for loans and bills discounted (refer to (7)).

(5) Trading assets

Fair values of bonds held for trading are based on the values calculated by statistic of over-the-counter bonds released from Japan Securities Dealers Association, and fair values of short-term bonds are based on present values determined by discounting face values with market interest rate.

(6) Securities
Fair values of stocks are based on the one month weighted average of the market prices prior to the end of the fiscal year. Fair values of bonds (excluding private placement bonds) are based on the values calculated by statistics released from Japan Securities Dealers Association or prices provided by financial institutions. Fair values of investment trusts are based on the disclosed net asset value. Fair values of private placement bounds are, in principal, determined by discounting the principal and interest amount with the interest rate used for new issuances for each category based on the internal rating. Refer to note 6. “Securities” for note on the purpose of holding those securities.

(7) Loans and bills discounted
For fair values of loans with floating interest rates reflecting the market interest rates in a short-term period, the carrying amounts are presented as fair values as the fair values approximate such carrying amounts, unless creditworthiness of borrowers has changed significantly since the loan was executed. For fair values of loans with fixed interest rates, fair values are determined by discounting the principal and interest amount with the interest rate used for new loans for each category of loan, internal rating and loan period. For fair values of loans by maturity within one year, the carrying amounts are presented as fair values as the fair values approximate such carrying amounts.

For fair values of loans to borrowers under bankruptcy proceedings, borrowers substantially in bankruptcy and borrowers with high probability of becoming insolvent, reserve for possible loan losses are estimated based on the present value of future cash flow and recoverable amount of collateral or guarantees. Since fair values of them approximate carrying amounts after deducting reserve for possible loan losses at the end of the fiscal year, the Group deems the carrying amounts to be fair value.

For fair values of the loans and bills discounted, for those without a fixed maturity due to loan characteristics such as limiting loans to within the value of pledged assets, the Group deems the carrying amounts to be fair value since fair values are expected to approximate carrying amounts based on the estimated loan periods, interest rates and other conditions.

(8) Foreign exchange assets
Fair values of foreign exchanges consist of foreign currency deposits with other banks (due from other foreign banks), short-term loans involving foreign currencies (due from other foreign banks), export bills and traveller’s checks, etc. (purchased foreign bills), and loans on notes using import bills (foreign bills receivables), the carrying amounts are presented as fair values, as the fair values approximate such carrying amounts because most of these items are deposits without maturity or have short contract terms (one year or less).

• Liabilities
(1) Deposits and (2) Negotiable certificates of deposit
For fair values of demand deposits, the Group deems the payment amounts required on the consolidated balance sheet date (i.e., carrying amounts) to be fair values. Fair values of time deposits and negotiable certificates of deposit are calculated by classifying them based on their terms and discounting the future cash flows. Discount rates used in such calculations are the interest rates that would be applied to newly accepted deposits. For fair values of deposits by maturity within one year, the carrying amounts are presented as fair values as the fair values approximate such carrying amounts.

(3) Call money and bills sold, (4) Bills sold under repurchase agreements and (5) Deposits received for securities lending transactions
Since contractual terms of these items are short (i.e., within one year) and fair values of these items approximate carrying amounts, the Group deems the carrying amounts to be fair value.

(6) Borrowed money
For fair values of borrowings with floating interest rates reflecting the market interest rates in a short-term period, the carrying amounts are presented as fair values as the fair values approximate such carrying amounts, unless creditworthiness of the Company and its consolidated subsidiaries have changed significantly since the borrowings. For fair values of borrowings with fixed interest rates, fair values are determined by discounting the principal and interest amount with the interest rate expected for similar borrowings. For fair values of borrowings by maturity within one year, the carrying amounts are presented as fair values as the fair values approximate such carrying amounts.

(7) Foreign exchange liabilities
Among foreign exchange contracts, foreign currency deposits accepted from other banks and non-resident yen deposits are deposits without maturity (due to other foreign banks). Foreign currency short-term borrowings have short contract terms (one year or less). Thus, their carrying amounts are presented as fair values for these contracts as the fair values approximates such carrying amounts.

(8) Bonds
Fair values of corporate bonds issued by the Company and its consolidated subsidiaries are based on the values calculated by statistics released from Japan Securities Dealers Association, prices provided by financial institutions or values determined by discounting the principal and interest amount with the interest rate expected for used new bond issuance.

(9) Due to trust account
Due to trust account represents a short-term funding by accepting surplus in trust account and unused principal. The carrying amounts are presented as fair values as the fair values, which approximate such carrying amounts.

• Derivative transactions
Refer to note 30. “Derivatives” for note on the derivative transactions.

• Other
Guarantee contract
For guarantee contract, the Group deems the difference between future cash flow of the contractual guarantee fee and future cash flow of the expected guarantee fee if it executes a new guarantee contract, to be fair value.

For the guarantee to borrowers under bankruptcy proceedings, borrowers substantially in bankruptcy and borrowers with high probability of becoming insolvent, the Group deems the present values, which is calculated based on the estimated future cash flow or recoverable amounts from collateral and guarantee, as fair values.

(Note 2) Financial instruments whose fair values cannot be reliably determined

The financial instruments are not included in (6) Securities in (Note 1) Calculation method of fair values of financial instruments.

	Millions of yen	Millions of U.S. dollars
	2010	**2010**
Unlisted stocks[*1, *2]	¥ 94,880	$1,019
Investments in partnerships[*2, *3]	29,402	316
Total	¥124,283	$1,335

*1 Unlisted stocks do not carry quoted market prices. Since the fair values of these securities cannot be reliably determined, their fair values are not disclosed. Unlisted stocks are amount before reserve for possible losses on investments and the total of both domestic and foreign securities.

*2 For the year ended March 31, 2010, impairment losses of unlisted stocks and investments in partnerships were ¥2,161 million ($23 million) and ¥6,588 million ($70 million), respectively.

*3 Investments in partnerships contain assets such as unlisted stocks which do not carry quoted market prices. Since the fair values of these securities cannot be reliably determined, their fair values are not disclosed. Investments in partnerships are the total of both domestic and foreign assets.

(Note 3) Maturity analysis for financial assets and liabilities with contractual maturities

	Millions of yen					
As of March 31, 2010	One year or less	One to three years	Three to five years	Five to seven years	Seven to ten years	Over ten years
Due from banks	**¥ 1,162,000**	**¥ —**	**¥ —**	**¥ —**	**¥ —**	**¥ —**
Call loans and bills bought	**872,442**	**—**	**—**	**—**	**—**	**—**
Deposits paid for securities borrowing transactions	**56,541**	**—**	**—**	**—**	**—**	**—**
Monetary claims bought	**204,384**	**4,069**	**16,521**	**971**	**—**	**195,778**
Securities:						
Held-to-maturity debt securities	**15,293**	**74,892**	**316,250**	**182,910**	**375,575**	**145,400**
Japanese government bonds	**—**	**30,000**	**260,000**	**120,000**	**284,600**	**145,400**
Japanese local government bonds	**5,273**	**38,890**	**55,785**	**62,700**	**90,975**	**—**
Japanese corporate bonds	**10,020**	**6,002**	**465**	**210**	**—**	**—**
Available-for-sale securities	**2,632,729**	**1,202,299**	**2,307,264**	**73,799**	**744,227**	**245,570**
Japanese government bonds	**2,369,900**	**629,361**	**1,838,300**	**50,000**	**659,700**	**185,100**
Japanese local government bonds	**17,858**	**1,032**	**46,712**	**6,600**	**74,131**	**—**
Japanese corporate bonds	**237,204**	**484,571**	**379,789**	**7,761**	**4,785**	**37,253**
Loans and bills discounted[*1]	**7,215,878**	**4,352,123**	**2,882,372**	**1,771,121**	**2,207,865**	**7,587,006**
Foreign exchange assets	**61,269**	**—**	**—**	**—**	**—**	**—**
Total Assets	**¥12,220,540**	**¥5,633,385**	**¥5,522,407**	**¥2,028,801**	**¥3,327,668**	**¥8,173,755**
Deposits[*2]	**¥29,716,335**	**¥2,367,808**	**¥ 871,453**	**¥ 12**	**¥ —**	**¥ —**
Negotiable certificates of deposit	**1,112,690**	**6,900**	**—**	**—**	**—**	**—**
Call money and bills sold	**393,243**	**—**	**—**	**—**	**—**	**—**
Bills sold under repurchase agreements	**132,976**	**—**	**—**	**—**	**—**	**—**
Deposits received for securities lending transactions	**55,933**	**—**	**—**	**—**	**—**	**—**
Borrowed money	**565,842**	**3,869**	**1,817**	**14,057**	**13,032**	**25,000**
Foreign exchange liabilities	**3,085**	**—**	**—**	**—**	**—**	**—**
Bonds[*3]	**61,323**	**20,980**	**50,000**	**176,950**	**224,300**	**—**
Due to trust account	**376,687**	**—**	**—**	**—**	**—**	**—**
Total Liabilities	**¥32,418,118**	**¥2,399,558**	**¥ 923,271**	**¥ 191,019**	**¥ 237,332**	**¥ 25,000**

As of March 31, 2010	Millions of U.S. dollars					
	One year or less	One to three years	Three to five years	Five to seven years	Seven to ten years	Over ten years
Due from banks	$ 12,489	$ —	$ —	$ —	$ —	$ —
Call loans and bills bought	9,377	—	—	—	—	—
Deposits paid for securities borrowing transactions	607	—	—	—	—	—
Monetary claims bought	2,196	43	177	10	—	2,104
Securities:						
Held-to-maturity debt securities	164	804	3,399	1,965	4,036	1,562
Japanese government bonds	—	322	2,794	1,289	3,058	1,562
Japanese local government bonds	56	417	599	673	977	—
Japanese corporate bonds	107	64	4	2	—	—
Available-for-sale securities	28,296	12,922	24,798	793	7,999	2,639
Japanese government bonds	25,471	6,764	19,758	537	7,090	1,989
Japanese local government bonds	191	11	502	70	796	—
Japanese corporate bonds	2,549	5,208	4,081	83	51	400
Loans and bills discounted*1	77,556	46,776	30,979	19,036	23,730	81,545
Foreign exchange assets	658	—	—	—	—	—
Total Assets	$131,347	$60,547	$59,355	$21,805	$35,765	$87,852
Deposits*2	$319,393	$25,449	$ 9,366	$ 0	$ —	$ —
Negotiable certificates of deposit	11,959	74	—	—	—	—
Call money and bills sold	4,226	—	—	—	—	—
Bills sold under repurchase agreements	1,429	—	—	—	—	—
Deposits received for securities lending transactions	601	—	—	—	—	—
Borrowed money	6,081	41	19	151	140	268
Foreign exchange liabilities	33	—	—	—	—	—
Bonds*3	659	225	537	1,901	2,410	—
Due to trust account	4,048	—	—	—	—	—
Total Liabilities	$348,432	$25,790	$ 9,923	$ 2,053	$ 2,550	$ 268

*1 Loans and bills discounted, for which it is difficult to estimate the redemption amount, amounted to ¥247,180 million ($2,656 million) and are excluded from the above table. The estimated uncollectable amount, which is deducted from loans directly, is excluded.
*2 Demand deposits are included and presented in "one year or less" in the above table.
*3 Bonds without term, which amounted to ¥316,944 million ($3,406 million), are excluded.

30. Derivatives

As mentioned in Note 29 "Financial Instruments and Related Disclosures," the Group applied the revised accounting standard and new guidance for financial instrument and related disclosures as of March 31, 2010. Under the revised accounting standard and new guidance, the fair value disclosure is required for derivative transactions to which hedge accounting is applied. The information related to the revision is disclosed from this fiscal year.

The notional principal or contract amounts, fair values and unrealized gains or losses on derivatives

(a) Derivative transactions to which hedge accounting is not applied

The notional principal or contract amounts, fair values and unrealized gains or losses on derivative transactions to which hedge accounting is not applied as of March 31, 2010 and 2009 were as follows:

(i) Interest rate-related transactions

			Millions of yen			
			Notional or contract amount			
			Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2010						
Listed	Futures					
		Sold	**¥ 201,905**	**¥ 89,511**	**¥ (302)**	**¥ (302)**
		Bought	**54,802**	**34,097**	**(8)**	**(8)**
Over-the-counter	Swaps					
		Receive fixed/Pay floating	**8,766,944**	**5,612,403**	**141,171**	**141,134**
		Receive floating/Pay fixed	**7,582,317**	**5,700,326**	**(123,031)**	**(123,031)**
		Receive floating/Pay floating	**2,145,000**	**1,097,000**	**1,058**	**1,058**
	Caps					
		Sold	**71,933**	**63,739**	**(724)**	**937**
		Bought	**2,700**	**1,800**	**(5)**	**(4)**
	Floors					
		Sold	**9,000**	**9,000**	**438**	**(211)**
		Bought	**74,726**	**74,490**	**1,610**	**1,407**
	Swaptions					
		Sold	**215,000**	**—**	**789**	**(94)**
		Bought	**3,300**	**2,300**	**46**	**20**
Consolidated related party	Swaps					
		Receive fixed/Pay floating	**104,400**	**93,500**	**2,047**	**2,047**
		Receive floating/Pay fixed	**25,000**	**—**	**(151)**	**(151)**
Total					**¥ 21,933**	**¥ 22,802**

			Millions of yen			
			Notional or contract amount			
			Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2009						
Listed	Futures					
		Sold	¥ 438,541	¥ —	¥ 1	¥ 1
		Bought	50,536	3,187	32	32
Over-the-counter	Swaps					
		Receive fixed/Pay floating	7,965,117	4,929,830	130,344	130,115
		Receive floating/Pay fixed	7,007,871	4,814,606	(99,954)	(99,942)
		Receive floating/Pay floating	2,683,000	1,603,000	323	323
	Caps					
		Sold	32,079	18,308	58	351
		Bought	3,730	3,130	(6)	(6)
	Floors					
		Sold	9,300	9,100	400	(154)
		Bought	50,486	49,612	1,021	898
	Swaptions					
		Sold	220,000	—	324	(44)
		Bought	114,100	4,100	239	55
Total					¥ 31,218	¥ 31,630

			Millions of U.S. dollars			
			Notional or contract amount			
			Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2010						
Listed	Futures					
		Sold	**$ 2,170**	**$ 962**	**$ (3)**	**$ (3)**
		Bought	**589**	**366**	**(0)**	**(0)**
Over-the-counter	Swaps					
		Receive fixed/Pay floating	**94,227**	**60,322**	**1,517**	**1,516**
		Receive floating/Pay fixed	**81,495**	**61,267**	**(1,322)**	**(1,322)**
		Receive floating/Pay floating	**23,054**	**11,790**	**11**	**11**
	Caps					
		Sold	**773**	**685**	**(7)**	**10**
		Bought	**29**	**19**	**(0)**	**(0)**
	Floors					
		Sold	**96**	**96**	**4**	**(2)**
		Bought	**803**	**800**	**17**	**15**
	Swaptions					
		Sold	**2,310**	**—**	**8**	**(1)**
		Bought	**35**	**24**	**0**	**0**
Consolidated related party	Swaps					
		Receive fixed/Pay floating	**1,122**	**1,004**	**22**	**22**
		Receive floating/Pay fixed	**268**	**—**	**(1)**	**(1)**
Total					**$ 235**	**$ 245**

Notes: 1. The above transactions are stated at fair value and unrealized gains or losses are charged to income or expense in the consolidated statements of income.
2. The fair value of listed contracts is based on the closing prices on the Tokyo Financial Exchange and other exchanges. The fair value of over-the-counter contracts is determined using the discounted value of their future cash flows, option pricing, models, etc.

(ii) Currency-related transactions

			Millions of yen			
			Notional or contract amount			
			Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2010						
Over-the-counter	Currency swaps		**¥2,933,122**	**¥2,717,249**	**¥ (8,351)**	**¥34,754**
	Forward contracts					
		Sold	**571,863**	**259,878**	**(1,152)**	**(1,152)**
		Bought	**1,135,327**	**601,962**	**(17,075)**	**(17,075)**
	Currency options					
		Sold	**1,627,359**	**1,334,474**	**92,475**	**11,863**
		Bought	**1,693,574**	**1,382,516**	**168,882**	**66,758**
Total					**¥ 49,827**	**¥95,147**
March 31, 2009						
Over-the-counter	Currency swaps		¥3,140,591	¥2,955,939	¥ (7,530)	¥25,142
	Forward contracts					
		Sold	604,832	196,665	(1,980)	(1,980)
		Bought	1,204,566	672,236	(1,175)	(1,175)
	Currency options					
		Sold	1,500,204	1,173,501	83,763	5,699
		Bought	1,492,452	1,194,590	136,656	56,721
Total					¥ 42,206	¥84,406

		Millions of U.S. dollars			
		Notional or contract amount			
		Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2010					
Over-the-counter	Currency swaps	**$31,525**	**$29,205**	**$ (89)**	**$ 373**
	Forward contracts				
	Sold	**6,146**	**2,793**	**(12)**	**(12)**
	Bought	**12,202**	**6,469**	**(183)**	**(183)**
	Currency options				
	Sold	**17,490**	**14,343**	**993**	**127**
	Bought	**18,202**	**14,859**	**1,815**	**717**
Total				**$ 535**	**$1,022**

Notes: 1. The above transactions are stated at fair value and unrealized gains or losses are charged to income or expense in the consolidated statements of income.
2. The fair value is determined using the discounted value of future cash flows.

(iii) Stock-related transactions

		Millions of yen			
		Notional or contract amount			
		Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2010					
Listed	Index futures				
	Sold	**¥2,977**	**¥—**	**¥ (16)**	**¥(16)**
	Bought	**—**	**—**	**—**	**—**
	Index options				
	Sold	**6,600**	**—**	**101**	**(37)**
	Bought	**2,625**	**—**	**2**	**(24)**
Total				**¥(115)**	**¥(78)**

		Millions of U.S. dollars			
		Notional or contract amount			
		Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2010					
Listed	Index futures				
	Sold	**$31**	**$—**	**$(0)**	**¥(0)**
	Bought	**—**	**—**	**—**	**—**
	Index options				
	Sold	**70**	**—**	**1**	**(0)**
	Bought	**28**	**—**	**0**	**(0)**
Total				**¥(1)**	**¥(0)**

Notes: 1. The above transactions are stated at fair value and unrealized gains or losses are charged to income or expense in the consolidated statements of income.
2. The fair value of listed contracts is based on the closing prices on the Tokyo Stock Exchange and other exchanges.

(iv) Bond-related transactions

			Millions of yen			
			Notional or contract amount			
			Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2010						
Listed	Futures					
		Sold	**¥58,813**	**¥—**	**¥250**	**¥250**
		Bought	**321**	**—**	**0**	**0**
	Future options					
		Sold	**6,825**	**—**	**4**	**2**
		Bought	**—**	**—**	**—**	**—**
Total					**¥246**	**¥253**
March 31, 2009						
Listed	Futures					
		Sold	¥19,903	¥—	¥ 9	¥ 9
		Bought	8,128	—	119	119
	Future options					
		Sold	2,740	—	5	—
		Bought	—	—	—	—
Total					¥124	¥129

			Millions of U.S. dollars			
			Notional or contract amount			
			Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2010						
Listed	Futures					
		Sold	**$578**	**$—**	**$2**	**$2**
		Bought	**3**	**—**	**0**	**0**
	Future options					
		Sold	**73**	**—**	**0**	**0**
		Bought	**—**	**—**	**—**	**—**
Total					**$2**	**$2**

Notes: 1. The above transactions are stated at fair value and unrealized gains or losses are charged to income or expense in the consolidated statements of income.
2. The fair value of listed contracts is based on the closing prices on the Tokyo Stock Exchange and other exchanges.

(b) Derivative transactions to which hedge accounting is applied

The notional principal or contract amounts, fair values and unrealized gains or losses on derivative transactions to which hedge accounting is applied as of March 31, 2010 were as follows:

(i) Interest rate-related transactions

				Millions of yen		
				Notional or contract amount		
Accounting method for hedge	Hedge instruments		Hedge items	Total	Over 1 year	Fair value
March 31, 2010						
Deferral hedge accounting	Swaps	Receive fixed/Pay floating	Financial assets and liabilities with interests	**¥1,732,856**	**¥1,524,856**	**¥66,640**
		Receive floating/Pay fixed	(e.g. loans and deposits)	**1,215,000**	**1,070,000**	**(46,457)**
Special treatment of interest rate swaps	Swaps	Receive floating/Pay fixed	Loans	**35,062**	**24,156**	**(294)**
Total						**¥19,888**

Accounting method for hedge	Hedge instruments		Hedge items	Millions of U.S. dollars		
				Notional or contract amount		
				Total	Over 1 year	Fair value
March 31, 2010						
Deferral hedge accounting	Swaps	Receive fixed/Pay floating	Financial assets and liabilities with interests (e.g. loans and deposits)	**$18,624**	**$16,389**	**$716**
		Receive floating/Pay fixed		**13,058**	**11,500**	**(499)**
Special treatment of interest rate swaps	Swaps	Receive floating/Pay fixed	Loans	**376**	**259**	**(3)**
Total						**$213**

Note: The fair value is determined using the discounted value of future cash flows.

(ii) Currency-related transactions

Accounting method for hedge	Hedge instruments	Hedge items	Millions of yen		
			Notional or contract amount		
			Total	Over 1 year	Fair value
March 31, 2010					
Deferral hedge accounting	Currency swaps	Deposits and bonds denominated in foreign currency	**¥421,882**	**¥284,332**	**¥(52,836)**

Accounting method for hedge	Hedge instruments	Hedge items	Millions of U.S. dollars		
			Notional or contract amount		
			Total	Over 1 year	Fair value
March 31, 2010					
Deferral hedge accounting	Currency swaps	Deposits and bonds denominated in foreign currency	**$4,534**	**$3,056**	**$(567)**

Note: The fair value is determined using the discounted value of future cash flows.

31. Retirement Benefit Plans

The Company and certain consolidated domestic subsidiaries have lump-sum retirement benefit plans and contributory funded defined benefit pension plans. Other domestic consolidated subsidiaries have lump-sum retirement benefit plans. In addition, supplemental benefits may be provided upon an employee's retirement.

The Company maintains certain plan assets in a segregated retirement benefit trust established at a third-party trustee to fund its lump-sum retirement benefit plans and defined benefit pension plans.

The reserve for employees' retirement benefits as of March 31, 2010 and 2009 is analyzed as follows:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Projected benefit obligation	**¥(361,196)**	¥(351,043)	**$(3,882)**
Plan assets at fair value	**497,099**	449,914	**5,342**
Plan assets in excess of projected benefit obligation	**135,902**	98,871	**1,460**
Unrecognized actuarial loss (gain)	**(7,471)**	41,414	**(80)**
Net retirement benefit obligation	**128,431**	140,286	**1,380**
Prepaid pension cost	**138,253**	146,993	**1,485**
Reserve for employees' retirement benefits	**¥ (9,821)**	¥ (6,707)	**$ (105)**

Notes: 1. Supplemental benefits are not reflected in the actuarial calculation for the projected benefit obligation.
2. Certain consolidated subsidiaries estimated the projected benefit obligation using the simplified method whereby the amount that would be payable if the eligible employees terminate the employment and certain other alternative measures may be used without employing actuarial calculations in accordance with the Accounting Standard for Retirement Benefits.

The components of retirement benefit expenses for the years ended March 31, 2010 and 2009 were as follows:

	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Service costs	**¥ 9,584**	¥9,511	**$103**
Interest cost	**6,996**	6,978	**75**
Expected return on plan assets	**(3,784)**	(5,717)	**(40)**
Amortization of actuarial loss (gain)	**7,648**	(7,358)	**82**
Others (such as supplemental retirement benefit)	**1,085**	1,298	**11**
Retirement benefit expenses	**¥21,529**	¥4,712	**$231**

Note: Retirement benefit expenses of the consolidated subsidiaries estimated under the simplified method have been included in service costs.

The assumptions used in accounting for the plans in the years ended March 31, 2010 and 2009 were as follows:

	2010	2009
Discount rate	**2.0%**	2.0%
Long-term expected rate of return on plan assets	**2.0%**	2.5%
Method of attributing retirement benefits to periods of services	**Straight-line basis**	Straight-line basis
Amortization period of prior service cost (1)	**1 year**	1 year
Amortization period of unrecognized actuarial gains or losses (2)	**10 years**	10 years

Notes: 1. Prior service cost is charged to expense as incurred.
2. Unrecognized actuarial gains and losses are charged to income commencing from the next year using the straight-line method over a period defined within the average remaining service years of eligible employees at the time when the gains and losses were incurred.

32. Per Common Share Information

A reconciliation of the differences between basic and diluted net income per share ("EPS") for the years ended March 31, 2010 and 2009 were as follows:

	Net income (Millions of yen)	Weighted-average shares (Thousands of shares)	EPS (Yen)	EPS (U.S. dollars)
March 31, 2010				
Basic EPS:				
Net income attributable to common shareholders	**¥ 98,743**	**1,117,924**	**¥88.32**	**$0.94**
Adjustments for the potential effect of dilutive securities:				
Convertible preferred stock	**24,671**	**1,213,170**		
Diluted EPS:				
Net income for computation	**¥123,414**	**2,331,094**	**¥52.94**	**$0.56**
March 31, 2009				
Basic EPS:				
Net income attributable to common shareholders	¥ 85,649	1,122,938	¥76.27	
Adjustments for the potential effect of dilutive securities:				
Convertible preferred stock	32,084	1,064,003		
Diluted EPS:				
Net income for computation	¥117,734	2,186,942	¥53.83	

For the year ended March 31, 2010, Class F No.1 preferred stock was not included in the calculation of diluted EPS due to their potential anti-dilutive effects on EPS.

33. Segment Information

(1) Business segment information

The Group's business operations consist of three business segments, including "banking and trust banking," "securities" and "other financial services."

The "ordinary income," "ordinary profits," and total assets of the "banking and trust banking" segment have accounted for more than 90% of the total of all segments. Therefore, business segment information for the years ended March 31, 2010 and 2009 is not presented.

Ordinary income and ordinary profits are defined as follows:

- "Ordinary profits" means "Ordinary income" less "Ordinary expenses."
- "Ordinary income" means total income less certain special income included in "Other income" in the accompanying consolidated statements of income.
- "Ordinary expenses" means total expenses less certain special expenses included in "Other expenses" in the accompanying consolidated statements of income.

(2) Geographic segment information

Since the ordinary income and total assets attributable to the "Japan" segment have accounted for more than 90% of the total of all geographic segments, geographical segment information for the years ended March 31, 2010 and 2009 is not presented.

(3) Overseas ordinary income

Since overseas ordinary income has accounted for less than 10% of the total ordinary income, overseas ordinary income for the years ended March 31, 2010 and 2009 is not presented.

34. Related Party Transactions

Major transactions and major balances for the years ended and as of March 31, 2010 and 2009 with related parties are as follows:

March 31, 2010

Related party	Category	Description of the transactions	Transaction amount for the year: Millions of yen	Transaction amount for the year: Millions of U.S. dollars	Account name	Balance at end of year: Millions of yen	Balance at end of year: Millions of U.S. dollars
The Group's directors and officers and their close relatives		**Loans**[(1)(2)(3)(4)(5)]	**—**	**—**	**Loans and bills discounted**	**¥515**	**$5**
		Deposits[(6)]	**—**	**—**	**Deposits**	**81**	**0**

Notes: (1) ¥16 million ($0 million) of the balance represents the apartment loan originated by Resona Bank, Limited with guarantee of Resona Guarantee Co., Ltd, which is thirty-year terms and monthly equal instalments of principal and interest. Interest rate is reasonably determined based on the market rate.
(2) ¥21 million ($0 million) of the balance represents a residential mortgage loan originated by Resona Bank, Limited with guarantee of Resona Guarantee Co., Ltd, which is eighteen-year terms and monthly equal instalments of principal and interest. Interest rate is reasonably determined based on the market rate.
(3) ¥11 million ($0 million) of the balance represents a residential mortgage loan originated by Resona Bank, Limited with guarantee of Daiwa Guarantee Co., Ltd, which is fourteen-year terms and monthly equal instalments of principal and interest. Interest rate is reasonably determined based on the market rate.
(4) ¥455 million ($4 million) of the balance represents the apartment loan originated by Saitama Resona Bank, Limited with real estate collateral, which is twenty-six-year terms and monthly equal instalments of principal and interest. Interest rate is reasonably determined based on the market rate.
(5) ¥10 million ($0 million) of the balance represents a residential mortgage loan originated by Resona Bank, Limited with guarantee of Daiwa Guarantee Co.,Ltd., which is fifteen-year terms and monthly equal instalments of principal and interest. Interest rate is reasonably determined based on the market rate.
(6) The balance consists of ¥81 million ($0 million) of deregulated interest rate time deposits of Saitama Resona Bank, Limited. Interest rates are substantially the same as for similar transactions with third parties.

March 31, 2009

Related party	Category	Description of the transactions	Transaction amount for the year: Millions of yen	Account name	Balance at end of year: Millions of yen
The Resolution and Collection Corporation	Subsidiary of a principal shareholder	Repayment of borrowings	¥ 45,000[(1)]	Borrowed money	¥ —
		Interest on borrowings	935	Other liabilities	—
		Acquisition of treasury of own stock	180,435[(2)]		—
The Group's directors and officers and their close relatives		Loans[(3)(4)(5)(6)(7)(8)]	—	Loans and bills discounted	645
		Deposits[(9)]	—	Deposits	96

Notes: (1) The borrowing is subordinated borrowed money, and interest rates are substantially the same as for similar transactions with third parties.
(2) The acquisition price of the treasury stock was agreed upon by both parties.
(3) ¥16 million of the balance represents the apartment loan originated by Resona Bank, Limited with guarantee of Resona Guarantee Co., Ltd., which is thirty-year terms and monthly equal instalments of principal and interest. Interest rate is reasonably determined based on the market rate.
(4) ¥13 million of the balance represents a residential mortgage loan originated by Resona Bank, Limited with guarantee of Daiwa Guarantee Co., Ltd., which is fourteen-year terms and monthly equal instalments of principal and interest. Interest rate is reasonably determined based on the market rate.
(5) ¥22 million of the balance represents a residential mortgage loan originated by Resona Bank, Limited with guarantee of Resona Guarantee Co., Ltd., which is eighteen-year terms and monthly equal instalments of principal and interest. Interest rate is reasonably determined based on the market rate.
(6) ¥472 million of the balance represents the apartment loan originated by Saitama Resona Bank, Limited with real estate collateral, which is twenty-six-year terms and monthly equal instalments of principal and interest. Interest rate is reasonably determined based on the market rate.
(7) ¥112 million of the balance, which consists of ¥83 million and ¥29 million, represents loans on deed of Resona Bank, Limited with real estate collateral, which are twenty-year terms and monthly equal instalments of principal and interest. Interest rate is reasonably determined based on the market rate.
(8) ¥10 million of the balance represents a residential mortgage loan originated by Resona Bank, Limited with guarantee of Daiwa Guarantee Co., Ltd., which is fifteen-year terms and monthly equal instalments of principal and interest. Interest rate is reasonably determined based on the market rate.
(9) The balance consists of ¥15 million and ¥81 million of deregulated interest rate time deposits of Saitama Resona Bank, Limited. Interest rates are substantially the same as for similar transactions with third parties.

35. BUSINESS COMBINATION

(Merger and acquisition under common control)

In accordance with the merger agreement made on December 19, 2008, by the Company, and Resona Bank, Limited ("Resona Bank") and Resona Trust & Banking Co., Ltd. ("Resona Trust & Banking"), which are both wholly owned subsidiaries of the Company, Resona Bank and Resona Trust & Banking merged on April 1, 2009. Overview of the merger was as follows:

(1) Name and business of entities

(i) Combining entity
Name: Resona Bank
Business: Banking and trust business

(ii) Combined entity
Name: Resona Trust & Banking
Business: Banking and trust business

(2) Legal method of merger

Resona Bank is the surviving company and Resona Trust & Banking was dissolved.

(3) Name of the merged company

Resona Bank

(4) Purpose of merger

This merger aims to raise the corporate value of the Group and provide better services to customers through the reinforcement of trustee functions and the maintenance and development of expertise.

(5) Date of merger

April 1, 2009

(6) Outline of accounting method used for merger

The merger is treated as a transaction under common control in accordance with the Accounting Standard for Business Combinations issued by the Business Accounting Council on October 31, 2003 and ASBJ Guidance No.10, "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" issued on November 15, 2007.

The Purchase method is not applied for business combinations between entities under common control as a business combination in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination. Accordingly, a company that receives the net assets or equity interest initially recognizes the assets and liabilities transferred at their carrying amounts in the accounts of the transferring entity at the date of the transfer in its separate financial statements.

Assets and liabilities transferred are initially accounted for at the carrying amounts of Resona Trust & Banking at the date of the merger in Resona Bank's financial statements. Such transfers are, however, fully eliminated in the consolidated financial statements of the Company.

36. Subsequent Event

Appropriation of retained earnings

On May 14, 2010, the board of Directors approved payment of cash dividends to shareholders of second on March 31, 2010:

	Millions of yen	Millions of U.S. dollars
Year-end cash dividends:		
Common stock, ¥10.00 ($0.10) per share	**¥11,507**	**$123**
Class C No. 1 preferred stock, ¥68.00 ($0.73) per share	**816**	**8**
Class F No. 1 preferred stock, ¥185.00 ($1.98) per share	**1,480**	**15**
Class one No. 1 preferred stock, ¥28.68 ($0.30) per share	**7,887**	**84**
Class two No. 1 preferred stock, ¥28.68 ($0.30) per share	**8,081**	**86**
Class three No. 1 preferred stock, ¥28.68 ($0.30) per share	**7,887**	**84**
Class four preferred stock, ¥992.50 ($10.66) per share	**2,501**	**26**
Class five preferred stock, ¥918.75 ($9.87) per share	**3,675**	**39**
Class six preferred stock, ¥386.51 ($4.15) per share	**1,159**	**12**
Total	**¥44,994**	**$483**

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FINANCIAL INFORMATION OF RESONA HOLDINGS, INC.

Non-consolidated Balance Sheets

Resona Holdings, Inc.	Millions of yen		Millions of U.S. dollars
March 31, 2010 and 2009	**2010**	2009	**2010**
Assets			
Current assets	**¥ 604,611**	¥ 851,231	**$ 6,498**
Cash and cash equivalents	**371**	501	**3**
Securities	**558,700**	745,100	**6,004**
Prepaid expenses	**7**	1	**0**
Deferred tax assets	**82**	34,743	**0**
Accrued income	**20**	35	**0**
Other receivables	**38,890**	34,747	**417**
Accrued income tax refunds	**6,539**	36,101	**70**
Non-current assets	**1,204,534**	1,177,127	**12,946**
Tangible fixed assets	**6**	7	**0**
Furniture and fixtures	**6**	7	**0**
Intangible fixed assets	**35**	49	**0**
Trademark	**30**	42	**0**
Software	**5**	7	**0**
Investments and other assets	**1,204,491**	1,177,070	**12,945**
Investment in subsidiaries and affiliates	**1,119,003**	1,108,147	**12,027**
Long-term loans to subsidiaries and affiliates	**89,500**	70,000	**961**
Other	**4**	5	**0**
Reserve for possible losses on investment	**(4,016)**	(1,082)	**(43)**
Total Assets	**¥1,809,145**	¥2,028,359	**$19,444**
Liabilities			
Current liabilities	**¥ 61,242**	¥ 113,771	**$ 658**
Bonds scheduled for repayment within one year	**60,000**	110,000	**644**
Other payable	**375**	257	**4**
Accrued expenses	**385**	653	**4**
Income tax payable	**16**	21	**0**
Consumption tax payable	**0**	45	**0**
Reserve for employees' bonuses	**279**	327	**2**
Other	**184**	2,465	**1**
Non-current liabilities	**50,000**	110,000	**537**
Bonds	**50,000**	110,000	**537**
Total Liabilities	**¥ 111,242**	¥ 223,771	**$ 1,195**
Equity			
Capital stock	**¥ 327,201**	¥ 327,201	**$ 3,516**
Capital surplus	**504,099**	596,700	**5,418**
Capital reserve	**327,201**	327,201	**3,516**
Other capital surplus	**176,898**	269,498	**1,901**
Retained earnings	**953,442**	967,482	**10,247**
Less: Treasury stock	**86,840**	86,795	**933**
Total Equity	**1,697,902**	1,804,588	**18,249**
Total Liabilities and Equity	**¥1,809,145**	¥2,028,359	**$19,444**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥93.04=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2010, has been used.

Non-consolidated Statements of Income

Resona Holdings, Inc.

Years ended March 31, 2010 and 2009	Millions of yen 2010	Millions of yen 2009	Millions of U.S. dollars 2010
Operating income	**¥39,048**	¥185,577	**$419**
Dividends from subsidiaries and affiliates	**32,077**	178,463	**344**
Fees from subsidiaries and affiliates	**4,733**	5,665	**50**
Interest on loans to subsidiaries and affiliates	**2,238**	1,448	**24**
Operating expenses	**6,366**	8,455	**68**
Interest expenses	**—**	935	**—**
Interest on bonds	**2,070**	2,663	**22**
Bond issuance costs	**—**	121	**—**
General and administrative expenses	**4,295**	4,734	**46**
Operating profit	**32,681**	177,122	**351**
Non-operating profit	**732**	2,259	**7**
Interest and dividends on securities	**598**	1,989	**6**
Commission received	**115**	133	**1**
Interest on refunds	**18**	61	**0**
Other	**0**	75	**0**
Non-operating expenses	**5,185**	4,345	**55**
Stock issuance expenses	**797**	—	**8**
Loss on devaluation of investment in subsidiaries	**360**	3,119	**3**
Reserve for possible losses on investment	**4,016**	1,082	**43**
Loss from prior period adjustments	**—**	108	**—**
Other	**10**	34	**0**
Income before income taxes	**28,229**	175,037	**303**
Income taxes—current	**(41,410)**	(34,492)	**(445)**
Income taxes for prior periods	**—**	4,213	**—**
Income taxes—deferred	**34,660**	31,210	**372**
Net income	**¥34,979**	¥174,105	**$375**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥93.04=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2010, has been used.

Statements of Trust Assets and Liabilities

Based on the Law Concerning Concurrent Conduct of Trust Business Operations by Financial Institutions, the amounts of trust assets are the simple totals of such assets held by consolidated subsidiaries in their trust operations.

Resona Holdings, Inc.

March 31, 2010 and 2009	Millions of yen 2010	Millions of yen 2009	Millions of U.S. dollars 2010
Assets			
Loans and bills discounted	**¥ 98,679**	¥ 112,856	**$ 1,060**
Securities	**0**	6,366,594	**0**
Trust beneficiary certificates	**25,257,800**	26,519,268	**271,472**
Securities held in custody account	**1,200**	501	**12**
Monetary claims	**303,756**	353,466	**3,264**
Tangible fixed assets	**636,413**	678,554	**6,840**
Intangible fixed assets	**3,471**	3,570	**37**
Other claims	**9,317**	10,228	**100**
Due from banking account	**376,687**	345,877	**4,048**
Cash and due from banks	**22,391**	29,421	**240**
Total assets	**¥26,709,717**	¥34,420,340	**$287,077**
Liabilities			
Money trusts	**¥ 7,079,767**	¥13,452,937	**$ 76,093**
Pension trusts	**3,396,047**	4,173,367	**36,500**
Asset formation benefit trusts	**1,074**	1,060	**11**
Securities investment trusts	**14,407,187**	14,820,506	**154,849**
Pecuniary trusts other than money trusts	**254,397**	117,901	**2,734**
Securities trusts	**363,615**	527,750	**3,908**
Monetary claim trusts	**324,918**	373,541	**3,492**
Real estate trusts	**125,955**	120,071	**1,353**
Land and fixtures lease trusts	**2,892**	4,689	**31**
Composite trusts	**753,862**	828,512	**8,102**
Total liabilities	**¥26,709,717**	¥34,420,340	**$287,077**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥93.04=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2010, has been used.
3. Consolidated subsidiaries included in the summation
Previous fiscal year-end: Resona Bank and Resona Trust and Banking
Fiscal year under review: Resona Bank
4. Co-managed trust funds under other trust banks' administration amounted to ¥1,822,174 million ($19,584 million) and ¥1,907,990 million on March 31, 2010 and 2009, respectively.

Jointly Operated Designated Money Trusts (JOMTs)

Resona Holdings, Inc.

March 31, 2010 and 2009	Millions of yen 2010	Millions of yen 2009	Millions of U.S. dollars 2010
Assets			
Loans and bills discounted	**¥ 98,679**	¥112,792	**$1,060**
Other	**358,307**	298,467	**3,851**
Total assets	**¥456,986**	¥411,260	**$4,911**
Liabilities			
Principal	**¥456,479**	¥410,635	**$4,906**
Reserve provided in preparation for write-offs in trust account	**301**	340	**3**
Other	**206**	284	**2**
Total liabilities	**¥456,986**	¥411,260	**$4,911**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥93.04=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2010, has been used.
3. Risk management loans (Trust account)

March 31	Millions of yen 2010	Millions of yen 2009	Millions of U.S. dollars 2010
Loans to borrowers in legal bankruptcy	**¥ 28**	¥ 38	**$ 0**
Past due loans	**18,140**	19,486	**194**
Loans past due three months or more	**232**	32	**2**
Restructured loans	**3,643**	3,803	**39**
Total	**22,044**	23,360	**236**
Total loans and bills discounted	**¥98,679**	¥112,792	**$1,060**

FINANCIAL INFORMATION OF RESONA BANK, LTD.

Non-consolidated Balance Sheets

Resona Bank, Ltd. March 31, 2010 and 2009	Millions of yen **2010**	 2009	Millions of U.S. dollars **2010**
Assets			
Cash and due from banks	**¥ 1,145,809**	¥ 1,067,156	**$ 12,315**
Call loans	**642,792**	410,241	**6,908**
Deposits paid for bonds borrowing transactions	**6,000**	—	**64**
Monetary claims bought	**69,456**	39,936	**746**
Trading assets	**477,002**	506,056	**5,126**
Securities	**4,811,718**	4,585,867	**51,716**
Loans and bills discounted	**17,216,340**	17,421,486	**185,042**
Foreign exchange assets	**52,807**	69,711	**567**
Other assets	**1,021,629**	799,314	**10,980**
Tangible fixed assets	**229,297**	233,580	**2,464**
Intangible fixed assets	**44,699**	39,301	**480**
Deferred tax assets	**184,140**	221,234	**1,979**
Customers' liabilities for acceptances and guarantees	**418,701**	473,343	**4,500**
Reserve for possible loan losses	**(270,873)**	(283,615)	**(2,911)**
Total Assets	**¥26,049,523**	¥25,583,615	**$279,981**
Liabilities			
Deposits	**¥19,935,548**	¥19,460,229	**$214,268**
Negotiable certificates of deposit	**1,705,960**	1,400,690	**18,335**
Call money	**330,347**	288,154	**3,550**
Bills sold under repurchase agreements	**120,978**	779,457	**1,300**
Deposits received for securities lending transactions	**5,988**	—	**64**
Trading liabilities	**155,320**	123,270	**1,669**
Borrowed money	**532,483**	549,036	**5,723**
Foreign exchange liabilities	**8,788**	8,714	**94**
Bonds	**731,333**	613,249	**7,860**
Due to trust account	**376,687**	345,877	**4,048**
Other liabilities	**609,312**	580,551	**6,548**
Reserve for employees' bonuses	**6,957**	6,347	**74**
Other reserves	**18,291**	15,399	**196**
Deferred tax liabilities on land revaluation	**29,868**	30,914	**321**
Acceptances and guarantees	**418,701**	473,343	**4,500**
Total Liabilities	**¥24,986,565**	¥24,675,235	**$268,557**
Equity			
Capital stock	**¥ 279,928**	¥ 279,928	**$ 3,008**
Capital surplus	**377,178**	352,208	**4,053**
Capital reserve	**279,928**	279,928	**3,008**
Other capital surplus	**97,250**	72,280	**1,045**
Retained earnings	**290,142**	222,965	**3,118**
Net unrealized gains (losses) on available-for-sale securities	**60,669**	(11,185)	**652**
Net deferred gains on hedges	**14,576**	22,469	**156**
Revaluation reserve for land	**40,462**	41,992	**434**
Total Equity	**1,062,958**	908,379	**11,424**
Total Liabilities and Equity	**¥26,049,523**	¥25,583,615	**$279,981**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥93.04=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2010, has been used.
3. The distributable amount available for dividends which is defined under the Company Law was ¥387,392 million as of the end of March 2010. Of this amount, the Bank distributed ¥13,019 million as term-end dividends for its common and preferred stock shares.

Non-consolidated Statements of Income

Resona Bank, Ltd.

Years ended March 31, 2010 and 2009	Millions of yen **2010**	2009	Millions of U.S. dollars **2010**
Income			
Interest income	**¥365,572**	¥434,719	**$3,929**
Interest on loans and bills discounted	**318,145**	358,769	**3,419**
Interest and dividends on securities	**27,686**	35,303	**297**
Other interest income	**19,740**	40,646	**212**
Trust fees	**28,727**	7,181	**308**
Fees and commissions	**98,082**	93,168	**1,054**
Trading income	**27,653**	20,299	**297**
Other operating income	**30,977**	32,045	**332**
Other income	**38,298**	162,232	**411**
Total Income	**589,312**	749,647	**6,333**
Expenses			
Interest expenses	**66,053**	100,951	**709**
Interest on deposits	**31,727**	49,469	**341**
Other interest expenses	**34,325**	51,482	**368**
Fees and commissions	**50,379**	43,232	**541**
Trading expenses	**196**	251	**2**
Other operating expenses	**27,750**	8,398	**298**
General and administrative expenses	**235,933**	221,444	**2,535**
Other expenses	**89,458**	219,629	**961**
Total Expenses	**469,770**	593,906	**5,049**
Income before income taxes	**119,541**	155,741	**1,284**
Income taxes—current	**14,886**	11,610	**159**
Income taxes for prior periods	**—**	(4,295)	**—**
Income taxes—deferred	**18,673**	66,376	**200**
Net income	**¥ 85,982**	¥ 82,050	**$ 924**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥93.04=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2010, has been used.

Statements of Trust Assets and Liabilities

Resona Bank, Ltd.

March 31, 2010 and 2009	Millions of yen 2010	Millions of yen 2009	Millions of U.S. dollars 2010
Assets			
Loans and bills discounted	**¥ 98,679**	¥ 112,856	**$ 1,060**
Securities	**0**	0	**0**
Trust beneficiary certificates	**25,257,800**	—	**271,472**
Securities held in custody account	**1,200**	501	**12**
Monetary claims	**303,756**	353,466	**3,264**
Tangible fixed assets	**636,413**	678,554	**6,840**
Intangible fixed assets	**3,471**	3,570	**37**
Other claims	**9,317**	9,677	**100**
Due from banking account	**376,687**	345,877	**4,048**
Cash and due from banks	**22,391**	24,349	**240**
Total assets	**¥26,709,717**	¥1,528,854	**$287,077**
Liabilities			
Money trusts	**¥ 3,507,458**	¥ 434,462	**$ 37,698**
Specified money in trust	**3,572,309**	—	**38,395**
Pension trusts	**3,396,047**	—	**36,500**
Asset formation benefit trusts	**1,074**	1,060	**11**
Securities investment trusts	**14,407,187**	—	**154,849**
Pecuniary trusts other than money trusts	**254,397**	0	**2,734**
Securities trusts	**363,615**	501	**3,908**
Monetary claim trusts	**324,918**	373,541	**3,492**
Real estate trusts	**125,955**	120,071	**1,353**
Land and fixtures lease trusts	**2,892**	4,689	**31**
Composite trusts	**753,862**	594,525	**8,102**
Total liabilities	**¥26,709,717**	¥1,528,854	**$287,077**

Notes: 1. Figures as of March 31, 2009 do not include the figures of the former Resona Trust & Banking.
2. Amounts of less than one million yen have been rounded down.
3. The rate of ¥93.04=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2010, has been used.
4. Co-managed trust funds under other trust banks' administration amounted to ¥1,822,174 million ($19,584 million) and ¥17,290 million on March 31, 2010 and 2009, respectively.
5. Loans and bills discounted funded by Jointly Operated Designated Money Trust account funds that the Bank guarantees the principal amounting to ¥98,679 million ($1,060 million) and ¥112,792 million on March 31, 2010 and 2009, respectively, included the following:

March 31	Millions of yen 2010	Millions of yen 2009	Millions of U.S. dollars 2010
Loans to borrowers in legal bankruptcy	**¥ 28**	¥ 38	**$ 0**
Past due loans	**18,140**	19,486	**194**
Loans past due three months or more	**232**	32	**2**
Restructured loans	**3,643**	3,803	**39**
Total	**¥22,044**	¥23,360	**$236**

Deposits and Negotiable Certificates of Deposit (Non-consolidated)

Resona Bank, Ltd.	Billions of yen	
March 31	**2010**	2009
Liquid deposits	**¥11,928.9**	¥11,674.0
Time deposits	**7,320.7**	7,156.6
Other deposits	**2,391.8**	2,030.2
Total	**¥21,641.5**	¥20,860.9

Note: Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice

Deposits by Type of Depositor (Non-consolidated)

Resona Bank, Ltd.	Billions of yen	
March 31	**2010**	2009
Individuals	**¥11,649.6**	¥11,329.9
Corporations, Other	**8,280.2**	8,124.6
Total	**¥19,929.8**	¥19,454.6

Note: Domestic depositors only and excluding negotiable certificates of deposit

Loans to SMEs and Individuals (Non-consolidated)

Resona Bank, Ltd.	Billions of yen		Ratio to total loans	
March 31	**2010**	2009	**2010**	2009
Banking account	**¥14,284.1**	¥14,150.0	**82.9%**	81.2%
Banking and trust accounts	**14,358.7**	14,236.7	**82.9%**	81.1%

Loans to Individuals (Non-consolidated, Banking and Trust Accounts)

Resona Bank, Ltd.	Billions of yen	
March 31	**2010**	2009
Consumer loans total	**¥7,597.7**	¥7,367.2
Housing loans	**7,412.9**	7,164.5

Note: Amount after securitization of housing loans

Loans and Bills Discounted by Industry (Non-consolidated, Banking Account)

Resona Bank, Ltd.

March 31	Billions of yen 2010
Manufacturing	**¥ 2,065.8** **12.00%**
Agriculture, forestry	**7.0** **0.04%**
Fishery	**6.8** **0.04%**
Mining, quarrying of stone, gravel extraction	**13.9** **0.08%**
Construction	**449.2** **2.61%**
Electricity, gas, heating, water	**50.8** **0.30%**
Information and communication	**276.4** **1.60%**
Transportation, postal activities	**420.9** **2.44%**
Wholesale and retail trade	**1,932.1** **11.22%**
Finance and insurance	**746.9** **4.34%**
Real estate	**1,528.0** **8.88%**
Goods rental and leasing	**257.6** **1.50%**
Services	**1,198.3** **6.96%**
Government, local government	**350.9** **2.04%**
Others	**7,911.2** **45.95%**
Total	**¥17,216.3** **100.00%**

Note: Certain industries are defined differently in accordance with the changes made to the Japan Standard Industrial Classification.

Resona Bank, Ltd.

March 31	Billions of yen 2009
Manufacturing	¥ 2,158.1 12.39%
Agriculture	6.4 0.04%
Forestry	1.9 0.01%
Fishery	6.5 0.04%
Mining	16.8 0.10%
Construction	505.1 2.90%
Electricity, gas, heating, water	52.8 0.30%
Information and communication	270.6 1.55%
Transportation	412.6 2.37%
Wholesale and retail	1,937.9 11.12%
Financial and insurance services	779.7 4.48%
Real estate	1,687.6 9.69%
Services	1,528.4 8.77%
Local governments	360.5 2.07%
Others	7,695.8 44.17%
Total	¥17,421.4 100.00%

Risk Management Loans (Banking and Trust Accounts)

Resona Bank, Ltd.
Non-consolidated Basis
March 31

	Billions of yen		
	2010	Change	2009
Loans to borrowers in legal bankruptcy	**¥ 24.5**	**¥ (45.5)**	¥ 70.1
Past due loans	**316.3**	**30.1**	286.2
Loans past due three months or more	**8.7**	**(10.9)**	19.7
Restructured loans	**97.2**	**(8.8)**	106.0
Total*	**¥ 447.0**	**¥ (35.1)**	¥ 482.2
Total loans and bills discounted	**¥17,315.0**	**¥(219.2)**	¥17,534.2
Ratio of risk management loans to total loans and bills discounted (%)	**2.58**	**(0.17)**	2.75

* Amounts are net of partial direct write-offs

Disclosure According to the Financial Reconstruction Law (Banking and Trust Accounts)

Resona Bank, Ltd.
Non-consolidated Basis
March 31

	Billions of yen		
	2010	Change	2009
Unrecoverable or valueless claims	**¥ 60.8**	**¥ (38.9)**	¥ 99.8
Risk claims	**291.6**	**24.5**	267.0
Claims in need of special attention	**106.0**	**(19.7)**	125.8
Financial Reconstruction Law subtotal	**458.5**	**(34.2)**	492.7
Nonclassified claims	**17,581.6**	**(289.3)**	17,871.0
Financial Reconstruction Law total*	**¥18,040.1**	**¥(323.5)**	¥18,363.7
Coverage ratio (%)	**81.25**	**(3.15)**	84.40

* Amounts are net of partial direct write-offs

Reserve for Possible Loan Losses (Banking and Trust Accounts)

Resona Bank, Ltd.
Non-consolidated Basis
March 31

	Billions of yen		
	2010	Change	2009
Reserves for possible loan losses	**¥270.8**	**¥(12.7)**	¥283.6
General reserve for possible loan losses	**163.9**	**(15.4)**	179.4
Specific reserve for possible loan losses	**106.8**	**3.5**	103.3
Special reserve for certain overseas loans	**0.0**	**(0.8)**	0.8
Reserve provided in preparation for write-offs in trust account	**0.3**	**(0.0)**	0.3

Securities

Resona Bank, Ltd.
Non-consolidated Basis
March 31

	Billions of yen	
	2010	2009
Japanese national and local government bonds	**¥3,506.6**	¥3,641.2
Japanese corporate bonds	**749.7**	499.4
Japanese corporate stocks	**432.9**	367.8
Other securities	**122.3**	77.2
Total book value	**¥4,811.7**	¥4,585.8

Capital Adequacy Ratio

(1) Consolidated Capital Adequacy Ratio (BIS Domestic Standard)

Resona Bank, Ltd.

March 31			Billions of yen	
			2010 (Basel II F-IRB)	2009 (Basel II F-IRB)
Tier 1 capital	Capital stock		**¥ 279.9**	¥ 279.9
	Capital surplus		**429.3**	404.4
	Retained earnings		**267.4**	195.2
	Less: Planned distribution of income		**13.0**	18.2
	Less: Unrealized loss on available-for-sale securities		**—**	—
	Foreign currency translation adjustments		**(3.8)**	(4.3)
	Minority interests in consolidated subsidiaries		**118.2**	122.8
	Preferred securities issued by overseas SPCs		**106.9**	112.9
	Less: Goodwill		**—**	—
	Less: Capital increase due to securitization transactions		**5.3**	5.7
	Less: 50% of excess of expected losses relative to eligible reserves		**—**	—
	Total of Tier 1 capital before deduction of deferred tax assets		**1,072.8**	974.1
	Less: Deduction of deferred tax assets		**—**	26.8
	Subtotal	(A)	**1,072.8**	947.3
	Preferred securities with a step-up interest rate provision		**106.9**	112.9
Tier 2 capital	45% of revaluation reserve for land		**31.6**	32.8
	General reserve for possible loan losses		**3.8**	4.0
	Excess of eligible reserves relative to expected losses		**39.9**	41.2
	Hybrid debt capital instruments		**487.6**	513.3
	Subtotal		**563.1**	591.4
	Tier 2 capital included as qualifying capital	(B)	**563.1**	591.4
Deductions	Deductions for total risk-based capital	(C)	**41.2**	50.5
Total risk-based capital	(A)+(B)–(C)	(D)	**¥ 1,594.7**	¥ 1,488.1
Risk-weighted assets	On-balance-sheet items		**¥12,284.1**	¥12,617.8
	Off-balance-sheet items		**1,344.6**	1,432.5
	Credit risk assets	(E)	**13,628.8**	14,050.3
	Operational risk equivalent assets ((G)/8%)	(F)	**818.0**	845.0
	(For reference: Amount equivalent to operational risk)	(G)	**65.4**	67.6
Total risk-weighted assets	(E)+(F)	(H)	**¥14,446.9**	¥14,895.4
Capital adequacy ratio	(D)/(H) x 100%		**11.03%**	9.99%

(2) Non-consolidated Capital Adequacy Ratio (BIS Domestic Standard)

Resona Bank, Ltd.

March 31			Billions of yen	
			2010 (Basel II F-IRB)	2009 (Basel II F-IRB)
Tier 1 capital	Capital stock		**¥ 279.9**	¥ 279.9
	Capital reserve		**279.9**	279.9
	Other capital surplus		**97.2**	72.2
	Other retained earnings		**292.0**	224.4
	Other		**110.4**	117.0
	Less: Planned distribution of income		**13.0**	18.2
	Less: Unrealized loss on available-for-sale securities		**—**	—
	Less: Capital increase due to securitization transactions		**5.3**	5.7
	Less: 50% of excess of expected losses relative to eligible reserves		**—**	—
	Total of Tier 1 capital before deduction of deferred tax assets		**1,041.1**	949.6
	Deduction of deferred tax assets		**—**	31.4
	Subtotal	(A)	**1,041.1**	918.2
	Preferred securities with a step-up interest rate provision		**106.9**	112.9
Tier 2 capital	45% of revaluation reserve for land		**31.6**	32.8
	General reserve for possible loan losses		**2.8**	3.0
	Excess of eligible reserves relative to expected losses		**40.0**	41.3
	Hybrid debt capital instruments		**487.6**	513.3
	Subtotal		**562.1**	590.5
	Tier 2 capital included as qualifying capital	(B)	**562.1**	590.5
Deductions	Deductions for total risk-based capital	(C)	**30.2**	44.5
Total risk-based capital	(A)+(B)–(C)	(D)	**¥ 1,573.1**	¥ 1,464.1
Risk-weighted assets	On-balance-sheet items		**¥12,220.1**	¥12,573.8
	Off-balance-sheet items		**1,357.7**	1,445.0
	Credit risk assets	(E)	**13,577.9**	14,018.9
	Operational risk equivalent assets ((G)/8%)	(F)	**783.2**	804.9
	(For reference: Amount equivalent to operational risk)	(G)	**62.6**	64.3
Total risk-weighted assets	(E)+(F)	(H)	**¥14,361.1**	¥14,823.8
Capital adequacy ratio	(D)/(H) x 100%		**10.95%**	9.87%

FINANCIAL INFORMATION OF SAITAMA RESONA BANK, LTD.

Non-consolidated Balance Sheets

Saitama Resona Bank, Ltd.

March 31, 2010 and 2009	Millions of yen 2010	Millions of yen 2009	Millions of U.S. dollars 2010
Assets			
Cash and due from banks	**¥ 386,267**	¥ 254,631	**$ 4,151**
Call loans	**176,487**	227,327	**1,896**
Deposits paid for bonds borrowing transactions	**50,540**	245,111	**543**
Monetary claims bought	**54,403**	67,609	**584**
Trading securities	**49,189**	16,015	**528**
Securities	**3,391,708**	2,772,141	**36,454**
Loans and bills discounted	**6,386,315**	6,369,978	**68,640**
Foreign exchange assets	**6,936**	7,441	**74**
Other assets	**52,251**	45,187	**561**
Tangible fixed assets	**58,634**	58,131	**630**
Intangible fixed assets	**2,976**	3,029	**31**
Deferred tax assets	**22,189**	25,750	**238**
Customers' liabilities for acceptances and guarantees	**18,326**	21,064	**196**
Reserve for possible loan losses	**(50,551)**	(40,061)	**(543)**
Total Assets	**¥10,605,676**	¥10,073,357	**$113,990**
Liabilities			
Deposits	**¥ 9,785,452**	¥ 9,389,005	**$105,174**
Negotiable certificates of deposit	**140,330**	107,050	**1,508**
Call money	**64,974**	49,542	**698**
Bills sold under repurchase agreements	**11,998**	10,997	**128**
Borrowed money	**97,400**	106,400	**1,046**
Foreign exchange liabilities	**135**	149	**1**
Bonds	**105,500**	95,000	**1,133**
Other liabilities	**74,607**	58,083	**801**
Reserve for employees' bonuses	**2,193**	2,177	**23**
Reserve for employees' retirement benefits	**2,816**	1,472	**30**
Other reserves	**5,390**	4,396	**57**
Acceptances and guarantees	**18,326**	21,064	**196**
Total Liabilities	**¥10,309,125**	¥ 9,845,340	**$110,803**
Equity			
Capital stock	**¥ 70,000**	¥ 70,000	**$ 752**
Capital surplus	**100,000**	100,000	**1,074**
Capital reserve	**100,000**	100,000	**1,074**
Retained earnings	**102,358**	72,654	**1,100**
Net unrealized gains (losses) on available-for-sale securities	**24,761**	(14,300)	**266**
Net deferred losses on hedges	**(568)**	(336)	**(6)**
Total Equity	**296,551**	228,017	**3,187**
Total Liabilities and Equity	**¥10,605,676**	¥10,073,357	**$113,990**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥93.04=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2010, has been used.

Non-consolidated Statements of Income

Saitama Resona Bank, Ltd.

Years ended March 31, 2010 and 2009	Millions of yen 2010	Millions of yen 2009	Millions of U.S. dollars 2010
Income			
Interest income	**¥153,927**	¥168,293	**$1,654**
Interest on loans and bills discounted	**131,763**	140,610	**1,416**
Interest and dividends on securities	**20,834**	22,229	**223**
Other interest income	**1,330**	5,453	**14**
Fees and commissions	**31,839**	32,296	**342**
Other operating income	**6,635**	9,098	**71**
Other income	**7,276**	4,085	**78**
Total Income	**199,678**	213,774	**2,146**
Expenses			
Interest expenses	**18,153**	25,260	**195**
Interest on deposits	**13,680**	20,257	**147**
Other interest expenses	**4,473**	5,003	**48**
Fees and commissions	**19,802**	19,291	**212**
Other operating expenses	**6,598**	12,097	**70**
General and administrative expenses	**78,423**	76,518	**842**
Other expenses	**24,820**	34,441	**266**
Total Expenses	**147,797**	167,608	**1,588**
Income before income taxes	**51,880**	46,165	**557**
Income taxes—current	**33,299**	20,178	**357**
Income taxes—deferred	**(11,130)**	(3,030)	**(119)**
Net income	**¥ 29,710**	¥ 29,016	**$ 319**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥93.04=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2010, has been used.

Deposits and Negotiable Certificates of Deposit

Saitama Resona Bank, Ltd.	Billions of yen	
March 31	**2010**	2009
Liquid deposits	**¥5,945.9**	¥5,632.6
Time deposits	**3,700.0**	3,573.8
Other deposits	**279.8**	289.5
Total	**¥9,925.7**	¥9,496.0

Note: Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice

Deposits by Type of Depositor

Saitama Resona Bank, Ltd.	Billions of yen	
March 31	**2010**	2009
Individuals	**¥7,536.0**	¥7,319.4
Corporations	**1,607.9**	1,575.9
Other	**641.4**	493.6
Total	**¥9,785.4**	¥9,389.0

Note: Domestic depositors only and excluding negotiable certificates of deposit

Loans to SMEs and Individuals

Saitama Resona Bank, Ltd.	Billions of yen		Ratio to total loans	
March 31	**2010**	2009	**2010**	2009
Loans to SMEs and individuals	**¥5,575.4**	¥5,532.9	**87.3%**	86.8%

Loans to Individuals

Saitama Resona Bank, Ltd.	Billions of yen	
March 31	**2010**	2009
Consumer loans total	**¥3,639.1**	¥3,532.7
Housing loans	**3,536.8**	3,431.0

Note: Amount after securitization of housing loans

Loans and Bills Discounted by Industry

Saitama Resona Bank, Ltd.

March 31	Billions of yen 2010
Manufacturing	**¥ 466.1** **7.30%**
Agriculture, forestry	**6.9** **0.11%**
Fishery	**0.0** **0.00%**
Mining, quarrying of stone, gravel extraction	**2.3** **0.04%**
Construction	**199.9** **3.13%**
Electricity, gas, heating, water	**18.1** **0.28%**
Information and communication	**21.9** **0.34%**
Transportation, postal activities	**142.3** **2.23%**
Wholesale and retail trade	**385.4** **6.03%**
Finance and insurance	**31.1** **0.49%**
Real estate	**544.5** **8.53%**
Goods rental and leasing	**33.8** **0.53%**
Services	**404.0** **6.33%**
Government, local government	**393.2** **6.16%**
Others	**3,736.1** **58.50%**
Total	**¥6,386.3** **100.0%**

Note: Certain industries are defined differently in accordance with the changes made to the Japan Standard Industrial Classification.

Saitama Resona Bank, Ltd.

March 31	Billions of yen 2009
Manufacturing	¥ 508.1 7.98%
Agriculture	8.2 0.13%
Forestry	0.4 0.01%
Fishery	0.0 0.00%
Mining	2.3 0.04%
Construction	205.1 3.22%
Electricity, gas, heating, water	19.3 0.30%
Information and communication	20.4 0.32%
Transportation	139.0 2.18%
Wholesale and retail	384.0 6.03%
Financial and insurance services	25.9 0.41%
Real estate	551.0 8.65%
Services	464.6 7.29%
Local governments	408.7 6.42%
Others	3,632.2 57.02%
Total	¥6,369.9 100.00%

Risk Management Loans

Saitama Resona Bank, Ltd.

March 31	Billions of yen 2010	Change	2009
Loans to borrowers in legal bankruptcy	**¥ 4.0**	**¥ (1.9)**	¥ 6.0
Past due loans	**81.8**	**11.3**	70.5
Loans past due three months or more	**2.9**	**(0.9)**	3.8
Restructured loans	**25.1**	**5.6**	19.4
Total*	**¥ 114.0**	**¥14.0**	¥ 99.9
Total loans and bills discounted	**¥6,386.3**	**¥16.3**	¥6,369.9
Ratio of risk management loans to total loans and bills discounted (%)	**1.78**	**0.21**	1.56

* Amount is net of partial direct write-offs.

Disclosure According to the Financial Reconstruction Law

Saitama Resona Bank, Ltd.

March 31	Billions of yen 2010	Change	2009
Unrecoverable or valueless claims	**¥ 13.7**	**¥ (2.6)**	¥ 16.3
Risk claims	**72.6**	**11.8**	60.7
Claims in need of special attention	**28.0**	**4.7**	23.3
Financial Reconstruction Law subtotal	**114.4**	**13.9**	100.4
Nonclassified claims	**6,331.1**	**(8.7)**	6,339.9
Financial Reconstruction Law total*	**¥6,445.5**	**¥ 5.1**	¥6,440.4
Coverage ratio (%)	**84.96**	**(2.58)**	87.54

* Amount is net of partial direct write-offs.

Reserve for Possible Loan Losses

Saitama Resona Bank, Ltd.

March 31	Billions of yen 2010	Change	2009
Reserves for possible loan losses	**¥50.5**	**¥10.4**	¥40.0
General reserve for possible loan losses	**34.1**	**7.2**	26.9
Specific reserve for possible loan losses	**16.3**	**3.2**	13.0

Securities

Saitama Resona Bank, Ltd.

March 31	Billions of yen 2010	2009
Japanese national and local government bonds	**¥3,059.8**	¥2,441.2
Japanese corporate bonds	**181.1**	219.3
Japanese corporate stocks	**120.8**	96.7
Other securities	**29.8**	14.7
Total book value	**¥3,391.7**	¥2,772.1

Capital Adequacy Ratio

Non-consolidated Capital Adequacy Ratio (Japanese Domestic Standard)

Saitama Resona Bank, Ltd.

March 31			Billions of yen	
			2010 (Basel Ⅱ F-IRB)	2009 (Basel Ⅱ F-IRB)
Tier 1 capital	Capital stock		**¥ 70.0**	¥ 70.0
	Capital reserve		**100.0**	100.0
	Legal reserve		**20.0**	20.0
	Voluntary reserve		**—**	—
	Other retained earnings		**82.3**	52.6
	Less: Planned distribution of income		**0.0**	0.0
	Less: Unrealized loss on available-for-sale securities		**—**	—
	Less: Capital increase due to securitization transactions		**5.5**	5.8
	Less: 50% of excess of expected losses relative to eligible reserves		**8.2**	7.8
	Subtotal	(A)	**258.5**	228.8
Tier 2 capital	General reserve for possible loan losses		**0.2**	0.1
	Excess of eligible reserves relative to expected losses		**—**	—
	Hybrid debt capital instruments		**177.0**	177.0
	Subtotal		**177.2**	177.1
	Tier 2 capital included as qualifying capital	(B)	**177.2**	177.1
Deductions	Deductions for total risk-based capital	(C)	**10.6**	11.3
Total risk-based capital	(A)+(B)–(C)	(D)	**¥ 425.1**	¥ 394.7
Risk-weighted assets	On-balance-sheet items		**¥3,497.4**	¥3,402.7
	Off-balance-sheet items		**63.7**	67.6
	Credit risk assets		**3,561.1**	3,470.3
	Operational risk equivalent assets ((E)/8%)		**270.6**	270.9
	(For reference: Amount equivalent to operational risk)	(E)	**21.6**	21.6
Total risk-weighted assets		(F)	**¥3,831.8**	¥3,741.3
Capital adequacy ratio	(D)/(F) x 100%		**11.09%**	10.54%

FINANCIAL INFORMATION OF THE KINKI OSAKA BANK, LTD.

Non-consolidated Balance Sheets

The Kinki Osaka Bank, Ltd.

March 31, 2010 and 2009	Millions of yen 2010	Millions of yen 2009	Millions of U.S. dollars 2010
Assets			
Cash and due from banks	**¥ 80,870**	¥ 64,690	**$ 869**
Call loan	**50,000**	20,000	**537**
Monetary claims bought	**93,680**	110,867	**1,006**
Trading securities	**157**	153	**1**
Securities	**704,432**	630,114	**7,571**
Loans and bills discounted	**2,604,777**	2,704,690	**27,996**
Foreign exchange assets	**3,740**	3,808	**40**
Other assets	**11,141**	17,981	**119**
Tangible fixed assets	**31,304**	31,524	**336**
Intangible fixed assets	**1,069**	1,256	**11**
Deferred tax assets	**12,730**	9,829	**136**
Customers' liabilities for acceptances and guarantees	**17,819**	21,403	**191**
Reserve for possible loan losses	**(27,628)**	(28,537)	**(296)**
Total Assets	**¥3,584,095**	¥3,587,781	**$38,522**
Liabilities			
Deposits	**¥3,321,193**	¥3,298,725	**$35,696**
Deposits received for bonds lending transactions	**49,944**	79,613	**536**
Borrowed money	**65,000**	65,011	**698**
Foreign exchange liabilities	**103**	69	**1**
Other liabilities	**18,941**	23,473	**203**
Reserve for employees' bonuses	**1,789**	1,817	**19**
Reserve for employees' retirement benefits	**5,669**	3,993	**60**
Other reserve	**3,184**	4,144	**34**
Acceptances and guarantees	**17,819**	21,403	**191**
Total Liabilities	**¥3,483,646**	¥3,498,252	**$37,442**
Equity			
Capital stock	**¥ 38,971**	¥ 38,971	**$ 418**
Capital surplus	**55,439**	55,439	**595**
Capital reserve	**38,971**	38,971	**418**
Other capital surplus	**16,467**	16,467	**176**
Retained earnings	**8,654**	2,045	**93**
Net unrealized losses on available-for-sale securities	**(2,616)**	(6,926)	**(28)**
Total Equity	**100,448**	89,529	**1,079**
Total Liabilities and Equity	**¥3,584,095**	¥3,587,781	**$38,522**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥93.04=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2010, has been used.

Non-consolidated Statements of Income

The Kinki Osaka Bank, Ltd.

Years ended March 31, 2010 and 2009	Millions of yen		Millions of U.S. dollars
	2010	2009	**2010**
Income			
Interest income	**¥58,968**	¥67,103	**$633**
Interest on loans and bills discounted	**51,613**	58,817	**554**
Interest and dividends on securities	**6,356**	6,235	**68**
Other interest income	**998**	2,049	**10**
Fees and commissions	**13,906**	13,031	**149**
Other operating income	**3,368**	1,520	**36**
Other income	**5,415**	9,174	**58**
Total Income	**81,660**	90,829	**877**
Expenses			
Interest expenses	**8,384**	11,566	**90**
Interest on deposits	**6,809**	9,570	**73**
Other interest expenses	**1,575**	1,995	**16**
Fees and commissions	**5,981**	6,119	**64**
Other operating expenses	**1,153**	3,715	**12**
General and administrative expenses	**44,919**	46,258	**482**
Other expenses	**16,065**	21,263	**172**
Total Expenses	**76,503**	88,923	**822**
Income before income taxes	**5,155**	1,906	**55**
Income taxes—current	**604**	1,520	**6**
Income taxes—deferred	**(2,901)**	(182)	**(31)**
Net income	**¥ 7,452**	¥ 568	**$ 80**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥93.04=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2010, has been used.

Deposits and Negotiable Certificates of Deposit

The Kinki Osaka Bank, Ltd.	Billions of yen	
March 31	**2010**	2009
Liquid deposits	**¥1,543.8**	¥1,557.0
Time deposits	**1,738.6**	1,700.3
Other deposits	**38.7**	41.3
Total	**¥3,321.1**	¥3,298.7

Note: Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice

Deposits by Type of Depositor

The Kinki Osaka Bank, Ltd.	Billions of yen	
March 31	**2010**	2009
Individuals	**¥2,617.3**	¥2,597.8
Corporations	**682.0**	683.3
Other	**21.8**	17.5
Total	**¥3,321.1**	¥3,298.7

Loans to SMEs and Individuals (Non-consolidated)

The Kinki Osaka Bank, Ltd.	Billions of yen		Ratio to total loans	
March 31	**2010**	2009	**2010**	2009
Loans to SMEs and individuals	**¥2,386.7**	¥2,448.8	**91.6%**	90.5%

Loans to Individuals (Non-consolidated)

The Kinki Osaka Bank, Ltd.	Billions of yen	
March 31	**2010**	2009
Consumer loans total	**¥1,139.8**	¥1,157.8
Housing loans	**1,093.1**	1,105.4

Loans and Bills Discounted by Industry

The Kinki Osaka Bank, Ltd.

March 31	Billions of yen 2010
Manufacturing	**¥ 344.1**
	13.21%
Agriculture, forestry	**0.6**
	0.02%
Fishery	**0.0**
	0.00%
Mining, quarrying of stone, gravel extraction	**0.3**
	0.01%
Construction	**136.8**
	5.26%
Electricity, gas, heating, water	**0.1**
	0.00%
Information and communication	**18.5**
	0.71%
Transportation, postal activities	**44.6**
	1.72%
Wholesale and retail trade	**342.9**
	13.17%
Finance and insurance	**39.0**
	1.50%
Real estate	**216.2**
	8.30%
Goods rental and leasing	**23.0**
	0.89%
Services	**155.5**
	5.97%
Government, local government	**126.3**
	4.85%
Others	**1,156.2**
	44.39%
Total	**¥2,604.7**
	100.00%

Note: Certain industries are defined differently in accordance with the changes made to the Japan Standard Industrial Classification.

The Kinki Osaka Bank, Ltd.

March 31	Billions of yen 2009
Manufacturing	¥ 362.9
	13.42%
Agriculture	0.2
	0.01%
Forestry	0.1
	0.01%
Fishery	0.0
	0.00%
Mining	0.4
	0.01%
Construction	140.5
	5.20%
Electricity, gas, heating, water	0.1
	0.00%
Information and communication	17.4
	0.64%
Transportation	54.1
	2.00%
Wholesale and retail	355.0
	13.13%
Financial and insurance services	42.2
	1.56%
Real estate	243.5
	9.01%
Services	182.5
	6.75%
Local governments	126.6
	4.68%
Others	1,178.6
	43.58%
Total	¥2,704.6
	100.00%

Risk Management Loans

The Kinki Osaka Bank, Ltd.
Non-consolidated Basis
March 31

	Billions of yen		
	2010	Change	2009
Loans to borrowers in legal bankruptcy	**¥ 4.4**	**¥ (1.5)**	¥ 6.0
Past due loans	**60.3**	**8.2**	52.0
Loans past due three months or more	**2.0**	**(1.5)**	3.6
Restructured loans	**18.6**	**7.8**	10.7
Total*	**¥ 85.4**	**¥ 13.0**	¥ 72.4
Total loans and bills discounted	**¥2,604.7**	**¥(99.9)**	¥2,704.6
Ratio of risk management loans to total loans and bills discounted (%)	**3.28**	**0.61**	2.67

* Amounts are net of partial direct write-offs.

Disclosure According to the Financial Reconstruction Law

The Kinki Osaka Bank, Ltd.
Non-consolidated Basis
March 31

	Billions of yen		
	2010	Change	2009
Unrecoverable or valueless claims	**¥ 19.9**	**¥ (0.8)**	¥ 20.8
Risk claims	**45.3**	**5.9**	39.4
Claims in need of special attention	**20.7**	**6.3**	14.3
Financial Reconstruction Law subtotal	**86.0**	**11.3**	74.6
Nonclassified claims	**2,558.0**	**(124.7)**	2,682.7
Financial Reconstruction Law total*	**¥2,644.0**	**¥(113.3)**	¥2,757.4
Coverage ratio (%)	**85.60**	**(5.71)**	91.31

* Amounts are net of partial direct write-offs.

Reserve for Possible Loan Losses

The Kinki Osaka Bank, Ltd.
Non-consolidated Basis
March 31

	Billions of yen		
	2010	Change	2009
Reserves for possible loan losses	**¥27.6**	**¥(0.9)**	¥28.5
General reserve for possible loan losses	**18.0**	**(1.0)**	19.0
Specific reserve for possible loan losses	**9.5**	**0.1**	9.4

Securities

The Kinki Osaka Bank, Ltd.
Non-consolidated Basis
March 31

	Billions of yen	
	2010	2009
Japanese national and local government bonds	**¥394.4**	¥295.1
Japanese corporate bonds	**241.2**	256.3
Japanese corporate stocks	**10.9**	10.9
Other securities	**57.7**	67.6
Total book value	**¥704.4**	¥630.1

Capital Adequacy Ratio

(1) Consolidated Capital Adequacy Ratio (Japanese Domestic Standard)

The Kinki Osaka Bank, Ltd.

March 31			Billions of yen 2010 (Basel Ⅱ SA)	2009 (Basel Ⅱ SA)
Tier 1 capital	Capital stock		**¥ 38.9**	¥ 38.9
	Capital surplus		**55.4**	55.4
	Retained earnings		**13.6**	8.0
	Less: Planned distribution of income		**0.4**	0.4
	Less: Unrealized loss on available-for-sale securities		**—**	—
	Foreign currency translation adjustments		**—**	—
	Minority interests in consolidated subsidiaries		**—**	—
	Subtotal	(A)	**107.6**	102.0
Tier 2 capital	General reserve for possible loan losses		**25.1**	25.5
	Hybrid debt capital instruments		**65.0**	65.0
	Subtotal		**90.1**	90.5
	Tier 2 capital included as qualifying capital	(B)	**75.6**	76.5
Deductions	Deductions for total risk-based capital	(C)	**0.8**	0.2
Total risk-based capital	(A)+(B)–(C)	(D)	**¥ 182.3**	¥ 178.3
Risk-weighted assets	On-balance-sheet items		**¥1,562.9**	¥1,702.5
	Off-balance-sheet items		**27.1**	23.5
	Credit risk assets	(E)	**1,590.0**	1,726.0
	Operational risk equivalent assets ((G)/8%)	(F)	**111.8**	117.0
	(For reference: Amount equivalent to operational risk)	(G)	**8.9**	9.3
Total risk-weighted assets	(E)+(F)	(H)	**¥1,701.9**	¥1,843.1
Capital adequacy ratio	(D)/(H) x 100%		**10.71%**	9.67%

(2) Non-consolidated Capital Adequacy Ratio (Japanese Domestic Standard)

The Kinki Osaka Bank, Ltd.

March 31			Billions of yen 2010 (Basel Ⅱ SA)	2009 (Basel Ⅱ SA)
Tier 1 capital	Capital stock		**¥ 38.9**	¥ 38.9
	Capital reserve		**38.9**	38.9
	Other capital surplus		**16.4**	16.4
	Other retained earnings		**8.6**	2.0
	Less: Planned distribution of income		**0.4**	0.4
	Less: Unrealized loss on available-for-sale securities		**—**	—
	Subtotal	(A)	**102.6**	96.0
Tier 2 capital	General reserve for possible loan losses		**19.9**	20.9
	Hybrid debt capital instruments		**65.0**	65.0
	Subtotal		**84.9**	85.9
	Tier 2 capital included as qualifying capital	(B)	**75.5**	76.4
Deductions	Deductions for total risk-based capital	(C)	**0.8**	0.2
Total risk-based capital	(A)+(B)–(C)	(D)	**¥ 177.3**	¥ 172.2
Risk-weighted assets	On-balance-sheet items		**¥1,560.5**	¥1,699.7
	Off-balance-sheet items		**23.3**	19.1
	Credit risk assets	(E)	**1,583.9**	1,718.9
	Operational risk equivalent assets ((G)/8%)	(F)	**108.1**	112.9
	(For reference: Amount equivalent to operational risk)	(G)	**8.6**	9.0
Total risk-weighted assets	(E)+(F)	(H)	**¥1,692.1**	¥1,831.8
Capital adequacy ratio	(D)/(H) x 100%		**10.48%**	9.40%

MEMO

STATUS OF CAPITAL ADEQUACY/ BASEL II DATA SECTION

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SCOPE OF CONSOLIDATION

■ Differences between those companies belonging to the Corporate Group (hereinafter, Holding Company Group) for which the capital adequacy ratio is calculated based on the method stipulated in "Standards for Bank Holding Companies to Examine the Adequacy of its Capital Based on Assets, Etc. held by it and its Subsidiaries pursuant to Article 52-25 of the Banking Law" (Article 15 of Notification 20 dated March 27, 2006, issued by the Financial Services Agency (hereinafter, Notification on Consolidated Capital Adequacy)), and those companies that are included in the scope of consolidation based on the Regulations for Preparation of Consolidated Financial Statements.

Asahi Servicos e Representacoes Ltda. is not included in the scope of consolidation under the provisions of Article 5-2 of the Regulations for Preparation of Consolidated Financial Statements, but, based on Article 15 of the Notification on Consolidated Capital Adequacy, this company is included in the Holding Company Group for calculation of the consolidated capital adequacy ratio.

■ Number, names, and principal business activities of the major consolidated subsidiaries in the Holding Company Group

Number of consolidated subsidiaries: 18
Names and principal business activities of consolidated subsidiaries: As shown below

(As of March 31, 2010)

Company Name	Principal Business Activities
Resona Bank, Ltd.	Banking and trust banking business
Saitama Resona Bank, Ltd.	Banking business
The Kinki Osaka Bank, Ltd.	Banking business
Resona Guarantee Co., Ltd.	Credit guarantee
Daiwa Guarantee Co., Ltd.	Credit guarantee
Kinki Osaka Shinyo Hosho Co., Ltd.	Credit guarantee
Resona Kessai Service Co., Ltd.	Collection of bills and receivables, and factoring
Resona Servicer Co., Ltd.	Credit administration and servicer functions
Resona Card Co., Ltd.	Credit card administration and credit guarantee
Resona Capital Co., Ltd.	Private equity business
Resona Research Institute Co., Ltd.	Business consulting services
Resona Business Service Co., Ltd.	Subcontracted operations
Resona HR Support Co., Ltd.	Temporary staffing, welfare benefits
P.T. Bank Resona Perdania	Banking business
P.T. Resona Indonesia Finance	Finance leasing
TD Consulting Co., Ltd.	Investment consulting
Asahi Finance (Cayman), Ltd.	Financing
Resona Preferred Global Securities (Cayman) Limited	Financing

■ Names and principal business activities of affiliated companies engaging in financial services businesses as specified in Article 21 of the Notification on Consolidated Capital Adequacy

Company Name	Principal Business Activities
Japan Trustee Services Bank, Ltd.	Trust and banking business

■ Companies for which deductions from capital set forth in Article 20, Paragraph 1, Item 2, Section 1 to 3 of Notification on Consolidated Capital Adequacy are applicable

Number of companies: 2

■ Number and name of companies described in Article 52-23, Paragraph 1, Item 10 of the Banking Law that are mainly engaged in business activities described in Subsection 1 of such item or companies set forth in Item 11 of such paragraph, but that are not in the Holding Company Group

None

■ Restrictions on transfer of funds or capital within the Holding Company Group

There are no specific restrictions on transfer of funds or capital within the Holding Company Group.

■ Companies subject to deduction from capital as per Article 20, Paragraph 1, Item 2, Section 1 to 3 of Notification on Consolidated Capital Adequacy with its capital below regulatory required amount and total shortfall amount

None

CAPITAL

Structure of Capital and Assessment of Capital Adequacy

The composition of the capital of Resona Holdings, Inc., is as shown below. Please note that the capital ratio is calculated based on the "Notification on Consolidated Capital Adequacy," and is computed on a consolidated basis. The amounts of credit risk assets are calculated according to the Foundation Internal Ratings-Based (hereafter, F-IRB) Approach.

■ Consolidated Capital Adequacy Ratio (BIS Domestic Standard)

(Millions of yen)

As of March 31,			**2010**	2009	**2010** (For reference: BIS International Standard)
Tier 1 capital	Capital stock		**327,201**	327,201	327,201
	Non-cumulative perpetual preferred stock (Note 1)		**—**	—	—
	Advance payment for new shares		**—**	—	—
	Capital surplus		**400,709**	493,309	400,709
	Retained earnings		**1,372,121**	1,287,469	1,372,121
	Less: Treasury stock		**86,840**	86,795	86,840
	Advance payment for treasury stock		**—**	—	—
	Less: Planned distribution of income		**44,994**	49,019	44,994
	Less: Unrealized loss on available-for-sale securities		**—**	—	—
	Foreign currency translation adjustments		**(3,807)**	(4,363)	(3,807)
	Rights to acquire new shares		**—**	—	—
	Minority interests in consolidated subsidiaries		**125,135**	129,885	125,135
	Preferred securities issued by overseas SPCs		**106,996**	112,953	106,996
	Less: Goodwill		**—**	7,242	—
	Less: Intangible fixed assets recognized as a result of a merger		**—**	—	—
	Less: Capital increase due to securitization transactions		**10,845**	11,614	10,845
	Less: 50% of excess of expected losses relative to eligible reserves		**—**	—	—
	Total of Tier 1 capital before deduction of deferred tax assets		**2,078,677**	2,078,830	2,078,677
	Less: Deduction of deferred tax assets (Note 2)		**—**	—	—
	Subtotal	(A)	**2,078,677**	2,078,830	2,078,677
	Preferred securities with a step-up interest rate provision (Note 3)	(B)	**106,996**	112,953	106,996
Tier 2 capital	45% of unrealized gains on available-for-sale securities		**—**	—	54,409
	45% of revaluation reserve for land		**31,491**	32,583	31,491
	General reserve for possible loan losses		**29,997**	32,009	36,295
	Excess of eligible reserves relative to expected losses		**50,426**	51,479	101,258
	Hybrid debt capital instruments		**640,183**	655,332	640,183
	Perpetual subordinated debt (Note 4)		**306,883**	363,677	306,883
	Subordinated debt with maturity dates and preferred stocks with maturity dates (Note 5)		**333,300**	291,655	333,300
	Subtotal		**752,099**	771,405	863,637
	Tier 2 capital included as qualifying capital	(C)	**752,099**	771,405	863,637
Deductions	Deductions for total risk-based capital (Note 6)	(D)	**16,765**	31,637	16,778
Total risk-based capital	(A)+(C)–(D)	(E)	**2,814,010**	2,818,599	2,925,536
Risk-weighted assets	On-balance-sheet items		**17,573,641**	17,957,679	17,641,043
	Off-balance-sheet items		**1,546,225**	1,650,633	1,546,288
	Credit risk assets	(F)	**19,119,866**	19,608,313	19,187,332
	Market risk equivalent assets (H)/8%	(G)	**—**	—	164,007
	(For reference: Amount equivalent to market risk)	(H)	**—**	—	13,120
	Operational risk equivalent assets (J)/8%	(I)	**1,244,328**	1,336,586	1,244,328
	(For reference: Amount equivalent to operational risk)	(J)	**99,546**	106,926	99,546
	Credit risk asset adjustments	(K)	**—**	—	—
	Amount equivalent to operational risk adjustments	(L)	**—**	—	—
	Total (F)+(G)+(I)+(K)+(L)	(M)	**20,364,194**	20,944,899	20,595,668
Capital adequacy ratio (BIS domestic standard) (E)/(M) x 100 (%)			**13.81**	13.45	14.20
Consolidated Tier 1 capital ratio (A)/(M) x 100 (%)			**10.20**	9.92	10.09
Percentage of preferred securities with conditions for interest rate step-ups in consolidated Tier 1 capital = (B)/(A) x 100 (%)			**5.14**	5.43	5.14
Total consolidated capital required (Note 7)			**1,629,135**	1,675,591	1,647,653

Notes: 1. Since the holding company's capital stock cannot be classified by types of shares issued, the amount of non-cumulative perpetual preferred stock is not shown.
2. The amount of net deferred tax assets at March 31, 2009, was ¥308,947 million, and the limit allowed to incorporate deferred tax assets into regulatory capital was ¥415,766 million. The amount of net deferred tax assets at March 31, 2010, was ¥247,387 million, and the limit allowed to incorporate deferred tax assets into regulatory capital was ¥415,735 million.

3. These are stocks and other securities with conditions for interest rate step-ups, for which there is a possibility of call and amortization (including preferred securities issued through overseas special-purpose companies (SPCs)), as stipulated in Article 17, Paragraph 2 of the Notification on Consolidated Capital Adequacy.
4. Instruments for raising capital that have the characteristics of liabilities, as stipulated in Article 18, Paragraph 1, Item 3 of the Notification on Consolidated Capital Adequacy, having all of the following characteristics:
(1) Uncollateralized, subordinated to other liabilities and already paid in,
(2) Except under specified conditions, these securities cannot be called or amortized,
(3) Proceeds from these securities may be used to cover losses as the Holding Company Group continues its operations, and
(4) Interest payments on these securities may be postponed.
5. These securities are specified in Article 18, Paragraph 1, Item 4 and Article 18, Paragraph 1, Item 5 of the Notification on Consolidated Capital Adequacy. However, this subordinated debt with maturity dates are limited to those with maturity dates of over five years at the time of their respective contracts.
6. Deductions are specified in Article 20, Paragraph 1, Item 1 through Article 20, Paragraph 1, Item 6 of the Notification on Consolidated Capital Adequacy. These figures include the amounts of securities of other financial instruments for raising capital issued by other financial institutions that are held deliberately by the Holding Company Group and the amount of investments as stipulated in Article 20, Paragraph 1, Item 2 of the said Notification.
7. Since the Holding Company adopts the Basel II F-IRB Approach for calculating credit risk assets, it uses 8% to calculate total required capital on a consolidated basis.
8. Figures have been calculated pursuant to Financial Services Agency Notification No. 79, Article 2-2 (Special Measure Allowing Greater Flexibility in Some Areas for Capital Requirements of Banks and Other Financial Institutions). Capital requirements under BIS International Standards are shown in the column marked “for reference.”
9. Pursuant to Industry Committee Report No. 30 of the Japanese Institute of Certified Public Accountants, we have made an engagement with ERNST & YOUNG SHIN-NIHON LCC to have them conduct Agreed-Upon Procedures in the areas of calculating the consolidated capital adequacy ratio as of March 31, 2010. This external audit is not conducted as a part of an audit performed under certain laws, such as the Corporate Law. Under certain procedures agreed between the certified public accountant and Resona Holdings, Inc., the certified public accountant reviews and evaluates our effectiveness of internal control to calculating the capital adequacy ratio and does not provide any opinion to the capital adequacy ratio itself.

Outline of Preferred Securities

The Holding Company’s consolidated subsidiary Resona Bank, Ltd. (hereinafter, the Company), has issued the preferred securities outlined below through its overseas special-purpose company. The securities are included in calculation of the Holding Company’s consolidated capital adequacy ratio (BIS domestic standard) as eligible Tier 1 capital.

Issuer	Resona Preferred Global Securities (Cayman) Limited
Type of Securities	Non-cumulative perpetual preferred securities (hereinafter, preferred securities)
Maturity	None (perpetual)
Optional Redemption	The preferred securities may be redeemed at the option of the issuer on any dividend payment date in or after July 2015, subject to the prior approval of the Financial Services Agency.
Amount of Issue	US$1.15 billion
Date for Payment of the Issue Price	July 25, 2005
Dividend Rate	Dividends on the preferred securities will be payable at a fixed rate through the dividend payment date in July 2015. After this date, the dividend rate will become variable and a step-up coupon will be added.
Dividend Payment Date	July 30 of each year, provided that if this date in any year falls on a day that is not a business day, payment will be made on the next business day. From July 2016, in the event that a dividend payment date falls on a date that is not a business day, and the next business day falls in the following month, the dividend payment date shall be the last business day before July 30.
Mandatory Dividend Payment	Provided that the conditions detailed below for mandatory suspension (limitation) or optional suspension (limitation) of dividends are not met for any fiscal year, the full amount of dividends on the preferred securities described here must be paid on the dividend payment date following the conclusion of such fiscal year.
Mandatory Suspension (Limitation) of Dividend	Dividend payments will be suspended upon the occurrence of a liquidation event, reorganization event, insolvency event, or government action (See Note 1 below.). In the event that a Preferred Stock Dividend Limitation or Distributable Profits Limitation is applied, dividends will be suspended or subject to limitation in accordance with such an application. Unpaid dividends shall not accrue to subsequent periods.
Preferred Stock Dividend Limitation	If the dividends paid on the Company’s preferred stock (See Note 2 below.) are reduced, dividends on the preferred securities will be reduced by the same percentage.
Distributable Profits Limitation	If there are insufficient Available Distributable Profits (See Note 3 below.) (i.e. in the case where the Available Distributable Profits are less than the total amount of dividends to be paid), dividends on the preferred securities will be limited to the amount of Available Distributable Profits.
Optional Suspension (Limitation) of Dividend	The Company may, at its option, suspend or limit the dividends upon the occurrence of any of the following events. However, in the event that dividends are to be paid on other preferred securities, dividends shall also be paid at the same ratio on the preferred securities described here, regardless of the order of their respective dividend payment dates. Unpaid dividends shall not accrue to subsequent periods. 1. When a “regulatory event” (See Note 4 below.) occurs. 2. In the event that the Company has not paid dividends on the Company’s common stock for the most recently concluded fiscal year.
Liquidation Preference	The preferred securities rank effectively *pari passu* with the Company’s preferred shares as to liquidation preference.

Notes: 1. Liquidation event, reorganization event, insolvency event, or government action
(Liquidation event)
Commencement of a liquidation proceeding, adjudication to commence a bankruptcy proceeding, approval to prepare a reorganization plan for liquidation and submission of a rehabilitation plan for liquidation
(Reorganization event)
Adjudication to commence a corporate reorganization proceeding under the Corporate Reorganization Law, adjudication to commence a civil rehabilitation proceeding under the Civil Rehabilitation Law
(Insolvency event)
(1) In the event of inability to pay debts, or in the event of inability to pay debts upon the payment of aforementioned dividends or the concern of such occurring
(2) In the event of liabilities exceeding assets, or in the event of liabilities exceeding assets upon the payment of aforementioned dividends
(Government action)
In the event that the responsible regulatory agency issues a proclamation that the Company is insolvent or is in the condition of having liabilities in excess of assets; to place the Company under state management; or to transfer the Company to a third party

2. The Company's preferred stock: The Company's preferred stock which has been issued directly by the Company and has the highest priority for the payment of dividends among preferred stock
3. Available Distributable Profits: Available Distributable Profits are defined as the amount of Distributable Profits for the fiscal year immediately prior to the current year less the sum of the amount of dividends paid or to be paid on the Company's preferred stock for such immediately prior year. (However, the interim dividend to be paid on the Company's preferred stock in the current year is not considered in the computation of Available Distributable Profits.) However, when there are securities issued by subsidiaries of the Company, rights to dividends, voting rights, and rights exercisable in the event of liquidation of which are determined by reference to the Company's financial position and operating performance and which have the same ranking for their issuer as these preferred securities do to their issuer, adjustments are made to Available Distributable Profits.
4. Regulatory event: A regulatory event occurs when the Company's capital adequacy ratio or Tier 1 ratio falls below the minimum level as prescribed by banking regulations, or when such ratios fall below required minimum levels upon the payment of aforementioned dividends.

■ Capital Requirements for Credit Risk

(Millions of yen)

As of March 31,	2010	2009
Capital requirements for credit risk (excluding equity exposures in the Internal Ratings-based (IRB) Approach, exposures relating to investment funds)	**2,104,789**	2,168,732
Standardized Approach (Note 1)	**182,796**	193,323
IRB Approach (Note 2)	**1,895,695**	1,936,337
Corporate exposures (Note 3)	**1,383,580**	1,413,028
Sovereign exposures	**12,361**	13,677
Bank exposures	**30,745**	34,644
Residential mortgage exposures	**306,509**	319,617
Qualified revolving retail exposures	**13,293**	11,160
Other retail exposures	**85,849**	76,867
Other IRB exposures (Note 4)	**63,356**	67,342
Securitization exposures	**26,297**	39,071
Capital requirements for credit risk of equity exposures in the IRB Approach	**47,236**	43,707
Market-Based Approach (Simple Risk Weight Method)	**10,201**	8,168
Market-Based Approach (Internal Models Approach)	**—**	—
PD/LGD Approach	**3,960**	2,241
Exposures subject to transitional grandfathering provisions (Article 13 of the Supplementary Provisions of Notification on Consolidated Capital Adequacy)	**33,075**	33,297
Capital requirements for exposures relating to investment funds	**9,102**	16,931
Total	**2,161,129**	2,229,371

Notes: 1. Capital requirement for portfolios under the Standardized Approach is calculated as "credit risk-weighted asset amount x 8% + deduction for total risk-based capital."
2. Capital requirement for portfolios under the IRB Approach is calculated as "credit risk-weighted asset amount (multiplied by the scaling factor of 1.06) x 8% + expected losses + deduction for total risk-based capital."
3. Corporate exposures include Specialised Lending and exposures to SMEs.
4. Other IRB exposures include purchased receivables assets and other assets.

■ Capital Requirements for Market Risk

Since an exceptional treatment is applicable, the Holding Company Group does not include the amount equivalent to market risk in its calculation of required regulatory capital.

■ Capital Requirements for Operational Risk

(Millions of yen)

As of March 31,	2010	2009
The Standardized Approach	**99,546**	106,926

Notes: 1. Capital requirement for operational risk is calculated in accordance with the following formula; Amount equivalent to operational risk x 12.5 x 8%
2. Capital requirement for operational risk is calculated using the Standardized Approach. The Holding Company Group does not adopt the Basic Indicator Approach nor Advanced Measurement Approach.

Outline of Instruments for Raising Capital

The financial instruments the Holding Company uses for raising capital are as listed below:

■ Common and Preferred Stock

1. Number of Common and Preferred Stock Shares and Related Matters

(1) Number of Authorized Common and Preferred Stock Shares

Class of stock	Authorized number of shares
Common Stock	7,300,000,000
Class C Preferred Stock	12,000,000
Class F Preferred Stock	8,000,000
Class One Preferred Stock	275,000,000
Class Two Preferred Stock	281,780,800
Class Three Preferred Stock	275,000,000
Class Four Preferred Stock	10,000,000
Class Five Preferred Stock	10,000,000
Class Six Preferred Stock	10,000,000
Class Seven Preferred Stock	10,000,000
Class Eight Preferred Stock	10,000,000
Class Nine Preferred Stock	10,000,000
Total	8,211,780,800 (Note)

Note: The Articles of Incorporation of the Company were amended as approved at the Ordinary General Meeting of Shareholders held on June 25, 2010. The authorized number of shares has been revised as follows.
The total authorized number of shares is 8,201,780,800 shares and the authorized number of shares for each class is as described below:

Common Stock:	7,300,000,000 shares
Class C Preferred Stock:	12,000,000
Class F Preferred Stock:	8,000,000
Class One Preferred Stock:	275,000,000
Class Two Preferred Stock:	281,780,800
Class Three Preferred Stock:	275,000,000
Class Four Preferred Stock:	10,000,000
Class Five Preferred Stock:	10,000,000
Class Six Preferred Stock:	10,000,000
Class Seven Preferred Stock:	10,000,000
Class Eight Preferred Stock:	10,000,000

(2) Number of Common and Preferred Stock Shares Issued and Outstanding

Class of stock	Number of shares issued and outstanding (March 31, 2010)	Name of stock exchange or securities dealers association	Voting rights and other matters
Common stock	1,214,957,691	Tokyo Stock Exchange, First Section Osaka Securities Exchange, First Section	These are standard stocks of the Company and have full voting rights without any restrictions. Minimum trading unit: 100 stocks
Class C No. 1 Preferred Stock	12,000,000	—	Minimum trading unit: 100 stocks (Notes 1, 2, 3 and 4)
Class F No. 1 Preferred Stock	8,000,000	—	Minimum trading unit: 100 stocks (Notes 1, 5, 6 and 7)
Class One No. 1 Preferred Stock	275,000,000	—	Minimum trading unit: 100 stocks, With voting rights (Notes 1, 8, 9 and 10)
Class Two No. 1 Preferred Stock	281,780,786	—	Minimum trading unit: 100 stocks, With voting rights (Notes 1, 11, 12 and 13)
Class Three No. 1 Preferred Stock	275,000,000	—	Minimum trading unit: 100 stocks, With voting rights (Notes 1, 14, 15 and 16)
Class Four Preferred Stock	2,520,000	—	Minimum trading unit: 100 stocks (Notes 1, 17)
Class Five Preferred Stock	4,000,000	—	Minimum trading unit: 100 stocks (Notes 1, 18)
Class Six Preferred Stock	3,000,000	—	Minimum trading unit: 100 stocks (Notes 1, 19)
Total	2,076,258,477	—	—

Notes:

1. Class C No. 1 and Class F No. 1 Preferred Stocks,which were issued under the Law concerning Emergency Measures for Early Strengthening of Financial Functions (“Early Strengthening Law”),as well as Class 4,Class 5 and Class 6 Preferred Stocks, which were issued with a view to implementing an appropriate capital policy aimed at early repayment of public funds,are not attached with voting rights to be exercised in the general meeting of shareholders.(However,the shareholders of the aforesaid preferred stocks are entitled to exercise voting rights in the event that the issuer has not distributed preferred dividends on these preferred stocks.)

   Class One No. 1, Class Two No. 1 and Class Three No.1 Preferred Stocks issued under the Deposit Insurance Law are attached with the voting rights to be exercised in the general meeting of shareholders in view of the percentage of voting rights held by the Deposit Insurance Corporation.

2. The details of the bonds with subscription right to shares in relation to Class C No. 1 Preferred Stock (referred to in this section as the “Preferred Shares”) including a clause providing for resetting the exchange price are as follows.
   (1) There is a provision that, in the event that the exchange price for the Preferred Shares is revised downward as a result of a decline in the price of the Company’s Common Share, the number of Common Shares to be issued as a result of the exercise of a right to request acquisition will be larger than prior to such a downward revision. Please also note that, as stated in 4-(4)-(d) below, in the event that the Company issues Common Shares or disposes of Common Shares held as treasury shares in exchange for payments less than market value, and in certain other specified cases, predefined adjustments will be made to the exchange price, accordingly.
   (2) Criteria for resetting the exchange price and frequency of exchange price reset
      (a) Criteria for resetting the exchange price
         The exchange price will be the average of the closing prices (including indicative prices)(regular way) of a Common Share of the Company on Tokyo Stock Exchange, Inc., on each of the 30 consecutive trading days (excluding the number of days on which no closing price exists) commencing on the 45th trading day immediately preceding the relevant Reset Date.
      (b) Frequency of exchange price reset
         Once per year (On January 1 of each year, up to January 1, 2015)
   (3) Floor exchange price and upper limit on the number of Common Shares to be issued as a result of the exercise of rights to request acquisition
      (a) Floor exchange price
         ¥1,667
      (b) Upper limit on the number of Common Shares to be issued as a result of the exercise of rights to request acquisition
         35,992,801 shares (Based on 12,000,000 shares issued and outstanding for the Preferred Shares as of May 31, 2010. The number is equivalent to 2.96% of the number of Common Shares issued as of the same date.)
   (4) There is no provision that allows the Company to make advance redemption of the entire amount of the Preferred Shares or acquire all outstanding Preferred Shares through its own decision.

3. The agreements between the issuer and holder of the Preferred Shares are as follows.
   (1) No agreements exist with the holders of Class C No. 1 Preferred Stock regarding matters related to rights to request acquisition of Class C No. 1 Preferred Stock.
   (2) No agreements exist with the holders of Class C No. 1 Preferred Stock regarding matters related to transactions in the Company’s shares.

4. The details regarding Class C No. 1 Preferred Stock (referred to in this section as the “Preferred Shares”) are as follows.
   (1) Dividends on the Preferred Shares
      (a) Dividends on the Preferred Shares
         When the Company makes distribution of surplus, the Company will pay to the holders of the Preferred Shares (the “Preferred Shareholders”) of record as of March 31 of each year, prior to the payment of dividends on its Common Shares, cash dividends in the amount described below (the “Preferred Dividends”). However, when Preferred Interim Dividends have been paid on the Preferred Shares during the immediately preceding business year, the amount of the Preferred Dividends will be reduced by the amount of such Preferred Interim Dividends.
         The total amount of Preferred Dividends to be paid per share will be ¥68.
      (b) Non-cumulative dividends
         In the event that the total amount of distribution of surplus that is paid to the Preferred Shareholders in any business year falls short of the amount of the Preferred Dividends, the amount of the shortage will not accrue to subsequent business years.
      (c) Non-participatory dividends
         The total amount of distribution of surplus to be paid to the Preferred Shareholders in a business year will be limited to the amount for the Preferred Dividends, and no distribution of surplus will be made to the Preferred Shareholders in excess thereof.
      (d) Preferred Interim Dividends on the Preferred Shares
         In the event that the Company declares the interim dividends, the Company will pay to the Preferred Shareholders of record as of September 30 of each year, prior to the payment to the Common Shareholders, Preferred Interim Dividends in the amount up to one-half of the amount per share of the Preferred Dividends.
   (2) Distribution of remaining assets
      When the remaining assets of the Company are to be distributed, the Preferred Shareholders will be paid ¥5,000 per share, prior to any such payments to holders of Common Shares. No additional distribution of remaining assets will be made to the Preferred Shareholders.
   (3) Seniority
      The Preferred Shares rank *pari passu* with Class C No. 1 Preferred Shares, Class F No. 1 Preferred Shares, Class One No. 1 Preferred Shares, Class Two No. 1 Preferred Shares, Class Three No. 1 Preferred Shares, Class Four Preferred Shares, Class Five Preferred Shares, and Class Six Preferred Shares of the Company in terms of the payment of Preferred Dividends, Preferred Interim Dividends, and the distribution of remaining assets.
   (4) Right to request acquisition
      (a) Period for making requests
         Up to March 31, 2015. However, periods from the day following a record date for determining the shareholders who can exercise their rights at a General Meeting of Shareholders through the day when the General Meeting of Shareholders is concluded will be excluded.
      (b) Exchange price
         The exchange price is ¥1,667.
      (c) Reset of the exchange price
         The exchange price will be reset on January 1 of each year, up to January 1, 2015 (hereinafter, the Reset Date) to the Market Price as of the Reset Date (the Exchange Price after Reset). Provided that if the Exchange Price after Reset would fall below ¥1,667 (the Floor Price), the Exchange Price after Reset will be the Floor Price. Market Price for this purpose will mean the average of the closing prices (including indicative prices) (regular way) of a Common Share of the Company on Tokyo Stock Exchange, Inc. on each of the 30 consecutive trading days (excluding the number of days on which no closing price exists) commencing on the 45th trading day immediately preceding the relevant Reset Date. Such average will be calculated down to one-tenth of one yen and then rounded to the nearest whole yen (¥0.5 rounded upward).
      (d) Adjustments in the exchange price
         Certain adjustments will be made in the exchange price under certain specific circumstances as when issuing new Common Shares or disposing of its Common Shares held as treasury shares in exchange for payments less than market value or when Common Shares are issued as part of a stock split or allotment of shares without consideration.
   (5) Acquisition clause
      When no requests have been made through March 31, 2015 for the exchange of the Preferred Shares, on April 1, 2015, the Company will deliver Common Shares to the Preferred Shareholders in exchange for the Preferred Shares according to the following formula. The paid-in amount per share of the Preferred Shares (¥5,000) will be divided by the average of the closing prices (including the indicative prices) (regular way) of a Common Share of the Company on Tokyo Stock Exchange, Inc., on each of the 30 consecutive trading days (excluding the number of days on which no closing price exists) commencing on the 45th trading day immediately preceding April 1, 2015. Such average will be calculated down to one-tenth of one yen and then rounded to the nearest whole yen (¥0.5 rounded upward). If the average so calculated is less than ¥1,667, the number of Common Shares calculated by dividing the paid-in amount per share of the Preferred Shares (¥5,000) by ¥1,667 will be delivered.

(6) Acquisition of the Preferred Shares under agreement with the Preferred Shareholders
When the decision to acquire the Preferred Shares is made under the provisions of Article 160-1 of the Company Law, the provisions of Article 160-2 and Article 160-3 will not apply.

(7) Voting rights clause
The Preferred Shareholders will not be entitled to exercise voting rights with respect to any matter at the General Meetings of Shareholders; provided, however, that the Preferred Shareholders will have voting rights (if, where the provisions of Article 55 of the Articles of Incorporation of the Company are effective by virtue of Article 459-2 and Article 460-2 of the Company Law, a resolution to pay the full amount of the Preferred Dividends is not made at a resolution of the Board of Directors under Article 436-3 of the Company Law) from the time of such resolution, (if, where the provisions of Article 55 of the Articles of Incorporation of the Company are not effective by virtue of Article 459-2 and Article 460-2 of the Company Law, a proposal for payment of the full amount of the Preferred Dividends is not submitted to an Ordinary General Meeting of Shareholders) from such Ordinary General Meeting of Shareholders and (if a proposal for payment of the full amount of the Preferred Dividends is submitted but disapproved at an Ordinary General Meeting of Shareholders) from the close of such Ordinary General Meeting of Shareholders, until a resolution of the Board of Directors made pursuant to the provisions of Article 55 of the Articles of Incorporation of the Company in the circumstances where such provisions are effective by virtue of Article 459-2 and Article 460-2 of the Company Law or a resolution of an Ordinary General Meeting of Shareholders to pay the full amount of the Preferred Dividends is made.

(8) Rights to new shares and other matters
Except when specific legal provisions indicate otherwise, the Preferred Shares will not be consolidated or split. In addition, the Preferred Shareholders will not receive free distributions of shares, as provided for under Article 185 of the Company Law or free rights to receive new shares under Article 277 of the said law. The Preferred Shareholders will not be granted rights to distributions of shares under Article 202-1 or granted rights to receive rights to new shares under Article 241-1 of the said law.

(9) General Meeting Decision by Class of Shareholder
No provisions have been made in the Articles of Incorporation based on Article 322-2 of the Company Law.

5. The details of the bonds with subscription right to shares in relation to Class F No. 1 Preferred Stock (referred to in this section as the "Preferred Shares") including a clause providing for resetting the exchange price are as follows.
(1) There is a provision that, in the event that the exchange price for the Preferred Shares is revised downward as a result of a decline in the price of the Company's Common Share, the number of Common Shares to be issued as a result of the exercise of a right to request acquisition will be larger than prior to such a downward revision. Please also note that, as stated in 7-(4)-(d) below, in the event that the Company issues Common Shares or disposes of Common Shares held as treasury shares in exchange for payments less than market value, and in certain other specified cases, predefined adjustments will be made to the exchange price, accordingly.
(2) Criteria for resetting the exchange price and frequency of exchange price reset
(a) Criteria for resetting the exchange price
The exchange price will be the average of the closing prices (including indicative prices)(regular way) of a Common Share of the Company on Tokyo Stock Exchange, Inc., on each of the 30 consecutive trading days (excluding the number of days on which no closing price exists) commencing on the 45th trading day immediately preceding the relevant Reset Date.
(b) Frequency of exchange price reset
Once per year (On July 1 of each year, up to July 1, 2014)
(3) Floor exchange price and upper limit on the number of Common Shares to be issued as a result of the exercise of rights to request acquisition
(a) Floor exchange price
¥3,597
(b) Upper limit on the number of Common Shares to be issued as a result of the exercise of rights to request acquisition
27,800,945 shares (Based on 8,000,000 shares issued and outstanding for the Preferred Shares as of May 31, 2010. The number is equivalent to 2.28% of the number of Common Shares issued as of the same date.)
(4) There is no provision that allows the Company to make advance redemption of the entire amount of the Preferred Shares or acquire all outstanding Preferred Shares through its own decision.

6. The agreements between the issuer and holder of the Preferred Shares are as follows.
(1) No agreements exist with the holders of Class F No. 1 Preferred Stock regarding matters related to rights to request acquisition of Class F No. 1 Preferred Stock.
(2) No agreements exist with the holders of Class F No. 1 Preferred Stock regarding matters related to transactions in the Company's shares.

7. The details regarding Class F No. 1 Preferred Stock (referred to in this section as the "Preferred Shares") are as follows.
(1) Dividends on the Preferred Shares
(a) Dividends on the Preferred Shares
When the Company makes distribution of surplus, the Company will pay to the holders of the Preferred Shares (the "Preferred Shareholders") of record as of March 31 of each year, prior to the payment of dividends on its Common Shares, cash dividends in the amount described below (the "Preferred Dividends"). However, when Preferred Interim Dividends have been paid on the Preferred Shares during the immediately preceding business year, the amount of the Preferred Dividends will be reduced by the amount of such Preferred Interim Dividends.
The total amount of Preferred Dividends to be paid per share will be ¥185.
(b) Non-cumulative dividends
In the event that the total amount of distribution of surplus that is paid to the Preferred Shareholders in any business year falls short of the amount of the Preferred Dividends, the amount of the shortage will not accrue to the subsequent business years.
(c) Non-participatory dividends
The total amount of distribution of surplus to be paid to the Preferred Shareholders in a business year will be limited to the amount of the Preferred Dividends, and no distribution of surplus will be made to the Preferred Shareholders in excess thereof.
(d) Preferred Interim Dividends on the Preferred Shares
In the event that the Company declares the interim dividends, the Company will pay to the Preferred Shareholders of record as of September 30 of each year, prior to the payment to the Common Shareholders, Preferred Interim Dividends in the amount up to one-half of the amount per share of the Preferred Dividends.

(2) Distribution of remaining assets
When the remaining assets of the Company are to be distributed, the Preferred Shareholders will be paid ¥12,500 per share, prior to any such payments to holders of Common Shares. No additional distribution of remaining assets will be made to the Preferred Shareholders.

(3) Seniority
The Preferred Shares rank *pari passu* with Class C No. 1 Preferred Shares, Class F No. 1 Preferred Shares, Class One No. 1 Preferred Shares, Class Two No. 1 Preferred Shares, Class Three No. 1 Preferred Shares, Class Four Preferred Shares, Class Five Preferred Shares, and Class Six Preferred Shares of the Company in terms of the payment of Preferred Dividends, Preferred Interim Dividends, and the distribution of remaining assets.

(4) Right to request acquisition
(a) Period for making requests
Up to November 30, 2014. However, periods from the day following a record date for determining the shareholders who can exercise their rights at a General Meeting of Shareholders through the day when the General Meeting of Shareholders is concluded will be excluded.
(b) Exchange price
The exchange price is ¥3,597.
(c) Reset of the exchange price
The exchange price will be reset on July 1 of each year, up to July 1, 2014 (hereinafter, the Reset Date) to the Market Price as of the Reset Date (the Exchange Price after Reset). Provided that if the Exchange Price after Reset would fall below ¥3,597 (the Floor Price), the Exchange Price after Reset will be the Floor Price. Market Price for this purpose will mean the average of the closing prices (including indicative prices) (regular way) of a Common Share of the Company on Tokyo Stock Exchange, Inc. on each of the 30 consecutive trading days (excluding the number of days on which no closing price exists) commencing on the 45th trading day immediately preceding the relevant Reset Date. Such average will be calculated down to one-tenth of one yen and then rounded to the nearest whole yen (¥0.5 rounded upward).
(d) Adjustments in the exchange price
Certain adjustments will be made in the exchange price under certain specific circumstances as when issuing new Common Shares or disposing of its Common Shares held as treasury shares in exchange for payments less than market value or when Common Shares are issued as part of a stock split or allotment of shares without consideration.

(5) Acquisition clause
When no requests have been made through November 30, 2014 for the exchange of the Preferred Shares, on December 1, 2014, the Company will deliver Common Shares to holders of the Preferred Shares in exchange for the Preferred Shares according to the following formula. The paid-in amount per share of the Preferred Shares (¥12,500) will be divided by the average of the closing prices (including the indicative prices) (regular way) of a Common Share of the Company on Tokyo Stock Exchange, Inc., on each of the 30 consecutive trading days (excluding the number of days on which no closing price exists) commencing on the 45th trading day immediately preceding December 1, 2014. Such average will be calculated down to one-tenth of one yen and then rounded to the nearest whole yen (¥0.5 rounded upward). If the average so calculated is less than ¥3,598, the number of Common Shares calculated by dividing the paid-in amount per share of the Preferred Shares (¥12,500) by ¥3,598 will be delivered.

(6) Acquisition of the Preferred Shares under agreement with the Preferred Shareholders
When the decision to acquire the Preferred Shares is made under the provisions of Article 160-1 of the Company Law, the provisions of Article 160-2 and Article 160-3 will not apply.

(7) Voting rights clause
The Preferred Shareholders will not be entitled to exercise voting rights with respect to any matter at the General Meetings of Shareholders; provided, however, 55 of the Articles of Incorporation of the Company are effective by virtue of Article 459-2 and Article 460-2 of the Company Law, a resolution to pay the full amount of the Preferred Dividends is not made at a resolution of the Board of Directors under Article 436-3 of the Company Law) from the time of such resolution, (if, where the provisions of Article 55 of the Articles of Incorporation of the Company are not effective by virtue of Article 459-2 and Article 460-2 of the Company Law, a proposal for payment of the full amount of the Preferred Dividends is not submitted to an Ordinary General Meeting of Shareholders) from such Ordinary General Meeting of Shareholders and (if a proposal for payment of the full amount of the Preferred Dividends is submitted but disapproved at an Ordinary General Meeting of Shareholders) from the close of such Ordinary General Meeting of Shareholders, until a resolution of the Board of Directors made pursuant to the provisions of Article 55 of the Articles of Incorporation of the Company in the circumstances where such provisions are effective by virtue of Article 459-2 and Article 460-2 of the Company Law or a resolution of an Ordinary General Meeting of Shareholders to pay the full amount of the Preferred Dividends is made.

(8) Rights to new shares and other matters
Except when specific legal provisions indicate otherwise, the Preferred Shares will not be consolidated or split. In addition, the Preferred Shareholders will not receive free distributions of shares, as provided for under Article 185 of the Company Law or free rights to receive new shares under Article 277 of the said law. The Preferred Shareholders will not be granted rights to distributions of shares under Article 202-1 or granted rights to receive rights to new shares under Article 241-1 of the said law.

(9) General Meeting Decision by Class of Shareholder
No provisions have been made in the Articles of Incorporation based on Article 322-2 of the Company Law.

8. The details of the bonds with subscription right to shares in relation to Class One No. 1 Preferred Stock (referred to in this section as the "Preferred Shares") including a clause providing for resetting the exchange price are as follows.
(1) There is a provision that, in the event that the exchange price for the Preferred Shares is revised downward as a result of a decline in the price of the Company's Common Share, the number of Common Shares to be issued as a result of the exercise of a right to request acquisition will be larger than prior to such a downward revision. Please also note that, as stated in 10-(4)-(d) below, in the event that the Company issues Common Shares or disposes of Common Shares held as treasury shares in exchange for payments less than market value, and in certain other specified cases, predefined adjustments will be made to the exchange price, accordingly.

(2) Criteria for resetting the exchange price and frequency of exchange price reset
(a) Criteria for resetting the exchange price
The exchange price will be the average of the closing prices (including indicative prices)(regular way) of a Common Share of the Company on Tokyo Stock Exchange, Inc., on each of the 30 consecutive trading days (excluding the number of days on which no closing price exists) commencing on the 45th trading day immediately preceding the relevant Reset Date.
(b) Frequency of exchange price reset
Once per year (On August 1 of each year, as from August 1, 2006)
(3) Floor exchange price and upper limit on the number of Common Shares to be issued as a result of the exercise of rights to request acquisition
(a) Floor exchange price
¥280
(b) Upper limit on the number of Common Shares to be issued as a result of the exercise of rights to request acquisition
1,964,285,714 shares (Based on 275,000,000 shares issued and outstanding for the Preferred Shares as of May 31, 2010. The number is equivalent to 161.67% of the number of Common Shares issued as of the same date.)
(4) There is no provision that allows the Company to make advance redemption of the entire amount of the Preferred Shares or acquire all outstanding Preferred Shares through its own decision.

9. The agreements between the issuer and holder of the Preferred Shares are as follows.
(1) No agreements exist with the holders of Class One No. 1 Preferred Stock regarding matters related to rights to request acquisition of Class One No. 1 Preferred Stock.
(2) No agreements exist with the holders of Class One No. 1 Preferred Stock regarding matters related to transactions in the Company's shares.

10. The details regarding Class One No. 1 Preferred Stock (referred to in this section as the "Preferred Shares") are as follows.
(1) Dividends on the Preferred Shares
(a) Dividends on the Preferred Shares
When the Company makes distribution of surplus, the Company will pay to the holders of the Preferred Shares (the "Preferred Shareholders") of record as of March 31 of each year, prior to the payment of dividends on its Common Shares, cash dividends in the amount described below (the "Preferred Dividends"). However, when Preferred Interim Dividends have been paid on the Preferred Share during the immediately preceding business year, the amount of the Preferred Dividends will be reduced by the amount of such Preferred Interim Dividends. An amount per share equal to the paid-in amount per share of the Preferred Shares (¥2,000) multiplied by the annual rate of Preferred Dividends for the business year immediately preceding the payment of Preferred Dividends (as provided below) (which will be calculated down to one-thousandth of one yen and then rounded to the nearest one-hundredth of one yen, ¥0.005 rounded upward) will be paid. The annual rate of Preferred Dividends will be the rate per annum, which will be calculated in accordance with the following formula, for each business year starting on or after April 1, 2004 and ending on the day immediately preceding the next date of revision of the annual rate of Preferred Dividends:
Annual rate of Preferred Dividends = Euro Yen LIBOR (one-year) plus 0.5%
The annual rate of Preferred Dividends will be calculated down to the fourth decimal place below one percent and then rounded to the nearest one-thousandth of one percent, 0.0005% rounded upward.
The dates of revision of the annual rate of Preferred Dividends will be each April 1 on and after April 1, 2004.
Euro Yen LIBOR (one-year) will mean the rate published by the British Bankers' Association (BBA) as the one-year Euro Yen London Interbank Offered Rate (one-year Euro Yen LIBOR (360-day basis)) at 11:00 a.m., London time, on April 1, 2004 or each date of revision of the annual rate of dividends (or, if any such date falls on a non-business day, the immediately preceding business day). If Euro Yen LIBOR (one-year) is not published, the rate published by the Japanese Bankers Association as the one-year Japanese Yen Tokyo Interbank Offered Rate (Japanese Yen TIBOR) at 11:00 a.m., Japan time, on the immediately following business day, or the rate which will be deemed comparable to such rate, will be used in lieu of the Euro Yen LIBOR (one-year).
The term "business day" will mean a day on which banks are open for foreign currency and foreign exchange business in London and Tokyo.
(b) Non-cumulative dividends
In the event that the total amount of distribution of surplus that is paid to the Preferred Shareholders in any business year falls short of the amount of the Preferred Dividends, the amount of the shortage will not accrue to the subsequent business years.
(c) Non-participatory dividends
The total amount of distribution of surplus to be paid to the Preferred Shareholders in a business year will be limited to the amount of the Preferred Dividends, and no distribution of surplus will be made to the Preferred Shareholders in excess thereof.
(d) Preferred Interim Dividends on the Preferred Shares
In the event that the Company declares the interim dividends, the Company will pay to the Preferred Shareholders of record as of September 30 of each year, prior to the payment to the Common Shareholders, Preferred Interim Dividends in the amount up to one-half of the amount per share of the Preferred Dividends.
(2) Distribution of remaining assets
When the remaining assets of the Company are to be distributed, the Preferred Shareholders will be paid ¥2,000 per share, prior to any such payments to Common Shareholders. No additional distribution of remaining assets will be made to the Preferred Shareholders.
(3) Seniority
The Preferred Shares rank *pari passu* with Class C No. 1 Preferred Shares, Class F No. 1 Preferred Shares, Class One No. 1 Preferred Shares, Class Two No. 1 Preferred Shares, Class Three No. 1 Preferred Shares, Class Four Preferred Shares, Class Five Preferred Shares, and Class Six Preferred Shares of the Company in terms of the payment of Preferred Dividends, Preferred Interim Dividends, and the distribution of remaining assets.
(4) Right to request acquisition
(a) Period for making requests
Requests for acquisition of the Preferred Shares can be made at any time after July 1, 2006.
(b) Exchange price
The exchange price is ¥1,103.
(c) Reset of the exchange price
The exchange price will be reset on August 1 of each year, from August 1, 2006 (hereinafter, the Reset Date) to the Market Price as of the Reset Date (the Exchange Price after Reset). Provided that if the Exchange Price after Reset would fall below ¥280 (the Floor Price), the Exchange Price after Reset will be the Floor Price. Market Price for this purpose will mean the average of the closing prices (including indicative prices) (regular way) of a Common Share of the Company on Tokyo Stock Exchange, Inc. on each of the 30 consecutive trading days (excluding the number of days on which no closing price exists) commencing on the 45th trading day immediately preceding the relevant Reset Date. Such average will be calculated down to one-tenth of one yen and then rounded to the nearest whole yen (¥0.5 rounded upward).
(d) Adjustments in the exchange price
Certain adjustments will be made in the exchange price under certain specific circumstances as when issuing new Common Shares or disposing of its Common Shares held as treasury shares in exchange for payments less than market value or when Common Shares are issued as part of a stock split or allotment of shares without consideration.
(5) Acquisition clause
No acquisition clause exists.
(6) Acquisition of the Preferred Shares under agreement with the Preferred Shareholders
When the decision to acquire the Preferred Shares is made under the provisions of Article 160-1 of the Company Law, the provisions of Article 160-2 and Article 160-3 will not apply.
(7) Voting rights clause
The Preferred Shareholders have voting rights at the Company's General Meeting of Shareholders.
(8) Rights to new shares and other matters
Except when specific legal provisions indicate otherwise, the Preferred Shares will not be consolidated or split. In addition, the Preferred Shareholders will not receive free distributions of shares, as provided for under Article 185 of the Company Law or free rights to receive new shares under Article 277 of the said law. The Preferred Shareholders will not be granted rights to distributions of shares under Article 202-1 or granted rights to receive rights to new shares under Article 241-1 of the said law.
(9) General Meeting Decision by Class of Shareholder
No provisions have been made in the Articles of Incorporation based on Article 322-2 of the Company Law.

11. The details of the bonds with subscription right to shares in relation to Class Two No. 1 Preferred Stock (referred to in this section as the "Preferred Shares") including a clause providing for resetting the exchange price are as follows.
(1) There is a provision that, in the event that the exchange price for the Preferred Shares is revised downward as a result of a decline in the price of the Company's Common Share, the number of Common Shares to be issued as a result of the exercise of a right to request acquisition will be larger than prior to such a downward revision. Please also note that, as stated in 13-(4)-(d) below, in the event that the Company issues Common Shares or disposes of Common Shares held as treasury shares in exchange for payments less than market value, and in certain other specified cases, predefined adjustments will be made to the exchange price, accordingly.
(2) Criteria for resetting the exchange price and frequency of exchange price reset
(a) Criteria for resetting the exchange price
The exchange price will be the average of the closing prices (including indicative prices)(regular way) of a Common Share of the Company on Tokyo Stock Exchange, Inc., on each of the 30 consecutive trading days (excluding the number of days on which no closing price exists) commencing on the 45th trading day immediately preceding the relevant Reset Date.
(b) Frequency of exchange price reset
Once per year (On November 1 of each year, as from November 1, 2008)
(3) Floor exchange price and upper limit on the number of Common Shares to be issued as a result of the exercise of rights to request acquisition
(a) Floor exchange price
¥200
(b) Upper limit on the number of Common Shares to be issued as a result of the exercise of rights to request acquisition
2,817,807,860 shares (Based on 281,780,786 shares issued and outstanding for the Preferred Shares as of May 31, 2010. The number is equivalent to 231.92% of the number of Common Shares issued as of the same date.)
(4) There is no provision that allows the Company to make advance redemption of the entire amount of the Preferred Shares or acquire all outstanding Preferred Shares through its own decision.

12. The agreements between the issuer and holder of the Preferred Shares are as follows.
(1) No agreements exist with the holders of Class Two No. 1 Preferred Stock regarding matters related to rights to request acquisition of Class Two No. 1 Preferred Stock.
(2) No agreements exist with the holders of Class Two No. 1 Preferred Stock regarding matters related to transactions in the Company's shares.

13. The details regarding Class Two No. 1 Preferred Stock (referred to in this section as the "Preferred Shares") are as follows.
(1) Dividends on the Preferred Shares
(a) Dividends on the Preferred Shares
When the Company makes distribution of surplus, the Company will pay to the holders of the Preferred Shares (the "Preferred Shareholders") of record as of March 31 of each year, prior to the payment of dividends on its Common Shares, cash dividends in the amount described below (the "Preferred Dividends"). However, when Preferred Interim Dividends have been paid on the Preferred Shares during the immediately preceding business year, the amount of the Preferred Dividends will be reduced by the amount of such Preferred Interim Dividends. An amount per share equal to the paid-in amount per share of the Preferred Shares (¥2,000) multiplied by the annual rate of Preferred Dividends for the business year immediately preceding the payment of Preferred Dividends (as provided below) (which will be calculated down to one-thousandth of one yen and then rounded to the nearest one-hundredth of one yen, ¥0.005 rounded upward) will be paid. The annual rate of Preferred Dividends will be the rate per annum, which will be calculated in accordance with the following formula, for each business year starting on or after April 1, 2004 and ending on the day immediately preceding the next date of revision of annual rate of Preferred Dividends:
Annual rate of Preferred Dividends = Euro Yen LIBOR (one-year) plus 0.5%

The annual rate of Preferred Dividends will be calculated down to the fourth decimal place below one percent and then rounded to the nearest one-thousandth of one percent, 0.0005% rounded upward.

The dates of revision of the annual rate of Preferred Dividends will be each April 1 on and after April 1, 2004.

Euro Yen LIBOR (one-year) will mean the rate published by the British Bankers' Association (BBA) as the one-year Euro Yen London Interbank Offered Rate (one-year Euro Yen LIBOR (360-day basis)) at 11:00 a.m., London time, on April 1, 2004 or each date of revision of the annual rate of dividends (or, if any such date falls on a non-business day, the immediately preceding business day). If Euro Yen LIBOR (one-year) is not published, the rate published by the Japanese Bankers Association as the one-year Japanese Yen Tokyo Interbank Offered Rate (Japanese Yen TIBOR) at 11:00 a.m., Japan time, on the immediately following business day, or the rate which will be deemed comparable to such rate, will be used in lieu of the Euro Yen LIBOR (one-year).

The term "business day" will mean a day on which banks are open for foreign currency and foreign exchange business in London and Tokyo.

(b) Non-cumulative dividends

In the event that the total amount of distribution of surplus that is paid to the Preferred Shareholders in any business year falls short of the amount of the Preferred Dividends, the amount of the shortage will not accrue to the subsequent business years.

(c) Non-participatory dividends

The total amount of distribution of surplus to be paid to the Preferred Shareholders in a business year will be limited to the amount of the Preferred Dividends, and no distribution of a surplus will be made to the Preferred Shareholders in excess thereof.

(d) Preferred Interim Dividends on the Preferred Shares

In the event that the Company declares the interim dividends, the Company will pay to the Preferred Shareholders of record as of September 30 of each year, prior to the payment to the Common Shareholders, Preferred Interim Dividends in the amount up to one-half of the amount per share of the Preferred Dividends.

(2) Distribution of remaining assets

When the remaining assets of the Company are to be distributed, the Preferred Shareholders will be paid ¥2,000 per share, prior to any such payments to Common Shareholders. No additional distribution of remaining assets will be made to the Preferred Shareholders.

(3) Seniority

The Preferred Shares rank *pari passu* with Class C No. 1 Preferred Shares, Class F No. 1 Preferred Shares, Class One No. 1 Preferred Shares, Class Two No. 1 Preferred Shares, Class Three No. 1 Preferred Shares, Class Four Preferred Shares, Class Five Preferred Shares, and Class Six Preferred Shares of the Company in terms of the payment of Preferred Dividends, Preferred Interim Dividends, and the distribution of remaining assets.

(4) Right to request acquisition

(a) Period for making requests

Requests for acquisition of the Preferred Shares can be made at any time after July 1, 2008.

(b) Exchange price

The exchange price is ¥1,206.

(c) Reset of the exchange price

The exchange price will be reset on November 1 of each year, from November 1, 2008 (hereinafter, the Reset Date) to the Market Price as of the Reset Date (the Exchange Price after Reset). Provided that if the Exchange Price after Reset would fall below ¥200, the Exchange Price after Reset will be the Floor Price. Market Price for this purpose will mean the average of the closing prices (including indicative prices) (regular way) of a Common Share of the Company on Tokyo Stock Exchange, Inc. on each of the 30 consecutive trading days (excluding the number of days on which no closing price exists) commencing on the 45th trading day immediately preceding the relevant Reset Date. Such average will be calculated down to one-tenth of one yen and then rounded to the nearest whole yen (¥0.5 rounded upward).

(d) Adjustments in the exchange price

Certain adjustments will be made in the exchange price under certain specific circumstances as when issuing new Common Shares or disposing of its Common Shares held as treasury shares in exchange for payments less than market value or when Common Shares are issued as part of a stock split or allotment of shares without consideration.

(5) Acquisition clause

No acquisition clause exists.

(6) Acquisition of the Preferred Shares under agreement with the Preferred Shareholders

When the decision to acquire the Preferred Shares is made under the provisions of Article 160-1 of the Company Law, the provisions of Article 160-2 and Article 160-3 will not apply.

(7) Voting rights clause

The Preferred Shareholders have voting rights at the Company's General Meeting of Shareholders.

(8) Rights to new shares and other matters

Except when specific legal provisions indicate otherwise, the Preferred Shares will not be consolidated or split. In addition, the Preferred Shareholders will not receive free distributions of shares, as provided for under Article 185 of the Company Law or free rights to receive new shares under Article 277 of the said law. The Preferred Shareholders will also not be granted rights to distributions of shares under Article 202-1 or granted rights to receive rights to new shares under Article 241-1 of the said law.

(9) General Meeting Decision by Class of Shareholder

No provisions have been made in the Articles of Incorporation based on Article 322-2 of the Company Law.

14. The details of the bonds with subscription right to shares in relation to Class Three No. 1 Preferred Stock (referred to in this section as the "Preferred Shares") including a clause providing for resetting the exchange price are as follows.

(1) There is a provision that, in the event that the exchange price for the Preferred Shares is revised downward as a result of a decline in the price of the Company's Common Share, the number of Common Shares to be issued as a result of the exercise of a right to request acquisition will be larger than prior to such a downward revision. Please also note that, as stated in 16-(4)-(d) below, in the event that the Company issues Common Shares or disposes of Common Shares held as treasury shares in exchange for payments less than market value, and in certain other specified cases, predefined adjustments will be made to the exchange price, accordingly.

(2) Criteria for resetting the exchange price and frequency of exchange price reset

(a) Criteria for resetting the exchange price

The exchange price will be the average of the closing prices (including indicative prices)(regular way) of a Common Share of the Company on Tokyo Stock Exchange, Inc., on each of the 30 consecutive trading days (excluding the number of days on which no closing price exists) commencing on the 45th trading day immediately preceding the relevant Reset Date.

(b) Frequency of exchange price reset

Once per year (On May 1 of each year, as from May 1, 2011)

(3) Floor exchange price and upper limit on the number of Common Shares to be issued as a result of the exercise of rights to request acquisition

(a) Floor exchange price

¥170

(b) Upper limit on the number of Common Shares to be issued as a result of the exercise of rights to request acquisition

3,235,294,117 shares (Based on 275,000,000 shares issued and outstanding for the Preferred Shares as of May 31, 2010. The number is equivalent to 266.28% of the number of Common Shares issued as of the same date.)

(4) There is no provision that allows the Company to make advance redemption of the entire amount of the Preferred Shares or acquire all outstanding Preferred Shares through its own decision.

15. The agreements between the issuer and holder of the Preferred Shares are as follows.

(1) No agreements exist with the holders of Class Three No. 1 Preferred Stock regarding matters related to rights to request acquisition of Class Three No. 1 Preferred Stock.

(2) No agreements exist with the holders of Class Three No. 1 Preferred Stock regarding matters related to transactions in the Company's shares.

16. The details regarding Class Three No. 1 Preferred Stock (referred to in this section as the "Preferred Shares") are as follows.

(1) Dividends on the Preferred Shares

(a) Dividends on the Preferred Shares

When the Company makes distribution of surplus, the Company will pay to the holders of the Preferred Shares (the "Preferred Shareholders") of record as of March 31 of each year, prior to the payment of dividends on its Common Shares, cash dividends in the amount described below (the "Preferred Dividends"). However, when Preferred Interim Dividends have been paid on the Preferred Share during the immediately preceding business year, the amount of the Preferred Dividends will be reduced by the amount of such Preferred Interim Dividends.

An amount per share equal to the paid-in amount per share of the Preferred Shares (¥2,000) multiplied by the annual rate of Preferred Dividends for the business year immediately preceding the payment of Preferred Dividends (as provided below) (which will be calculated down to one-thousandth of one yen and then rounded to the nearest one-hundredth of one yen, ¥0.005 rounded upward) will be paid. The annual rate of Preferred Dividends will be the rate per annum, which will be calculated in accordance with the following formula, for each business year starting on or after April 1, 2004 and ending on the day immediately preceding the next date of revision of annual rate of Preferred Dividends:

Annual rate of Preferred Dividends = Euro Yen LIBOR (one-year) plus 0.5%

The annual rate of Preferred Dividends will be calculated down to the fourth decimal place below one percent and then rounded to the nearest one-thousandth of one percent, 0.0005% rounded upward.

The dates of revision of the annual rate of Preferred Dividends will be each April 1 on and after April 1, 2004.

Euro Yen LIBOR (one-year) will mean the rate published by the British Bankers' Association (BBA) as the one-year Euro Yen London Interbank Offered Rate (one-year Euro Yen LIBOR (360-day basis)) at 11:00 a.m., London time, on April 1, 2004 or each date of revision of the annual rate of dividends (or, if any such date falls on a non-business day, the immediately preceding business day). If Euro Yen LIBOR (one-year) is not published, the rate published by the Japanese Bankers Association as the one-year Japanese Yen Tokyo Interbank Offered Rate (Japanese Yen TIBOR) at 11:00 a.m., Japan time, on the immediately following business day, or the rate which will be deemed comparable to such rate, will be used in lieu of the Euro Yen LIBOR (one-year).

The term "business day" will mean a day on which banks are open for foreign currency and foreign exchange business in London and Tokyo.

(b) Non-cumulative dividends

In the event that the total amount of distribution of surplus that is paid to the Preferred Shareholders in any business year falls short of the amount of the Preferred Dividends, the amount of the shortage will not accrue to the subsequent business years.

(c) Non-participatory dividends

The total amount of distribution of surplus to be paid to the Preferred Shareholders in a business year will be limited to the amount of the Preferred Dividends, and no distribution of surplus will be made to the Preferred Shareholders in excess thereof.

(d) Preferred Interim Dividends on the Preferred Shares

In the event that the Company declares the interim dividends, the Company will pay to the Preferred Shareholders of record as of September 30 of each year, prior to the payment to the Common Shareholders, Preferred Interim Dividends in the amount up to one-half of the amount per share of the Preferred Dividends.

(2) Distribution of remaining assets

When the remaining assets of the Company are to be distributed, the Preferred Shareholders will be paid ¥2,000 per share, prior to any such payments to Common Shareholders. No additional distribution of remaining assets will be made to the Preferred Shareholders.

(3) Seniority

The Preferred Shares rank *pari passu* with Class C No. 1 Preferred Shares, Class F No. 1 Preferred Shares, Class One No. 1 Preferred Shares, Class Two No. 1 Preferred Shares, Class Three No. 1 Preferred Shares, Class Four Preferred Shares, Class Five Preferred Shares, and Class Six Preferred Shares of the Company in terms of the payment of Preferred Dividends, Preferred Interim Dividends, and the distribution of remaining assets.

(4) Right to request acquisition

(a) Period for making requests

Requests for acquisition of the Preferred Shares can be made at any time after July 1, 2010.

(b) Exchange price
The exchange price is ¥1,117.
(c) Reset of the exchange price
The exchange price will be reset on May 1 of each year, from May 1, 2011 (hereinafter, the Reset Date) to the Market Price as of the Reset Date (the Exchange Price after Reset). Provided that if the Exchange Price after Reset would fall below ¥170, the Exchange Price after Reset will be the Floor Price. Market Price for this purpose will mean the average of the closing prices (including indicative prices) (regular way) of a Common Share of the Company on Tokyo Stock Exchange, Inc. on each of the 30 consecutive trading days (excluding the number of days on which no closing price exists) commencing on the 45th trading day immediately preceding the relevant Reset Date. Such average will be calculated down to one-tenth of one yen and then rounded to the nearest whole yen (¥0.5 rounded upward).
(d) Adjustments in the exchange price
Certain adjustments will be made in the exchange price under certain specific circumstances as when issuing new Common Shares or disposing of its Common Shares held as treasury shares in exchange for payments less than market value or when Common Shares are issued as part of a stock split or allotment of shares without consideration.
(5) Acquisition clause
No acquisition clause exists.
(6) Acquisition of the Preferred Shares under agreement with the Preferred Shareholders
When the decision to acquire the Preferred Shares is made under the provisions of Article 160-1 of the Company Law, the provisions of Article 160-2 and Article 160-3 will not apply.
(7) Voting rights clause
The Preferred Shareholders have voting rights at the Company's General Meeting of Shareholders.
(8) Rights to new shares and other matters
Except when specific legal provisions indicate otherwise, the Preferred Shares will not be consolidated or split. In addition, the Preferred Shareholders will not receive free distributions of shares, as provided for under Article 185 of the Company Law or free rights to receive new shares under Article 277 of the said law. The Preferred Shareholders will not be granted rights to distributions of shares under Article 202-1 or granted rights to receive rights to new shares under Article 241-1 of the said law.
(9) General Meeting Decision by Class of Shareholder
No provisions have been made in the Articles of Incorporation based on Article 322-2 of the Company Law.

17. The details regarding Class Four Preferred Stock (referred to in this section as the "Preferred Shares") are as follows.
(1) Dividends on the Preferred Shares
(a) Dividends on the Preferred Shares
When the Company makes distribution of surplus, the Company will pay to the holders of the Preferred Shares (the "Preferred Shareholders") of record as of March 31 of each year, prior to the payment of dividends on its Common Shares, cash dividends in the amount described below (the "Preferred Dividends"). However, when Preferred Interim Dividends have been paid on the Preferred Shares during the immediately preceding business year, the amount of the Preferred Dividends will be reduced by the amount of such Preferred Interim Dividends. Dividends per share of the Preferred Shares will be equal to the subscription price per share multiplied by the rate of Preferred Dividends described below.
The rate of Preferred Dividends will be 3.970% per annum (¥992.50 per ¥25,000 subscription price).
(b) Non-cumulative dividends
In the event that the total amount of distribution of surplus that is paid to the Preferred Shareholders in any business year falls short of the amount of the Preferred Dividends, the amount of the shortage will not accrue to the subsequent business years.
(c) Non-participatory dividends
The total amount of distribution of surplus to be paid to the Preferred Shareholders in a business year will be limited to the amount of the Preferred Dividends, and no distribution of surplus will be made to the Preferred Shareholders in excess thereof.
(d) Preferred Interim Dividends on the Preferred Shares
In the event that the Company declares the interim dividends, the Company will pay to the Preferred Shareholders of record as of September 30 of each year, prior to the payment to the Common Shareholders, Preferred Interim Dividends in the amount up to one-half of the amount per share of the Preferred Dividends.
(2) Distribution of remaining assets
When the remaining assets of the Company are to be distributed, the Preferred Shareholders will be paid ¥25,000 per share, prior to any such payments to Common Shareholders. No additional distribution of remaining assets will be made to the Preferred Shareholders.
(3) Seniority
The Preferred Shares rank *pari passu* with Class C No. 1 Preferred Shares, Class F No. 1 Preferred Shares, Class One No. 1 Preferred Shares, Class Two No. 1 Preferred Shares, Class Three No. 1 Preferred Shares, Class Four Preferred Shares, Class Five Preferred Shares, and Class Six Preferred Shares of the Company in terms of the payment of Preferred Dividends, Preferred Interim Dividends, and the distribution of remaining assets.
(4) Acquisition of the Preferred Shares under agreement with the Preferred Shareholders
When the decision to acquire the Preferred Shares is made under the provisions of Article 160-1 of the Company Law, the provisions of Article 160-2 and Article 160-3 will not apply.
(5) Acquisition clause
The Company may, on one or more days to be determined separately by the Representative Executive Officer pursuant to the provisions of Article 168-1 of the Company Law which will be dates on or after August 31, 2013, acquire all or some of the Preferred Shares, and in such case the Company will pay, in exchange for each share of the Preferred Shares, the amount of money equal to ¥25,000, plus the amount equal to the accrued dividends (which will mean the amount of the Preferred Dividends prorated for the period from the first day of the business year in which the acquisition takes place through the date of acquisition (including such first day and the date of acquisition), less the amount of the Preferred Interim Dividends if the same was paid during the same business year).
When the Company acquires only some of the Preferred Shares, the Representative Executive Officer will select shares to be acquired by drawing lots.
(6) Voting rights clause
The Preferred Shareholders will not be entitled to exercise voting rights with respect to any matter at the General Meetings of Shareholders; provided, however, that the Preferred Shareholders will have voting rights (if, where the provisions of Article 55 of the Articles of Incorporation of the Company are effective by virtue of Article 459-2 and Article 460- 2 of the Company Law, a resolution to pay the full amount of the Preferred Dividends is not made at a resolution of the Board of Directors under Article 436- 3 of the Company Law) from the time of such resolution, (if, where the provisions of Article 55 of the Articles of Incorporation of the Company are not effective by virtue of Article 459-2 and Article 460-2 of the Company Law, a proposal for payment of the full amount of the Preferred Dividends is not submitted to an Ordinary General Meeting of Shareholders) from such Ordinary General Meeting of Shareholders and (if a proposal for payment of the full amount of the Preferred Dividends is submitted but disapproved at an Ordinary General Meeting of Shareholders) from the close of such Ordinary General Meeting of Shareholders, until a resolution of the Board of Directors made pursuant to the provisions of Article 55 of the Articles of Incorporation of the Company in the circumstances where such provisions are effective by virtue of Article 459-2 and Article 460-2 of the Company Law or a resolution of an Ordinary General Meeting of Shareholders to pay the full amount of the Preferred Dividends is made.
(7) General Meeting Decision by Class of Shareholder
Provisions have been made in the Articles of Incorporation based on Article 322-2 of the Company Law.

18. The details regarding Class Five Preferred Stock (referred to in this section as the "Preferred Shares") are as follows.
(1) Dividends on the Preferred Shares
(a) Dividends on the Preferred Shares
When the Company makes distribution of surplus, the Company will pay to the holders of the Preferred Shares (the "Preferred Shareholders") of record as of March 31 of each year, prior to the payment of dividends on its Common Shares, cash dividends in the amount described below (the "Preferred Dividends"). However, when Preferred Interim Dividends have been paid on the Preferred Shares during the immediately preceding business year, the amount of the Preferred Dividends will be reduced by the amount of such Preferred Interim Dividends. Dividends per share of the Preferred Shares will be equal to the subscription price per share multiplied by the rate of Preferred Dividends described below.
The rate of Preferred Dividends will be 3.675% per annum (¥918.75 per ¥25,000 subscription price).
(b) Non-cumulative dividends
In the event that the total amount of distribution of surplus that is paid to the Preferred Shareholders in any business year falls short of the amount of the Preferred Dividends, the amount of the shortage will not accrue to the subsequent business years.
(c) Non-participatory dividends
The total amount of distribution of surplus to be paid to the Preferred Shareholders in a business year will be limited to the amount of the Preferred Dividends, and no distribution of surplus will be made to the Preferred Shareholders in excess thereof.
(d) Preferred Interim Dividends on the Preferred Shares
In the event that the Company declares the interim dividends, the Company will pay to the Preferred Shareholders of record as of September 30 of each year, prior to the payment to the Common Shareholders, Preferred Interim Dividends in the amount up to one-half of the amount per share of the Preferred Dividends.
(2) Distribution of remaining assets
When the remaining assets of the Company are to be distributed, the Preferred Shareholders will be paid ¥25,000 per share, prior to any such payments to Common Shareholders. No additional distribution of remaining assets will be made to the Preferred Shareholders.
(3) Seniority
The Preferred Shares rank *pari passu* with Class C No. 1 Preferred Shares, Class F No. 1 Preferred Shares, Class One No. 1 Preferred Shares, Class Two No. 1 Preferred Shares, Class Three No. 1 Preferred Shares, Class Four Preferred Shares, Class Five Preferred Shares, and Class Six Preferred Shares of the Company in terms of the payment of Preferred Dividends, Preferred Interim Dividends, and the distribution of remaining assets.
(4) Acquisition of the Preferred Shares under agreement with the Preferred Shareholders
When the decision to acquire the Preferred Shares is made under the provisions of Article 160-1 of the Company Law, the provisions of Article 160-2 and Article 160-3 will not apply.
(5) Acquisition clause
The Company may, on one or more days to be determined separately by the Representative Executive Officer pursuant to the provisions of Article 168-1 of the Company Law which will be dates on or after August 28, 2014, acquire all or some of the Preferred Shares, and in such case the Company will pay, in exchange for each share of the Preferred Shares, the amount of money equal to ¥25,000, plus the amount equal to the accrued dividends (which will mean the amount of the Preferred Dividends prorated for the period from the first day of the business year in which the acquisition takes place through the date of acquisition (including such first day and the date of acquisition), less the amount of the Preferred Interim Dividends if the same was paid during the same business year).
When the Company acquires only some of the Preferred Shares, the Representative Executive Officer will select shares to be acquired by drawing lots.
(6) Voting rights clause
The Preferred Shareholders will not be entitled to exercise voting rights with respect to any matter at the General Meetings of Shareholders; provided, however, that the Preferred Shareholders will have voting rights (if, where the provisions of Article 55 of the Articles of Incorporation of the Company are effective by virtue of Article 459-2 and Article 460- 2 of the Company Law, a resolution to pay the full amount of the Preferred Dividends is not made at a resolution of the Board of Directors under Article 436- 3 of the Company Law) from the time of such resolution, (if, where the provisions of Article 55 of the Articles of Incorporation of the Company are not effective by virtue of Article 459-2 and Article 460-2 of the Company Law, a proposal for payment of the full amount of the Preferred Dividends is not submitted to an Ordinary General Meeting of Shareholders) from such Ordinary General Meeting of Shareholders and (if a proposal for payment of the full amount of the Preferred Dividends is submitted but disapproved at

an Ordinary General Meeting of Shareholders) from the close of such Ordinary General Meeting of Shareholders, until a resolution of the Board of Directors made pursuant to the provisions of Article 55 of the Articles of Incorporation of the Company in the circumstances where such provisions are effective by virtue of Article 459-2 and Article 460-2 of the Company Law or a resolution of an Ordinary General Meeting of Shareholders to pay the full amount of the Preferred Dividends is made.

(7) General Meeting Decision by Class of Shareholder
Provisions have been made in the Articles of Incorporation based on Article 322-2 of the Company Law.

19. The details regarding Class Six Preferred Stock (referred to in this section as the "Preferred Shares") are as follows.

(1) Dividends on the Preferred Shares

(a) Dividends on the Preferred Shares
When the Company makes distributions of surplus, the Company will pay to the holders of the Preferred Shares (the "Preferred Shareholders") of record as of March 31 of each year, prior to the payment of dividends on its Common Shares, cash dividends in the amount described below (the "Preferred Dividends"). However, when Preferred Interim Dividends have been paid on the Preferred Shares during the immediately preceding business year, the amount of the Preferred Dividends will be reduced by the amount of such Preferred Interim Dividends.
Dividends per share of the Preferred Shares will be equal to the subscription price per share multiplied by the rate of Preferred Dividends described below.
The rate of Preferred Dividends will be 4.95% per annum (¥1,237.50 per ¥25,000 subscription price); provided that no Preferred Dividends will be paid during the business year ending March 31, 2010, and the amount of the Preferred Dividends to be paid in the business year ending March 31, 2011 will be ¥386.51 per ¥25,000 subscription price.

(b) Non-cumulative dividends
In the event that the total amount of distribution of surplus that is paid to the Preferred Shareholders in any business year falls short of the amount of the Preferred Dividends, the amount of the shortage will not accrue to the subsequent business years.

(c) Non-participatory dividends
The total amount of distribution of surplus to be paid to the Preferred Shareholders in a business year will be limited to the amount of the Preferred Dividends, and no distribution of surplus will be made to the Preferred Shareholders in excess thereof.

(d) Preferred Interim Dividends on the Preferred Shares
In the event that the Company declares the interim dividends, the Company will pay to the Preferred Shareholders of record as of September 30 of each year, prior to the payment to the Common Shareholders, Preferred Interim Dividends in the amount up to one-half of the amount per share of the Preferred Dividends.

(2) Distribution of remaining assets
When the remaining assets of the Company are to be distributed, the Preferred Shareholders will be paid ¥25,000 per share, prior to any such payments to Common Shareholders. No additional distribution of remaining assets will be made to the Preferred Shareholders.

(3) Seniority
The Preferred Shares rank *pari passu* with Class C No. 1 Preferred Shares, Class F No. 1 Preferred Shares, Class One No. 1 Preferred Shares, Class Two No. 1 Preferred Shares, Class Three No. 1 Preferred Shares, Class Four Preferred Shares, Class Five Preferred Shares, and Class Six Preferred Shares of the Company in terms of the payment of Preferred Dividends, Preferred Interim Dividends, and the distribution of remaining assets.

(4) Acquisition of the Preferred Shares under agreement with the Preferred Shareholders
When the decision to acquire the Preferred Shares is made under the provisions of Article 160-1 of the Company Law, the provisions of Article 160-2 and Article 160-3 will not apply.

(5) Acquisition clause
The Company may, on one or more days to be determined separately by the Representative Executive Officer pursuant to the provisions of Article 168-1 of the Company Law which will be dates on or after December 8, 2014, acquire all or some of the Preferred Shares, and in such case the Company will pay, in exchange for each share of the Preferred Shares, the amount of money equal to ¥25,000, plus the amount equal to the accrued dividends (which will mean the amount of the Preferred Dividends prorated for the period from the first day of the business year in which the acquisition takes place through the date of acquisition (including such first day and the date of acquisition), less the amount of the Preferred Interim Dividends if the same were paid during the same business year).
When the Company acquires only some of the Preferred Shares, the Representative Executive Officer will select shares to be acquired by drawing lots.

(6) Voting rights clause
The Preferred Shareholders will not be entitled to exercise voting rights with respect to any matter at the General Meetings of Shareholders; provided, however, that, the Preferred Shareholders will have voting rights (if, where the provisions of Article 55 of the Articles of Incorporation of the Company are effective by virtue of Article 459-2 and Article 460-2 of the Company Law, a resolution to pay the full amount of the Preferred Dividends is not made at a resolution of the Board of Directors under Article 436-3 of the Company Law) from the time of such resolution, (if, where the provisions of Article 55 of the Articles of Incorporation of the Company are not effective by virtue of Article 459-2 and Article 460-2 of the Company Law, a proposal for payment of the full amount of the Preferred Dividends is not submitted to an Ordinary General Meeting of Shareholders) from such Ordinary General Meeting of Shareholders and (if a proposal for payment of the full amount of the Preferred Dividends is submitted but disapproved at an Ordinary General Meeting of Shareholders) from the close of such Ordinary General Meeting of shareholders, until a resolution of the Board of Directors made pursuant to the provisions of Article 55 of the Articles of Incorporation of the Company in the circumstances where such provisions are effective by virtue of Article 459-2 and Article 460-2 of the Company Law or a resolution of an Ordinary General Meeting of Shareholders to pay the full amount of the Preferred Dividends is made.

(7) General Meeting Decision by Class of Shareholder
Provisions have been made in the Articles of Incorporation based on Article 322-2 of the Company Law.

2. Number of Shares Issued and Outstanding, Trends in Paid-in Capital, and Capital Reserve

Date	Changes in number of total shares issued and outstanding (1,000 shares)	Number of total shares issued and outstanding (1,000 shares)	Increase/ (decrease) in paid-in capital (Millions of yen)	Paid-in capital (Millions of yen)	Increase/ (decrease) in capital reserve (Millions of yen)	Capital reserve (Millions of yen)
August 2, 2005 (Note 1)	(20,798,214)	20,819	—	327,201	—	327,201
September 16, 2005 (Note 2)	0	20,819	—	327,201	—	327,201
December 12, 2005 (Note 2)	0	20,819	—	327,201	—	327,201
March 27, 2006 (Note 3)	17	20,837	—	327,201	—	327,201
August 31, 2006 (Note 4)	25	20,862	31,500	358,701	31,500	358,701
August 31, 2006 (Note 5)	—	20,862	(31,500)	327,201	(31,500)	327,201
January 26, 2007 (Note 6)	(638)	20,224	—	327,201	—	327,201
February 16, 2007 (Note 7)	0	20,224	—	327,201	—	327,201
March 30, 2007 (Note 8)	(0)	20,224	—	327,201	—	327,201
June 5, 2007 (Note 9)	100	20,324	175,000	502,201	175,000	502,201
June 5, 2007 (Note 10)	—	20,324	(175,000)	327,201	(175,000)	327,201
July 31, 2007 (Note 7)	0	20,324	—	327,201	—	327,201
August 28, 2007 (Note 11)	40	20,364	50,000	377,201	50,000	377,201
August 28, 2007 (Note 12)	—	20,364	(50,000)	327,201	(50,000)	327,201
September 28, 2007 (Note 8)	(0)	20,364	—	327,201	—	327,201
January 4, 2009 (Note 13)	2,016,071	2,036,436	—	327,201	—	327,201
January 5, 2009 (Note 14)	(0)	2,036,436	—	327,201	—	327,201
March 13, 2009 (Note 15)	(28,177)	2,008,258	—	327,201	—	327,201
September 8, 2009 (Note 16)	75,000	2,083,258	51,825	379,026	51,825	379,026
September 8, 2009 (Note 17)	—	2,083,258	(51,825)	327,201	(51,825)	327,201
September 8, 2009 (Note 18)	(10,000)	2,073,258	—	327,201	—	327,201
December 8, 2009 (Note 19)	3,000	2,076,258	37,500	364,701	37,500	364,701
December 8, 2009 (Note 20)	—	2,076,258	(37,500)	327,201	(37,500)	327,201
March 31, 2010 (End of the fiscal period under review)	—	2,076,258	—	327,201	—	327,201

Notes: 1. At the Ordinary General Meeting of Shareholders held on June 28, 2005, shareholders voted in favor of proposals to consolidate shares (to combine 1,000 shares of the Company's Common Stock into one common share and 1,000 shares of various issues of the Company's preferred stock into one preferred share) and abolish the stipulation regarding the number of shares in one trading unit as well as change a portion of the Company's Articles of Incorporation to adopt the fractional share system (with one fraction equivalent to one-thousandth of a share). The consolidation of shares became effective on August 2, 2005, and the change in the Articles of Incorporation became effective at the time of the consolidation of shares.
2. Conversion of Class D No. 1 Preferred Shares to Common Shares
3. Conversion of Class A No. 1 Preferred Shares to Common Shares
4. Paid-in placement to a third party (25,000 shares of Class Four Preferred Stock), issue price of ¥2,500,000 per share, with ¥1,250,000 included in paid-in capital
5. Transfer to other capital surplus through a reduction in capital and capital reserve, accompanying the issuance of Class Four Preferred Shares, based on Article 447-3 and Article 448-3 of the Company Law of Japan.
6. Retirement of treasury stock (407,798 shares of Class B No. 1 Preferred Stock and 230,424 shares of Class E No. 1 Preferred Stock)
7. Issuance of common shares following the exercise of acquisition rights to have the Company acquire outstanding Class D No. 1 Preferred Shares
8. Retirement of treasury stock (Class D No. 1 Preferred Shares)
9. Paid-in placement to a third party (100,000 shares of Class Nine Preferred Stock), issue price of ¥3,500,000 per share, with ¥1,750,000 included in paid-in capital
10. Transfer to other capital surplus through a reduction in capital and capital reserve, accompanying the issuance of Class Nine Preferred Shares, based on Article 447-3 and Article 448-3 of the Company Law of Japan.
11. Paid-in placement to a third party (40,000 shares of Class Five Preferred Stock), issue price of ¥2,500,000 per share, with ¥1,250,000 included in paid-in capital
12. Transfer to other capital surplus through a reduction in capital and capital reserve, accompanying the issuance of Class Five Preferred Shares, based on Article 447-3 and Article 448-3 of the Company Law of Japan.
13. At a meeting of the Board of Directors on May 16, 2008, it was resolved to implement a stock split (in which the Company's outstanding common stock and all types of preferred stock would be split at the ratio of 100 shares for each one share outstanding). Amendments to the Articles of Incorporation to this effect were duly approved at the Ordinary General Meeting of Shareholders held on June 26, 2008. In addition, a proposal was made and approved to change a portion of the Company's Articles of Incorporation to introduce the minimum trading unit system for the Company's common stock and all types of preferred stock. Under this system, the minimum trading unit will be 100 stocks. Please note that the effective date of the stock split was January 4, 2009, and the change in the Articles of Incorporation became effective with the effectiveness of the stock split.
14. Accompanying the implementation of the Law Revising a Portion of the Law Concerning Transfers of Bonds, Etc., to Increase the Efficiency of the Settlement of Stock, Etc., Transactions (Law No. 88, 2004), fractional stocks less than a specified fraction of the minimum trading unit will be truncated (Common Shares: 0.7 and Class Two No. 1 Preferred Stock: 0.1).
15. Retirement of treasury stock (27,220,200 shares of Class B No. 1 Preferred Stock and 957,600 shares of Class E No. 1 Preferred Stock)
16. Paid-in placement to a third party (75,000,000 shares of Common Stock), issue price of ¥1,382 per share, with ¥691 included in paid-in capital.
17. Transfer to other capital surplus through a reduction in capital and capital reserve, accompanying the issuance of Common Shares, based on Article 447-3 and Article of 448-3 of the Company Law of Japan.
18. Retirement of treasury stock (10,000,000 shares of Class Nine Preferred Stock)
19. Paid-in placement to a third party (3,000,000 shares of Class Six Preferred Stock), issue price of ¥25,000 per share, with ¥12,500 included in paid-in capital.
20. Transfer to other capital surplus through a reduction in capital and capital reserve accompanying the issuance of Class Six Preferred Shares, based on Article 447-3 and Article of 448-3 of the Company Law of Japan.

3. Ownership of Common Stock and Preferred Stock

(1) Common stock

	Ownership (Minimum trading unit: 100 shares)								Fractional shares (shares less than one trading unit)
	National and local government entities	Financial institutions	Securities companies	Other corporations	Foreign corporations, etc. — Owners other than individuals	Foreign corporations, etc. — Individuals	Individuals and others	Total	
Number of shareholders	12	130	93	10,744	467	2	260,532	271,980	—
Number of minimum trading units held	1,534	1,853,184	189,683	6,172,901	1,390,874	9	2,530,510	12,138,695	1,088,191
Ownership percentage	0.01	15.27	1.56	50.85	11.46	0.00	20.85	100.00	—

Notes: 1. In the table above, "Individuals and others" and "Fractional shares" contain 641,683 minimum trading units and 61 fractional shares held as treasury stocks.
2. In the above table, the item "Other corporations" contains 65 minimum trading units held in the name of the Japan Securities Depository Center.
3. There are 20,686 shareholders who hold only fractional shares.

(2) Class C No. 1 Preferred Stock

	Ownership (Minimum trading unit: 100 shares)								Fractional shares (shares less than one trading unit)
	National and local government entities	Financial institutions	Securities companies	Other corporations	Foreign corporations, etc. — Owners other than individuals	Foreign corporations, etc. — Individuals	Individuals and others	Total	
Number of shareholders	—	—	—	1	—	—	—	1	—
Number of minimum trading units held	—	—	—	120,000	—	—	—	120,000	—
Ownership percentage	—	—	—	100.00	—	—	—	100.00	—

(3) Class F No. 1 Preferred Stock

	Ownership (Minimum trading unit: 100 shares)								Fractional shares (shares less than one trading unit)
	National and local government entities	Financial institutions	Securities companies	Other corporations	Foreign corporations, etc. — Owners other than individuals	Foreign corporations, etc. — Individuals	Individuals and others	Total	
Number of shareholders	—	—	—	1	—	—	—	1	—
Number of minimum trading units held	—	—	—	80,000	—	—	—	80,000	—
Ownership percentage	—	—	—	100.00	—	—	—	100.00	—

(4) Class One No. 1 Preferred Stock

	Ownership (Minimum trading unit: 100 shares)								Fractional shares (shares less than one trading unit)
	National and local government entities	Financial institutions	Securities companies	Other corporations	Foreign corporations, etc.: Owners other than individuals	Foreign corporations, etc.: Individuals	Individuals and others	Total	
Number of shareholders	—	—	—	1	—	—	—	1	—
Number of minimum trading units held	—	—	—	2,750,000	—	—	—	2,750,000	—
Ownership percentage	—	—	—	100.00	—	—	—	100.00	—

(5) Class Two No. 1 Preferred Stock

	Ownership (Minimum trading unit: 100 shares)								Fractional shares (shares less than one trading unit)
	National and local government entities	Financial institutions	Securities companies	Other corporations	Foreign corporations, etc.: Owners other than individuals	Foreign corporations, etc.: Individuals	Individuals and others	Total	
Number of shareholders	—	—	—	1	—	—	—	1	—
Number of minimum trading units held	—	—	—	2,817,807	—	—	—	2,817,807	86
Ownership percentage	—	—	—	100.00	—	—	—	100.00	—

(6) Class Three No. 1 Preferred Stock

	Ownership (Minimum trading unit: 100 shares)								Fractional shares (shares less than one trading unit)
	National and local government entities	Financial institutions	Securities companies	Other corporations	Foreign corporations, etc.: Owners other than individuals	Foreign corporations, etc.: Individuals	Individuals and others	Total	
Number of shareholders	—	—	—	1	—	—	—	1	—
Number of minimum trading units held	—	—	—	2,750,000	—	—	—	2,750,000	—
Ownership percentage	—	—	—	100.00	—	—	—	100.00	—

(7) Class Four Preferred Stock

	Ownership (Minimum trading unit: 100 shares)								Fractional shares (shares less than one trading unit)
	National and local government entities	Financial institutions	Securities companies	Other corporations	Foreign corporations, etc.: Owners other than individuals	Foreign corporations, etc.: Individuals	Individuals and others	Total	
Number of shareholders	—	1	—	—	—	—	—	1	—
Number of minimum trading units held	—	25,200	—	—	—	—	—	25,200	—
Ownership percentage	—	100.00	—	—	—	—	—	100.00	—

(8) Class Five Preferred Stock

	Ownership (Minimum trading unit: 100 shares)								Fractional shares (shares less than one trading unit)
	National and local government entities	Financial institutions	Securities companies	Other corporations	Foreign corporations, etc.: Owners other than individuals	Foreign corporations, etc.: Individuals	Individuals and others	Total	
Number of shareholders	—	1	—	—	—	—	—	1	—
Number of minimum trading units held	—	40,000	—	—	—	—	—	40,000	—
Ownership percentage	—	100.00	—	—	—	—	—	100.00	—

(9) Class Six Preferred Stock

	Ownership (Minimum trading unit: 100 shares)								Fractional shares (shares less than one trading unit)
	National and local government entities	Financial institutions	Securities companies	Other corporations	Foreign corporations, etc.		Individuals and others	Total	
					Owners other than individuals	Individuals			
Number of shareholders	—	3	—	—	—	—	—	3	—
Number of minimum trading units held	—	30,000	—	—	—	—	—	30,000	—
Ownership percentage	—	100.00	—	—	—	—	—	100.00	—

4. Major Shareholders

(1) Stockholdings by Number of Stocks

Shareholder	Address	Number of stocks held (stocks)	Ownership percentage of total shares
Deposit Insurance Corporation of Japan	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo	1,335,043,286	64.30
The Dai-ichi Mutual Life Insurance Company	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo	59,241,900	2.85
CACEIS BANK/CREDIT AGRICOLE SA	91 93 BD Pasteur, 75015 Paris, France	39,483,700	1.90
The Resolution and Collection Corporation	46-1, Honcho 2-chome, Nakano-ku, Tokyo	20,000,000	0.96
Japan Trustee Services Bank, Ltd. (Trust Account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	19,989,600	0.96
The Master Trust Bank of Japan, Ltd. (Trust Account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	18,112,800	0.87
Japan Trustee Services Bank, Ltd. (Trust Account 4)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	8,601,200	0.41
Nomura Holdings, Inc.	9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo	7,904,900	0.38
Nippon Life Insurance Company	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	7,488,195	0.36
Meiji Yasuda Life Insurance Company	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	6,019,700	0.28
Total	—	1,521,885,281	73.29

Notes: 1. In addition to the above, the Company holds 64,168,361 treasury shares (3.09% of the total stocks issued).
2. In the reports on large holdings (changes) submitted by the Deposit Insurance Corporation of Japan and three other stockholders on September 15, 2009, it was indicated that the Deposit Insurance Corporation of Japan held 1,342,820,186 shares as of September 8, 2009 (which represented 64.77% of the total stocks issued). Since the Company cannot confirm actual ownership as of March 31, 2010, the information on stockholdings contained in the Company's Stockholder Register has been entered in the table above.

(2) Stockholdings by Voting Percentage

Shareholder	Address	Number of stocks held (stocks)	Ownership percentage of total shares
Deposit Insurance Corporation of Japan	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo	13,350,432	67.37
The Dai-Ichi Mutual Life Insurance Company	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo	552,419	2.78
CACEIS BANK/CREDIT AGRICOLE SA	91 93 BD Pasteur, 75015 Paris, France	394,837	1.99
Japan Trustee Services Bank, Ltd. (Trust Account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	199,896	1.00
The Master Trust Bank of Japan, Ltd. (Trust Account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	181,128	0.91
Japan Trustee Services Bank, Ltd. (Trust Account 4)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	86,012	0.43
Nomura Holdings, Inc.	9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo	79,049	0.39
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	55,656	0.28
Nippon Life Insurance Company	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	54,881	0.27
Resona Holdings Employee Shareholders Association	2-1, Bingo-machi 2-chome, Chuo-ku, Osaka	53,067	0.26
Total	—	15,007,377	75.73

5. Status of Voting Rights

(1) Stock issued and outstanding

Type of Stock	Number of Shares	Number of Voting Rights	Comments
Non-voting stock	Class C No. 1 Preferred Stock 12,000,000 Class F No. 1 Preferred Stock 8,000,000 Class Four Preferred Stock 2,520,000 Class Five Preferred Stock 4,000,000 Class Six Preferred Stock 3,000,000	—	The details regarding various types of stock are covered in the section "1. Number of Common and Preferred Stock Shares and Related Matters."
Stock with restricted voting rights (treasury stock, etc.)	—	—	—
Stock with restricted voting rights (other types)	—	—	—
Stock with full voting rights (treasury stock, etc.)	(Treasury stock) Common stock 64,168,300	—	—
Stock with full voting rights (other types)	Common stock 1,149,701,200 Class One No. 1 Preferred Stock 275,000,000 Class Two No. 1 Preferred Stock 281,780,700 Class Three No. 1 Preferred Stock 275,000,000	Common stock 11,497,012 Class One No. 1 Preferred Stock 2,750,000 Class Two No. 1 Preferred Stock 2,817,807 Class Three No. 1 Preferred Stock 2,750,000	The details regarding various types of stock are covered in the section "1. Number of Common and Preferred Stock Shares and Related Matters." (Note 1) (Note 2)
Fractional shares (shares less than one trading unit)	Common stock 1,088,191 Class Two No. 1 Preferred Stock 86	—	(Note 3)
Total number of shares issued and outstanding	2,076,258,477	—	—
Number of voting rights for total shareholders	—	19,814,819	—

Notes: 1. In the table above, the entry "Stock with full voting rights (other types)" includes 6,500 shares (65 voting rights) in the name of Japan Securities Depository Center.
2. On the Registry of Shareholders, the Kinki Osaka Bank, Ltd., is listed as a shareholder even though it does not actually own these shares. The number of such shares on the Registry is 100 shares (1 voting right) for the Kinki Osaka Bank. These shares are included in the entry "Stock with full voting rights (other types)."
3. In the table above, shares under "Fractional shares" included 61 shares held by the Company as treasury stock.

(2) Treasury stock

Shareholder	Address	Shares held in own name	Shares held under other name(s)	Number of shares owned	Percentage ownership of total shares
(Treasury stock) Resona Holdings, Inc.	2-1, Bingo-machi 2-chome, Chuo-ku, Osaka	64,168,300	—	64,168,300	5.28
Total	—	64,168,300	—	64,168,300	5.28

Notes: 1. On the Registry of Shareholders, the Kinki Osaka Bank, Ltd., is listed as a shareholder even though it does not actually own these shares. The number of such shares on the Registry is 100 shares (1 voting right) for the Kinki Osaka Bank. These shares are included in the entry "Stock with full voting rights (other types)" in the preceding table.
2. The number of shares issued and outstanding used in the computation of "Percentage ownership of total shares" is the total number of common shares issued and outstanding.
3. Effective June 25, 2010, the Company relocated its Head Office to 5-65, Kiba 1-chome, Koto-ku, Tokyo.

■ Preferred Securities

Item	Outstanding at fiscal year-end 2010 (Millions of yen)	Date of repayment or maturity
Preferred securities	106,996	—
Total	106,996	—

■ Subordinated Loans and Bonds

Item	Outstanding at fiscal year-end 2010 (Millions of yen)	Date of repayment or maturity
Perpetual subordinated debt	306,883	—
Subordinated loans	—	—
Subordinated bonds	306,883	—
Subordinated debt with maturity dates	333,300	—
Subordinated loans	49,000	July 2015 to March 2021
Subordinated bonds	284,300	September 2014 to March 2020
Total	640,183	—

Credit Risk

■ Ratings Applied to Portfolio Subject to Standardized Approach

1. Qualified Rating Agencies Used in Making Judgments on Risk Weights

In determining the risk weights for portfolios to which the Standardized Approach is applied, the Holding Company Group makes use of ratings issued by the following five qualified rating agencies (Eligible External Credit Assessment Institutions (ECAI)): Rating and Investment Information, Inc. (R&I), Japan Credit Rating Agency, Ltd. (JCR), Moody's Investors Service, Inc. (Moody's), Standard & Poor's Rating Services (S&P), and Fitch Ratings Limited (Fitch). These rating agencies are those designated by the Financial Services Agency, as of March 31, 2010, and are "qualified rating agencies" for the purposes of Basel II.

2. Types of Exposure and Qualified Rating Agencies Used

The Holding Company Group has specified the use of the following rating agencies for certain obligors and types of exposure as shown below. In all cases, when there are two or more ratings available from qualified rating agencies and these ratings differ, the second smallest risk weight counting from the smallest risk weight is adopted. (When one smallest risk weight is corresponding to two or more ratings, the smallest risk weight is adopted.)

Types of Obligor and Exposure	Rating Agency Used
Central governments and central banks Bank for International Settlements, etc. Local governments in Japan Foreign non-central government public-sector entities Multilateral Development Banks Japan Finance Organization for Municipalities Government-affiliated organizations in Japan Local public corporations Banks Securities companies	Rating and Investment Information, Inc. (R&I), Japan Credit Rating Agency, Ltd. (JCR), Moody's Investors Service, Inc. (Moody's), Standard & Poor's Rating Services (S&P) Fitch Ratings Limited (Fitch)
Investment funds (assets backed up with underlying investments in multiple assets)	Same as the above
Securitized products Structured finance	Same as the above
Other than the above	Rating and Investment Information, Inc. (R&I), Japan Credit Rating Agency, Ltd. (JCR), Moody's Investors Service, Inc. (Moody's), Standard & Poor's Rating Services (S&P)

■ Credit Risk Exposure at Fiscal Year-End: By Region, By Industry, Including Claims Past Due Three Months or More, or Default: By Residual Contractual Maturity

(Millions of yen)

	As of March 31, 2010					
	Total					
		Loans and bills discounted, foreign exchange, etc.	Securities	Off-balance sheet transactions	Derivatives transactions	Past due three months or more, or default
By Region						
Japan	39,888,901	26,455,676	7,990,640	3,958,487	917,831	973,698
Overseas	—	—	—	—	—	—
Exposure to which the Standardized Approach is applied	4,594,186	2,968,988	950,182	163,787	6,434	48,323
Total	44,483,088	29,424,664	8,940,823	4,122,275	924,266	1,022,021
By Industry						
Manufacturing	3,166,598	2,455,994	316,493	271,367	119,881	134,671
Agriculture and forestry	66,277	65,249	98	905	24	2,373
Fishing	9,538	7,081	758	1,698	0	—
Mining, quarrying, and gravel extraction	16,038	14,998	895	87	55	618
Construction	640,337	538,778	43,350	56,320	1,131	47,131
Electric power, gas, heat supply, and water	123,914	90,532	22,366	10,646	369	22
Information and telecommunications	299,038	256,938	16,634	19,404	5,339	42,988
Transportation, postal services	538,181	460,480	38,455	29,974	9,178	14,386
Wholesale and retail	2,488,716	2,065,693	119,200	74,553	225,165	149,214
Financial services	2,777,197	1,780,582	175,948	286,010	531,954	11,458
Real estate	3,255,047	3,135,495	32,019	69,756	10,609	283,827
Goods and merchandise rental services	360,085	344,838	5,019	9,329	897	4,950
Services	1,680,784	1,536,526	40,784	86,469	12,449	131,076
Individuals	9,619,322	9,509,505	—	109,106	0	150,972
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	13,773,442	3,777,562	7,069,514	2,925,589	775	—
Foreign central governments and central banks, etc.	75,520	1,427	74,093	—	—	7
Others	998,859	413,991	35,005	7,263	—	—
Exposure to which the Standardized Approach is applied	4,594,186	2,968,988	950,182	163,787	6,434	48,323
Total	44,483,088	29,424,664	8,940,823	4,122,275	924,266	1,022,021
By Residual Contractual Maturity						
One year or less	7,318,170	3,872,831	2,499,141	869,189	56,042	/
One year to less than three years	3,539,216	2,075,785	1,114,593	114,972	233,865	/
Three years to less than five years	4,766,274	2,111,398	2,420,128	17,408	217,339	/
Five years to less than seven years	1,598,437	1,068,891	229,949	28,016	271,579	/
Over seven years	14,872,710	13,303,889	1,302,630	127,186	139,004	/
Exposures with no maturity dates	7,794,091	4,022,879	424,197	2,801,714	—	/
Exposure to which the Standardized Approach is applied	4,594,186	2,968,988	950,182	163,787	6,434	/
Total	44,483,088	29,424,664	8,940,823	4,122,275	924,266	/

(Millions of yen)

	As of March 31, 2009					
	Total	Loans and bills discounted, foreign exchange, etc.	Securities	Off-balance sheet transactions	Derivatives transactions	Past due three months or more, or default
By Region						
Japan	38,272,877	26,204,125	7,214,260	3,331,932	877,911	1,023,023
Overseas	—	—	—	—	—	—
Exposure to which the Standardized Approach is applied	4,639,974	3,078,299	880,148	136,272	15,979	49,612
Total	42,912,852	29,282,425	8,094,409	3,468,204	893,890	1,072,636
By Industry						
Manufacturing	3,398,845	2,653,446	339,178	279,048	123,462	141,073
Agriculture	75,189	74,140	100	904	34	1,778
Forestry	2,784	2,780	—	4	—	457
Fishing	8,067	6,775	758	531	1	—
Mining	20,270	19,232	875	91	70	2,821
Construction	681,676	577,488	46,611	51,725	1,893	70,269
Wholesale and retail	2,581,043	2,127,462	132,030	80,315	237,250	143,389
Financial services	2,578,340	1,553,542	241,842	307,413	474,331	8,349
Real estate	3,271,025	3,136,645	36,437	78,877	10,740	330,752
Transportation	594,825	495,628	41,630	47,734	9,745	14,699
Information and telecommunications	309,072	264,178	19,671	18,164	5,270	43,678
Electric power, gas, heat supply, and water	156,318	124,728	21,752	9,480	356	36
Services	2,120,874	1,946,346	54,631	101,303	14,103	132,954
Individuals	9,860,355	9,730,116	—	129,461	14	132,754
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	11,490,317	3,022,526	6,241,409	2,225,745	636	—
Foreign central governments and central banks, etc.	3,697	1,736	1,960	—	—	7
Others	1,120,172	467,350	35,369	1,130	—	—
Exposure to which the Standardized Approach is applied	4,639,974	3,078,299	880,148	136,272	15,979	49,612
Total	42,912,852	29,282,425	8,094,409	3,468,204	893,890	1,072,636
By Residual Contractual Maturity						
One year or less	7,511,295	3,796,671	2,868,255	770,319	48,933	/
One year to less than three years	3,491,185	2,115,176	1,048,967	126,449	200,592	/
Three years to less than five years	3,998,881	2,229,732	1,539,235	38,286	191,626	/
Five years to less than seven years	1,542,674	1,192,141	121,188	34,152	195,192	/
Over seven years	14,376,625	12,754,692	1,230,204	150,161	241,566	/
Exposures with no maturity dates	7,352,216	4,115,711	406,408	2,212,563	—	/
Exposure to which the Standardized Approach is applied	4,639,974	3,078,299	880,148	136,272	15,979	/
Total	42,912,852	29,282,425	8,094,409	3,468,204	893,890	/

Notes: 1. Figures presented refer to the credit risk exposure to which the Foundation Internal Ratings-Based the (F-IRB) approach is applied (Exposures relating investment funds and securitization exposures are not included). However, the subsidiaries adopting the Phased Rollout of the F-IRB approach, assets of non-financial companies exempt from F-IRB calculations, and other assets which are minimal are treated as Exempt Assets, and the Standardized Approach is applied in calculating the risk assets (For stocks held by the subsidiaries, the F-IRB approach is applied and such stocks are not included among the Excluded Assets).

2. Exposures to which the F-IRB approach is applied are presented before the subtraction of reserves, etc., before partial direct write-offs, and after taking into account the effect of credit risk mitigation techniques. In addition, exposures to which the Standardized Approach is applied are presented after the subtraction of reserves, etc., after partial direct write-offs, and after taking into account the effect of credit risk mitigation techniques.

3. "Loans and bills discounted, foreign exchanges, etc." includes the following transactions: cash and due from banks, call loans, monetary claims bought, trading account securities included in trading assets, loans and bills discounted, foreign exchange assets, and others.

4. "Off-balance sheet transactions" includes customers' liabilities for acceptances and guarantees, commitments, and amounts equivalent to credit risk exposure in relation to loans in the trust account (after taking into account of the Credit Conversion Factor (CCF)).

5. "Total" of types of exposures includes other assets, premises and equipment, intangible fixed assets, and deferred tax assets. Also, since the figures presented are after the set-off of internal transactions, the total may not coincide with a sum of the above shown items.

6. Accompanying the revision of the Japan Standard Industry Classification (JSIC) (in November 2007), beginning from September 2009, certain changes have been made in industrial classifications.

■ General Reserve for Possible Loan Losses and Special Reserve for Certain Overseas Loans

(Millions of yen)

Years ended March 31,	2010			2009		
	Balance at beginning of fiscal year	Increase/ (decrease) during the fiscal year	Balance at end of fiscal year	Balance at beginning of fiscal year	Increase/ (decrease) during the fiscal year	Balance at end of fiscal year
General reserve for possible loan losses	**304,261**	**(7,911)**	**296,349**	335,912	(31,650)	304,261
Special reserve for certain overseas loans	**144**	**(142)**	**1**	76	67	144

Note: The Holding Company Group does not prepare the breakdown of general reserve for possible loan losses by region and industry.

■ Specific Reserve for Possible Loan Losses: By Region and Industry

(Millions of yen)

Years ended March 31,	2010		
	Balance at beginning of fiscal year	Increase/(decrease) during the fiscal year	Balance at end of fiscal year
By Region			
Japan	**134,674**	**6,404**	**141,078**
Overseas	**—**	**—**	**—**
Total	**134,674**	**6,404**	**141,078**
By Industry			
Manufacturing	**6,275**	**23,602**	**29,878**
Agriculture and forestry	**34**	**34**	**69**
Fishing	**18**	**(11)**	**6**
Mining, quarrying, and gravel extraction	**562**	**(500)**	**61**
Construction	**3,909**	**(303)**	**3,606**
Electric power, gas, heat supply, and water	**—**	**—**	**—**
Information and telecommunications	**20,755**	**(2,163)**	**18,591**
Transportation, postal services	**1,317**	**349**	**1,666**
Wholesale and retail	**17,366**	**7,097**	**24,463**
Financial services	**1,110**	**115**	**1,225**
Real estate	**36,071**	**(17,467)**	**18,604**
Goods and merchandise rental services	**86**	**379**	**466**
Services	**14,841**	**(1,185)**	**13,656**
Individuals	**5,682**	**(658)**	**5,023**
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	**331**	**(63)**	**268**
Foreign central governments and central banks, etc.	**—**	**—**	**—**
Others	**26,312**	**(2,822)**	**23,489**
Total	**134,674**	**6,404**	**141,078**

Years ended March 31,	2009		
	Balance at beginning of fiscal year	Increase/(decrease) during the fiscal year	Balance at end of fiscal year
By Region			
Japan	153,239	(18,544)	134,694
Overseas	—	—	—
Total	153,239	(18,544)	134,694
By Industry			
Manufacturing	19,836	(13,560)	6,275
Agriculture	470	(435)	34
Forestry	—	—	—
Fishing	22	(3)	18
Mining	2,372	(1,809)	562
Construction	9,029	(5,120)	3,909
Wholesale and retail	16,339	1,027	17,366
Financial services	8,508	(7,398)	1,110
Real estate	26,761	9,309	36,071
Transportation	1,536	(218)	1,317
Information and telecommunications	3,464	17,291	20,755
Electric power, gas, heat supply, and water	—	—	—
Services	28,682	(13,754)	14,927
Individuals	7,632	(1,950)	5,682
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	391	(60)	331
Foreign central governments and central banks, etc.	—	—	—
Others	28,193	(1,861)	26,332
Total	153,239	(18,544)	134,694

Notes: 1. The by-industry breakdown is for the specific reserves provided for the exposures held by Resona Bank, Saitama Resona Bank, and Kinki Osaka Bank.
2. The “Others” category of the by-industry segment includes the specific reserves provided for the exposures held by subsidiaries other than the aforementioned banking subsidiaries.
3. Accompanying the revision of the Japan Standard Industry Classification (JSIC) (in November 2007), beginning from September 2009, certain changes have been made in industrial classifications.

■ Write-Offs of Claims: By Industry

(Millions of yen)

Years ended March 31,	2010
Manufacturing	**9,834**
Agriculture and forestry	**24**
Fishing	**—**
Mining, quarrying, and gravel extraction	**214**
Construction	**3,458**
Electric power, gas, heat supply, and water	**13**
Information and telecommunications	**3,301**
Transportation, postal services	**833**
Wholesale and retail	**15,285**
Financial services	**(0)**
Real estate	**23,301**
Goods and merchandise rental services	**476**
Services	**7,159**
Individuals	**2,862**
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	**—**
Foreign central governments and central banks, etc.	**—**
Others	**6,206**
Total	**72,971**

Years ended March 31,	2009
Manufacturing	20,331
Agriculture	86
Forestry	—
Fishing	—
Mining	55
Construction	21,309
Wholesale and retail	33,358
Financial services	(232)
Real estate	73,631
Transportation	830
Information and telecommunications	4,101
Electric power, gas, heat supply, and water	—
Services	29,601
Individuals	2,946
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	—
Foreign central governments and central banks, etc.	—
Others	5,577
Total	191,598

Notes: 1. The by-industry breakdown is for the write-offs made for the exposures held by Resona Bank, Saitama Resona Bank, and Kinki Osaka Bank.
2. The "Others" category includes the write-offs made for the exposures held by subsidiaries other than the aforementioned banking subsidiaries.
3. Accompanying the revision of the Japan Standard Industry Classification (JSIC) (in November 2007), beginning from September 2009, certain changes have been made in industrial classifications.

[Exposure Subject to the Standardized Approach]

■ Exposure by Risk Weight Category

(Millions of yen)

As of March 31,	2010		2009	
	With external rating	**Without external rating**	With external rating	Without external rating
0%	**10,665**	**1,093,763**	3,115	968,078
10%	**—**	**451,900**	—	487,310
20%	**264,650**	**3,917**	278,061	4,110
35%	**—**	**726,987**	—	754,243
50%	**59,102**	**2,106**	63,000	4,278
75%	**—**	**415,794**	—	424,805
100%	**22,934**	**1,494,764**	25,163	1,602,980
150%	**—**	**47,598**	—	60,295
350%	**—**	**—**	—	—
Others	**—**	**—**	—	50
Total	**357,352**	**4,236,833**	369,341	4,306,154
Deduction from capital	**—**	**—**	—	—

Notes: 1. Credit ratings are those provided by the qualified rating agencies.
2. Exposures by risk weight categories are reported as the balance after taking into account the effect of credit risk mitigation techniques.
3. The item "Deduction from capital" in the table above is the amount subtracted from capital based on Article 20, Paragraph 1, Item 3 and Item 6 of the Notification on Consolidated Capital Adequacy (Confined to cases where Article 105 and Article 114-1 of the Notification on Consolidated Capital Adequacy are applied).

[Exposure Subject to the IRB Approach]

■ Specialised Lending Exposure subject to Slotting Criteria by Risk Weight Category

(1) Specialised Lending Exposure Excluding High Volatility Commercial Real Estate Lending

(Millions of yen)

Slotting criteria	Residual contractual maturity	Risk weights	**As of March 31, 2010**	As of March 31, 2009
Strong	Under 2 and half years	50%	**7,620**	4,866
	Over 2 and half years	70%	**3,354**	14,685
Good	Under 2 and half years	70%	**41,172**	36,093
	Over 2 and half years	90%	**39,286**	52,154
Satisfactory	No term	115%	**36,041**	16,583
Weak	No term	250%	**19,782**	18,558
Default	No term	0%	**3,147**	2,695
Total			**150,404**	145,637

(2) High Volatility Commercial Real Estate Lending

(Millions of yen)

Slotting criteria	Residual contractual maturity	Risk weights	**As of March 31, 2010**	As of March 31, 2009
Strong	Under 2 and half years	70%	**2,900**	—
	Over 2 and half years	95%	**—**	2,900
Good	Under 2 and half years	95%	**1,500**	9,213
	Over 2 and half years	120%	**5,779**	1,979
Satisfactory	No term	140%	**—**	15,430
Weak	No term	250%	**—**	—
Default	No term	0%	**—**	1,450
Total			**10,179**	30,972

■ Equity Exposure under Simple Risk Weight Method by Risk Weight Category

(Millions of yen)

As of March 31,	**2010**	2009
Risk weights		
300%	**22,218**	8,871
400%	**13,397**	17,427
Total	**35,615**	26,298

■ Corporate Exposures

(Millions of yen)

Credit rating	As of March 31, 2010				
	PD (Estimated) (Note 1)	LGD (Estimated) (Note 1)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD
SA, A	**0.22%**	**39.51%**	**34.86%**	**2,724,545**	**362,739**
B–E	**1.56%**	**41.93%**	**84.32%**	**7,171,057**	**738,338**
F, G	**12.64%**	**41.48%**	**174.83%**	**1,433,789**	**125,304**
Default	**100.00%**	**43.42%**	**/**	**755,918**	**44,687**
Total	**/**	**/**	**/**	**12,085,311**	**1,271,069**

Credit rating	As of March 31, 2009				
	PD (Estimated) (Note 1)	LGD (Estimated) (Note 1)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD
SA, A	0.20%	41.48%	34.57%	2,783,560	378,674
B–E	1.35%	41.94%	81.63%	7,365,496	818,042
F, G	12.58%	41.15%	174.88%	1,487,458	108,576
Default	100.00%	43.33%	/	817,021	50,304
Total	/	/	/	12,453,538	1,355,597

Notes: 1. Weighted average figures based on EAD
2. Specialised lending exposure subject to supervisory slotting criteria is not included.

■ Sovereign Exposures

(Millions of yen)

Credit rating	As of March 31, 2010				
	PD* (Estimated)	LGD* (Estimated)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD
SA, A	**0.00%**	**44.62%**	**0.52%**	**10,870,247**	**2,924,140**
B–E	**2.31%**	**44.97%**	**120.16%**	**51,744**	**1,836**
F, G	**16.73%**	**39.07%**	**200.04%**	**298**	**498**
Default	**100.00%**	**45.00%**	**/**	**7**	**—**
Total	**/**	**/**	**/**	**10,922,296**	**2,926,475**

Credit rating	As of March 31, 2009				
	PD* (Estimated)	LGD* (Estimated)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD
SA, A	0.00%	45.00%	0.72%	9,249,232	2,224,401
B–E	2.25%	45.00%	127.57%	48,621	2,036
F, G	16.65%	42.77%	235.86%	1,859	422
Default	100.00%	45.00%	/	7	—
Total	/	/	/	9,299,720	2,226,859

Note: Weighted average figures based on EAD

■ Bank Exposures

(Millions of yen)

Credit rating	As of March 31, 2010				
	PD* (Estimated)	LGD* (Estimated)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD
SA, A	**0.18%**	**44.47%**	**23.64%**	**975,558**	**254,360**
B–E	**1.45%**	**44.19%**	**78.37%**	**47,575**	**10,650**
F, G	**16.73%**	**41.45%**	**195.62%**	**2,301**	**1,515**
Default	**—**	**—**	**/**	**—**	**—**
Total	**/**	**/**	**/**	**1,025,435**	**266,526**

Credit rating	As of March 31, 2009				
	PD* (Estimated)	LGD* (Estimated)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD
SA, A	0.17%	45.07%	26.87%	1,018,204	198,516
B–E	0.88%	44.41%	64.41%	39,285	11,177
F, G	16.65%	62.44%	294.28%	7,213	1,358
Default	—	—	/	—	—
Total	/	/	/	1,064,703	211,052

Note: Weighted average figures based on EAD

■ Equity Exposures subject to PD/LGD Approach

(Millions of yen)

Credit rating	As of March 31, 2010 PD* (Estimated)	As of March 31, 2010 Weighted average RW	As of March 31, 2010 Balance	As of March 31, 2009 PD* (Estimated)	As of March 31, 2009 Weighted average RW	As of March 31, 2009 Balance
SA, A	**0.24%**	**151.65%**	**13,224**	0.16%	198.96%	3,647
B–E	**1.77%**	**259.86%**	**4,522**	0.81%	223.31%	3,858
F, G	**14.82%**	**494.31%**	**952**	12.70%	476.42%	364
Default	**100.00%**	**/**	**14**	100.00%	/	187
Total	**/**	**/**	**18,714**	/	/	8,057

Note: Weighted average figures based on EAD

■ Retail Exposures

(Millions of yen)

As of March 31, 2010

	PD* (Estimated)	LGD* (Estimated)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD	Amounts of undrawn commitments	Weighted average CCF on undrawn commitments
Residential mortgage exposures	**/**	**/**	**/**	**7,427,373**	**32,139**	**—**	**—**
Non-default	**1.08%**	**44.00%**	**38.03%**	**7,329,895**	**30,790**	**—**	**—**
Default	**100.00%**	**44.91%**	**/**	**97,478**	**1,348**	**—**	**—**
Qualifying revolving retail exposures	**/**	**/**	**/**	**110,004**	**45,384**	**426,545**	**10.64%**
Non-default	**3.70%**	**78.28%**	**63.49%**	**109,382**	**45,344**	**426,362**	**10.64%**
Default	**100.00%**	**78.11%**	**/**	**621**	**40**	**182**	**21.94%**
Other retail exposures	**/**	**/**	**/**	**1,899,247**	**40,535**	**45,523**	**25.74%**
Non-default	**1.53%**	**35.01%**	**30.57%**	**1,829,776**	**39,565**	**45,384**	**25.71%**
Default	**100.00%**	**40.39%**	**/**	**69,470**	**970**	**139**	**33.22%**

As of March 31, 2009

	PD* (Estimated)	LGD* (Estimated)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD	Amounts of undrawn commitments	Weighted average CCF on undrawn commitments
Residential mortgage exposures	/	/	/	7,574,873	36,002	—	—
Non-default	1.04%	45.80%	39.21%	7,491,994	34,827	—	—
Default	100.00%	46.67%	/	82,878	1,174	—	—
Qualifying revolving retail exposures	/	/	/	111,475	56,152	430,148	13.05%
Non-default	3.56%	64.89%	49.56%	110,853	56,106	429,962	13.05%
Default	100.00%	63.79%	/	621	46	185	25.09%
Other retail exposures	/	/	/	1,897,743	47,375	47,127	28.78%
Non-default	1.53%	31.71%	27.33%	1,831,269	46,458	47,046	28.77%
Default	100.00%	36.49%	/	66,473	917	80	38.49%

Note: Weighted average figures based on EAD

■ Actual Losses by Types of Exposures and Comparison to the Result of the Year Before (Notes 1 and 2)

(Millions of yen)

Years ended March 31,	**2010**	2009
Resona Holdings, Inc. (Consolidated) (Note 4)	**114,650**	181,446
Resona Bank, Ltd. (Non-Consolidated) + Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 4)	**70,906**	155,193
Corporate exposures	**56,033**	105,647
Sovereign exposures	**(111)**	52
Bank exposures	**(675)**	440
Residential mortgage exposures	**1,218**	(26)
Qualified revolving retail exposures (Note 3)	**—**	—
Other retail exposures	**10,096**	9,996
Resona Bank, Ltd. (Consolidated) (Note 4)	**54,810**	130,148
Resona Bank, Ltd. (Non-Consolidated) (Note 4)	**54,183**	130,777
Corporate exposures	**51,531**	90,478
Sovereign exposures	**(111)**	52
Bank exposures	**(675)**	440
Residential mortgage exposures	**680**	(106)
Qualified revolving retail exposures (Note 3)	**—**	—
Other retail exposures	**6,868**	8,108
Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 4)	**16,723**	24,415
Corporate exposures	**4,501**	15,168
Sovereign exposures	**—**	—
Bank exposures	**—**	—
Residential mortgage exposures	**538**	79
Qualified revolving retail exposures (Note 3)	**—**	—
Other retail exposures	**3,227**	1,888

Notes: 1. Actual losses refer to total credit-related expenses incurred during the fiscal year. They consist of disposal of non-performing loans, net addition to general loan loss reserves, disposal of non-performing loans in the trust accounts, and gain from recoveries of written-off claims.
Disposal of non-performing loans refers to write-off of loans, net addition to specific loan loss reserves, net addition to special reserves for certain overseas loans, gains or losses from sale of loans, and other net additions to reserves. Also, actual losses by types of exposures do not include net addition to general loan loss reserves for Normal and Watch borrowers and net addition to reserves under the Burden Sharing System charged by the credit guarantee corporation.
2. Actual losses for equity exposures which apply the PD/LGD approach are not included in credit-related expense, since they are difficult to determine whether the losses are due to credit risks or not.
3. Since the losses are limited to exposures guaranteed by the consolidated subsidiaries of Resona Holdings, Inc., actual losses have been omitted from the above exposure classification.
4. Credit-related expenses for assets and subsidiaries exempt from F-IRB calculation are included in actual losses.

Analysis

The credit-related expenses for the fiscal year ended March 31, 2010 of Resona Holdings, Inc., decreased ¥66.7 billion compared with the preceding year, to ¥114.6 billion in total. The principal factor accounting for this decline was a decrease of ¥174.8 billion compared to the preceding year, to ¥101.7 billion, in new credit-related expenses as a result of bankruptcies and deterioration in the borrower category at Resona Bank (non-consolidated) and Saitama Resona Bank. By exposure category, net provisions and loan write-offs for exposure to companies mainly in the real estate industry declined, and, as a result, credit-related expenses related to corporate exposures decreased.

■ Comparison of Estimated and Actual Losses by Types of Exposures

(Millions of yen)

	As of March 31, 2009 (Note 4)		**Year ended March 31, 2010**
	Estimated losses	Estimated losses after deduction of reserves (Note 5)	Actual losses (Note 6)
Resona Holdings, Inc. (Consolidated) (Notes 1, 2 and 7)	**/**	**/**	**114,650**
Resona Bank, Ltd. (Non-Consolidated) + Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 7)	**552,096**	**(11,819)**	**70,906**
Corporate exposures	**498,261**	**(28,175)**	**56,033**
Sovereign exposures	**747**	**742**	**(111)**
Bank exposures	**3,275**	**3,275**	**(675)**
Residential mortgage exposures	**13,096**	**9,686**	**1,218**
Qualified revolving retail exposures (Note 3)	**—**	**—**	**—**
Other retail exposures	**28,699**	**(5,307)**	**10,096**
Resona Bank, Ltd. (Consolidated) (Note 7)	**/**	**/**	**54,810**
Resona Bank, Ltd. (Non-Consolidated) (Note 7)	**490,781**	**(21,388)**	**54,183**
Corporate exposures	**444,632**	**(35,867)**	**51,531**
Sovereign exposures	**461**	**456**	**(111)**
Bank exposures	**3,094**	**3,094**	**(675)**
Residential mortgage exposures	**11,973**	**9,258**	**680**
Qualified revolving retail exposures (Note 3)	**—**	**—**	**—**
Other retail exposures	**22,645**	**(6,294)**	**6,868**
Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 7)	**61,315**	**9,569**	**16,723**
Corporate exposures	**53,628**	**7,691**	**4,501**
Sovereign exposures	**285**	**285**	**—**
Bank exposures	**181**	**181**	**—**
Residential mortgage exposures	**1,122**	**428**	**538**
Qualified revolving retail exposures (Note 3)	**—**	**—**	**—**
Other retail exposures	**6,053**	**986**	**3,227**

Notes: 1. Estimated losses and actual losses on equity exposures for which the PD/LGD approach is applied are not included in credit-related expense, since they are difficult to determine whether the losses are due to credit risks or not.
2. Losses incurred from the exposures guaranteed by the consolidated subsidiaries of Resona Holdings, Inc., are not included in estimated losses.
3. Since losses are limited to exposures guaranteed by the consolidated subsidiaries of Resona Holdings, Inc., estimated losses and actual losses have been omitted from the above exposure classification.
4. Estimated losses are the Expected Loss (EL) as of March 31, 2009.
5. Estimated losses after deduction of reserves are represented by deducting reserves (specific loan loss reserves, special reserves for certain overseas loans, general loan loss reserves, and partial direct write-offs) of obligors of Special Attention or below, from EL.
6. Actual losses refers to total credit-related expenses incurred during the fiscal year. They consist of disposal of non-performing loans, net addition to general loan loss reserves, disposal of non-performing loans in the trust accounts, and gains from recoveries of written-off claims.
Disposal of non-performing loans refers to write-off of loans, net addition to specific loan loss reserves, net addition to special reserves for certain overseas loans, gains or losses from sale of loans, and other net additions to reserves. Also, actual losses by types of exposures do not include net addition to general loan loss reserves for Normal and Watch borrowers and net addition to reserves under the Burden Sharing System charged by the Credit Guarantee Corporation.
7. Credit-related expenses for assets and subsidiaries exempt from F-IRB calculation are included in actual losses.

(Millions of yen)

	As of March 31, 2008 (Note 4)		Year ended March 31, 2009
	Estimated losses	Estimated losses after deduction of reserves (Note 5)	Actual losses (Note 6)
Resona Holdings, Inc. (Consolidated) (Notes 1, 2 and 7)	/	/	181,446
Resona Bank, Ltd. (Non-Consolidated) + Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 7)	506,707	(23,923)	155,193
Corporate exposures	455,032	(34,685)	105,647
Sovereign exposures	1,628	1,622	52
Bank exposures	3,622	3,622	440
Residential mortgage exposures	11,039	7,093	(26)
Qualified revolving retail exposures (Note 5)	—	—	—
Other retail exposures	31,084	(5,854)	9,996
Resona Bank, Ltd. (Consolidated) (Note 7)	/	/	130,148
Resona Bank, Ltd. (Non-Consolidated) (Note 7)	456,271	(29,763)	130,777
Corporate exposures	411,770	(38,502)	90,478
Sovereign exposures	1,433	1,427	52
Bank exposures	2,778	2,778	440
Residential mortgage exposures	9,930	6,732	(106)
Qualified revolving retail exposures (Note 5)	—	—	—
Other retail exposures	26,058	(6,485)	8,108
Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 7)	50,436	5,839	24,415
Corporate exposures	43,262	3,816	15,168
Sovereign exposures	194	194	—
Bank exposures	843	843	—
Residential mortgage exposures	1,108	360	79
Qualified revolving retail exposures (Note 5)	—	—	—
Other retail exposures	5,026	631	1,888

Notes: 1. Estimated losses and actual losses on equity exposures for which the PD/LGD approach is applied are not included in credit-related expense, since they are difficult to determine whether the losses are due to credit risks or not.
2. Losses incurred from the exposures guaranteed by the consolidated subsidiaries of Resona Holdings, Inc., are not included in estimated losses.
3. Since losses are limited to exposures guaranteed by the consolidated subsidiaries of Resona Holdings, Inc., estimated losses and actual losses have been omitted from the above exposure classification.
4. Estimated losses are the Expected Loss (EL) as of March 31, 2008.
5. Estimated losses after deduction of reserves are represented by deducting reserves (specific loan loss reserves, special reserves for certain overseas loans, general loan loss reserves, and partial direct write-offs) of obligors of Special Attention or below, from EL.
6. Actual losses refers to total credit-related expenses incurred during the fiscal year. They consist of disposal of non-performing loans, net addition to general loan loss reserves, disposal of non-performing loans in the trust accounts, and gain from recoveries of written-off claims.
Disposal of non-performing loans refers to write-off of loans, net addition to specific loan loss reserves, net addition to special reserves for certain overseas loans, gains or losses from sale of loans, and other net additions to reserves. Also, actual losses by types of exposures do not include net addition to general loan loss reserves for Normal and Watch borrowers and net addition to reserves under the Burden Sharing System charged by the Credit Guarantee Corporation.
7. Credit-related expenses for assets and subsidiaries exempt from F-IRB calculation are included in actual losses.

Credit Risk Mitigation Techniques

In calculating the Capital Adequacy Ratio, the Holding Company Group adopts the "Comprehensive Approach" as credit risks mitigation techniques which is stipulated in the Notification on Consolidated Capital Adequacy. Credit risk mitigation techniques are approaches to reduce the level of credit risk borne by the Holding Company Group such as the pledging of Eligible Financial Collateral, offsetting loans with deposits held with the Holding Company Group (On-Balance Sheet Netting), other eligible IRB collateral, guarantees, and the use of credit derivatives.

■ Principal Types of Collateral

The principal type of collateral is as follows.

1. Cash and deposits
2. Stocks of corporations which is composed in the stock index of our country
3. Publicly traded stocks other than those stated above in 2
4. Real estate
5. Discounted bills
6. Bonds

■ Outline of Procedure on Evaluation and Administration of Collateral

The pledged collateral is properly retained by acquiring the lien on the mortgage and administered under the retention policy so that timely execution of collateral rights is possible. In order to properly acknowledge the coverage status of loans to collateral held, collateral which their value fluctuates according to the financial market are re-evaluated periodically.

■ Outline of Policy and Procedure for On-Balance Sheet Netting of Loans and Deposits

Under the Agreements, such as "Agreement on Bank Transactions," which stipulates on On-Balance Sheets Netting of Loans and Deposits, we will offset the loan balance with the deposit held with us without pledge as collateral and define that amount as credit risk exposure after applying credit risk mitigation techniques. When there is a maturity and/or currency mismatch, we will adjust the offset amount according to the practices stipulated in the Notification on Consolidated Capital Adequacy.

■ Outline of Policy and Procedure on Legally Binding Netting Contracts for Derivative and Repo-Style Transactions

In applying bilateral netting contracts for derivatives and repo-style transactions, the Bank reviews its legality prior to engagement of the contract. In the case of International SWAP and Derivative Association (ISADA) Master Agreements, we review and confirm that the article on Close-out Netting is legally binding under the laws of each country.

For transactions that are entered individually, we obtain comments from the legal counsel and conduct compliance checks in order to maintain its legality.

The transaction subject to credit risk mitigation techniques in the Trading and Banking Book is as follows.

Transactions: Derivative Transactions (Interest rate swaps, Currency swaps, Interest rate options, FRA, Forward contracts, Currency options, etc.), Repo-style Transactions

■ Information on Credit and Market Risk Concentration Arising from Credit Risk Mitigation Techniques

There is no credit and market risk concentration as a result of the use of credit risk mitigation techniques.

■ Types of Guarantors and Principal Counterparties in Credit Derivative Transactions and Explanation of Their Credit Standings

Major guarantors are central and local governments, local public entities, foreign public entities other than the central government, multilateral development banks, and banks and securities companies with lower risk weight compared to the borrower and/or the claims subject to the guarantee.

There is no outstanding balance of credit derivatives.

■ Exposure to which Credit Risk Mitigation Techniques Method Is Applied

(Millions of yen)

	As of March 31, 2010				
	Eligible financial collateral	Other eligible IRB collateral	Guarantees	Credit derivatives	Total
Internal Ratings-based Approach	**815,735**	**2,215,770**	**2,144,574**	**—**	**5,176,081**
Corporate exposures	**680,433**	**2,214,439**	**842,281**	**—**	**3,737,155**
Sovereign exposures	**117,028**	**396**	**206,677**	**—**	**324,102**
Bank exposures	**18,273**	**935**	**28,499**	**—**	**47,707**
Residential mortgage exposures	**/**	**/**	**459,810**	**—**	**459,810**
Qualifying revolving retail exposures	**/**	**/**	**—**	**—**	**—**
Other retail exposures	**/**	**/**	**607,305**	**—**	**607,305**
Standardized Approach	**154,712**	**/**	**—**	**—**	**154,712**
Total	**970,448**	**2,215,770**	**2,144,574**	**—**	**5,330,794**

	As of March 31, 2009				
	Eligible financial collateral	Other eligible IRB collateral	Guarantees	Credit derivatives	Total
Internal Ratings-based Approach	1,516,905	2,426,436	1,614,929	—	5,558,271
Corporate exposures	745,230	2,425,076	789,665	—	3,959,972
Sovereign exposures	769,512	283	239,776	—	1,009,572
Bank exposures	2,162	1,076	30,774	—	34,013
Residential mortgage exposures	/	/	—	—	—
Qualifying revolving retail exposures	/	/	—	—	—
Other retail exposures	/	/	554,713	—	554,713
Standardized Approach	137,380	/	—	—	137,380
Total	1,654,286	2,426,436	1,614,929	—	5,695,652

Notes: 1. Does not include on-balance-sheet netting
2. Credit risk mitigation techniques applied to assets which compose the investment funds are not included.

Derivative Transactions

■ Status of Derivative Transactions and Long-Settlement Transactions

(Millions of yen)

	As of March 31, 2010				
	Notional or contract amount	Fair value	Gross replacement cost	Gross add-ons	Credit equivalent amount
Long-settlement transactions	**—**	**—**	**—**	**—**	**—**
Interest rate related					
Interest rate swaps	**21,347,781**	**40,927**	**213,116**	**126,536**	**339,652**
Interest rate options	**80,726**	**1,626**	**1,640**	**739**	**2,380**
Subtotal	**21,428,508**	**42,553**	**214,756**	**127,275**	**342,032**
Currency-related					
Currency swaps	**3,355,005**	**(62,784)**	**64,714**	**187,696**	**252,411**
Currency options	**1,683,210**	**168,742**	**168,742**	**78,505**	**247,247**
Forward contracts	**1,521,024**	**(18,631)**	**22,524**	**54,147**	**76,671**
Subtotal	**6,559,240**	**87,326**	**255,981**	**320,348**	**576,330**
Subtotal (prior to netting)	**27,987,748**	**129,879**	**470,738**	**447,624**	**918,363**
Credit risk mitigation under close-out netting contracts					**386,295**
Credit risk mitigation by pledged collateral (Note 3)					**(106,271)**
Total (after netting)					**638,339**

(Millions of yen)

	As of March 31, 2009				
	Notional or contract amount	Fair value	Gross replacement cost	Gross add-ons	Credit equivalent amount
Long-settlement transactions	—	—	—	—	—
Interest rate related					
Interest rate swaps	20,333,049	54,836	201,254	113,325	314,579
Interest rate options	168,316	1,228	1,241	587	1,828
Subtotal	20,501,366	56,065	202,495	113,912	316,408
Currency-related					
Currency swaps	3,617,579	(41,752)	53,179	214,890	268,070
Currency options	1,474,615	136,209	136,209	70,095	206,304
Forward contracts	1,600,802	(3,401)	31,545	56,111	87,657
Subtotal	6,692,997	91,055	220,935	341,097	562,032
Subtotal (prior to netting)	27,194,364	147,120	423,431	455,009	878,441
Credit risk mitigation under close-out netting contracts					325,926
Credit risk mitigation by pledged collateral (Note 3)					(65,589)
Total (after netting)					618,104

Notes: 1. The credit equivalent amount is calculated according to the Notification on Consolidated Capital Adequacy as follows.
(1) Foreign exchange transactions with the original contractual period within 5 business days are omitted from calculating the credit equivalent amount.
(2) The credit equivalent amount is calculated under the Current Exposure method by adding gross add-ons (market fluctuation risk taking in consideration of residual contractual maturity), to individual derivative transactions at fair market value (Gross replacement cost is limited to figures larger than zero.).
2. There is no outstanding balance of credit derivative transactions as of March 31, 2010.
3. The effect of credit risk mitigation of collateralized derivative transactions as of March 31, 2010, is as follows.
Collateral is composed of cash.
(1) Collateral placed: 106,271
(2) Collateral held: none
(2)-(1): (106,271)

Securitization Exposures

[Securitization Exposures]

In this Annual Report, all securitization exposures that meet the conditions set forth in the Notification on Consolidated Capital Adequacy are disclosed.

The conditions stipulated in the Notification on Consolidated Capital Adequacy refer to the following. Credit risk related to the underlying assets has been stratified into two or more levels of exposure according to a senior and subordinated structure and a portion or all of these transactions are transferred to third parties (a non-recourse senior and subordinated structure). These include housing loan claims, etc., a subordinated portion of assets of the Company that have been liquefied and ownership in group investment arrangements that have a senior and subordinate structure. Please note that those assets classified as Specialised Lending have been excluded in line with the requirements of the Notification on Consolidated Capital Adequacy.

[Securitized Products]

In the “Financial Results for FY 2009 (Reference Materials)” issued on May 14, 2010, securitized products disclosed in the section “Securitized products held” include those defined in the “Practical Guidelines for Financial Instruments Accounting” as instruments to be treated as securities and, for administrative purposes, all directly held securitized products. Accordingly, securitization exposure is not necessarily defined under the same concepts.

■ Securitization Exposures Held by the Holding Company Group

(Millions of yen)

Classification	By Product Type		By Account Headings		By Basel II Exposure Items	
Balance of securitized products (Disclosed as of May 14, 2010)	ABS	9,906	Monetary claims bought	214,123	Securitization exposure	173,376
	CMBS	13,998	Foreign bonds	11,768	Purchased receivables	62,137
	RMBS	220,864	Securities	18,878	Corporate exposure	345
					Retail exposure	3,778
					Specialised lending exposure	5,131
	Total	244,770	Total	244,770	Total	244,770

(In addition to the above types of securities, the Company held ¥28.2 billion in short-term bonds, as securities for trading purposes, that were issued as part of an asset-backed commercial paper program.)

Classification	By Product Type		By Account Headings		By Basel II Exposure Items	
Balance other than those listed above	ABCP	8,164	Monetary claims bought	3,416	Securitization exposure	94,259
	ABL	49,937	Trading assets	8,164		
	CMBS	4,879	Loans and bills discounted	82,678		
	RMBS	31,278				
	Total	94,259	Total	94,259	Total	94,259

Classification	By Product Type		By Account Headings		By Basel II Exposure Items	
Amount of exposure	ABCP	8,164	Monetary claims bought	217,540	Securitization exposure	267,635
	ABL	49,937	Trading assets	8,164	Purchased receivables	62,137
	ABS	9,906	Foreign bonds	11,768	Corporate exposure	345
	CMBS	18,878	Securities	18,878	Retail exposure	3,778
	RMBS	252,143	Loans and bills discounted	82,678	Specialised lending exposure	5,131
	Total	339,029	Total	339,029	Total	339,029

EAD of securitization exposure	253,016
Required capital	10,987
Deduction from capital	14,544

ABS (Asset-Backed Securities)
ABL (Asset-Based Lending)
RMBS (Residential Mortgage-Backed Securities)
CMBS (Commercial Mortgage-Backed Securities)
ABCP (Asset-Backed Commercial Paper)

Notes: 1. Securitized products are entirely held in the banking book.
2. Total securitization products reported above amount to ¥339.0 billion and are equivalent to 0.83% of the total assets on the consolidated balance sheet.
3. In addition to the deduction from capital mentioned above, the amount of capital increase due to securitization transaction (¥10,845 million) is also deducted from capital for Basel II capital measurement purposes.
4. The Resona Group has no direct investments in securitized products linked with the U.S. subprime housing loans and securitized products guaranteed by the U.S. monolines.

■ Securitization Exposures Originated by the Holding Company Group

1. Breakdown of Securitization Exposure Retained

(Millions of yen)

	As of March 31, 2010											
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total: Amount	Total: Required capital
Retained securitization exposures	**—**	**15,883**	**23,409**	**—**	**—**	**—**	**—**	**—**	**—**	**3,627**	**42,920**	**12,957**
Risk weight:												
To 20%	**—**	**2,600**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**2,600**	**39**
Over 20% to 100%	**—**	**—**	**23,409**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**23,409**	**1,925**
Over 100% to 1,250%	**—**	**9,251**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**9,251**	**3,332**
Deduction from capital	**—**	**4,031**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**3,627**	**7,658**	**7,658**
Capital increase due to securitization transactions	**—**	**5,530**	**5,315**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**10,845**	**10,845**

Credit risk-weighted assets calculated pursuant to Article 15 of Supplementary Provisions of the Notification on Consolidated Capital Adequacy: Not applicable

Note: The item "Deduction from Capital" in the table above is securitization exposures subtracted from capital based on Article 225 of the Notification on Consolidated Capital Adequacy.

(Millions of yen)

	As of March 31, 2009											
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total: Amount	Total: Required capital
Retained securitization exposures	—	51,627	63,128	—	—	—	—	—	—	3,627	118,383	14,078
Risk weight:												
To 20%	—	2,600	—	—	—	—	—	—	—	—	2,600	39
Over 20% to 100%	—	43,692	63,128	—	—	—	—	—	—	—	106,821	5,076
Over 100% to 1,250%	—	—	—	—	—	—	—	—	—	—	—	—
Deduction from capital	—	5,335	—	—	—	—	—	—	—	3,627	8,962	8,962
Capital increase due to securitization transactions	—	5,884	5,729	—	—	—	—	—	—	—	11,614	11,614

Credit risk-weighted assets calculated pursuant to Article 15 of Supplementary Provisions of the Notification on Consolidated Capital Adequacy: Not applicable

Note: The item "Deduction from Capital" in the table above is securitization exposures subtracted from capital based on Article 225 of the Notification on Consolidated Capital Adequacy.

2. Underlying Assets

(Millions of yen)

	As of March 31, 2010										
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total
Amount of underlying assets	**—**	**117,507**	**53,169**	**—**	**—**	**—**	**—**	**—**	**—**	**8,807**	**179,484**
Asset transfer-type securitizations	**—**	**117,507**	**53,169**	**—**	**—**	**—**	**—**	**—**	**—**	**8,807**	**179,484**
Past due three months or more, or default	**—**	**2,853**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**302**	**3,155**
Losses during the year	**—**	**307**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**307**
Synthetic securitizations	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Past due three months or more, or default											
Losses during the year	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Amount of exposures securitized during the year	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Amount of gain (loss) recognized for the period in connection with securitization transactions	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Securitization exposures subject to early amortization provisions	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**

(Millions of yen)

	As of March 31, 2009										
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total
Amount of underlying assets	—	136,876	63,134	—	—	—	—	—	—	10,339	210,349
Asset transfer-type securitizations	—	136,876	63,134	—	—	—	—	—	—	10,339	210,349
Past due three months or more, or default	—	2,923	—	—	—	—	—	—	—	291	3,215
Losses during the year	—	406	—	—	—	—	—	—	—	—	406
Synthetic securitizations	—	—	—	—	—	—	—	—	—	—	—
Past due three months or more, or default	—	—	—	—	—	—	—	—	—	—	—
Losses during the year	—	—	—	—	—	—	—	—	—	—	—
Amount of exposures securitized during the year	—	—	—	—	—	—	—	—	—	—	—
Amount of gain (loss) recognized for the period in connection with securitization transactions	—	—	—	—	—	—	—	—	—	—	—
Securitization exposures subject to early amortization provisions	—	—	—	—	—	—	—	—	—	—	—

■ Securitization Exposure as Sponsor of Securitization Programs (ABCP, etc.)

1. Breakdown of Securitization Exposures Retained or Purchased

(Millions of yen)

	As of March 31, 2010											
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total: Amount	Total: Required capital
Retained securitization exposures	**—**	**—**	**—**	**—**	**9,810**	**—**	**—**	**45,187**	**559**	**2,549**	**58,106**	**5,843**
Risk weight:												
To 20%	**—**	**—**	**—**	**—**	**9,810**	**—**	**—**	**16,326**	**—**	**518**	**26,655**	**452**
Over 20% to 100%	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**22,772**	**—**	**—**	**22,772**	**1,526**
Over 100% to 1,250%	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**6,088**	**—**	**—**	**6,088**	**1,274**
Deduction from capital	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**559**	**2,030**	**2,590**	**2,590**
Capital increase due to securitization transactions	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**

Credit risk-weighted assets calculated pursuant to Article 15 of Supplementary Provisions of the Notification on Consolidated Capital Adequacy: Not applicable

Note: The item "Deduction from Capital" in the table above is securitization exposures subtracted from capital based on Article 225 of the Notification on Consolidated Capital Adequacy.

(Millions of yen)

	As of March 31, 2009											
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total: Amount	Total: Required capital
Retained securitization exposures	—	—	—	—	15,264	—	—	51,375	606	4,859	72,105	17,868
Risk weight:												
To 20%	—	—	—	—	15,264	—	—	19,913	—	1,211	36,389	617
Over 20% to 100%	—	—	—	—	—	—	—	16,074	—	280	16,354	733
Over 100% to 1,250%	—	—	—	—	—	—	—	3,232	—	—	3,232	388
Deduction from capital	—	—	—	—	—	—	—	12,155	606	3,367	16,129	16,129
Capital increase due to securitization transactions	—	—	—	—	—	—	—	—	—	—	—	—

Credit risk-weighted assets calculated pursuant to Article 15 of Supplementary Provisions of the Notification on Consolidated Capital Adequacy: Not applicable

Note: The item "Deduction from Capital" in the table above is securitization exposures subtracted from capital based on Article 225 of the Notification on Consolidated Capital Adequacy.

2. Underlying Assets

(Millions of yen)

	As of March 31, 2010										
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total
Amount of underlying assets	**—**	**—**	**—**	**—**	**12,125**	**—**	**—**	**55,615**	**1,576**	**4,185**	**73,502**
Asset transfer-type securitizations	**—**	**—**	**—**	**—**	**12,125**	**—**	**—**	**55,615**	**1,576**	**4,185**	**73,502**
Past due three months or more, or default	**—**	**—**	**—**	**—**	**27**	**—**	**—**	**—**	**—**	**13**	**40**
Losses during the year	**—**	**—**	**—**	**—**	**438**	**—**	**—**	**301**	**401**	**25**	**1,167**
Synthetic securitizations	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Past due three months or more, or default	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Losses during the year	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Amount of exposures securitized during the year*	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**92,645**	**—**	**—**	**92,645**
Amount of gain (loss) recognized for the period in connection with securitization transactions	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Securitization exposures subject to early amortization provisions	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**

Note: Includes purchase of claims, such as bills, lease receivables, and accounts receivables, etc., originally held by our customers and trust beneficiary rights composed of above-mentioned underlying assets through issuance of CP (ABCP) and/or offering loans (ABL) to special-purpose companies.

(Millions of yen)

	As of March 31, 2009										
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total
Amount of underlying assets	—	—	—	—	18,467	—	—	65,171	1,516	8,520	93,676
Asset transfer-type securitizations	—	—	—	—	18,467	—	—	65,171	1,516	8,520	93,676
Past due three months or more, or default	—	—	—	—	73	—	—	—	—	34	107
Losses during the year	—	—	—	—	580	—	—	228	547	1,494	2,850
Synthetic securitizations	—	—	—	—	—	—	—	—	—	—	—
Past due three months or more, or default	—	—	—	—	—	—	—	—	—	—	—
Losses during the year	—	—	—	—	—	—	—	—	—	—	—
Amount of exposures securitized during the year*	—	—	—	—	—	—	—	86,247	—	1,402	87,649
Amount of gain (loss) recognized for the period in connection with securitization transactions	—	—	—	—	—	—	—	—	—	—	—
Securitization exposures subject to early amortization provisions	—	—	—	—	—	—	—	—	—	—	—

Note: Includes purchase of claims, such as bills, lease receivables, and accounts receivables, etc., originally held by our customers and trust beneficiary rights composed of above-mentioned underlying assets through issuance of CP (ABCP) and/or offering loans (ABL) to special-purpose companies.

■ Securitization Exposures in which the Holding Company Group Participates as an Investor

(Millions of yen)

	As of March 31, 2010											
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total Amount	Total Required capital
Retained securitization exposures	8,746	131,630	14,930	2,358	—	498	330	1,131	—	6,906	166,533	6,731
Risk weight:												
To 20%	3,599	129,579	14,930	2,358	—	166	330	1,131	—	1,424	153,519	1,719
Over 20% to 100%	3,859	2,051	—	—	—	332	—	—	—	603	6,847	192
Over 100% to 1,250%	408	—	—	—	—	—	—	—	—	1,462	1,871	524
Deduction from capital	878	—	—	—	—	—	—	—	—	3,416	4,295	4,295

Credit risk-weighted assets calculated pursuant to Article 15 of Supplementary Provisions of the Notification on Consolidated Capital Adequacy: None

Note: The item "Deduction from Capital" in the table above is securitization exposures subtracted from capital based on Article 225 of the Notification on Consolidated Capital Adequacy.

(Millions of yen)

	As of March 31, 2009											
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total Amount	Total Required capital
Retained securitization exposures	11,386	156,295	16,753	4,484	747	1,406	1,070	996	—	8,025	201,166	6,308
Risk weight:												
To 20%	4,118	154,208	16,753	4,385	747	537	1,070	996	—	3,525	186,343	2,117
Over 20% to 100%	7,023	2,086	—	99	—	868	—	—	—	901	10,979	347
Over 100% to 1,250%	—	—	—	—	—	—	—	—	—	—	—	—
Deduction from capital	244	—	—	—	—	—	—	—	—	3,598	3,843	3,843

Credit risk-weighted assets calculated pursuant to Article 15 of Supplementary Provisions of the Notification on Consolidated Capital Adequacy: None

Note: The item "Deduction from Capital" in the table above is securitization exposures subtracted from capital based on Article 225 of the Notification on Consolidated Capital Adequacy.

■ Method of Calculating Risk-Weighted Assets for Credit Risk of Securitization Exposures

In calculating the risk-weighted asset for credit risk of securitization exposures, the Holding Company Group adopts the Ratings-Based Approach and the Supervisory Formula Approach as stipulated in Notification on Consolidated Capital Adequacy. With respect to The Kinki Osaka Bank, Ltd., which adopts Phased Rollout of F-IRB, the risk-weighted assets for credit risk of securitization exposure are calculated by the Standardized Approach.

■ Accounting Policy with Respect to Securitization Exposures

The Holding Company Group applies the Accounting Standards for Financial Instruments and the Practical Guidelines for Accounting for Financial Instruments in accounting for securitization transactions. For those securitization transactions in which the Group is an investor, such financial assets are reported at market value. However, for securitization transactions where the Group is the originator, the following accounting treatment is applied.

With respect to future cash inflows, collection costs, credit risk, risk of redemption before maturity, and others that compose the concerned financial assets, transfer and extinction of ownership and the residual financial assets are recognized, provided that the following conditions are all satisfied.

Conditions:

1. The contractual rights of the recipient of the financial assets that are transferred are legally secured from the transferring party and the creditors of the transferring party.
2. The contractual rights to the benefits of the financial assets that are transferred to the recipient can be received directly or indirectly by normal methods.
3. The transferring party does not have any rights or duties to repurchase the financial assets that such party has transferred prior to the date of maturity.

When these conditions for the recognition of extinction are satisfied, the book value of the portion to be extinguished and the difference between the amount to be received or paid is treated as a gain (loss) for the accounting period. The book value of the portion to be extinguished is calculated as a proportion to the book value of the financial assets.

Moreover, when new financial assets or new financial liabilities are created as a result of the extinction of financial assets, such new assets and liabilities are reported at market value.

Please note that in securitization transactions involving the use of a special-purpose company and trust, when the Group as the transferring party holds all or a portion of the securities or other financial instruments issued by the special-purpose company, that portion is treated as a residual portion and is not recognized as an extinction of the financial assets.

■ Qualified Credit Ratings Agency in Determining the Risk Weights for Securitization Exposures

In calculating the risk-weighted assets for credit risk of Securitization Exposures, the Holding Company Group applies the Ratings-Based Approach and adopts the ratings issued by the following Qualified Ratings Agencies (Eligible External Credit Assessment Institutions). These rating agencies are those designated by the Financial Services Agency, as of March 31, 2010.

- Rating and Investment Information, Inc. (R&I)
- Japan Credit Rating Agency, Ltd. (JCR)
- Moody's Investors Service, Inc. (Moody's)
- Standard and Poor's Ratings Services (S&P)
- Fitch Ratings Limited (Fitch)

The Kinki Osaka Bank, Ltd., which adopts Phased Rollout of the F-IRB approach, also adopts the above credit rating agencies as Qualified Ratings Agencies (Eligible External Credit Assessment Institutions).

Equity Exposures in the Banking Book

■ Equity Exposure on the Consolidated Balance Sheets

(Millions of yen)

As of March 31,	2010		2009	
	Consolidated balance sheet amount	Market value	Consolidated balance sheet amount	Market value
Listed stocks and other similar investment/equity exposure	**493,774**	**493,774**	405,755	405,755
Investment/equity exposure other than the above	**105,767**	**105,767**	104,336	104,336
Total	**599,541**	**599,541**	510,091	510,091

■ Gain (Loss) on Sale or Write-off of Equity Exposure

(Millions of yen)

Years ended March 31,	2010	2009
Gain on sale	**9,007**	13,630
Loss on sale	**840**	25,566
Write-off	**4,590**	30,272
Net gains/(losses)	**3,576**	(42,209)

■ Unrealized Gain Recognized on the Consolidated Balance Sheet but Not on the Consolidated Statement of Income

(Millions of yen)

As of March 31,	2010	2009
Unrealized gain	**121,253**	23,035

■ Unrealized Gain (Loss) Not Recognized Either on the Consolidated Balance Sheet or on the Consolidated Statement of Income

None

■ Equity Exposure Portfolio

(Millions of yen)

As of March 31,	2010	2009
Market-based approach (Simple Risk Weight Method)	**35,615**	26,298
Market-based approach (Internal Models Approach)	**—**	—
PD/LGD Approach	**18,714**	8,057
Grandfathering provision applied	**386,259**	383,602
Exposure to those enterprises assigned 0% risk weight under the Standardized Approach	**1**	1
Total	**440,591**	417,959

Exposures Relating to Investment Funds

■ Exposures Relating to Investment Funds

(Millions of yen)

As of March 31,	2010	2009
Exposures to relating to investment funds	**31,544**	130,540

Interest Rate Risk in the Banking Book

■ Outlier Framework

Under Basel II, a decline in economic value arising in the banking book under a hypothetical interest rate shock scenario, or stress conditions, is estimated and compared with broadly defined capital (Tier 1 plus Tier 2 capital). If the decline in economic value is more than 20% of broadly defined capital, the Bank is considered an "outlier" and may be required to reduce its risk or take other corrective measures.

The corresponding figures for the Group (Resona Bank, Saitama Resona Bank, and Kinki Osaka Bank) are shown in the following table. According to these data, none of the Group banks is classified as an outlier.

■ Results of Estimates under the Outlier Framework

(Billions of yen, %)

As of March 31,	2010		2009	
	Decline in economic value	Percentage of Tier 1 plus Tier 2 capital	Decline in economic value	Percentage of Tier 1 plus Tier 2 capital
Resona Bank	**150.2**	**9.4%**	119.5	8.0%
Saitama Resona Bank	**68.3**	**15.7%**	72.5	17.9%
Kinki Osaka Bank	**22.6**	**12.8%**	4.1	2.5%

Note: The parameters for estimating the decline in economic value according to the outlier framework are as follows: Interest rate scenarios assume interest rate fluctuations in the 99th percentile (periods of rising interest rates) over an observation period of five years and a holding period of one year.

CORPORATE DATA SECTION

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DIRECTORS AND EXECUTIVE OFFICERS

As of July 1, 2010

■ Directors

Post	Name	Concurrent Post
Director, Chairman and Representative Executive Officer Member of Nomination Committee Member of Compensation Committee	Eiji Hosoya*1	Chairman and Director of Resona Bank, Ltd.
Director, President and Representative Executive Officer	Seiji Higaki*1	Representative Director of Resona Bank, Ltd.
Director, Deputy President and Executive Officer	Kazuhiro Higashi*1	
Director Member of Audit Committee	Kaoru Isono	
Independent Director Member of Nomination Committee	Shotaro Watanabe*1	Independent Director of Resona Bank, Ltd. Independent Auditor of Fujicco Co., Ltd.
Independent Director Head of Audit Committee	Kunio Kojima	Advisor of Japan Securities Finance Co., Ltd. Independent Director of Mitsui O.S.K. Lines, Ltd. Independent Director of JBIS Holdings, Inc.
Independent Director Member of Audit Committee	Hideo Iida	Lawyer (visiting lawyer of OKUNO & PARTNERS) Independent Auditor of Eco's Co., Ltd. Independent Auditor of Bunka Shutter Co., Ltd.
Independent Director Head of Compensation Committee	Tsutomu Okuda	Chairman, Representative Director and CEO of J. Front Retailing Co., Ltd. Independent Director of Osaka Securities Exchange Co., Ltd.
Independent Director Member of Compensation Committee	Yuko Kawamoto	Professor of Waseda Graduate School of Finance, Accounting and Law Independent Director of Osaka Securities Exchange Co., Ltd. Independent Director of Monex Group, Inc. Independent Auditor of Tokio Marine Holdings, Inc. Independent Director of Yamaha Motor Co., Ltd.
Independent Director Head of Nomination Committee	Shusai Nagai*2	Independent Director of Saitama Resona Bank, Ltd. Professor, Faculty of Business Administration, Toyo Gakuen University

Notes: The six independent directors—Shotaro Watanabe, Kunio Kojima, Hideo Iida, Tsutomu Okuda, Yuko Kawamoto, and Shusai Nagai—meet the conditions for independent directors set forth in Article 2-15 of the Company Law of Japan.
*1: Holds concurrent position with Resona Bank, Ltd.
*2: Holds concurrent position with Saitama Resona Bank, Ltd.

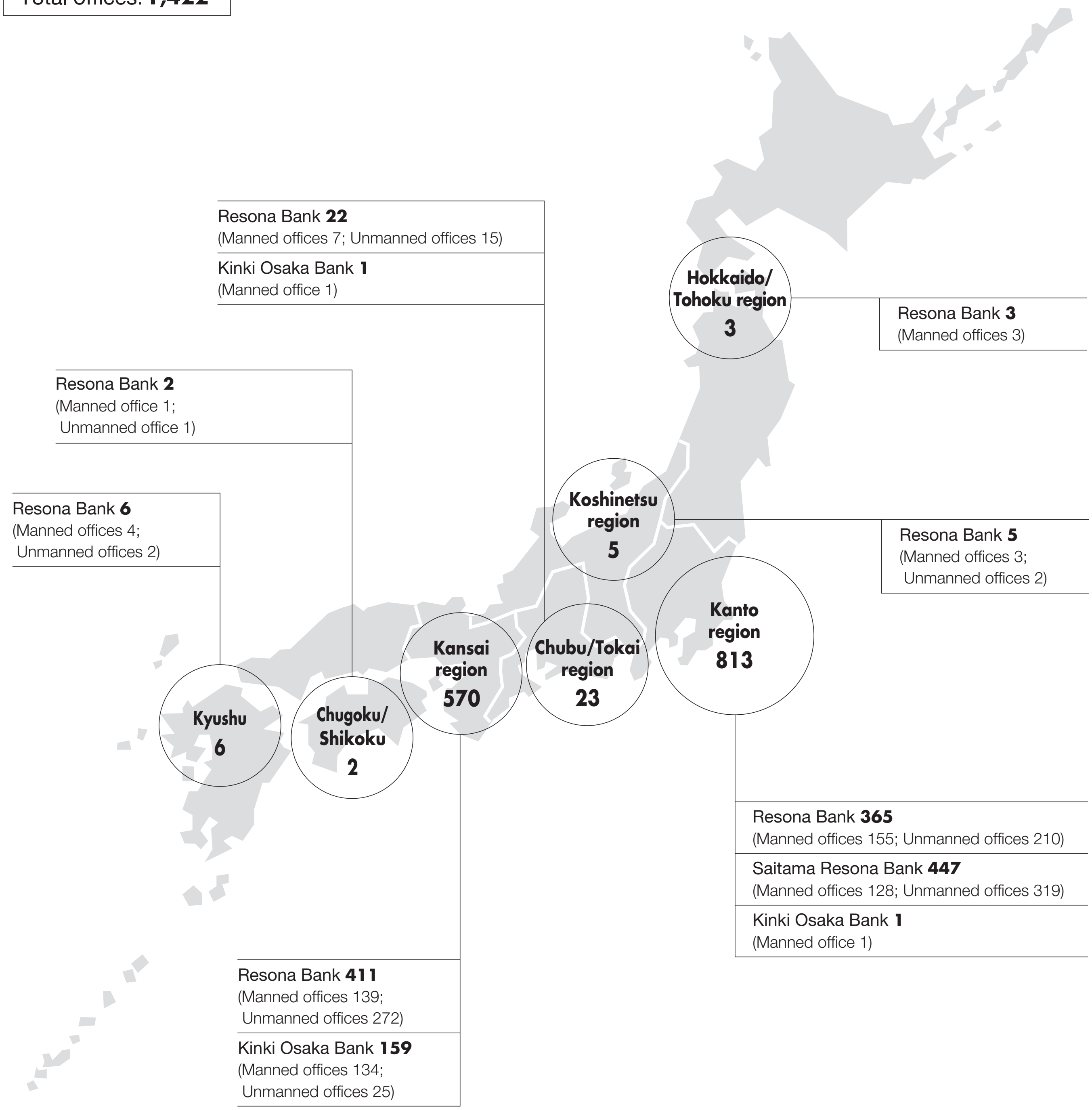
■ Executive Officers

Post	Name	Concurrent Post
Executive Officer	Naoki Iwata	Representative Director and President of Resona Bank, Ltd.
Executive Officer	Masahito Kamijo	Representative Director and President of Saitama Resona Bank, Ltd.
Executive Officer	Yoshihito Kikyo	Representative Director, President and Executive Officer of the Kinki Osaka Bank, Ltd.
Executive Officer	Shigeharu Nakamura	Representative Director, Deputy President and Executive Officer of Resona Bank, Ltd.
Executive Officer	Kazuyoshi Ikeda	Managing Executive Officer of Resona Bank, Ltd. Independent Director of Saitama Resona Bank, Ltd.
Executive Officer	Koichi Matsui	Executive Officer of Resona Bank, Ltd.
Executive Officer	Hisashi Saito	Managing Executive Officer of Resona Bank, Ltd.
Executive Officer	Makoto Nomura	
Executive Officer	Hajime Yoshitake	Independent Director of the Kinki Osaka Bank, Ltd.

DOMESTIC NETWORK

As of April 1, 2010

Total offices: **1,422**



Domestic Branches

(As of April 1, 2010)

	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank	Total of the three banks	Including: Kanto region	Including: Kansai region
Manned offices	312	128	136	576	284	273
Unmanned offices	502	319	25	846	529	297
Total offices	814	447	161	1,422	813	570

INTERNATIONAL NETWORK

As of July 1, 2010

Resona Bank, Ltd.

■ ASIA

Hong Kong Representative Office
Unit 01, 6/F.,
Tower1, Lippo Centre
89 Queensway Admiralty,
Hong Kong, S.A.R.,
The People's Republic of China
Phone: 852-2532-0500
Fax: 852-2522-5378

Singapore Representative Office
20 Cecil Street,
#12-03 Equity Plaza,
Singapore 049705,
Republic of Singapore
Phone: 65-6333-0378
Fax: 65-6333-0797

Shanghai Representative Office
Room No. 2709,
Shanghai International
Trade Centre,
2201 Yan An Xi Lu, Shanghai,
The People's Republic of China
Phone: 86-21-6275-5198
Fax: 86-21-6275-5229

Bangkok Representative Office
31st Floor, Abdulrahim Place,
990 Rama 4 Road,
Silom, Bangrak,
Bangkok 10500,
Thailand
Phone: 66-2-636-2311
Fax: 66-2-636-2316

PT. Bank Resona Perdania

Head Office
Jl. Jend. Sudirman Kav. 40-41,
Jakarta, Indonesia
Phone: 62-21-5701958
Fax: 62-21-5701936
SWIFT: BPIAIDJA

Cikarang Sub-Branch
2nd Floor,
EJIP Center Building,
EJIP Industrial Park Plot 3A,
Cikarang Selatan,
Bekasi, West Java, Indonesia
Phone: 62-21-8974940
Fax: 62-21-8974941

Karawang Sub-Branch
1st Floor, Graha KIIC,
Jl. Permata Raya Lot C-1B,
Kawasan Industri KIIC,
Karawang,
West Java, Indonesia
Phone: 62-21-89115020
Fax: 62-267-647347

MM 2100 Sub-Branch
Ruko Mal Bekasi Fajar Blok D
No. 8, MM2100 Industrial Town,
Cikarang Barat, Bekasi,
West Java, Indonesia
Phone: 62-21-89982151
Fax: 62-21-89982943

Surabaya Branch
3rd Floor Plaza BRI, Suite 305,
Jl. Jend. Basuki Rachmat No. 122,
Surabaya 60271,
East Java, Indonesia
Phone: 62-31-5355858
Fax: 62-31-5352007

Bandung Branch
Suite 204 & 205, 2nd Floor,
Graha Bumiputera,
Jl. Asia Africa No. 141-149,
Bandung, West Java, Indonesia
Phone: 62-22-4241742
Fax: 62-22-4241207

PT. Resona Indonesia Finance
5th Floor,
Bank Resona Perdania Building,
Jl. Jend. Sudirman Kav. 40-41,
Jakarta, Indonesia
Phone: 62-21-5701956
Fax: 62-21-5701961

■ JAPAN

Tokyo Head Office
Fukagawa Gatharia W2 Bldg.,
5-65, Kiba 1-chome,
Koto-ku, Tokyo 135-8582, Japan
Phone: 81-3-6704-2111
SWIFT: DIWAJPJT

Osaka Head Office
2-1, Bingomachi 2-chome,
Chuo-ku, Osaka 540-8610,
Japan
Phone: 81-6-6271-1221
SWIFT: DIWAJPJT

Internet Address
http://www.resona-gr.co.jp/
resonabank/

The Kinki Osaka Bank, Ltd.

■ JAPAN

Head Office
4-27, Shiromi 1-chome,
Chuo-ku, Osaka 540-8560, Japan
Phone: 81-6-6945-2121
SWIFT: OSABJPJS

Internet Address
http://www.kinkiosakabank.co.jp/

Saitama Resona Bank, Ltd.

■ JAPAN

Head Office
4-1, Tokiwa 7-chome,
Urawa-ku, Saitama 330-9088, Japan

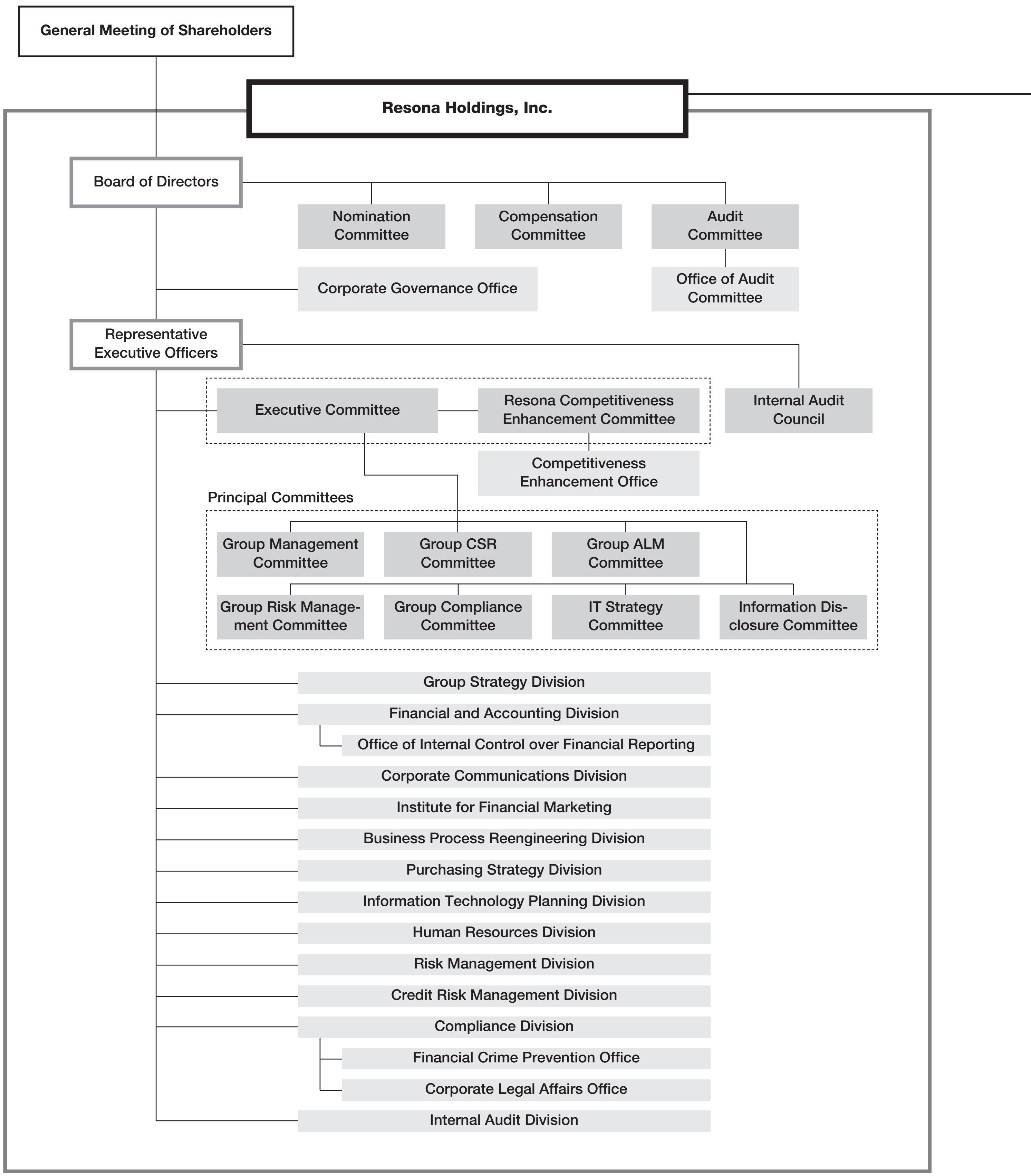
Tokyo Office
Fukagawa Gatharia W2 Bldg.,
5-65, Kiba 1-chome,
Koto-ku, Tokyo 135-8582, Japan

Phone: 81-48-824-2411
SWIFT: SAIBJPJT

Internet Address
http://www.resona-gr.co.jp/saitamaresona/

ORGANIZATION CHART AND OUTLINE OF THE GROUP

As of July 1, 2010



Resona Holdings' Ownership: 100%
Resona Bank, Ltd.
Banking and trust banking business

Resona Holdings' Ownership: 100%
Saitama Resona Bank, Ltd.
Banking business

Resona Holdings' Ownership: 100%
The Kinki Osaka Bank, Ltd.
Banking business

Principal Subsidiaries and Affiliates

Name	Address	Capital (Millions)	Operations	Established	Equity ownership by Group companies (%)
Banking and trust banking business					
■ Resona Guarantee Co., Ltd.	Urawa-ku, Saitama-shi	¥14,000	Credit guarantee	May 8, 1975	100.0
■ Daiwa Guarantee Co., Ltd.	Chuo-ku, Osaka-shi	¥6,000	Credit guarantee	July 23, 1969	100.0
■ Kinki Osaka Shinyo Hosho Co., Ltd.	Chuo-ku, Osaka-shi	¥6,397	Credit guarantee	Mar. 17, 1995	100.0
■ Resona Research Institute Co., Ltd.	Chuo-ku, Osaka-shi	¥100	Business consulting services	Oct. 1, 1986	92.4
▲ Japan Trustee Services Bank, Ltd.	Chuo-ku, Tokyo	¥51,000	Banking and trust banking business	June 20, 2000	33.3
■ P.T. Bank Resona Perdania	Jakarta, Indonesia	IDR 285,000	Banking business	Feb. 15, 1956	43.4
Finance-related business					
■ Resona Card Co., Ltd.	Koto-ku, Tokyo	¥1,000	Credit card administration Credit guarantee	Feb. 12, 1983	58.2
■ Resona Capital Co., Ltd.	Chuo-ku, Tokyo	¥10,649	Private equity business	Mar. 29, 1988	98.1
■ Resona Kessai Service Co., Ltd.	Chuo-ku, Tokyo	¥1,000	Factoring	Oct. 25, 1978	100.0

■ Consolidated subsidiaries
▲ Affiliates accounted for by the equity method

INVESTOR INFORMATION

As of March 31, 2010

Tokyo Head Office
Fukagawa Gatharia W2 Bldg.,
5-65, Kiba 1-chome,
Koto-ku, Tokyo 135-8582, Japan
Tel: 81-3-6704-3111
(As of July 2010)

Osaka Head Office
2-1, Bingomachi 2-chome,
Chuo-ku, Osaka 540-8608, Japan
Tel: 81-6-6268-7400

Paid-in Capital
¥327,201 million

Number of Shareholders
(Common stock)
292,666

Stock Exchange Listings
Tokyo Stock Exchange, Inc. (1st Section)
Osaka Securities Exchange Co., Ltd.
(1st Section)

Transfer Agent and Registrar
Daiko Clearing Services Corporation
4-6, Kitahama 2-chome, Chuo-ku,
Osaka 541-8583, Japan

Independent Auditor
Deloitte Touche Tohmatsu

Number of Employees
16,756 (Consolidated)
508 (Non-consolidated)

Common Stock/Preferred Stock

(Number of shares)

	Authorized (End of June 2010)	Issued (End of June 2010)
Common Stock	7,300,000,000	1,214,957,691
Class C No. 1 Preferred Stock	12,000,000	12,000,000
Class F No. 1 Preferred Stock	8,000,000	8,000,000
Class One No. 1 Preferred Stock	275,000,000	275,000,000
Class Two No. 1 Preferred Stock	281,780,800	281,780,786
Class Three No. 1 Preferred Stock	275,000,000	275,000,000
Class Four Preferred Stock	10,000,000	2,520,000
Class Five Preferred Stock	10,000,000	4,000,000
Class Six Preferred Stock	10,000,000	3,000,000
Class Seven Preferred Stock	10,000,000	—
Class Eight Preferred Stock	10,000,000	—
	8,201,780,800	2,076,258,477

Credit Ratings (As of June 30, 2010):
Credit ratings for Resona Holdings and Resona Group banks are as follows:

Resona Holdings	Long-term	Short-term
R&I	A-	—

Resona Bank	Long-term	Short-term
Moody's	A1	P-1
S&P	A-	A-2
R&I	A	a-1
JCR	A	J-1

Saitama Resona Bank	Long-term	Short-term
Moody's	A1	P-1
R&I	A	—
JCR	A	J-1

Kinki Osaka Bank	Long-term	Short-term
Moody's	A1	P-1

Stock Price Range on the Tokyo Stock Exchange

(First Section) (Yen)

	2009						2010					
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
High	1,425	1,460	1,278	1,187	1,095	1,028	1,192	1,194	1,193	1,255	1,215	1,187
Low	1,221	1,259	1,107	995	871	915	926	1,050	1,053	1,149	1,046	1,046

Major Shareholders

	Number of shares held	Percentage of total shares issued
Deposit Insurance Corporation of Japan	1,335,043,286	64.30
The Dai-ichi Mutual Life Insurance Company	59,241,900	2.85
CACEIS BANK/CREDIT AGRICOLE SA	39,483,700	1.90
The Resolution and Collection Corporation	20,000,000	0.96
Japan Trustee Services Bank, Ltd. (Trust Account)	19,989,600	0.96
The Master Trust Bank of Japan, Ltd. (Trust Account)	18,112,800	0.87
Japan Trustee Services Bank, Ltd. (Trust Account 4)	8,601,200	0.41
Nomura Holdings, Inc.	7,904,900	0.38
Nippon Life Insurance Company	7,488,195	0.36
Meiji Yasuda Life Insurance Company	6,019,700	0.28
Total	1,521,885,281	73.29

CONTACT:

Group Strategy Division
Resona Holdings, Inc.
Fukagawa Gatharia W2 Bldg.,
5-65, Kiba 1-chome, Koto-ku, Tokyo 135-8582, Japan
Tel: 81-3-6704-3111
http://www.resona-gr.co.jp

Resona Holdings

Printed on recycled paper in Japan