RESONA

Resona Holdings, Inc.

ANNUAL REPORT 2011

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: ¥340,472 million (As of March 31, 2011, 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, 2011)**:**
Credit ratings for Resona Holdings and Resona Group banks are as follows:

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

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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

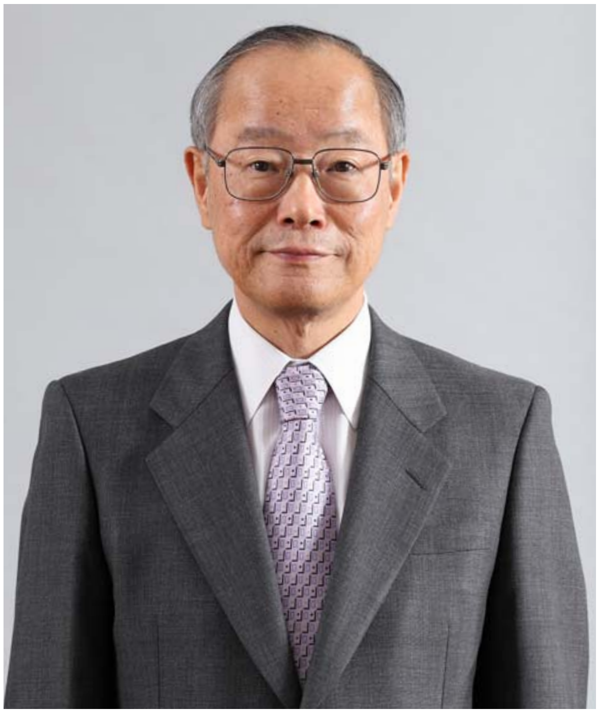
I would like to extend my deepest sympathy to those who suffered losses of loved ones and damage as a result of the Great East Japan Earthquake and express my sincerest hope that the souls of the victims of the disaster may rest in peace.

I thank you for your continuing interest in and support of the Resona Group.

The economic environment of Japan changed substantially following the earthquake. Prior to the disaster, there were trends toward improvement in corporate activities and personal consumption, but after the earthquake and the accompanying tsunami on March 11 and the nuclear power plant accidents thereafter, the stricken regions suffered enormous damage. This was compounded by electric power shortages, and the future direction of the Japanese economy is now uncertain. Amid this operating environment, the role played by banks in society has increased in importance. All the managements and employees of the Resona Group have come together to fulfill the Group's social responsibility and concentrate their energies on overcoming the difficulties Japan is confronting.

Looking back over the Group's performance during the fiscal year ended March 31, 2011, important developments included favorable sales of investment trusts and a decline in credit costs. As a result of these factors, consolidated income before income taxes and minority interests for the fiscal year rose ¥61.0 billion, to ¥237.1 billion. Consolidated net income rose a relatively modest ¥27.8 billion, to ¥160.0 billion, owing to an increase of ¥33.2 billion in income taxes and other charges due to an absence of deferred tax assets adjustment registered in the previous fiscal year and an application of a stress scenario to future earnings in the aftermath of the earthquake.

During the fiscal year under review, we reported major progress in the repayment of public funds. In November 2010, we announced "Resona Capital Restructuring Plan," which presents the outlook for the full repayment of public funds. Thereafter, we completed a public offering of 1.3 billion common shares and, thereby, raised additional capital of ¥547.7 billion. During the fiscal year, we repaid in total ¥1,213.5 billion of the preferred shares issued under the Deposit Insurance Law on an infusion amount basis. As a consequence, the remaining balance of preferred shares



Eiji Hosoya

Chairman and Representative Executive Officer
Resona Holdings, Inc.

subscribed with public funds declined to ¥610.0 billion, which is one-fourth of the peak level. We, therefore, made further progress in transforming the financial base to a common stock focused, easy-to-understand capital structure. In addition, we have been able to secure a level of capital quality conducive to the new capital adequacy requirements that are expected to be introduced going forward.

Also in November 2010, we announced our new "Business Revitalization Plan." By steadily implementing this plan, we want to make progress toward establishing a "True Retail Bank Group" and winning the support of as many "Resona fans" among our customers as we can. We want to give tailor-made responses to the needs of each of our corporate clients and each of our individual customers, offer them financial and business solutions, and become the bank that ranks number one among our customers in terms of trust and reliability.

The Resona Group will continue its reforms and work to maximize its corporate value. We look forward to your renewed support and encouragement in the years ahead.

July 2011

MESSAGE FROM THE PRESIDENT

I would like to express my heartfelt hope that those who lost their lives as a result of the Great East Japan Earthquake may find rest and peace. I also wish to extend my deepest sympathies to all those who experienced suffering as a consequence of the disaster, and pray that they may remain safe and achieve recovery as quickly as possible.

Seiji Higaki
President and Representative Executive Officer
Resona Holdings, Inc.

I want to express my thanks to you for your interest in and patronage of the Resona Group.

Although the Japanese economy remained on a moderate recovery trend through most of the fiscal year ended March 31, 2011, conditions changed drastically following the Great East Japan Earthquake. In addition to the direct impact of the earthquake and tsunami, the economic environment became quite uncertain near the end of the fiscal year because of the shortage of electric power and other factors.

In November 2010, we announced our “Resona Capital Restructuring Plan,” and thereafter issued additional common shares and repaid a substantial portion of the public funds still outstanding.

From a performance perspective, we reported net income for the seventh consecutive fiscal year, thus indicating the continuing underlying profitability of our business position and activities. We believe this has resulted from the various customer-centric reforms we have implemented since receiving the infusion of public funds, including financial reforms, service reforms, and operational reforms.

Also, in November 2010, we issued our new “Business Revitalization Plan.” Under this plan, we will take the five key strategic measures that we have been implementing thus far, which are aimed at “focus and concentration in our business domains,” to a deeper level. We will realize a unique “Resona” business model that combines the offering of high-level services that are closely matched to the communities we serve with competitiveness based on a superior cost advantage. At the same time, we will continue to work toward the “establishment of a Resona style” to support our “Resona” business model, and, thereby, aim to become a “True Retail Bank Group” that is both “smart” as well as approachable and friendly. In addition, along with this, we will organically combine services to capitalize on the comprehensive financial functions of the Group, and promote cross-selling of a wide range of financial services.

At this moment, Japan is experiencing its worst crisis since World War II. Each and every member of the Japanese nation, from his or her perspective, is confronting a national crisis. Amid these times and amid these conditions, each of the companies of the Resona Group must work together to provide smooth and reliable financing to support the nation’s recovery, and as we help our customers to address their issues, we must fulfill our responsibilities as a banking group. What the Resona Group aims for is “being a financial institution that transforms insecurity into security.” For us to offer as many products and services as we have to the increasingly diverse and sophisticated needs of our customers, we must continue to implement reforms and work to maximize our corporate value.

As we look to the future, we will continue to place a high value on your support and encouragement.

July 2011

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 ¥42 trillion, the Resona Group ranks as Japan's fourth-largest financial group by asset size. The Resona Group is aiming to become a True Retail Bank Group by combining the offering of high-level services that are closely matched to the communities we serve with competitiveness based on a superior cost advantage.

Corporate Structure

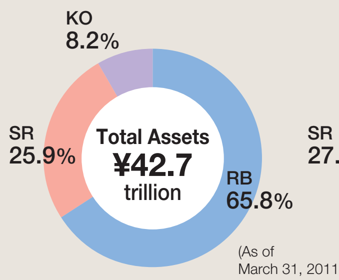
Resona Holdings
Banking assets: ¥42.7 trillion
Trust assets: ¥26.0 trillion

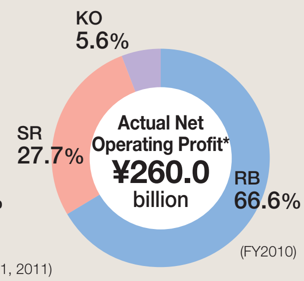
Saitama Resona Bank (SR)
Banking assets: ¥11.0 trillion

Resona Bank (RB)
Banking assets: ¥27.9 trillion
Trust assets: ¥26.0 trillion

The Kinki Osaka Bank (KO)
Banking assets: ¥3.5 trillion

As of March 31, 2011





* 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)

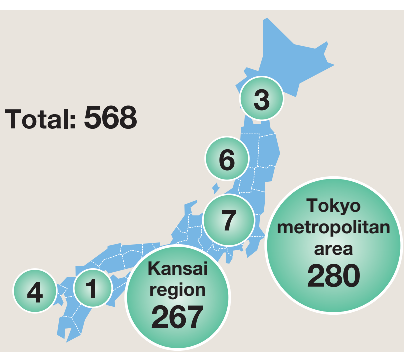
Competitive Strengths of Resona Group

(1) Strong franchise value

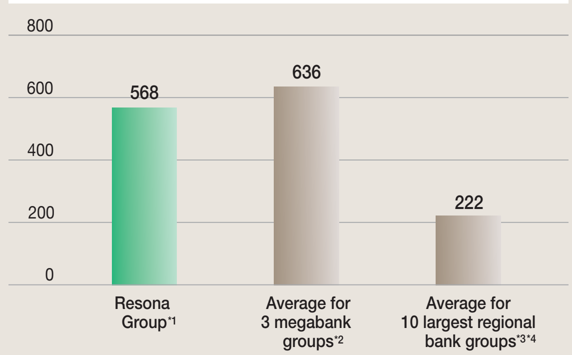
The Resona Group's key markets are the greater Tokyo metropolitan area and the Kansai region, where Japan's economic activities and population are concentrated. Our branch network in these two areas rivals those of Japan's megabanks, and we have established a strong presence. We are implementing marketing 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

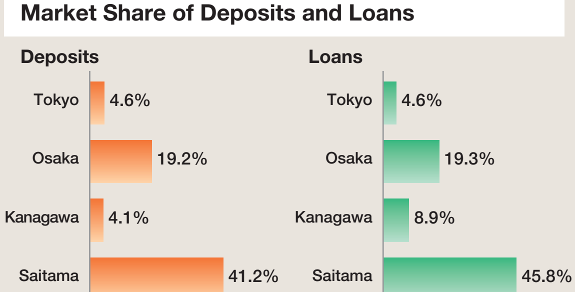


Composition of Manned Branch Offices



*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 (Fukuoka FG, Yokohama, Hokuhoku FG, Chiba, Shizuoka, Yamaguchi FG, Joyo, Nishinippon City, Sapporo Hokuyo HD, Kyoto)
*4 Excluding certain regional bank groups for which relevant data are not publicly disclosed.

Market Share of Deposits and Loans



(As of March 31, 2011)

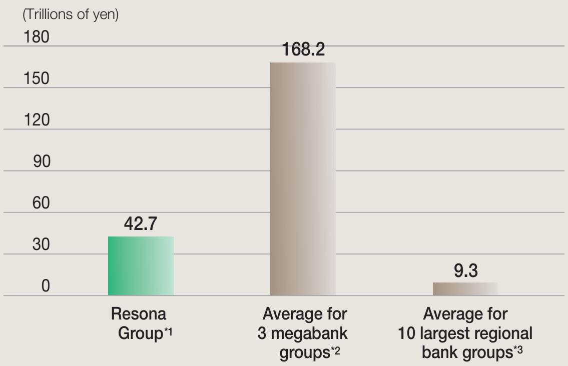
(2) Efficiencies derived from economies of scale

Compared with the principal regional banks in Japan, the Resona Group, with aggregate consolidated assets of approximately ¥42 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 ratio, even in comparison with the Japanese megabank groups and top regional bank groups.

Efficiencies Derived from Economies of Scale

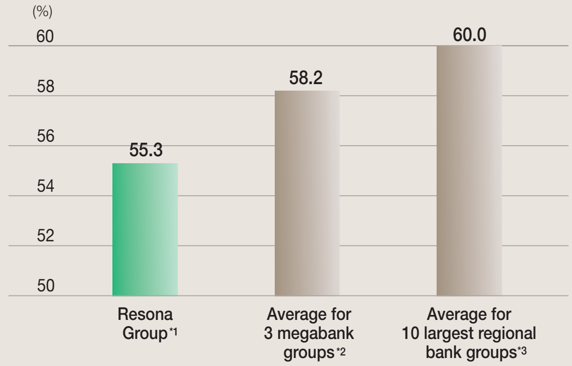
Consolidated Total Assets (As of March 31, 2011)

■ 4th largest banking group in Japan, with ¥42 trillion in assets



Consolidated Cost-to-Income Ratio (FY2010)

■ High operational efficiency



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

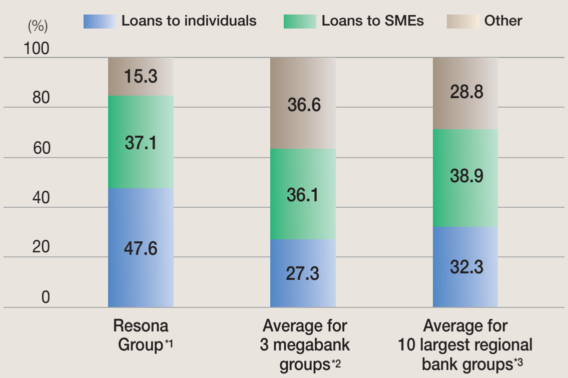
(3) Focus on retail banking business

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

Focus on Retail Banking Business

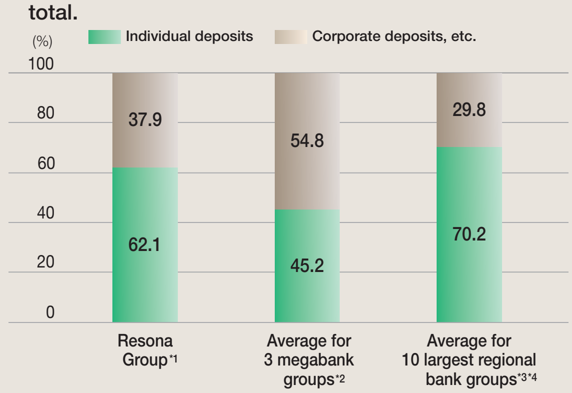
Comparison of Loan Portfolio
(Loans in the domestic account)

■ 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.



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*4 Excluding certain regional bank groups for which relevant data are not publicly disclosed.

(As of March 31, 2011)

Financial Soundness

Consolidated Balance Sheet of Resona Holdings (As of March 31, 2011)

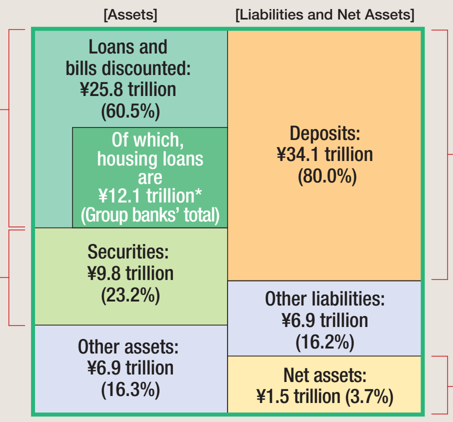
Maintaining a Strong Financial Position with Limited Downside Risk

Sound loan portfolio

- Well-diversified loan portfolio
  - Housing loan ratio at 46.3% (total of Group banks)
  - SME portfolio well-diversified into over 90 thousand clients
- Net NPL ratio standing at 0.44%

Conservative securities portfolio

- Mostly comprised of JGBs
- Limited downside risk relating to equity exposure
  - Stockholdings/Total assets: Approx. 0.83%
  - Breakeven Nikkei Avg.: ¥7,200 level
- No exposure to the U.S. sub-prime-related assets



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: 0.11%
  - Low-cost liquidity deposits account for approx. 60% 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: 11.21%
- Tier 1 ratio: 7.51%
- Ratio of net DTA* to Tier 1: 13.17%

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

* DTA=Deferred tax assets

Consolidated Capital Adequacy Ratio and Total Qualifying Capital

Consolidated Capital Adequacy Ratio of 11.21% Continues to Be at a Sufficient Level

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

(Billions of yen, %)

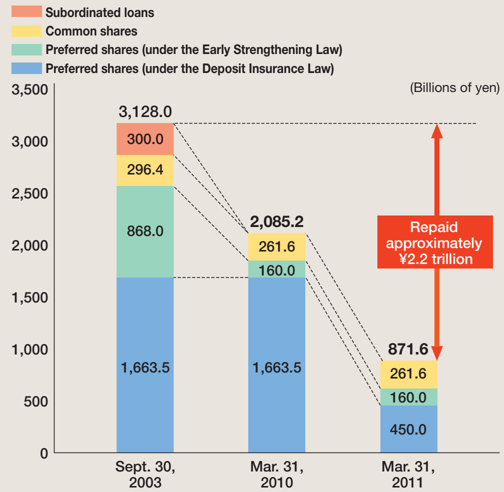
	Mar. 31, 2009	Mar. 31, 2010	Mar. 31, 2011
Capital adequacy ratio	13.45	13.81	**11.21**
Tier 1 ratio	9.92	10.20	**7.51**
Qualifying capital	2,818.5	2,814.0	**2,119.0**
Basic items (Tier 1)	2,078.8	2,078.6	**1,418.9**
Supplementary items (Tier 2)	771.4	752.1	**715.1**
Deductions	31.6	16.7	**15.0**
Risk-weighted assets	20,944.8	20,371.4	**18,893.8**

For reference: Capital adequacy ratios of Group banks

Resona Bank: 11.76% (consolidated) The Kinki Osaka Bank: 12.85% (consolidated)
Saitama Resona Bank: 12.10% (non-consolidated)

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

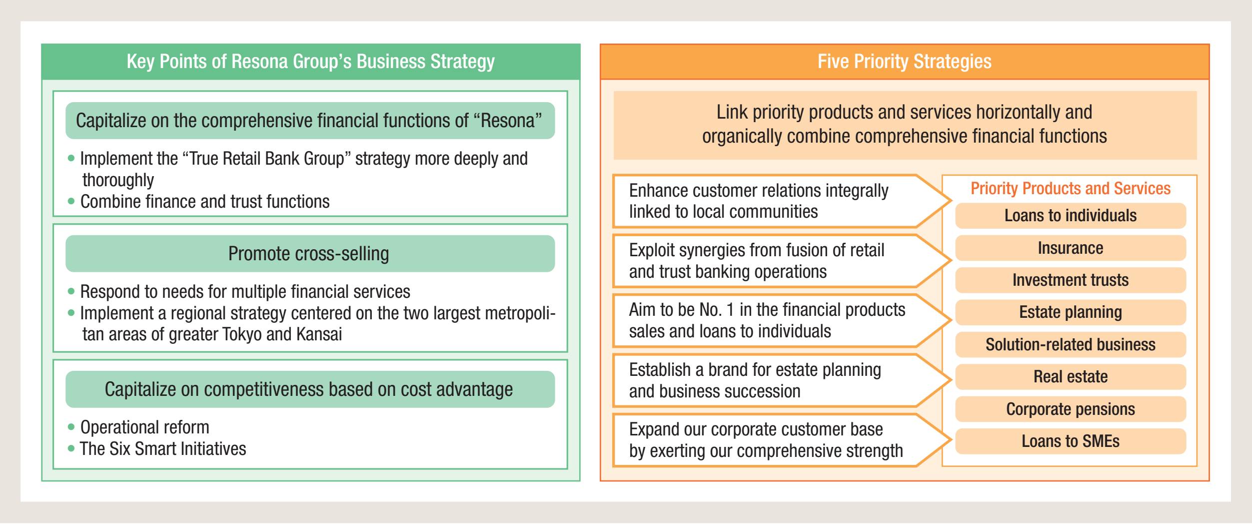
An accumulated total of ¥2,256.3 billion of public funds has been repaid, and the remaining balance has declined to one-fourth of the peak level.



Aiming at Establishing a "Smart", Approachable, and Friendly "True Retail Bank Group"

The Resona Group prepared its new "Business Revitalization Plan" in November 2010, aiming to establish a "True Retail Bank Group". Under this plan, we will take the five priority strategies with a view to further evolving the business strategy to select and focus on key business domains that we have been consistently implementing thus far. We will realize a unique Resona business model that combines the offering of high-level services that are closely matched to the communities we serve with competitiveness based on a superior cost advantage.

[Key Points of Resona Group's Business Strategy and Five Priority Strategies]



Capitalize on the Comprehensive Financial Functions of Resona with a Thoroughgoing Differentiation Strategy and Promotion of Cross-Selling

The Personal Banking and Corporate Banking divisions of the Resona Group will work together to build links among priority products and services, organically combine financial functions to capitalize on the comprehensive financial functions of Resona, and promote cross-selling.

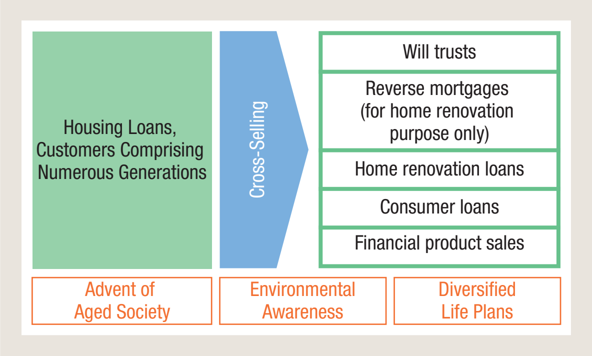
Also, the exertion and emphasis of trust banking services will be positioned as a differentiating feature of services, and by combining the Resona Group's retail base and its trust banking functions, the Resona Group will work to offer the best solutions to assist customers in addressing their increasingly diverse and sophisticated management issues.

Sales of Financial Products and Provision of Loans to Individuals

To respond to the needs of each and every individual customer for asset management and fund-raising at the time of key events in their lifetimes, the Resona Group will strengthen its capabilities for offering financial products (insurance and investment trusts) under alliances with other companies and meeting loan needs. As part of these initiatives, the Group will emphasize consulting-based marketing that is closely tailored to meeting the needs of local communities.

In addition, the Group will accurately identify the asset management and estate planning needs of current loan customers from a long-term relationship perspective and aim to create more and more "Resona fans" among its customers.

[Cross-Selling Based on Housing Loan Relationships]

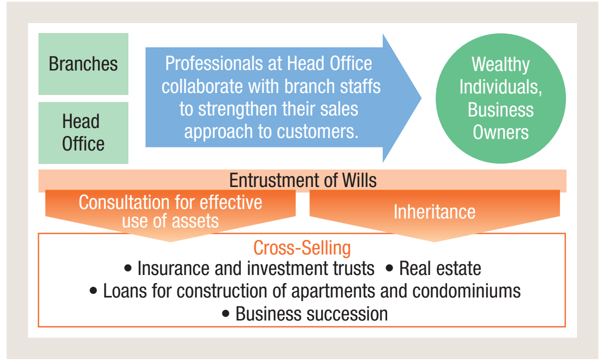


Estate Planning

We are responding to the needs of customers to pass on their assets to their successors by offering the know-how in will trusts and estate planning that Resona Bank has accumulated to the customer base of the Resona Group through the Group branch network.

Resona Group is promoting the cross-selling of its products and services by using will trusts as a gateway for broadening business relationships with individuals and is offering them consulting advice attuned to their asset holdings and long-term desires.

[Cross-Selling Based on Will Trust Relationships]



Corporate Pensions

Acting as trustee of corporate pensions for middle-market companies and SMEs is one of the Resona Group's strengths, and it is capable of providing prompt responses for solutions to various pension and other management issues.

Packages of pension services that are applicable to a wide range of companies are provided not only to the customers of Resona Bank but also by the Group as a whole to middle-market corporate customers and SMEs in collaboration with Saitama Resona Bank and The Kinki Osaka Bank.

Real Estate Business

Resona Bank is the only commercial bank in Japan that offers real estate related services through an in-house department and is well positioned to provide consulting-based services that are organically linked with trust functions related to real estate, asset transfer, and business succession.

In addition to its own customers, Resona Bank responds to the real estate related needs of customers of other Resona Group companies.

Support for Overseas Market Entry

Along with the growth of the Asian economies, Resona Bank responds to the needs of Resona Group customers entering overseas markets, especially in Asia, through its Asia Business Promotion Center as well as through P.T. Bank Resona Perdania, a consolidated subsidiary, based in Indonesia.

In addition, the Resona Group offers highly convenient services, including daily banking transactions in local markets and information through tie-ups with partner financial institutions well-versed in local market conditions.

[Network of Overseas Representative Offices of Resona Bank and Bank Resona Perdania]

Capitalize on Competitiveness Based on Cost Advantage Gained through Operational Reform

By continuing the operational reform that the Resona Group has pursued, the Group will work to achieve break-throughs to overcome high costs associated with retail banking business and capitalize on its competitiveness based on cost advantage.

By redefining branches as a place for sales activities rather than a place for clerical work, we have endeavored to reinforce sales personnel and improve productivity to maximize branch profitability.

[Operational Reform]

Strengthen sales personnel

- Personnel freed up through operational reform will be shifted to sales departments.

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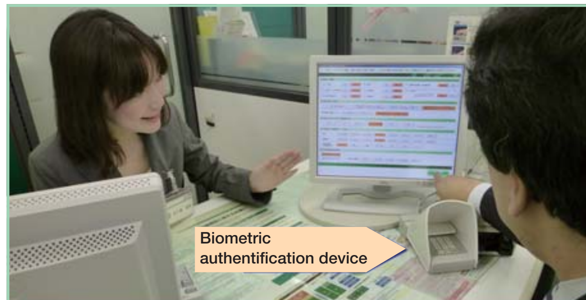
Improve productivity

- Expand the number of next-generation offices
- Establish sales specialist positions
- Full operation of customer relationship management (CRM) system
- Introduction of new branch office management system

Maximize branch profitability

[New Communication Terminal]



"Biometric cash card" = safe, convenient

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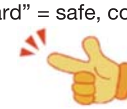


All operations completed at the branch

[Image of the Next-Generation Branch Office]

Next-Generation Branch Office

- Transformed the former clerical work space into a space for customers (transactions and consultation)
- Routine transactions to be handled by Quick Navi
- Clerical work shifted to Support Offices (Branches redefined as a place for sales activities)

Smart Branch Office

- Small-scale branch office for individual customers
- Priority given to sales activities
- Processing style based on Resona's "3 NOs & 3-LESSes"
- 100% of transactions handled with biometric cash cards and ATMs

PROSPECTS FOR FULL REPAYMENT OF PUBLIC FUNDS

During Fiscal 2010, Public Funds Repaid Amounted to ¥1,213.5 Billion.

Since the infusion of public funds under Japan's Deposit Insurance Law in 2003, the Resona Group has concentrated its management efforts on implementing reforms to revitalize its activities. Over this period, we have accumulated retained earnings, which are the source of repayments for public funds, and focused its efforts on repayment at an early date. In fiscal 2010, we repaid a total of ¥1,213.5 billion in public funds, and the remainder outstanding declined to ¥871.6 billion, or one-fourth of the peak amount. Moreover, to return a portion of the decrease in dividends on preferred shares that have been repurchased to holders of common stock, we increased the annual dividend on common shares for the year ended March 31, 2011, by 20%, to ¥12 per share. The Resona Group will change the emphasis of its capital policy from "repayment of public funds" to "improvement of common stock shareholder value."

[Outline of the "Resona Capital Restructuring Plan"]

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

Linking the future business results directly to the improvement of common stock shareholder value ➡ Improving the long-term total return to the common stock shareholders

Resona Capital Restructuring Plan —Capital restructuring aimed at growth over the next 10 years—

Implementation of a capital exchange and additional repayment of public funds

- Effective exchange between the Deposit Insurance Law Preferred Shares and common shares
- Additional repayment utilizing retained earnings

Issuance of common shares (through public offerings, etc. and third-party allotment)	**Net proceeds: ¥547.7 billion**
Repurchase of the Deposit Insurance Law Preferred Shares	**Amount on an infusion basis: ¥813.5 billion** **Total repurchase amount: ¥881.9 billion**

■ A common stock centered and easy-to-understand capital structure

As a result of the implementation of this plan, the financial base was transformed from "public fund preferred stock" to a common stock focused, easy-to-understand capital structure

■ Presentation of a road map towards full repayment of public funds

The outstanding balance of the Deposit Insurance Law Preferred Shares was reduced substantially, from the original infusion amount of ¥1,663.5 billion to a level where full repayment could be envisaged (¥450.0 billion)

■ Elimination of dilution uncertainty

Presentation of a clear road map towards full repayment of the Deposit Insurance Law Preferred Shares through further accumulation of profits over approximately five years to eliminate the uncertainties of dilution

■ Ensuring the quality of capital into the future

Work toward strengthening the quality of capital with an eye to new capital adequacy requirements and prepare the base for growth going forward

Resona Capital Restructuring Plan

To win increased trust and confidence as a "True Retail Bank," the Resona Group issued its "Resona Capital Restructuring Plan" (hereinafter, the Plan) in November 2010.

The Plan aims to transform the Resona Group's financial base to a common stock focused, easy-to-understand capital structure, and, by presenting a road map towards the full repayment of public funds, improve the quality of capital with an eye to new capital adequacy requirements (Basel III). As a result of the implementation of the plan, the Resona Group will shift the emphasis of its capital policy from "repayment of public funds" to the "improvement of common stock shareholder value."

Based on the Plan, the following measures were implemented.

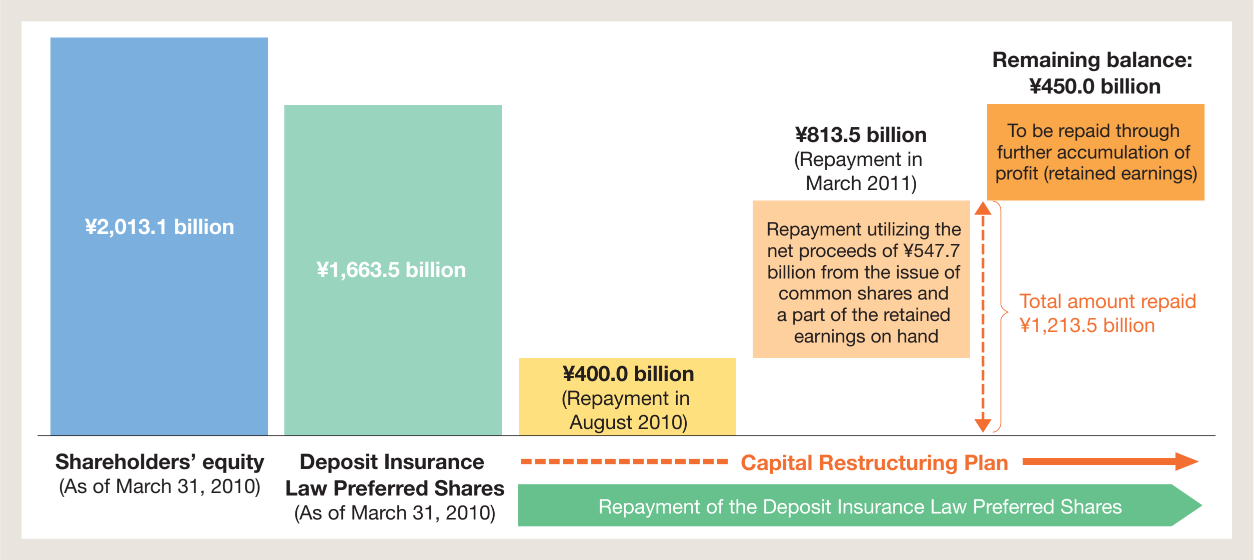
(1) Raised funds through a public offering of common shares, etc. (total net proceeds ¥547.7 billion).

(2) Using the proceeds from this issue of common shares (mentioned in (1)) and retained earnings, repurchased a part of the outstanding Deposit Insurance Law Preferred Shares amounting to ¥813.5 billion on an infusion amount basis.

(3) Increased the annual common dividends by 20%, from ¥10 per share to ¥12 per share.

As a result of the above measures, together with the repayment in August 2010 of ¥400.0 billion in the Deposit Insurance Law Preferred Shares, the total repayment of public funds during the fiscal year ended March 31, 2011, amounted to ¥1,213.5 billion, and the total amount of repayments after September 2003 amounted to ¥2,256.3 billion. As a result, the public fund remaining to be paid is ¥871.6 billion, or one-fourth of the peak level. For further details, please refer to the table "List of Public Funds Outstanding and Repayment Policy" on page 13.

[Amount Outstanding and Repayment Policy of the Deposit Insurance Law Preferred Shares]



Dividend Increase and Medium- to Long-Term Dividend Policy

With the intent of returning the decrease in dividends on preferred shares accompanying the repayment of public funds, we increased the annual per share common dividends by 20%, to ¥12 per share.

Resona Holdings intends to pay stable dividends to shareholders, maintaining its basic policy of refraining outflows of profits and prioritizing accumulation of retained earnings while continuing the management reforms with a view to realizing the repayment of public funds at an early date.

Please note that, after completing the repayment of the Deposit Insurance Law Preferred Shares, we plan to clarify our dividend policy, including the dividend payout ratio and other related matters.

Policy for Future Repayment of Public Funds

(1) Deposit Insurance Law Preferred Shares (Class 3 Preferred Shares): Remaining balance on an infusion amount basis: ¥450.0 billion

We aim for full repayment within five years through further accumulation of profits (retained earnings). However, the specific timing of future repayments will take into account capital adequacy regulations, etc. and will be executed in an appropriate and flexible manner.

(2) Common shares issued under the Deposit Insurance Law: Remaining balance on an infusion amount basis: ¥261.6 billion

Priority will be given to the repayment of Deposit Insurance Law Preferred Shares; we have no current plans to apply for a secondary offering of these shares.

(3) Early Strengthening Law Preferred Shares (Class C and Class F Preferred Shares): Remaining balance on an infusion amount basis: ¥160.0 billion

The increase in outstanding common shares upon mandatory conversions is expected to be minimal, since almost equivalent shares that could arise from mandatory conversions have already been repurchased from the market and are being held as treasury shares.

[List of Public Funds Outstanding and Repayment Policy (on an infusion amount basis)]

(Billions of yen)

	Amount Sept. 30, 2003 (1)	Amount Mar. 31, 2011 (2)	Amount Repaid (2)-(1)
Total Public Funds Received	3,128.0	**871.6**	**(2,256.3)**
Preferred Shares	2,531.5	610.0	(1,921.5)
Deposit Insurance Law	1,663.5	450.0	(1,213.5)
Class 1	550.0	—	(550.0)
Class 2	563.5	—	(563.5)
Class 3	550.0	450.0	(100.0)
Early Strengthening Law	868.0	160.0	(708.0)
Class B	408.0	—	(408.0)
Class C	60.0	60.0	—
Class E	300.0	—	(300.0)
Class F	100.0	100.0	—
Subordinated Loans	300.0	—	(300.0)
Financial Stabilization Law	200.0	—	(200.0)
Early Strengthening Law	100.0	—	(100.0)
Common Shares	296.4	261.6	(34.7)

Policy for Responding to Strengthened Capital Adequacy Requirements (Basel III)

Since the Resona Group will focus sharply on its “True Retail Bank Group” strategy in the domestic market, it will continue to apply capital adequacy criteria for domestic banks (the Japanese domestic standards). However, to secure sound leeway in its capital, it will manage its capital adequacy with an awareness of the international capital adequacy standards.

In addition, in case of an increase in capital adequacy requirements, which is now under consideration (Basel III), the Resona Group will respond by maintaining a sufficient level of capital.

Please note that, as a bank subject to domestic capital adequacy requirements, we will work to strengthen our capability for providing the highest level of services to our customers doing business overseas through our existing overseas network and alliances.

FINANCIAL REVIEW

Selected Financial Data (Consolidated)

Resona Holdings, Inc.	Billions of Yen					
	FY2010 (A)	FY2009 (B)	FY2008	FY2007	FY2006	Change (A) – (B)
Scope of consolidation and application of the equity method:						
Consolidated subsidiaries	**17**	18	19	19	21	(1)
Affiliated companies accounted for by the equity method	**1**	2	2	2	2	(1)
Total	**18**	20	21	21	23	(2)
Income statement data:						
Net interest income	**484.0**	499.4	547.0	555.3	563.7	(15.4)
Trust fees	**25.9**	28.7	35.4	41.3	40.4	(2.7)
Net fees and commissions	**120.8**	116.4	117.8	147.0	157.0	4.4
Net trading income	**28.5**	26.3	21.0	67.8	21.5	2.2
Net other operating income (loss)	**7.6**	7.4	18.2	(42.3)	22.5	0.1
Gross operating profit	**667.0**	678.3	739.5	769.3	805.2	(11.3)
General and administrative expenses	**369.4**	387.5	384.4	385.9	384.6	(18.0)
Net credit costs	**61.5**	114.6	181.4	58.4	69.7	(53.0)
Income before income taxes and minority interests	**237.1**	176.0	234.1	322.6	426.0	61.0
Income taxes-current	**10.5**	11.9	9.5	15.2	12.4	(1.4)
Income taxes-deferred (benefit)	**62.1**	27.7	97.4	(4.4)	(263.6)	34.4
Minority interests in net income of subsidiaries	**4.3**	4.0	3.2	9.1	12.3	0.2
Net income	**160.0**	132.2	123.9	302.8	664.8	27.8
Comprehensive income	**132.5**	—	—	—	—	/
Balance sheet data:						
Trading assets	**637.5**	522.7	519.5	445.9	370.8	114.7
Securities	**9,899.9**	8,915.3	8,011.7	6,718.6	7,595.2	984.6
Loans and bills discounted	**25,853.0**	26,263.5	26,509.2	26,052.4	26,252.8	(410.5)
Deferred tax assets	**186.8**	247.3	308.8	371.8	309.2	(60.4)
Customers' liabilities for acceptances and guarantees	**678.4**	760.3	870.3	969.3	1,075.5	(81.8)
Reserve for possible loan losses	**(424.6)**	(439.6)	(440.9)	(490.8)	(543.1)	14.9
Total assets	**42,706.8**	40,743.5	39,863.1	39,916.1	39,985.6	1,963.3
Deposits, including negotiable certificates of deposit	**35,604.5**	34,075.2	32,689.8	32,997.5	33,531.3	1,529.3
Trading liabilities	**244.2**	154.4	122.2	139.3	115.3	89.8
Borrowed money	**1,700.8**	623.6	647.5	684.1	993.2	1,077.1
Bonds	**678.0**	850.2	825.2	892.1	866.1	(172.1)
Deferred tax liabilities	**—**	0.0	0.0	0.0	0.0	(0.0)
Acceptances and guarantees	**678.4**	760.3	870.3	969.3	1,075.5	(81.8)
Total liabilities	**41,114.2**	38,471.6	37,685.0	37,391.5	38,015.5	2,642.6
Capital stock	**340.4**	327.2	327.2	327.2	327.2	13.2
Total equity	**1,592.5**	2,271.8	2,178.0	2,524.6	1,970.1	(679.3)
Per share data (yen):						
Net assets per share	**251.67**	44.77	(303.63)	(137.11)	(236.76)	206.90
Net income per share	**73.14**	88.32	76.27	236.90	539.33	(15.18)
Diluted net income per share	**41.47**	52.94	53.83	164.01	342.37	(11.47)
Capital adequacy data (%):						
Tier 1 capital ratio	**7.51**	10.20	9.92	10.33	6.51	(2.69)
Total capital adequacy ratio	**11.21**	13.81	13.45	14.28	10.56	(2.60)
Other data:						
Return on equity (%)	**8.82**	6.30	5.58	14.41	38.33	2.52
Price earnings ratio (x)	**5.41**	13.38	17.17	7.00	5.87	(7.97)
Cost-to-income ratio (%)	**55.38**	57.12	51.98	50.16	47.76	(1.74)
Net deferred tax assets as a percentage of Tier 1 capital (%)	**13.17**	11.90	14.86	16.50	19.93	1.27
Number of employees	**16,941**	16,756	16,498	16,344	16,245	185
Trust assets under management and custody	**26,093.6**	26,709.7	34,420.3	36,733.5	34,203.0	(616.0)

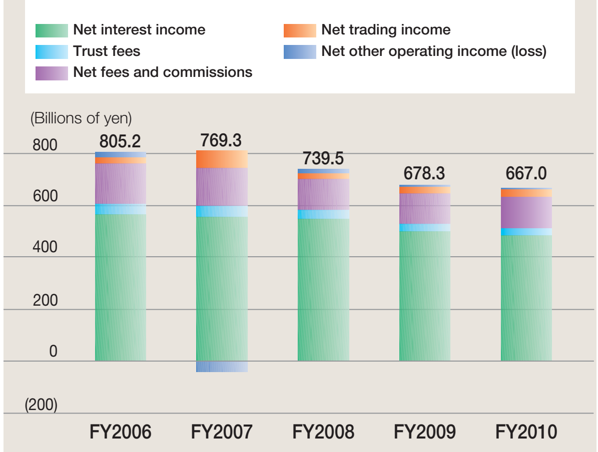
On January 4, 2009, the Company implemented a split of shares, dividing every one share into 100 shares for all outstanding common and preferred stock shares. Per share data presented for FY2006 and FY2007 are divided by 100 with a view to ensuring comparability of the per share data presented.

[Outline of Financial Results for FY2010]

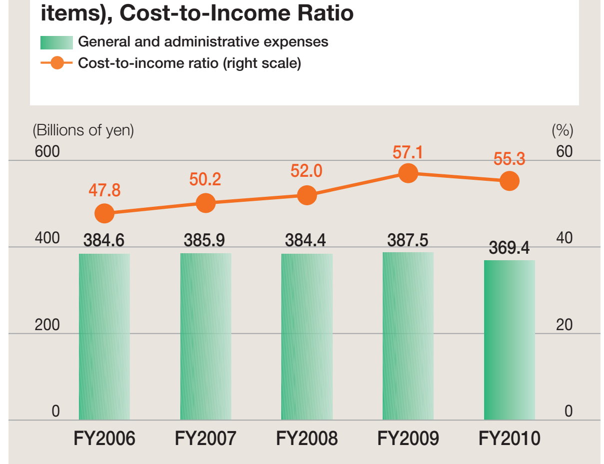
(Billions of yen)

	Resona Holdings (Consolidated) (A)	YoY Change	Difference (A)-(B)	Total of Group banks (Non-consolidated) (B)	YoY Change	Resona (Non-consolidated)	Saitama Resona	The Kinki Osaka (Non-consolidated)
Gross operating profit	667.0	(11.3)	61.3	605.7	(9.4)	400.8	148.3	56.6
Net interest income	484.0	(15.4)	12.9	471.1	(14.6)	291.5	132.8	46.7
Income from loans and deposits (domestic operation)				421.7	(23.9)	265.1	114.5	42.0
Trust fees	25.9	(2.7)	—	25.9	(2.7)	25.9	—	—
Fees and commission income	120.8	4.4	47.9	72.9	5.2	53.2	12.5	7.1
Other operating income	36.1	2.3	0.4	35.6	2.7	30.0	2.9	2.7
Actual net operating profit				260.0	(4.5)	173.2	72.0	14.7
Operating expenses (including non-recurring items)	(369.4)	18.0	(19.3)	(350.0)	9.2	(228.2)	(78.1)	(43.5)
Net gain on stocks	(0.8)	(1.5)	0.8	(1.7)	(6.0)	(1.9)	(0.1)	0.4
Credit-related expenses, net	(61.5)	53.0	(24.7)	(36.8)	45.2	(17.5)	(10.7)	(8.4)
Other gain/(loss), net	1.8	2.7	1.2	0.6	2.1	2.3	(0.6)	(1.1)
Income before income taxes and minority interests	237.1	61.0	19.3	217.7	41.1	155.3	58.6	3.8
Income taxes and other	(77.0)	(33.2)	(9.8)	(67.2)	(13.7)	(50.1)	(23.7)	6.6
Net income	160.0	27.8	9.5	150.5	27.3	105.1	34.8	10.4

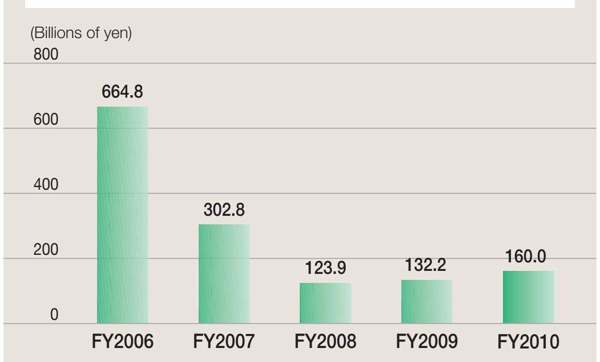
Gross Operating Profit



Operating Expenses (including non-recurring items), Cost-to-Income Ratio



Net Income



Resona Group Business Trends

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

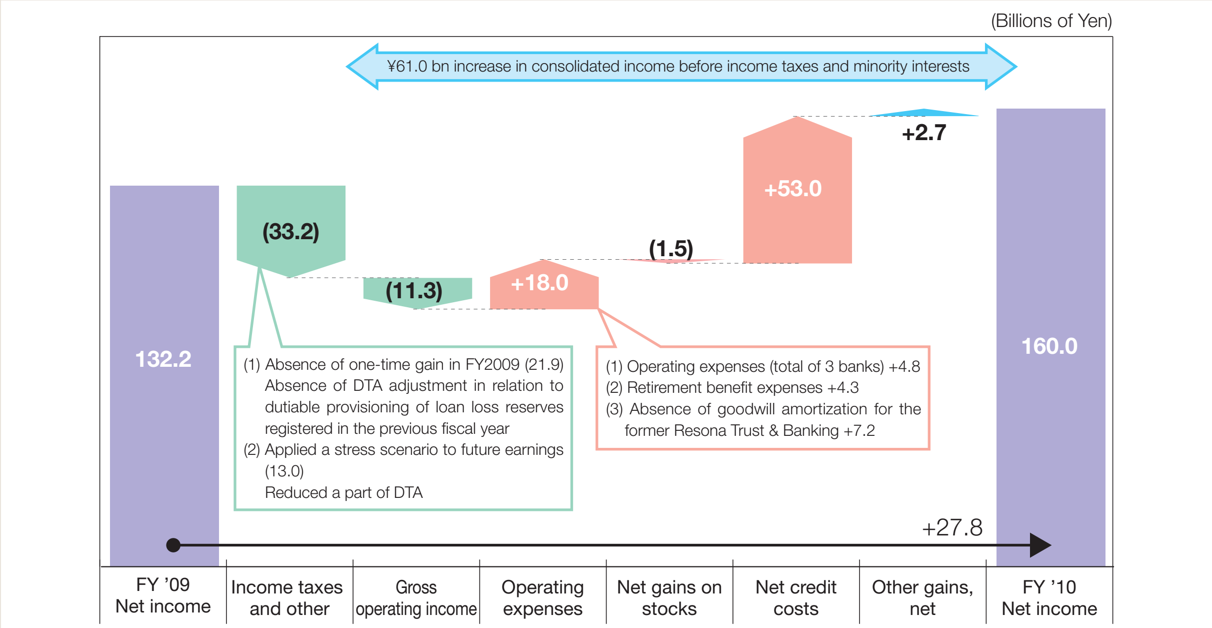
Total assets increased ¥1,963.3 billion, compared with the previous fiscal year-end, to ¥42,706.8 billion.

In assets, securities increased ¥984.6 billion, to ¥9,899.9 billion, but loans and bills discounted decreased ¥410.5 billion, to ¥25,853.0 billion. In liabilities, deposits rose ¥1,224.3 billion, to ¥34,179.9 billion.

Among total equity, although the Group issued new equity shares, total shareholders' equity declined ¥643.0 billion because of the repurchase and cancellation of preferred shares and other factors. As a result, total equity decreased ¥679.3 billion, to ¥1,592.5 billion. Net assets per common share as calculated deducting the shareholders' equity accounted for by preferred shares amounted to ¥251.67 at fiscal year-end.

[Consolidated Net Income for FY2010 Compared with FY2009]

Consolidated net income for FY2010 increased ¥27.8bn from the previous fiscal year.



Consolidated net income of Resona Holdings amounted to ¥160.0 billion for the fiscal year under review, ¥27.8 billion higher than the ¥132.2 billion reported for the previous fiscal year.

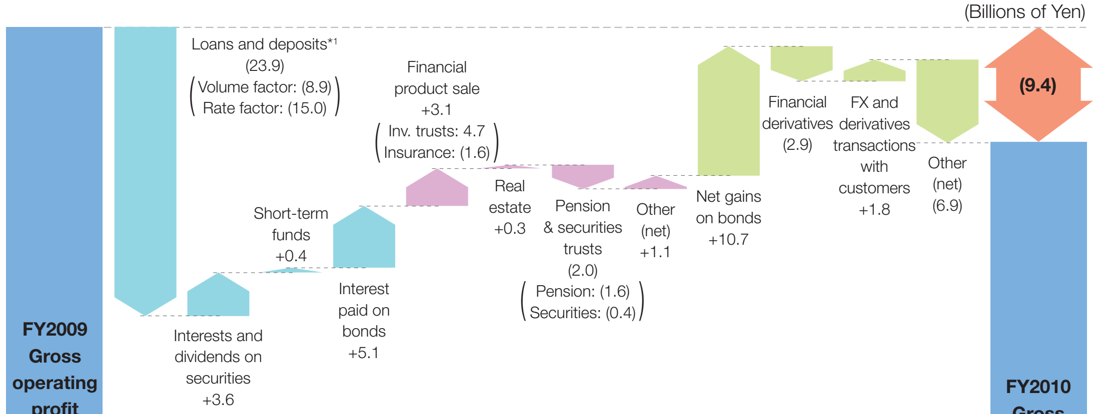
This increase was largely due to a decrease in credit-related expenses of ¥53.0 billion, a reduction in operating expenses of ¥18.0 billion through streamlining of non-personnel expenses, and other factors. As a result, income before income taxes and minority interests was ¥61.0 billion higher than in the previous fiscal year. On the other hand, income taxes rose ¥33.2 billion compared with the previous year in the absence of deferred tax assets (DTA) adjustment registered in the previous fiscal year in relation to dutiable provisioning of loan loss reserves and an application of a stress scenario to future earnings in the aftermath of the Great East Japan Earthquake.

Consolidated gross operating profit was ¥11.3 billion lower than in the previous year, and total gross operating profit of the three Group banks on a non-consolidated basis was down ¥9.4 billion. Please see the table below for an explanation.

[Gross Operating Profit for FY2010 Compared with FY2009 (Total of Group Banks)]

Gross operating profit declined ¥9.4bn YoY, primarily due to the decrease in net interest income.

(Billions of Yen)



Net Interest Income: (14.6)

	FY2009	FY2010
Net interest income	485.8	**471.1**
Loans and deposits*1	445.6	**421.7**
Interest and dividends on securities	54.7	**58.3**
Short-term funds	1.6	**2.1**
Interest paid on bonds and other	(16.3)	**(11.1)**

Fees and Commission Income*2: +2.5

	FY2009	FY2010
Fees and commission income*2	96.3	**98.8**
Financial product sale	32.4	**35.5**
Real estate (excluding equity investments)	6.3	**6.6**
Pension and securities trusts	26.3	**24.3**
Other items (net)	31.3	**32.4**

Net Gains on Bonds and Other (Net): +2.7

	FY2009	FY2010
Net gains on bonds and other (net)	32.9	**35.6**
Net gains on bonds	19.7	**30.5**
Financial derivatives	(4.8)	**(7.8)**
FX and derivatives transactions with customers	6.3	**8.1**
Other items (net)	11.7	**4.8**

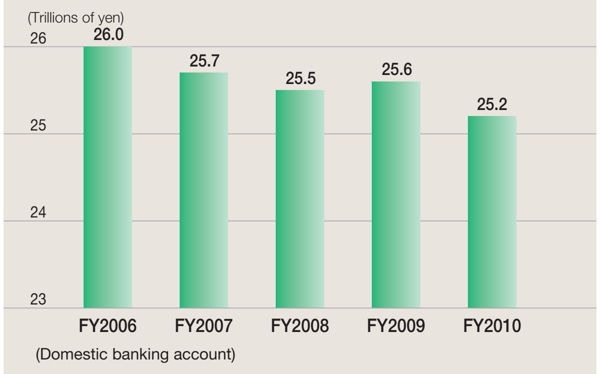
*1. Domestic operations (Deposits include NCDs) *2. Fees and commission income plus trust fees

Net interest income decreased ¥14.6 billion from the previous fiscal year, primarily because of the decline in prevailing interest rates.

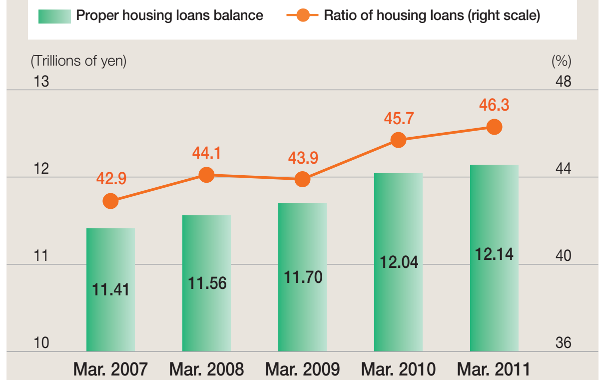
Fee income, which is defined as the sum of fees and commission income and trust fees, rose ¥2.5 billion. Income from pension and securities trusts decreased because of the decline in the market value of trust assets and other factors, but the recovery trend in sales of investment trusts continued.

Aside from the previously mentioned items, income from bond transactions recorded an increase of ¥2.7 billion.

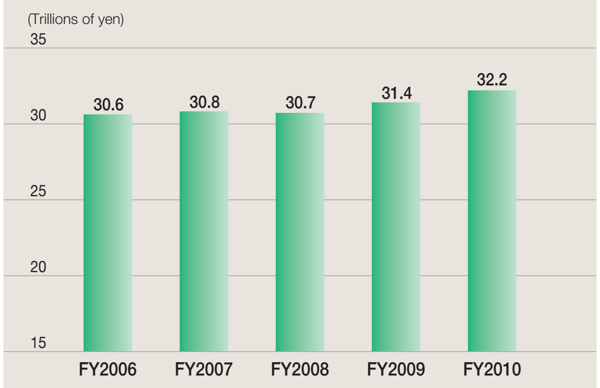
Trend of Average Loan Balance (Total of Group Banks)



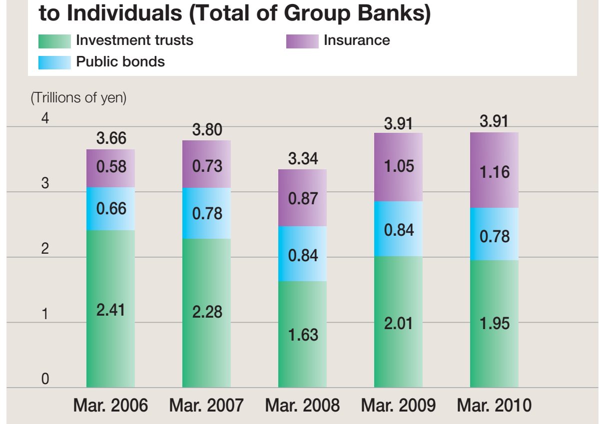
Balance of Housing Loans (Total of Group Banks)



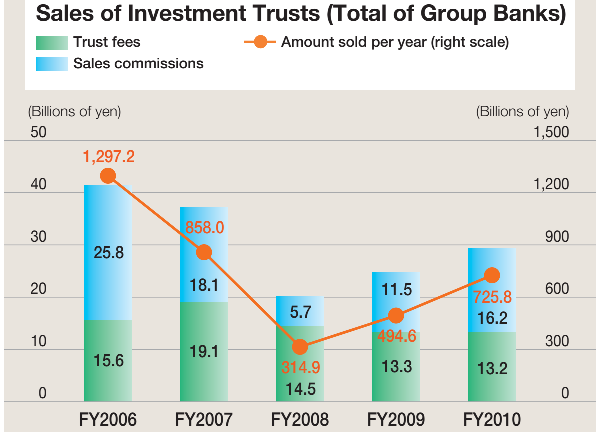
Trend of Average Deposit Balance (Total of Group Banks)



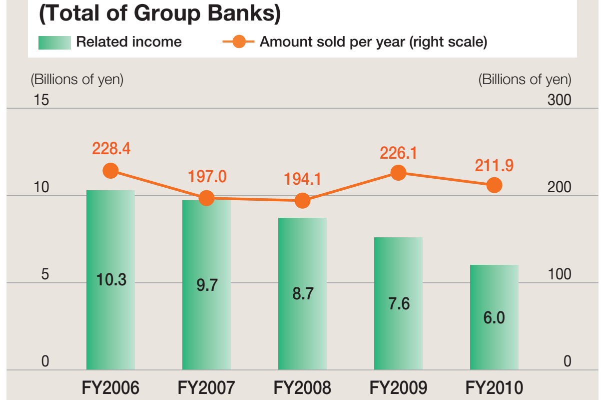
Balance of Investment Products Sold to Individuals (Total of Group Banks)



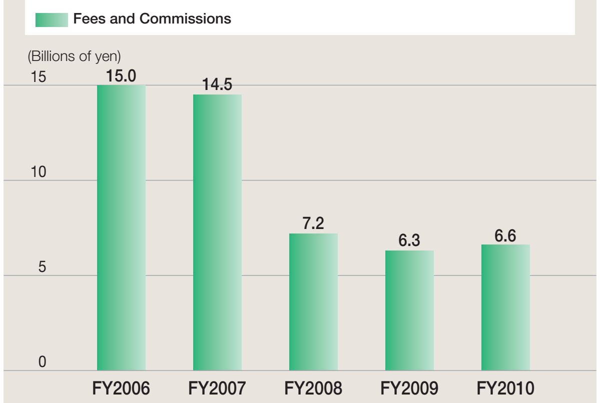
Sales of Investment Trusts (Total of Group Banks)



Sales of Personal Annuity Products (Total of Group Banks)

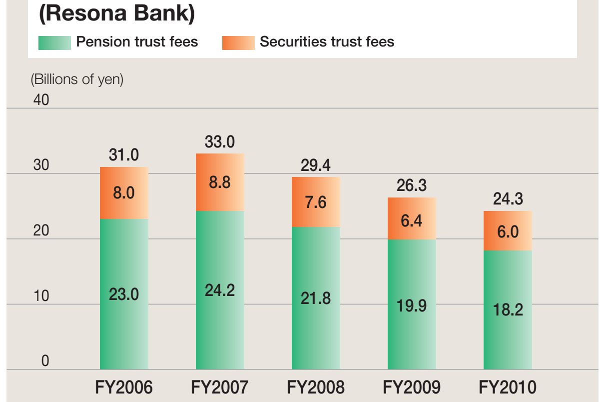


Real Estate Business (Resona Bank)

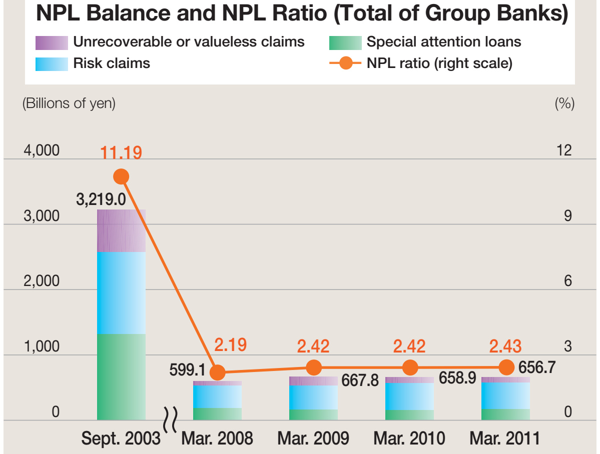


Note: Exclude gains from investments in real estate funds.

Pension and Securities Trust Operations (Resona Bank)

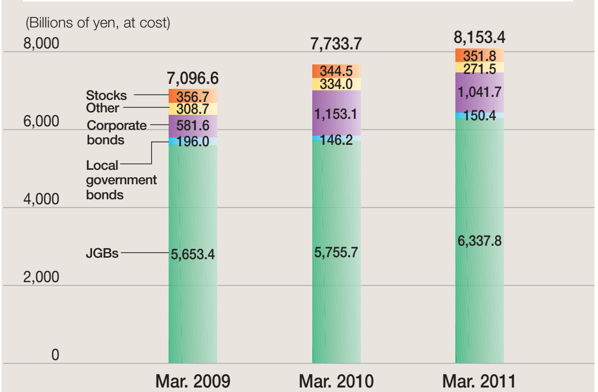


NPL Balance and NPL Ratio (Total of Group Banks)

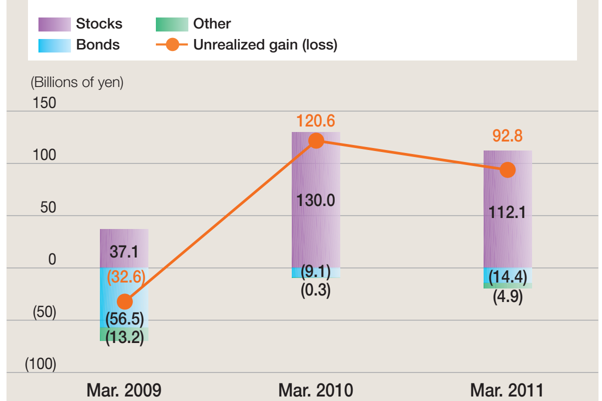


NPL Classification Based on the Financial Reconstruction Law Criteria	Definitions
Unrecoverable or valueless claims	Claims against bankrupt obligors and effectively bankrupt obligors under the self-assessment classifications
Risk claims	Claims against doubtful obligors under the self-assessment classifications
Special attention loans	Loans past due for three months or more as well as restructured loans
Normal claims	Claims against normal and watch obligors under the self-assessment classifications excluding special attention loans of which the definition is given above

Trend of Non-Trading Marketable Securities Available for Sale



Unrealized Gain (Loss) on Non-Trading Marketable Securities Available for Sale



CORPORATE GOVERNANCE

Basic Approach to Corporate Governance

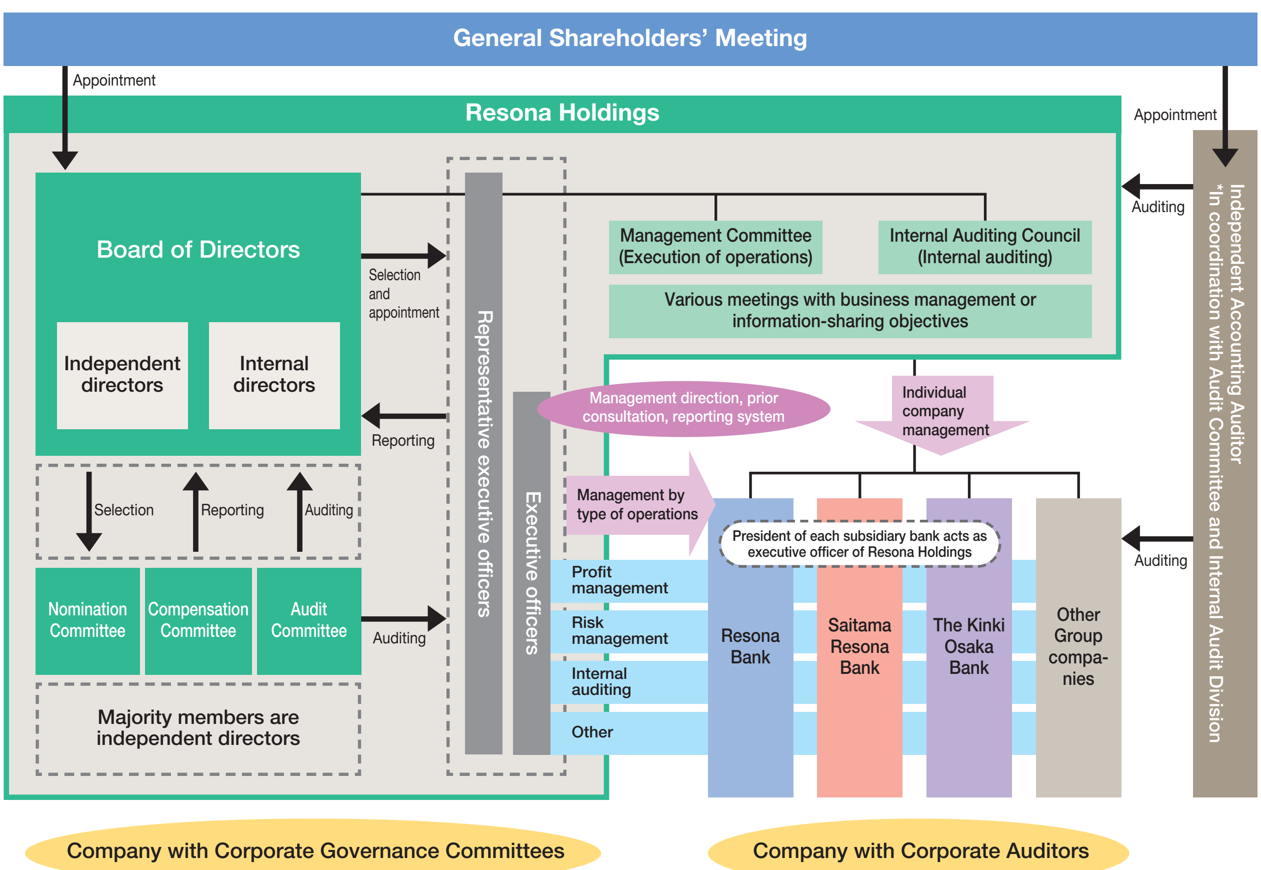
In pursuing the constant improvement of its corporate value, the Resona Group considers the reinforcement of corporate governance to be one of the most important management issues. Accordingly, Resona Holdings is working diligently to strengthen the responsible management systems and the surveillance and supervisory functions of the systems.

With the injection of public funds into Resona Bank in June 2003, Resona Holdings became the first Japanese banking institution to adopt the Committees Governance Model.

We have separated management oversight and operation functions, shifting certain responsibilities to the executive officers to enable quick decision making while bolstering the Board of Directors' supervisory function. We increased management transparency and objectivity by appointing a majority of independent directors not only to the Nomination Committee, Audit Committee, and Compensation Committee, but also to the Board of Directors in the interest of realizing highly transparent as well as sound and efficient management.

On the other hand, the subsidiary banks of Resona Holdings all adopted 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. During fiscal 2010, ended March 31, 2011, Resona Holdings was able to announce the outlook for the full repayment of public funds. We will work to maintain the soundness of the current management structure and promote corporate management in line with the Resona Group Corporate Mission, thereby maximizing our corporate value.

[Group Corporate Governance Framework]



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 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 2010, the Board of Directors met 20 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-à-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 2010, the committee met four 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.

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 13 times in fiscal 2010.

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 2010, 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.

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 2010, this committee met 41 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 15 times in fiscal 2010 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 will continue to implement its strategies of "Business-domain selection and focus" and "Establishment of a distinctive Resona style," while "Exertion of trust banking functions" will be set as the core differentiation strategy in addition to "Area management," "Alliances," and "Operational reform." By enhancing an approach of responsively catering to customer needs to realize customer-centric operations, we aim to become a "smart" and customer-friendly "True Retail Bank Group."

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,* the *Resona Way,* and the *Resona Standards* are applied uniformly across Group companies.

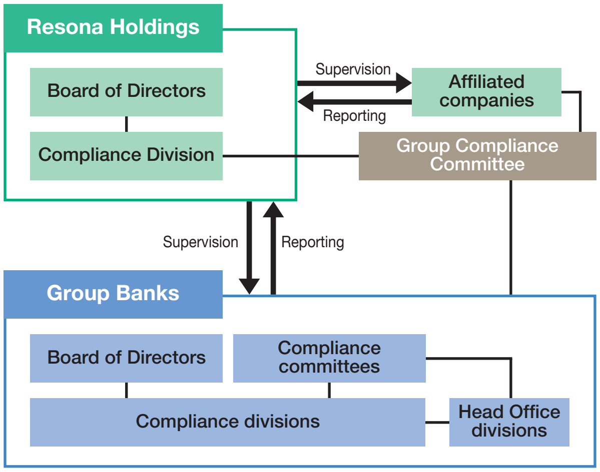
The introduction to the *Resona Standards* is "Aiming to Be a Good Company," a message from the chairman of Resona Holdings. It takes a clear stance on compliance at the Resona Group, stating that corporate ethics must be improved, and identifies the most important issues as 1) what the company can do 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 that follow policies indicated by Resona Holdings. Progress reports on compliance matters are made periodically to the boards of directors of Group member companies, and Group companies undertake activities on their own initiative 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 has difficulty in raising the necessary funds or is forced to raise such funds at higher than normal rates	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 they cause accidents or commit fraud	Improvements in business processes, training and education, guidance for clerical operations, etc.
Systems risk	Risk of losses that may occur when computer systems are down 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 and, as a result, the trust assets are lost or otherwise impaired and compensation must be provided to the owners of the assets	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.

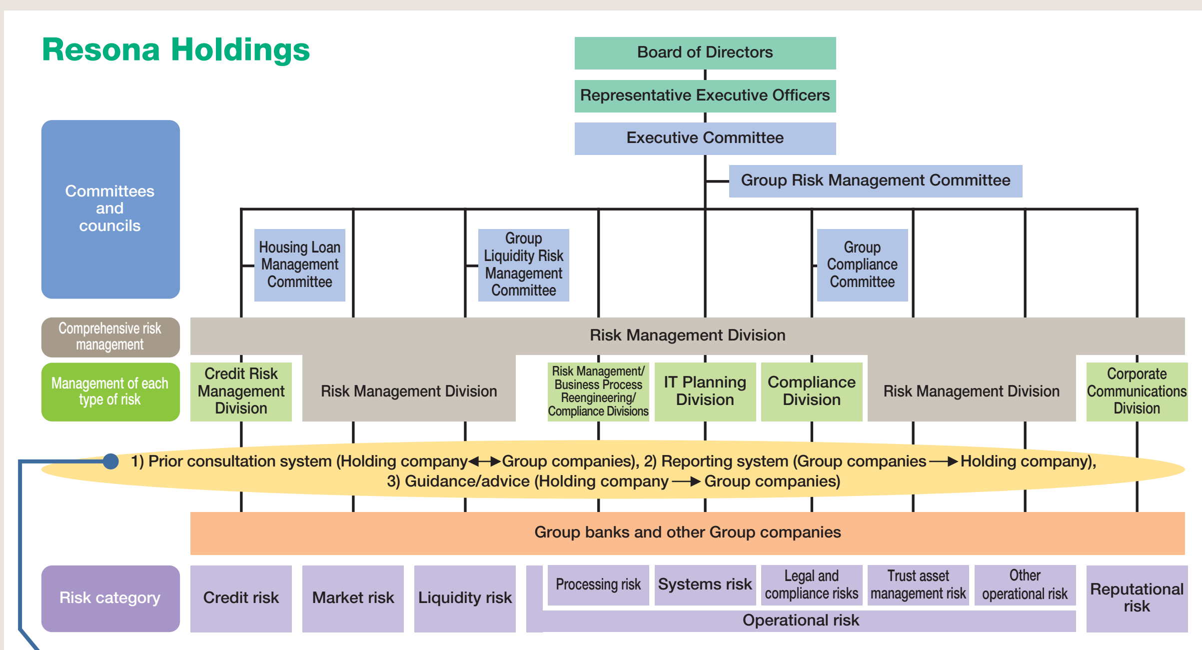
The Group management framework requires that Group companies confer with Resona Holdings in advance of making decisions on important matters related to risk management and base their decisions on those consultations.

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.

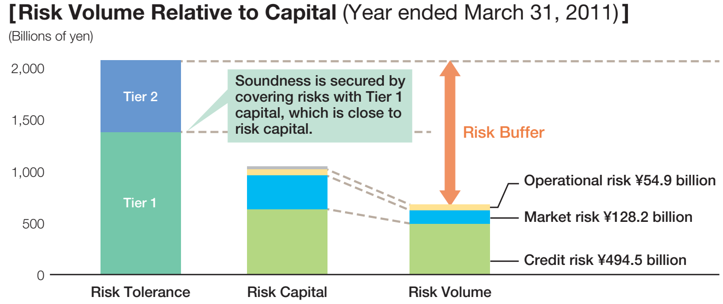
In addition, although the Resona Group is constantly working to improve the quality of risk measurement through various means, including the application of the VaR method, there are risks that cannot be quantified by statistical data compiled using such means. Based on this fact, Resona Holdings and 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 (credit risk, market risk (including equity investments), and operational risk) are controlled within the scope of Tier 1 capital.
- Sufficient risk buffers in the form of the remainder of Tier 1 and Tier 2 are provided against the risk volume assumed under a stress test or the risks that are difficult to measure.

[Risk Volume Relative to Capital (Year ended March 31, 2011)**]**



The adequacy of capital is assessed on the basis of management of the capital adequacy ratio and comprehensive risk management.

Assumptions for measuring the VaR

■ Confidence interval 99%

* A 99.9% level is used as an auxiliary risk amount under stress conditions.

■ Holding period
Credit risk: 1 year
Market risk: 10 days to six months, depending on the nature of assets
Operational risk: 1 year

* Risk tolerance has been adjusted to capital (Tier 1 and Tier 2) for internal management purposes.

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 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.

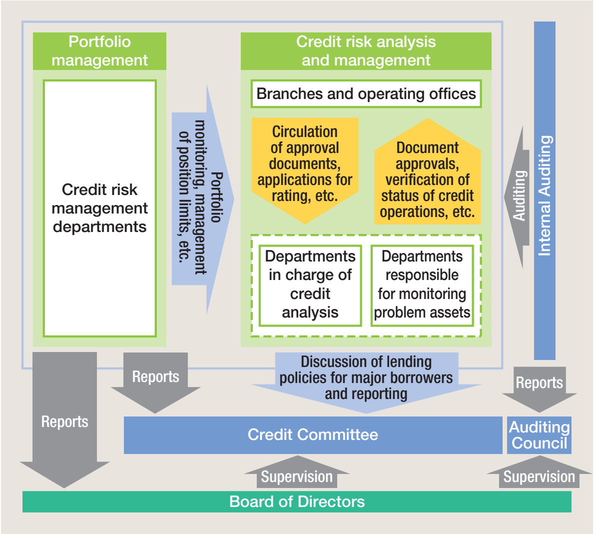
Positioning credit risk management as one of the most important management issues, Resona Holdings has formulated the *Group Risk Management Policy*. Based on this policy, the Resona Group establishes and upgrades its credit risk management systems and relevant procedures.

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 make use of measures of exposure, the average credit loss amount, risk volumes, etc.

■ 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, average credit loss amount, risk volumes, 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

The Resona Group banks 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

The Resona Group banks 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.

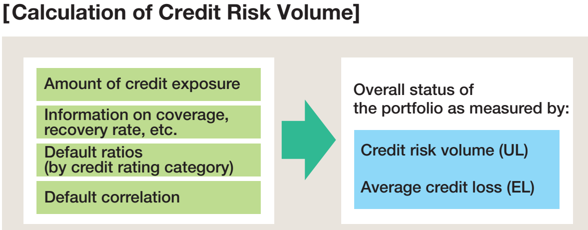
By analyzing the composition of our credit portfolio by such criteria as credit rating, industry, and regional classifications, we regularly monitor changes in the amount of credit exposure and credit costs as well as the state of risks and returns.

In particular, for managing the housing loan portfolio, which is a 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.

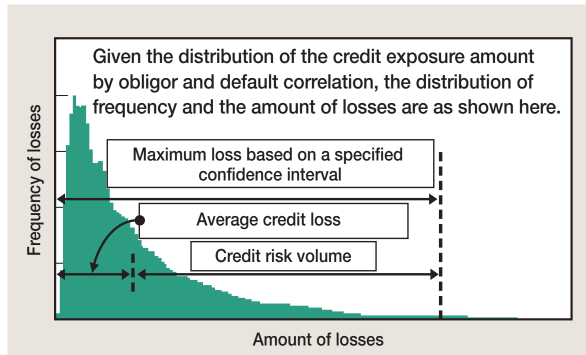
Quantifying and Establishing Limits for Credit Risk

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 the credit risk volume (UL: unexpected loss) are calculated, and limits are set on the volume of credit risk. The Resona Group controls quantified credit risk within this fixed limit.

[Calculation of Credit Risk Volume]



[General Image of the Distribution of Losses]



Use of Portfolio Analysis

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 distributes the credit risk volume measured for the entire credit portfolio to individual obligor units, and, after compiling the risk by segment, uses these data in portfolio analysis.

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

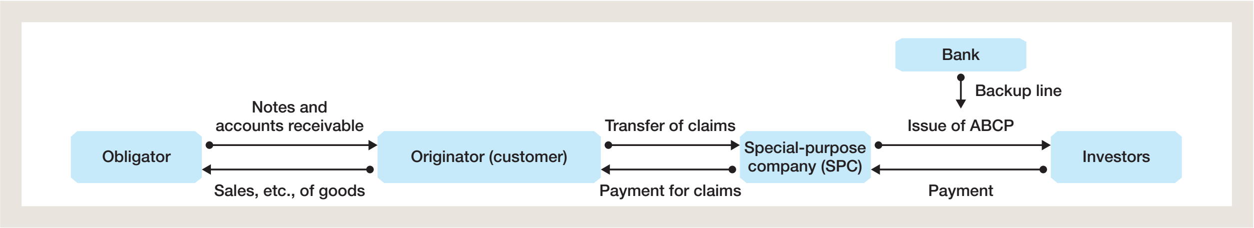
To control credit risk and interest rate risk of assets on the balance sheets, when housing loans and non-performing loans are securitized and in those cases where the Group holds a portion of such securitized claims, these claims may be included among securitization exposure. When assets held by the 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 33, 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 The Kinki Osaka Bank in the period from April 1, 2010 to March 31, 2011 was as follows.

Resona Bank

(Billions of yen)	Period end	Maximum	Minimum	Average
Trading transactions	2.40	7.18	1.19	2.89
Banking transactions	32.3	43.4	24.9	32.8

* Excludes equity investments held for relationship purposes.

	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 period of 125 days is used for investment trusts held for relationship purposes.

Saitama Resona Bank

(Billions of yen)	Period end	Maximum	Minimum	Average
Trading transactions	0.05	0.05	0.01	0.03
Banking transactions	7.3	9.7	7.0	8.0

* Excludes equity investments held for relationship purposes.

	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 Kinki Osaka Bank

(Billions of yen)	Period end	Maximum	Minimum	Average
Trading transactions	0.00	0.01	0.00	0.00
Banking transactions	9.8	18.3	9.5	12.2

* Excludes equity investments held for relationship purposes.

	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
  The 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), Resona Bank and Saitama Resona Bank, beginning in April 2010, and The Kinki Osaka Bank, beginning in October 2010, began to estimate their balances with an internal model and calculate the interest rate risk for a maximum period of 10 years and an average period of five years, and, when the internal model was introduced, banking VaR decreased. 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 has difficulty in securing 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 forced to raise funds at higher than normal rates, 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 steps needed to prevent recurrences by calling attention to these matters in the relevant business units, reviewing business processes, conducting thorough training programs, 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.

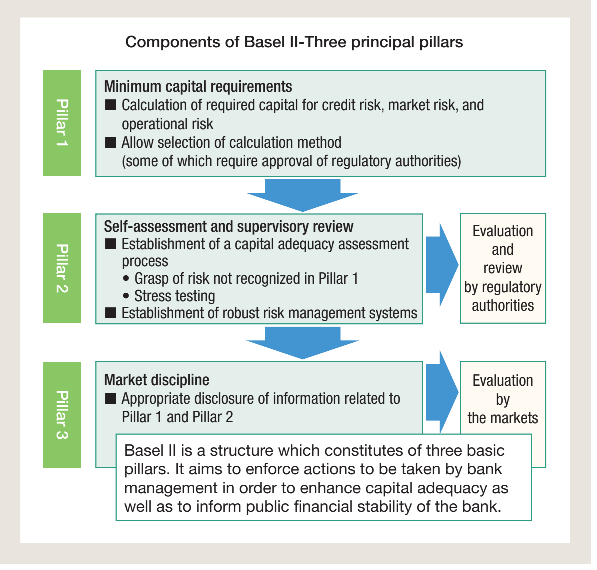
Responses to external inquiries are centralized at Resona Holdings, rather than at individual Group companies, so as to preserve the consistency of the Group's information disclosure to the media.

CAPITAL MANAGEMENT SYSTEMS

Resona Group's Response to Basel II

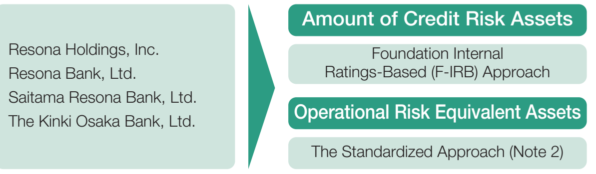
Japanese banks adopted the Basel II capital adequacy standards, which are a framework aimed at securing the soundness of banks through enhancement of capital, from the fiscal year ended March 31, 2007.

Basel II Framework



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.

Method for Calculating the Capital Adequacy Ratio

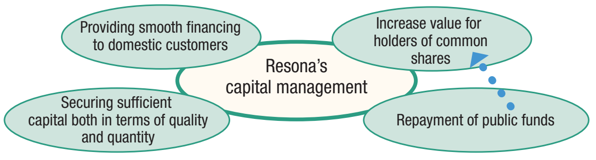


Note: The amount equivalent to market risk is not included since all Group banks apply the "special measure for exempting inclusion."

Notes: (1) The Resona Group banks use the method shown above in calculating their capital ratios. The capital adequacy ratios of Resona Holdings and Group banks are calculated according to domestic capital adequacy standards, based on notifications regarding capital adequacy ratios.
(2) 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.

Resona Group's Capital Management

The Resona Group must conduct capital management that achieves a harmony of "securing sufficient capital both in terms of quality and quantity" and fulfill its mission of "providing smooth financing to its domestic customers."



In fiscal 2010, as a result of the implementation of a series of measures related to capital, including the Resona Capital Restructuring Plan, the Resona Group redeemed a total of ¥1,213.5 billion in Deposit Insurance Corporation preferred shares. Under this plan, Resona Holdings worked to strengthen the quality of its capital by issuing ¥547.7 billion in common shares, increased its annual dividend, and carried out other measures to contribute to raise the value of common shareholders.

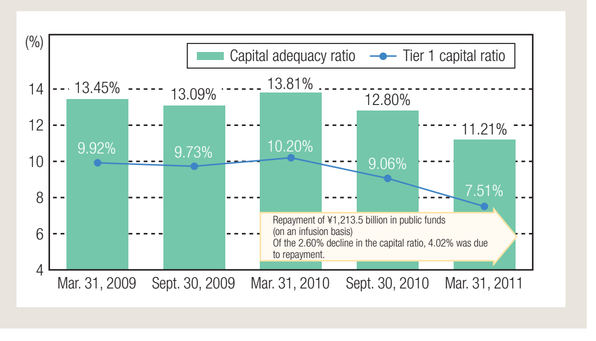
On the other hand, the Resona Group is concentrating the allocation of its capital into core assets, including domestic loans, and is implementing thorough measures related to capital management and risk management.

- 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 Basel III 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.



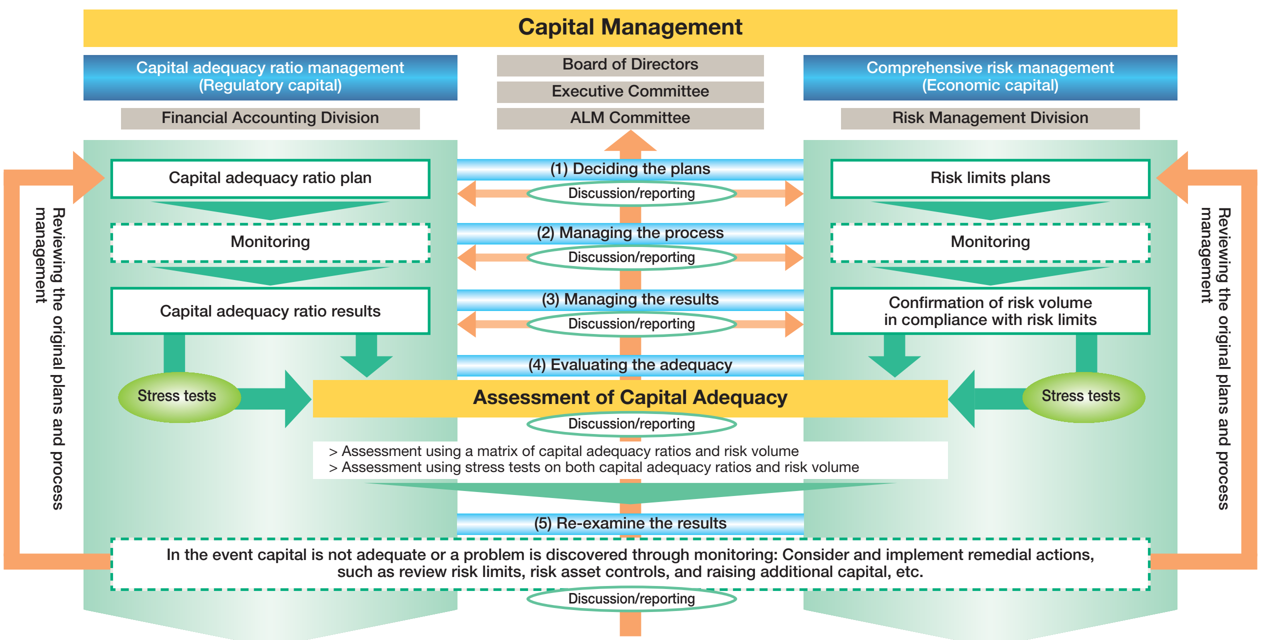
Governance and Implementation of the PDCA Cycle in Capital Management

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.]



Note: Group banks also established the capital management systems that are composed of a department in charge of capital management and a department in charge of comprehensive risk management.

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, 2011, 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 purpose 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 purpose 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 companies 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 companies have formed "auditing councils," which report directly to the board of directors of their companies to make decisions on important and fundamental matters related to internal auditing.

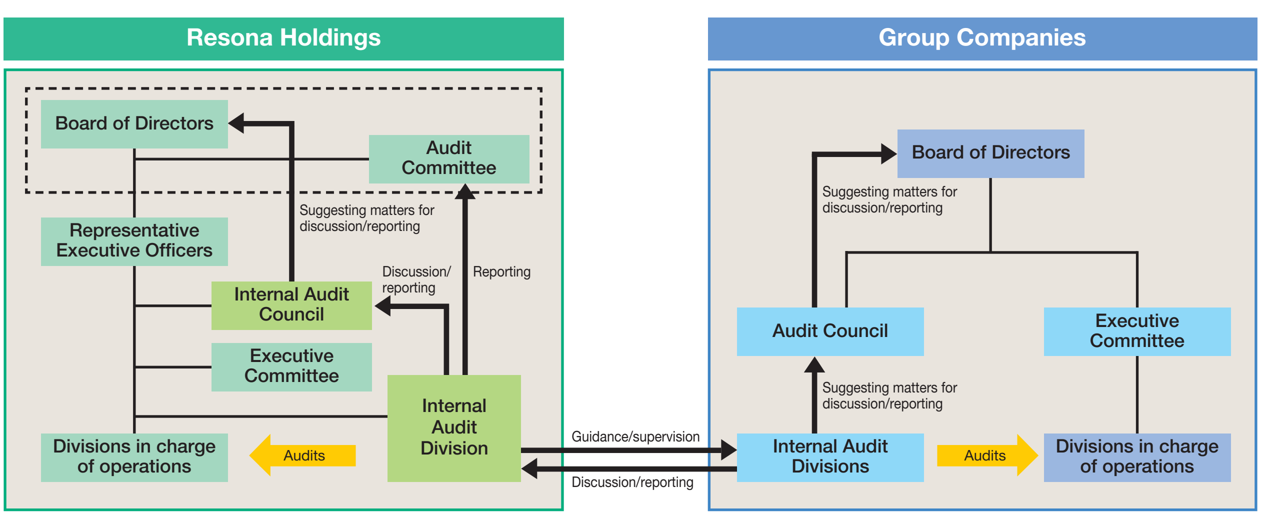
Functions and Roles

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

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

The internal auditing divisions at Resona Holdings and its Group companies conduct audits based on the Annual Internal Audit Plan. 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]



RESONA GROUP'S CORPORATE SOCIAL RESPONSIBILITY

The Resona Group believes that its corporate social responsibility (CSR) is to serve its customers and society through its corporate activities.

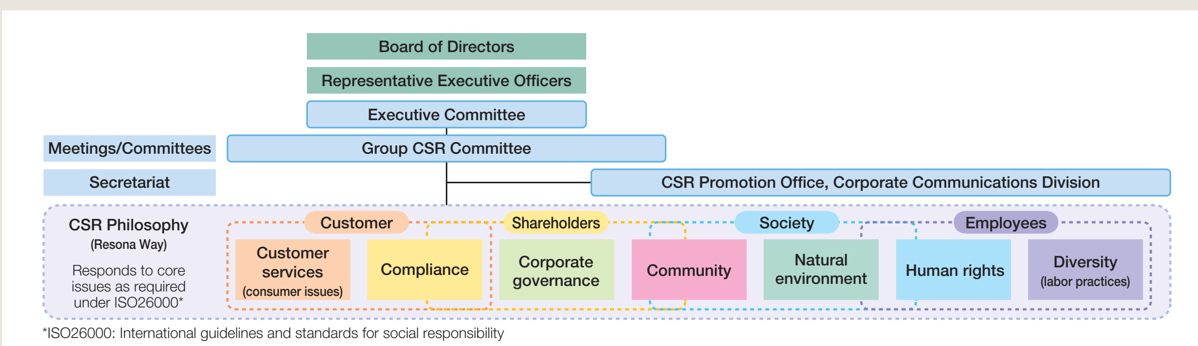
The Resona Group positions its CSR management as being equivalent to contributing to the creation of a sustainable society. The Group places high value on relationships of trust with customers, relationships with shareholders, its ties with society, and the employees' dignity and personality with the aim of receiving the support of all its stakeholders. The Resona Group, therefore, draws on its management resources to engage proactively in CSR activities.

CSR Promotion System

To implement CSR management, the Resona Group has established a Group CSR Committee, which is headed by the chairman of Resona Holdings, Inc. The committee's members include the president and deputy president of Resona Holdings as well as the presidents of Group banks.

The Group has also formed a CSR Promotion Office within the Corporate Communications Division. As a family of companies contributing to the sustainability of society, the Resona Group is committed to promoting CSR activities even more actively than in the past.

[Outline of the CSR Promotion System]



CSR Initiatives

The Resona Group is a signatory to the United Nations (UN) Global Compact, which is a set of strategic policy initiatives for businesses. Under this compact, the Resona Group works, within its main business of finance, to contribute to the creation of a sustainable society by addressing issues related to "human rights, labor standards, environment, and anti-corruption."

[The 10 Principles of the UN Global Compact]

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

Labor

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labor;
5. the effective abolition of child labor; and
6. the elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

THE GLOBAL COMPACT

WE SUPPORT

TOPICS DURING THE FISCAL YEAR ENDED MARCH 31, 2011

■ **Resona Group**

Strengthening Support Provided to Customers Doing Businesses in Asia and Further Training of Overseas Group Personnel

The Resona Group is actively engaged in strengthening its capabilities for responding to the rapid rise in customer needs for services to assist in the development of their operations in the rest of Asia.

(1) Strengthening the Customer Support System

As the needs of customers for developing their operations evolve toward "China plus one," Resona Bank is augmenting its capabilities for providing assistance to customers entering Indonesia, Thailand, Vietnam, India, and other countries in Asia. The experience of Resona Bank in Indonesia dates back more than 50 years, and it is able to respond to the range of customer needs there by drawing on the capabilities of P.T. Bank Resona Perdania, which offers full banking services in that country. Similarly, Resona Bank has seconded staff to the Ho Chi Minh Branch of a closely affiliated bank as well as to the New Delhi Office of the Japan External Trade Organization (JETRO). Resona Bank is continuing to strengthen its capabilities for supporting the needs of its customers for expanding into Asian markets by providing financial services, information, and consultation in local markets.

Saitama Resona Bank has also seconded staff to the head office of a closely affiliated bank in Thailand, and in other areas has put into place systems for offering various support functions for its customers by drawing on the capabilities of the overseas network of the Resona Group.

(2) Strengthening Branch Office Support Functions

In October 2010, Resona Bank newly formed its Asia Business Promotion Center and is working to strengthen its branch support services. As part of these activities, in January 2011, Resona Bank set up the Asia Market Entry Support Fund. By making loans to its Japan-based customers from Japan to local markets elsewhere in Asia and providing guarantees for customer borrowings from local financial institutions, Resona Bank is actively responding to the funding needs of its customers.

The Kinki Osaka Bank also formed its Asia Business Support Group in June 2010 within its Information Relations Department. This group gathers the Asia business related needs of its customers and is strengthening its capabilities for providing support to help customers to find appropriate solutions for the issues they face.

(3) Training of Overseas Group Personnel

To train the personnel needed for overseas business operations in the future, the Resona Group reinstituted its overseas trainee system in 2009, mainly for younger employees. Currently, personnel have been seconded to Indonesia, Thailand, and Shanghai, and they are undergoing training in operations and languages.

Also, by implementing three-month training programs that enable business division general managers to visit a number of overseas locations, the Group is endeavoring to deepen the understanding of its key staff members regarding overseas operations.

Head office of P.T. Bank Resona Perdania

■ **Resona Group**

Introduction of Wide-Coverage Credit Life Insurance for Resona Group Housing Loan Customers

Beginning in April 2011, Resona Bank, Saitama Resona Bank, and The Kinki Osaka Bank have increased the scope of underwriting of group credit life insurance. Arrangements have been made so that certain customers, such as those suffering from illnesses, who could not qualify previously for coverage under group credit life insurance, can now become eligible under the Wide-Coverage Group Credit Life Insurance plans. This group credit life insurance with broader coverage can be utilized by persons with illnesses who have, thus far, been obliged to give up their plans for purchasing homes, refinancing their loans, or moving to other residences.

■ **Resona Group**

Expansion in Range of Tie-Ups for Adult Guardianship Intermediary Services to Respond to Asset Succession Needs

In recent years, along with the decline in the birthrate and demographic aging of the population in Japan, the number of persons relying on the adult guardianship system for contractual procedures and estate administration in the event of the onset of Alzheimer's disease or other circumstances is growing. In addition, the number of cases where guardians are selected from third parties rather than relatives is expanding. In view of these trends, to respond proactively to the asset succession needs of customers, the Resona Group has expanded the range of tie-ups for its adult guardianship intermediary services and is actively providing consulting services related to the adult guardianship system.

■ **Resona Bank**

Introduction of Condominium Repair Reserve Fund Trusts

Beginning in April 2011, Resona Bank began to handle Condominium Repair Reserve Fund Trusts. This new product added certain features to the existing jointly managed specified money trusts (hereinafter, money trusts), taking into account the special features of condominium repair reserve funds.

These newly offered trusts function as money trusts in that they invest in safe assets, and, when disbursements are to be made for repairs, these trusts can be withdrawn flexibly and conveniently. They also offer favorable expected rates of return about the same as time deposits.

Resona Bank will continue to strive to provide attractive trust products that are useful in providing solutions for customers' needs.

Safety of Money Trusts

Segregated management of trust assets + Principal guarantee contracts

Contracts that Take Account the Special Features of Repair Reserve Funds

Free of cancellation fees when the funds are withdrawn for repairs

Satisfies both convenience and favorable asset management

■ **Resona Bank**

Resona Bank Receives "Diversity Award" for the Fourth Consecutive Year in Recognition of Continuing Efforts to Draw Fully on the Talents of Female Staff

In March 2011, Resona Bank received the Continuation Prize in the 4th Annual J-Win Diversity Awards program following its receipt of the Grand Prize in the previous year. Moreover, this time a new award was added for individuals, and Eiji Hosoya, Chairman of Resona Holdings, received the "Management Award." This award program is organized by the Japan Women's Innovative Network (J-Win), a nonprofit organization engaged in activities to promote widespread diversity management. In the awards, J-Win focuses especially on proactive corporate initiatives with respect to the active use of female staff. Resona has received a high appraisal for its continuing efforts in this area since it won the Fighting Spirit Award in the first year of the awards, the Continuing Effort Award in the second year, the Grand Prize in the third year, and, now the Continuation Prize in the fourth year.

■ **Saitama Resona Bank**

Sponsorship of the Fourth Public Facilities Management Seminar in November 2010 Aimed at Personnel of Saitama Municipalities

Saitama Resona Bank has been selected as the designated financial institution for Saitama Prefecture as well as 61 towns and cities in Saitama. As the leading financial institution in the region, Saitama Resona Bank sponsors "Public Facilities Management Seminars" for employees of municipalities in Saitama.

The public facilities that were constructed during Japan's period of rapid economic growth and the urban infrastructure are aging, and substantial expenditures for repair and renewal will be needed in the years ahead. Collaboration between the private sector, with its know-how, and the public sector is receiving attention as one method for reducing this financial burden. These seminars are planned and coordinated by experts in related fields, and they cover such topics as the renewal of public facilities and the urban infrastructure as well as collaboration between the public and private sectors.

Going forward, Saitama Resona Bank will draw on its information networks to contribute to the regional community.

■ **Saitama Resona Bank**

Received 12th Saitama Environment Award in Recognition of Environmental Preservation Initiatives Deeply Rooted in the Community

Saitama Resona Bank received the 12th Saitama Environment Award in March 2011. This award is given to nurture the stronger awareness of environmental preservation and encourage environment-related action. It is presented to groups and others in Saitama Prefecture and elsewhere whose activities provide a model for other people to follow.

The receipt of this award was in recognition of such activities as the “e-Cycle Sharing Saitama,” which is based on the Agreement Regarding Cooperation in the Environmental Field that was concluded with Saitama Prefecture in June 2010 and encourages the joint use of electric-assisted bicycles together with personnel of Saitama Prefecture offices.

The award also recognized sponsorship of environment-related education at the Kid’s Money Academy and tree planting in the Nagatoro-machi area.

Looking ahead, Saitama Resona Bank will contribute to the development of its home area of Saitama Prefecture through the promotion of many kinds of environmental preservation activities.

Tree-planting activities in the Hodo-san region of Nagatoro-machi in Saitama

■ **Saitama Resona Bank/The Kinki Osaka Bank**

“First Network Business Negotiations in Osaka” Sponsored by The Kinki Osaka Bank and Saitama Resona Bank

The Kinki Osaka Bank and Saitama Resona Bank, together with the Hiroshima Bank and Iyo Bank, sponsored the “First Network Business Negotiations in Osaka” in November 2010.

The purpose of this event was to help create new commercial flows between the customers of the sponsoring banks and provide support for opening new channels with the goal of revitalizing regional economies.

This time the event was held around the theme of “food,” and arrangements for business negotiations were made in advance. The objective was to provide companies in the Kinki region who are interested in buying attractive food products from various regions with opportunities to open one-on-one discussions with sellers of outstanding products, who are located in Hiroshima, Ehime, Saitama, and other prefectures, and are interested in creating channels to buyers.

■ **The Kinki Osaka Bank**

Participating in the “Project to Strengthen the SME Support Network” for Providing Sophisticated and Specialized Solutions to Management Issues

The Kinki Osaka Bank, since April 2009, has worked with the Regional Power Collaboration Base project, which is subcontracted from the Ministry of Economy, Trade and Industry (METI) and, since April 2010, with the Small and Medium-Sized Enterprise Encouragement Center, which is the implementing organization.

In fiscal 2011, as a supporting organization for METI’s “Project to Strengthen the SME Support Network,” The Kinki Osaka Bank is continuing to provide support as it has thus far.

Under this project, there will be a venue for providing management consultation, and high-level advisors will be stationed on a continuing basis to act as agents for dispatching specialists. Thus, The Kinki Osaka Bank will provide support to assist SMEs in finding solutions to sophisticated and specialized management issues that they confront.

■ **The Kinki Osaka Bank**

Sponsored 10th Anniversary Concert Entitled “Making Osaka Even More Vibrant”

In February 2011, The Kinki Osaka Bank, in cooperation with the Izumi Hall, sponsored a concert entitled “Making Osaka Even More Vibrant,” featuring the Kansai Philharmonic Orchestra, with the objective of nurturing local culture.

To give the regional orchestra a sense of security for performing in the concert, The Kinki Osaka Bank raised operating funds through the collection of small donations. As a consequence, this resulted in about 800 contributions from customer associations, and the concert was fully sold out for the occasion.

In addition, requests for musical pieces were accepted from concert attendees, and this became the first classical music concert where the program was enjoyed with the audience, thus broadening the scope of participants in the local art culture.

In December 2010, the Tokyo Head Office building of Resona Bank received ISO14001 certification for environmental management. As a result, all the head office buildings of the banks of the Resona Group (Resona Bank, Saitama Resona Bank, and The Kinki Osaka Bank) have now received ISO14001 certification. Going forward, the Resona Group will continue to lower the environmental load that the Group’s operations place on the natural environment.

ACTIVITIES OF THE RESONA GROUP TO PROVIDE SUPPORT FOR THE RECOVERY FOLLOWING THE GREAT EAST JAPAN EARTHQUAKE

We wish to express our deepest sympathies to all those who suffered injury and losses as a result of the Great East Japan Earthquake.

To support post-earthquake recovery, the companies of the Resona Group are engaging in various activities, some of which are described below.

Support for Restoration and Recovery

To respond to demand for funds for the restoration and recovery of the regions stricken by the earthquake, the Resona Group has introduced lending facilities that include housing loans, home renovation loans, and general-purpose loans for individuals as well as business and other loans for enterprises.

Support to the Victims of the Disaster

From March 13 (shortly after the earthquake) through April 24, the Sendai Branch of Resona Bank was open for business on Saturday and Sunday of each week and received requests for consultations for financing from persons in the affected regions.

Saitama Resona Bank seconded advisors to respond to requests for financial advice to the Saitama Super Arena, which was a temporary shelter for victims of the disaster through the end of March. Similarly, in collaboration with three local financial institutions, Resona Bank is providing financial consulting as well as contributing to the revitalization of the region through various initiatives, including sponsoring orienteering and other interchange events for people taking refuge from the effects of the disaster in the former Kisai High School building (in Saitama Prefecture) and for children in the area.

Relief Donations

Resona Bank has established an account for receiving relief donations for the Central Community Chest of Japan. Transfers to this account from all Group banks, including both those through teller windows and ATMs, are provided free of transfer fees.

As a result of the kind cooperation of many persons, as of April 30, 2011, total relief funds collected amounted to ¥6.5 billion.

The Resona Group itself donated ¥50 million and collected donations from employees and from persons visiting its branches. Holders of points in the Resona Club, Saitama Resona Club, and The Kinki Osaka Club may also use these points to make relief donations. The Kinki Osaka Bank is also offering a special time deposit entitled "The Thoughts of Kansai to East Japan!".

On April 28, a free charity concert was sponsored in the main hall of the Osaka Head Office of Resona Bank. At that time, donation boxes were placed in the hall and many donations were collected from about 500 persons.

Event held on the grounds of the former Kisai High School

Charity concert held in the Osaka Head Office of Resona Bank

MEMO

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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, 2011 and 2010, and the related consolidated statements of income for the years then ended, the consolidated statement of comprehensive income for the year ended March 31, 2011, and the related consolidated statements of 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, 2011 and 2010, 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, 2011

CONSOLIDATED BALANCE SHEETS

Resona Holdings, Inc. and consolidated subsidiaries
March 31, 2011 and 2010

	Millions of yen		Millions of U.S. dollars (Note 1)
	2011	2010	**2011**
Assets:			
Cash and due from banks (Notes 3, 13 and 29)	**¥ 3,027,781**	¥ 1,607,691	**$ 36,413**
Call loans and bills bought (Notes 4 and 29)	**356,676**	872,442	**4,289**
Deposits paid for securities borrowing transactions (Note 29)	**—**	56,541	**—**
Monetary claims bought (Note 29)	**427,467**	419,212	**5,140**
Trading assets (Notes 5, 13, 29 and 30)	**637,508**	522,796	**7,666**
Securities (Notes 6, 13 and 29)	**9,899,960**	8,915,317	**119,061**
Loans and bills discounted (Notes 7, 13, 14, 29 and 35)	**25,853,022**	26,263,548	**310,920**
Foreign exchange assets (Notes 8 and 29)	**63,472**	61,269	**763**
Other assets (Notes 9, 13, 29, 30 and 31)	**1,634,261**	1,086,792	**19,654**
Premises and equipment (Notes 10, 12, 21 and 28)	**313,231**	322,297	**3,767**
Intangible fixed assets (Notes 11, 12 and 28)	**53,836**	50,467	**647**
Deferred tax assets (Note 27)	**186,891**	247,379	**2,247**
Customers' liabilities for acceptances and guarantees (Notes 20 and 29)	**678,495**	760,305	**8,159**
Reserve for possible loan losses (Note 29)	**(424,619)**	(439,604)	**(5,106)**
Reserve for possible losses on investments	**(1,139)**	(2,925)	**(13)**
Total Assets	**¥42,706,848**	¥40,743,531	**$513,612**
Liabilities and Equity			
Liabilities:			
Deposits (Notes 13, 15, 29 and 35)	**¥34,179,947**	¥32,955,610	**$411,063**
Negotiable certificates of deposit (Note 29)	**1,424,610**	1,119,590	**17,133**
Call money and bills sold (Notes 4 and 29)	**277,916**	393,243	**3,342**
Bills sold under repurchase agreements (Notes 13 and 29)	**142,972**	132,976	**1,719**
Deposits received for securities lending transactions (Notes 13 and 29)	**—**	55,933	**—**
Trading liabilities (Notes 5, 29 and 30)	**244,282**	154,402	**2,937**
Borrowed money (Notes 13, 16 and 29)	**1,700,813**	623,620	**20,454**
Foreign exchange liabilities (Notes 8 and 29)	**1,755**	3,085	**21**
Bonds (Notes 17 and 29)	**678,071**	850,264	**8,154**
Due to trust account (Note 29)	**375,866**	376,687	**4,520**
Other liabilities (Notes 13, 16, 18, 29 and 30)	**1,320,538**	964,944	**15,881**
Reserve for employees' bonuses	**14,603**	12,412	**175**
Reserve for employees' retirement benefits (Note 31)	**11,591**	9,821	**139**
Other reserves (Note 19)	**34,552**	28,999	**415**
Deferred tax liabilities (Note 27)	**—**	24	**—**
Deferred tax liabilities on land revaluation (Note 21)	**28,277**	29,709	**340**
Acceptances and guarantees (Notes 20 and 29)	**678,495**	760,305	**8,159**
Total Liabilities	**41,114,294**	38,471,633	**494,459**
Equity (Notes 22, 33 and 36):			
Capital stock	**340,472**	327,201	**4,094**
Capital surplus	**237,082**	400,709	**2,851**
Retained earnings	**879,381**	1,372,119	**10,575**
Treasury stock at cost	**(86,847)**	(86,840)	**(1,044)**
Accumulated other comprehensive income:			
Net unrealized gains on available-for-sale securities (Note 6)	**61,826**	83,129	**743**
Net deferred gains on hedges	**16,352**	13,789	**196**
Revaluation reserve for land (Note 21)	**38,479**	40,271	**462**
Foreign currency translation adjustments	**(4,468)**	(3,807)	**(53)**
Total	**1,482,279**	2,146,571	**17,826**
Minority interests in consolidated subsidiaries	**110,273**	125,326	**1,326**
Total Equity	**1,592,553**	2,271,897	**19,152**
Total Liabilities and Equity	**¥42,706,848**	¥40,743,531	**$513,612**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

Resona Holdings, Inc. and consolidated subsidiaries
Years ended March 31, 2011 and 2010

	Millions of yen		Millions of U.S. dollars (Note 1)
	2011	2010	**2011**
Income:			
Interest income (Note 23)	**¥551,097**	¥588,792	**$ 6,627**
Trust fees	**25,937**	28,727	**311**
Fees and commissions	**172,420**	165,671	**2,073**
Trading profits (Note 24)	**28,900**	26,526	**347**
Other operating income (Note 25)	**50,554**	39,747	**607**
Other income (Note 26)	**63,640**	54,383	**765**
Total Income	**892,551**	903,849	**10,734**
Expenses:			
Interest expenses (Note 23)	**67,004**	89,292	**805**
Fees and commissions	**51,555**	49,270	**620**
Trading losses	**365**	196	**4**
Other operating expenses (Note 25)	**42,937**	32,306	**516**
General and administrative expenses	**369,413**	387,502	**4,442**
Other expenses (Note 26)	**124,163**	169,222	**1,493**
Total Expenses	**655,440**	727,792	**7,882**
Income before income taxes and minority interests	**237,111**	176,057	**2,851**
Income Taxes (Note 27):			
Current	**10,523**	11,954	**126**
Deferred	**62,189**	27,774	**747**
Total Income Taxes	**72,713**	39,728	**874**
Net income before minority interests	**164,397**	136,328	**1,977**
Minority interests in net income	**4,318**	4,098	**51**
Net income	**¥160,079**	¥132,230	**$ 1,925**

	Yen		U.S. dollars (Note 1)
Per common share information:			
Net income per share (Basic) (Note 33)	**¥73.14**	¥88.32	**$0.87**
Net income per share (Diluted) (Note 33)	**41.47**	52.94	**0.49**
Cash dividends applicable to the year (Notes 22 and 36)	**12.00**	10.00	**0.14**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Resona Holdings, Inc. and consolidated subsidiaries
Year ended March 31, 2011

	Millions of yen	Millions of U.S. dollars (Note 1)
	2011	**2011**
Net income before minority interests	**¥164,397**	**$1,977**
Other comprehensive income (Note 32)		
Net unrealized losses on available-for-sale securities	**(21,445)**	**(257)**
Net deferred gains on hedges	**2,563**	**30**
Foreign currency translation adjustments	**(12,979)**	**(156)**
Share of other comprehensive income of affiliates accounted for using the equity method	**(22)**	**(0)**
Total other comprehensive income	**(31,884)**	**(383)**
Comprehensive income (Note 32)	**¥132,513**	**$1,593**
Total comprehensive income attributable to (Note 32):		
Owners of the parent	**¥140,679**	**$1,691**
Minority interests	**(8,166)**	**(98)**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Resona Holdings, Inc. and consolidated subsidiaries
Years ended March 31, 2011 and 2010

	Millions of yen		Millions of U.S. dollars (Note 1)
	2011	2010	**2011**
Equity (Note 22)**:**			
Capital stock:			
Balance at beginning of year	**¥ 327,201**	¥ 327,201	**$ 3,935**
Changes of items during the year			
Issuance of new stock	**13,271**	—	**159**
Net changes during the year	**13,271**	—	**159**
Balance at end of year	**¥ 340,472**	¥ 327,201	**$ 4,094**
Capital surplus:			
Balance at beginning of year	**¥ 400,709**	¥ 493,309	**$ 4,819**
Changes of items during the year			
Issuance of new stock	**534,444**	178,650	**6,427**
Disposal of treasury stock	**(1)**	(0)	**(0)**
Retirement of treasury stock	**(1,307,683)**	(271,250)	**(15,726)**
Transfer from retained earnings to capital surplus	**609,613**	—	**7,331**
Net changes during the year	**(163,626)**	(92,600)	**(1,967)**
Balance at end of year	**¥ 237,082**	¥ 400,709	**$ 2,851**
Retained earnings:			
Balance at beginning of year	**¥1,372,119**	¥1,287,467	**$16,501**
Changes of items during the year			
Dividends paid	**(44,994)**	(49,019)	**(541)**
Net income	**160,079**	132,230	**1,925**
Reversal of revaluation reserve for land	**1,792**	1,440	**21**
Transfer from retained earnings to capital surplus	**(609,613)**	—	**(7,331)**
Net changes during the year	**(492,737)**	84,652	**(5,925)**
Balance at end of year	**¥ 879,381**	¥1,372,119	**$10,575**
Treasury stock at cost:			
Balance at beginning of year	**¥ (86,840)**	¥ (86,795)	**$ (1,044)**
Changes of items during the year			
Acquisitions of treasury stock	**(1,307,693)**	(271,302)	**(15,726)**
Disposal of treasury stock	**2**	6	**0**
Retirement of treasury stock	**1,307,683**	271,250	**15,726**
Net changes during the year	**(7)**	(45)	**(0)**
Balance at end of year	**¥ (86,847)**	¥ (86,840)	**$ (1,044)**
Accumulated other comprehensive income:			
Net unrealized gains (losses) on available-for-sale securities:			
Balance at beginning of year	**¥ 83,129**	¥ (32,345)	**$ 999**
Changes of items during the year			
Net changes during the year	**(21,303)**	115,475	**(256)**
Balance at end of year	**¥ 61,826**	¥ 83,129	**$ 743**
Net deferred gains on hedges:			
Balance at beginning of year	**¥ 13,789**	¥ 21,976	**$ 165**
Changes of items during the year			
Net changes during the year	**2,563**	(8,187)	**30**
Balance at end of year	**¥ 16,352**	¥ 13,789	**$ 196**

(Continued)

	Millions of yen		Millions of U.S. dollars (Note 1)
	2011	2010	**2011**
Revaluation reserve for land:			
Balance at beginning of year	**¥ 40,271**	¥ 41,712	**$ 484**
Changes of items during the year			
Net changes during the year	**(1,792)**	(1,440)	**(21)**
Balance at end of year	**¥ 38,479**	¥ 40,271	**$ 462**
Foreign currency translation adjustments:			
Balance at beginning of year	**¥ (3,807)**	¥ (4,363)	**$ (45)**
Changes of items during the year			
Net changes during the year	**(660)**	555	**(7)**
Balance at end of year	**¥ (4,468)**	¥ (3,807)	**$ (53)**
Total:			
Balance at beginning of year	**¥2,146,571**	¥2,048,163	**$25,815**
Changes of items during the year			
Issuance of new stock	**547,716**	178,650	**6,587**
Dividends paid	**(44,994)**	(49,019)	**(541)**
Net income	**160,079**	132,230	**1,925**
Acquisitions of treasury stock	**(1,307,693)**	(271,302)	**(15,726)**
Disposal of treasury stock	**0**	6	**0**
Reversal of revaluation reserve for land	**1,792**	1,440	**21**
Net changes of items in accumulated other comprehensive income	**(21,192)**	106,402	**(254)**
Net changes during the year	**(664,291)**	98,408	**(7,989)**
Balance at end of year	**¥1,482,279**	¥2,146,571	**$17,826**
Minority interests in consolidated subsidiaries:			
Balance at beginning of year	**¥ 125,326**	¥ 129,921	**$ 1,507**
Changes of items during the year			
Net changes during the year	**(15,052)**	(4,595)	**(181)**
Balance at end of year	**¥ 110,273**	¥ 125,326	**$ 1,326**
Total equity:			
Balance at beginning of year	**¥2,271,897**	¥2,178,084	**$27,322**
Changes of items during the year			
Issuance of new stock	**547,716**	178,650	**6,587**
Dividends paid	**(44,994)**	(49,019)	**(541)**
Net income	**160,079**	132,230	**1,925**
Acquisitions of treasury stock	**(1,307,693)**	(271,302)	**(15,726)**
Disposal of treasury stock	**0**	6	**0**
Reversal of revaluation reserve for land	**1,792**	1,440	**21**
Net changes of items in accumulated other comprehensive income	**(21,192)**	106,402	**(254)**
Net changes in minority interests in consolidated subsidiaries	**(15,052)**	(4,595)	**(181)**
Net changes during the year	**(679,344)**	93,813	**(8,170)**
Balance at end of year	**¥1,592,553**	¥2,271,897	**$19,152**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Resona Holdings, Inc. and consolidated subsidiaries
Years ended March 31, 2011 and 2010

	Millions of yen		Millions of U.S. dollars (Note 1)
	2011	2010	**2011**
Cash flows from operating activities:			
Income before income taxes and minority interests	**¥ 237,111**	¥ 176,057	**$ 2,851**
Adjustments for:			
Depreciation and amortization	**25,258**	24,235	**303**
Impairment losses on premises, equipment and intangible fixed assets	**3,659**	3,636	**44**
Amortization of goodwill	**—**	7,242	**—**
Gain on negative goodwill	**(1,578)**	—	**(18)**
Equity in earnings of investments in affiliated companies	**(400)**	(90)	**(4)**
Decrease in reserve for possible loan losses	**(14,985)**	(1,362)	**(180)**
Increase (decrease) in reserve for possible losses on investments	**(1,786)**	2,925	**(21)**
Increase in reserve for employees' bonuses	**2,191**	8	**26**
Increase in reserve for employees' retirement benefits	**1,769**	3,114	**21**
Interest income (accrual basis)	**(551,097)**	(588,792)	**(6,627)**
Interest expenses (accrual basis)	**67,004**	89,292	**805**
Net gains on securities	**(25,059)**	(19,190)	**(301)**
Net foreign exchange gains	**(47,688)**	(55,004)	**(573)**
Net losses (gains) on disposal of premises, equipment and intangible fixed assets	**(134)**	1,263	**(1)**
Net increase in trading assets	**(114,712)**	(3,228)	**(1,379)**
Net increase in trading liabilities	**89,879**	32,197	**1,080**
Net decrease in loans and bills discounted	**410,526**	245,706	**4,937**
Net increase in deposits	**1,224,337**	847,812	**14,724**
Net increase in negotiable certificates of deposit	**305,020**	537,550	**3,668**
Net increase (decrease) in borrowed money (excluding subordinated borrowed money)	**1,080,193**	(23,887)	**12,990**
Net increase in due from banks (excluding deposits with the Bank of Japan)	**(23,422)**	(29,277)	**(281)**
Net decrease (increase) in call loans, bills bought and monetary claims bought	**507,510**	(229,624)	**6,103**
Net decrease in deposits paid for securities borrowing transactions	**56,541**	188,570	**679**
Net decrease in call money, bills sold and bills sold under repurchase agreements	**(105,331)**	(601,025)	**(1,266)**
Net decrease in deposits received for securities lending transactions	**(55,933)**	(23,680)	**(672)**
Net decrease (increase) in foreign exchange assets	**(2,202)**	17,318	**(26)**
Net increase (decrease) in foreign exchange liabilities	**(1,330)**	537	**(15)**
Net decrease in straight bonds	**(58,686)**	(109,637)	**(705)**
Net increase (decrease) in due to trust account	**(821)**	30,810	**(9)**
Interest receipts (cash basis)	**560,256**	601,668	**6,737**
Interest payments (cash basis)	**(74,960)**	(90,520)	**(901)**
Other—net	**(12,643)**	(32,918)	**(152)**
Subtotal	**3,478,486**	1,001,705	**41,833**
Income taxes refunded (paid)	**(13,036)**	22,783	**(156)**
Net cash provided by operating activities	**3,465,449**	1,024,489	**41,677**
Cash flows from investing activities:			
Purchases of securities	**(35,734,686)**	(36,550,181)	**(429,761)**
Proceeds from sales of securities	**30,896,522**	30,653,401	**371,575**
Proceeds from maturities of securities	**3,685,233**	5,056,145	**44,320**
Purchases of premises and equipment	**(8,156)**	(10,932)	**(98)**
Proceeds from disposal of premises and equipment	**5,844**	574	**70**
Purchases of intangible fixed assets	**(2,070)**	(7,115)	**(24)**
Proceeds from disposal of intangible fixed assets	**115**	45	**1**
Payments related to acquisitions of subsidiaries' stocks	**(2,126)**	—	**(25)**
Other—net	**(288)**	—	**(3)**
Net cash used in investing activities	**(1,159,614)**	(858,062)	**(13,946)**
Cash flows from financing activities:			
Proceeds from subordinated borrowed money	**1,000**	11,000	**12**
Repayment of subordinated borrowed money	**(4,000)**	(11,000)	**(48)**
Proceeds from issuance of subordinated bonds	**49,753**	200,747	**598**
Repayment of subordinated bonds	**(147,550)**	(50,320)	**(1,774)**
Proceeds from issuance of stock	**544,706**	177,852	**6,550**
Dividends paid	**(44,994)**	(49,019)	**(541)**
Dividends paid to minority shareholders of consolidated subsidiaries	**(347)**	(313)	**(4)**
Payments related to acquisitions of treasury stock	**(1,307,693)**	(271,302)	**(15,726)**
Proceeds from sales of treasury stock	**0**	6	**0**
Net cash provided by (used in) financing activities	**(909,124)**	7,651	**(10,933)**
Effect of exchange rate changes on cash and cash equivalents	**(43)**	2	**(0)**
Increase in cash and cash equivalents	**1,396,667**	174,080	**16,796**
Cash and cash equivalents at beginning of year	**1,285,371**	1,111,291	**15,458**
Cash and cash equivalents at end of year (Note 3)	**¥ 2,682,038**	¥ 1,285,371	**$ 32,255**

See accompanying notes to the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Resona Holdings, Inc. and consolidated subsidiaries
Years ended March 31, 2011 and 2010

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 Law 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.

On June 30, 2010, the Accounting Standards Board of Japan (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. The Group has adopted the standard and guidance from the fiscal year ended on March 31, 2011 and the consolidated statement of comprehensive income has been presented herein. Accordingly, "accumulated other comprehensive income" is presented in the consolidated balance sheet and the consolidated statement of changes in equity. Information with respect to comprehensive income for the fiscal year ended March 31, 2010 was disclosed in note 32 "Comprehensive Income." In addition, "net income before minority interests" is disclosed in the consolidated statement of income.

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.

Also, certain reclassifications have been made in the 2010 consolidated financial statements to conform to the classifications used in 2011.

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 ¥83.15 to U.S. $1.00, the rate of exchange prevailing in the Tokyo Foreign Exchange Market on March 31, 2011. 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 Company defines its consolidation scope using the control and influence concept. Under the control and influence concept, those entities in which the Company, 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 Company 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 *Toshi Jigyo Kumiai* (investment associations), limited partnerships, *Tokumei Kumiai* (silent partnership) structures and other entities with similar characteristics, the Company 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 ASBJ.

(a) Scope of consolidation

The number of consolidated subsidiaries as of March 31, 2011 and 2010 was 17 and 18, respectively. The changes in the number of consolidated subsidiaries for the years ended March 31, 2011 and 2010 were as follows:

(Number of consolidated subsidiaries)	2011	2010
At beginning of year	**18**	19
Decrease:		
Merger between consolidated subsidiaries	**1**	1
At end of year	**17**	18

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.

(b) Application of the equity method of accounting

The number of affiliates accounted for by the equity method as of March 31, 2011 and 2010 was one and two, respectively. The number of affiliates accounted for by the equity method decreased because of the merger between those affiliates accounted for by the equity method.

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 are immaterial in relation to the consolidated financial statements.

Non-consolidated subsidiaries and affiliates include investment funds in the form of *Toshi Jigyo Kumiai* (investment association), 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, 2011 and 2010. 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 the equity and it was not accounted for as affiliates.

(c) Balance sheet dates of consolidated subsidiaries

The balance sheet dates of the consolidated subsidiaries as of March 31, 2011 and 2010 were as follows:

(Number of consolidated subsidiaries)	2011	2010
End of December	**4**	4
End of March	**13**	14

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 five years, using the straight-line method. Goodwill, however, is charged to expense when incurred if the amount is not significant. Whereas negative goodwill is recognized as a gain.

(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 should, in principle, be 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 of America tentatively may be used for the consolidation process, however, the following items should be adjusted in the consolidated process so that net income or loss is accounted for in accordance with Japanese GAAP unless they are not material.

(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

(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 value, 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 whose fair value cannot be reliably determined are stated at cost. 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.

(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 into 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.

A special 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, 2011 and 2010 were ¥88 million ($1 million) and ¥285 million, respectively.

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 principal 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 five years).

(c) Leased assets

Leased assets other than those under finance leases that are deemed to transfer ownership of the leased property to the lessee (excluding those lease transactions entered into before April 1, 2008) are depreciated by the straight-line method over the lease term. Those entered into before April 1, 2008 are accounted for as operating lease transactions as permitted by ASBJ Statement No. 13, "Accounting Standard for Lease Transactions" (see note 2 (19) "Leases" below). 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 ownership to the lessee is computed by the same method used for owned assets.

Accounting change for the year ended March 31, 2011 ~ Asset retirement obligations
The Group recognizes asset retirement obligations in accordance with ASBJ Statement No. 18, "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No. 21, "Guidance on Accounting Standard for Asset Retirement Obligations" which was issued on March 31, 2008 and was effective for fiscal years beginning on or after April 1, 2010.

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 the 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 the "as-if" retroactive calculation for the period from the original transaction date, when the asset retirement obligations occurred, to April 1, 2010 is to be charged to income and included in "Other expenses" on the consolidated statement of income for the year ended March 31, 2011.

As a result of the adoption, income before income taxes and minority interests decreased by ¥459 million ($5 million) for the year ended March 31, 2011.

(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 centers, computer centers 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 and stock 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 five 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 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, 2011 and 2010 were ¥443,263 million ($5,330 million) and ¥485,117 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 (ten years) defined within the average remaining service years of eligible employees.

(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 common share is computed by dividing net income attributable 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 common share reflects the potential dilutive effect of outstanding warrants and convertible securities, including convertible preferred stock, 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.

Diluted net income per common 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.

Net assets per common share is computed by dividing net assets attributable to common shareholders by the number of common shares outstanding at the end of the year.

(23) New accounting pronouncements

Accounting changes and error corrections

On December 4, 2009, the ASBJ issued ASBJ Statement 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 error
When a material 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.

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, 2011 and 2010 is as follows:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Cash and due from banks	**¥3,027,781**	¥1,607,691	**$36,413**
Due from banks except for the Bank of Japan	**(345,742)**	(322,320)	**(4,158)**
Cash and cash equivalents	**¥2,682,038**	¥1,285,371	**$32,255**

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

Call loans and bills bought as of March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Call loans	**¥356,676**	¥872,442	**$4,289**

Call money and bills sold as of March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Call money	**¥277,916**	¥393,243	**$3,342**

5. Trading Assets and Trading Liabilities

Trading assets and liabilities as of March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Trading assets:			
Trading securities	**¥371,960**	¥354,146	**$4,473**
Derivatives of trading securities	**51**	18	**0**
Derivatives of securities related to trading transactions	**24**	0	**0**
Trading-related financial derivatives	**265,472**	168,630	**3,192**
Total	**¥637,508**	¥522,796	**$7,666**
Trading liabilities:			
Derivatives of trading securities	**¥ 24**	¥ 4	**$ 0**
Trading-related financial derivatives	**244,258**	154,397	**2,937**
Total	**¥244,282**	¥154,402	**$2,937**

6. Securities

Securities as of March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Japanese government bonds	**¥7,671,629**	¥6,559,368	**$ 92,262**
Japanese local government bonds	**462,091**	401,555	**5,557**
Japanese corporate bonds	**1,049,816**	1,172,294	**12,625**
Japanese stocks	**539,446**	569,027	**6,487**
Other securities	**176,976**	213,071	**2,128**
Total	**¥9,899,960**	¥8,915,317	**$119,061**

As of March 31, 2011 and 2010, securities included equity investments in non-consolidated subsidiaries and affiliates, accounted for by the equity method or the cost method, of ¥19,241 million ($231 million) and ¥19,198 million, respectively, and capital subscriptions to entities such as limited liability companies of ¥4,104 million ($49 million) and ¥4,768 million, respectively.

The carrying values, aggregate fair values and unrealized gains (losses) on held-to-maturity debt securities as of March 31, 2011 and 2010 were as follows:

	Millions of yen		
	Carrying values	Estimated fair values	Net unrealized gains (losses)
March 31, 2011			
Fair value exceeding carrying value:			
Held-to-maturity debt securities:			
Japanese government bonds	**¥ 923,285**	**¥ 941,635**	**¥18,349**
Japanese local government bonds	**267,584**	**277,454**	**9,869**
Japanese corporate bonds	**8,090**	**8,264**	**174**
Total	**¥1,198,960**	**¥1,227,354**	**¥28,393**
Fair value below carrying value:			
Held-to-maturity debt securities:			
Japanese government bonds	**¥ 426,252**	**¥ 422,967**	**¥ (3,285)**
Japanese local government bonds	**41,475**	**40,998**	**(477)**
Japanese corporate bonds	**1,210**	**1,176**	**(34)**
Total	**¥ 468,939**	**¥ 465,141**	**¥ (3,797)**
Grand total	**¥1,667,900**	**¥1,692,496**	**¥24,596**
March 31, 2010			
Fair value exceeding carrying value:			
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 carrying value:			
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		
	Carrying values	Estimated fair values	Net unrealized gains (losses)
March 31, 2011			
Fair value exceeding carrying value:			
Held-to-maturity debt securities:			
Japanese government bonds	**$11,103**	**$11,324**	**$220**
Japanese local government bonds	**3,218**	**3,336**	**118**
Japanese corporate bonds	**97**	**99**	**2**
Total	**$14,419**	**$14,760**	**$341**
Fair value below carrying value:			
Held-to-maturity debt securities:			
Japanese government bonds	**$ 5,126**	**$ 5,086**	**$ (39)**
Japanese local government bonds	**498**	**493**	**(5)**
Japanese corporate bonds	**14**	**14**	**(0)**
Total	**$ 5,639**	**$ 5,593**	**$ (45)**
Grand total	**$20,058**	**$20,354**	**$295**

The carrying values, acquisition or amortized costs and unrealized gains (losses) on available-for-sale securities as of March 31, 2011 and 2010 were as follows:

	Millions of yen		
	Carrying values	Acquisition/ amortized costs	Net unrealized gains (losses)
March 31, 2011			
Carrying value exceeding acquisition or amortized cost:			
Japanese stocks	**¥ 350,775**	**¥ 220,258**	**¥130,516**
Bonds:			
Japanese government bonds	**1,520,061**	**1,514,691**	**5,370**
Japanese local government bonds	**105,314**	**102,124**	**3,189**
Japanese corporate bonds	**379,577**	**376,054**	**3,523**
Total bonds	**2,004,953**	**1,992,869**	**12,083**
Other	**48,112**	**46,295**	**1,816**
Total	**¥2,403,841**	**¥2,259,424**	**¥144,416**
Carrying value below acquisition or amortized cost:			
Japanese stocks	**¥ 113,272**	**¥ 131,611**	**¥ (18,339)**
Bonds:			
Japanese government bonds	**4,802,029**	**4,823,200**	**(21,171)**
Japanese local government bonds	**47,716**	**48,276**	**(560)**
Japanese corporate bonds	**660,937**	**665,681**	**(4,743)**
Total bonds	**5,510,683**	**5,537,158**	**(26,475)**
Other	**218,551**	**225,287**	**(6,736)**
Total	**¥5,842,507**	**¥5,894,058**	**¥ (51,551)**
Grand total	**¥8,246,348**	**¥8,153,482**	**¥ 92,865**

	Millions of yen		
	Carrying values	Acquisition/ amortized costs	Net unrealized gains (losses)
March 31, 2010			
Carrying value exceeding acquisition or 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 acquisition or 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	Acquisition/ amortized costs	Net unrealized gains (losses)
March 31, 2011			
Carrying value exceeding acquisition or amortized cost:			
Japanese stocks	**$ 4,218**	**$ 2,648**	**$ 1,569**
Bonds:			
Japanese government bonds	**18,280**	**18,216**	**64**
Japanese local government bonds	**1,266**	**1,228**	**38**
Japanese corporate bonds	**4,564**	**4,522**	**42**
Total bonds	**24,112**	**23,967**	**145**
Other	**578**	**556**	**21**
Total	**$28,909**	**$27,172**	**$ 1,736**
Carrying value below acquisition or amortized cost:			
Japanese stocks	**$ 1,362**	**$ 1,582**	**$ (220)**
Bonds:			
Japanese government bonds	**57,751**	**58,006**	**(254)**
Japanese local government bonds	**573**	**580**	**(6)**
Japanese corporate bonds	**7,948**	**8,005**	**(57)**
Total bonds	**66,273**	**66,592**	**(318)**
Other	**2,628**	**2,709**	**(81)**
Total	**$70,264**	**$70,884**	**$ (619)**
Grand total	**$99,174**	**$98,057**	**$ 1,116**

Notes: 1. As of March 31, 2011, ¥56,576 million ($680 million) of unlisted stocks and ¥21,931 million ($263 million) of investments in partnerships whose fair values cannot be reliably determined, are not included in the above table.
2. As of March 31, 2010, ¥75,659 million of unlisted stocks and ¥24,657 million of investments in partnerships whose fair values cannot be reliably determined, are not included in the above table.

Proceeds from sales of available-for-sale securities, gross realized gains and gross realized losses for the years ended March 31, 2011 and 2010 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, 2011						
Available-for-sale securities:						
Japanese stocks	**¥ 16,886**	**¥ 4,675**	**¥ 199**	**$ 203**	**$ 56**	**$ 2**
Bonds:						
Japanese government bonds	**29,300,770**	**40,646**	**14,250**	**352,384**	**488**	**171**
Japanese local government bonds	**67,046**	**391**	**34**	**806**	**4**	**0**
Japanese corporate bonds	**804,384**	**3,931**	**33**	**9,673**	**47**	**0**
Total bonds	**30,172,201**	**44,970**	**14,317**	**362,864**	**540**	**172**
Other	**1,129,904**	**10,680**	**9,029**	**13,588**	**128**	**108**
Total	**¥31,318,992**	**¥60,325**	**¥23,546**	**$376,656**	**$725**	**$283**
March 31, 2010						
Available-for-sale securities:						
Japanese stocks	¥ 19,639	¥ 6,970	¥ 120			
Bonds:						
Japanese government bonds	29,753,577	35,227	8,143			
Japanese local government bonds	161,069	828	81			
Japanese corporate bonds	371,202	2,297	6			
Total bonds	30,285,849	38,353	8,230			
Other	447,644	4,051	2,010			
Total	¥30,753,133	¥49,376	¥10,361			

For the years ended March 31, 2011 and 2010, the Group did not reclassify any securities.

An impairment of securities is recognized if the decline in fair values is substantial and the decline is determined to be other than temporary. To assess whether or not a decline in fair values 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 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 amortized cost or acquisition cost.

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

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

For the year ended March 31, 2011, impairment losses of ¥3,673 million ($44 million) were recorded with respect to securities with fair values except for trading securities. For the year ended March 31, 2010, impairment losses of ¥2,744 million were recorded with respect to available-for-sale securities with fair values.

A reconciliation of net unrealized gains on available-for-sale securities to the amounts included in "Net unrealized gains on available-for-securities," presented as a separate component of equity as of March 31, 2011 and 2010 on the consolidated balance sheets is as follows:

	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Net unrealized gains before taxes on available-for-sale securities	¥92,865	¥120,607	$1,116
Discontinued fair value hedge gains previously recognized as income	(9,738)	(11,105)	(117)
Deferred tax liabilities	(21,304)	(26,234)	(256)
Net unrealized gains on available-for-sale securities (before adjustment)	61,822	83,267	743
Amounts attributable to minority interests	(25)	(190)	(0)
The Company's portion of unrealized gains on available-for-sale securities of equity method investees	30	52	0
Amounts recorded in the consolidated balance sheets	¥61,826	¥ 83,129	$ 743

As of March 31, 2011, there were no securities loaned without collateral, securities borrowed without collateral, securities purchased under resale agreements or securities received under securities borrowing transactions collateralized with cash.

As of March 31, 2010, ¥37,908 million of securities loaned without collateral under securities lending agreements are included in Japanese government bonds. 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 of such securities were repledged and ¥5,985 million of such securities were reloaned to others as of March 31, 2010.

There was no money held in trust for trading purposes as of March 31, 2011 and 2010.

7. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Bills discounted	¥ 185,680	¥ 189,925	$ 2,233
Loans on notes	1,014,675	1,130,686	12,202
Loans on deeds	21,554,446	21,799,485	259,223
Overdrafts	3,098,219	3,143,450	37,260
Total	¥25,853,022	¥26,263,548	$310,920

The following loans were included in loans and bills discounted as of March 31, 2011 and 2010.

	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Loans to borrowers in legal bankruptcy	¥ 19,752	¥ 35,324	$ 237
Past due loans	459,878	466,511	5,530
Loans past due three months or more	8,171	13,700	98
Restructured loans	261,403	188,583	3,143
Total	¥749,205	¥704,120	$9,010

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 Law of Japan (the "Company Law"), 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.

"Loans 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, were ¥196,758 million ($2,366 million) and ¥201,266 million as of March 31, 2011 and 2010, respectively.

8. Foreign Exchange

Foreign exchange assets and liabilities as of March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Assets:			
Due from foreign banks	**¥25,890**	¥27,033	**$311**
Foreign bills of exchange bought	**11,077**	11,341	**133**
Foreign bills of exchange receivable	**26,504**	22,895	**318**
Total	**¥63,472**	¥61,269	**$763**
Liabilities:			
Due to foreign banks	**¥ 526**	¥ 2,234	**$ 6**
Foreign bills of exchange sold	**452**	511	**5**
Foreign bills of exchange payable	**775**	340	**9**
Total	**¥ 1,755**	¥ 3,085	**$ 21**

9. Other Assets

Other assets as of March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Prepaid expenses	**¥ 20,363**	¥ 16,742	**$ 244**
Accrued income	**55,598**	56,829	**668**
Initial margins for futures transactions	**3,666**	2,651	**44**
Variation margins for futures transactions	**79**	321	**0**
Financial derivatives, principally including option premiums and contracts under hedge accounting	**372,999**	307,386	**4,485**
Prepaid pension cost	**132,809**	138,253	**1,597**
Guarantee deposits	**22,322**	22,963	**268**
Guarantee for derivative transactions	**246,010**	189,188	**2,958**
Other receivable on sales of securities	**541,398**	131,382	**6,511**
Other	**239,013**	221,073	**2,874**
Total	**¥1,634,261**	¥1,086,792	**$19,654**

10. Premises and Equipment

Premises and equipment as of March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Land, building, equipment and leased assets	**¥524,444**	¥531,716	**$6,307**
Construction in progress	**1,511**	3,707	**18**
Subtotal	**525,955**	535,423	**6,325**
Accumulated depreciation	**(212,723)**	(213,126)	**(2,558)**
Total	**¥313,231**	¥322,297	**$3,767**

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, 2011 and 2010, such deferred profit amounted to ¥53,258 million ($640 million) and ¥54,815 million, respectively.

11. Intangible Fixed Assets

Intangible fixed assets as of March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Software	**¥10,915**	¥13,985	**$131**
Leased assets	**37,557**	31,056	**451**
Other intangible fixed assets	**5,364**	5,425	**64**
Total	**¥53,836**	¥50,467	**$647**

12. Long-Lived Assets

For the years ended March 31, 2011 and 2010, the Group recognized impairment losses of ¥3,659 million ($44 million) and ¥3,636 million, respectively. 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, 2011 and 2010 were as follows:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Assets pledged as collateral:			
Cash and due from banks	**¥ 1,837**	¥ —	**$ 22**
Trading assets	**142,947**	144,914	**1,719**
Securities	**6,664,361**	5,616,701	**80,148**
Loans and bills discounted	**166,479**	204,219	**2,002**
Other assets	**3,880**	3,886	**46**
Debt collateralized:			
Deposits	**¥ 163,227**	¥ 175,895	**$ 1,963**
Bills sold under repurchase agreements	**142,972**	132,976	**1,719**
Deposits received for securities lending transactions	**—**	55,933	**—**
Borrowed money	**1,633,620**	550,400	**19,646**
Other liabilities	**—**	39	**—**

In addition to the pledged assets shown above, the following assets were pledged as collateral for settlements of foreign exchanges, over-the-counter derivatives transactions or futures transactions as of March 31, 2011 and 2010.

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Assets pledged as collateral:			
Cash and due from banks	**¥ 80**	¥ 80	**$ 0**
Securities	**1,196,235**	1,019,816	**14,386**
Other assets	**246,601**	189,800	**2,965**

"Other assets" included initial margins for futures transactions in the amount of ¥3,666 million ($44 million) and guarantee deposits in the amount of ¥22,322 million ($268 million) as of March 31, 2011.

"Other assets" included initial margins for futures transactions in the amount of ¥2,651 million and guarantee deposits in the amount of ¥22,963 million as of March 31, 2010.

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 as of March 31, 2011 and 2010 amounted to ¥7,801,642 million ($93,826 million) and ¥7,821,708 million, respectively, including ¥7,584,472 million ($91,214 million) and ¥7,623,747 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.

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, 2011 and 2010 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Current deposits	**¥ 2,178,738**	¥ 2,541,211	**$ 26,202**
Ordinary deposits	**17,743,528**	16,262,333	**213,391**
Savings deposits	**385,067**	404,482	**4,630**
Notice deposits	**120,243**	142,197	**1,446**
Time deposits	**12,864,676**	12,741,257	**154,716**
Other deposits	**887,693**	864,128	**10,675**
Total	**¥34,179,947**	¥32,955,610	**$411,063**

16. Borrowed Money and Lease Obligations

(1) Borrowed money

As of March 31, 2011 and 2010, the weighted average annual interest rates applicable to borrowed money were 0.17% and 0.33%, respectively.

Borrowed money included borrowings from the Bank of Japan and other financial institutions. In addition, borrowed money included subordinated borrowings of ¥49,000 million ($589 million) and ¥52,000 million as of March 31, 2011 and 2010, respectively.

The following is a summary of maturities of borrowed money subsequent to March 31, 2011:

Year Ending March 31	Millions of yen	Millions of U.S. dollars
2012	**¥1,646,505**	**$19,801**
2013	**3,354**	**40**
2014	**980**	**11**
2015	**616**	**7**
2016	**297**	**3**
2017 and thereafter	**49,058**	**589**
Total	**¥1,700,813**	**$20,454**

(2) Obligations under finance leases

As of March 31, 2011 and 2010, the weighted average annual interest rates applicable to the finance lease obligations were 0.34%.

The following is a summary of maturities of the finance lease obligations subsequent to March 31, 2011:

Year Ending March 31	Millions of yen	Millions of U.S. dollars
2012	**¥12,857**	**$154**
2013	**11,777**	**141**
2014	**7,707**	**92**
2015	**4,285**	**51**
2016	**2,195**	**26**
2017 and thereafter	**9**	**0**
Total	**¥38,832**	**$467**

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 those finance leases is disclosed in note 28 “Leases.”

17. Bonds

Bonds as of March 31, 2011 and 2010 consisted of the following:

	Rate	Maturity	Millions of yen	Millions of U.S. dollars
March 31, 2011				
The Company:				
Straight bond	**1.64%**	**December 15, 2011**	**¥ 20,000**	**$ 240**
Straight bond	**1.70%**	**June 20, 2013**	**30,000**	**360**
Resona Bank, Limited(*5):				
Subordinated bonds(*1)	**0.6975% to 5.986%**	**September 24, 2014 to Perpetuity**	**508,969**	**6,121**
Saitama Resona Bank, Limited(*5):				
Subordinated bonds	**0.72625% to 2.08%**	**September 27, 2016 to Perpetuity**	**105,500**	**1,268**
Asahi Finance (Cayman) Ltd.(*2):				
Subordinated bond	**4.25%**	**Perpetuity**	**10,000**	**120**
P.T. Bank Resona Perdania(*3):				
Straight bond(*4)	**10.9%**	**April 15, 2011**	**908**	**10**
Straight bond(*5)	**10.5%**	**December 9, 2013**	**2,692**	**32**
Total			**¥678,071**	**$8,154**
March 31, 2010				
The Company:				
Straight bond	0.69%	June 24, 2010	¥ 30,000	
Straight bond	1.09%	December 17, 2010	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)	0.8225% to 5.986%	September 24, 2014 to Perpetuity	622,476	
Saitama Resona Bank, Limited(*5):				
Subordinated bonds	0.83063% to 2.181%	September 27, 2016 to Perpetuity	105,500	
Asahi Finance (Cayman) Ltd.(*2):				
Subordinated bond	4.25%	Perpetuity	10,000	
P.T. Bank Resona Perdania(*3):				
Straight bond(*6)	9.6%	December 6, 2010	1,314	
Straight bond(*4)	10.9%	April 15, 2011	973	
Total			¥850,264	

Notes: (*1) The amount includes the balances of foreign currency-denominated bonds originally issued at U.S.$1,299 million, EUR 499 million and £335 million as of March 31, 2011. 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.
(*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 ("Resona Bank"), which has 43.4% of its voting rights.
(*4) The amount includes the balance of foreign currency-denominated bonds originally issued at 99,852 million and 99,380 million Indonesian rupees as of March 31, 2011 and 2010, respectively.
(*5) The amount includes the balance of foreign currency-denominated bonds originally issued at 295,931 million Indonesian rupees as of March 31, 2011.
(*6) The amount includes the balance of foreign currency-denominated bonds originally issued at 134,108 million Indonesian rupees as of March 31, 2010.
7. All of the outstanding bonds are unsecured.

The following is a summary of the maturities of bonds subsequent to March 31, 2011:

Year Ending March 31	Millions of yen	Millions of U.S. dollars
2012	**¥ 20,908**	**$ 251**
2013	**—**	**—**
2014	**32,692**	**393**
2015	**20,000**	**240**
2016	**20,000**	**240**
2017 and thereafter	**584,469**	**7,029**
Total	**¥678,071**	**$8,154**

Note: The above amounts are stated at carrying amounts.

18. Other Liabilities

Other liabilities as of March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Unsettled exchange payables	¥ 62	¥ 74	$ 0
Accrued income taxes	5,898	9,748	70
Accrued expenses	55,066	62,468	662
Unearned income	20,968	22,255	252
Lease obligations	38,832	31,855	467
Asset retirement obligations	1,318	—	15
Variation margins for futures transactions	29	235	0
Financial derivatives, principally including option premiums and contracts under hedge accounting	353,450	282,345	4,250
Other payable on purchases of securities	467,320	205,012	5,620
Other	377,591	350,946	4,541
Total	¥1,320,538	¥964,944	$15,881

19. Other Reserves

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

Other reserves 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 trust transactions without principal indemnification which a consolidated domestic banking subsidiary as a trustee has been administrating and operating, and amounted to ¥11,346 million ($136 million) and ¥11,092 million as of March 31, 2011 and 2010, 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 ¥12,666 million ($152 million) and ¥8,305 million as of March 31, 2011 and 2010, 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 ¥5,256 million ($63 million) and ¥5,000 million as of March 31, 2011 and 2010, 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 ¥4,050 million ($48 million) and ¥3,547 million as of March 31, 2011 and 2010, 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 ¥561 million ($6 million) and ¥632 million as of March 31, 2011 and 2010, 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 ¥439,223 million ($5,282 million) and ¥456,479 million as of March 31, 2011 and 2010, 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 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 ¥31,229 million ($375 million) and ¥28,243 million as of March 31, 2011 and 2010, respectively.

22. Equity

Capital requirement

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

(i) Dividends

Under the Company Law, 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 Company meets all of the above criteria.

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 Law, 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 Law 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 Law 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.

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

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

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

(iii) Treasury stock and treasury stock acquisition rights

The Company Law 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 Law, stock acquisition rights are presented as a separate component of equity.

The Company Law 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.

(iv) 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 the capital reserve). 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 retained earnings (retained earnings other than the legal reserve).

Capital Stock—Changes during the Year

The changes in the number and class of shares issued and treasury stock for the year ended March 31, 2011 were as follows:

	(Shares in thousands)				
		Changes during the year			
	As of April 1, 2010	Increase	Decrease	As of March 31, 2011	
Issued stock:					
Common stock	1,214,957	1,300,000	—	2,514,957	(*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	—	(*2)
Class Two No. 1 preferred stock	281,780	—	281,780	—	(*2)
Class Three No. 1 preferred stock	275,000	—	50,000	225,000	(*2)
Class Four preferred stock	2,520	—	—	2,520	
Class Five preferred stock	4,000	—	—	4,000	
Class Six preferred stock	3,000	—	—	3,000	
Total	2,076,258	1,300,000	606,780	2,769,477	
Treasury stock:					
Common stock	64,168	12	1	64,179	(*3)
Preferred stock:					
Class One No. 1 preferred stock	—	275,000	275,000	—	(*2)
Class Two No. 1 preferred stock	—	281,780	281,780	—	(*2)
Class Three No. 1 preferred stock	—	50,000	50,000	—	(*2)
Total	64,168	606,793	606,782	64,179	

Notes: (*1) The increase in the number of shares of the common stock is due to issued stocks.

(*2) The increase in the number of shares of the treasury stock of preferred stock (Class One No. 1, Class Two No. 1 and Class Three 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 stocks.

(*3) The increase/decrease in the number of shares of the treasury stock of common stock represents the acquisition/disposal of odd-lot shares.

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

	(Shares in thousands)				
		Changes during the year			
	As of April 1, 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 shares of the common stock and preferred stock (Class Six) is due to issued stocks.
(*2) The increase in the number of shares 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/decrease in the number of shares of the treasury stock of common stock represents the acquisition/disposal of odd-lot shares.

On September 8, 2009, the Company repurchased and cancelled 10,000,000 shares of Class Nine preferred stock for ¥27,125 per share for an aggregate purchase price of ¥271,250 million and issued 75,000,000 new shares of its common stock at ¥1,382 per share, for a total issue amount of ¥103,650 million, through a third-party allotment. Upon the issuance of the common stock, the amounts of stated capital and capital reserve (a component of capital surplus) were increased by ¥51,825 million and ¥51,825 million, respectively. Simultaneously with the issuance of the stock described above, the amounts of increase in stated capital and capital reserve resulting from such issuance were transferred to other capital surplus (capital surplus other than capital reserve) on the issue date and, accordingly, the amounts of stated capital and capital reserve after the issuance of such stock were the same as the amounts before the issuance.

On December 8, 2009, the Company issued 3,000,000 shares of Class Six preferred stock at ¥25,000 per share, for a total issue amount of ¥75,000 million, through a third-party allotment. Upon the issuance of the preferred stock, the amounts of stated capital and capital reserve (a component of capital surplus) increased by ¥37,500 million and ¥37,500 million, respectively. Simultaneously with the issuance of the stock described above, the amounts of increase in stated capital and capital reserve resulting from such issuance were transferred to other capital surplus (capital surplus other than capital reserve) on the issue date and, accordingly, the amounts of stated capital and capital reserve after the issuance of such stock were the same as the amounts before the issuance.

On August 31, 2010, the Company repurchased and cancelled 200,000,000 shares of Class One No. 1 preferred stock for ¥2,128.60 per share for an aggregate purchase price of ¥425,720 million.

On January 31, 2011, the Company issued 1,237,000,000 shares of common stock at ¥421.32 per share, for a total issue amount of ¥521,172 million, through a public offering. Upon the issuance of the common stock, the amounts of stated capital and capital reserve (a component of capital surplus) increased by ¥260,586 million and ¥260,586 million, respectively. Simultaneously with the issuance of the stock described above, the amounts of increase in stated capital and capital reserve resulting from such issuance were transferred to other capital surplus (capital surplus other than capital reserve) on the issue date and, accordingly, the amounts of stated capital and capital reserve after the issuance of such stock were the same as the amounts before the issuance.

On February 18, 2011, the Company issued 63,000,000 shares of common stock at ¥421.32 per share, for a total issue amount of ¥26,543 million, through a third-party allotment. Upon the issuance of the common stock, the amounts of stated capital and capital reserve (a component of capital surplus) increased by ¥13,271 million and ¥13,271 million, respectively.

On March 11, 2011, the Company repurchased and cancelled 75,000,000 shares of Class One No. 1 preferred stock for ¥2,134.60 per share for an aggregate purchase price of ¥160,095 million, 281,780,786 shares of Class Two No. 1 preferred stock for ¥2,167.00 per share for an aggregate purchase price of ¥610,618 million and 50,000,000 shares of Class Three No. 1 preferred stock for ¥2,225.00 per share for an aggregate purchase price of ¥111,250 million.

On March 31, 2011, ¥609,613 million in other retained earnings (retained earnings other than legal reserve) was transferred to other capital surplus (capital surplus other than capital reserve).

Capital Stock—Summary of Stock Right

Common stock and preferred stock as of March 31, 2011 were as follows:

March 31, 2011	Number of shares						
Class of stock	Authorized(*2)	Issued	Liquidation value per share (Yen)	Convertible or not	Convertible period	Voting right	Conversion ratio or price
Common stock	7,300,000,000	2,514,957,691	¥ —	No	Not applicable	Yes	Not applicable
Class C No. 1 preferred stock(*1)	12,000,000	12,000,000	5,000	Yes	July 1, 2002 to March 31, 2015	No	¥1,501
Class F No. 1 preferred stock(*1)	8,000,000	8,000,000	12,500	Yes	July 1, 2003 to November 30, 2014	No	¥3,240
Class Three No. 1 preferred stock(*1)	275,000,000	225,000,000	2,000	Yes	On or after July 1, 2010	Yes	¥ 410
Class Four preferred stock	10,000,000	2,520,000	25,000	No	—	No	—
Class Five preferred stock	10,000,000	4,000,000	25,000	No	—	No	—
Class Six preferred stock	10,000,000	3,000,000	25,000	No	—	No	—

Notes: (*1) The preferred stocks stated above are moving strike convertible securities.
(*2) In addition to the above, the authorized number of the shares for Class One No. 1 preferred stock was 275,000,000 shares, Class Two No. 1 preferred stock was 281,780,800 shares, Class Seven preferred stock and Class Eight preferred stock were 10,000,000 shares, in each one, as of March 31, 2011.

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, Class Five and Class Six preferred stock is convertible into common stock at the option of the holder. Conversion ratios or prices 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.

The Company may repurchase Class Six preferred stock with cash at a price of ¥25,000 plus a daily basis of annual dividends on or after December 8, 2016.

Holders of preferred stocks (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.

Cash Dividends Per Share

Cash dividends per share for the years ended March 31, 2011 and 2010 were as follows:

	Cash dividends applicable for the year			Cash dividends paid during the year		
	Yen	Yen	U.S. dollars	Yen	Yen	U.S. dollars
	2011(*1)	2010(*2)	**2011(*1)**	**2011(*2)**	2010(*3)	**2011(*2)**
Class of stock						
Common stock	**¥ 12.00**	¥ 10.00	**$ 0.14**	**¥ 10.00**	¥ 10.00	**$ 0.12**
Class C No. 1 preferred stock	**68.00**	68.00	**0.81**	**68.00**	68.00	**0.81**
Class F No. 1 preferred stock	**185.00**	185.00	**2.22**	**185.00**	185.00	**2.22**
Class One No. 1 preferred stock	**—**	28.68	**—**	**28.68**	31.90	**0.34**
Class Two No. 1 preferred stock	**—**	28.68	**—**	**28.68**	31.90	**0.34**
Class Three No. 1 preferred stock	**23.56**	28.68	**0.28**	**28.68**	31.90	**0.34**
Class Four preferred stock	**992.50**	992.50	**11.93**	**992.50**	992.50	**11.93**
Class Five preferred stock	**918.75**	918.75	**11.04**	**918.75**	918.75	**11.04**
Class Six preferred stock	**1,237.50**	386.51	**14.88**	**386.51**	—	**4.64**
Class Nine preferred stock	**—**	—	**—**	**—**	325.50	**—**

Notes: (*1) Year-end cash dividends for the year ended March 31, 2011 were approved at the Board of Directors' meeting held on May 13, 2011.
(*2) Year-end cash dividends for the year ended March 31, 2010 were approved at the Board of Directors' meeting held on May 14, 2010.
(*3) Year-end cash dividends for the year ended March 31, 2009 were approved at the Board of Directors' meeting held on May 15, 2009.

23. Interest Income and Expenses

Interest income and expenses for the years ended March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Interest income:			
Interest on loans and bills discounted	**¥469,470**	¥509,771	**$5,646**
Interest and dividends on securities	**58,305**	55,104	**701**
Interest on call loans and bills bought	**1,863**	1,650	**22**
Interest on deposits paid for securities borrowing transactions	**54**	111	**0**
Interest on due from banks	**2,021**	1,866	**24**
Other interest income	**19,382**	20,287	**233**
Total	**¥551,097**	¥588,792	**$6,627**
Interest expenses:			
Interest on deposits	**¥ 38,695**	¥ 52,865	**$ 465**
Interest on negotiable certificates of deposit	**1,770**	2,101	**21**
Interest on call money and bills sold	**437**	809	**5**
Interest on bills sold under repurchase agreements	**69**	474	**0**
Interest on deposits received for securities lending transactions	**140**	273	**1**
Interest on borrowed money	**2,454**	2,445	**29**
Interest on bonds	**21,177**	27,001	**254**
Other interest expenses	**2,258**	3,321	**27**
Total	**¥ 67,004**	¥ 89,292	**$ 805**

24. Trading Profits

Trading profits for the years ended March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Trading profits:			
Income from trading securities	**¥ 478**	¥ 942	**$ 5**
Income from trading-related financial derivatives	**27,948**	24,415	**336**
Other trading profits	**472**	1,169	**5**
Total	**¥28,900**	¥26,526	**$347**

Income from trading securities included net valuation gain of ¥114 million ($1 million) and ¥164 million for the years ended March 31, 2011 and 2010.

25. Other Operating Income and Expenses

Other operating income and expenses for the years ended March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Other operating income:			
Gains on sales of Japanese government bonds and other	**¥50,361**	¥39,584	**$605**
Other	**193**	162	**2**
Total	**¥50,554**	¥39,747	**$607**
Other operating expenses:			
Losses on foreign exchange transactions	**¥16,639**	¥ 8,634	**$200**
Losses on sales of Japanese government bonds and other	**17,691**	9,520	**212**
Losses on redemption of Japanese government bonds and other	**611**	3,072	**7**
Impairment losses on Japanese government bonds and other	**1,530**	7,204	**18**
Expenses for financial derivatives	**6,463**	3,874	**77**
Total	**¥42,937**	¥32,306	**$516**

26. Other Income and Expenses

Other income and expenses for the years ended March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Other income:			
Gains on sales of stocks and other securities	**¥ 8,669**	¥ 9,007	**$ 104**
Gains on disposal of premises, equipment and intangible fixed assets	**1,711**	76	**20**
Recoveries of written-off loans	**29,362**	23,974	**353**
Gains from the cancellation of issued subordinated bonds	**—**	4,667	**—**
Gain on negative goodwill	**1,578**	—	**18**
Other	**22,318**	16,656	**268**
Total	**¥ 63,640**	¥ 54,383	**$ 765**
Other expenses:			
Write-offs of loans	**¥ 52,299**	¥ 72,971	**$ 628**
Provision for reserve for possible loan losses	**33,511**	59,455	**403**
Losses on sales of stocks and other securities	**5,888**	840	**70**
Impairment losses on stocks and other securities	**3,598**	4,590	**43**
Losses on disposal of premises, equipment and intangible fixed assets	**1,576**	1,339	**18**
Impairment losses on premises, equipment and intangible fixed assets	**3,659**	3,636	**44**
Losses on adjustment for changes of accounting standard for asset retirement obligations	**595**	—	**7**
Other	**23,034**	26,387	**277**
Total	**¥124,163**	¥169,222	**$1,493**

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 40.64% and 40.63% for the years ended March 31, 2011 and 2010, respectively.

The tax effects of significant temporary differences and loss carry-forwards which resulted in deferred tax assets and liabilities as of March 31, 2011 and 2010 were as follows:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Deferred tax assets:			
Write-downs of securities	**¥ 919,450**	¥ 921,965	**$11,057**
Reserve for possible loan losses and write-offs of loans	**277,213**	292,427	**3,333**
Tax loss carry-forwards	**205,940**	786,104	**2,476**
Reserve for employees' retirement benefits	**58,707**	54,520	**706**
Unrealized losses on available-for-sale securities	**1,638**	1,075	**19**
Other	**96,843**	92,585	**1,164**
Gross deferred tax assets	**1,559,793**	2,148,678	**18,758**
Less: valuation allowance	**(1,313,729)**	(1,834,530)	**(15,799)**
Total deferred tax assets	**246,063**	314,148	**2,959**
Deferred tax liabilities:			
Unrealized gains on available-for-sale securities	**(21,304)**	(26,234)	**(256)**
Gains on securities transferred to employees' retirement benefit trust	**(14,403)**	(17,963)	**(173)**
Deferred gains on hedges	**(11,728)**	(9,821)	**(141)**
Dividends receivable	**(2,101)**	(1,863)	**(25)**
Unrealized losses on Japanese government bonds deductible for tax purpose	**(24)**	(1,678)	**(0)**
Other	**(9,610)**	(9,232)	**(115)**
Total deferred tax liabilities	**(59,172)**	(66,793)	**(711)**
Net deferred tax assets	**¥ 186,891**	¥ 247,354	**$ 2,247**

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, 2011 and 2010 are as follows:

	2011	2010
Normal effective statutory tax rate	**40.64%**	40.63%
Expiration of net operating loss carry-forward	**212.53**	133.34
Amortization of goodwill	**—**	1.59
Change in valuation allowance	**(219.64)**	(149.91)
Lower tax rates applicable to income of subsidiaries	**(1.44)**	(2.04)
Dividends exempted for income tax purposes	**(1.10)**	(1.43)
Other	**(0.33)**	0.38
Effective tax rate	**30.66%**	22.56%

28. Leases

(1) Lessee

(a) Finance leases

The Group mainly leases electronic calculators, 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 ¥2,474 million ($29 million) and ¥9,380 million as of March 31, 2011 and 2010, 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 ¥1,149 million ($13 million) and ¥1,806 million as of March 31, 2011 and 2010, respectively.

Pro forma information of leased property 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, 2011 and 2010:

	Millions of yen			Millions of U.S. dollars		
	Equipment	Other	Total	Equipment	Other	Total
March 31, 2011						
Acquisition costs	**¥3,925**	**¥389**	**¥4,314**	**$47**	**$4**	**$51**
Accumulated depreciation	**3,193**	**262**	**3,455**	**38**	**3**	**41**
Net book value	**¥ 732**	**¥126**	**¥ 859**	**$ 8**	**$1**	**$10**

	Millions of yen		
	Equipment	Other	Total
March 31, 2010			
Acquisition costs	¥7,015	¥426	¥7,441
Accumulated depreciation	5,374	217	5,591
Net book value	¥1,640	¥209	¥1,849

Future minimum lease payments excluding interests as of March 31, 2011 and 2010:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Due within one year	**¥ 913**	¥1,110	**$10**
Due after one year	**133**	1,046	**1**
Total	**¥1,046**	¥2,157	**$12**

Pro forma depreciation and interest expense for the years ended March 31, 2011 and 2010:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Depreciation	**¥990**	¥1,601	**$11**
Interest expense	**39**	78	**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, 2011 and 2010, future minimum lease payments including interest expense under non-cancellable operating leases were as follows:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Due within one year	**¥ 4,081**	¥1,247	**$ 49**
Due after one year	**25,263**	4,396	**303**
Total	**¥29,344**	¥5,643	**$352**

(2) Lessor

(a) Operating leases

As of March 31, 2011 and 2010, future minimum lease payments including interest income under non-cancellable operating leases were as follows:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Due within one year	**¥ 38**	¥ 71	**$0**
Due after one year	**583**	720	**7**
Total	**¥621**	¥792	**$7**

29. Financial Instruments and Related Disclosures

On March 10, 2008, the ASBJ revised ASBJ Statement No. 10, "Accounting Standard for Financial Instruments" ("ASBJ Statement No. 10") 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 end of the fiscal year ended March 31, 2010, and elects to disclose the information for the end of 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 consolidated assets of approximately ¥42 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 customers' funding needs through providing credit such as lending, loans, under-taking 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 began providing interest rate-related and currency-related derivatives to meet sophisticated and diversified customer needs.

To provide these financial services, the Group raises funds by using financial instruments such as customer deposits, issuance of bonds 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, as well as covering 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's 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 an asset's 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 net investments and smooth cash flow operation. Japanese government bonds occupy 77% and 73% of securities as of March 31, 2011 and 2010, respectively.

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 an asset's 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.

- Interest rate-related products: futures, future options, forward rate agreements, swaps, and options
- Currency-related products: forward exchange contracts, swaps and options
- Stock-related products: index futures, index options, and over-the-counter options
- Bond-related products: futures, future 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 hedging 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. 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 ensure 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 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 exposures by measuring credit risks based on the current exposure method periodically, adding the credit exposure together with the 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 acceptance customer deposits, funding in the market and issuing bonds. Customer deposits comprise 83% and 85% of liabilities as of March 31, 2011 and 2010, respectively. 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 related 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 degree of intrinsic risks and the 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 at each bank of the Group. 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

(i) Market risk management system

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).

(ii) Quantitative information on market risk

Each bank of the Group measures VaR of market risks based on the purpose of holding financial instruments: trading, banking and securities held for the purpose of strategic investment. Market risk exposure of the Group is measured by simply aggregating VaR of Resona Bank, Saitama Resona Bank, Limited ("Saitama Resona Bank") and The Kinki Osaka Bank, Ltd. ("The Kinki Osaka Bank").

Risk exposures of certain products and affiliated companies are excluded from the market risk exposure of the Group, as the effect is confirmed to be immaterial.

(Trading)

The Group adopts a historical simulation method (holding period is 10 business days, confidence interval is 99%, observation period is 250 business days) in order to measure VaR associated with securities held for trading and derivative instruments. The market risk exposure of the Group in the trading operation as of March 31, 2011 is ¥2,448 million ($29 million).

(Banking)

In the banking operation, each bank of the Group deals with financial instruments other than those held for trading and securities held for the purpose of strategic investment, and any other assets and liabilities. The Group adopts a historical simulation method (holding period is 20 and 125 business days, confidence interval is 99%, observation period is 1,250 business days) in order to measure VaR associated with the banking operation. The market risk exposure of the Group in the banking operation as of March 31, 2011 is ¥49,503 million ($595 million).

(Securities held for the purpose of strategic investment)

Each bank of the Group measures VaR or manages risks associated with securities held for the purpose of strategic investment separately from the trading and the banking operation. The Group adopts a historical simulation method (holding period is 125 business days, confidence interval is 99%, observation period is 250 and 1,250 business days) in order to measure VaR associated with securities held for the purpose of strategic investment, and measures risk exposure by considering unrealized gains/losses and impairment risks. The market risk exposure of the Group on the securities held for the purpose of strategic investment as of March 31, 2011 is ¥76,189 million ($916 million).

(Verification system of VaR)

Each bank of the Group performs a backtesting which reconciles VaR measured by the model for each measurement unit with actual market fluctuations in order to verify reliability and effectiveness of the risk measurement model.

VaR represents a risk exposure under a certain probability calculated statistically based on the historical market movements. In the case that the actual market fluctuates over the ranges anticipated by the historical market movements, fair market values may fluctuate over VaR.

(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 monitors conditions of the market liquidity risk on a regular 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 value 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, 2011 and 2010 are as follows. Non-marketable securities whose fair values can not be reliably determined such as non-listed equity securities are not included in the table below.

	Millions of yen		
March 31, 2011	Carrying amounts	Fair values	Differences
Cash and due from banks	**¥ 3,027,781**	**¥ 3,027,781**	**¥ —**
Call loans and bills bought	**356,676**	**356,676**	**—**
Monetary claims bought(*1)	**427,417**	**428,913**	**1,495**
Trading assets:			
Trading securities	**371,960**	**371,960**	**—**
Securities:			
Held-to-maturity debt securities	**1,667,900**	**1,692,496**	**24,596**
Available-for-sale securities	**8,130,206**	**8,130,206**	**—**
Loans and bills discounted	**25,853,022**		
Reserve for possible loan losses(*1)	**(358,624)**		
	25,494,397	**25,869,729**	**375,331**
Foreign exchange assets(*1)	**62,333**	**62,333**	**—**
Total assets	**¥39,538,674**	**¥39,940,097**	**¥401,423**
Deposits	**¥34,179,947**	**¥34,193,696**	**¥ 13,749**
Negotiable certificates of deposit	**1,424,610**	**1,424,632**	**22**
Call money and bills sold	**277,916**	**277,916**	**—**
Bills sold under repurchase agreements	**142,972**	**142,972**	**—**
Borrowed money	**1,700,813**	**1,702,651**	**1,838**
Foreign exchange liabilities	**1,755**	**1,755**	**—**
Bonds	**678,071**	**686,834**	**8,762**
Due to trust account	**375,866**	**375,866**	**—**
Total liabilities	**¥38,781,953**	**¥38,806,325**	**¥ 24,372**
Derivative transactions(*2):			
Hedge accounting is not applied	**¥ 78,774**	**¥ 78,774**	**¥ —**
Hedge accounting is applied	**(38,015)**	**(38,235)**	**(219)**
Total derivative transactions	**¥ 40,758**	**¥ 40,539**	**¥ (219)**

	Millions of yen	
	Contractual amounts	Fair values
Other:		
Guarantee contract(*3)	**¥ 678,495**	**¥ (18,526)**

	Millions of yen		
March 31, 2010	Carrying amounts	Fair values	Differences
Cash and due from banks	¥ 1,607,691	¥ 1,607,691	¥ —
Call loans and bills bought	872,442	872,442	—
Deposits paid for securities borrowing transactions	56,541	56,541	—
Monetary claims bought(*1)	419,101	420,855	1,753
Trading assets:			
Trading securities	354,146	354,146	—
Securities:			
Held-to-maturity debt securities	1,087,202	1,112,046	24,844
Available-for-sale securities	7,703,831	7,703,831	—
Loans and bills discounted	26,263,548		
Reserve for possible loan losses(*1)	(381,379)		
	25,882,168	26,250,087	367,918
Foreign exchange assets(*1)	61,269	61,269	—
Total assets	¥38,044,396	¥38,438,913	¥394,516
Deposits	¥32,955,610	¥32,974,526	¥ 18,916
Negotiable certificates of deposit	1,119,590	1,119,616	26
Call money and bills sold	393,243	393,243	—
Bills sold under repurchase agreements	132,976	132,976	—
Deposits received for securities lending transactions	55,933	55,933	—
Borrowed money	623,620	625,108	1,488
Foreign exchange liabilities	3,085	3,085	—
Bonds	850,264	850,361	96
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	
	Contractual amounts	Fair values
Other:		
Guarantee contract(*3)	¥ 760,305	¥ (20,972)

March 31, 2011	Millions of U.S. dollars		
	Carrying amounts	Fair values	Differences
Cash and due from banks	$ 36,413	$ 36,413	$ —
Call loans and bills bought	4,289	4,289	—
Monetary claims bought(*1)	5,140	5,158	17
Trading assets:			
Trading securities	4,473	4,473	—
Securities:			
Held-to-maturity debt securities	20,058	20,354	295
Available-for-sale securities	97,777	97,777	—
Loans and bills discounted	310,920		
Reserve for possible loan losses(*1)	(4,312)		
	306,607	311,121	4,513
Foreign exchange assets(*1)	749	749	—
Total assets	$475,510	$480,337	$4,827
Deposits	$411,063	$411,229	$ 165
Negotiable certificates of deposit	17,133	17,133	0
Call money and bills sold	3,342	3,342	—
Bills sold under repurchase agreements	1,719	1,719	—
Borrowed money	20,454	20,476	22
Foreign exchange liabilities	21	21	—
Bonds	8,154	8,260	105
Due to trust account	4,520	4,520	—
Total liabilities	$466,409	$466,702	$ 293
Derivative transactions(*2):			
Hedge accounting is not applied	$ 947	$ 947	$ —
Hedge accounting is applied	(457)	(459)	(2)
Total derivative transactions	$ 490	$ 487	$ (2)

	Millions of U.S. dollars	
	Carrying amounts	Fair values
Other:		
Guarantee contract(*3)	$ 8,159	$ (222)

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 the consolidated balance sheet amounts 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 the consolidated balance sheets.

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

Assets

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.

Call loans and bills bought and 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.

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 “Loans and bills discounted” below).

Trading assets

Fair values of bonds held for trading are based on the values calculated by statistics of over-the-counter bonds released from the 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.

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 the 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 bonds are, in principle, 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.

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 such loans 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.

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 value approximate such carrying amounts because most of these items are deposits without maturity or have short contract terms (one year or less).

Liabilities

Deposits and 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.

Call money and bills sold, Bills sold under repurchase agreements and 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.

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.

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 approximate such carrying amounts.

Bonds

Fair values of corporate bonds issued by the Company and its consolidated subsidiaries are based on the values calculated by statistics released from the 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 use of new bond issuance.

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 which approximate such carrying amounts.

Derivative transactions

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

Other

Guarantee contracts

For guarantee contracts, 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 values.

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 Securities in (Note 1) above Calculation method of fair values of financial instruments.

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Unlisted stocks[*1][*2]	**¥ 75,841**	¥ 94,880	**$ 912**
Investments in partnerships[*2][*3]	**26,011**	29,402	**312**
Total	**¥101,853**	¥124,283	**$1,224**

Notes: (*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, 2011, impairment losses of unlisted stocks and investments in partnerships were ¥711 million ($8 million) and ¥744 million ($8 million), respectively. For the year ended March 31, 2010, impairment losses of unlisted stocks and investments in partnerships were ¥2,161 million and ¥6,588 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, 2011	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	**¥ 2,498,353**	**¥ —**	**¥ —**	**¥ —**	**¥ —**	**¥ —**
Call loans and bills bought	**356,676**	**—**	**—**	**—**	**—**	**—**
Monetary claims bought	**257,526**	**8,483**	**336**	**108**	**—**	**162,006**
Securities:						
Held-to-maturity debt securities	**45,284**	**220,179**	**254,123**	**327,304**	**824,761**	**3,000**
Japanese government bonds	**30,000**	**165,000**	**177,000**	**266,300**	**714,700**	**3,000**
Japanese local government bonds	**12,080**	**51,033**	**75,221**	**60,954**	**110,061**	**—**
Japanese corporate bonds	**3,203**	**4,146**	**1,902**	**50**	**—**	**—**
Available-for-sale securities	**2,730,090**	**1,458,365**	**2,536,317**	**390,005**	**477,673**	**42,613**
Japanese government bonds	**2,528,700**	**1,083,700**	**2,064,100**	**254,600**	**384,000**	**—**
Japanese local government bonds	**332**	**5,730**	**41,860**	**16,700**	**85,884**	**—**
Japanese corporate bonds	**184,626**	**314,527**	**400,071**	**110,110**	**6,302**	**22,351**
Loans and bills discounted[*1]	**7,075,053**	**4,198,594**	**2,798,003**	**1,761,329**	**2,189,376**	**7,625,609**
Foreign exchange assets	**63,472**	**—**	**—**	**—**	**—**	**—**
Total assets	**¥13,026,457**	**¥5,885,623**	**¥5,588,780**	**¥2,478,747**	**¥3,491,811**	**¥7,833,229**
Deposits[*2]	**¥31,063,198**	**¥2,572,940**	**¥ 543,808**	**¥ —**	**¥ —**	**¥ —**
Negotiable certificates of deposit	**1,419,410**	**5,200**	**—**	**—**	**—**	**—**
Call money and bills sold	**277,916**	**—**	**—**	**—**	**—**	**—**
Bills sold under repurchase agreements	**142,972**	**—**	**—**	**—**	**—**	**—**
Borrowed money	**1,646,505**	**4,335**	**913**	**12,041**	**37,016**	**—**
Foreign exchange liabilities	**1,755**	**—**	**—**	**—**	**—**	**—**
Bonds[*3]	**20,910**	**32,730**	**40,000**	**125,000**	**171,300**	**—**
Due to trust account	**375,866**	**—**	**—**	**—**	**—**	**—**
Total liabilities	**¥34,948,534**	**¥2,615,206**	**¥ 584,722**	**¥ 137,041**	**¥ 208,316**	**¥ —**

As of March 31, 2011	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	$ 30,046	$ —	$ —	$ —	$ —	$ —
Call loans and bills bought	4,289	—	—	—	—	—
Monetary claims bought	3,097	102	4	1	—	1,948
Securities:						
Held-to-maturity debt securities	544	2,647	3,056	3,936	9,918	36
Japanese government bonds	360	1,984	2,128	3,202	8,595	36
Japanese local government bonds	145	613	904	733	1,323	—
Japanese corporate bonds	38	49	22	0	—	—
Available-for-sale securities	32,833	17,538	30,502	4,690	5,744	512
Japanese government bonds	30,411	13,033	24,823	3,061	4,618	—
Japanese local government bonds	3	68	503	200	1,032	—
Japanese corporate bonds	2,220	3,782	4,811	1,324	75	268
Loans and bills discounted(*1)	85,087	50,494	33,650	21,182	26,330	91,709
Foreign exchange assets	763	—	—	—	—	—
Total assets	$156,662	$70,783	$67,213	$29,810	$41,994	$94,206
Deposits(*2)	$373,580	$30,943	$ 6,540	$ —	$ —	$ —
Negotiable certificates of deposit	17,070	62	—	—	—	—
Call money and bills sold	3,342	—	—	—	—	—
Bills sold under repurchase agreements	1,719	—	—	—	—	—
Borrowed money	19,801	52	10	144	445	—
Foreign exchange liabilities	21	—	—	—	—	—
Bonds(*3)	251	393	481	1,503	2,060	—
Due to trust account	4,520	—	—	—	—	—
Total liabilities	$420,307	$31,451	$ 7,032	$ 1,648	$ 2,505	$ —

Notes: (*1) Loans and bills discounted, for which it is difficult to estimate the redemption amount, amounted to ¥205,054 million ($2,466 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 maturity dates, which amounted to ¥288,213 million ($3,466 million), are excluded from the above table.

30. Derivatives

(1) 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, 2011 and 2010 were as follows:

(a) Interest rate-related transactions

			Millions of yen Notional or contract amount Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2011						
Listed	Futures					
		Sold	¥ 82,512	¥ 12,268	¥ (28)	¥ (28)
		Bought	18,464	14,327	2	2
Over-the-counter	Swaps					
		Receive fixed/Pay floating	16,302,112	13,914,048	154,332	154,332
		Receive floating/Pay fixed	16,164,771	14,237,500	(159,958)	(159,958)
		Receive floating/Pay floating	5,632,700	4,957,700	10,665	10,665
	Caps					
		Sold	113,116	107,248	(1,306)	1,437
		Bought	1,771	—	(1)	(0)
	Floors					
		Sold	9,000	9,000	404	(214)
		Bought	75,486	74,972	1,669	1,470
	Swaptions					
		Sold	10,326,000	2,311,000	19,738	(2,096)
		Bought	3,227,000	1,527,000	42,581	(1,353)
Consolidated related party	Swaps					
		Receive fixed/Pay floating	106,900	60,900	1,651	1,651
Total					¥ 32,078	¥ 5,908

			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 U.S. dollars			
			Notional or contract amount			
			Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2011						
Listed	Futures					
		Sold	**$ 992**	**$ 147**	**$ (0)**	**$ (0)**
		Bought	**222**	**172**	**0**	**0**
Over-the-counter	Swaps					
		Receive fixed/Pay floating	**196,056**	**167,336**	**1,856**	**1,856**
		Receive floating/Pay fixed	**194,404**	**171,226**	**(1,923)**	**(1,923)**
		Receive floating/Pay floating	**67,741**	**59,623**	**128**	**128**
	Caps					
		Sold	**1,360**	**1,289**	**(15)**	**17**
		Bought	**21**	**—**	**(0)**	**(0)**
	Floors					
		Sold	**108**	**108**	**4**	**(2)**
		Bought	**907**	**901**	**20**	**17**
	Swaptions					
		Sold	**124,185**	**27,793**	**237**	**(25)**
		Bought	**38,809**	**18,364**	**512**	**(16)**
Consolidated related party	Swaps					
		Receive fixed/Pay floating	**1,285**	**732**	**19**	**19**
Total					**$ 385**	**$ 71**

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 price on the Tokyo Financial Exchange and other exchanges. The fair value of over-the-counter contracts and contracts between consolidated related parties are determined using the discounted value of their future cash flows, option pricing models, etc.

(b) Currency-related transactions

		Millions of yen			
		Notional or contract amount			
		Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2011					
Over-the-counter	Currency swaps	**¥2,730,100**	**¥2,331,003**	**¥(11,530)**	**¥ 47,231**
	Forward contracts				
	Sold	**667,377**	**203,479**	**11,637**	**11,637**
	Bought	**1,078,811**	**522,011**	**(61,976)**	**(61,976)**
	Currency options				
	Sold	**1,448,252**	**1,119,892**	**92,505**	**10,034**
	Bought	**1,474,003**	**1,135,077**	**200,989**	**99,017**
Total				**¥ 46,614**	**¥105,943**
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

		Millions of U.S. dollars			
		Notional or contract amount			
		Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2011					
Over-the-counter	Currency swaps	**$32,833**	**$28,033**	**$ (138)**	**$ 568**
	Forward contracts				
	Sold	**8,026**	**2,447**	**139**	**139**
	Bought	**12,974**	**6,277**	**(745)**	**(745)**
	Currency options				
	Sold	**17,417**	**13,468**	**1,112**	**120**
	Bought	**17,727**	**13,650**	**2,417**	**1,190**
Total				**$ 560**	**$1,274**

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.

(c) 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)

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.

(d) Bond-related transactions

			Millions of yen			
			Notional or contract amount			
			Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2011						
Listed	Futures					
		Sold	**¥46,095**	**¥—**	**¥ (21)**	**¥(21)**
		Bought	**4,155**	**—**	**31**	**31**
	Future options					
		Sold	**—**	**—**	**—**	**—**
		Bought	**5,590**	**—**	**19**	**(0)**
Over-the-counter	Options	Sold	**45,187**	**—**	**73**	**20**
		Bought	**45,187**	**—**	**125**	**22**
Total					**¥ 81**	**¥ 52**
March 31, 2010						
Listed	Futures					
		Sold	¥53,813	¥—	¥250	¥250
		Bought	321	—	0	0
	Future options					
		Sold	6,825	—	4	2
		Bought	—	—	—	—
Total					¥246	¥253

			Millions of U.S. dollars			
			Notional or contract amount			
			Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2011						
Listed	Futures					
		Sold	**$554**	**$—**	**$(0)**	**$(0)**
		Bought	**49**	**—**	**0**	**0**
	Future options					
		Sold	**—**	**—**	**—**	**—**
		Bought	**67**	**—**	**0**	**(0)**
Over-the-counter	Options	Sold	**543**	**—**	**0**	**0**
		Bought	**543**	**—**	**1**	**0**
Total					**$ 0**	**$ 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. The fair value of over-the-counter contracts is determined using the option pricing models, etc.

(2) 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, 2011 and 2010 were as follows:

(a) 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, 2011						
Deferral hedge accounting	Swaps	Receive fixed/Pay floating	Financial assets and liabilities with interests (e.g., loans and deposits)	**¥1,648,285**	**¥1,488,285**	**¥78,404**
		Receive floating/Pay fixed		**1,072,951**	**842,951**	**(51,114)**
Special treatment of interest rate swaps	Swaps	Receive floating/Pay fixed	Loans	**37,240**	**16,240**	**(219)**
Total						**¥27,070**

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	Swaps	Receive fixed/Pay floating	Financial assets and liabilities with interests (e.g., loans and deposits)	¥1,732,856	¥1,524,856	¥66,640
		Receive floating/Pay fixed		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, 2011						
Deferral hedge accounting	Swaps	Receive fixed/Pay floating	Financial assets and liabilities with interests (e.g., loans and deposits)	**$19,823**	**$17,898**	**$942**
		Receive floating/Pay fixed		**12,903**	**10,137**	**(614)**
Special treatment of interest rate swaps	Swaps	Receive floating/Pay fixed	Loans	**447**	**195**	**(2)**
Total						**$325**

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

(b) 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, 2011					
Deferral hedge accounting	Currency swaps	Deposits and bonds denominated in foreign currency	**¥284,332**	**¥212,458**	**¥(65,306)**
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, 2011					
Deferral hedge accounting	Currency swaps	Deposits and bonds denominated in foreign currency	**$3,419**	**$2,555**	**$(785)**

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

31. Retirement Benefit Plans

Certain consolidated domestic subsidiaries have lump-sum retirement benefit plans and defined benefit pension plans. Upon an employees' retirement, supplemental benefits which are not subject to the actuarial calculation required by accounting standards may be provided. Two consolidated domestic subsidiaries, included in the above, maintain certain plan assets in a segregated retirement benefit trust established at a third party trustee to fund their retirement benefit plans.

There is one consolidated domestic subsidiary which maintains a tax qualified pension plan.

The Company does not have a retirement benefit plan.

The reserve for employees' retirement benefits as of March 31, 2011 and 2010 is analyzed as follows:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Projected benefit obligation	**¥(361,699)**	¥(361,196)	**$(4,349)**
Plan assets at fair value	**464,354**	497,099	**5,584**
Plan assets in excess of projected benefit obligation	**102,654**	135,902	**1,234**
Unrecognized actuarial loss (gain)	**18,562**	(7,471)	**223**
Net retirement benefit obligation	**121,217**	128,431	**1,457**
Prepaid pension cost	**132,809**	138,253	**1,597**
Reserve for employees' retirement benefits	**¥ (11,591)**	¥ (9,821)	**$ (139)**

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, 2011 and 2010 were as follows:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Service costs(*)	**¥10,126**	¥ 9,584	**$121**
Interest cost	**7,197**	6,996	**86**
Expected return on plan assets	**(3,975)**	(3,784)	**(47)**
Amortization of actuarial loss	**3,524**	7,648	**42**
Others (such as supplemental retirement benefit)	**883**	1,085	**10**
Retirement benefit expenses	**¥17,756**	¥21,529	**$213**

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, 2011 and 2010 were as follows:

	2011	2010
Discount rate	**2.0%**	2.0%
Long-term expected rate of return on plan assets	**2.0%**	2.0%
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. Comprehensive Income

Comprehensive income for the year ended March 31, 2010 was as follows:

	Millions of yen
Other comprehensive income:	
Net unrealized gains on available-for-sale securities	¥115,585
Net deferred losses on hedge	(8,187)
Foreign currency translation adjustments	(4,692)
Share of other comprehensive income of affiliates accounted for using the equity method	43
Total other comprehensive income	¥102,749
Total comprehensive income attributable to:	
Owners of the parent	¥240,073
Minority interests	(995)
Total comprehensive income	¥239,078

33. Per Common Share Information

(1) Net income per common share

Reconciliation of the differences between basic and diluted net income per share ("EPS") for the years ended March 31, 2011 and 2010 is as follows:

	Net income (Millions of yen)	Weighted-average shares (Thousands of shares)	EPS (Yen)	EPS (U.S. dollars)
March 31, 2011				
Basic EPS:				
Net income attributable to common shareholders	**¥ 99,579**	**1,361,375**	**¥73.14**	**$0.87**
Adjustments for the potential effect of dilutive securities:				
Convertible preferred stock	**6,117**	**1,187,046**		
Diluted EPS:				
Net income for computation	**¥105,696**	**2,548,422**	**¥41.47**	**$0.49**
March 31, 2010				
Basic EPS:				
Net income attributable to common shareholders	¥ 98,743	1,117,924	¥88.32	
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	

For the years ended March 31, 2011 and 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.

(2) Net assets per common share

Net assets per common share as of March 31, 2011 and 2010 were as follows:

	Yen		U.S. dollars
	2011	2010	**2011**
Net assets per common share	**¥251.67**	¥44.77	**$3.02**

Net assets per common share as of March 31, 2011 and 2010 were calculated based on the following:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Total equity (Net assets)	**¥1,592,553**	¥2,271,897	**$19,152**
Amounts deducted from net assets:			
Minority interests	**110,273**	125,326	**1,326**
Preferred stock	**848,000**	2,061,561	**10,198**
Preferred dividends	**17,485**	33,487	**210**
Net assets attributable to common stock at the end of year	**¥ 616,794**	¥ 51,523	**$ 7,417**
The number of shares of common stock to calculate net assets per common share at the end of year (in thousands)	**2,450,778**	1,150,789	

34. Segment Information

On March 21, 2008, the ASBJ revised ASBJ Statement No. 17, "Accounting Standard for Disclosures about Segments of an Enterprise and Related information" and issued ASBJ Guidance No. 20, "Accounting Standard for Disclosure about Segment of an Enterprise and Related information." Under the revised standard and guidance, an entity is required to report financial and descriptive information about its segments. The 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.

The Group has adopted the revised standard and guidance for the fiscal year beginning on April 1, 2010. The segment information for the year ended March 31, 2010 under the revised accounting standard is also disclosed hereunder as required.

(1) Description of segments

(a) General information about segments

Segments are components of the Group for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker, "the board of directors" in the case of the Company, to make decisions about resources to be allocated to the segment and assess its performance.

Under the management accounting by group business line, which unifying management accounting of three subsidiary banks; Resona Bank, Saitama Resona Bank and The Kinki Osaka Bank, group business line is classified into Consumer banking, Corporate banking and Market trading. The Group assesses them as reportable segments.

Principal operating activities of the segments are as follows:

Segment	Principal operating activity
Consumer banking	Mainly for individual customers, provide consulting services regarding consumer loan, asset management and asset succession
Corporate banking	Mainly for corporate customers, support their business growth by providing services regarding corporate loan, trust asset management, real estate business, corporate pension and asset succession
Market trading	In financial markets, transact in short term lending, borrowing, bond purchase and sale, and derivatives trading

(b) Overview of segment profit and loss

(i) Gross operating profit

Gross business profit includes "net interest income" representing net interest income on deposits, loan and securities and "fees and commissions" representing various net commission fees. It is equal to the amount of "income" except "other income," such as gain on sales of securities, less "expenses" except "general and administrative expenses" and "other expenses," such as provision to reserve for possible loan losses, on the consolidated statements of income.

(ii) General and administrative expenses

General and administrative expenses are personnel and other operating expenses for the banking business. They are equal to the amount of "general and administrative expenses" less a part of "pension expense" on the consolidated statements of income.

(iii) Actual net operating profit

Actual net operating profit is equal to the amount of gross operating profit (before credit costs for trust accounts) less general and administrative expenses. It represents the primary operating profit from the banking business.

(iv) Credit cost

Credit cost is the amount of credit-related expenses included in "other expenses," such as provision to reserve for possible loan losses and write-off of loans, less credit-related gains included in "other income," such as gain on recovery of written-off loans, on the consolidated statements of income.

(v) Net operating profit less credit cost

Net operating profit less credit cost is equal to the amount of actual net operating profit less credit cost. It represents segment net income of the Group.

(2) Basis for measurement of segment profit and loss

Accounting policies and methods used to determine profit and loss of the segments are the same as those applied to the consolidated financial statements, described at note 2.

In cases where funds are raised by the Market trading segment and are utilized in the Consumer banking or the Corporate banking segments, certain profit and loss determined by internal accounting rule is allocated to each operating segment for performance measurement purpose.

Disclosure of segment assets is omitted because the Group does not allocate assets to each segment.

(3) Information about profit and loss by segment

Profit and loss by segment for the years ended March 31, 2011 and 2010 were as follows:

	Millions of yen					
	Consumer banking(*2)	Corporate banking(*3)	Market trading(*4)	Sub total	Other(*5)	Total(*1)
March 31, 2011						
Gross operating profit	**¥312,087**	**¥261,529**	**¥64,461**	**¥638,077**	**¥(2,599)**	**¥635,478**
General and administrative expenses(*6)	**(194,075)**	**(145,475)**	**(9,706)**	**(349,258)**	**—**	**(349,258)**
Actual net operating profit	**118,011**	**116,074**	**54,754**	**288,840**	**(2,599)**	**286,241**
Credit cost	**(38,031)**	**(19,847)**	**—**	**(57,878)**	**—**	**(57,878)**
Net operating profit less credit cost	**¥ 79,980**	**¥ 96,227**	**¥54,754**	**¥230,962**	**¥(2,599)**	**¥228,362**
March 31, 2010						
Gross operating profit	¥304,777	¥260,356	¥85,411	¥650,545	¥(3,550)	¥646,994
General and administrative expenses(*6)	(194,888)	(148,600)	(10,508)	(353,996)	—	(353,996)
Actual net operating profit	109,889	111,746	74,903	296,539	(3,550)	292,989
Credit cost	(28,394)	(78,557)	—	(106,951)	59	(106,892)
Net operating profit less credit cost	¥ 81,495	¥ 33,189	¥74,903	¥189,587	¥(3,491)	¥186,096

	Millions of U.S. dollars					
	Consumer banking(*2)	Corporate banking(*3)	Market trading(*4)	Sub total	Other(*5)	Total(*1)
March 31, 2011						
Gross operating profit	**$3,753**	**$3,145**	**$775**	**$7,673**	**$(31)**	**$7,642**
General and administrative expenses(*6)	**(2,334)**	**(1,749)**	**(116)**	**(4,200)**	**—**	**(4,200)**
Actual net operating profit	**1,419**	**1,395**	**658**	**3,473**	**(31)**	**3,442**
Credit cost	**(457)**	**(238)**	**—**	**(696)**	**—**	**(696)**
Net operating profit less credit cost	**$ 961**	**$1,157**	**$658**	**$2,777**	**$(31)**	**$2,746**

Notes: (*1) Total amount is aggregated by the figures of three consolidated subsidiary banks and three consolidated credit guarantee subsidiaries.
(*2) The Consumer banking unit contains operating results of the three credit guarantee subsidiaries.
(*3) Gross operating profit of Corporate banking unit does not include credit costs incurred in trust accounts amounting to ¥21 million ($0 million) of loss and ¥9 million of gain for the years ended March 31, 2011 and 2010, respectively.
(*4) Gross operating profit of the Market trading unit contains some portion of gains/losses on equity securities.
(*5) "Other" includes all other departments, such as management office, which are not operating segments.
(*6) Depreciation expense is included in general and administrative expenses.

(4) Reconciliation between the segment information and the consolidated financial statements

A reconciliation of net income between the total amount of segments and the amount on the consolidated statements of income, and main reasons for the differences for the years ended March 31, 2011 and 2010 is as follows:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Total amount of segments	**¥230,962**	¥189,587	**$2,777**
Loss of "Other"	**(2,599)**	(3,491)	**(31)**
Non-recurring losses other than credit cost(*1)	**(656)**	(7,315)	**(7)**
Extraordinary gains (losses) other than credit cost(*2)	**(4,139)**	84	**(49)**
Other reconciliation items(*3)	**13,544**	(2,807)	**162**
Income before income taxes and minority interests	**¥237,111**	¥176,057	**$2,851**

Notes: (*1) Non-recurring losses other than credit cost include some portion of gains/losses on securities and pension expense.
(*2) Extraordinary gains (losses) other than credit cost include impairment loss.
(*3) Other reconciliation items consist of (i) profit on non-banking consolidated subsidiaries other than three consolidated subsidiary banks and three consolidated credit guarantee subsidiaries, and (ii) profit on affiliates, etc.

(5) Additional information for the year ended March 31, 2011

(a) Information on services

Information on services is omitted because the Group classifies operating segments by service.

(b) Geographic information

Since the ordinary income and total premises and equipment attributable to the "Japan" segment account for more than 90% of the total of all geographic segments, geographical segment information has not been presented.

(c) Information on major customers

Since there is no specific customer to which the Group sells more than 10% of total sales on the consolidated statements of income, information on major customers has not been presented.

(6) Segment information for the year ended March 31, 2010 under previous accounting standards

Under the previous accounting principles, segment information for the year ended March 31, 2010 was as follows:

(a) Business segment information

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

Ordinary income, ordinary profits and total assets of the "banking and trust banking" segment account for more than 90% of the total of all segments. Therefore, business segment information for the year ended March 31, 2010 is not presented.

Ordinary profits, ordinary income and ordinary expenses 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 consolidated statement of income.
- "Ordinary expenses" means total expenses less certain special expenses included in "Other expenses" in the consolidated statements of income.

(b) Geographic segment information

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

(c) Overseas ordinary income

Since overseas ordinary income account for less than 10% of the total ordinary income, overseas ordinary income for the year ended March 31, 2010 is not presented.

35. Related Party Transactions

Major transactions and major balances for the years ended and as of March 31, 2011 and 2010 with related parties were as follows:

March 31, 2011

Category and name of the related party	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
Major shareholder: Deposit Insurance Corporation of Japan(*1)	Acquisition of treasury stock	**¥1,307,683**	**$15,726**	—	**¥ —**	**$—**
The Group's directors and officers and their close relatives	Loans(*2) (*3)	—	—	Loans and bills discounted	**454**	**5**
	Deposits(*4)	—	—	Deposits	**81**	**0**
	Guarantee(*5) (*6)	—	—	—	**454**	**5**

Notes: (*1) Deposit Insurance Corporation of Japan owns 27.2% of voting rights of the Company directly. The Company pays insurance fees on deposits to it.

(*2) ¥15 million ($0 million) of the balance represents the apartment loan originated by Resona Bank with guarantee of Resona Guarantee Co., Ltd. ("Resona Guarantee"), which is thirty-year terms and monthly equal instalments of principal and interest. Interest rate is reasonably determined based on the market rate.

(*3) ¥438 million ($5 million) of the balance represents the apartment loan originated by Saitama Resona Bank 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.

(*4) The balance consists of ¥81 million ($0 million) of deregulated interest rate time deposits of Saitama Resona Bank. Interest rates are substantially the same as for similar transactions with third parties.

(*5) The Company guarantees ¥15 million ($0 million) of the apartment loan originated by Resona Bank with guarantee of Resona Guarantee. Real estate collateral was received for it.

(*6) The Company guarantees ¥438 million ($5 million) of the apartment loan originated by Saitama Resona Bank. Real estate collateral was received for it.

March 31, 2010

Category and name of the related party	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
The Group's directors and officers and their close relatives	Loans(*1) (*2) (*3) (*4) (*5)	¥—	$—	Loans and bills discounted	¥515
	Deposits(*6)	—	—	Deposits	81
	Guarantee(*7) (*8)	—	—	—	472

Notes: (*1) ¥16 million of the balance represents the apartment loan originated by Resona Bank with guarantee of Resona Guarantee, 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 of the balance represents a residential mortgage loan originated by Resona Bank with guarantee of Resona Guarantee, 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 of the balance represents a residential mortgage loan originated by Resona Bank with guarantee of Daiwa Guarantee Co., Ltd. ("Daiwa Guarantee"), 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 of the balance represents the apartment loan originated by Saitama Resona Bank 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 of the balance represents a residential mortgage loan originated by Resona Bank with guarantee of Daiwa Guarantee, 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 of deregulated interest rate time deposits of Saitama Resona Bank. Interest rates are substantially the same as for similar transactions with third parties.
(*7) The Company guarantees ¥16 million of the apartment loan originated by Resona Bank with guarantee of Resona Guarantee. Real estate collateral was received for it.
(*8) The Company guarantees ¥455 million of the apartment loan originated by Saitama Resona Bank. Real estate collateral was received for it.

36. Subsequent Event

Appropriation of retained earnings

On May 13, 2011, the Board of Directors approved payment of cash dividends to shareholders of record on March 31, 2011 as follows:

	Millions of yen	Millions of U.S. dollars
Year-end cash dividends:		
Common stock, ¥12.00 ($0.14) per share	**¥29,409**	**$353**
Class C No. 1 preferred stock, ¥68.00 ($0.81) per share	**816**	**9**
Class F No. 1 preferred stock, ¥185.00 ($2.22) per share	**1,480**	**17**
Class Three No. 1 preferred stock, ¥23.56 ($0.28) per share	**5,301**	**63**
Class Four preferred stock, ¥992.50 ($11.93) per share	**2,501**	**30**
Class Five preferred stock, ¥918.75 ($11.04) per share	**3,675**	**44**
Class Six preferred stock, ¥1,237.50 ($14.88) per share	**3,712**	**44**
Total	**¥46,894**	**$563**

SUPPLEMENTARY FINANCIAL INFORMATION OF THE GROUP

CONTENTS

FINANCIAL INFORMATION OF RESONA HOLDINGS, INC.

Non-consolidated Balance Sheets

Resona Holdings, Inc.

March 31, 2011 and 2010	Millions of yen 2011	Millions of yen 2010	Millions of U.S. dollars 2011
Assets			
Current assets	**¥ 51,541**	¥ 604,611	**$ 619**
Cash and cash equivalents	**345**	371	**4**
Securities	**25,500**	558,700	**306**
Prepaid expenses	**7**	7	**0**
Deferred tax assets	**98**	82	**1**
Accrued income	**9**	20	**0**
Other receivables	**20,580**	38,890	**247**
Consumption taxes receivable	**12**	—	**0**
Accrued income tax refunds	**4,986**	6,539	**59**
Non-current assets	**1,208,737**	1,204,534	**14,536**
Tangible fixed assets	**12**	6	**0**
Furniture and fixtures	**5**	6	**0**
Leased assets	**7**	—	**0**
Intangible fixed assets	**36**	35	**0**
Trademark	**18**	30	**0**
Software	**18**	5	**0**
Investments and other assets	**1,208,687**	1,204,491	**14,536**
Investment in subsidiaries and affiliates	**1,122,362**	1,119,003	**13,498**
Long-term loans to subsidiaries and affiliates	**89,500**	89,500	**1,076**
Other	**1**	4	**0**
Reserve for possible losses on investment	**(3,176)**	(4,016)	**(38)**
Total Assets	**¥1,260,278**	¥1,809,145	**$15,156**
Liabilities			
Current liabilities	**¥ 41,117**	¥ 61,242	**$ 494**
Bonds scheduled for repayment within one year	**20,000**	60,000	**240**
Lease obligations	**1**	—	**0**
Other payable	**20,078**	375	**241**
Accrued expenses	**440**	385	**5**
Income tax payable	**9**	16	**0**
Consumption tax payable	**0**	0	**0**
Reserve for employees' bonuses	**346**	279	**4**
Other	**240**	184	**2**
Non-current liabilities	**300,006**	50,000	**3,608**
Bonds	**30,000**	50,000	**360**
Long-term borrowings of subsidiaries and affiliates	**270,000**	—	**3,247**
Lease obligations	**6**	—	**0**
Total Liabilities	**¥ 341,123**	¥ 111,242	**$ 4,102**
Equity			
Capital stock	**¥ 340,472**	¥ 327,201	**$ 4,094**
Capital surplus	**340,472**	504,099	**4,094**
Capital reserve	**340,472**	327,201	**4,094**
Other capital surplus	**—**	176,898	**—**
Retained earnings	**325,057**	953,442	**3,909**
Less: Treasury stock	**86,847**	86,840	**1,044**
Total Equity	**¥ 919,155**	¥1,697,902	**$11,054**
Total Liabilities and Equity	**¥1,260,278**	¥1,809,145	**$15,156**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥83.15=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2011, has been used.

Non-consolidated Statements of Income

Resona Holdings, Inc.

Years ended March 31, 2011 and 2010	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Operating income	**¥31,380**	¥39,048	**$377**
Dividends from subsidiaries and affiliates	**24,771**	32,077	**297**
Fees from subsidiaries and affiliates	**4,338**	4,733	**52**
Interest on loans to subsidiaries and affiliates	**2,270**	2,238	**27**
Operating expenses	**5,320**	6,366	**63**
Interest expenses	**142**	—	**1**
Interest on bonds	**1,120**	2,070	**13**
General and administrative expenses	**4,058**	4,295	**48**
Operating profit	**26,059**	32,681	**313**
Non-operating profit	**1,409**	732	**16**
Interest and dividends on securities	**152**	598	**1**
Commission received	**255**	115	**3**
Interest on refunds	**7**	18	**0**
Reversal of reserve for possible losses on investments	**839**	—	**10**
Other	**155**	0	**1**
Non-operating expenses	**3,247**	5,185	**39**
Stock issuance expenses	**3,009**	797	**36**
Loss on devaluation of investment in subsidiaries	**—**	360	**—**
Reserve for possible losses on investments	**—**	4,016	**—**
Other	**238**	10	**2**
Income before income taxes	**24,221**	28,229	**291**
Income taxes—current	**(560)**	(41,410)	**(6)**
Income taxes for prior periods	**(1,425)**	—	**(17)**
Income taxes—deferred	**(16)**	34,660	**(0)**
Net income	**¥26,223**	¥34,979	**$315**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥83.15=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2011, has been used.

Statements of Trust Assets and Liabilities

Based on the Law Concerning Concurrent Conduct of Trust Business Operations by Financial Institutions, Resona Bank, Ltd. is the only subsidiary which operates trust business.

Resona Holdings, Inc.

March 31, 2011 and 2010	Millions of yen 2011	Millions of yen 2010	Millions of U.S. dollars 2011
Assets			
Loans and bills discounted	**¥ 84,905**	¥ 98,679	**$ 1,021**
Securities	**0**	0	**0**
Trust beneficiary certificates	**24,588,199**	25,257,800	**295,708**
Securities held in custody account	**2,155**	1,200	**25**
Monetary claims	**390,246**	303,756	**4,693**
Tangible fixed assets	**615,281**	636,413	**7,399**
Intangible fixed assets	**3,366**	3,471	**40**
Other claims	**9,152**	9,317	**110**
Due from banking account	**375,866**	376,687	**4,520**
Cash and due from banks	**24,468**	22,391	**294**
Total assets	**¥26,093,642**	¥26,709,717	**$313,814**
Liabilities			
Money trusts	**¥ 7,202,983**	¥ 7,079,767	**$ 86,626**
Pension trusts	**3,700,539**	3,396,047	**44,504**
Asset formation benefit trusts	**1,071**	1,074	**12**
Securities investment trusts	**13,337,223**	14,407,187	**160,399**
Pecuniary trusts other than money trusts	**280,155**	254,397	**3,369**
Securities trusts	**278,367**	363,615	**3,347**
Monetary claim trusts	**414,875**	324,918	**4,989**
Real estate trusts	**123,205**	125,955	**1,481**
Land and fixtures lease trusts	**2,813**	2,892	**33**
Composite trusts	**752,406**	753,862	**9,048**
Total liabilities	**¥26,093,642**	¥26,709,717	**$313,814**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥83.15=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2011, has been used.
3. Co-managed trust funds under other trust banks' administration amounted to ¥1,443,317 million ($17,357 million) and ¥1,822,174 million on March 31, 2011 and 2010, respectively.

Jointly Operated Designated Money Trusts (JOMTs)

Resona Holdings, Inc.

March 31, 2011 and 2010	Millions of yen 2011	Millions of yen 2010	Millions of U.S. dollars 2011
Assets			
Loans and bills discounted	**¥ 84,905**	¥ 98,679	**$1,021**
Other	**354,734**	358,307	**4,266**
Total assets	**¥439,640**	¥456,986	**$5,287**
Liabilities			
Principal	**¥439,223**	¥456,479	**$5,282**
Reserve provided in preparation for write-offs in trust account	**259**	301	**3**
Other	**157**	206	**1**
Total liabilities	**¥439,640**	¥456,986	**$5,287**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥83.15=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2011, has been used.
3. Risk management loans (Trust account)

March 31	Millions of yen 2011	Millions of yen 2010	Millions of U.S. dollars 2011
Loans to borrowers in legal bankruptcy	**¥ 39**	¥ 28	**$ 0**
Past due loans	**16,009**	18,140	**192**
Loans past due three months or more	**16**	232	**0**
Restructured loans	**3,657**	3,643	**43**
Total	**19,723**	22,044	**237**
Total loans and bills discounted	**¥84,905**	¥98,679	**$1,021**

FINANCIAL INFORMATION OF RESONA BANK, LTD.

Non-consolidated Balance Sheets

Resona Bank, Ltd.	Millions of yen		Millions of U.S. dollars
March 31, 2011 and 2010	**2011**	2010	**2011**
Assets			
Cash and due from banks	**¥ 2,380,432**	¥ 1,145,809	**$ 28,628**
Call loans	**207,729**	642,792	**2,498**
Deposits paid for bonds borrowing transactions	**—**	6,000	**—**
Monetary claims bought	**58,169**	69,456	**699**
Trading assets	**606,462**	477,002	**7,293**
Securities	**5,347,385**	4,811,718	**64,310**
Loans and bills discounted	**17,193,240**	17,216,340	**206,773**
Foreign exchange assets	**53,720**	52,807	**646**
Other assets	**1,590,339**	1,021,629	**19,126**
Tangible fixed assets	**221,615**	229,297	**2,665**
Intangible fixed assets	**48,465**	44,699	**582**
Deferred tax assets	**123,223**	184,140	**1,481**
Customers' liabilities for acceptances and guarantees	**380,015**	418,701	**4,570**
Reserve for possible loan losses	**(254,987)**	(270,873)	**(3,066)**
Total Assets	**¥27,955,814**	¥26,049,523	**$336,209**
Liabilities			
Deposits	**¥20,811,898**	¥19,935,548	**$250,293**
Negotiable certificates of deposit	**1,477,620**	1,705,960	**17,770**
Call money	**212,423**	330,347	**2,554**
Bills sold under repurchase agreements	**142,972**	120,978	**1,719**
Deposits received for securities lending transactions	**—**	5,988	**—**
Trading liabilities	**244,816**	155,320	**2,944**
Borrowed money	**1,589,967**	532,483	**19,121**
Foreign exchange liabilities	**6,075**	8,788	**73**
Bonds	**606,255**	731,333	**7,291**
Due to trust account	**375,866**	376,687	**4,520**
Other liabilities	**915,355**	609,312	**11,008**
Reserve for employees' bonuses	**8,337**	6,957	**100**
Other reserves	**21,859**	18,291	**262**
Deferred tax liabilities on land revaluation	**28,277**	29,868	**340**
Acceptances and guarantees	**380,015**	418,701	**4,570**
Total Liabilities	**¥26,821,740**	¥24,986,565	**$322,570**
Equity			
Capital stock	**¥ 279,928**	¥ 279,928	**$ 3,366**
Capital surplus	**377,178**	377,178	**4,536**
Capital reserve	**279,928**	279,928	**3,366**
Other capital surplus	**97,250**	97,250	**1,169**
Retained earnings	**373,425**	290,142	**4,490**
Net unrealized gains on available-for-sale securities	**47,619**	60,669	**572**
Net deferred gains on hedges	**17,483**	14,576	**210**
Revaluation reserve for land	**38,438**	40,462	**462**
Total Equity	**¥ 1,134,074**	¥ 1,062,958	**$ 13,638**
Total Liabilities and Equity	**¥27,955,814**	¥26,049,523	**$336,209**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥83.15=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2011, has been used.
3. The distributable amount available for dividends which is defined under the Company Law was ¥470,675 million as of the end of March 2011. Of this amount, the Bank distributed ¥52,329 million as term-end dividends for its common and preferred stock shares.

Non-consolidated Statements of Income

Resona Bank, Ltd.

Years ended March 31, 2011 and 2010	Millions of yen 2011	Millions of yen 2010	Millions of U.S. dollars 2011
Income			
Interest income	**¥341,980**	¥365,572	**$4,112**
Interest on loans and bills discounted	**290,925**	318,145	**3,498**
Interest and dividends on securities	**31,731**	27,686	**381**
Other interest income	**19,323**	19,740	**232**
Trust fees	**25,937**	28,727	**311**
Fees and commissions	**104,568**	98,082	**1,257**
Trading income	**30,499**	27,653	**366**
Other operating income	**40,771**	30,977	**490**
Other income	**45,230**	38,298	**543**
Total Income	**588,989**	589,312	**7,083**
Expenses			
Interest expenses	**50,405**	66,053	**606**
Interest on deposits	**23,670**	31,727	**284**
Other interest expenses	**26,735**	34,325	**321**
Fees and commissions	**51,289**	50,379	**616**
Trading expenses	**365**	196	**4**
Other operating expenses	**40,893**	27,750	**491**
General and administrative expenses	**228,296**	235,933	**2,745**
Other expenses	**62,432**	89,458	**750**
Total Expenses	**433,683**	469,770	**5,215**
Income before income taxes	**155,305**	119,541	**1,867**
Income taxes—current	**(10,408)**	14,886	**(125)**
Income taxes—deferred	**60,551**	18,673	**728**
Net income	**¥105,161**	¥ 85,982	**$1,264**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥83.15=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2011, has been used.

Statements of Trust Assets and Liabilities

Resona Bank, Ltd.

March 31, 2011 and 2010	Millions of yen 2011	Millions of yen 2010	Millions of U.S. dollars 2011
Assets			
Loans and bills discounted	**¥ 84,905**	¥ 98,679	**$ 1,021**
Securities	**0**	0	**0**
Trust beneficiary certificates	**24,588,199**	25,257,800	**295,708**
Securities held in custody account	**2,155**	1,200	**25**
Monetary claims	**390,246**	303,756	**4,693**
Tangible fixed assets	**615,281**	636,413	**7,399**
Intangible fixed assets	**3,366**	3,471	**40**
Other claims	**9,152**	9,317	**110**
Due from banking account	**375,866**	376,687	**4,520**
Cash and due from banks	**24,468**	22,391	**294**
Total assets	**¥26,093,642**	¥26,709,717	**$313,814**
Liabilities			
Money trusts	**¥ 3,743,495**	¥ 3,507,458	**$ 45,020**
Specified money in trust	**3,459,488**	3,572,309	**41,605**
Pension trusts	**3,700,539**	3,396,047	**44,504**
Asset formation benefit trusts	**1,071**	1,074	**12**
Securities investment trusts	**13,337,223**	14,407,187	**160,399**
Pecuniary trusts other than money trusts	**280,155**	254,397	**3,369**
Securities trusts	**278,367**	363,615	**3,347**
Monetary claim trusts	**414,875**	324,918	**4,989**
Real estate trusts	**123,205**	125,955	**1,481**
Land and fixtures lease trusts	**2,813**	2,892	**33**
Composite trusts	**752,406**	753,862	**9,048**
Total liabilities	**¥26,093,642**	¥26,709,717	**$313,814**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥83.15=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2011, has been used.
3. Co-managed trust funds under other trust banks' administration amounted to ¥1,443,317 million ($17,357 million) and ¥1,822,174 million on March 31, 2011 and 2010, respectively.
4. Loans and bills discounted funded by Jointly Operated Designated Money Trust account funds that the Bank guarantees the principal amounting to ¥84,905 million ($1,021 million) and ¥98,679 million on March 31, 2011 and 2010, respectively, included the following:

March 31	Millions of yen 2011	Millions of yen 2010	Millions of U.S. dollars 2011
Loans to borrowers in legal bankruptcy	**¥ 39**	¥ 28	**$ 0**
Past due loans	**16,009**	18,140	**192**
Loans past due three months or more	**16**	232	**0**
Restructured loans	**3,657**	3,643	**43**
Total	**¥19,723**	¥22,044	**$237**

Deposits and Negotiable Certificates of Deposit (Non-consolidated)

Resona Bank, Ltd.	Billions of yen	
March 31	**2011**	2010
Liquid deposits	**¥12,651.8**	¥11,928.9
Time deposits	**7,462.0**	7,320.7
Other deposits	**2,175.6**	2,391.8
Total	**¥22,289.5**	¥21,641.5

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	**2011**	2010
Individuals	**¥11,882.1**	¥11,649.6
Corporations, Other	**8,929.1**	8,280.2
Total	**¥20,811.3**	¥19,929.8

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	**2011**	2010	**2011**	2010
Banking account	**¥14,155.5**	¥14,284.1	**82.3%**	82.9%
Banking and trust accounts	**14,219.6**	14,358.7	**82.2%**	82.9%

Loans to Individuals (Non-consolidated, Banking and Trust Accounts)

Resona Bank, Ltd.	Billions of yen	
March 31	**2011**	2010
Consumer loans total	**¥7,600.8**	¥7,597.7
Housing loans	**7,429.3**	7,412.9

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 2011	2010
Manufacturing	**¥ 1,986.3**	¥ 2,065.8
	11.55%	12.00%
Agriculture, forestry	**6.6**	7.0
	0.04%	0.04%
Fishery	**1.4**	6.8
	0.01%	0.04%
Mining, quarrying of stone, gravel extraction	**11.8**	13.9
	0.07%	0.08%
Construction	**407.7**	449.2
	2.37%	2.61%
Electricity, gas, heating, water	**49.6**	50.8
	0.29%	0.30%
Information and communication	**262.5**	276.4
	1.53%	1.60%
Transportation, postal service	**385.0**	420.9
	2.24%	2.44%
Wholesale and retail trade	**1,890.1**	1,932.1
	10.99%	11.22%
Finance and insurance	**1,036.6**	746.9
	6.03%	4.34%
Real estate	**1,556.0**	1,528.0
	9.05%	8.88%
Goods rental and leasing	**251.9**	257.6
	1.47%	1.50%
Services	**1,102.7**	1,198.3
	6.41%	6.96%
Government, local government	**331.5**	350.9
	1.93%	2.04%
Others	**7,912.8**	7,911.2
	46.02%	45.95%
Total	**¥17,193.2**	¥17,216.3
	100.0%	100.00%

Risk Management Loans (Banking and Trust Accounts)

Resona Bank, Ltd. Non-consolidated Basis March 31	Billions of yen		
	2011	Change	2010
Loans to borrowers in legal bankruptcy	**¥ 11.0**	**¥(13.5)**	¥ 24.5
Past due loans	**303.7**	**(12.6)**	316.3
Loans past due three months or more	**4.5**	**(4.2)**	8.7
Restructured loans	**103.3**	**6.1**	97.2
Total*	**¥ 422.7**	**¥(24.2)**	¥ 447.0
Total loans and bills discounted	**¥17,278.1**	**¥(36.8)**	¥17,315.0
Ratio of risk management loans to total loans and bills discounted (%)	**2.44**	**0.14**	2.58

* 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		
	2011	Change	2010
Unrecoverable or valueless claims	**¥ 48.1**	**¥(12.7)**	¥ 60.8
Risk claims	**282.7**	**(8.8)**	291.6
Claims in need of special attention	**107.9**	**1.8**	106.0
Financial Reconstruction Law subtotal	**438.7**	**(19.7)**	458.5
Nonclassified claims	**17,519.0**	**(62.5)**	17,581.6
Financial Reconstruction Law total*	**¥17,957.8**	**¥(82.3)**	¥18,040.1
Coverage ratio (%)	**80.50**	**(0.75)**	81.25

* 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		
	2011	Change	2010
Reserves for possible loan losses	**¥254.9**	**¥(15.8)**	¥270.8
General reserve for possible loan losses	**159.4**	**(4.5)**	163.9
Specific reserve for possible loan losses	**95.5**	**(11.3)**	106.8
Special reserve for certain overseas loans	**0.0**	**0.0**	0.0
Reserve provided in preparation for write-offs in trust account	**¥ 0.2**	**¥ (0.0)**	¥ 0.3

Securities

Resona Bank, Ltd. Non-consolidated Basis March 31	Billions of yen	
	2011	2010
Japanese national and local government bonds	**¥4,261.6**	¥3,506.6
Japanese corporate bonds	**561.2**	749.7
Japanese corporate stocks	**422.3**	432.9
Other securities	**102.1**	122.3
Total book value	**¥5,347.3**	¥4,811.7

Capital Adequacy Ratio

(1) Consolidated Capital Adequacy Ratio (Japanese Domestic Standard)

Resona Bank, Ltd.

March 31			Billions of yen	
			2011 (Basel Ⅱ F-IRB)	2010 (Basel Ⅱ F-IRB)
Tier 1 capital	Capital stock		**¥ 279.9**	¥ 279.9
	Capital surplus		**429.3**	429.3
	Retained earnings		**352.7**	267.4
	Less: Planned distribution of income		**52.3**	13.0
	Less: Unrealized loss on available-for-sale securities		**—**	—
	Foreign currency translation adjustments		**(4.4)**	(3.8)
	Minority interests in consolidated subsidiaries		**106.1**	118.2
	Preferred securities issued by overseas SPCs		**95.6**	106.9
	Less: Goodwill		**—**	—
	Less: Capital increase due to securitization transactions		**4.8**	5.3
	Less: 50% of excess of expected losses relative to eligible reserves		**—**	—
	Total of Tier 1 capital before deduction of deferred tax assets		**1,106.5**	1,072.8
	Less: Deduction of deferred tax assets		**—**	—
	Subtotal	(A)	**1,106.5**	1,072.8
	Preferred securities with a step-up interest rate provision		**95.6**	106.9
Tier 2 capital	45% of revaluation reserve for land		**30.0**	31.6
	General reserve for possible loan losses		**4.2**	3.8
	Excess of eligible reserves relative to expected losses		**37.7**	39.9
	Hybrid debt capital instruments		**468.9**	487.6
	Subtotal		**540.9**	563.1
	Tier 2 capital included as qualifying capital	(B)	**540.9**	563.1
Deductions	Deductions for total risk-based capital	(C)	**40.2**	41.2
Total qualifying capital	(A)+(B)–(C)	(D)	**¥ 1,607.2**	¥ 1,594.7
Risk-weighted assets	On-balance-sheet items		**¥11,609.1**	¥12,291.2
	Off-balance-sheet items		**1,296.1**	1,344.8
	Credit risk assets	(E)	**12,905.3**	13,636.0
	Operational risk equivalent assets ((G)/8%)	(F)	**755.1**	818.0
	(For reference: Amount equivalent to operational risk)	(G)	**60.4**	65.4
Total risk-weighted assets	(E)+(F)	(H)	**¥13,660.5**	¥14,454.1
Capital adequacy ratio	(D)/(H) x 100%		**11.76%**	11.03%

(2) Non-consolidated Capital Adequacy Ratio (Japanese Domestic Standard)

Resona Bank, Ltd.

March 31			Billions of yen	
			2011 (Basel Ⅱ F-IRB)	2010 (Basel Ⅱ F-IRB)
Tier 1 capital	Capital stock		**¥ 279.9**	¥ 279.9
	Capital reserve		**279.9**	279.9
	Other capital surplus		**97.2**	97.2
	Other retained earnings		**376.0**	292.0
	Other		**97.7**	110.4
	Less: Planned distribution of income		**52.3**	13.0
	Less: Unrealized loss on available-for-sale securities		**—**	—
	Less: Capital increase due to securitization transactions		**4.8**	5.3
	Less: 50% of excess of expected losses relative to eligible reserves		**—**	—
	Total of Tier 1 capital before deduction of deferred tax assets		**1,073.7**	1,041.1
	Less: Deduction of deferred tax assets		**—**	—
	Subtotal	(A)	**1,073.7**	1,041.1
	Preferred securities with a step-up interest rate provision		**95.6**	106.9
Tier 2 capital	45% of revaluation reserve for land		**30.0**	31.6
	General reserve for possible loan losses		**3.0**	2.8
	Excess of eligible reserves relative to expected losses		**37.7**	40.0
	Hybrid debt capital instruments		**468.9**	487.6
	Subtotal		**539.8**	562.2
	Tier 2 capital included as qualifying capital	(B)	**539.8**	562.2
Deductions	Deductions for total risk-based capital	(C)	**28.8**	30.2
Total qualifying capital	(A)+(B)–(C)	(D)	**¥ 1,584.6**	¥ 1,573.1
Risk-weighted assets	On-balance-sheet items		**¥11,535.5**	¥12,227.2
	Off-balance-sheet items		**1,299.1**	1,357.9
	Credit risk assets	(E)	**12,834.6**	13,585.1
	Operational risk equivalent assets ((G)/8%)	(F)	**725.2**	783.2
	(For reference: Amount equivalent to operational risk)	(G)	**58.0**	62.6
Total risk-weighted assets	(E)+(F)	(H)	**¥13,559.9**	¥14,368.4
Capital adequacy ratio	(D)/(H) x 100%		**11.68%**	10.94%

FINANCIAL INFORMATION OF SAITAMA RESONA BANK, LTD.

Non-consolidated Balance Sheets

Saitama Resona Bank, Ltd.

March 31, 2011 and 2010	Millions of yen 2011	Millions of yen 2010	Millions of U.S. dollars 2011
Assets			
Cash and due from banks	**¥ 594,433**	¥ 386,267	**$ 7,148**
Call loans	**127,099**	176,487	**1,528**
Deposits paid for bonds borrowing transactions	**—**	50,540	**—**
Monetary claims bought	**42,278**	54,403	**508**
Trading securities	**34,843**	49,189	**419**
Securities	**3,743,045**	3,391,708	**45,015**
Loans and bills discounted	**6,388,352**	6,386,315	**76,829**
Foreign exchange assets	**8,126**	6,936	**97**
Other assets	**48,003**	52,251	**577**
Tangible fixed assets	**57,710**	58,634	**694**
Intangible fixed assets	**2,924**	2,976	**35**
Deferred tax assets	**23,819**	22,189	**286**
Customers' liabilities for acceptances and guarantees	**17,247**	18,326	**207**
Reserve for possible loan losses	**(51,971)**	(50,551)	**(625)**
Total Assets	**¥11,035,914**	¥10,605,676	**$132,722**
Liabilities			
Deposits	**¥10,193,712**	¥ 9,785,452	**$122,594**
Negotiable certificates of deposit	**121,890**	140,330	**1,465**
Call money	**64,545**	64,974	**776**
Bills sold under repurchase agreements	**—**	11,998	**—**
Borrowed money	**106,100**	97,400	**1,276**
Foreign exchange liabilities	**159**	135	**1**
Bonds	**105,500**	105,500	**1,268**
Other liabilities	**88,248**	74,607	**1,061**
Reserve for employees' bonuses	**2,650**	2,193	**31**
Reserve for employees' retirement benefits	**4,221**	2,816	**50**
Other reserves	**7,078**	5,390	**85**
Acceptances and guarantees	**17,247**	18,326	**207**
Total Liabilities	**¥10,711,353**	¥10,309,125	**$128,819**
Equity			
Capital stock	**¥ 70,000**	¥ 70,000	**$ 841**
Capital surplus	**100,000**	100,000	**1,202**
Capital reserve	**100,000**	100,000	**1,202**
Retained earnings	**137,243**	102,358	**1,650**
Net unrealized gains on available-for-sale securities	**18,109**	24,761	**217**
Net deferred losses on hedges	**(791)**	(568)	**(9)**
Total Equity	**¥ 324,560**	¥ 296,551	**$ 3,903**
Total Liabilities and Equity	**¥11,035,914**	¥10,605,676	**$132,722**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥83.15=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2011, has been used.

Non-consolidated Statements of Income

Saitama Resona Bank, Ltd.

Years ended March 31, 2011 and 2010	Millions of yen 2011	Millions of yen 2010	Millions of U.S. dollars 2011
Income			
Interest income	**¥146,187**	¥153,927	**$1,758**
Interest on loans and bills discounted	**123,906**	131,763	**1,490**
Interest and dividends on securities	**21,280**	20,834	**255**
Other interest income	**1,000**	1,330	**12**
Fees and commissions	**32,286**	31,839	**388**
Other operating income	**6,356**	6,635	**76**
Other income	**5,942**	7,276	**71**
Total Income	**190,773**	199,678	**2,294**
Expenses			
Interest expenses	**13,329**	18,153	**160**
Interest on deposits	**9,095**	13,680	**109**
Other interest expenses	**4,234**	4,473	**50**
Fees and commissions	**19,745**	19,802	**237**
Other operating expenses	**3,449**	6,598	**41**
General and administrative expenses	**78,174**	78,423	**940**
Other expenses	**17,462**	24,820	**210**
Total Expenses	**132,162**	147,797	**1,589**
Income before income taxes	**58,610**	51,880	**704**
Income taxes—current	**23,727**	33,299	**285**
Income taxes—deferred	**(10)**	(11,130)	**(0)**
Net income	**¥ 34,892**	¥ 29,710	**$ 419**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥83.15=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2011, has been used.

Deposits and Negotiable Certificates of Deposit

Saitama Resona Bank, Ltd.	Billions of yen	
March 31	**2011**	2010
Liquid deposits	**¥ 6,286.8**	¥5,945.9
Time deposits	**3,759.0**	3,700.0
Other deposits	**269.7**	279.8
Total	**¥10,315.6**	¥9,925.7

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	**2011**	2010
Individuals	**¥ 7,822.4**	¥7,536.0
Corporations	**1,714.3**	1,607.9
Other	**656.9**	641.4
Total	**¥10,193.7**	¥9,785.4

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	**2011**	2010	**2011**	2010
Loans to SMEs and individuals	**¥5,622.6**	¥5,575.4	**88.0%**	87.3%

Loans to Individuals

Saitama Resona Bank, Ltd.	Billions of yen	
March 31	**2011**	2010
Consumer loans total	**¥3,709.1**	¥3,639.1
Housing loans	**3,605.9**	3,536.8

Note: Amount after securitization of housing loans

Loans and Bills Discounted by Industry

Saitama Resona Bank, Ltd.	Billions of yen	
March 31	**2011**	2010
Manufacturing	**¥ 450.3**	¥ 466.1
	7.05%	7.30%
Agriculture, forestry	**6.9**	6.9
	0.11%	0.11%
Fishery	**0.0**	0.0
	0.00%	0.00%
Mining, quarrying of stone, gravel extraction	**2.5**	2.3
	0.04%	0.04%
Construction	**194.0**	199.9
	3.04%	3.13%
Electricity, gas, heating, water	**14.7**	18.1
	0.23%	0.28%
Information and communication	**21.3**	21.9
	0.33%	0.34%
Transportation, postal service	**137.2**	142.3
	2.15%	2.23%
Wholesale and retail trade	**387.8**	385.4
	6.07%	6.03%
Finance and insurance	**30.2**	31.1
	0.47%	0.49%
Real estate	**543.7**	544.5
	8.51%	8.53%
Goods rental and leasing	**32.4**	33.8
	0.51%	0.53%
Services	**390.9**	404.0
	6.12%	6.33%
Government, local government	**375.7**	393.2
	5.88%	6.16%
Others	**3,800.0**	3,736.1
	59.49%	58.50%
Total	**¥6,388.3**	¥6,386.3
	100.0%	100.0%

Risk Management Loans

Saitama Resona Bank, Ltd.	Billions of yen		
March 31	2011	Change	2010
Loans to borrowers in legal bankruptcy	¥ 4.6	¥ 0.5	¥ 4.0
Past due loans	89.3	7.4	81.8
Loans past due three months or more	2.4	(0.5)	2.9
Restructured loans	23.9	(1.1)	25.1
Total*	¥ 120.4	¥ 6.3	¥ 114.0
Total loans and bills discounted	¥6,388.3	¥ 2.0	¥6,386.3
Ratio of risk management loans to total loans and bills discounted (%)	1.88	0.10	1.78

* Amounts are net of partial direct write-offs.

Disclosure According to the Financial Reconstruction Law

Saitama Resona Bank, Ltd.	Billions of yen		
March 31	2011	Change	2010
Unrecoverable or valueless claims	¥ 16.0	¥ 2.3	¥ 13.7
Risk claims	79.2	6.5	72.6
Claims in need of special attention	26.4	(1.6)	28.0
Financial Reconstruction Law subtotal	121.6	7.2	114.4
Nonclassified claims	6,321.5	(9.6)	6,331.1
Financial Reconstruction Law total*	¥6,443.2	¥(2.3)	¥6,445.5
Coverage ratio (%)	86.37	1.41	84.96

* Amounts are net of partial direct write-offs.

Reserve for Possible Loan Losses

Saitama Resona Bank, Ltd.	Billions of yen		
March 31	2011	Change	2010
Reserves for possible loan losses	¥51.9	¥ 1.4	¥50.5
General reserve for possible loan losses	33.0	(1.1)	34.1
Specific reserve for possible loan losses	18.8	2.5	16.3

Securities

Saitama Resona Bank, Ltd.	Billions of yen	
March 31	2011	2010
Japanese national and local government bonds	¥3,491.4	¥3,059.8
Japanese corporate bonds	130.1	181.1
Japanese corporate stocks	105.2	120.8
Other securities	16.1	29.8
Total book value	¥3,743.0	¥3,391.7

Capital Adequacy Ratio

Non-consolidated Capital Adequacy Ratio (Japanese Domestic Standard)

Saitama Resona Bank, Ltd.

March 31			Billions of yen	
			2011 (Basel Ⅱ F-IRB)	2010 (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
	Other retained earnings		**117.2**	82.3
	Less: Planned distribution of income		**17.1**	0.0
	Less: Unrealized loss on available-for-sale securities		**—**	—
	Less: Capital increase due to securitization transactions		**5.1**	5.5
	Less: 50% of excess of expected losses relative to eligible reserves		**7.9**	8.2
	Subtotal	(A)	**277.0**	258.5
Tier 2 capital	General reserve for possible loan losses		**0.2**	0.2
	Excess of eligible reserves relative to expected losses		**—**	—
	Hybrid debt capital instruments		**177.0**	177.0
	Subtotal		**177.2**	177.2
	Tier 2 capital included as qualifying capital	(B)	**177.2**	177.2
Deductions	Deductions for total risk-based capital	(C)	**10.2**	10.6
Total qualifying capital	(A)+(B)–(C)	(D)	**¥ 443.9**	¥ 425.1
Risk-weighted assets	On-balance-sheet items		**¥3,352.1**	¥3,497.4
	Off-balance-sheet items		**50.8**	63.7
	Credit risk assets	(E)	**3,403.0**	3,561.1
	Operational risk equivalent assets ((G)/8%)	(F)	**265.1**	270.6
	(For reference: Amount equivalent to operational risk)	(G)	**21.2**	21.6
Total risk-weighted assets	(E)+(F)	(H)	**¥3,668.1**	¥3,831.8
Capital adequacy ratio	(D)/(H) x 100%		**12.10%**	11.09%

FINANCIAL INFORMATION OF THE KINKI OSAKA BANK, LTD.

Non-consolidated Balance Sheets

The Kinki Osaka Bank, Ltd.	Millions of yen		Millions of U.S. dollars
March 31, 2011 and 2010	**2011**	2010	**2011**
Assets			
Cash and due from banks	**¥ 52,665**	¥ 80,870	**$ 633**
Call loans	**20,000**	50,000	**240**
Monetary claims bought	**71,702**	93,680	**862**
Trading securities	**6**	157	**0**
Securities	**810,559**	704,432	**9,748**
Loans and bills discounted	**2,511,403**	2,604,777	**30,203**
Foreign exchange assets	**3,574**	3,740	**42**
Other assets	**19,256**	11,141	**231**
Tangible fixed assets	**30,920**	31,304	**371**
Intangible fixed assets	**836**	1,069	**10**
Deferred tax assets	**11,561**	12,730	**139**
Customers' liabilities for acceptances and guarantees	**15,869**	17,819	**190**
Reserve for possible loan losses	**(26,925)**	(27,628)	**(323)**
Total Assets	**¥3,521,430**	¥3,584,095	**$42,350**
Liabilities			
Deposits	**¥3,270,471**	¥3,321,193	**$39,332**
Negotiable certificates of deposit	**18,700**	—	**224**
Deposits received for securities lending transactions	**—**	49,944	**—**
Borrowed money	**83,500**	65,000	**1,004**
Foreign exchange liabilities	**56**	103	**0**
Other liabilities	**12,608**	18,941	**151**
Reserve for employees' bonuses	**2,101**	1,789	**25**
Reserve for employees' retirement benefits	**5,894**	5,669	**70**
Other reserves	**3,559**	3,184	**42**
Acceptances and guarantees	**15,869**	17,819	**190**
Total Liabilities	**¥3,412,760**	¥3,483,646	**$41,043**
Equity			
Capital stock	**¥ 38,971**	¥ 38,971	**$ 468**
Capital surplus	**55,439**	55,439	**666**
Capital reserve	**38,971**	38,971	**468**
Other capital surplus	**16,467**	16,467	**198**
Retained earnings	**18,291**	8,654	**219**
Net unrealized losses on available-for-sale securities	**(4,032)**	(2,616)	**(48)**
Total Equity	**¥ 108,669**	¥ 100,448	**$ 1,306**
Total Liabilities and Equity	**¥3,521,430**	¥3,584,095	**$42,350**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥83.15=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2011, has been used.

Non-consolidated Statements of Income

The Kinki Osaka Bank, Ltd.

Years ended March 31, 2011 and 2010	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Income			
Interest income	**¥53,157**	¥58,968	**$639**
Interest on loans and bills discounted	**46,997**	51,613	**565**
Interest and dividends on securities	**5,466**	6,356	**65**
Other interest income	**693**	998	**8**
Fees and commissions	**14,128**	13,906	**169**
Other operating income	**4,499**	3,368	**54**
Other income	**5,406**	5,415	**65**
Total Income	**77,192**	81,660	**928**
Expenses			
Interest expenses	**6,407**	8,384	**77**
Interest on deposits	**5,011**	6,809	**60**
Other interest expenses	**1,396**	1,575	**16**
Fees and commissions	**6,990**	5,981	**84**
Other operating expenses	**1,762**	1,153	**21**
General and administrative expenses	**43,591**	44,919	**524**
Other expenses	**14,592**	16,065	**175**
Total Expenses	**73,344**	76,503	**882**
Income before income taxes	**3,848**	5,155	**46**
Income taxes—current	**(7,800)**	604	**(93)**
Income taxes—deferred	**1,169**	(2,901)	**14**
Net income	**¥10,479**	¥ 7,452	**$126**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥83.15=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2011, has been used.

Deposits and Negotiable Certificates of Deposit

The Kinki Osaka Bank, Ltd.	Billions of yen	
March 31	2011	2010
Liquid deposits	**¥1,562.2**	¥1,543.8
Time deposits	**1,666.4**	1,738.6
Other deposits	**60.5**	38.7
Total	**¥3,289.1**	¥3,321.1

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	2011	2010
Individuals	**¥2,593.4**	¥2,617.3
Corporations	**656.9**	682.0
Other	**20.0**	21.8
Total	**¥3,270.4**	¥3,321.1

Note: Domestic depositors only and excluding negotiable certificates of deposit

Loans to SMEs and Individuals (Non-consolidated)

The Kinki Osaka Bank, Ltd.	Billions of yen		Ratio to total loans	
March 31	2011	2010	2011	2010
Loans to SMEs and individuals	**¥2,323.9**	¥2,386.7	**92.5%**	91.6%

Loans to Individuals (Non-consolidated)

The Kinki Osaka Bank, Ltd.	Billions of yen	
March 31	2011	2010
Consumer loans total	**¥1,152.3**	¥1,139.8
Housing loans	**1,110.0**	1,093.1

Loans and Bills Discounted by Industry

The Kinki Osaka Bank, Ltd.

March 31	Billions of yen	
	2011	2010
Manufacturing	**¥ 311.2**	¥ 344.1
	12.40%	13.21%
Agriculture, forestry	**0.6**	0.6
	0.03%	0.02%
Fishery	**0.0**	0.0
	0.00%	0.00%
Mining, quarrying of stone, gravel extraction	**0.2**	0.3
	0.01%	0.01%
Construction	**126.8**	136.8
	5.05%	5.26%
Electricity, gas, heating, water	**0.7**	0.1
	0.03%	0.00%
Information and communication	**16.5**	18.5
	0.66%	0.71%
Transportation, postal service	**42.3**	44.6
	1.69%	1.72%
Wholesale and retail trade	**327.8**	342.9
	13.05%	13.17%
Finance and insurance	**37.1**	39.0
	1.48%	1.50%
Real estate	**201.7**	216.2
	8.03%	8.30%
Goods rental and leasing	**20.6**	23.0
	0.82%	0.89%
Services	**143.1**	155.5
	5.70%	5.97%
Government, local government	**115.2**	126.3
	4.59%	4.85%
Others	**1,166.8**	1,156.2
	46.46%	44.39%
Total	**¥2,511.4**	¥2,604.7
	100.00%	100.00%

Risk Management Loans

The Kinki Osaka Bank, Ltd.
Non-consolidated Basis
March 31

	Billions of yen		
	2011	Change	2010
Loans to borrowers in legal bankruptcy	**¥ 2.4**	**¥ (1.9)**	¥ 4.4
Past due loans	**59.4**	**(0.9)**	60.3
Loans past due three months or more	**1.1**	**(0.9)**	2.0
Restructured loans	**32.7**	**14.1**	18.6
Total*	**¥ 95.7**	**¥ 10.2**	¥ 85.4
Total loans and bills discounted	**¥2,511.4**	**¥(93.3)**	¥2,604.7
Ratio of risk management loans to total loans and bills discounted (%)	**3.81**	**0.53**	3.28

* 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		
	2011	Change	2010
Unrecoverable or valueless claims	**¥ 14.8**	**¥ (5.0)**	¥ 19.9
Risk claims	**47.5**	**2.1**	45.3
Claims in need of special attention	**33.8**	**13.1**	20.7
Financial Reconstruction Law subtotal	**96.2**	**10.2**	86.0
Nonclassified claims	**2,444.9**	**(113.1)**	2,558.0
Financial Reconstruction Law total*	**¥2,541.1**	**¥(102.8)**	¥2,644.0
Coverage ratio (%)	**83.89**	**(1.71)**	85.60

* 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		
	2011	Change	2010
Reserves for possible loan losses	**¥26.9**	**¥(0.7)**	¥27.6
General reserve for possible loan losses	**18.0**	**(0.0)**	18.0
Specific reserve for possible loan losses	**8.9**	**(0.6)**	9.5

Securities

The Kinki Osaka Bank, Ltd.
Non-consolidated Basis
March 31

	Billions of yen	
	2011	2010
Japanese national and local government bonds	**¥380.5**	¥394.4
Japanese corporate bonds	**358.3**	241.2
Japanese corporate stocks	**10.9**	10.9
Other securities	**60.6**	57.7
Total book value	**¥810.5**	¥704.4

Capital Adequacy Ratio

(1) Consolidated Capital Adequacy Ratio (Japanese Domestic Standard)

The Kinki Osaka Bank, Ltd.

March 31			Billions of yen 2011 (Basel Ⅱ F-IRB)	2010 (Basel Ⅱ SA)
Tier 1 capital	Capital stock		**¥ 38.9**	¥ 38.9
	Capital surplus		**55.4**	55.4
	Retained earnings		**23.7**	13.6
	Less: Planned distribution of income		**5.1**	0.4
	Less: Unrealized loss on available-for-sale securities		**—**	—
	Foreign currency translation adjustments		**—**	—
	Minority interests in consolidated subsidiaries		**—**	—
	Subtotal	(A)	**113.0**	107.6
Tier 2 capital	General reserve for possible loan losses		**0.3**	25.1
	Excess of eligible reserves relative to expected losses		**3.8**	/
	Hybrid debt capital instruments		**65.0**	65.0
	Subtotal		**69.2**	90.1
	Tier 2 capital included as qualifying capital	(B)	**69.2**	75.6
Deductions	Deductions for total risk-based capital	(C)	**0.8**	0.8
Total qualifying capital	(A)+(B)–(C)	(D)	**¥ 181.4**	¥ 182.3
Risk-weighted assets	On-balance-sheet items		**¥1,277.4**	¥1,562.9
	Off-balance-sheet items		**29.1**	27.1
	Credit risk assets	(E)	**1,306.6**	1,590.0
	Operational risk equivalent assets ((G)/8%)	(F)	**104.9**	111.8
	(For reference: Amount equivalent to operational risk)	(G)	**8.3**	8.9
Total risk-weighted assets	(E)+(F)	(H)	**¥1,411.5**	¥1,701.9
Capital adequacy ratio	(D)/(H) x 100%		**12.85%**	10.71%

(2) Non-consolidated Capital Adequacy Ratio (Japanese Domestic Standard)

The Kinki Osaka Bank, Ltd.

March 31			Billions of yen 2011 (Basel Ⅱ F-IRB)	2010 (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		**18.2**	8.6
	Less: Planned distribution of income		**5.1**	0.4
	Less: Unrealized loss on available-for-sale securities		**—**	—
	Subtotal	(A)	**107.5**	102.6
Tier 2 capital	General reserve for possible loan losses		**0.1**	19.9
	Excess of eligible reserves relative to expected losses		**0.6**	/
	Hybrid debt capital instruments		**65.0**	65.0
	Subtotal		**65.8**	84.9
	Tier 2 capital included as qualifying capital	(B)	**65.8**	75.5
Deductions	Deductions for total risk-based capital	(C)	**0.8**	0.8
Total qualifying capital	(A)+(B)–(C)	(D)	**¥ 172.6**	¥ 177.3
Risk-weighted assets	On-balance-sheet items		**¥1,275.6**	¥1,560.5
	Off-balance-sheet items		**25.9**	23.3
	Credit risk assets	(E)	**1,301.6**	1,583.9
	Operational risk equivalent assets ((G)/8%)	(F)	**100.7**	108.1
	(For reference: Amount equivalent to operational risk)	(G)	**8.0**	8.6
Total risk-weighted assets	(E)+(F)	(H)	**¥1,402.4**	¥1,692.1
Capital adequacy ratio	(D)/(H) x 100%		**12.30%**	10.48%

MEMO

STATUS OF CAPITAL ADEQUACY/ BASEL II DATA SECTION

CONTENTS

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: 17

Names and principal business activities of consolidated subsidiaries: As shown below

(As of March 31, 2011)

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, Temporary staffing
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

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 (Japanese Domestic Standard)

(Millions of yen)

As of March 31,			2011	2010	2011 (For reference: BIS International Standard)
Tier 1 capital	Capital stock		**340,472**	327,201	**340,472**
	Non-cumulative perpetual preferred stock (Note 1)		**—**	—	**—**
	Advance payment for new shares		**—**	—	**—**
	Capital surplus		**237,082**	400,709	**237,082**
	Retained earnings		**879,383**	1,372,121	**879,383**
	Less: Treasury stock		**86,847**	86,840	**86,847**
	Advance payment for treasury stock		**—**	—	**—**
	Less: Planned distribution of income		**46,894**	44,994	**46,894**
	Less: Unrealized loss on available-for-sale securities		**—**	—	**—**
	Foreign currency translation adjustments		**(4,468)**	(3,807)	**(4,468)**
	Rights to acquire new shares		**—**	—	**—**
	Minority interests in consolidated subsidiaries		**110,248**	125,135	**110,248**
	Preferred securities issued by overseas SPCs		**95,622**	106,996	**95,622**
	Less: Goodwill		**—**	—	**—**
	Less: Intangible fixed assets recognized as a result of a merger		**—**	—	**—**
	Less: Capital increase due to securitization transactions		**10,036**	10,845	**10,036**
	Less: 50% of excess of expected losses relative to eligible reserves		**—**	—	**—**
	Total of Tier 1 capital before deduction of deferred tax assets		**1,418,940**	2,078,677	**1,418,940**
	Less: Deduction of deferred tax assets (Note 2)		**—**	—	**—**
	Subtotal	(A)	**1,418,940**	2,078,677	**1,418,940**
	Preferred securities with a step-up interest rate provision (Note 3)	(B)	**95,622**	106,996	**95,622**
Tier 2 capital	45% of unrealized gains on available-for-sale securities		**—**	—	**44,580**
	45% of revaluation reserve for land		**30,040**	31,491	**30,040**
	General reserve for possible loan losses		**12,708**	29,997	**12,660**
	Excess of eligible reserves relative to expected losses		**50,902**	50,448	**102,208**
	Hybrid debt capital instruments		**621,469**	640,183	**621,469**
	Perpetual subordinated debt (Note 4)		**248,169**	306,883	**248,169**
	Subordinated debt with maturity dates and preferred stocks with maturity dates (Note 5)		**373,300**	333,300	**373,300**
	Subtotal		**715,121**	752,120	**810,959**
	Tier 2 capital included as qualifying capital	(C)	**715,121**	752,120	**810,959**
Deductions	Deductions for total risk-based capital (Note 6)	(D)	**15,055**	16,765	**15,080**
Total qualifying capital	(A)+(C)–(D)	(E)	**2,119,006**	2,814,032	**2,214,819**
Risk-weighted assets	On-balance-sheet items		**16,250,356**	17,580,736	**16,317,460**
	Off-balance-sheet items		**1,474,360**	1,546,376	**1,474,365**
	Credit risk assets	(F)	**17,724,716**	19,127,112	**17,791,825**
	Market risk equivalent assets (H)/8%	(G)	**—**	—	**411,204**
	(For reference: Amount equivalent to market risk)	(H)	**—**	—	**32,896**
	Operational risk equivalent assets (J)/8%	(I)	**1,169,164**	1,244,328	**1,169,164**
	(For reference: Amount equivalent to operational risk)	(J)	**93,533**	99,546	**93,533**
	Credit risk asset adjustments	(K)	**—**	—	**—**
	Amount equivalent to operational risk adjustments	(L)	**—**	—	**—**
	Total (F)+(G)+(I)+(K)+(L)	(M)	**18,893,881**	20,371,441	**19,372,194**
Capital adequacy ratio (Japanese domestic standard) (E)/(M) x 100 (%)			**11.21**	13.81	**11.43**
Consolidated Tier 1 capital ratio (A)/(M) x 100 (%)			**7.51**	10.20	**7.32**
Percentage of preferred securities with conditions for interest rate step-ups in consolidated Tier 1 capital = (B)/(A) x 100 (%)			**6.73**	5.14	**6.73**
Total consolidated capital required (Note 7)			**1,511,510**	1,629,715	**1,549,775**

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, 2010, was ¥247,387 million, and the limit allowed to incorporate deferred tax assets into regulatory capital was ¥415,735 million. The amount of net deferred tax assets at March 31, 2011, was ¥186,996 million, and the limit allowed to incorporate deferred tax assets into regulatory capital was ¥283,788 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 2-3 (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 LLC to have them conduct Agreed-Upon Procedures in the areas of calculating the consolidated capital adequacy ratio as of March 31, 2011. 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 (Japanese 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,	2011	2010
Capital requirements for credit risk (excluding equity exposures in the Internal Ratings-based (IRB) Approach, exposures relating to investment funds)	**2,008,342**	2,106,283
Standardized Approach (Note 1)	**60,570**	182,796
IRB Approach (Note 2)	**1,926,002**	1,897,189
Corporate exposures (Note 3)	**1,389,104**	1,383,580
Sovereign exposures	**11,476**	12,361
Bank exposures	**28,791**	30,745
Residential mortgage exposures	**320,873**	306,509
Qualified revolving retail exposures	**16,935**	13,293
Other retail exposures	**99,125**	87,343
Other IRB exposures (Note 4)	**59,696**	63,356
Securitization exposures	**21,769**	26,297
Capital requirements for credit risk of equity exposures in the IRB Approach	**45,546**	47,236
Market-Based Approach (Simple Risk Weight Method)	**10,275**	10,201
Market-Based Approach (Internal Models Approach) (Note 5)	**—**	—
PD/LGD Approach	**4,126**	3,960
Exposures subject to transitional grandfathering provisions (Article 13 of the Supplementary Provisions of Notification on Consolidated Capital Adequacy)	**31,144**	33,075
Capital requirements for exposures relating to investment funds	**12,302**	9,102
Total	**2,066,191**	2,162,623

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.
5. The Holding Company Group does not adopt the Internal Models Approach.

■ 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,	2011	2010
The Standardized Approach	**93,533**	99,546

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
Total	8,201,780,800 (Note)

Note: The Articles of Incorporation of the Company were amended as approved at the Ordinary General Meeting of Shareholders held on June 24, 2011. The authorized number of shares has been revised as follows.
The total authorized number of shares is 7,595,000,000 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 Three Preferred Stock:	225,000,000
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, 2011)	Name of stock exchange or securities dealers association	Voting rights and other matters
Common stock	2,514,957,691	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 Three No. 1 Preferred Stock	225,000,000	—	Minimum trading unit: 100 stocks, With voting rights (Notes 1, 8, 9 and 10)
Class Four Preferred Stock	2,520,000	—	Minimum trading unit: 100 stocks (Notes 1 and 11)
Class Five Preferred Stock	4,000,000	—	Minimum trading unit: 100 stocks (Notes 1 and 12)
Class Six Preferred Stock	3,000,000	—	Minimum trading unit: 100 stocks (Notes 1 and 13)
Total	2,769,477,691	—	—

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 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 shall 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 shall 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 shall 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
   ¥1,501
   (b) Upper limit on the number of Common Shares to be issued as a result of the exercise of rights to request acquisition
   39,973,351 shares (Based on 12,000,000 shares issued and outstanding for the Preferred Shares as of May 31, 2011. The number is equivalent to 1.58% 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 Class C No. 1 Preferred Stock (referred to in this section as the "Preferred Shares") are as follows.
   (1) No agreements exist with the holders of the Preferred Shares regarding matters related to rights to request acquisition of the Preferred Shares.
   (2) No agreements exist with the holders of the Preferred Shares 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 dividends of surplus, the Company shall 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 shall be reduced by the amount of such Preferred Interim Dividends.
   The total amount of Preferred Dividends to be paid per share shall be ¥68.
   (b) Non-cumulative dividends
   If the total amount of dividends of surplus that are paid to the Preferred Shareholders in any business year fall short of the amount of the Preferred Dividends, the amount of the shortage shall not accrue to the subsequent business years.
   (c) Non-participatory dividends
   The total amount of dividends of surplus to be paid to the Preferred Shareholders in a business year shall be limited to the amount of the Preferred Dividends, and no dividends of surplus shall be paid 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 shall 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 residual assets
   When the residual assets of the Company are to be distributed, the Preferred Shareholders shall be paid ¥5,000 per share, prior to any such payments to holders of Common Shares. No additional distribution of residual assets shall 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 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 residual assets.
   (4) Right to request acquisition
   (a) Period for making requests
   Up to March 31, 2015, excluding the period from the day immediately following a record date for detemining shareholders entitled to exercise their votes at a shareholders meeting until the day on which the shareholders meeting the subject of such record date is concluded.
   (b) Exchange price
   The exchange price is ¥1,501.
   (c) Reset of the exchange price
   The exchange price shall 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 ¥1,501 (the Floor Price), the Exchange Price after Reset shall be the Floor Price. Market Price for this purpose shall 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 shall 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 shall 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 shall 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) shall 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 shall 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 shall be delivered.

(6) Acquisition of the Preferred Shares under agreement with the Preferred Shareholders
When a 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 shall not apply.

(7) Voting rights clause
The Preferred Shareholders shall not be entitled to exercise voting rights with respect to any matter at the General Meetings of Shareholders; provided, however, that the Preferred Shareholders shall have voting rights (if, where the provisions of Article 53 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 53 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 53 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 shall not be consolidated or split. In addition, the Preferred Shareholders shall 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 shall 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 shall 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 shall 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 shall 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
¥3,240
(b) Upper limit on the number of Common Shares to be issued as a result of the exercise of rights to request acquisition
30,864,197 shares (Based on 8,000,000 shares issued and outstanding for the Preferred Shares as of May 31, 2011. The number is equivalent to 1.22% 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 Class F No. 1 Preferred Stock (referred to in this section as the "Preferred Shares") are as follows.

(1) No agreements exist with the holders of the Preferred Shares regarding matters related to rights to request acquisition of the Preferred Shares.

(2) No agreements exist with the holders of the Preferred Shares 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 dividends of surplus, the Company shall 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 shall be reduced by the amount of such Preferred Interim Dividends.
The total amount of Preferred Dividends to be paid per share shall be ¥185.
(b) Non-cumulative dividends
If the total amount of dividends of surplus that are paid to the Preferred Shareholders in any business year fall short of the amount of the Preferred Dividends, the amount of the shortage shall not accrue to the subsequent business years.
(c) Non-participatory dividends
The total amount of dividends of surplus to be paid to the Preferred Shareholders in a business year shall be limited to the amount of the Preferred Dividends, and no dividends of surplus shall be paid 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 shall 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 residual assets
When the residual assets of the Company are to be distributed, the Preferred Shareholders shall be paid ¥12,500 per share, prior to any such payments to holders of Common Shares. No additional distribution of residual assets shall 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 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 residual assets.

(4) Right to request acquisition
(a) Period for making requests
Up to November 30, 2014. excluding the period from the day immediately following a record date for detemining shareholders entitled to exercise their votes at a shareholders meeting until the day on which the shareholders meeting the subject of such record date is concluded.
(b) Exchange price
The exchange price is ¥3,240.
(c) Reset of the exchange price
The exchange price shall 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 ¥3,240 (the Floor Price), the Exchange Price after Reset shall be the Floor Price. Market Price for this purpose shall 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 shall 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 shall 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 shall 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) shall 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 shall 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 shall be delivered.

(6) Acquisition of the Preferred Shares under agreement with the Preferred Shareholders
When a 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 shall not apply.

(7) Voting rights clause
The Preferred Shareholders shall not be entitled to exercise voting rights with respect to any matter at the General Meetings of Shareholders; provided, however, 53 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 53 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 53 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 shall not be consolidated or split. In addition, the Preferred Shareholders shall 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 shall 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 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 shall 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 shall 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 shall 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
¥154
(b) Upper limit on the number of Common Shares to be issued as a result of the exercise of rights to request acquisition
2,922,077,922 shares (Based on 225,000,000 shares issued and outstanding for the Preferred Shares as of May 31, 2011. The number is equivalent to 116.18% 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 Class Three No. 1 Preferred Stock (referred to in this section as the "Preferred Shares") are as follows.
(1) No agreements exist with the holders of the Preferred Shares regarding matters related to rights to request acquisition of the Preferred Shares.
(2) No agreements exist with the holders of the Preferred Shares regarding matters related to transactions in the Company's shares.

10. 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 dividends of surplus, the Company shall 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 shall 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 shall be calculated down to one-thousandths of one yen and then rounded to the nearest one-hundredths of one yen, ¥0.005 rounded upward) shall be paid. The annual rate of Preferred Dividends shall be the rate per annum, which shall 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 shall 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 shall be each April 1 on and after April 1, 2004.
Euro Yen LIBOR (one-year) shall 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 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 shall be deemed comparable to such rate, shall be used in lieu of the Euro Yen LIBOR (one-year).
The term "business day" shall mean a day on which banks are open for foreign currency and foreign exchange business in London and Tokyo.
(b) Non-cumulative dividends
If the total amount of dividends of surplus that are paid to the Preferred Shareholders in any business year fall short of the amount of the Preferred Dividends, the amount of the shortage shall not accrue to the subsequent business years.
(c) Non-participatory dividends
The total amount of dividends of surplus to be paid to the Preferred Shareholders in a business year shall be limited to the amount of the Preferred Dividends, and no dividends of surplus shall be paid 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 shall 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 residual assets
When the residual assets of the Company are to be distributed, the Preferred Shareholders shall be paid ¥2,000 per share, prior to any such payments to Common Shareholders. No additional distribution of residual assets shall 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 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 residual 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 ¥410.
(c) Reset of the exchange price
The exchange price shall be reset on May 1 of each year (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 ¥154 (the Floor Price), the Exchange Price after Reset shall be the Floor Price. Market Price for this purpose shall 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 shall 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 shall 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 a 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 shall 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 shall not be consolidated or split. In addition, the Preferred Shareholders shall 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 shall 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 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 dividends of surplus, the Company shall 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 shall be reduced by the amount of such Preferred Interim Dividends. Dividends per share of the Preferred Shares shall be equal to the subscription price per share multiplied by the rate of Preferred Dividends described below.
The rate of Preferred Dividends shall be 3.970% per annum (¥992.50 per ¥25,000 subscription price).
(b) Non-cumulative dividends
If the total amount of dividends of surplus that are paid to the Preferred Shareholders in any business year fall short of the amount of the Preferred Dividends, the amount of the shortage shall not accrue to the subsequent business years.
(c) Non-participatory dividends
The total amount of dividends of surplus to be paid to the Preferred Shareholders in a business year shall be limited to the amount of the Preferred Dividends, and no dividends of surplus shall be paid 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 shall 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 residual assets
When the residual assets of the Company are to be distributed, the Preferred Shareholders shall be paid ¥25,000 per share, prior to any such payments to Common Shareholders. No additional distribution of residual assets shall 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 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 residual assets.
(4) Acquisition of the Preferred Shares under agreement with the Preferred Shareholders
When a 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 shall 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 shall be dates on or after August 31, 2013, acquire all or some of the Preferred Shares, and in such case the Company shall 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 shall 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 shall select shares to be acquired by drawing lots.

(6) Voting rights clause

The Preferred Shareholders shall not be entitled to exercise voting rights with respect to any matter at the General Meetings of Shareholders; provided, however, that the Preferred Shareholders shall have voting rights (if, where the provisions of Article 53 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 53 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 53 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.

12. 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 dividends of surplus, the Company shall 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 shall be reduced by the amount of such Preferred Interim Dividends. Dividends per share of the Preferred Shares shall be equal to the subscription price per share multiplied by the rate of Preferred Dividends described below.

The rate of Preferred Dividends shall be 3.675% per annum (¥918.75 per ¥25,000 subscription price).

(b) Non-cumulative dividends

If the total amount of dividends of surplus that are paid to the Preferred Shareholders in any business year fall short of the amount of the Preferred Dividends, the amount of the shortage shall not accrue to the subsequent business years.

(c) Non-participatory dividends

The total amount of dividends of surplus to be paid to the Preferred Shareholders in a business year shall be limited to the amount of the Preferred Dividends, and no dividends of surplus shall be paid 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 shall 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 residual assets

When the residual assets of the Company are to be distributed, the Preferred Shareholders shall be paid ¥25,000 per share, prior to any such payments to Common Shareholders. No additional distribution of residual assets shall 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 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 residual 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 shall 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 shall be dates on or after August 28, 2014, acquire all or some of the Preferred Shares, and in such case the Company shall 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 shall 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 shall select shares to be acquired by drawing lots.

(6) Voting rights clause

The Preferred Shareholders shall not be entitled to exercise voting rights with respect to any matter at the General Meetings of Shareholders; provided, however, that the Preferred Shareholders shall have voting rights (if, where the provisions of Article 53 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 53 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 53 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.

13. 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 dividends of surplus, the Company shall 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 shall be reduced by the amount of such Preferred Interim Dividends.

Dividends per share of the Preferred Shares shall be equal to the subscription price per share multiplied by the rate of Preferred Dividends described below.

The rate of Preferred Dividends shall be 4.95% per annum (¥1,237.50 per ¥25,000 subscription price)

(b) Non-cumulative dividends

If the total amount of dividends of surplus that are paid to the Preferred Shareholders in any business year fall short of the amount of the Preferred Dividends, the amount of the shortage shall not accrue to the subsequent business years.

(c) Non-participatory dividends

The total amount of dividends of surplus to be paid to the Preferred Shareholders in a business year shall be limited to the amount of the Preferred Dividends, and no dividends of surplus shall be paid 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 shall 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 residual assets

When the residual assets of the Company are to be distributed, the Preferred Shareholders shall be paid ¥25,000 per share, prior to any such payments to Common Shareholders. No additional distribution of residual assets shall 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 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 residual 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 shall 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 shall be dates on or after December 8, 2016, acquire all or some of the Preferred Shares, and in such case the Company shall 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 shall 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 shall select shares to be acquired by drawing lots.

(6) Voting rights clause

The Preferred Shareholders shall not be entitled to exercise voting rights with respect to any matter at the General Meetings of Shareholders; provided, however, that, the Preferred Shareholders shall have voting rights (if, where the provisions of Article 53 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 53 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 53 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 31, 2006 (Note 1)	25	20,862	31,500	358,701	31,500	358,701
August 31, 2006 (Note 2)	—	20,862	(31,500)	327,201	(31,500)	327,201
January 26, 2007 (Note 3)	(638)	20,224	—	327,201	—	327,201
February 16, 2007 (Note 4)	0	20,224	—	327,201	—	327,201
March 30, 2007 (Note 5)	(0)	20,224	—	327,201	—	327,201
June 5, 2007 (Note 6)	100	20,324	175,000	502,201	175,000	502,201
June 5, 2007 (Note 7)	—	20,324	(175,000)	327,201	(175,000)	327,201
July 31, 2007 (Note 4)	0	20,324	—	327,201	—	327,201
August 28, 2007 (Note 8)	40	20,364	50,000	377,201	50,000	377,201
August 28, 2007 (Note 9)	—	20,364	(50,000)	327,201	(50,000)	327,201
September 28, 2007 (Note 5)	(0)	20,364	—	327,201	—	327,201
January 4, 2009 (Note 10)	2,016,071	2,036,436	—	327,201	—	327,201
January 5, 2009 (Note 11)	(0)	2,036,436	—	327,201	—	327,201
March 13, 2009 (Note 12)	(28,177)	2,008,258	—	327,201	—	327,201
September 8, 2009 (Note 13)	75,000	2,083,258	51,825	379,026	51,825	379,026
September 8, 2009 (Note 14)	—	2,083,258	(51,825)	327,201	(51,825)	327,201
September 8, 2009 (Note 15)	(10,000)	2,073,258	—	327,201	—	327,201
December 8, 2009 (Note 16)	3,000	2,076,258	37,500	364,701	37,500	364,701
December 8, 2009 (Note 17)	—	2,076,258	(37,500)	327,201	(37,500)	327,201
August 31, 2010 (Note 18)	(200,000)	1,876,258	—	327,201	—	327,201
January 31, 2011 (Note 19)	1,237,000	3,113,258	260,586	587,787	260,586	587,787
January 31, 2011 (Note 20)	—	3,113,258	(260,586)	327,201	(260,586)	327,201
February 18, 2011 (Note 21)	63,000	3,176,258	13,271	340,472	13,271	340,472
March 11, 2011 (Note 22)	(406,780)	2,769,477	—	340,472	—	340,472

Notes: 1. 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
2. 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.
3. 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)
4. Issuance of common shares following the exercise of acquisition rights to have the Company acquire outstanding Class D No. 1 Preferred Shares
5. Retirement of treasury stock (Class D No. 1 Preferred Shares).
6. 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
7. 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.
8. 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
9. 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.
10. 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.
11. 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).
12. 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)
13. 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.
14. 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.
15. Retirement of treasury stock (10,000,000 shares of Class Nine Preferred Stock)
16. 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.
17. 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.
18. Retirement of treasury stock (200,000,000 shares of Class One No. 1 Preferred Stock)
19. Paid-in public offering (1,237,000,000 shares of Common Stock), issue price of ¥440 per share, issue price of ¥421.32, with ¥210.66 included in paid-in capital
20. 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 448-3 of the Company Law of Japan.
21. Paid-in placement to a third party (63,000,000 shares of Common Stock), issue price of ¥421.32 per share, with ¥210.66 included in paid-in capital.
22. Retirement of treasury stock (75,000,000 shares of Class One No. 1 Preferred Stock, 281,780,000 shares of Class Two No. 1 Preferred Stock, and 50,000,000 shares of Class Three No. 1 Preferred Stock).

3. Ownership of Common Stock and Preferred Stock

(1) Common stock

	As of March 31, 2011								
	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	14	145	108	13,771	493	159	360,681	375,371	—
Number of minimum trading units held	1,261	4,017,546	824,315	6,890,574	6,080,173	4,577	7,320,452	25,138,898	1,067,891
Ownership percentage	0.01	15.98	3.28	27.41	24.18	0.02	29.12	100.00	—

Notes: 1. In the table above, “Individuals and others” and “Fractional shares” contain 641,791 minimum trading units and 83 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 20,647 shareholders who hold only fractional shares.

(2) Class C No. 1 Preferred Stock

	As of March 31, 2011								
	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	—	—	—	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

	As of March 31, 2011								
	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	—	—	—	1	—	—	—	1	—
Number of minimum trading units held	—	—	—	80,000	—	—	—	80,000	—
Ownership percentage	—	—	—	100.00	—	—	—	100.00	—

(4) Class Three No. 1 Preferred Stock

	As of March 31, 2011								
	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	—	—	—	1	—	—	—	1	—
Number of minimum trading units held	—	—	—	2,250,000	—	—	—	2,250,000	—
Ownership percentage	—	—	—	100.00	—	—	—	100.00	—

(5) Class Four Preferred Stock

	As of March 31, 2011								
	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	—	1	—	—	—	—	—	1	—
Number of minimum trading units held	—	25,200	—	—	—	—	—	25,200	—
Ownership percentage	—	100.00	—	—	—	—	—	100.00	—

(6) Class Five Preferred Stock

	As of March 31, 2011								
	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	—	1	—	—	—	—	—	1	—
Number of minimum trading units held	—	40,000	—	—	—	—	—	40,000	—
Ownership percentage	—	100.00	—	—	—	—	—	100.00	—

(7) Class Six Preferred Stock

	As of March 31, 2011								
	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

	As of March 31, 2011		
Shareholder	Address	Number of stocks owned (stocks)	Ownership percentage of total shares
Deposit Insurance Corporation of Japan	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo	728,262,500	26.29
Japan Trustee Services Bank, Ltd. (Trust Account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	93,854,700	3.38
The Dai-ichi Mutual Life Insurance Company, Ltd.	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo	59,241,900	2.13
The Master Trust Bank of Japan, Ltd. (Trust Account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	58,852,300	2.12
GOLDMAN SACHS & CO. REG	200 West Street, New York, NY, USA	46,702,103	1.68
CACEIS BANK/CREDIT AGRICOLE SA	91 93 BD Pasteur, 75015 Paris, France	41,805,600	1.50
JP MORGAN CHASE BANK 380055	270 Park Avenue, New York, NY 10017, USA	41,306,670	1.49
Japan Trustee Services Bank, Ltd. (Trust Account 9)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	22,850,600	0.82
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	Avenue des Arts, 35 Kunstlaan, 1040 Brussels, Belgium	20,183,951	0.72
The Resolution and Collection Corporation	46-1, Honcho 2-chome, Nakano-ku, Tokyo	20,000,000	0.72
Total	—	1,133,060,324	40.91

Notes: 1. In addition to the above, the Company holds 64,179,183 treasury stock (2.31% of the total stocks issued).
2. In the reports on large holdings (changes) submitted by the Resolution and Collection Corporation and one other stockholder on March 11, 2011, it was indicated that the Deposit Insurance Corporation of Japan held 736,039,400 shares as of March 8, 2011 (which represented 26.57% of the total stocks issued). Since the Company cannot confirm actual ownership as of March 31, 2011, the information on stockholdings contained in the Company's Stockholder Register has been entered in the table above.

(2) Stockholdings by Voting Percentage

Shareholder	As of March 31, 2011 Address	Number of stocks owned (stocks)	Ownership percentage of total shares
Deposit Insurance Corporation of Japan	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo	7,282,625	27.22
Japan Trustee Services Bank, Ltd. (Trust Account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	938,547	3.50
The Master Trust Bank of Japan, Ltd. (Trust Account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	588,523	2.20
The Dai-Ichi Mutual Life Insurance Company, Ltd.	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo	552,419	2.06
GOLDMAN SACHS & CO. REG	200 West Street, New York, NY, USA	467,021	1.74
CACEIS BANK/CREDIT AGRICOLE SA	91 93 BD Pasteur, 75015 Paris, France	418,056	1.56
JP MORGAN CHASE BANK 380055	270 Park Avenue, New York, NY 10017, USA	413,066	1.54
Japan Trustee Services Bank, Ltd. (Trust Account 9)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	228,506	0.85
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	Avenue des Arts, 35 Kunstlaan, 1040 Brussels, Belgium	201,839	0.75
NOMURA SINGAPORE LIMITED CUSTOMER SEGREGATED A/C FJ-1309	6 Battery Road #34-01 Singapore 049909	199,784	0.74
Total	—	11,290,386	42.21

5. Status of Voting Rights

(1) Stock issued and outstanding

Type of Stock	As of March 31, 2011 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 64,179,100	—	—
Stock with full voting rights (other types)	Common stock 2,449,710,700 Class Three No. 1 Preferred Stock 225,000,000	Common stock 24,497,107 Class Three No. 1 Preferred Stock 2,250,000	The details regarding various types of stock are covered in the section "1. Number of Common and Preferred Stock Shares and Related Matters." (Notes 1 and 2)
Fractional shares (shares less than one trading unit)	Common stock 1,067,891	—	(Note 3)
Total number of shares issued and outstanding	2,769,477,691	—	—
Number of voting rights for total shareholders	—	26,747,107	—

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 83 shares held by the Company as treasury stock.

(2) Treasury stock

Shareholder	Address	Stocks held in own name	Stocks held under other name(s)	Number of stocks owned	Ownership percentage of total shares
	As of March 31, 2011				
(Treasury stock) Resona Holdings, Inc.	5-65, Kiba 1-chome, Koto-ku, Tokyo	64,179,100	—	64,179,100	2.55
Total	—	64,179,100	—	64,179,100	2.55

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.

■ Preferred Securities

Item	As of March 31, 2011 (Millions of yen)	Date of repayment or maturity
Preferred securities	95,622	—
Total	95,622	—

■ Subordinated Loans and Bonds

Item	As of March 31, 2011 (Millions of yen)	Date of repayment or maturity
Perpetual subordinated debt	248,169	—
Subordinated loans	—	—
Subordinated bonds	248,169	—
Subordinated debt with maturity dates	373,300	—
Subordinated loans	49,000	March 2017 to March 2021
Subordinated bonds	324,300	September 2014 to December 2020
Total	621,469	—

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, 2011, 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 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, 2011					
	Total					Past due three months or more, or default
		Loans and bills discounted, foreign exchange, etc.	Securities	Off-balance sheet transactions	Derivatives transactions	
By Region						
Japan	**45,300,843**	**29,649,359**	**9,672,583**	**4,221,904**	**1,207,828**	**1,016,597**
Overseas	**—**	**—**	**—**	**—**	**—**	**—**
Exposure to which the Standardized Approach is applied	**1,294,217**	**494,116**	**220,622**	**86,388**	**14,364**	**25,611**
Total	**46,595,060**	**30,143,476**	**9,893,206**	**4,308,293**	**1,222,193**	**1,042,209**
By Industry						
Manufacturing	**3,300,373**	**2,612,487**	**302,512**	**260,186**	**122,843**	**140,318**
Agriculture and forestry	**60,871**	**59,851**	**80**	**926**	**10**	**2,147**
Fishery	**1,651**	**1,651**	**—**	**0**	**—**	**33**
Mining, quarrying of stone, gravel extraction	**14,718**	**13,717**	**891**	**88**	**21**	**448**
Construction	**713,021**	**604,092**	**43,828**	**63,480**	**979**	**51,045**
Electricity, gas, heating, water	**108,729**	**75,263**	**21,214**	**11,935**	**316**	**135**
Information and communication	**282,512**	**247,963**	**16,768**	**13,447**	**4,252**	**30,740**
Transportation, postal services	**555,902**	**489,534**	**28,538**	**28,760**	**8,962**	**14,041**
Wholesale and retail trade	**2,715,450**	**2,287,271**	**117,029**	**77,587**	**227,850**	**183,629**
Finance and insurance	**2,723,240**	**1,357,645**	**261,958**	**278,836**	**820,946**	**8,354**
Real estate	**3,721,971**	**3,621,269**	**27,289**	**54,111**	**9,887**	**257,372**
Goods rental and leasing	**384,327**	**367,331**	**4,961**	**11,439**	**595**	**3,068**
Services	**1,682,800**	**1,550,080**	**37,998**	**80,051**	**10,446**	**140,622**
Individuals	**10,259,346**	**10,150,334**	**—**	**108,055**	**0**	**184,632**
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	**17,639,451**	**5,679,423**	**8,726,313**	**3,232,997**	**716**	**—**
Foreign central governments and central banks, etc.	**41,804**	**1,158**	**40,645**	**—**	**—**	**7**
Others	**1,094,669**	**530,281**	**42,554**	**—**	**—**	**0**
Exposure to which the Standardized Approach is applied	**1,294,217**	**494,116**	**220,622**	**86,388**	**14,364**	**25,611**
Total	**46,595,060**	**30,143,476**	**9,893,206**	**4,308,293**	**1,222,193**	**1,042,209**
By Residual Contractual Maturity						
One year or less	**7,271,968**	**3,610,573**	**2,730,692**	**809,233**	**97,610**	**/**
One year to less than three years	**4,307,452**	**2,200,549**	**1,654,272**	**125,268**	**327,363**	**/**
Three years to less than five years	**5,498,101**	**2,355,508**	**2,830,309**	**40,157**	**272,126**	**/**
Five years to less than seven years	**2,134,568**	**1,048,234**	**722,303**	**34,903**	**329,127**	**/**
Over seven years	**16,427,054**	**14,833,213**	**1,314,862**	**97,377**	**181,601**	**/**
Exposures with no maturity dates	**9,661,697**	**5,601,280**	**420,142**	**3,114,965**	**—**	**/**
Exposure to which the Standardized Approach is applied	**1,294,217**	**494,116**	**220,622**	**86,388**	**14,364**	**/**
Total	**46,595,060**	**30,143,476**	**9,893,206**	**4,308,293**	**1,222,193**	**/**

(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
Fishery	9,538	7,081	758	1,698	0	—
Mining, quarrying of stone, gravel extraction	16,038	14,998	895	87	55	618
Construction	640,337	538,778	43,350	56,320	1,131	47,131
Electricity, gas, heating, water	123,914	90,532	22,366	10,646	369	22
Information and communication	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 trade	2,488,716	2,065,693	119,200	74,553	225,165	149,214
Finance and insurance	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 rental and leasing	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	/

Notes: 1. Figures presented refer to the credit risk exposure to which the Foundation Internal Ratings-Based (F-IRB) approach is applied (Exposures relating investment funds and securitization exposures are not included). However, 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.). Note that, as of March 31, 2010, The Kinki Osaka Bank adopted Phased Rollout of the F-IRB approach, and beginning from March 31, 2011, with the exception of assets that are treated as Exempt Assets, risk assets are calculated using the F-IRB approach.

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.

■ General Reserve for Possible Loan Losses and Special Reserve for Certain Overseas Loans

(Millions of yen)

Years ended March 31,	2011			2010		
	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	**296,349**	**(4,071)**	**292,278**	304,261	(7,911)	296,349
Special reserve for certain overseas loans	**1**	**1**	**3**	144	(142)	1

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)

Year ended March 31,	2011		
	Balance at beginning of fiscal year	Increase/(decrease) during the fiscal year	Balance at end of fiscal year
By Region			
Japan	**141,028**	**(10,973)**	**130,055**
Overseas	**—**	**—**	**—**
Total	**141,028**	**(10,973)**	**130,055**
By Industry			
Manufacturing	**29,878**	**1,221**	**31,100**
Agriculture and forestry	**69**	**(12)**	**57**
Fishery	**6**	**(6)**	**—**
Mining, quarrying of stone, gravel extraction	**61**	**(41)**	**20**
Construction	**3,606**	**(1,236)**	**2,369**
Electricity, gas, heating, water	**—**	**1**	**1**
Information and communication	**18,591**	**(9,967)**	**8,624**
Transportation, postal services	**1,666**	**(713)**	**953**
Wholesale and retail trade	**24,463**	**13,320**	**37,784**
Finance and insurance	**1,225**	**8**	**1,234**
Real estate	**18,604**	**(11,120)**	**7,483**
Goods rental and leasing	**466**	**(208)**	**257**
Services	**13,656**	**(1,859)**	**11,796**
Individuals	**5,023**	**(9)**	**5,014**
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	**268**	**—**	**268**
Foreign central governments and central banks, etc.	**—**	**—**	**—**
Others	**23,439**	**(350)**	**23,088**
Total	**141,028**	**(10,973)**	**130,055**

Year 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
Fishery	18	(11)	6
Mining, quarrying of stone, gravel extraction	562	(500)	61
Construction	3,909	(303)	3,606
Electricity, gas, heating, water	—	—	—
Information and communication	20,755	(2,163)	18,591
Transportation, postal services	1,317	349	1,666
Wholesale and retail trade	17,366	7,097	24,463
Finance and insurance	1,110	115	1,225
Real estate	36,071	(17,467)	18,604
Goods rental and leasing	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

Notes: 1. The by-industry breakdown is for the specific reserves provided for the exposures held by Resona Bank, Saitama Resona Bank, and The 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.

■ Write-Offs of Claims: By Industry

(Millions of yen)

Year ended March 31,	2011	2010
Manufacturing	9,051	9,834
Agriculture and forestry	13	24
Fishery	7	—
Mining, quarrying of stone, gravel extraction	—	214
Construction	5,309	3,458
Electricity, gas, heating, water	8	13
Information and communication	1,155	3,301
Transportation, postal services	1,134	833
Wholesale and retail trade	13,003	15,285
Finance and insurance	331	(0)
Real estate	6,227	23,301
Goods rental and leasing	238	476
Services	6,739	7,159
Individuals	2,486	2,862
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	—	—
Foreign central governments and central banks, etc.	—	—
Others	6,590	6,206
Total	52,299	72,971

Notes: 1. The by-industry breakdown is for the write-offs made for the exposures held by Resona Bank, Saitama Resona Bank, and The Kinki Osaka Bank.
2. The “Others” category includes the write-offs made for the exposures held by subsidiaries other than the aforementioned banking subsidiaries.

[Exposure Subject to the Standardized Approach]

■ Exposure by Risk Weight Category

(Millions of yen)

As of March 31,	2011		2010	
	With external rating	Without external rating	With external rating	Without external rating
0%	114	310,708	10,665	1,093,763
10%	—	155,596	—	451,900
20%	103,019	1	264,650	3,917
35%	—	—	—	726,987
50%	45,225	—	59,102	2,106
75%	—	51	—	415,794
100%	6,496	635,488	22,934	1,494,764
150%	—	37,513	—	47,598
350%	—	—	—	—
Others	—	—	—	—
Total	154,856	1,139,360	357,352	4,236,833
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, 2011**	As of March 31, 2010
Strong	Under 2 and half years	50%	**7,944**	7,620
	Over 2 and half years	70%	**9,024**	3,354
Good	Under 2 and half years	70%	**31,843**	41,172
	Over 2 and half years	90%	**36,751**	39,286
Satisfactory	No term	115%	**42,573**	36,041
Weak	No term	250%	**21,578**	19,782
Default	No term	0%	**3,632**	3,147
Total			**153,348**	150,404

(2) High Volatility Commercial Real Estate Lending (Millions of yen)

Slotting criteria	Residual contractual maturity	Risk weights	**As of March 31, 2011**	As of March 31, 2010
Strong	Under 2 and half years	70%	**—**	2,900
	Over 2 and half years	95%	**4,851**	—
Good	Under 2 and half years	95%	**795**	1,500
	Over 2 and half years	120%	**5,168**	5,779
Satisfactory	No term	140%	**—**	—
Weak	No term	250%	**—**	—
Default	No term	0%	**—**	—
Total			**10,815**	10,179

■ Equity Exposure under Simple Risk Weight Method by Risk Weight Category

(Millions of yen)

As of March 31,	**2011**	2010
Risk weights		
300%	**27,444**	22,218
400%	**9,694**	13,397
Total	**37,138**	35,615

■ Corporate Exposures

(Millions of yen)

Credit rating	**As of March 31, 2011**				
	PD (Estimated) (Note 1)	LGD (Estimated) (Note 1)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD
SA, A	**0.16%**	**43.50%**	**32.10%**	**2,575,867**	**352,230**
B–E	**1.51%**	**42.04%**	**83.36%**	**7,491,429**	**720,828**
F, G	**12.99%**	**41.30%**	**173.42%**	**1,506,132**	**111,256**
Default	**100.00%**	**43.57%**	**/**	**727,808**	**56,974**
Total	**/**	**/**	**/**	**12,301,238**	**1,241,290**

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

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, 2011				
	PD* (Estimated)	LGD* (Estimated)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD
SA, A	**0.00%**	**44.72%**	**0.44%**	**14,405,528**	**3,231,824**
B–E	**1.21%**	**44.97%**	**111.39%**	**45,235**	**1,643**
F, G	**16.85%**	**36.47%**	**181.04%**	**536**	**371**
Default	**100.00%**	**45.00%**	**/**	**7**	**—**
Total	**/**	**/**	**/**	**14,451,306**	**3,233,839**

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

Note: Weighted average figures based on EAD

■ Bank Exposures

(Millions of yen)

Credit rating	As of March 31, 2011				
	PD* (Estimated)	LGD* (Estimated)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD
SA, A	**0.12%**	**44.48%**	**21.12%**	**927,023**	**364,276**
B–E	**0.88%**	**45.71%**	**69.32%**	**38,453**	**11,423**
F, G	**16.85%**	**37.26%**	**176.25%**	**7,658**	**1,165**
Default	**—**	**—**	**/**	**—**	**—**
Total	**/**	**/**	**/**	**973,136**	**376,865**

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

Note: Weighted average figures based on EAD

■ Equity Exposures subject to PD/LGD Approach

(Millions of yen)

	As of March 31, 2011			As of March 31, 2010		
Credit rating	PD* (Estimated)	Weighted average RW	Balance	PD* (Estimated)	Weighted average RW	Balance
SA, A	**0.17%**	**140.39%**	**18,662**	0.24%	151.65%	13,224
B–E	**0.85%**	**229.95%**	**3,835**	1.77%	259.86%	4,522
F, G	**16.36%**	**506.99%**	**884**	14.82%	494.31%	952
Default	**100.00%**	**/**	**0**	100.00%	/	14
Total	**/**	**/**	**23,381**	/	/	18,714

Note: Weighted average figures based on EAD

■ Retail Exposures

(Millions of yen)

	As of March 31, 2011						
	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	**/**	**/**	**/**	**8,301,054**	**29,154**	**—**	**—**
Non-default	**1.15%**	**38.87%**	**34.36%**	**8,172,488**	**27,710**	**—**	**—**
Default	**100.00%**	**38.88%**	**/**	**128,565**	**1,444**	**—**	**—**
Qualifying revolving retail exposures	**/**	**/**	**/**	**127,354**	**51,065**	**455,602**	**11.21%**
Non-default	**4.29%**	**76.85%**	**68.76%**	**126,489**	**51,002**	**455,314**	**11.20%**
Default	**100.00%**	**77.25%**	**/**	**865**	**62**	**288**	**21.74%**
Other retail exposures	**/**	**/**	**/**	**2,081,360**	**39,207**	**50,577**	**25.14%**
Non-default	**1.74%**	**33.20%**	**29.12%**	**1,985,011**	**38,160**	**50,349**	**25.14%**
Default	**100.00%**	**38.22%**	**/**	**96,349**	**1,046**	**228**	**26.03%**

	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%	35.32%	30.94%	1,829,776	39,565	45,384	25.71%
Default	100.00%	41.38%	/	69,470	970	139	33.22%

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,	2011	2010
Resona Holdings, Inc. (Consolidated) (Note 4)	**61,561**	114,650
Resona Bank, Ltd. (Non-Consolidated) + Saitama Resona Bank, Ltd. (Non-Consolidated) + The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Notes 4 and 5)	**36,818**	82,111
Corporate exposures	**19,515**	/
Sovereign exposures	**(1)**	/
Bank exposures	**—**	/
Residential mortgage exposures	**1,812**	/
Qualified revolving retail exposures	**(0)**	/
Other retail exposures	**12,216**	/
Resona Bank, Ltd. (Consolidated) (Note 4)	**17,378**	54,810
Resona Bank, Ltd. (Non-Consolidated) (Note 4)	**17,590**	54,183
Corporate exposures	**8,319**	51,531
Sovereign exposures	**1**	(111)
Bank exposures	**—**	(675)
Residential mortgage exposures	**969**	680
Qualified revolving retail exposures (Note 3)	**—**	—
Other retail exposures	**6,470**	6,868
Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 4)	**10,762**	16,723
Corporate exposures	**6,324**	4,501
Sovereign exposures	**—**	—
Bank exposures	**—**	—
Residential mortgage exposures	**319**	538
Qualified revolving retail exposures (Note 3)	**—**	—
Other retail exposures	**2,034**	3,227
The Kinki Osaka Bank, Ltd (Consolidated) (Note 5)	**10,697**	14,276
The Kinki Osaka Bank, Ltd (Non-Consolidated) (Note 5)	**8,465**	11,204
Corporate exposures	**4,871**	/
Sovereign risk exposures	**(2)**	/
Bank exposures	**—**	/
Residential mortgage exposures	**523**	/
Qualified revolving retail exposures	**(0)**	/
Other retail exposures	**3,711**	/

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. Figures in parentheses indicate a profit due to the reversal of the reserve.
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.
5. Since The Kinki Osaka Bank has applied the internal rating-based approach since March 31, 2011, the breakdown of actual losses by exposure classification for the year ending March 31, 2010, has not been shown.

Analysis

The credit-related expenses for the fiscal year ended March 31, 2011 of Resona Holdings decreased ¥53.0 billion compared with the preceding year, to ¥61.5 billion in total. The principal factor accounting for this decline was a decrease of ¥48.3 billion compared to the preceding year, to ¥67.0 billion, in new credit-related expenses as a result of bankruptcies and deterioration in the borrower category at Resona Bank (non-consolidated), Saitama Resona Bank and The Kinki Osaka Bank (non-consolidated). By exposure category, loan write-offs for exposure to companies mainly in the real estate industry declined, and, as a result of this and other factors, 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, 2010 (Note 4)		**Year ended March 31, 2011**
	Estimated losses	Estimated losses after deduction of reserves (Note 5)	Actual losses (Note 6)
Resona Holdings, Inc. (Consolidated) (Notes 1, 2 and 7)	/	/	**61,561**
Resona Bank, Ltd. (Non-Consolidated) + Saitama Resona Bank, Ltd. (Non-Consolidated) + The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Notes 7 and 8)	**530,270**	**(16,368)**	**36,818**
Corporate exposures	**479,069**	**(28,124)**	**19,515**
Sovereign exposures	**671**	**667**	**(1)**
Bank exposures	**1,849**	**1,849**	**—**
Residential mortgage exposures	**9,759**	**5,526**	**1,812**
Qualified revolving retail exposures	/	/	**(0)**
Other retail exposures	**33,953**	**(1,200)**	**12,216**
Resona Bank, Ltd. (Consolidated) (Note 7)	/	/	**17,378**
Resona Bank, Ltd. (Non-Consolidated) (Note 7)	**463,701**	**(32,200)**	**17,590**
Corporate exposures	**420,868**	**(42,576)**	**8,319**
Sovereign exposures	**514**	**510**	**1**
Bank exposures	**1,571**	**1,571**	**—**
Residential mortgage exposures	**8,431**	**5,349**	**969**
Qualified revolving retail exposures (Note 3)	**—**	**—**	**—**
Other retail exposures	**27,380**	**(1,982)**	**6,470**
Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 7)	**66,568**	**15,832**	**10,762**
Corporate exposures	**58,200**	**14,451**	**6,324**
Sovereign exposures	**156**	**156**	**—**
Bank exposures	**277**	**277**	**—**
Residential mortgage exposures	**1,327**	**177**	**319**
Qualified revolving retail exposures (Note 3)	**—**	**—**	**—**
Other retail exposures	**6,572**	**782**	**2,034**
The Kinki Osaka Bank, Ltd (Consolidated) (Notes 7 and 8)	/	/	**10,697**
The Kinki Osaka Bank, Ltd (Non-Consolidated) (Notes 7 and 8)	/	/	**8,465**
Corporate exposures	/	/	**4,871**
Sovereign exposures	/	/	**(2)**
Bank exposures	/	/	**—**
Residential mortgage exposures	/	/	**523**
Qualified revolving retail exposures	/	/	**(0)**
Other retail exposures	/	/	**3,711**

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 are not included in estimated losses.
3. Since losses are limited to exposures guaranteed by the consolidated subsidiaries of Resona Holdings, 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, 2010.
5. Estimated losses after deduction of reserves are represented by deducting reserves (specific loan loss reserves, 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. Figures in parentheses indicate a profit due to the reversal of the reserve.
7. Credit-related expenses for assets and subsidiaries exempt from F-IRB calculation are included in actual losses.
8. Since The Kinki Osaka Bank has applied the internal rating-based approach since March 31, 2011, the expected loss (EL) was not calculated for the year ended March 31, 2010.

(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 are not included in estimated losses.
3. Since losses are limited to exposures guaranteed by the consolidated subsidiaries of Resona Holdings, 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, 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. Figures in parentheses indicate a profit due to the reversal of the reserve.
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 3)	—	—	—
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 3)	—	—	—
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 3)	—	—	—
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 are not included in estimated losses.
3. Since losses are limited to exposures guaranteed by the consolidated subsidiaries of Resona Holdings, 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, 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. Figures in parentheses indicate a profit due to the reversal of the reserve.
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 (ISDA) 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, 2011				
	Eligible financial collateral	Other eligible IRB collateral	Guarantees	Credit derivatives	Total
Internal Ratings-based Approach	**491,574**	**2,247,183**	**2,647,373**	**—**	**5,386,131**
Corporate exposures	**355,423**	**2,245,829**	**938,917**	**—**	**3,540,170**
Sovereign exposures	**115,090**	**470**	**175,934**	**—**	**291,495**
Bank exposures	**20,560**	**883**	**31,287**	**—**	**52,730**
Residential mortgage exposures	**/**	**/**	**676,606**	**—**	**676,606**
Qualifying revolving retail exposures	**/**	**/**	**—**	**—**	**—**
Other retail exposures	**/**	**/**	**824,628**	**—**	**824,628**
Standardized Approach	**2,097**	**/**	**5**	**—**	**2,102**
Total	**493,671**	**2,247,183**	**2,647,379**	**—**	**5,388,233**

	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

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, 2011				
	Notional or contract amount	Fair value	Gross replacement cost	Gross add-ons	Credit equivalent amount
Long-settlement transactions	**—**	**—**	**—**	**—**	**—**
Interest rate related					
Interest rate swaps	**40,751,161**	**33,684**	**270,392**	**297,598**	**567,990**
Interest rate options	**3,349,257**	**44,271**	**44,272**	**8,331**	**52,603**
Subtotal	**44,100,418**	**77,955**	**314,664**	**305,929**	**620,593**
Currency-related					
Currency swaps	**3,014,432**	**(81,475)**	**86,683**	**163,954**	**250,638**
Currency options	**1,456,548**	**200,756**	**200,756**	**62,998**	**263,755**
Forward contracts	**1,507,572**	**(50,817)**	**26,755**	**46,187**	**72,943**
Subtotal	**5,978,553**	**68,464**	**314,196**	**273,140**	**587,336**
Subtotal (prior to netting)	**50,078,972**	**146,419**	**628,860**	**579,069**	**1,207,930**
Credit risk mitigation under close-out netting contracts					**578,697**
Credit risk mitigation by pledged collateral (Note 3)					**(127,981)**
Total (after netting)					**757,214**

(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

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, 2011.
3. The effect of credit risk mitigation of collateralized derivative transactions as of March 31, 2011, is as follows.
Collateral is composed of cash.
(1) Collateral placed: 130,010
(2) Collateral held: 2,028
(2)-(1): (127,981)

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 FY2010 (Reference Materials)” issued on May 13, 2011, 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 13, 2011)	ABS	6,343	Monetary claims bought	170,134	Securitization exposure	135,570
	CMBS	6,077	Foreign bonds	11,254	Specialised lending exposure	3,610
	RMBS	182,612	Securities	13,644	Retail exposure	3,275
					Purchased receivables	52,577
	Total	195,033	Total	195,033	Total	195,033

(In addition to the above types of securities, the Company held ¥34.0 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	7,337	Monetary claims bought	2,015	Securitization exposure	114,867
	ABL	69,805	Trading assets	7,337		
	ABS	2,000	Loans and bills discounted	105,514		
	CMBS	4,445				
	RMBS	31,278				
	Total	114,867	Total	114,867	Total	114,867

Classification	By Product Type		By Account Headings		By Basel Ⅱ Exposure Items	
Total balance	ABCP	7,337	Monetary claims bought	172,150	Securitization exposure	250,437
	ABL	69,805	Trading assets	7,337	Specialised lending exposure	3,610
	ABS	8,343	Foreign bonds	11,254	Retail exposure	3,275
	CMBS	10,523	Securities	13,644	Purchased receivables	52,577
	RMBS	213,891	Loans and bills discounted	105,514		
	Total	309,901	Total	309,901	Total	309,901

EAD of securitization exposure	237,924
Required capital	9,741
Deduction from capital*	12,344

ABCP (Asset-Backed Commercial Paper)
ABL (Asset-Based Lending)
ABS (Asset-Backed Securities)
CMBS (Commercial Mortgage-Backed Securities)
RMBS (Residential Mortgage-Backed Securities)

Notes: 1. Securitized products are entirely held in the banking book.
2. Total securitization products reported above amount to ¥309.9 billion and are equivalent to 0.73% 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 transactions (¥10,036 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, 2011											
	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	—	15,872	23,409	—	—	—	—	—	—	3,627	42,909	11,858
Risk weight:												
To 20%	—	2,600	—	—	—	—	—	—	—	—	2,600	39
Over 20% to 100%	—	—	23,409	—	—	—	—	—	—	—	23,409	1,475
Over 100% to 1,250%	—	9,224	—	—	—	—	—	—	—	—	9,224	2,667
Deduction from capital	—	4,048	—	—	—	—	—	—	—	3,627	7,675	7,675
Capital increase due to securitization transactions	—	5,181	4,854	—	—	—	—	—	—	—	10,036	10,036

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.

Credit risk-weighted assets calculated pursuant to Article 15 of Supplementary Provisions of the Notification on Consolidated Capital Adequacy:	Not applicable

(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

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.

Credit risk-weighted assets calculated pursuant to Article 15 of Supplementary Provisions of the Notification on Consolidated Capital Adequacy:	Not applicable

2. Underlying Assets

(Millions of yen)

	As of March 31, 2011										
	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	**—**	**101,749**	**44,436**	**—**	**—**	**—**	**—**	**—**	**—**	**7,658**	**153,844**
Asset transfer-type securitizations	**—**	**101,749**	**44,436**	**—**	**—**	**—**	**—**	**—**	**—**	**7,658**	**153,844**
Past due three months or more, or default	**—**	**2,665**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**303**	**2,969**
Losses during the year	**—**	**107**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**107**
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, 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	—	—	—	—	—	—	—	—	—	—	—

■ Securitization Exposure as Sponsor of Securitization Programs (ABCP, etc.)
1. Breakdown of Securitization Exposures Retained

(Millions of yen)

	As of March 31, 2011											
	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	**—**	**—**	**—**	**—**	**23,530**	**—**	**—**	**51,348**	**513**	**1,754**	**77,146**	**5,890**
Risk weight:												
To 20%	**—**	**—**	**—**	**—**	**23,530**	**—**	**—**	**19,981**	**—**	**237**	**43,748**	**741**
Over 20% to 100%	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**20,442**	**—**	**191**	**20,633**	**1,295**
Over 100% to 1,250%	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**10,924**	**—**	**—**	**10,924**	**2,014**
Deduction from capital	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**513**	**1,326**	**1,839**	**1,839**
Capital increase due to securitization transactions	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**

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.

Credit risk-weighted assets calculated pursuant to Article 15 of Supplementary Provisions of the Notification on Consolidated Capital Adequacy: Not applicable

(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	—	—	—	—	—	—	—	—	—	—	—	—

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.

Credit risk-weighted assets calculated pursuant to Article 15 of Supplementary Provisions of the Notification on Consolidated Capital Adequacy: Not applicable

2. Underlying Assets

(Millions of yen)

	As of March 31, 2011										
	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	**—**	**—**	**—**	**—**	**10,181**	**—**	**—**	**61,357**	**1,716**	**2,647**	**75,902**
Asset transfer-type securitizations	**—**	**—**	**—**	**—**	**10,181**	**—**	**—**	**61,357**	**1,716**	**2,647**	**75,902**
Past due three months or more, or default	**—**	**—**	**—**	**—**	**37**	**—**	**—**	**—**	**—**	**5**	**43**
Losses during the year	**—**	**—**	**—**	**—**	**148**	**—**	**—**	**351**	**593**	**14**	**1,107**
Synthetic securitizations	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Past due three months or more, or default	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Losses during the year	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Amount of exposures securitized during the year*	**—**	**—**	**—**	**—**	**24,217**	**—**	**—**	**102,028**	**—**	**815**	**127,062**
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, 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.

■ Securitization Exposures in which the Holding Company Group Participates as an Investor

(Millions of yen)

	As of March 31, 2011											
	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	**2,690**	**105,929**	**12,695**	**833**	**—**	**—**	**—**	**1,415**	**—**	**6,647**	**130,212**	**4,337**
Risk weight:												
To 20%	**1,020**	**104,110**	**12,695**	**833**	**—**	**—**	**—**	**1,415**	**—**	**701**	**120,776**	**1,175**
Over 20% to 100%	**857**	**1,819**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**2,000**	**4,676**	**162**
Over 100% to 1,250%	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**1,930**	**1,930**	**169**
Deduction from capital	**813**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**2,015**	**2,829**	**2,829**

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.

Credit risk-weighted assets calculated pursuant to Article 15 of Supplementary Provisions of the Notification on Consolidated Capital Adequacy: None

(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

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.

Credit risk-weighted assets calculated pursuant to Article 15 of Supplementary Provisions of the Notification on Consolidated Capital Adequacy: None

■ 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.

■ 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, 2011.

- 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)

Equity Exposures in the Banking Book

■ Equity Exposure on the Consolidated Balance Sheets

(Millions of yen)

As of March 31,	2011		2010	
	Consolidated balance sheet amount	Market value	Consolidated balance sheet amount	Market value
Listed stocks and other similar investment/equity exposure	**494,872**	**494,872**	493,774	493,774
Investment/equity exposure other than the above	**84,323**	**84,323**	105,767	105,767
Total	**579,196**	**579,196**	599,541	599,541

■ Gain (Loss) on Sale or Write-off of Equity Exposure

(Millions of yen)

Years ended March 31,	2011	2010
Gain on sale	**8,669**	9,007
Loss on sale	**(5,888)**	(840)
Write-off	**(3,598)**	(4,590)
Net gains/(losses)	**(817)**	3,576

■ Unrealized Gain Recognized on the Consolidated Balance Sheet but Not on the Consolidated Statement of Income

(Millions of yen)

As of March 31,	2011	2010
Unrealized gain	**110,708**	121,253

■ 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,	2011	2010
Market-based approach (Simple Risk Weight Method)	**37,138**	35,615
Market-based approach (Internal Models Approach)	**—**	—
PD/LGD Approach	**23,381**	18,714
Grandfathering provision applied	**367,033**	386,259
Exposure to those enterprises assigned 0% risk weight under the Standardized Approach	**1**	1
Total	**427,555**	440,591

Exposures Relating to Investment Funds

■ Exposures Relating to Investment Funds

(Millions of yen)

As of March 31,	2011	2010
Exposures relating to investment funds	**54,637**	31,544

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 The 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,	2011		2010	
	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	**105.6**	**6.6%**	150.2	9.4%
Saitama Resona Bank	**8.7**	**2.0%**	68.3	15.7%
The Kinki Osaka Bank	**15.5**	**9.0%**	22.6	12.8%

Notes: 1. The parameters for estimating the decline in economic value are: Interest rate scenarios assume interest rate shocks in the 99th percentile over an observation period of five years and a holding period of one year.

2. To estimate the interest rate risk of liquid deposits with no maturities, an internal model has been adopted by Resona Bank and Saitama Resona Bank since April 2010 and by The Kinki Osaka Bank since October 2010.

MEMO

CORPORATE DATA SECTION

CONTENTS

DIRECTORS AND EXECUTIVE OFFICERS

As of July 1, 2011

■ 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	Deputy Chairman and Director of Resona Bank, Ltd.
Director, Deputy President and Representative Executive Officer	Kazuhiro Higashi*1	Executive Officer of Resona Bank, Ltd.
Director Member of Audit Committee	Kaoru Isono	
Outside Director Chairman of Audit Committee	Kunio Kojima	Advisor of Japan Securities Finance Co., Ltd. Outside Director of JBIS Holdings, Inc.
Outside Director Member of Audit Committee	Hideo Iida	Lawyer (visiting lawyer of Okuno & Partners) Outside Corporate Auditor of Eco's Co., Ltd. Outside Corporate Auditor of Bunka Shutter Co., Ltd.
Outside Director Chairman of Compensation Committee	Tsutomu Okuda	Chairman and CEO of J. Front Retailing Co., Ltd. Outside Director of Osaka Securities Exchange Co., Ltd.
Outside Director Chairman of Nomination Committee	Shusai Nagai*2	Outside Director of Saitama Resona Bank, Ltd. Professor, Faculty of Business Administration of Toyo Gakuen University Graduate School
Outside Director Member of Compensation Committee	Emi Osono	Professor of Hitotsubashi University Graduate School of International Corporate Strategy
Outside Director Member of Nomination Committee	Toshio Arima	Executive Corporate Advisor of Fuji Xerox Co., Ltd. Outside Director of Kirin Holdings Company, Limited Outside Director of Fuji Heavy Industries Ltd.

Notes: The six independent directors—Kunio Kojima, Hideo Iida, Tsutomu Okuda, Shusai Nagai, Emi Osono, and Toshi Arima—meet the conditions for outside 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.

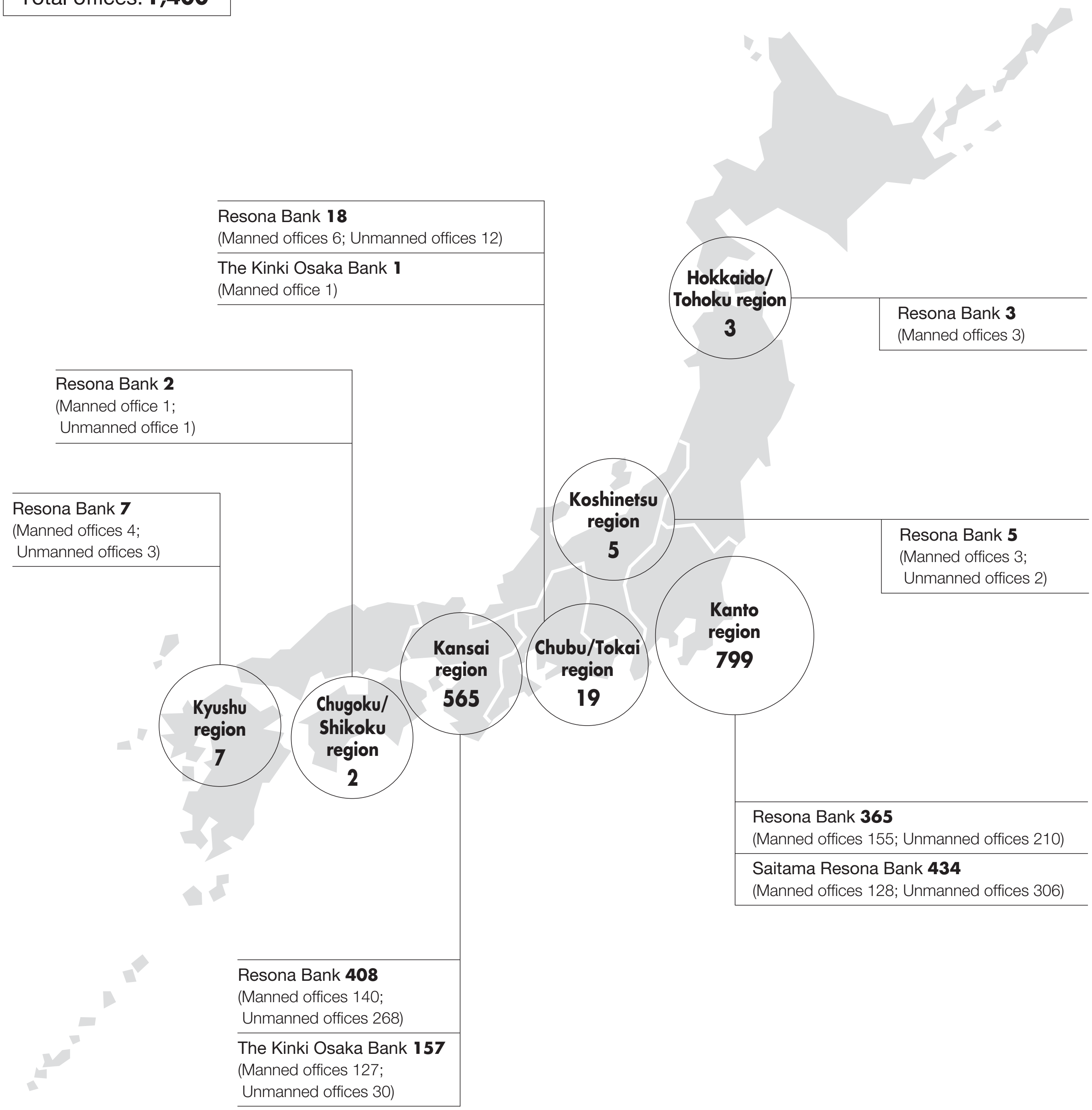
■ Executive Officers

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	Hiroyuki Ikeda	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. Outside Director of Saitama Resona Bank, Ltd.
Executive Officer	Kazuyoshi Ikeda	Senior Managing Executive Officer and Director of Resona Bank, Ltd. Outside Director of Saitama Resona Bank, Ltd.
Executive Officer	Masatoshi Noguchi	
Executive Officer	Koichi Matsui	Managing Executive Officer of Resona Bank, Ltd.
Executive Officer	Hisashi Saito	Managing Executive Officer of Resona Bank, Ltd.
Executive Officer	Makoto Nomura	
Executive Officer	Kenichiro Masuda	Independent Director of The Kinki Osaka Bank, Ltd.

DOMESTIC NETWORK

As of March 31, 2011

Total offices: **1,400**



Domestic Branches

(As of March 31, 2011)

	Resona Bank	Saitama Resona Bank	The Kinki Osaka Bank	Total of the three banks	Including Kanto region	Including Kansai region
Manned offices	312	128	128	568	283	267
Unmanned offices	496	306	30	832	516	298
Total offices	808	434	158	1,400	799	565

INTERNATIONAL NETWORK

As of March 31, 2011

Resona Bank, Ltd.

■ ASIA

Hong Kong Representative Office
Unit 01, 6/F.,
Tower1, Lippo Centre
89 Queensway Admiralty,
Hong Kong, S.A.R.,
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Phone: 852-2532-0500
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Phone: 65-6333-0378
Fax: 65-6333-0797

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Fax: 86-21-6275-5229

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Fax: 62-21-5701936
SWIFT: BPIAIDJA

Cikarang Sub-Branch
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Fax: 62-22-4241207

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Fax: 62-21-5701961

■ JAPAN

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SWIFT: DIWAJPJT

Osaka Head Office
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SWIFT: DIWAJPJT

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resonabank/

The Kinki Osaka Bank, Ltd.

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4-1, Tokiwa 7-chome,
Urawa-ku, Saitama 330-9088, Japan

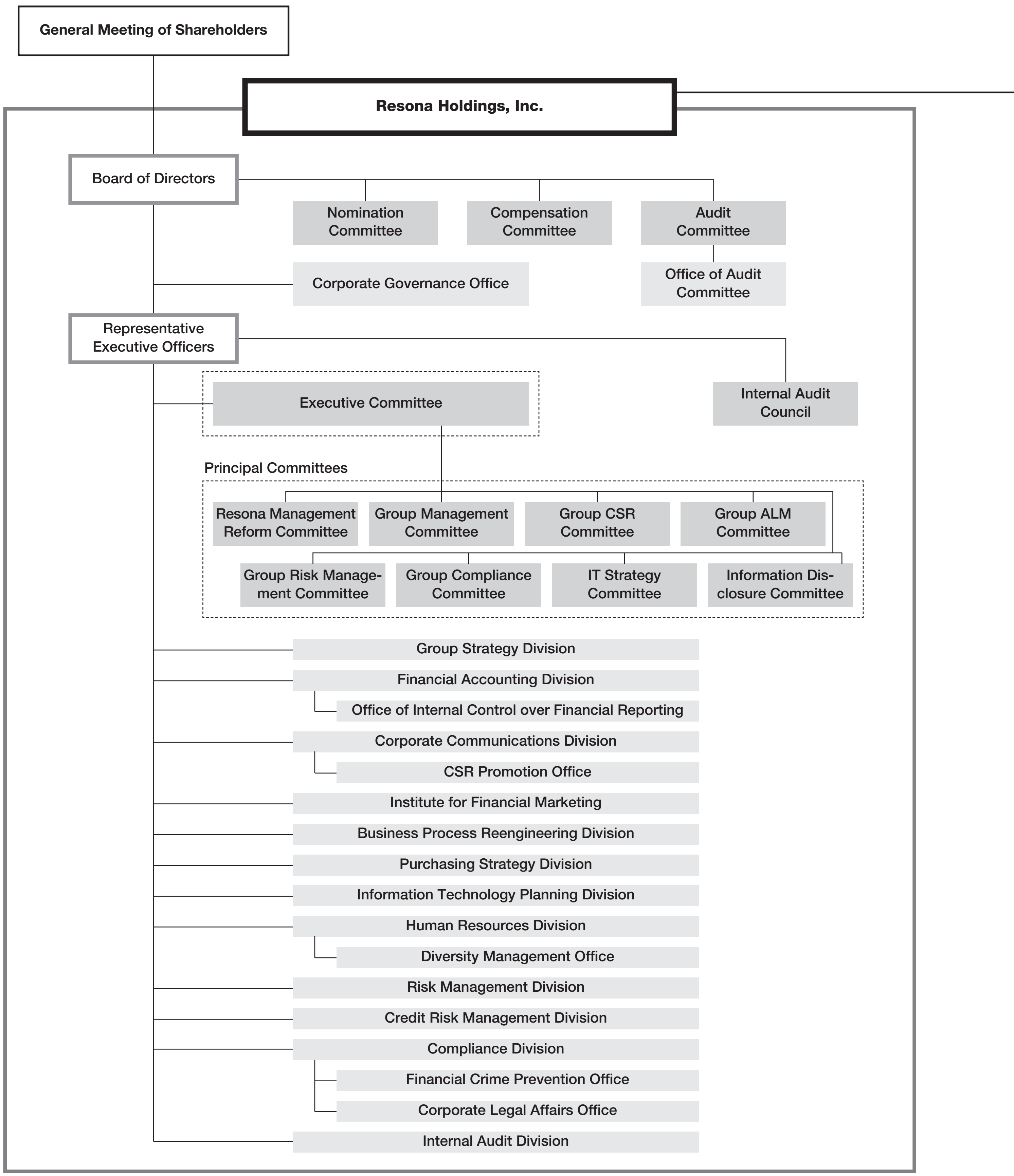
Tokyo Office
Fukagawa Gatharia W2 Bldg.,
5-65, Kiba 1-chome,
Koto-ku, Tokyo 135-8582, Japan

Phone: 81-48-824-2411
SWIFT: SAIBJPJT

Internet Address

ORGANIZATION CHART AND OUTLINE OF THE GROUP

As of July 1, 2011



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	100.0
▲ 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	77.5
■ Resona Capital Co., Ltd.	Chuo-ku, Tokyo	¥10,649	Private equity business	Mar. 29, 1988	100.0
■ 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, 2011

Tokyo Head Office
Fukagawa Gatharia W2 Bldg.,
5-65, Kiba 1-chome,
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Tel: 81-3-6704-3111

Osaka Head Office
2-1, Bingomachi 2-chome,
Chuo-ku, Osaka 540-8608, Japan
Tel: 81-6-6268-7400

Paid-in Capital
¥340,472 million

Number of Shareholders
(Common stock)
375,371

Stock Exchange Listings
Tokyo Stock Exchange, Inc. (1st Section)
Osaka Securities Exchange Co., Ltd.
(1st Section)

Transfer Agent and Registrar
The Sumitomo Trust & Banking Co., Ltd.
5-33, Kitahama 4-chome,
Chuo-ku, Osaka 540-8639, Japan

Independent Auditor
Deloitte Touche Tohmatsu LLC

Number of Employees
16,941 (Consolidated)
536 (Non-consolidated)

Common Stock/Preferred Stock

(Number of shares)

	Authorized (End of June 2011)	Issued (End of June 2011)
Common Stock	7,300,000,000	2,514,957,691
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 Three No. 1 Preferred Stock	225,000,000	225,000,000
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	—
	7,595,000,000	2,769,477,691

Stock Price Range on the Tokyo Stock Exchange

(First Section) (Yen)

	2010						2011					
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
High	1,113	950	877	748	642	540	579	461	450	402	397	381
Low	925	829	741	616	445	484	421	419	319	373	347	341

Major Shareholders

	Number of shares held	Percentage of total shares issued
Deposit Insurance Corporation of Japan	728,262,500	26.29
Japan Trustee Services Bank, Ltd. (Trust Account)	93,854,700	3.38
The Dai-ichi Mutual Life Insurance Company, Ltd.	59,241,900	2.13
The Master Trust Bank of Japan, Ltd. (Trust Account)	58,852,300	2.12
GOLDMAN SACHS & CO. REG	46,702,103	1.68
CACEIS BANK/CREDIT AGRICOLE SA	41,805,600	1.50
JP MORGAN CHASE BANK 380055	41,306,670	1.49
Japan Trustee Services Bank, Ltd. (Trust Account 9)	22,850,600	0.82
THE BANK OF NEW YORK TREATY JASDEC ACCOUNT	20,183,951	0.72
The Resolution and Collection Corporation	20,000,000	0.72
Total	1,133,060,324	40.91

CONTACT:

Group Strategy Division
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http://www.resona-gr.co.jp

Resona Holdings

Printed on recycled paper in Japan