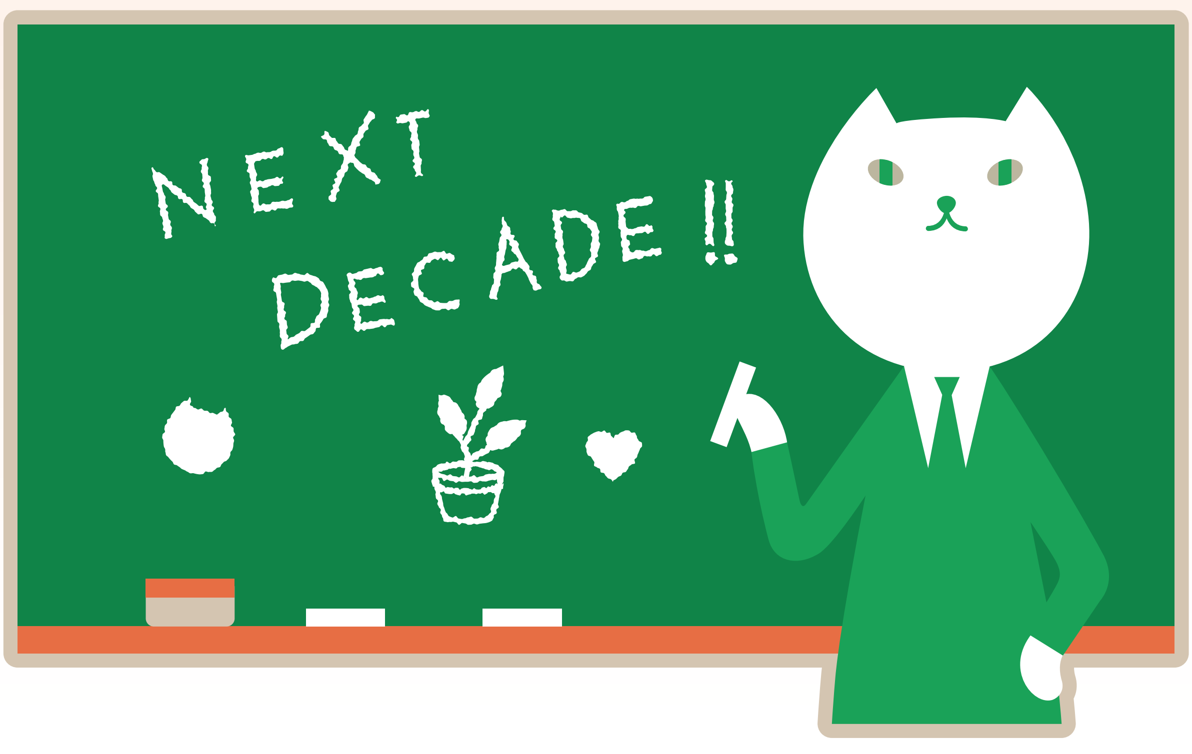
Resona Holdings, Inc.

ANNUAL REPORT 2013



Resona Holdings

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

President: Kazuhiro Higashi
(Concurrently serves as President of Resona Bank, Ltd.)

Establishment: December 12, 2001

Paid-in Capital: ¥50,472 million (As of June 30, 2013, Non-consolidated)

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

Stock Exchange Listing (As of July 31, 2013)**:**
(Common Shares)
Tokyo Stock Exchange (First Section)

Credit Ratings (As of March 31, 2013)**:**
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	A2	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	A2	P-1
R&I	A+	—
JCR	A+	J-1+
The Kinki Osaka Bank, Ltd.	Long-term	Short-term
Moody's	A2	P-1

SRI Index and ESG Rating
Since September 2009, Resona Holdings has been selected four consecutive years as a member of the following SRI Indexes.

FTSE4Good index series

Morningstar Socially Responsible Investment Index (MS-SRI)

CONTENTS

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

CORPORATE MISSION

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

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

RESONA

RESONA WAY (Resona Group Corporate Promises)

Customers and "Resona"

Resona cherishes relationships with customers.

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

Shareholders and "Resona"

Resona cherishes relationships with shareholders.

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

Society and "Resona"

Resona places importance on its ties with society.

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

Employees and "Resona"

Resona highly regards employees' dignity and personality.

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

About "Resona"

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

TOP MESSAGE

Kazuhiro Higashi

Director, President and Representative Executive Officer
Resona Holdings, Inc.

Representative Director, President and Executive Officer
Resona Bank, Ltd.

We thank you for your interest in and support of the Resona Group. I would like to report, first, that, as of April 1, 2013, I assumed the posts of Director, President and Representative Executive Officer of Resona Holdings and Representative Director, President and Executive Officer of Resona Bank.

During the fiscal year ended March 31, 2013, the Japanese economy was supported by demand for reconstruction following the Great East Japan Earthquake in March 2011. From November 2012 onward, following a general election for the lower house of the Japanese Diet, a new government was formed. Thereafter, against a background of new policies and positive anticipations, the sentiment among corporations and consumers improved.

Amid this operating environment, consolidated net income of the Resona Group amounted to ¥275.1 billion, an increase of ¥21.4 billion over the previous fiscal year. The principal factors accounting for this rise in net income included firm sales of investment trusts and favorable performances of trading activities, combined with a decline in net credit expenses and lower income taxes. These results for the year under review surpassed the outlook for the full fiscal year announced in November 2012, by ¥45.1 billion, making fiscal 2012 the ninth consecutive year of positive net income.

The Resona Group passed a milestone, as this year was the 10th since the infusion of public funds. Over this 10-year period, the Resona Group implemented a number of policies that overturned the common wisdom in the banking industry as we decisively implemented "Resona Reforms" that focused on customer-centric initiatives. These included the "initiative to reduce customer waiting time to zero," "extending business hours to 5pm," and "establishing branches that stay open 365 days a year."

In April 2013, the Resona Group made its start on the next decade, and fully renewed its management. The new management team also believes that Resona exists to be of service to customers with its guiding principle being "Customers' joys and happiness are synonymous with Resona's." Under the leadership of the new management, we will continue to make reforms, and, by mobilizing the full functions of the Resona Group, we will move forward to build a new business model to create a "new financial services industry" that will offer our customers the best products and services speedily.

In May 2013, the Resona Group announced its "Public Funds Full Repayment Plan" in preparation for moving into the final stage of repaying public funds, which has been a management issue of highest priority. This plan calls for steady repayment of the remaining ¥871.6 billion in public funds, and, as a result of the implementation of the plan, the outlook is repaying in full the public funds provided to the Resona Group, which originally amounted to ¥3,128.0 billion, by the end of fiscal 2017.

We of the Resona Group, with 10 years of gratitude in our hearts, will take our first step toward financial autonomy.

The Resona Group will continue to manage its activities with a high degree of transparency. We will advance with our customers and continue to innovate and reform. We, therefore, look forward to your even greater support and encouragement in the years ahead.

July 2013

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 banks with aggregate consolidated assets of approximately ¥43 trillion and trust assets of about ¥23 trillion. The Group comprises Resona Bank, which is the core institution in the Group offering a full line of trust and real estate related services; Saitama Resona Bank, which has dominant shares in Saitama Prefecture; and The Kinki Osaka Bank, which has 128 manned branches, mainly in the Kinki region. Working together with these financial institutions, the Resona Group is striving to structure a business model for a "New Financial Services Company" that can speedily provide its customers with optimal products and services.

Corporate Structure

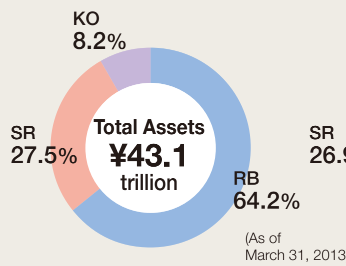
Resona Holdings
Banking assets: ¥43.1 trillion
Trust assets: ¥23.3 trillion

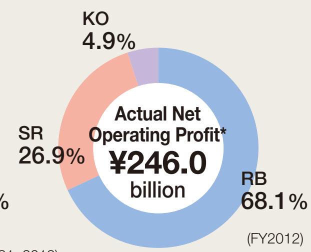
Saitama Resona Bank (SR)
Banking assets: ¥11.7 trillion

Resona Bank (RB)
Banking assets: ¥27.5 trillion
Trust assets: ¥23.3 trillion

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

As of March 31, 2013





* 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. (Total of three Group banks)

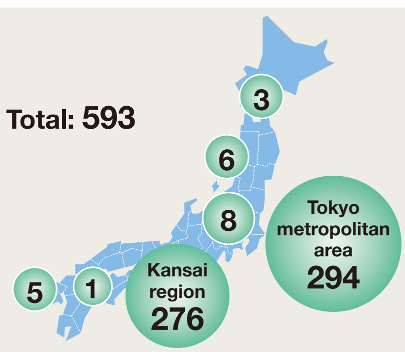
Competitive Strengths of Resona Group

(1) Strong franchise value

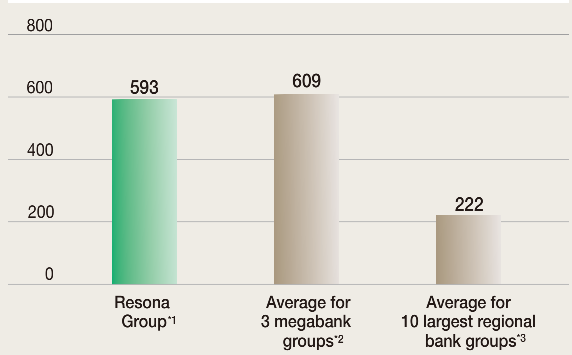
The Resona Group's key markets are the greater Tokyo metropolitan area and the Kansai region, where Japan's economic activities and population are concentrated. Our branch network in these two areas rivals those of Japanese megabank groups, and we have established strong operating bases there. Especially 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

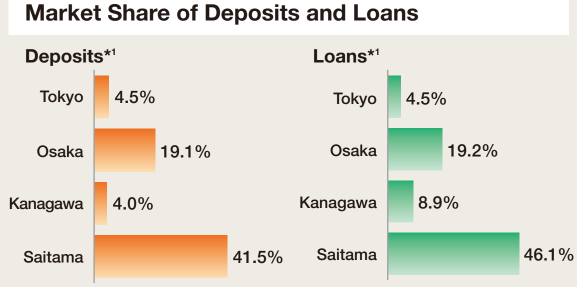


Comparison of Manned Branch Offices



*1 Total of three Group banks (RB, SR, KO)
*2 BTMU + MUTB, Mizuho BK + Mizuho CBK + Mizuho TBK, SMBC
*3 10 largest regional bank groups in terms of consolidated total assets (Yokohama, Fukuoka FG, Chiba, Hokuhoku FG, Shizuoka, Yamaguchi FG, Joyo, 77, North Pacific, Nishinippon City)

Market Share of Deposits and Loans



(As of March 31, 2013)

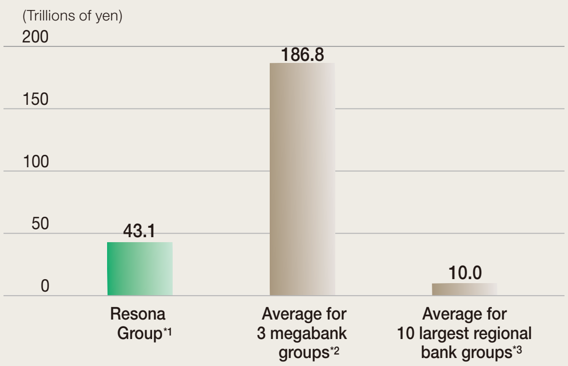
(2) Efficiencies derived from economies of scale

Compared with the major regional banks in Japan, the Resona Group, with aggregate consolidated total assets of approximately ¥43 trillion, can pursue economies of scale. Also, even though the Resona Group is closely focused on retail banking business, it has a superior operating expense ratio, compared to the Japanese megabank groups and top regional bank groups.

Efficiencies Derived from Economies of Scale

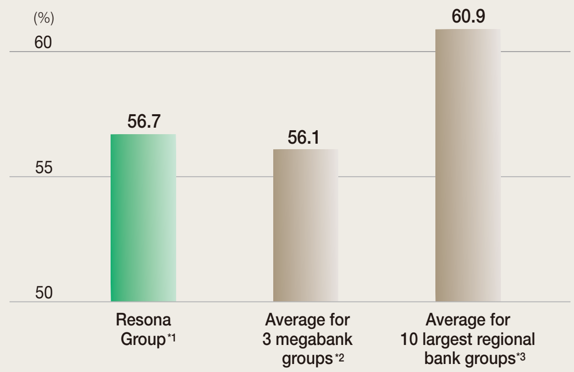
Consolidated Total Assets (As of March 31, 2013)

■ 4th largest banking group in Japan, with ¥43 trillion in assets



Consolidated Operating Expense Ratio (FY2012)

■ High operational efficiency



*1 Resona HD
*2 MUFG, Mizuho FG, SMFG
*3 10 largest regional banks in terms of consolidated total assets (Yokohama, Fukuoka FG, Chiba, Hokuhoku FG, Shizuoka, Yamaguchi FG, Joyo, 77, North Pacific, Nishinippon City)

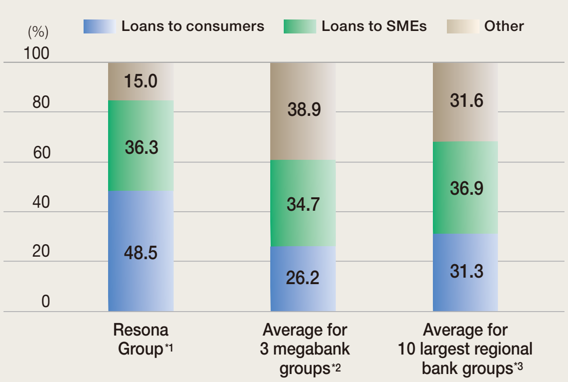
(3) Focus on retail banking business

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

Focus on Retail Banking Business

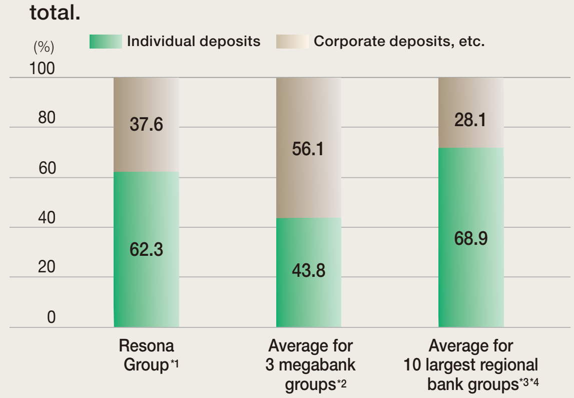
Comparison of Loan Portfolio Composition
(Loans in the domestic account)

■ Loan portfolio focused on retail banking business



Comparison of Deposit Composition
(Including negotiable certificates of deposit (NCDs))

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



*1 Total of three Group banks (RB, SR, KO)
*2 BTMU + MUTB, Mizuho BK + Mizuho CBK + Mizuho TBK, SMBC
*3 10 largest regional bank groups in terms of consolidated total assets (Yokohama, Fukuoka FG, Chiba, Hokuhoku FG, Shizuoka, Yamaguchi FG, Joyo, 77, North Pacific, Nishinippon City)
*4 Excluding certain regional bank groups for which relevant data are not publicly disclosed.

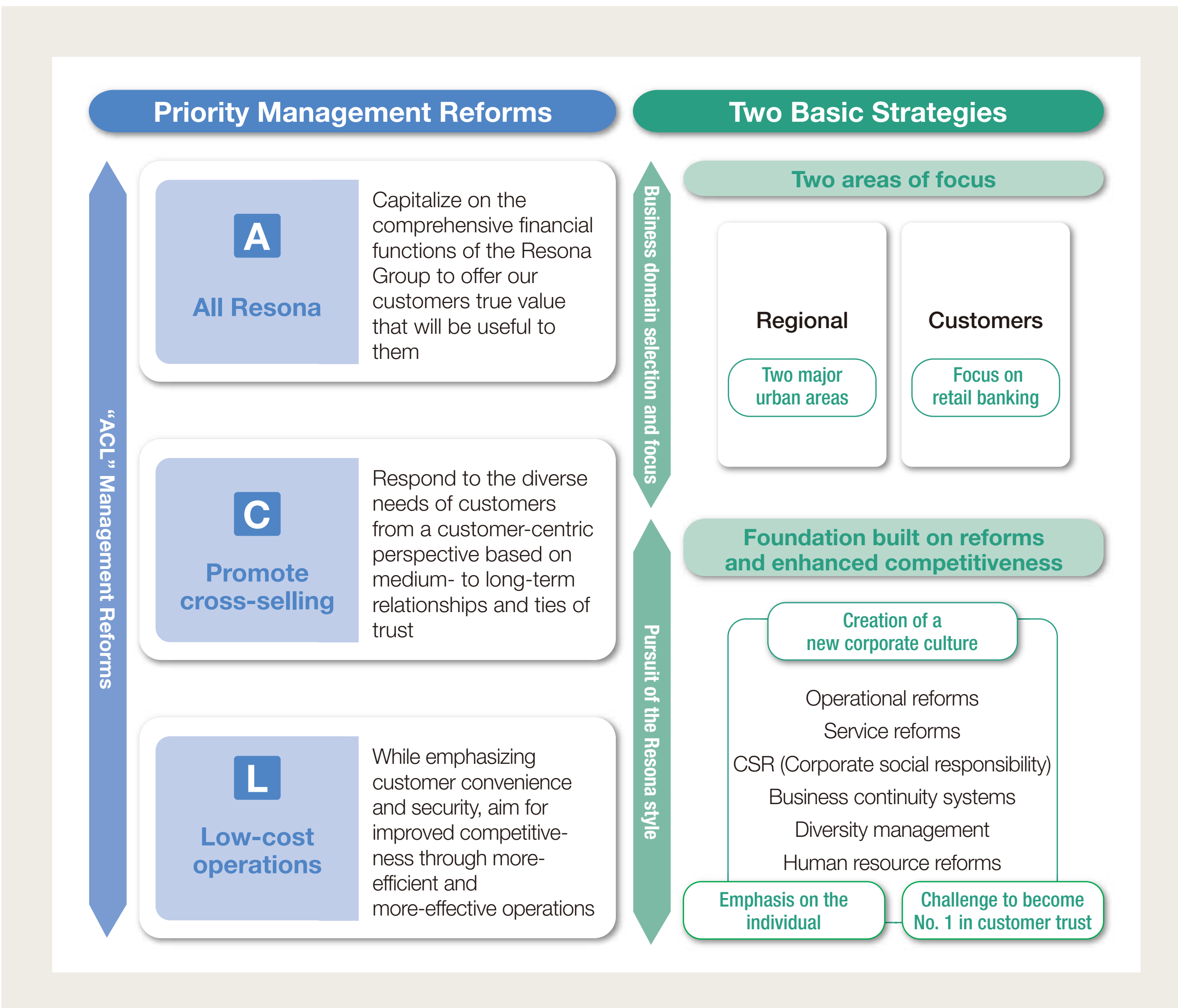
(As of March 31, 2013)

RESONA GROUP CORPORATE STRATEGY

We will structure a business model for a "New Financial Services Company."

The Resona Group issued its new "Business Revitalization Plan" ("New Plan") in November 2012. Under the New Plan, Resona will maintain its two basic strategies by implementing further "ACL" management reforms and taking the many changes under way in Japan's retail banking business as new business opportunities.

[Resona's priority management reforms and two basic strategies]



As uncertainty in the business environment increases, all the members of the Resona Group are aiming for sustainable growth by implementing four priority policies.

Also, through reform initiatives, Resona is striving to establish its position in four leading fields within its strategic domains and, in retail banking, is aiming to offer the best mix appropriate for the characteristics and changing nature of the regions it serves.

[Priority policies]

Four Priority Policies

1 Creating and excavating new business opportunities with an eye towards future "Change"

(1) Further development of cross-selling
(2) Strategic use of "Retail x Trust"
(3) Develop new functions, products, and services

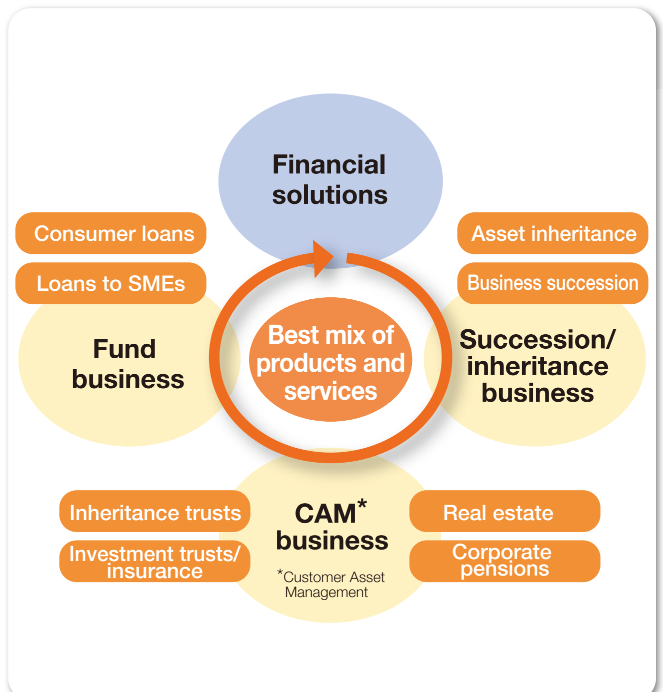
2 Strategic enhancement of customer contacts

(1) Build closer relations with local community
(2) Upgrade of marketing capabilities
(3) Higher productivity per person
(4) Enhancement of cooperation among Group channels

3 Promoting low-cost operations

4 Maintain a strong financial base to support sustainable growth

Four Leading Fields and Offering the Best Retail Mix for Characteristics and Change in Our Regions



By strengthening our initiatives for marketing reform, the Resona Group will focus its resources in the strategic domains and establish its position in four leading fields, namely: Financial solutions, fund management business, inheritance/succession business, and CAM (customer asset management) business. In addition, by developing the best combinations of services from these four fields suited to regional characteristics, customer needs, and other circumstances, we will realize the best retail mix appropriate for the characteristics and changes of the regions we serve and aim to become the financial services company that receives the strongest support from its customers.

Introduction to Resona Group Products and Services

Resona Services

Resona is implementing improvements in its services after conducting reviews from the customers' perspective.

■ Aiming for branches with "zero waiting time"

Resona has been successful in revamping its branches to achieve both increased convenience for customers and reductions in cost by expanding the number of next-generation branch offices, installing additional communication terminals, and making other reforms.

Quick Navi

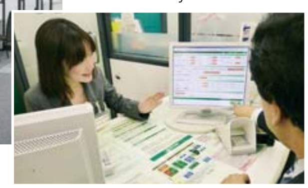
ATMs in Quick Navi spaces perform many of the roles of bank tellers, including handling tax payments, transfers to third-party accounts, and transfers among customers' accounts. It is no longer necessary to fill in forms, and procedures move faster.

Communication Booths

These booths offer a calm and quiet atmosphere, and trained specialists offer account opening and asset management advice.

Communication Terminals

Services are more secure and convenient than before because of the introduction of IC bank cards with biometric identification and touch panel terminals. Bringing bank passbooks and seals to the branch and filling out complicated forms are no longer necessary.



■ Working to broaden the interface with customers

- Resona Bank and Saitama Resona Bank offices are open for business until 5pm.
- Customers can draw on advice from bank professionals at their own pace in branches that are open every day of the year (by prior appointment).

Resona Products

■ Resona Trust Products

The Resona Group offers a lineup of trust services named "Linking to a Secure Future."

Packaged products that take account of customers' needs

Frequently needed services are packaged together to make them easier to use.

- To manage money skillfully — **Performance-based dividend payout investment trusts**
- To help a grandchild attain his aspirations — **Resona's Trust for Funds for Education Expenses**
- To avoid burdening the family and say "thanks" — **Resona's Heart Trust**
- To appropriately manage money belonging to persons with guardians — **Guardian System Support Trust**
- To contribute to society — **Specified Donation Trust: "Ties of Support"**

Responding with tailor-made products

Financial products that meet customers' wishes based on discussions with them

- Preparations for inheritance: Just in case — **Will trusts**
- Preparations for advancing age: Just in case — **"My Trust: Map to Future Security"**
- Preparations for dealing with real estate — **Real estate mediation and consulting**
- Preparations for smooth business succession — **Trust for transfer of own company stocks (For business owners)**

While being a commercial bank with close ties to local communities, Resona Bank is also the only bank that has a full lineup of trust services and offers a wide range of these services to its customers.

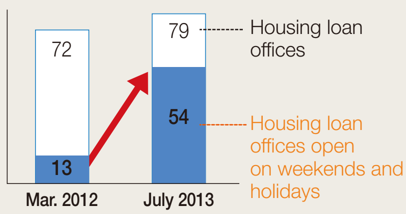
Resona's Housing Loans

Resona has strengthened its housing loan services, which have been one of its strong points historically, and now offers a broad range of home financing products.

Housing loans with Wide Group Credit Insurance Plan	Housing Loans Especially for Women	Housing Loans with Special Insurance Coverage	Various Types of Housing Loans and Renovation Loans
Resona has expanded the underwriting scope of previously existing group credit insurance.	**Housing loans that support the magnificent decisiveness of women**	**When borrowers are diagnosed with cancer or suffer heart attacks or brain strokes, the policy pays the insured amount.**	**These loans assist borrowers in building or renovating homes for better energy conservation and eco-friendliness.**

Resona Has Lengthened the Business Hours on Weekends and Holidays of Offices Specializing in Housing Loans. Of 79 Such Offices, 54 Are Open on Weekends and Holidays.

The number of housing loan offices open on weekends and holidays has been increased fourfold.



To respond to the needs of customers who cannot visit housing loan offices on weekdays, Resona will continue to expand the number of these offices opening on weekends and holidays and extend their business hours.

Number of Specialized Housing Loan Offices

(As of July 1, 2013)

Resona Bank	**Open on weekends and holidays: 42** (Total number of housing loan offices: 44)
Saitama Resona Bank	**Open on weekends and holidays: 7** (Total number of housing loan offices: 18)
The Kinki Osaka Bank	**Open on weekends and holidays: 5** (Total number of housing loan offices: 17)

Providing Support for Entry into Overseas Markets

The Resona Group gives in-depth responses to the increasingly diverse overseas needs of its customers among small and medium-sized enterprises (SMEs) through its network of representative offices in the countries and regions of Asia, through P.T. Bank Resona Perdania (Indonesia), and through tie-ups with other banks.

To substantially strengthen the Resona Group's capabilities for responding to the overseas needs of its customers, Resona Bank conducted a reorganization on April 1, 2013, and established the "Global Business Division".

The Resona Group handles various types of funds and responds to the funding needs related to entry of customers into overseas markets.	• Asia Business Support Fund (Saitama Resona Bank) • Resona Growth Field Support Fund (U.S. Dollars) (Resona Bank) • Resona Overseas Strategy Support Fund (Resona Bank)

FUTURE CAPITAL POLICY

Formulation of the "Public Funds Full Repayment Plan"

(Released in May 2013)

Resona Holdings has, upon taking the initial steps in the new stage with a view toward the next decade, formulated the "Public Funds Full Repayment Plan" (the Plan) for a final stage toward the full repayment of the public funds, which proposes a secure course for the full repayment of the public funds within the coming five years as a target. The plan makes it possible for Resona Holdings to cope with the expectations of all shareholders by implementing the full repayment of the public funds and enhancement of the share value of the ordinary shareholders as a package.

Background of the Formulation of the Plan

1. Full repayment of the public funds at as early a date as possible is the social responsibility of Resona Holdings, and it believes that through performing this responsibility, it is possible to enhance its corporate value.
2. In order to make a bold policy in respect of the capital policy of Resona Holdings' shift from the "repayment of public funds" into the "enhancement of the ordinary shareholders' value," it is necessary to reduce the number of potential shares regarding the preferred shares pursuant to the Deposit Insurance Act (the "Deposit Insurance Act Preferred Shares"), as much as possible, at an early stage, and also it is necessary to fully repay the preferred shares pursuant to the Act on Emergency Measures for Early Strengthening of Financial Functions (the "Early Strengthening Act Preferred Shares"), without being affected by changes in the market price of the ordinary shares.
3. Additionally, uncertainty of the supply and demand for shares must be eradicated by clarifying the course for disposal of the ordinary shares pursuant to the Deposit Insurance Act (the "Deposit Insurance Act Ordinary Shares").
4. The accumulation of surplus is in progress at a speed exceeding the forecasts in the "Resona Capital Reconstruction Plan" formulated in November 2010, and it became possible to respond to the expectations of all shareholders by indicating a course of simultaneous resolution of the above three issues, while maintaining the managerial soundness of Resona Holdings.

Policy for Responses to Capital Adequacy Regulation

- The Resona Group continues to apply domestic standards with regard to the capital adequacy regulation for the time being, as it takes priority in securing the business model as a new financial services company concentrating in Japan. However, in order to secure a sound capital surplus, the Resona Group shall engage in equity capital management with an awareness of the international uniform standards. The Resona Group shall aim for the expansion of its overseas network and alliances as a bank under domestic standards, in order to enhance the capabilities for provision of services to the customers developing businesses overseas.
- As conditions precedent to the Plan, as well as for purposes of ensuring sufficient equity capital under domestic standards based on Basel 3 planned to be implemented in March 2014, the Resona Group shall have a target for equity capital management for the time being to secure the level of around 5.5% or higher common equity Tier 1 ratio and around 7.0% or higher Tier 1 ratio under international uniform standards, and aims for further accumulation of equity capital through the enhancement of profitability.
- In addition, subject to the approval of the relevant authorities, as a part of the elevation of the equity capital management, the Resona Group will propel measures toward the application of the A-IRB (advanced internal rating-based) approach in credit risk assets.

[Outstanding Amount of Public Funds]

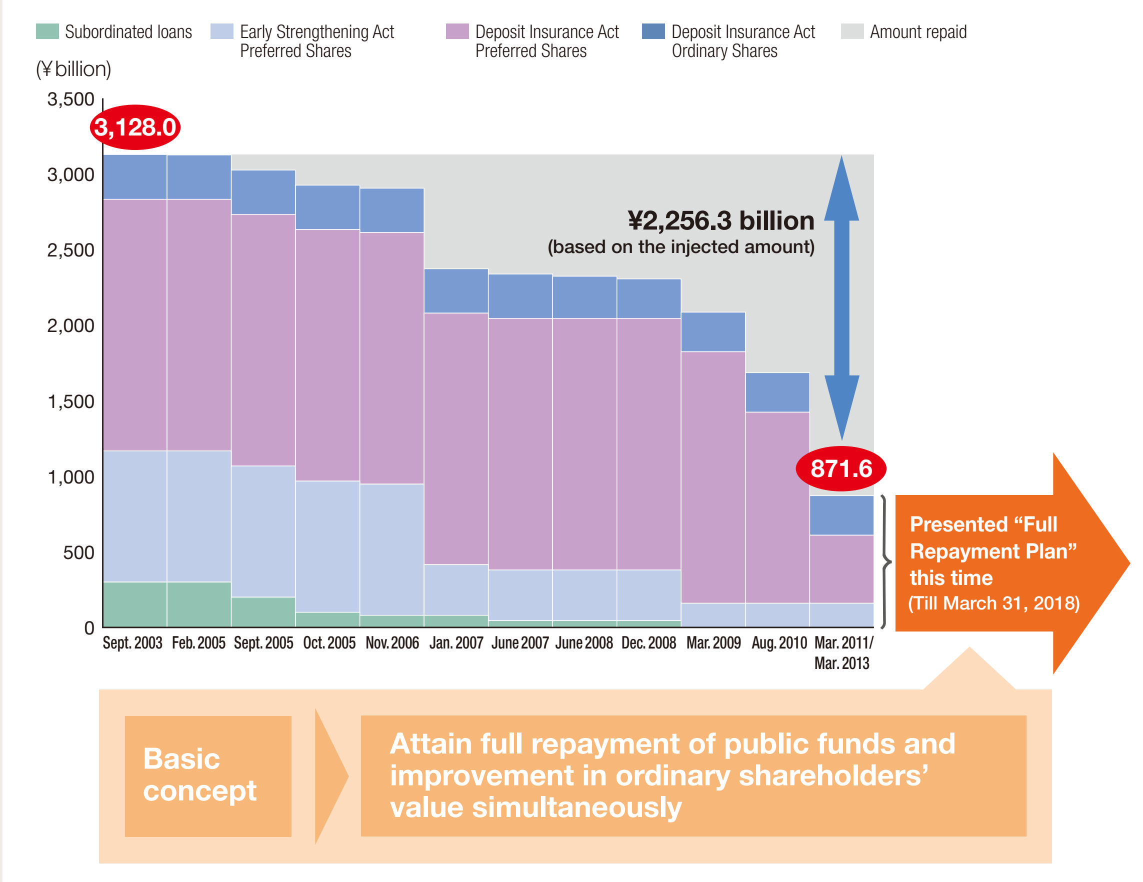
(¥ billion, based on the injected amount)

	September 30, 2003	March 31, 2013	The amount repaid
Total amount of public funds	**3,128.0**	**871.6**	**(2,256.3)**
Preferred shares	2,531.5	610.0	(1,921.5)
Act on Emergency Measures for Early Strengthening of Financial Functions	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	—
Deposit Insurance Act	1,663.5	450.0	(1,213.5)
First series	550.0	—	(550.0)
Second series	563.5	—	(563.5)
Third series	550.0	450.0	(100.0)
Subordinated loans	300.0	—	(300.0)
Financial Stabilization Act	200.0	—	(200.0)
Act on Emergency Measures for Early Strengthening of Financial Functions	100.0	—	(100.0)
Deposit Insurance Act Ordinary Shares	296.4	261.6	(34.7)

Repayment Efforts Entering "Final Stage" to Achieve Full Repayment

Since the infusion of public funds under the Deposit Insurance Act in 2003, the Resona Group has implemented reforms aimed at revitalizing its activities. Over this period, the Group has worked to steadily increase its surplus, which is the source of funds for the repayment of the public funds, and focused on the early repayment of these funds. As a result, the Group has repaid a total of ¥2,256.3 billion, and the remaining balance has declined to ¥871.6 billion, or about one-fourth of the peak amount (as of March 31, 2013).

[Start a final approach for attaining full repayment after steady progress in the past 10 years]



Make full repayment within five years and work to enhance the ordinary shareholders' value by implementing the "Public Funds Full Repayment Plan"

[Outline of the Plan (Content announced in May 2013)**]**

Clarified Approaches to Attain Full Repayment of Public Funds

Early Strengthening Act Preferred Shares ¥160.0 billion

Fully repay without being affected by changes in ordinary share price

- Extend mandatory conversion dates
- Installment repayments over a five-year period by way of "special preferred dividends" to be paid out from "other capital surplus"
  - Repay ¥32.0 billion every year starting from FY2013

Deposit Insurance Act Preferred Shares ¥450.0 billion

Buyback and cancellation as originally promised to avoid dilution

- Repurchase and cancel a part of the preferred shares in FY2013 (Upper limit: ¥300.0 billion based on a total repurchase amount)
- Remaining shares to be repurchased and cancelled by the end of March 2018

Deposit Insurance Act Ordinary Shares ¥261.6 billion

Eradicating uncertainty of supply and demand for shares by clarifying the course for disposal

- Repurchase and cancel a part of the ordinary shares by the end of FY2013 (Upper limit for total repurchase amount: ¥100.0 billion)
- Promptly after completing the share buyback, Resona Holdings plans to apply to the Deposit Insurance Corporation to dispose of the remaining shares.

Shareholder return

- On top of the above-mentioned repurchase and cancellation of the ordinary shares, annual DPS for common shares will be increased by ¥3, or 25%, from current ¥12 to ¥15.

Other

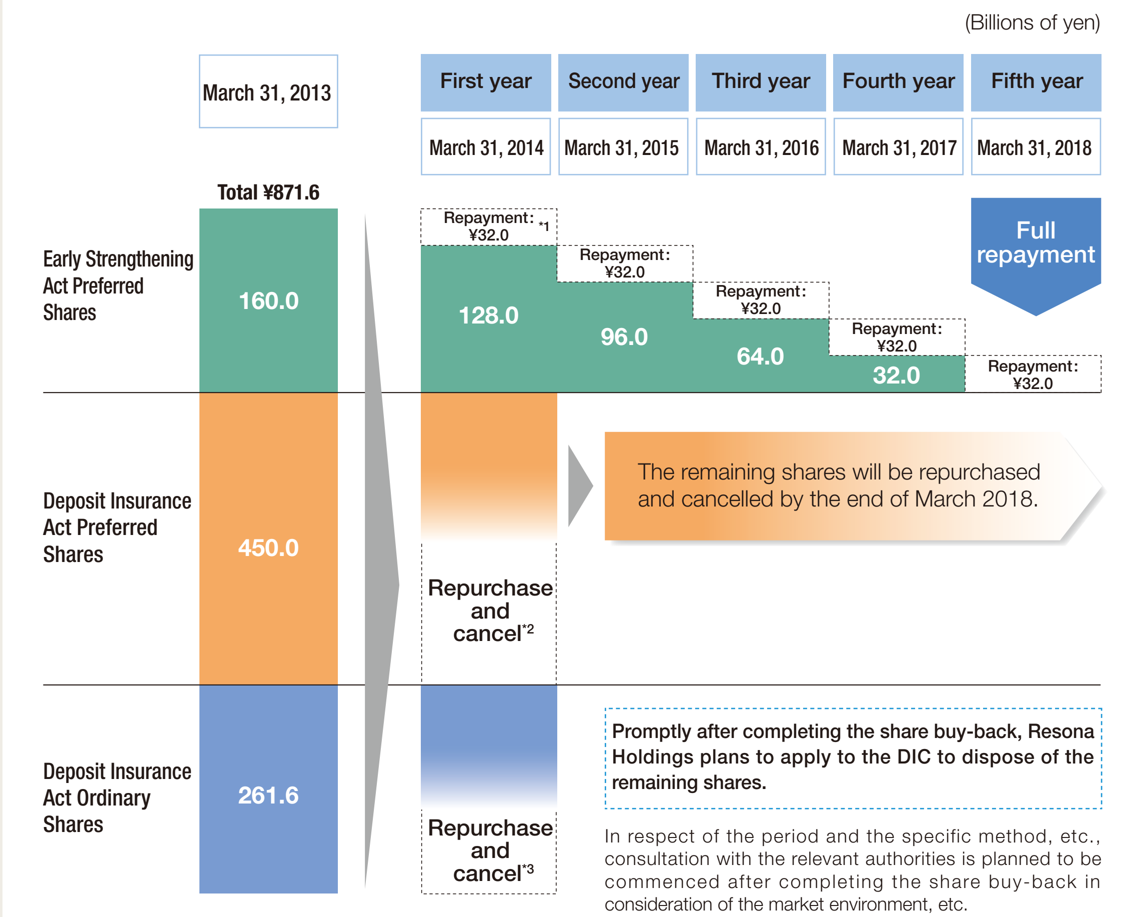
- Reduce the authorized share issue limit
- Secure the source for repayment of the public funds by transfer within the capital account

Attain full repayment of public funds and improvement in ordinary shareholders' value simultaneously

- Clarified approaches and time frame for repayment
- Avoid dilution
- Reduce overhang concern
- Shareholders' return (Share buy-back, Dividends increase)

Maintain CET1 and Tier 1 ratios above 5.5% and 7.0%, respectively, during the repayment period

[Movements in the Balance of Public Funds (General Plan) (Content announced in May 2013)**]**



*1 Scheduled to implement after repurchase in *3 below
*2 ¥300 billion upper limit on repurchases
*3 ¥100 billion upper limit on repurchases

FINANCIAL REVIEW

Selected Financial Data (Consolidated)

Resona Holdings, Inc.	Billions of Yen					
	FY2012 (A)	FY2011 (B)	FY2010	FY2009	FY2008	Change (A) – (B)
Scope of consolidation and application of the equity method:						
Consolidated subsidiaries	**15**	16	17	18	19	**(1)**
Affiliated companies accounted for by the equity method	**1**	1	1	2	2	**—**
Total	**16**	17	18	20	21	**(1)**
Income statement data:						
Net interest income	**443.0**	463.9	484.0	499.4	547.0	**(20.9)**
Trust fees	**21.6**	23.4	25.9	28.7	35.4	**(1.8)**
Net fees and commissions	**128.9**	119.6	120.8	116.4	117.8	**9.3**
Net trading income	**2.1**	11.5	28.5	26.3	21.0	**(9.3)**
Net other operating income (loss)	**41.2**	36.5	7.6	7.4	18.2	**4.7**
Gross operating profit	**637.1**	655.2	667.0	678.3	739.5	**(18.0)**
General and administrative expenses	**361.6**	360.9	369.4	387.5	384.4	**0.7**
Net credit expenses (income)	**(13.0)**	13.8	61.5	114.6	181.4	**(26.8)**
Net income before income taxes and minority interests	**284.3**	273.2	237.1	176.0	234.1	**11.0**
Income taxes-current	**47.6**	12.5	10.5	11.9	9.5	**35.1**
Income taxes-deferred (benefit)	**(43.7)**	2.5	62.1	27.7	97.4	**(46.3)**
Minority interests in net income	**5.3**	4.5	4.3	4.0	3.2	**0.7**
Net income	**275.1**	253.6	160.0	132.2	123.9	**21.4**
Comprehensive income	**398.6**	300.8	132.5	—	—	**97.7**
Balance sheet data:						
Trading assets	**787.1**	696.5	637.5	522.7	519.5	**90.6**
Securities	**10,181.5**	11,335.8	9,899.9	8,915.3	8,011.7	**(1,154.2)**
Loans and bills discounted	**26,490.1**	25,782.6	25,853.0	26,263.5	26,509.2	**707.4**
Deferred tax assets	**176.2**	169.3	186.8	247.3	308.8	**6.9**
Customers' liabilities for acceptances and guarantees	**539.8**	608.4	678.4	760.3	870.3	**(68.5)**
Reserve for possible loan losses	**(305.5)**	(379.8)	(424.6)	(439.6)	(440.9)	**74.3**
Total assets	**43,110.6**	43,199.8	42,706.8	40,743.5	39,863.1	**(89.2)**
Deposits, including negotiable certificates of deposit	**36,686.2**	35,861.1	35,604.5	34,075.2	32,689.8	**825.1**
Trading liabilities	**346.0**	273.2	244.2	154.4	122.2	**72.8**
Borrowed money	**671.8**	1,512.9	1,700.8	623.6	647.5	**(841.0)**
Bonds	**716.4**	797.0	678.0	850.2	825.2	**(80.6)**
Deferred tax liabilities	**0.2**	0.1	—	0.0	0.0	**0.1**
Acceptances and guarantees	**539.8**	608.4	678.4	760.3	870.3	**(68.5)**
Total liabilities	**40,921.3**	41,356.5	41,114.2	38,471.6	37,685.0	**(435.1)**
Capital stock	**340.4**	340.4	340.4	327.2	327.2	**—**
Total net assets	**2,189.3**	1,843.3	1,592.5	2,271.8	2,178.0	**345.9**
Per common share data (yen):						
Net assets per share	**490.48**	354.35	251.67	44.77	(303.63)	**136.12**
Net income per share (Basic)	**105.71**	96.56	73.14	88.32	76.27	**9.14**
Net income per share (Diluted)	**72.52**	68.36	39.62	52.94	53.83	**4.15**
Capital adequacy data (%):						
Tier 1 capital ratio	**10.74**	9.32	7.51	10.20	9.92	**1.42**
Total capital adequacy ratio	**14.67**	13.19	11.21	13.81	13.45	**1.48**
Other data:						
Return on equity (%)	**14.49**	15.77	8.82	6.30	5.58	**(1.28)**
Price earnings ratio (x)	**4.61**	3.94	5.41	13.38	17.17	**0.67**
Cost-to-income ratio (%)	**56.75**	55.08	55.38	57.12	51.98	**1.67**
Net deferred tax assets as a percentage of Tier 1 capital (%)	**9.42**	10.40	13.17	11.90	14.86	**(0.98)**
Number of employees	**16,826**	16,881	16,941	16,756	16,498	**(55)**
Trust assets under management and custody	**23,377.3**	23,973.6	26,093.6	26,709.7	34,420.3	**(596.2)**

Resona Group Business Trends

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

Ordinary profits amounted to ¥285.1 billion and net income was ¥275.1 billion.

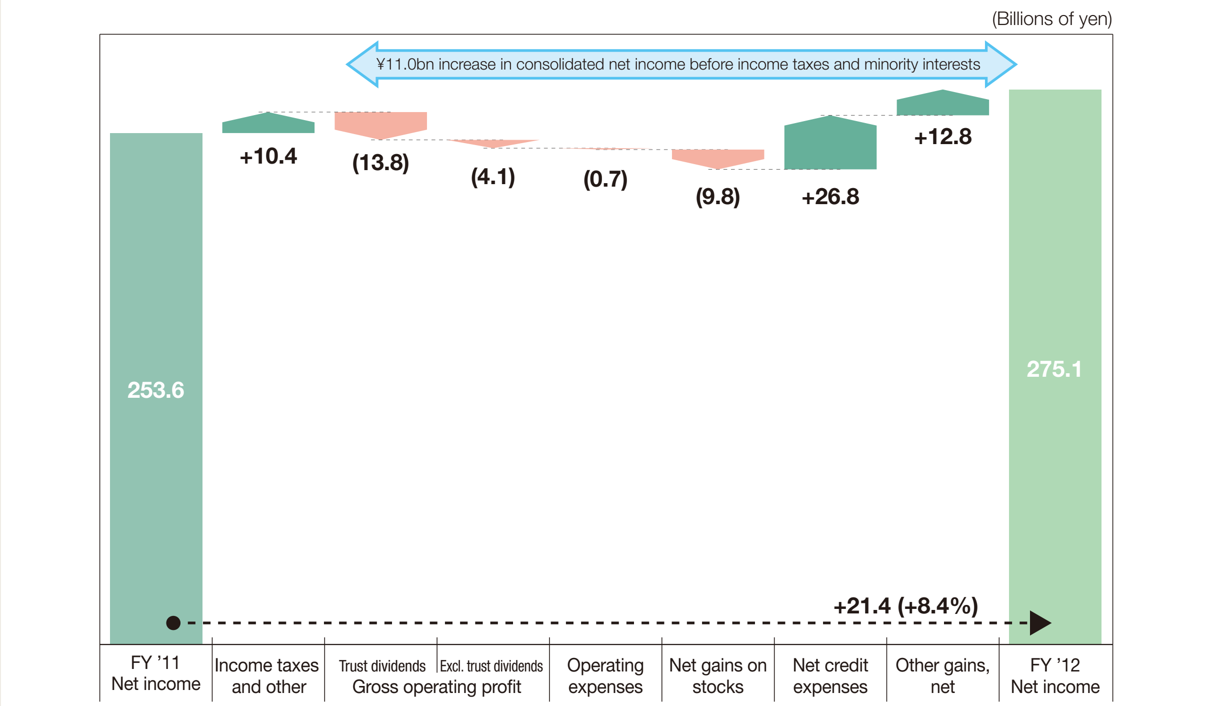
Gross operating profit on a consolidated basis amounted to ¥637.1 billion, ¥18.0 billion lower than in the previous fiscal year because of a decline in net interest income and other factors. Operating expenses were ¥361.6 billion, ¥0.7 billion higher than in the previous fiscal year, but net credit expenses showed an improvement of ¥26.8 billion in comparison with the previous year and amounted to a net gain of ¥13.0 billion. As a result, net income before income taxes and minority interests amounted to ¥284.3 billion, ¥11.0 billion higher year on year. In addition, income taxes and other declined ¥10.4 billion, to ¥9.2 billion, following an effect of the change in the applicable clause relating to recoverability of DTA. As a consequence, consolidated net income amounted to ¥275.1 billion, an increase of ¥21.4 billion year on year. Net income per common share amounted to ¥105.71.

Regarding financial position, consolidated total assets amounted to ¥43,110.6 billion, representing a decrease of ¥89.2 billion. Among assets, securities were ¥10,181.5 billion, ¥1,154.2 billion lower than at the end of the previous fiscal year. Loans and bill discounted amounted to ¥26,490.1 billion, ¥707.4 billion above the previous fiscal year-end. On the liabilities side, deposits rose ¥861.2 billion over the prior year, bringing total liabilities to ¥35,384.8 billion. Net assets amounted to ¥2,189.3 billion, ¥345.9 billion higher than a year earlier because of the reporting of net income and other factors. In addition, the balance of trust assets stood at ¥23,377.3 billion, ¥596.2 billion lower than at the end of the previous fiscal year. Net assets per common share, as calculated by deducting the stockholders' equity accounted for by preferred shares, amounted to ¥490.48.

The Resona Group's capital adequacy ratio (according to Basel 2, Japanese domestic standards) was 14.67% at the end of the fiscal year.

[Consolidated Net Income for FY2012 Compared with FY2011]

Consolidated net income for FY2012 increased ¥21.4bn from the previous fiscal year.



Performance by business segment was as follows.

In the consumer banking segment, gross operating profit was ¥258.6 billion, ¥0.5 billion lower than in the previous fiscal year. Net operating profit less credit expenses amounted to ¥79.1 billion, an increase of ¥2.8 billion year on year.

In the corporate banking segment, gross operating profit was ¥286.4 billion, ¥13.2 billion lower year on year. Net operating profit less credit expenses amounted to ¥151.8 billion, ¥13.1 billion above the previous year.

In the trading market segment, gross operating profit was ¥73.9 billion, ¥18.5 billion higher than in the previous fiscal year. Net operating profit less credit expenses amounted to ¥64.0 billion, ¥18.3 billion above the level of the prior fiscal year.

Cash flows used in operating activities on a consolidated basis amounted to ¥538.5 billion, which represented a cash outflow ¥1,693.9 billion larger than in the previous fiscal year. This was mainly because of an increase in loans.

Cash flows provided by investing activities amounted to ¥1,380.8 billion, which represented a cash inflow of ¥2,687.5 billion larger than in the prior year. This was primarily owing to a decrease in purchases of securities.

Cash flows used in financing activities were ¥195.7 billion, which represented a cash outflow that was ¥255.2 billion larger than in the previous fiscal year. This was principally due to a decline in cash inflow from the issuance of subordinated bonds.

As a result of these trends in cash flows, cash and cash equivalents at the end of the fiscal year amounted to ¥3,236.7 billion, ¥646.6 billion higher than in the previous year.

[Outline of Financial Results for FY2012]

(Billions of yen)

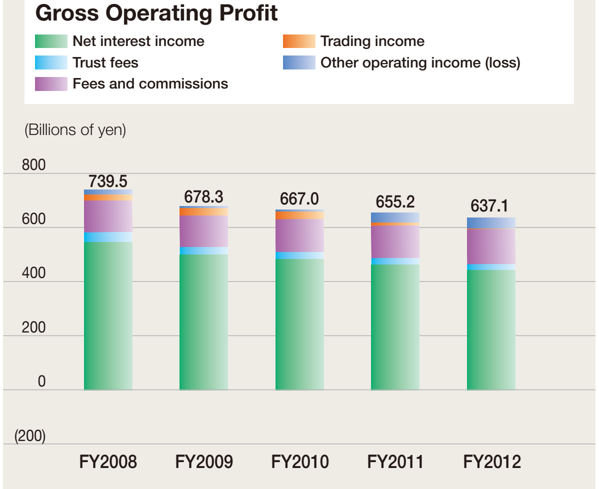
	Resona Holdings (Consolidated)		Difference (A)-(B)	Total of Group banks (Non-consolidated)				
	(A)	YoY Change		(B)	YoY Change	Resona (Non-consolidated)	Saitama Resona	The Kinki Osaka (Non-consolidated)
Gross operating profit	637.1	(18.0)	55.5	581.6	(17.0)	387.9	141.8	51.9
Net interest income	443.0	(20.9)	10.0	433.0	(21.1)	267.8	123.0	42.1
Income from loans and deposits (domestic operations)				385.4	(19.6)	241.2	105.8	38.3
Trust fees	21.6	(1.8)	(0.0)	21.6	(1.8)	21.6	—	—
Fees and commissions	128.9	9.3	44.7	84.2	10.7	60.6	16.1	7.4
Other operating income	43.4	(4.5)	0.7	42.7	(4.8)	37.7	2.6	2.3
Actual net operating profit				246.0	(13.7)	167.6	66.3	12.0
Operating expenses (including non-recurring items)	(361.6)	(0.7)	(17.9)	(343.6)	(1.0)	(225.5)	(76.9)	(41.1)
Net gain on stocks	(7.5)	(9.8)	0.2	(7.7)	(10.0)	(7.4)	0.2	(0.5)
Credit expenses, net	13.0	26.8	(8.3)	21.4	25.9	29.5	(2.1)	(5.9)
Other gains/(losses), net	3.2	12.8	1.1	2.1	13.3	2.8	(0.4)	(0.2)
Net income before income taxes and minority interests	284.3	11.0	30.5	253.7	11.0	187.3	62.4	4.0
Income taxes and other	(9.2)	10.4	(7.4)	(1.8)	1.4	18.2	(19.7)	(0.2)
Net income	(275.1)	21.4	23.1	251.9	12.4	205.5	42.6	3.7

Notes: 1. Net interest income is calculated by subtracting interest paid on deposits and other related expenses from interest received on loans and securities.
2. Fee and commission income is income received from clients related to the sale of investment trusts, monetary transfers, real estate intermediary services, and other services.
3. Credit expenses, net, are the provisions made to loan loss reserves and expenses related to write-offs of loans. Figures are shown on a net basis after subtracting gains from a reversal of loan loss reserves and recoveries of written-off claims.

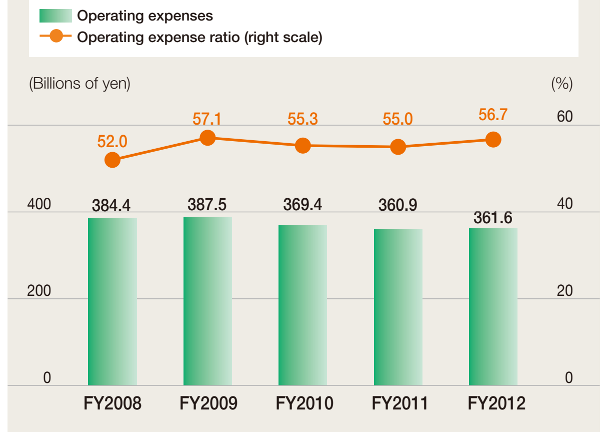
Highlights of Business Performance of the Resona Group

Trends in Performance

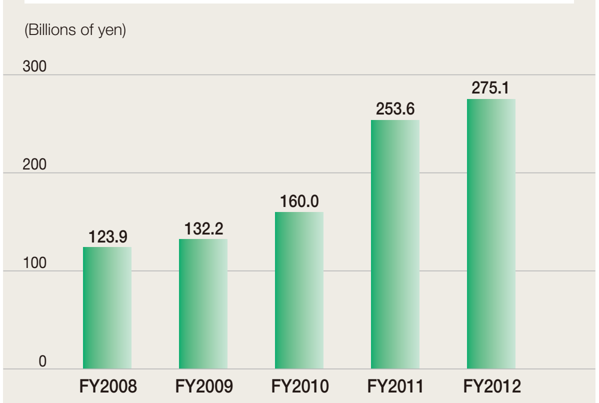
Gross Operating Profit



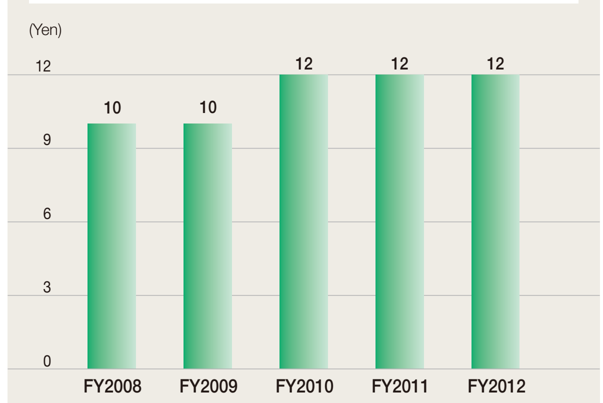
Operating Expenses (including non-recurring items), Operating Expense Ratio



Net Income



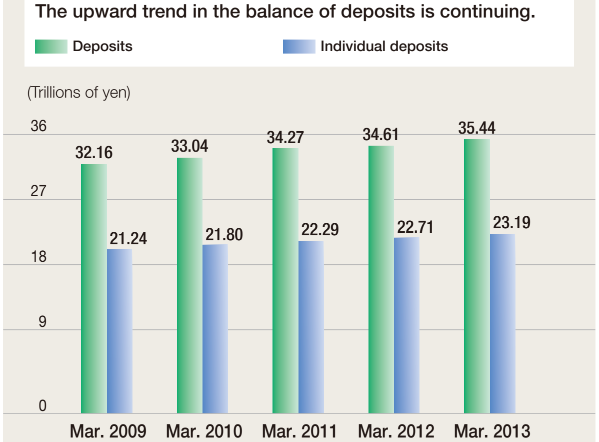
Cash Dividends per Share Applicable to the Fiscal Year



Deposits and Loans

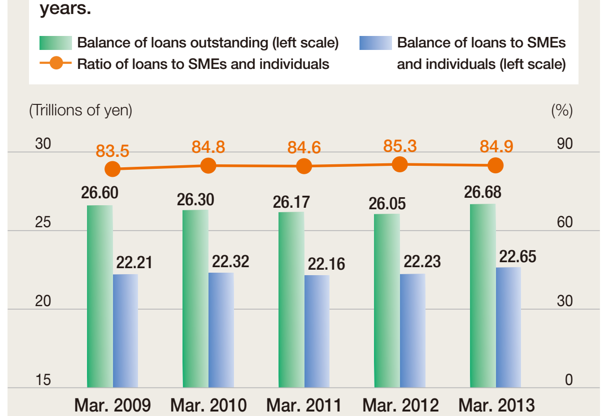
Balance of Deposits (Total of Group Banks)

The upward trend in the balance of deposits is continuing.



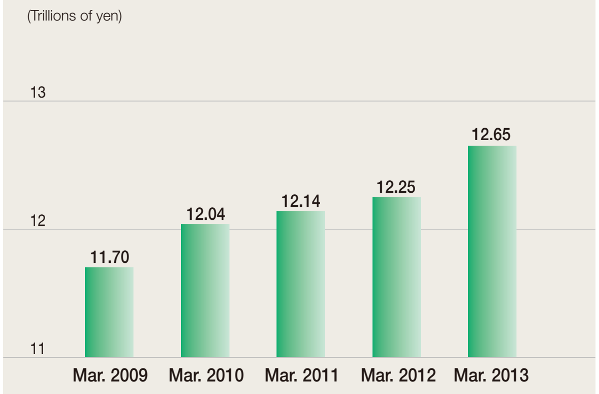
Balance of Loans (Total of Group Banks)

The balance of loans increased for the first time in four fiscal years.

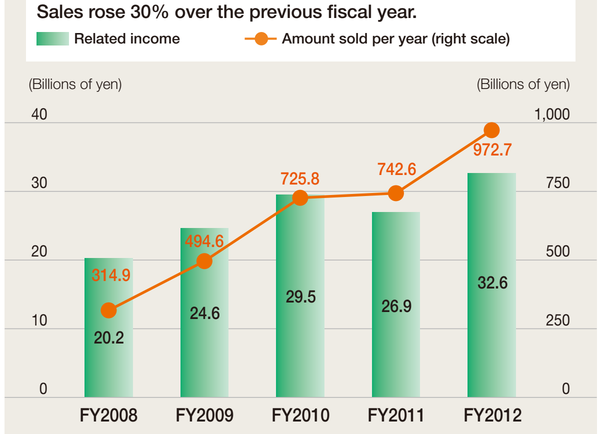


Trends in Principal Businesses

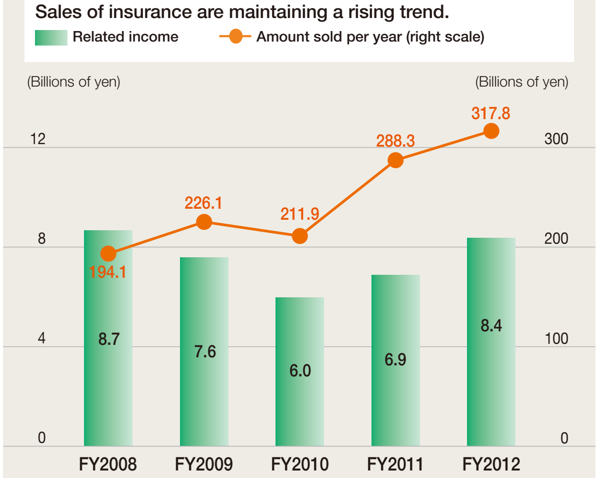
Balance of Housing Loans (Total of Group Banks)
The balance of housing loans outstanding has been on the rise.



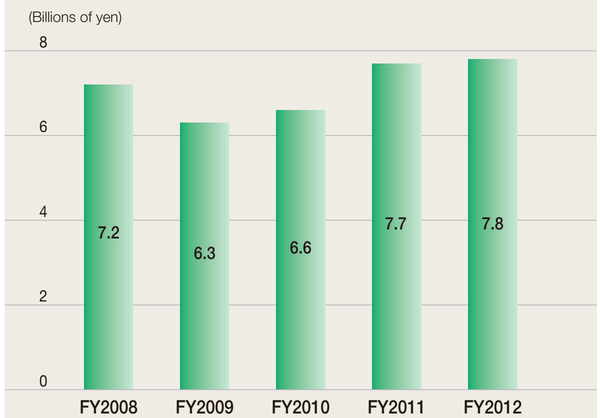
Sales of Investment Trusts (Total of Group Banks)
Sales rose 30% over the previous fiscal year.



Sales of Insurance (Total of Group Banks)
Sales of insurance are maintaining a rising trend.

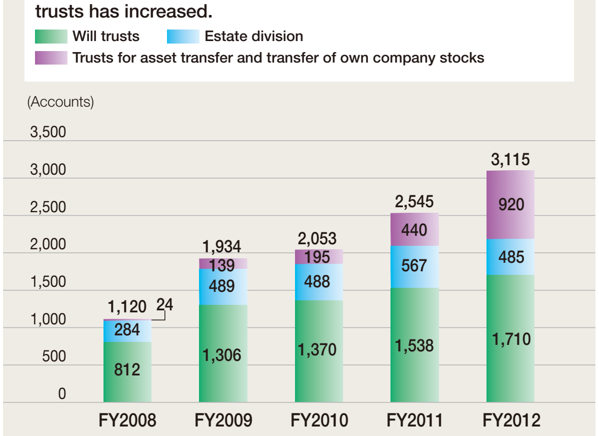


Real Estate Business (Resona Bank)
Real estate brokerage fees are on a rising trend.



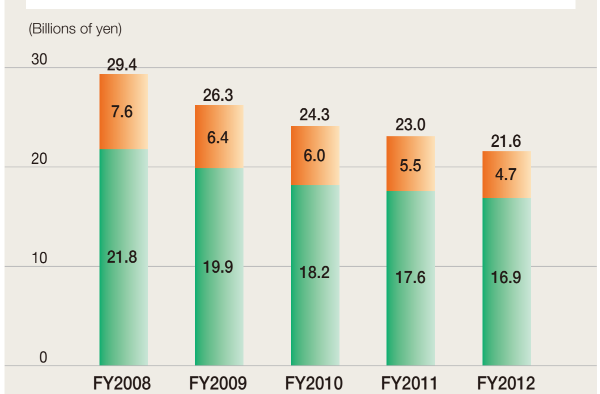
Note: Exclude gains from investments in real estate funds.

Asset Succession Business (Resona Bank)
As the "Retail x Trust" drive has proceeded, customer usage of trusts has increased.



Note: Data on new accounts for internal management purposes

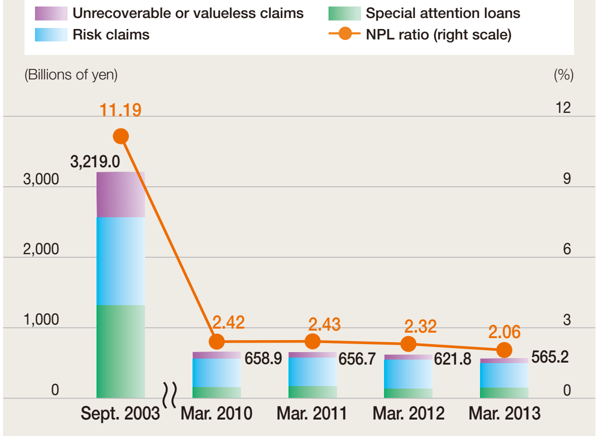
Pension and Securities Trust Business (Resona Bank)
Income has declined because lower trust fees and other factors.



Trends in Indicators of Financial Soundness

NPL Balance and Ratio (Total of Group Banks)

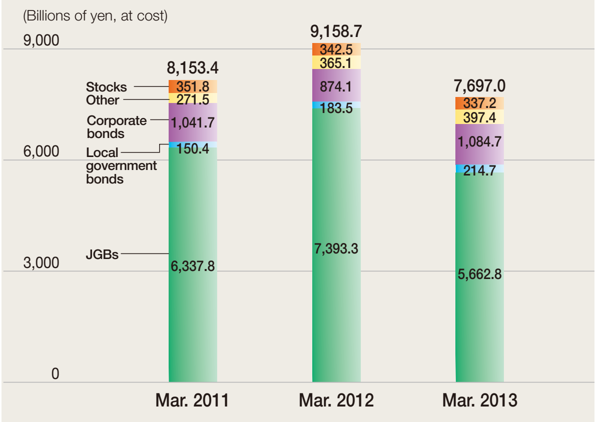
Steady improvement has been recorded in lowering the balance and percentage of NPLs.



NPL classification based on the Financial Reconstruction Law Criteria	Definitions
Unrecoverable or valueless claims	Claims against bankrupt 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

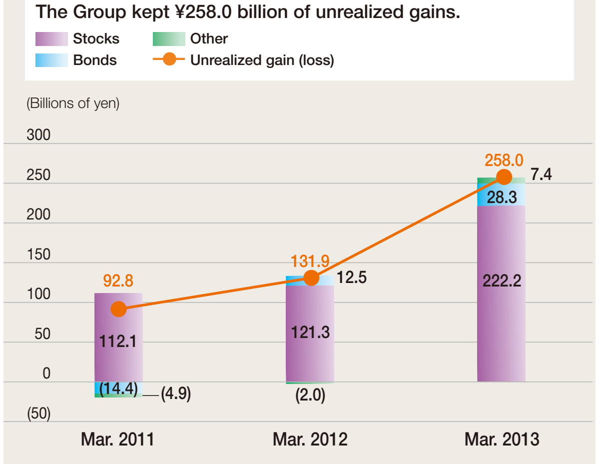
Trend of Non-Trading Marketable Securities Available for Sale

The Group has implemented conservative management.



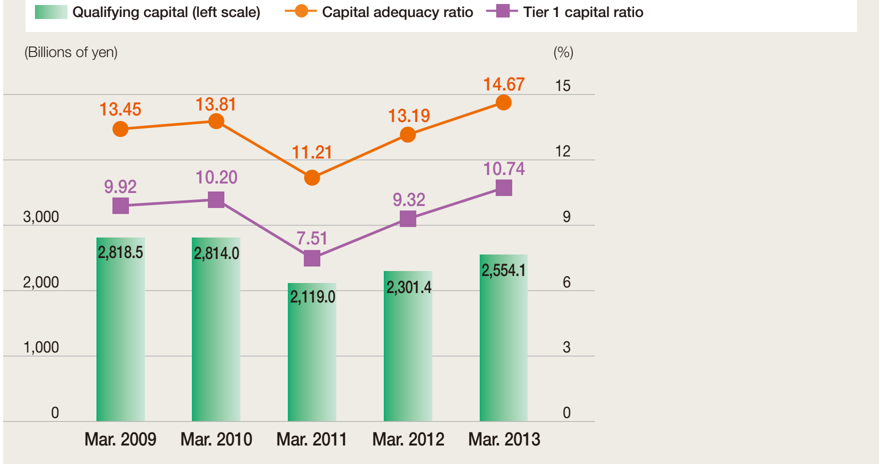
Unrealized Gain (Loss) on Non-Trading Marketable Securities Available for Sale

The Group kept ¥258.0 billion of unrealized gains.



Consolidated Capital Adequacy Ratio (Basel 2, Japanese domestic standard)

The Group's capital adequacy ratio has risen to 14.67%.



Developing a New Brand Identity

This year marks the 10th year since an important event in Resona's history. Since the injection of public funds 10 years ago, Resona has accepted the challenge of making a range of business reforms with the aim of winning the true support of our customers.

As we enter the next decade, with "Resona-ism" in our hearts, we will not stop our reforms and will continue to strengthen our efforts to offer products and services that meet customer needs.

When we do this, we will conduct advertising campaigns with unified themes using a slogan and character to give people a clearer image of Resona. This time, we have decided on a communication brand (comprising advertisements, publicity slogan, and a character) with the objective of appealing widely to the public.

Resona's New Communication Brand

Let's Change the Way of the Bank.

RESONA Resona Group

▶ Slogan: "Let's Change the Way of the Bank"

As we have worked to revitalize Resona, one of the phrases that management and staff have been most aware of and influenced by has been "Let's Change the Way of the Bank." For this reason, we have decided to transmit this message as we move into the Bank's next decade and express our strong desire not to cease our reform efforts.

▶ Character: The Cat that Speaks for Our Customers

The words that this feline character speaks are the queries and desires that our customers address to the Bank on a daily basis. By using this character, it will be easier to communicate the initiatives of the Resona Group.

RESONA GROUP'S CORPORATE SOCIAL RESPONSIBILITY (CSR)

Strengthening CSR Initiatives

■ Resona Group

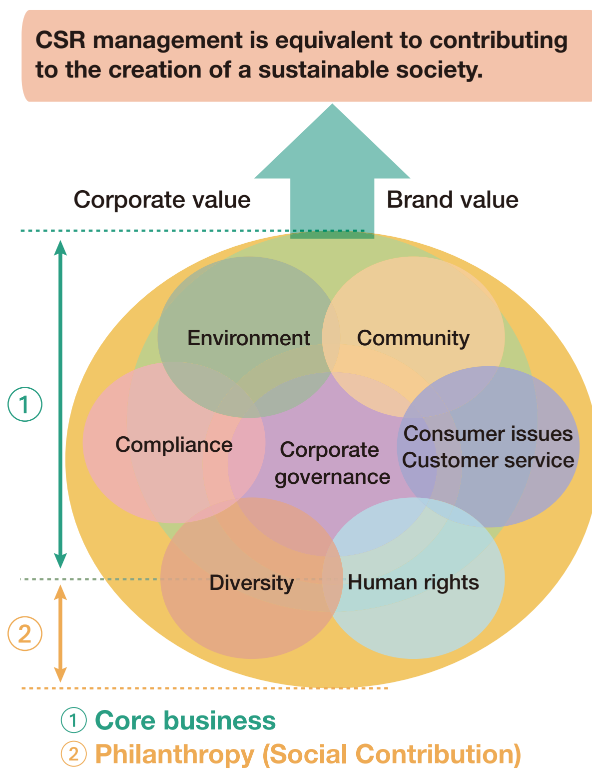
Issuance of the Group's CSR Policy

The Resona Group defines "CSR Management" as "contributing to the creation of a sustainable society." To further strengthen the development of its CSR activities, the Group has issued its "Group CSR Policy." In addition, the Group sets objectives for its CSR activities each year and is working to strengthen its CSR promotion systems with the aim of creating an organization that can respond to a wide range of social issues as quickly as possible.

The Group is giving particular attention to "bonds of trust with customers," "relationships with its shareholders," "ties with society," and "respecting the humanity of its employees." To win the support of all its stakeholders, the Resona Group makes use of its management resources to conduct various CSR-related activities.

■ Relationship among *Corporate Mission*, Corporate Promises, and CSR Policy

■ Concept of CSR Management



Resona Group CSR Policy

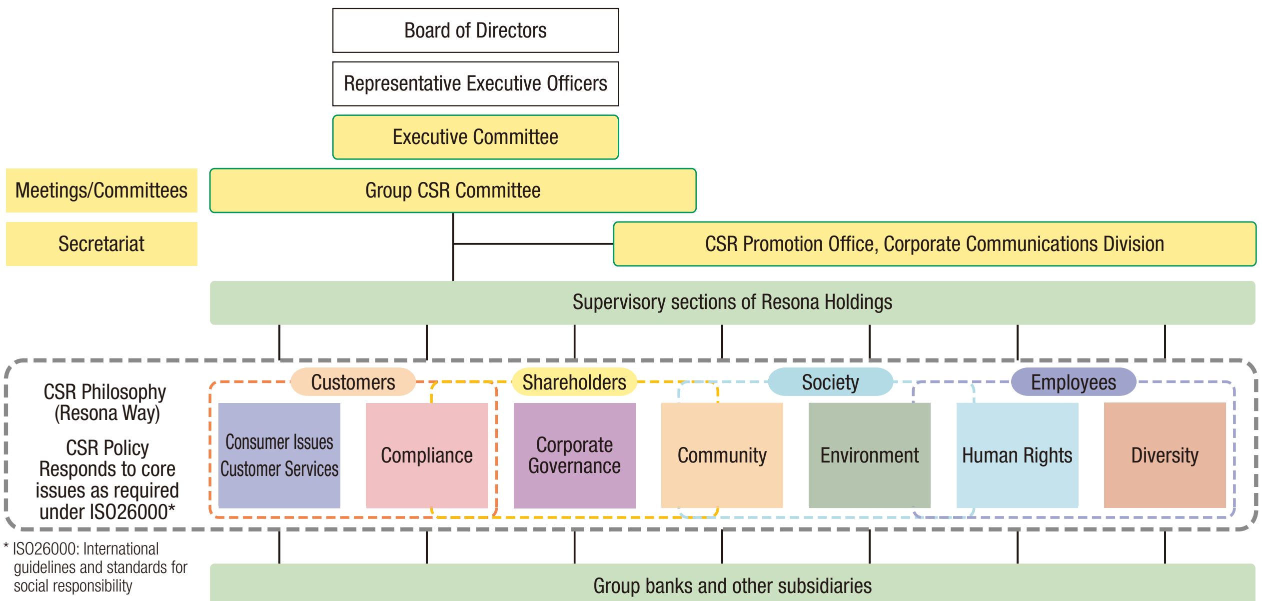
Issues	Policy
Corporate Governance	We work to strengthen oversight and supervision functions for responsible management systems as well as management and achieve accountability for all the stakeholders.
Human Rights	We build a corporate culture and working environment that respect fundamental human rights of all the stakeholders we have an impact on, such as customers, shareholders, and employees.
Diversity	We promote people development and its fair assessment through opportunities for capacity development and firm establishment of the organizational climate of diversity.
Compliance	We engage in responsible corporate activities for all the stakeholders through compliance with laws, rules, and social norms.
Consumer Issues/ Customer Service	We protect customers' valuable personal information as well as assets and provide high-quality financial services and opportunities for enlightenment from customers' perspective.
Community	We position symbiotic relationships with communities as our important mission and work on solving social issues by utilizing our experience and resources.
Environment	We value the irreplaceable global environment and properly conduct environmentally friendly corporate activities.

Note: Please refer to page 02 for the Resona Group's management philosophy.

Group CSR Promotion System

To substantially strengthen and improve the Resona Group's CSR activities, which are one of our most-important business issues and increasingly demanded by society, we have formed "the Group CSR Committee," which meets periodically.

The Group CSR Committee is chaired by the president of Resona Holdings, and its members include the presidents of all other Group banks. CSR activities are conducted through this committee using a variety of the Group's management resources.



* ISO26000: International guidelines and standards for social responsibility

Participation in Global Initiatives

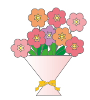
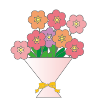
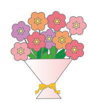
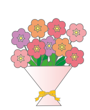
Resona Holdings has been a signatory to the United Nations (UN) Global Compact since 2008, and Resona Bank has participated in Principles of Responsible Investing (PRI). We support these principles in our business operations, and we eagerly promote CSR activities demanded by the global community.

WE SUPPORT

An investor initiative in partnership with UNEP FI and the UN Global Compact.

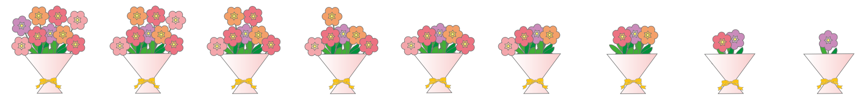
Resona Group CSR Action Goals, Results, Assessment

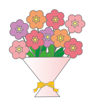
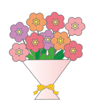
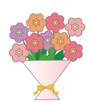
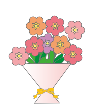
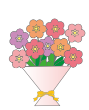
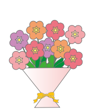
The list of Resona Group CSR Action Goals, Results, and Assessment by issues specified in Resona Group CSR Policy is indicated below:

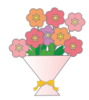
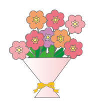
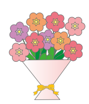
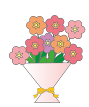
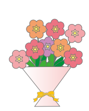
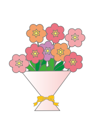
<table>
<tr><th>Issue</th><th>Item</th><th>Action goals for FY2012</th><th>Assessment</th><th>Results of FY2012</th><th>Action goals for FY2013</th></tr>
<tr><td rowspan="2">Corporate Governance</td><td>Information Disclosure</td><td>Proactively disclose information in an easy-to-understand way, increasing transparency of management</td><td></td><td>Reorganized the disclosure policy concerning corporate governance and gave increased attention to visibility in the transmission of various disclosure documents, including business reports, securities reports, and corporate governance reports, through the use of new information channels</td><td>Proactively disclose information in an easy-to-understand way, and increase the transparency of management</td></tr>
<tr><td>Risk Management</td><td>Maintain and ensure sound management, and enhance the risk return management system</td><td></td><td>Managed operations as to maintain major types of risks within the limits of core capital to secure and maintain sound management</td><td>Work to prevent risks before they emerge and to secure and maintain sound management</td></tr>
<tr><td rowspan="2">Human Rights</td><td>Respect Human Rights</td><td>Raise employees' awareness of respect for human rights and prevention of various harassments, through educational programs, including case examples</td><td></td><td>To increase awareness among employees of respect for human rights and preventing various types of harassment, the following initiatives were taken:
(1) Issued the Resona Group's Human Rights Policy and clarified the Group's approach to human rights and the initiatives it is taking
(2) To ensure that all employees have an awareness of human rights, the following training activities were implemented:
• Training in the workplace with human rights enlightenment personnel as lecturers
• Training in examples through e-learning courses and training through discussions using videos
• Training for new employees and employees moving to new positions
• To continue fair hiring practices with an understanding of "fair selection criteria and selection methods," conducted human resource training for personnel in charge of hiring</td><td>Based on the Resona Group's Human Rights Policy, make further improvements in human rights enlightenment activities, including training and other means, to raise awareness among employees of the importance of respect for human rights and prevention of various types of harassment</td></tr>
<tr><td>Normalization</td><td>Enhance approaches to normalization in order to pursue branches and services which all customers can use safely and with ease</td><td></td><td>Took initiatives to realize branches and services that all customers can use with ease
(1) Enhancements in services
• Made searching for barrier-free branches on the Group's website possible
• Revised money transfer fees for physically and mentally challenged persons
• All employees took course as dementia supporters (Saitama Resona Bank).
• Began to offer "mimitomo" hearing aid services
• Held training course in normalization for new employees (Saitama Resona Bank)
(2) Improvements in branch facilities
<table>
<tr><th rowspan="2"></th><th colspan="2">Braille blocks installed</th><th rowspan="2">Installed slopes</th><th rowspan="2">Improve slopes</th><th rowspan="2">Installed elevators</th><th rowspan="2">Installed automated doors and wider doors</th></tr>
<tr><th></th><th>Accumulated installment ratio</th></tr>
<tr><td>Resona Bank</td><td>210</td><td>100%</td><td>6</td><td>1</td><td>5</td><td>3</td></tr>
<tr><td>Saitama Resona Bank</td><td>10</td><td>100%</td><td>2</td><td>2</td><td>0</td><td>3</td></tr>
<tr><td>Kinki Osaka Bank</td><td>99</td><td>100%</td><td>2</td><td>0</td><td>0</td><td>0</td></tr>
</table>
* Unit: Number of items</td><td>Enhance approaches to normalization in order to pursue branches and services which all customers can use safely and with ease</td></tr>
</table>

[Example]

Sufficiently achieved goals ◀──▶ Insufficient activity

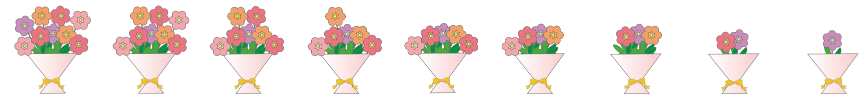


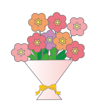
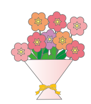
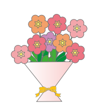
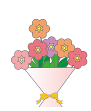
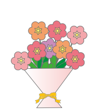
Issue	Item	Action goals for FY2012	Assessment	Results of FY2012	Action goals for FY2013
Diversity	Diversity Promotion	Enhance a framework which maximizes capabilities of diverse employees, regardless of age and gender		Provided support for career development with the aim of creating workplaces where all personnel can draw fully on their capabilities and be active contributors. Took initiatives to achieve work-life balance • Held seminars for career building and awareness raising at the employee level • Held "Return to Work Seminar" to support combination of work and child-rearing • Held "Nursing Care Seminar" to support combination of work and nursing care External assessments • Conducted survey of the level of usage of women's talents in corporations in 2013 (departments drawing on women's talents) (Nikkei WOMEN) Resona Bank (First place) • Selected for inclusion in the Diversity Management Selection 100 companies in 2012 (Ministry of Economy, Trade and Industry) (Resona Bank) • Received the "2012 Platinum Award for Companies Practicing Diversity in the Workplace" from Saitama Prefecture (Saitama Resona Bank)	Continue to work to create workplaces that are energetic where all employees mutually understand and recognize one another and can contribute • Take initiatives to reach the best-efforts goal set by Japan's Cabinet Office of "having women in about 30% of the managerial-level positions by the year 2020" • Secure higher percentage of employees with physical or mental challenges than is required by law
	Work Environment	Enhance various kinds of initiatives to support career building for employees		Implemented detailed support for career building at each stage • For young women: Career Design Forum • For women in managerial positions: Training for female leaders, training for further personal development • Middle to senior level: Career design seminars, pre-master employee seminars	• Enhance various kinds of initiatives to support career building for employees • Aim for improvements in the workplace to increase productivity and encourage employees to return home earlier after work hours
	People Development	Foster professional personnel for each field through building content-rich training and educational programs		Expanded and implemented improved training courses aimed at addressing issues by field • Expanded and implemented training program to strengthen business with high net worth customers • Implemented program for female leaders for managerial-level training and training for team leaders to improve business process skills	Work to expand training and education programs and foster professional personnel for each field
Compliance	Permeation of Corporate Ethics	Each employee complies with laws, regulations, rules, and social norm, from the viewpoint of customers and society, aiming to be a trusted company.		• Took initiatives to prevent the recurrence of scandalous and improper behavior • Provided educational programs to raise each employee's awareness of compliance with the aim of having the "Resona STANDARD," a behavior guideline for employees, applied throughout the Group	Work to further raise the awareness of compliance among employees and respond to the trust of society through enlightenment and educational activities for having corporate ethics and compliance with laws and regulation permeate the Group
	Elimination of Anti-Social Forces	Reinforce systems to eliminate transactions with anti-social forces and prevent money laundering.		• Took active initiatives to eliminate anti-social forces and respond properly to the Act on Prevention of Transfer of Criminal Proceeds • Completed response according to plan in compliance to the Act on Prevention of Transfer of Criminal Proceeds that is required of Resona Group banks and two subsidiaries	Fulfill social responsibilities as a financial institution by reinforcing systems to eliminate transactions with anti-social forces and prevent money laundering
	Financial Crime Prevention	Continuously enhance systems to prevent financial crimes such as forged and stolen bank cards, as well as crimes involving deceptive requests for bank transfers, in an effort to protect the precious assets of our customers.		Took initiatives to protect our customers' valuable assets by acting to prevent financial crimes, including fraudulent funds transfers, forged and stolen credit cards, and other criminal activities	Step up activities to be proactive in helping and advising customers and take other initiatives to prevent financial crimes before they occur to ensure that our customers' assets are protected

Issue	Item	Action goals for FY2012	Assessment	Results of FY2012	Action goals for FY2013
Consumer Issues/Customer Service	Explanation to Customers	Enhance the system to manage explanations to customers, in order to provide appropriate products and services to customers		To strengthen the supervision of explanations given to customers, adopted and revised the "follow-up rule after major market changes occur" and implemented related training	Work to further strengthen the supervision of explanations given to customers and offer the proper products and services to customers
	Information Management	Make efforts for enhancing a system to protect and manage customer's information		Worked to strengthen supervision of customer information protection and implemented the "information asset loss risk reduction project" as a framework for preventing loss and/or leakage of information assets • Reduced storage of documents at the branch level (conversion to electronic form) • Systematized transmission of materials to customers • Revised rules governing preservation and disposal of documents and other measures	Make efforts for enhancing a system to protect and manage customers' information.
	Service Reforms	Make efforts for continuous improvement in services, while sincerely accepting all customer opinions and requests		In view of the results of the Resona Group's customer satisfaction survey (100,000 respondents), the following improvements were implemented. • Made searching for barrier-free branches on the Group's website possible • Installed boxes on ATMs located off Resona Group bank premises for recovery (disposal) of transaction receipts (Resona Bank, The Kinki Osaka Bank) • Printed a space for writing memos on the reverse side of cash envelopes (Resona Bank) • Revised money transfer fees for physically and mentally challenged persons • Reduced the amount of documents given to customers after they open accounts (Resona Bank) • Revised the colors of certain forms to make them easier to read and other improvements	Make efforts for continuous improvement in services, while sincerely accepting all customer opinions and requests.
	Operation Reforms	While establishing stable clerical operations, make more advanced proposals to customers and improve services		Took initiatives aimed at "accurate and speedy clerical processing" and "improving the quality of services offered to customers" by reviewing and improving clerical processing operations, including the following: (1) Reviewed branch office facilities • Introduced next-generation branches: Seven branches (Resona Bank) • Improved visibility of the layout inside branches: 90 branches (Resona Bank) • Introduced barrier-free offices for the convenience of seniors: One branch (Saitama Resona Bank) • Introduced branch offices with variable-height counters: Two branches (The Kinki Osaka Bank) (2) Adopted a "smarter transactions style" • Conversion to paperless money transfers for 90% or more of transactions at all Resona Group banks	Promote substantial operational reforms and work to provide fast and accurate services
	Provision of Solutions to Customers	Provide products and services which meet customers' diverse needs, using the trust function		Offer solutions to customer issues through tailor-made consulting services • Number of consulting cases regarding inheritance and succession of corporation's own stock: 3,448 in the first half of 2012 and 3,019 in the second half • Number of corporation's own-stock succession trusts: 45 • Number of asset succession trusts (package type) ("Heart Trusts" and "My Good Luck Charm"): 789	Provide a wide range of proposals, products, and services to respond to a broad spectrum of individual customer needs for addressing various issues
	Provision of Opportunities for Enlightenment	Enhance and continue activities useful for achieving customers' dreams and their life plans, through various seminars and the Kids Money Academy		Took initiatives to enlighten and provide information to customers by holding a variety of seminars and briefing sessions concerning asset management, conversion of housing loans, asset succession, and other topics. • Held 34 briefing sessions on the management of investment trusts and insurance that were attended by a total of 10,800 participants • Provided financial and economic education for children (Summer Vacation Resona Kids Money Academy): 182 times, with about 2,500 participants	Enhance and continue activities useful for achieving customers' dreams and their life plans, through various seminars and Kids Money Academy

[Example]

Sufficiently achieved goals ◀ ▶ Insufficient activity



Issue	Item	Action goals for FY2012	Assessment	Results of FY2012	Action goals for FY2013
Community	Regional Contribution Activities	Contribute to local society by pushing ahead with various activities in cooperation with the local society, and supporting revitalization of local economy		Undertook many initiatives and provided support through the Group's business activities for revitalizing local economies and contributing to the community • Assistance to customers for the development of new products: Resona DE Monitor Meeting IN Osaka (Resona Bank) • Support for recruiting activities: Sponsored "Resona Bank x JOB Café OSAKA," an event where companies jointly explained their activities to recruits and conducted job interviews (Saitama Resona Bank) • Business matching events: "Open Innovation Seminar" (Saitama Resona Bank, Resona Bank), "Sai no Kuni Business Fair 2013" (Saitama Resona Bank), Network Business Discussion Meeting IN Osaka (The Kinki Osaka Bank), and other events • Financing to contribute to regional revitalization: Increase of 125% over the previous year	Contribute to local society by pushing ahead with various activities in cooperation with the local society, and supporting revitalization of local economy
	Social Contribution Activities	Encourage employees to voluntarily conduct social contribution activities toward resolution of social issues		To provide support for employee voluntary activities that contribute to regional societies, established the "Re: Heart Club" in November 2012, and is taking a wide range of initiatives to provide solutions to social problems in local societies. • Established Re: Heart Fund and began to collect donations of ¥100 a month from interested Group employees (about 5,400 participants) • Number of activities (November 2012 to March 2013): 31	Encourage employees to voluntarily conduct social contribution activities toward the resolution of social issues • Increase the number of contributing participants • Increase the number of activities
Environment	Environmental Management	Proactively conduct various environmental conservation activities, such as environmental load reduction, in accordance with environmental management systems based on ISO14001		Operated environmental management system according to ISO14001 and reduced the load on the natural environment as follows. • Energy usage: Reduced 25.77% in comparison with FY2010 (attained target) • Volume of paper purchased for copying purposes: Reduce 3.06% in comparison with FY2010 (attained target) • LED lighting: Actively work to introduce	Proactively conduct various environmental conservation activities, such as environmental load reduction, in accordance with environmental management systems based on ISO14001 • Reduce CO_2 emissions (per unit of output) 4% in comparison with FY2009 • Restrain copy paper purchases to the same level as in FY2012
	Environmental Conservation through Our Core Business	Through provision of various environmental business products and services, assist customers' extensive environmental conservation activities		Supported customers' extensive environmental conservation activities by providing the following environment-related products and services <u>For individual customers</u> Eco-conscious housing loans, car financing, renovation loans, and time deposits, etc. <u>For corporate customers</u> Loans using fund supply of Bank of Japan, "Eco-Vision Company" loan system, loans based on Resona Group bank environmental rating, etc. <u>In trust field</u> SRI fund for corporate pension, etc.	Through provision of various environmental business products and services, assist customers' extensive environmental conservation activities • Reduce the percentage of paper-based money transfers from the FY2012 level • Increase the number of Internet banking transactions to 700,000 a year • Promote lending for eco-friendly purposes
	Environmental Communication	Facilitate education on environmental problems for individual employees by encouraging them to leave office early. Also make efforts for raising customers' awareness of environmental problems, through calling on them to save electricity at branch offices and holding seminars, etc.		Implemented activities to raise the awareness among customers and employees of environmental issues • Held environmental fairs: Solar Power Generation Business Exchange Meeting (The Kinki Osaka Bank) • Grant eco-action points (number of times granted): About 45,000 • Training: Environment-related training via e-learning • Continued implementation at all offices of "go home early after office hours" movement: 12 days	Take initiatives to further increase awareness about environmental issues by providing information on the environment to customers and employees • Grant more eco-action points than in FY2012 • Implement environmental training • Implement "go home after office hours" uniformly in all branches and offices

Diversity

Basic Approach to Diversity

By creating an organization in which each employee can work comfortably and feel their assignments are worthwhile, the Resona Group promotes human resource development. The Group established its Diversity Promotion Office in June 2011. With the watchwords of "the workplace takes the lead," "autonomy," and "diversity," we are creating a work environment where a diversity of human resources can actively contribute.

Personnel System

Resona Bank, Ltd., Saitama Resona Bank, Ltd., and The Kinki Osaka Bank, Ltd. of the Resona Group have introduced a personnel system that (1) promotes diversity management, (2) develops professional personnel by field, and (3) offers personal choice-style personnel management.

Within this personnel system, the Career Field System has been introduced to help each employee build his own career autonomously and, thereby, set the direction of his individual career. In addition, Resona Bank and Saitama Resona Bank have also introduced the Base Area System under which each employee's base work area is decided.

For Autonomous Career Building

The Resona Group has introduced various support systems and development programs to facilitate the career advancement of individual employees according to their own will and choice.

Post Challenge Systems (Internal Recruitment System)

Under this system, a wide range of positions and assignments, including the personnel to be sent for training internally and externally as well as personnel for new projects, are filled through internal recruitment. This system provides highly motivated employees with opportunities to advance in their careers.

Systems Where a Diversity of Personnel Can Succeed

Resona Women's Council

In April 2005, the Resona Group organized the Resona Women's Council, an advisory body reporting directly to management, with the aim of having improved access to the opinions of female employees and reflecting their ideas in Group management. The council has made suggestions to top management on the creation of work environments in which women can continue to work for the long term and providing support for building their careers. Reforms introduced as a result of these suggestions have included the development of a system for converting employment status, such as switching from regular to part-time employee positions, and the introduction of a system enabling employees to return to work after taking a leave for child-rearing.

Nurturing the Next Generation

The Resona Group has taken a number of initiatives to create a work environment that supports child-rearing. For example, in addition to providing for shorter working hours, for those employees who want to lower their workload, the Group has made provisions to allow employees to change to "partner employee" status and, then, when the period of child-rearing is finished, move back to regular employee positions. Also, for employees who resigned to rear their children, the Group has introduced a rehiring, or "JOB Return" system. Thus, by introducing a diversity of workstyles, the Group is working to create an improved environment for bearing and raising a family.

Introduction of a Rehiring System

In response to the falling birthrate and demographic aging of the population in Japan, the companies of the Resona Group have introduced its Master Employee System that allows employees who reach the retirement age of 60 and meet certain conditions to be rehired and continue working until age 65. In fiscal 2012, the banks of the Resona Group rehired 88 persons as Master Employees.

Human Rights

Basic Approach to Human Rights

The Resona Group, based on the following policy, works to develop a corporate culture and work environment in which the basic human rights of customers and employees as well as all other stakeholders are respected.

Resona Group Human Rights Policy

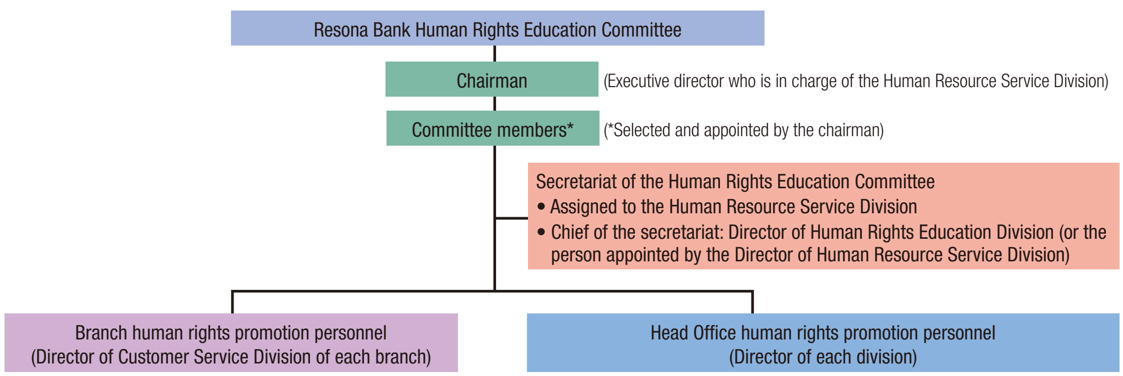
The Resona Group respects the basic human rights of customers, employees, as well as all other stakeholders

1. Observance of international rules
2. Elimination of discrimination
3. Creation of a corporate culture that respects human rights
4. Creation of an environment where it is easy for employees to work
5. Implementation of fair employment practices
6. Improve human rights training

System for Promoting the Awareness of Human Rights

The Resona Group has established the Human Rights Education Committee as an organizational unit to promote respect for human rights by fostering the heightened employee awareness of human rights issues.

■ System for Promoting the Awareness of Human Rights (in Resona Bank)



* Committee members delegated by the chairman: Head of Customer Relations, Director of Business Management Division, Director of Community Support Division, Director of Compliance Division, Director of Internal Audit Division, Director of Corporate Governance Secretariat

The other companies of the Resona Group have similar systems for promoting human rights.

Human Rights Initiatives among Employees

The relationships of the Resona Group with its employees and labor unions are stable and negotiations as well as discussions regarding maintaining workplaces where employees find it easy to work, wages, labor conditions (including welfare benefits) and other matters are held periodically.

Employee Questionnaire Survey

The Resona Group conducts an awareness survey of its employees annually.

Summary of the Fiscal 2012 Employee Survey

Ranking	Issues we think are important	What to emphasize to make work worthwhile and satisfying	What we can agree on as a future goal of the Group
First	Employee capabilities →	Good teamwork in the workplace →	Close ties with communities →
Second	Capabilities for educating and training human resources ↗	Presence of a trustworthy supervisor →	Putting the customer first →
Third	High morale among employees ↘	Transparent workplace where it is easy to express opinions →	Responses tailor-made to customer needs →

Initiatives to Protect Human Rights of Employees

The Resona Group implements various initiatives to raise employee awareness toward human rights.

■ **Training in Branch Offices**

Human rights awareness promotion officers who have received training become instructors and implement training in their respective workplaces.

Some recent human rights training themes have been prevention of harassment, CSR and human rights, points for attention regarding human rights accompanying the introduction of a new residency management system, and basics of certain minority issues.

Efforts for Normalization

To enable all customers, including the physically challenged, seniors, and pregnant women, to visit our branches with peace of mind and make use of our convenient services, the Group has taken a number of initiatives to achieve normalization.

■ **Priority ATM and Other Services**

Resona Group banks have introduced "Priority ATMs" and "Priority Waiting Lounge Seats" at all of its staffed branches (excluding Loan Plaza offices).

Consumer Issues/Customer Service

Basic Approach to Consumer Issues/Customer Service

The Resona Group always strives to satisfy customers' needs with a sense of gratitude for their patronage, gives priority to winning their trust, and provide cordial and warm-hearted, high-quality services to customers to make them happy. For this reason, we are endeavoring to further enhance our customer service level, while, at the same time, we are actively reforming our services to improve the Group's profitability through realizing low-cost operations and strengthening our sales activities.

Service Reforms

The Resona Group is aiming to transition from the banking industry to financial services. The Group has, therefore, reevaluated its business activities from the customers' perspective and implemented many service reforms. These have included reforms that were at the top of customers' requirement lists as being in need of improvement, such as revising transaction fees, lengthening business hours, and reducing waiting time at counters.

Customer Support Systems

Listening to Customer Opinions

To substantially upgrade customer support, including the handling of complaints and providing consultation, and further improve service quality, each of the Resona Group banks has set up a department responsible for listening to the voices of customers. When customers express opinions and make requests by telephone, when they visit bank offices, respond to questionnaires in bank offices or via the Internet, or in other ways, these are handled centrally by a dedicated system and then used to make and offer better products and services through improvements and further development.

■ **Number of Customer Complaints, Opinions, and Requests Handled**

Bank	FY2010	FY2011	FY2012
Resona Bank	17,469	16,951	15,479
Saitama Resona Bank	5,611	4,338	4,219
Kinki Osaka Bank	2,347	2,190	1,906
Total	25,427	23,479	21,604

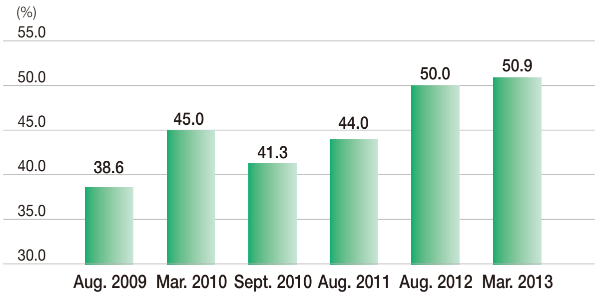
Note: These figures exclude complaints and suggestions related to natural disasters.

Customer Surveys

To determine the level of satisfaction among customers of Resona Group banks, a customer survey is conducted annually. Many of the opinions and requests expressed are related to the responses provided by employees, products, services, as well as other items. The Group makes every effort, based on service results, to thoroughly train its employees and enhance its products and services.

■ **Results of the Annual Customer Satisfaction Surveys (Resona Bank)**

Percentage of respondents indicating their overall impression as "satisfied"



Services of Branch Offices

The Resona Group is introducing branch offices based on new concepts that respond to a wide range of customer lifestyles.

■ Our branch offices are open on weekdays and national holidays.

For individual customers who have little time to visit a bank branch during regular business hours on weekdays, the Group has developed branches where they can casually drop by for consultation or signing bank-related contracts on their way home or while shopping on weekends. This enables us to support customers' life planning, including the refinancing of housing loans and the review of their insurance coverage. We welcome customers at times that are convenient for them.

Services for Individual Customers

■ Response to Inheritance-Related Needs

Using the branch network and base of customers that the Resona Bank has developed, the Resona Group provides will trusts by leveraging the trust functions of Resona Bank and its know-how regarding asset succession, which includes the distribution of inheritances according to the specifications of the deceased.

During fiscal 2012, Resona's activities in this field were as follows:
- Will Trust and Estate Division: 2,195 cases
- Own Company Stock Succession Trusts: 45 cases
- Asset Succession Trusts: 875 cases

■ Response to Needs of Women

With the aim of becoming the bank that can gain the strongest support of women, the Resona Group implements the "Resona 'My Strength' Project," where female employees design products and services that meet the needs of women.

■ Response to Adult Guardianship Needs

Along with the decline in the birthrate and demographic aging of the population in Japan, the number of persons relying on the adult guardianship intermediary system for the conduct of contractual procedures and estate administration in the event of the onset of Alzheimer's disease or other circumstances is growing. In view of these trends, the Resona Group has expanded the range of tie-ups for its adult guardianship intermediary services.

Alliance Partners for Guardianship Services
- Resona Bank
  - Public Interest Incorporated Associations Adult Guardian Center Legal Support (Since April 2004)
  - Osaka Bar Association (Since March 2009)
  - Hyogo Bar Association
  - Nara Bar Association
  - Kyoto Bar Association (Since August 2010)
  - Tokyo Bar Association, First Tokyo Bar Association
  - Second Tokyo Bar Association (Since December 2010)
  - Yokohama Bar Association
  - Aichi Bar Association (Since April 2011)
- Saitama Resona Bank
  - Saitama Bar Association (Since December 2010)
- The Kinki Osaka Bank
  - Osaka Bar Association (Since March 2010)

■ Periodic Asset Management Report Meetings

The Resona Group places emphasis on providing follow-up services after customers have purchased our investment products. We regularly hold "Asset Management Report Meetings" inviting experts as lecturers to explain the status of management of customers' investments and the current market environment.

Update on Meetings Held in Fiscal 2012
- Meetings held in fiscal 2012: 34 times
- Attended by a cumulative total of 10,759 persons

Services for Corporate Customers

■ Support for New Product Development (Resona Bank and The Kinki Osaka Bank)

The Resona Bank and The Kinki Osaka Bank sponsored the "Resona DE Monitor Meeting" jointly with the Osaka Industry Creation Hall in September 2012. The purpose of the meeting was to provide an opportunity for SMEs to hear the first-hand opinions of female consumers from Osaka, who are reputed to be among the most-exacting customers in Japan, and then use these opinions in the development of their products. The monitors attending the meeting were all registered with the Osaka Industry Creation Hall.

■ Business Succession

Due to the aging of company owners and a shortage of successors, taking proper measures for inheritance and arranging for business succession are the most important issues faced by SMEs in Japan. Drawing on its many years of experience and accumulated know-how in will trusts, real estate business, and other trust business, Resona Bank provides a comprehensive range of advice to its customers to enable them to arrange a smooth business succession.

Community

Basic Approach to Communities

Under its corporate mission, "To Develop Further with Regional Societies," the Resona Group complies with social rules as a matter of course, but it also wants broad recognition of its reason for being. To this end, we are continuing our efforts to contribute to local communities as a good corporate citizen.

Support for Revitalizing Regional Economies

SME Support Network Enhancement Project

The aim of this project is to enhance cooperation among organizations supporting SMEs by creating a network comprising local SME industry associations, local financial institutions, tax accountants, NPOs, and other organizations for the purpose of enhancing the support systems for resolving management issues of SMEs. This project has been conducted under policies of the Ministry of Economy, Trade and Industry since fiscal 2011. Saitama Resona Bank and The Kinki Osaka Bank take initiatives to provide support in finding solutions to management issues of SMEs mainly through dispatching high-level advisors.

Business Matching

■ Network Business Negotiations in Osaka

The Kinki Osaka Bank sponsored the 3rd Network Business Negotiations in Osaka jointly with Saitama Resona Bank and four regional banks (Hiroshima Bank, Iyo Bank, Higo Bank, and Fukui Bank) in November 2012. The purpose of this event was to help create new commercial flows between the customers of the sponsoring banks and to revitalize regional economies. With the same theme, "food," as in the 1st and 2nd Network Business Negotiations in Osaka, the 3rd Network Business Negotiations in Osaka provided opportunities to have individual business meetings and exhibit attractive food products of sellers in regions other than the Kansai area to buyers, mainly in the Kansai region, and hold individual business meetings.

■ Agriculture and Food Exhibition and Business Discussion 2013

In February 2013, Saitama Resona Bank, in collaboration with Saitama Prefecture, invited representatives of agricultural producers and processed food companies as well as buyers of these products to attend the "Agriculture and Food Exhibition and Business Discussion 2013," which is one of the largest exhibits of its kind in Saitama Prefecture.

Participants on the day of the exhibition numbered 2,748. To appeal to buyers of these products from the Tokyo metropolitan area, the event was billed as "Saitama: Food Product Supply Base."

■ Open Innovation Seminar and Individual Business Meetings

In November 2012, Saitama Resona Bank and Resona Bank held an event, entitled, "Open Innovation Seminar and Individual Business Meetings," with the goal of creating new value by matching large manufacturers taking active initiatives in "open innovation"* and SMEs. This was the third time for this event to be held, and a total of 38 customers participated.

* Open innovation events aim to create new value by organically combining the internal ideas and skills of participating companies with the ideas and skills of external companies.

Community Support through Financial Services

■ Fund to Encourage Local Enterprises

To provide a smooth flow of financing to local SMEs and individual proprietorships, contribute to stabilizing their cash flows, and support companies in growth industries, the Resona Group banks provide and are actively marketing a wide range of financial products.

Coordination with Local Communities

Coordination with Local Public Organizations

■ Coordination with Osaka Prefecture

Kinki Osaka Bank Forest Development Activities

Making use of Osaka Prefecture's "Adopt a Forest" program for encouraging forest development, The Kinki Osaka Bank has signed an agreement with the forest owners of Katano City in Osaka Prefecture and is participating in initiatives to develop forests in the Ikoma Mountain area to create panoramic vistas resembling folding screens on a large scale.

These activities have been positioned as "Kinki Osaka Bank Forest Development," and, through the forest maintenance and planting of trees, they are contributing to the preservation of villages and mountain areas as well as protecting biodiversity.

■ Coordination with Saitama Prefecture

Cooperation in Environmental Fields in Environmental Preservation Activities

Based on a "Cooperative Agreement in the Environmental Field" with Saitama Prefecture, Saitama Resona Bank is engaging in environmental preservation activities, including "Greenery and River Regeneration" that will create even deeper ties with local environmental preservation activities in Saitama. In addition, by helping to support environment-related businesses, which are a growth field, Saitama Resona Bank will be contributing to economic growth in Saitama Prefecture.

Education on Finance and Economics

■ 2012 Resona Kids' Money Academy

Every year, mainly during the summer vacation, the Resona Group holds the "Resona Kids' Money Academy," a financial and economic education activity for children. Through original quizzes and games developed by employees, the seminars teach children about the role of banks and the flow of money through society. This educational program for children has been sponsored by the Group since 2005. The Group is continuing to work to improve this program by developing new curricula and many kinds of collaborative efforts with regional companies and organizations.

Events in Fiscal 2012

186 events were held (with 182 during the summer holidays) and 2,699 children and their 326 parents participated

Support Services for Local Companies Expanding Business Overseas

■ Strengthening the Customer Support System

Resona Bank has reorganized its former International Business Office to become the International Business Division with the objective of strengthening its overseas support functions. Specifically, P.T. Bank Resona Perdania, which has marked the 55th year since its founding, provides full banking services and has close ties with the community in Indonesia. In addition, Resona Bank has four representative offices located in Shanghai, Hong Kong, Bangkok, and Singapore, as well as an expanding network of operating alliances with local banks in 10 countries and regions in Asia. Recently, in March 2012, Resona Bank concluded an alliance with a local bank in the Philippines, and this was followed by the signing of an alliance agreement with a local bank in Malaysia in May 2013. Resona Bank has established offices and concluded alliances with local banks with the aim of providing its customers with support functions.

Resona Bank also has formed relationships with public institutions in Asia. These include the seconding of Resona Bank staff to the office of the Japan External Trade Organization (JETRO) located in Chennai, India. This was followed in May 2013 by the signing of an alliance agreement with the Philippines Economic Zone Authority (PEZA). These relationships in various countries have been concluded to assist customers who are setting up business operations in those countries.

Similarly, in May 2011, Saitama Resona Bank concluded a working agreement on overseas business cooperation with Saitama Prefecture and is currently cooperating with Saitama Prefecture's Shanghai Business Support Center and the prefecture's ASEAN Business Coordination Office (in Thailand and Vietnam).

Head office of P.T. Bank Resona Perdania.

■ Customer Information Exchange Meetings

Resona Bank holds periodic information exchange meetings for its customers. Many of the customers of the Resona Group that are active in overseas markets participate in these meetings and conduct business discussions with other participants.

Date	Location of the meeting	Number of companies participating
May 2012	Bangkok	68
	Shanghai	56
July 2012	Philippines	49
December 2012	Singapore	40
	Jakarta	63
January 2013	Hong Kong	61

■ Strengthening Support Functions

Resona Bank is working to strengthen branch support functions through its Asia Business Promotion Center. As part of these efforts, in April 2012, Resona Bank set up a fund to provide assistance for entering Asian markets. 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 overseas funding needs of its customers and has set a policy of providing for the needs of these customers. In addition, Saitama Resona Bank established its Asia Business Support Group, and in cooperation with the Resona Group's overseas bases and other offices, is working to meet a wide range of needs of its customers that are engaged in overseas business activities, including responding to requests for advice. The Kinki Osaka Bank is strengthening its overseas market entry support services by drawing on the capabilities of the Resona Group's overseas bases through the Foreign Exchange Solution Consultants of its Foreign Exchange/Asia Promotion Group.

Contribution Activities for Global Communities

■ Support Services for Entering Overseas Markets

The Resona Research Institute has prepared a menu of consulting services for assisting businesses in solving management problems based on its original know-how and concepts that have been developed through a wide range of consulting projects. These services, which include providing support for the increasingly important task of entering overseas markets and reviewing existing overseas business operations, are of assistance to corporate clients of virtually all sizes and industries and help them to raise their international competitiveness to world-class levels.

Examples of Consulting Services

- Advice on entering overseas markets (business planning, feasibility studies, etc.)
- Purchasing equity interests or selling/liquidating existing operations
- Due diligence for overseas subsidiaries, corporate valuation
- Structuring of management and internal control systems
- Monthly monitoring of management indicators
- Reviews of joint venture systems

Activities of Overseas Bases That Contribute to the Community

■ Grant Programs

Bank Resona Perdania implements a program for providing grants each year to the Bandung school for Japanese children, located in Bandung, West Java, Indonesia. These grants are used to support educational activities and for events conducted on the Japanese holidays: Children's Day and Sports Day.

■ Bank Education Program

Bank Resona Perdania implements bank-related education programs for local residents in Indonesia. The three goals of these programs are "supporting society through bank transactions," "understanding all of banks' products and services," and "understanding profits that arise from bank transactions, such as interest received, as well as costs." This program provides support for financial activities, including those of Indonesian banks.

In May 2012, a bank education program was conducted in the Penggilingan office in East Jakarta and won strong acclaim from participants.

■ Overseas Human Resource Development

To provide support for training of overseas personnel, who form a key link between Japan and overseas activities, the Resona Group offers support for school tuition by providing scholarships.

	Eligible recipients	Content	Established in	Recipients in FY2012
Resona Bank	Students enrolled in the Japanese language course in the literature department of Hong Kong University	Provide support for study in Japan through provision of scholarships for "training human resources who can contribute to the development of Hong Kong and Japan."	1989	Two
Bank Resona Perdania	Students enrolled in the Japanese language course in the humanities department of the University of Indonesia	Provide support for a portion of students' tuition and living expenses to encourage students who will be responsible for Japanese and Indonesian relations in the future.	2012	Four

Environment

Basic Approach to the Environment

To clarify its environmental efforts, the Resona Group has formulated the Resona Group Environmental Policies as a guide for the proper conduct of corporate environmental activities. Each member of management and staff is working on the protection of the global environment with an awareness of what we can do as members of local societies.

■ Group Environmental Policies

1. Observance of Environment-Related Laws and Regulations
2. Environmental Preservation through Our Core Business
3. Environmental Load Reduction in Our Offices
4. Environmental Communication
5. In-House Education and Full Participation
6. Public Disclosure of Environmental Policies

Environmental Management Systems

■ Initiatives for Achieving Environmental Goals

The Resona Group banks have introduced environmental management systems to further reinforce activities related to global environmental issues. The Group acquired ISO14001, an international certification standard for environmental management for each of the buildings of the East and West Head Offices of Resona Bank, the Head Office of Saitama Resona Bank, and the Head Office of The Kinki Osaka Bank*. In fiscal 2012, the Group attained its environmental goals under its Environmental Voluntary Action Plan.

* The Kinki Osaka Bank acquired an ISO14001 certification in October 2008, Saitama Resona Bank in December 2008, the Osaka Head Office of Resona Bank in December 2009, and the Tokyo Head Office of Resona Bank in December 2010.

■ Environmental Voluntary Action Plan*1

	Target	Coverage	Results in FY2012
Electricity	Average for 2008 to 2012, 12% reduction in comparison with FY2000	Head Office, banking head office/administration center	-41.15%
Copy paper	Paper recycling rate of over 75% by FY2010	Same as above	93%
	Utilization ratio of recycled paper over 70% by FY2010	All facilities	84%

■ Fiscal 2012 Group Action Goals*1

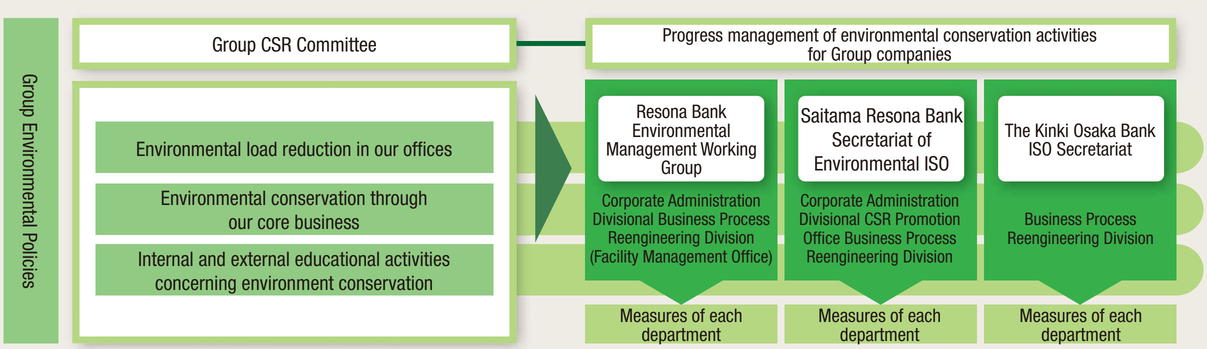
	Target	Coverage	Results in FY2012
Energy	10% reduction in comparison with FY2010	Head Office, branches	-25.77%
Copy paper	Maintain level below actual level for FY2010	Same as above	-3.06%

■ Fiscal 2013 Group Action Plan*1

	Medium-term target	Target for a single year	Group Medium-Term Action Goals
Energy*2	11% reduction of CO_2 emissions (per 1m²) in FY2020 compared with FY2009	4% reduction of CO_2 emissions (per 1m²) in FY2013 compared with FY2009	All business locations
Copy paper	15% reduction in copy paper purchases in FY2020 compared with FY2012	Keep copy paper purchases in FY2013 at or less than in FY2012	All business locations

Notes: *1: Covers Resona Holdings, Resona Bank, Saitama Resona Bank, and The Kinki Osaka Bank
*2. Based on the Energy Conservation Law/all facilities/per square meter

■ Diagram of Group Environmental Management Systems



Environmental Load Reduction in Our Offices

■ Green Purchasing and Waste Reduction

Banks use large volumes of paper in the normal course of their business activities. For this reason, the Resona Group has specified reduction in paper usage as a major theme in its environmental activities and is working to practice "green purchasing" and the reduction of waste. The Group promotes the use of environmentally friendly paper, such as paper made from forest thinning and forest certified paper, for its leaflets and posters. Also, for internal business purposes, the Group has switched to the use of recycled photocopy paper that complies with Japan's Act on Promoting Green Purchasing. Moreover, the Group uses carbon offset ink toners for printers and, to save resources and cut the volume of wastes, promotes paperless business operations and the reduction of paper usage.

Group-wide Enlightenment Activities

■ Environmental Training

Resona Bank and Saitama Resona Bank provide periodic training related to the environment to employees through e-learning courses and, thereby, endeavor to increase the awareness of environmental issues. In The Kinki Osaka Bank, Ltd., the training course given to newly entered employees is entitled "Responding to Environmental Issues."

Environmental Conservation through Our Core Business

■ SRI Fund and Community Support Fund

The Resona Group encourages individual customers to invest in the shares of environment-related companies through the offering of Socially Responsible Investment (SRI) funds that invest in companies that tackle environmental issues proactively and contribute to society. We also donate profits from investment trusts to provide support for local companies and local environmental protection organizations.

Resona Japan CSR Fund
(Nickname: *Seijitsu no Mori*)


Lineup of Resona's funds that provide community support and asset diversification

Environmental Communication

■ Solar Power Generation Business Exchange Meeting

The Kinki Osaka Bank and Resona Bank, in collaboration with the SAKAI Eco-Finance Supporters Club and the city of Sakai (Osaka Prefecture), held a Solar Power Generation Business Exchange Meeting in March 2013. The objectives of the gathering were promoting the transition of Sakai into a "Cool City," or an environmental model city, and revitalizing the regional economy through the creation of environment-related businesses.

In addition to speeches on Feed-in tariff (FIT) and the "roof rental for solar panel business," presentations were also made by four solar power producer companies. A total of 92 persons participated in the event and listened enthusiastically to the lectures.

Environmental Accounting

■ Environmental Conservation Costs

(Thousand ¥)

Category	Description of initiatives	FY2012	
		Investment	Cost
(1) Business area cost	—	277,122	217,853
(2) Upstream/down-stream cost	—	0	0
(3) Administrative activity cost	Improvement and operation of environmental management	0	9,047
(4) R&D cost	—	0	0
(5) Social activity cost	Financial donations concerning environmental conservation activities	0	2,681
(6) Environmental remediation cost	—	0	0
Total		277,122	229,581

■ Environmental Conservation Effects

Category	Applicable to	Unit	FY2012
Total input of energy	All business locations	GJ	1,505,888
Greenhouse gas emissions	All business locations	t-CO_2	67,339
Usage of electric power	Headquarters/centers, etc.	MWh	53,609
Usage of city gas	Headquarters/centers, etc.	thousand m^3	1,138
Usage of gasoline	Headquarters/centers, etc.	kl	117
Input of water resources/ Total discharges	Headquarters/centers, etc.	thousand m^3	158

■ Economic Effects from Measures for Environmental Conservation

(Thousand ¥)

Category	Comparison with FY2011
Reduction in energy costs with energy-saving measures	143,681

Abbreviations
GR: The Resona Group
HD: Resona Holdings
RB: Resona Bank
SR: Saitama Resona Bank
KO: The Kinki Osaka Bank

Performance Data

The Resona Group listed the performance data for each CSR policy issue.

Corporate Governance

	Company	Unit	FY2010	FY2011	FY2012
Maximum number of directors defined under Articles of Incorporation	HD	persons	15	15	15
Actual number of directors	HD	persons	10	10	9
Number of outside directors	HD	persons	6	6	6
Number of which are independent directors	HD	persons	6	6	6
Number of female directors	HD	persons	1	2	2
Average attendance of board members on board meeting	HD	%	95.0%	98.7%	94.6%

Compliance

	Company	Unit	FY2010	FY2011	FY2012
Number of cease and desist orders issued by authorities such as Japan Fair Trade Commission	GR	cases	0	0	0
Number of business operation suspensions due to misconduct, etc.	GR	cases	0	0	0
Number of criminal complaints due to compliance issues	GR	cases	0	0	0

Training covered by e-learning (Resona Bank in FY2012)	Employees subject to training	Time the training conducted
Accountability to customers	All employees	Apr., Dec.
Information management	All employees	May, July, Feb.
Power harassment prevention	All employees	May
General compliance	All employees	June, Aug., Dec.
Financial crime prevention	All employees	June, Dec.
Risk management	All employees	July, Nov.
Environmental training	All employees	Aug.
Real estate compliance	All employees	Sept., Mar.
Information security	All employees	Oct.
Prevention of insider trading	All employees	Nov.
Sexual harassment prevention	All employees	Dec.
Training on Resona STANDARD	All employees	Jan.
Act on Prevention of Transfer of Criminal Proceeds	All employees	Feb.

* Saitama Resona Bank and The Kinki Osaka Bank also implement similar training programs.

Consumer Issues/ Customer Service

	Company	Unit	FY2010	FY2011	FY2012
Number of next-generation branches introduced	RB	branches	240	260	267
	SR	branches	98	98	98
	KO	branches	0	2	2
Number of will trusts and inheritance dispositions conducted	GR	cases	1,858	2,105	2,195
Number of Asset Management Report Meetings held	GR	times	32	384	34

Community

	Company	Unit	FY2010	FY2011	FY2012
Number of "Resona Kids' Money Academy" events held	GR	times	187	173	182
Number of on-site lectures offered*1	GR	times	3	5	1
Number of work experience programs offered*1	GR	times	29	48	36
Number of "TABLE FOR TWO" contributions	GR	meals	74,286	72,652	71,997
Number of research programs contributed for the Resona Foundation for Asia and Oceania	GR	cases	11	10	19
Number of international interaction programs contributed for the Resona Foundation for Asia and Oceania	GR	cases	4	4	—
Number of environmental projects contributed for the Resona Foundation for Asia and Oceania	GR	cases	—	3	5
Total value of social contribution activities*2	GR	JPY million	90	154	104

*1: Includes only total number of events reported to Resona Holdings
*2: Includes only expenditures for businesses whose purpose is donation or social contribution.

Environment

	Company	Unit	Mar. 2011	Mar. 2012	Mar. 2013
Outstanding balance of environmentally conscious loans for corporate customers	GR	JPY 100 million	182	287	509
Outstanding balance of environmentally conscious housing loans	GR	JPY 100 million	580	548	515
Outstanding balance of environmentally conscious loans for consumable goods such as eco-cars and renovations	GR	JPY 100 million	3	7	12
Outstanding balance of socially responsible investments (SRI)	GR	JPY 100 million	68	59	47
Outstanding balance of fixed term deposits with environmental donation plans	GR	JPY 100 million	103	42	—
Outstanding balance of charitable trusts for environmental conservation	GR	JPY 100 million	114	72	169
Eco-action points issued (TIMO)	GR	cases	47,827	42,518	39,156
Eco-action points issued (electronic issuing service)	RB	cases	3,662	5,172	6,274
Number of contracts of Internet banking	GR	thousand cases	3,398	3,804	4,188

Environment

All facilities (Facilities covered by Energy Conservation Law)		Company	Unit	FY2010	FY2011	FY2012
Total energy consumption		GR	GJ	1,961,680	1,652,726	1,505,888
CO_2 emissions*1		GR	ton CO_2	83,761	68,498	67,339
Consumption of specially controlled materials		GR	metric tons	0	0	0
Emissions and transfers of specified chemical substances		GR	metric tons	0	0	0
NO*x*		GR	metric tons	0	0	0
SO*x*		GR	metric tons	0	0	0
Photocopying paper*2	Photocopying paper purchased	GR	metric tons	1,186	658	400
	Recycled photocopying paper purchased	GR	metric tons	995	579	323
	Share of recycled paper purchased	GR	%	84%	88%	81%

Head Offices, head branches, and systems/ administration centers (Facility covered by Environmental Voluntary Action Plan)		Company	Unit	FY2010	FY2011	FY2012
CO_2 emissions*1		GR	ton CO_2	30,902	22,335	26,724
Electricity consumption		GR	MWh	62,057	54,470	53,609
City gas consumption		GR	thousand m^3	1,247	1,162	1,138
Gasoline consumption		GR	kl	118	107	117
Water consumption (discharge volume)		GR	thousand m^3	196	193	158
Waste (incl. paper wastes)	Total volume of waste generated	GR	metric tons	1,401	1,366	1,122
	The volume of waste recycled	GR	metric tons	1,257	1,158	913
	Recycling rate	GR	%	90%	87%	81%
Paper waste	Total volume of waste generated	GR	metric tons	1,101	1,171	907
	The volume of waste recycled	GR	metric tons	1,075	1,112	840
	Recycling rate	GR	%	98%	95%	93%

*1: CO_2 emissions for each year listed are calculated based on the "Ministerial Ordinance on Calculation of Greenhouse Gas Emissions Emitted by Specified Emitters" (March 2006, Ministry of Economy, Trade and Industry and Ministry of the Environment Ordinance No. 3)

*2: Outside the scope of the Energy Conservation Law.

Diversity

	Company	Unit	Male	Female	Total
Employees	GR	persons	10,198	15,272	25,470
General full-time employees	GR	persons	8,774	6,310	15,084
Average age	GR	ages	43.1	35.1	39.7
Average years of employment	GR	years	19.2	11.9	16.2
Contracted employees/part-time employees (incl. temporary employees)	GR	persons	1,424	8,962	10,386
Temporary employees	GR	persons	790	111	901
Overseas locally hired employee	GR	persons	4	10	14
	Company	Unit	2010 (as of June 1)	2011 (as of June 1)	2012 (as of June 1)
Percentage of disabled employees	GR	%	1.84	1.95	1.96
The number of disabled employees	GR	persons	290	313	314
	Company	Unit	FY 2010	FY 2011	FY 2012
Percentage of women in management positions	GR	%	13.3	13.5	14.2
Women in management positions	GR	persons	908	910	934
New graduate recruitments	GR	persons	733	507	625
Mid-career employment	GR	persons	24	34	30
Retired employees	GR	persons	632	662	690
Average days of paid leave taken	GR	days	10.2	10.3	10.1
Employees used childcare leave	GR	persons	403	446	540
Employees took nursing care leave	GR	persons	7	7	8
Average annual salary	GR	JPY 1,000	6,191	6,369	6,356
Use of Rehiring System	GR	persons	60	80	85
Attendance of Seminar on Support for Returning to Work	GR	persons	80	120	161
Use of Post Challenge System	GR	times	59	45	29
Use of Career Entry System	GR	times	21	46	18
Use of Free Agent System	GR	times	3	3	2
Town meetings held	HD	times	55	34	41

Human Rights

	Company	Unit	FY2010	FY2011	FY2012
Union members	GR	persons	12,315	12,240	12,282
Annual overtime work hours	GR	hours	30.0	29.0	31.7
Average paid leave taken	GR	days	10	10	10
Occupational accidents	GR	cases	242	229	218

The Fundamental Approach to Corporate Governance

The Resona Group has never lost sight of the significance of the public fund injection the Resona Bank received in June 2003. Exerting our capabilities as a financial mediator and consulting institution, we strive to realize excellent corporate governance in order to meet the expectations of stakeholders and society have of us as a bank by cultivating soundness and user-friendliness.

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 outside directors not only to the Nominating 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, all Group banks, which are wholly owned subsidiaries of the Company, are adopting a company system with auditors model. By unifying their basic approach to corporate governance, the members of the Resona Group have further strengthened corporate governance at all Group banks in line with the aim of ensuring and enhancing autonomous management at each bank.

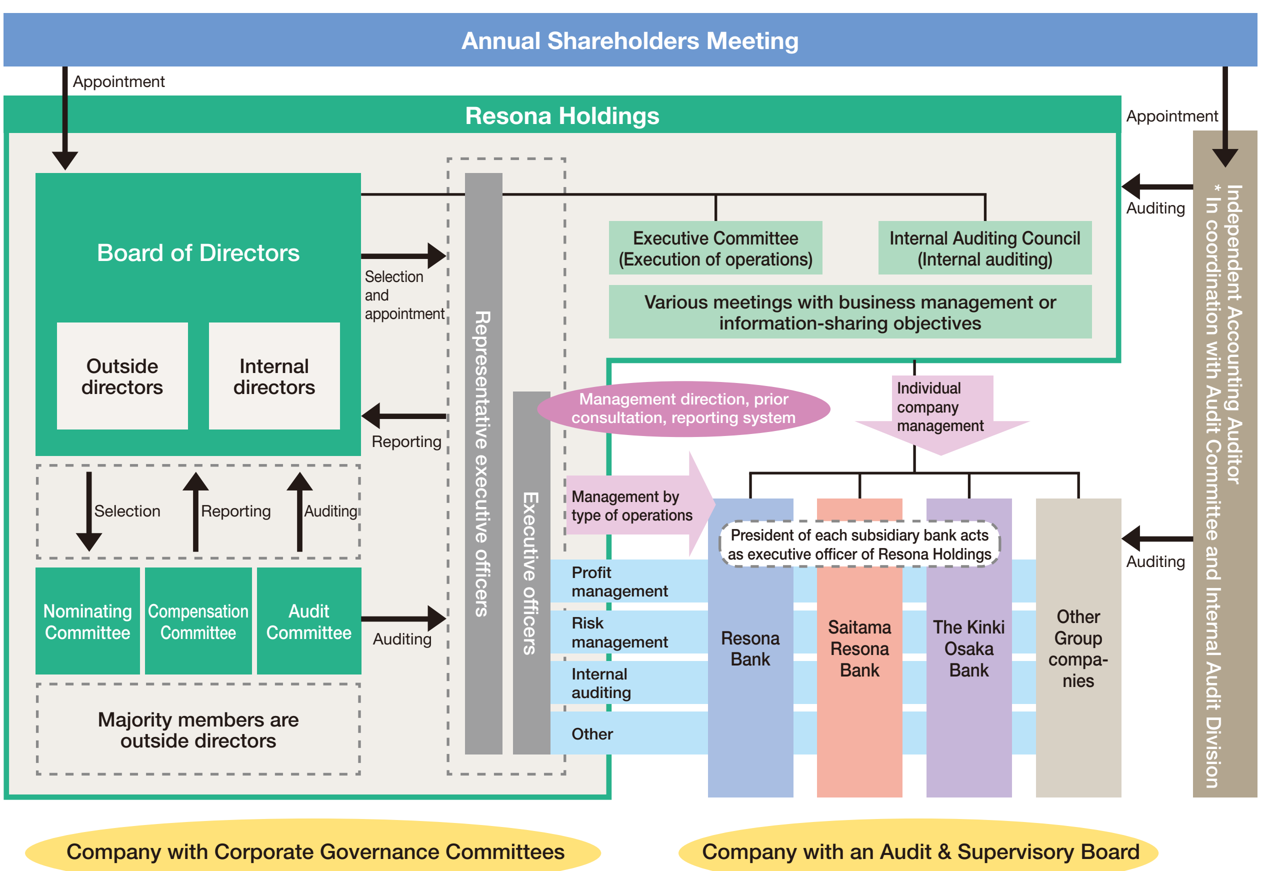
Toward the full repayment of public funds, we will work to maintain the soundness of the current management structure and promote corporate management in line with the Resona Group *Corporate Mission*, thereby maximizing our corporate value.

Activities at Resona Holdings

Board of Directors

The Board of Directors, with ten directors, six of whom are outside directors, fully ensures that management engages in substantial discussion in fulfilling its responsibilities of making decisions about important Group management issues and supervising the execution of business activities by executive

[Group Corporate Governance Framework]



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 2012, the Board of Directors met 17 times. In June 2005, the presidents of all subsidiary banks became executive officers of Resona Holdings in order to ensure enhanced supervisory functions of the holding company vis-à-vis subsidiary banks.

Nominating Committee

The Nominating Committee comprises three directors, including three outside directors, one of whom chairs the committee. The committee makes decisions regarding proposals for the selection and dismissal of directors that are submitted to the shareholders meeting, based on the specific qualities that the Group should seek in its directors as well as the "Standards for Election of Candidates for Outside Directors," both of which have been discussed and decided at the committee's meetings. In fiscal 2012, the committee met five times. Please note that, to accelerate the Group's management reforms and attain sustained increases in corporate value, the Nominating 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 outside directors, one of whom chairs the committee. In addition to auditing the execution of operations by executive officers and directors, the 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, Finance and Accounting Division, and other internal control related divisions 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 2012.

Compensation Committee

The Compensation Committee comprises three directors, including three outside directors, one of whom chairs the committee. The 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 2012, the committee met six 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. The members of the company's Compensation Committee are not members of the compensation committees of other companies.

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 2012, this committee met 43 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 operations. 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 2012 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 outside directors, fully ensures that management employs thorough discussion in making decisions regarding the execution of operations and supervises the execution of operations by directors and executive officers.

The Audit & Supervisory Board, which comprises the Audit & Supervisory Board Members, 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

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 Policies for 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.

Summary of Resona Holdings' "Basic Policies for Group Internal Control Systems"

(1) Statement

Driven by sincerest apologies for a major injection of public funds, Resona Holdings and its Group companies have determined the following the *Basic Policies for Group Internal Control Systems* in order to prevent a recurrence of such serious matters.

Based on these basic policies, we aim to create Internal Control Systems that befit the Resona Group, and, through their optimal operation and maintenance, ensure the effectiveness of such internal controls to increase the corporate value of all Group companies.

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

In accordance with generally accepted evaluation standards for internal control systems, the Resona Group shall adopt as the Group's basic principles on internal controls the fulfillment of the following four goals.

a. Improve efficacy and efficiency of operations
b. Assure reliability of financial disclosure
c. Comply with legislation
d. Maintain the soundness of assets

(3) Constructing Internal Control Systems (Basic Guidelines)

Resona Holdings shall develop internal control systems composed of the basic elements required for the systems to fulfill their purposes, including a control framework, risk evaluation and response system, internal control activities, information and communication systems, monitoring standards, and IT systems. Upon establishment of the *Corporate Mission* shared throughout the Group and based on these policies, Resona Holdings shall determine the following basic guidelines in constructing systems to ensure that the Group's operations are conducted in an appropriate manner.

a. Guidelines to Ensure that Business Operations of Executive Officers and Employees Are Executed in Compliance with Legislation and Group Regulations
b. Guidelines to Store and Manage Information Related to the Execution of Operations by Executive Officers
c. Guidelines to Govern the Management of Loss Risk and Related Systems

d. Guidelines to Ensure that Executive Officers' Responsibilities Are Carried Out Effectively
e. Guidelines to Ensure that Operations of the Corporate Group, Consisting of Resona Holdings and All Group Companies, Are Conducted Appropriately
f. Guidelines Concerning Assistants to the Operations of the Audit Committee
g. Guidelines to Ensure the Independence of the Specialist Personnel Mentioned Above in Relation to Executive Officers
h. Guidelines Concerning a System for Executive Officers and Employees to Report to the Audit Committee and Other Related Reporting Rules
i. Guidelines to Ensure that Audits by the Audit Committee May Be Conducted Effectively

Other Matters Related to Corporate Governance

Resona Succession Plan

Aiming for sustained improvements in corporate value, the Group introduced a succession plan in June 2007 that serves as a mechanism to ensure the successions of the top management roles and responsibilities and secure the transparency of the process of selecting and nurturing directors.

The scope of the succession plan covers various candidates, from those who are candidates for the next generation of top leadership to those who are new candidates for directorships. The process of selection and nurturing successors is carried out steadily according to a schedule, matching qualified candidates to the appropriate rank. The Group retains the objectivity of this process by drawing on the advice of external consultants. Evaluations of candidates undergoing the process are reported to the Nominating Committee. In addition to receiving reports on candidate evaluations, members of the Nominating Committee come into direct contact with candidates as part of the process, evaluating candidates' characters from various aspects.

The activities of the Nominating Committee are reported to the Board of Directors, of which outside directors are the majority, and are discussed from diverse perspectives. Through the entire process, which is highly transparent, each potential director's capabilities and competencies are closely studied and enhanced where appropriate.

In addition, Resona Holdings has set forth seven competencies that define the ideal candidate for the position of director. By ensuring that the directors in the Nominating Committee as well as the other directors share common ideals regarding candidates, the Company clarifies standards for the evaluation and nurturing of successors and thereby aims to realize impartiality during the entire process.

Outside Directors

Tsutomu Okuda
Director and Senior Advisor of J. FRONT RETAILING Co., Ltd.
Time in current position: Seven years

Area(s) of Responsibility
Chairperson, Compensation Committee
Outside Director

Statements at Directors' Meetings and on Other Occasions
With his extensive knowledge and experience as a chief executive officer in the retail industry, Mr. Okuda brings to the Board of Directors and other committees new ideas, opinions, and advice, focusing particularly on marketing strategy and the promotion of business management innovation.

Message to Stakeholders
With the basic guiding principle, "Customers' joys and happiness are synonymous with Resona's" I will conduct my management duties in a manner that responds to the expectations of society and our stakeholders. My objective will be to "establish a true retail bank" that is sound and offers highly convenient services to its customers as it draws fully on its consulting functions as a financial intermediary.

Shusai Nagai
Professor, Faculty of Business Administration of Toyo Gakuen University Graduate School
Time in current position: Seven years

Area(s) of Responsibility
Chairperson, Audit Committee
Member, Nominating Committee
Outside Director

Statements at Directors' Meetings and on Other Occasions
As a specialist in the field of finance with a wealth of knowledge and experience, Mr. Nagai brings to the Board of Directors and other committees his invaluable opinions and advice across a wide spectrum of areas, focusing particularly on integrated risk and earnings management.

Message to Stakeholders
I am supervising the conduct of management based on my mandate from investors and working to increase the Company's corporate value in the medium-to-long term. Based on my experience in a private-sector bank, I am monitoring integrated risk management and earning management primarily. I want the Resona Group to be a corporate group that is truly useful to its customers and contributes to society.

Emi Osono
Professor of Hitotsubashi University Graduate School of International Corporate Strategy
Time in current position: Two years

Area(s) of Responsibility
Member, Nominating Committee
Outside Director

Statements at Directors' Meetings and on Other Occasions
As a specialist in the field of corporate management with a wealth of knowledge and experience, Ms. Osono brings to the Board of Directors and other committees invaluable insight and advice spanning a wide spectrum of areas but focusing particularly on management strategy and organizational reforms.

Message to Stakeholders
In my role as an outside director, I ask myself the following questions over and over. Are the self-reform activities of the Resona Group, which is aiming to be a financial services company, responding to what customers really want? Are these activities attaining a superior level that customers will sense are different from other financial institutions? Are the management and employees working together for the shared goal?

Toshio Arima
Chairman of the Board, Global Compact Japan Network
Time in current position: Two years

Area(s) of Responsibility
Chairperson, Nominating Committee
Member, Compensation Committee
Outside Director

Statements at Directors' Meetings and on Other Occasions
Mr. Arima brings to the Board of Directors and other committees his invaluable opinions and advice across a wide spectrum of areas, focusing on customer service and corporate social responsibility. He draws on concept-building capabilities and experience that he has nurtured through his service as the manager of manufacturing and sales businesses.

Message to Stakeholders
The Japanese economy, which had been stagnant for some time, is now showing signs of brightness. We have a major role to play in the financial services industry to nurture these budding signs of change. Resona has taken major steps toward full repayment of the public funds that were injected to strengthen its capital position. I would like to perform my role as outside director to help Resona at this important time in its development to show its true strengths and not to betray the trust of its customers.

Yoko Sanuki
Representative of NS Law Office
Time in current position: One year

Area(s) of Responsibility
Member, Audit Committee
Outside Director

Statements at Directors' Meetings and on Other Occasions
Based on her knowledge and experience as an expert in law, Ms. Sanuki proactively brings to the Board of Directors and other committees sound opinions and advice, especially from the perspective of laws and regulations as well as compliance.

Message to Stakeholders
When companies make reforms, the executives must respond to opinions and questions from a multitude of perspectives. That is why outside directors from many fields and walks of life are needed, and their views must be independent and supported by professional knowledge. Everyday, I am asking myself the question "Does my perspective meet these standards?"

Mitsudo Urano
Senior Advisor of Nichirei Corporation
Time in current position: Since June 21, 2013

Area(s) of Responsibility
Member, Compensation Committee
Outside Director

Statements at Directors' Meetings and on Other Occasions
With his extensive knowledge and experience as a chief executive officer in the fields of manufacturing and logistics, Mr. Urano is expected to proactively bring to the Board of Directors and other committees sound opinions and advice, especially from the perspective of facilitating reforms in management and corporate culture.

Message to Stakeholders
To receive a positive evaluation from stakeholders as a sound bank that provides highly convenient services, Resona will be required to polish its strengths and keep a thorough market-oriented way of thinking. I will draw on my management experience in the food products industry, and want to play a useful role from this perspective as I participate in the management of Resona.

Note: For periods of service of less than one month between the appointment of outside directors and July 1, 2013, the time in the current position has been rounded off. (As of July 1, 2013)

COMPLIANCE SYSTEMS

The Resona Group is strongly aware of the responsibilities of financial 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* (the 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.

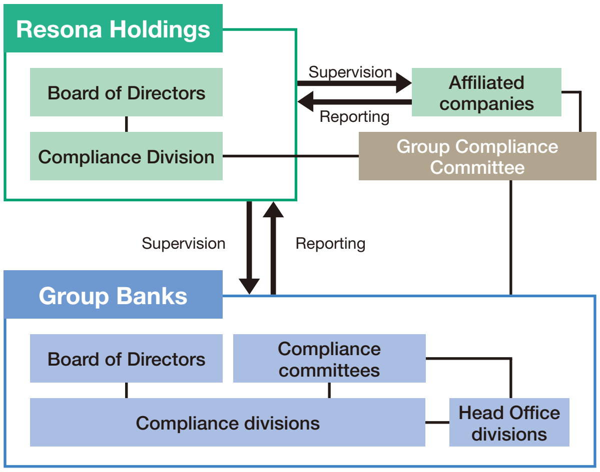
The introduction to the *Resona Standards* is "Aiming to Be a Good Company," a message from the top management. It takes a clear stance on compliance at the Resona Group, stating that corporate ethics must be improved, and identifies the most-important issues as 1) what the company can do for society 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 issues 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. The Group Compliance Committee, of which these responsible divisions and individuals are members, 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 not to engage in transactions with anti-social forces and to prevent them from intervening in transactions with customers through the corporate activities of Resona Holdings and other 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.

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	Setting risk limits, credit rating system, portfolio management, credit analysis and management, 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, 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.

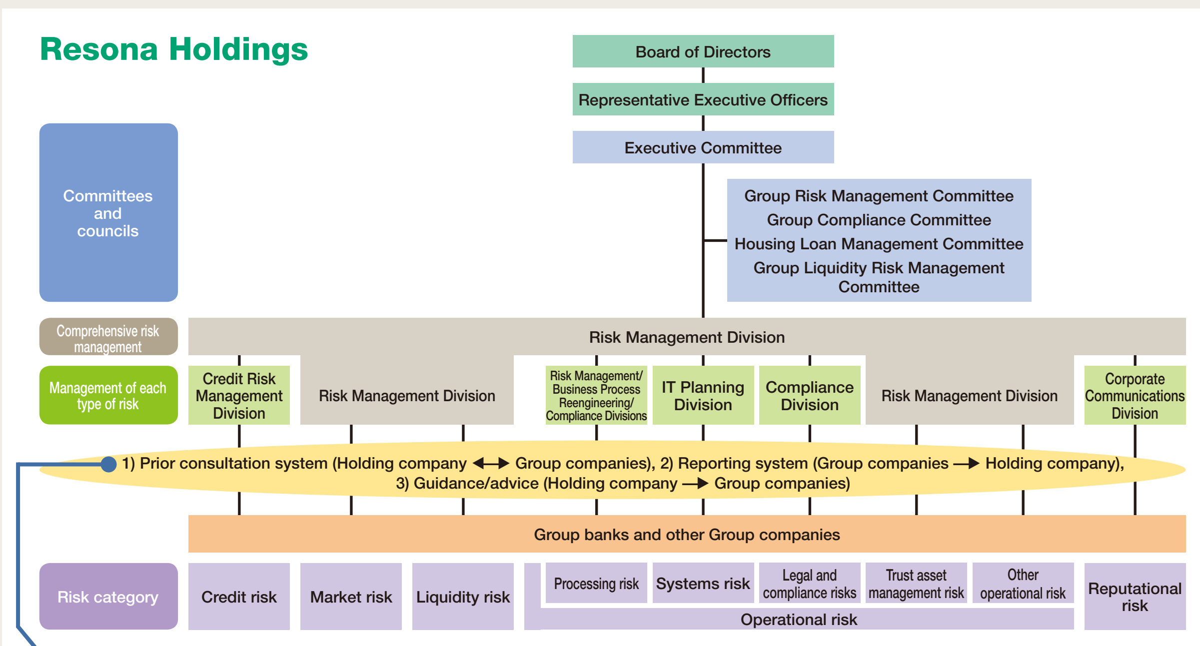
The Group management framework requires that Group companies confer with Resona Holdings in advance of making decisions on important matters related to risk management and base their decisions on those consultations.

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.

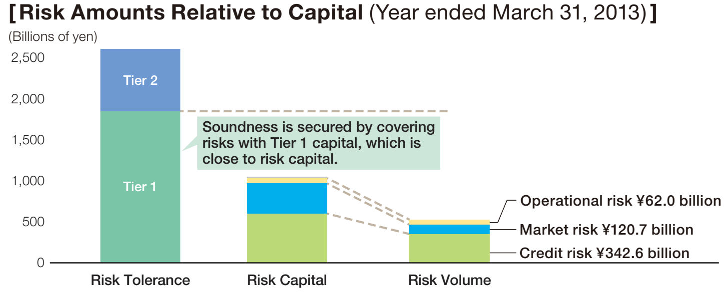
In addition, although the Resona Group is constantly working to improve the quality of risk measurement through various means, including the application of the VaR method, there are risks that cannot be quantified by statistical risk management methods. Based on this fact, Resona Holdings and Group banks 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 with a specified confidence interval (probability) and over a specified period.

[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 Amounts Relative to Capital (Year ended March 31, 2013)**]**



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 the amount of credit risk within appropriate limits, we aim to maintain the soundness of our operations.

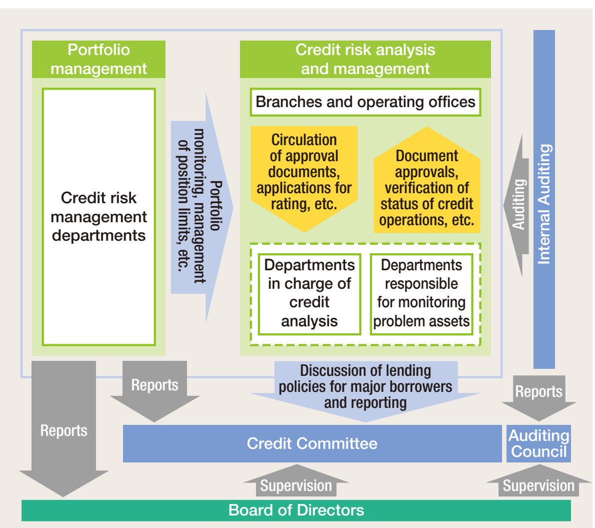
Positioning credit risk management as one of the most-important management issues, Resona Holdings has formulated the *Group Risk Management Policy.* Based on this policy, the Resona Group establishes and upgrades its credit risk management systems and relevant procedures.

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. Please note that for housing loans, which account for a high percentage of the loan portfolio, the Groupwide Housing Loan Management Committee meets periodically, with the objective of enhancing the sophistication of credit risk management.

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, credit risk amounts, 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, credit risk amounts, 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, taking in account that providing business revitalization support is an important role of financial institutions in society, 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 PD* 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.

* PD is the probability of default of an obligor (in the case of a business corporation) in a certain credit rating category or the probability of default on a transaction that is part of a transactions pool (in the case of retail transactions) over a one-year period.

[Credit Rating Scale]

Obligor Ratings	Obligor Category		Definition
SA		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	Normal	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 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	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 corporate exposure 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 Group banks employ the PD/LGD method[*1] for calculating risk-weighted assets for their equity investments for relationship purposes (with the exception of those stocks for which other methods of calculation have been specified) and by the same method for corporate exposures.

■ **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-weighted 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 risk-weighted assets as these funds. When the PD/LGD method is used to calculate the risk-weighted 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 corporate exposures.

■ **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[*2]. 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 Group banks estimate and verify the PD 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 each bank. Such estimates are used in the calculation of their capital adequacy ratios. These parameters are also used for decision making concerning risk capital allocation and risk-adjusted asset management by major business lines.

*1 The PD/LGD method is a method used for calculating risk-weighted assets by taking account of PD and LGD for each credit rating category.

*2 LGD is the percentage of the loss at the time of default to the amount of exposure.

[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			Stocks held for relationship purposes	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.

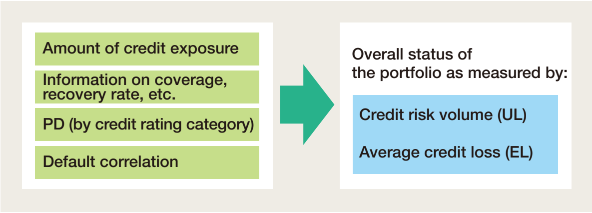
Excessive concentrations of loans and bills discounted to certain obligors resulted in substantial credit losses, and, in light of the Group banks' experience in receiving a capital infusion with public funds, it has implemented a credit ceiling system that prevents excessive concentration of risk. Under 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 and industry classifications, we regularly monitor changes in the amount of credit exposure and credit costs as well as the state of risks and returns.

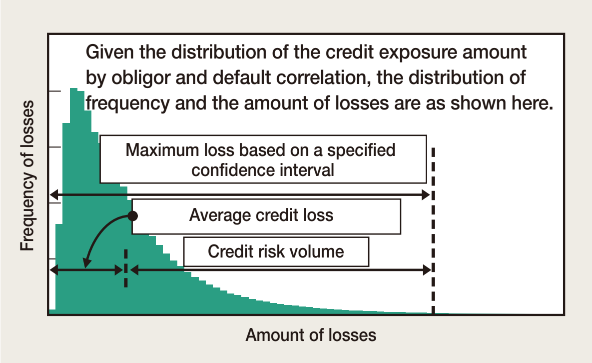
Quantifying and Establishing Limits for Credit Risk

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 PD 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 the credit risk amount for individual obligors and industries. The Resona Group distributes the credit risk amount 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 provide as much support as possible for implementation of restructuring 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.

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.

Rating	Obligor 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.

Securitization Transactions

The Resona Group, as noted below in this section, makes investments in securitized credit risk assets and engages in a range of other securitization transactions, including securitization* transactions of accounts receivable and notes receivable as a financing method of our customers. Please note that the method for calculating risk-weighted assets in securitization exposure (including re-securitization exposure), as regards accounting policy and quantitative information, etc., is contained in the section "Status of Capital Adequacy/ Basel 2 Data Section."

* 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." In addition, re-securitization transactions are specified to be "those securitization transactions in which a portion or all of the underlying assets are securitization exposure."

Securitization Exposures Held by the Holding Company Group as an Investor

The Group banks may hold for investment purposes investment products for which the underlying assets are housing loans and commercial real estate. 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. Also, securitized products in addition to general market risk (including interest rate risk, exchange risk, and price fluctuation risk) may also have risks that are particular to securitized products, including risk arising from changes in the credit standing of an issuer, the condition of underlying assets, and differences in syndication schemes. The risk management divisions gain an understanding of these "structural features" and monitor "the condition of the underlying assets" and "information that requires continued surveillance related to these structural features." The risk management divisions also confirm that credit enhancements are sufficient and conduct stress tests taking into account changes in credit ratings, changes in market conditions, market liquidity conditions, and individual factors. Please note that securitized products that are classified as re-securitized exposure are managed in the same way as securitization exposure.

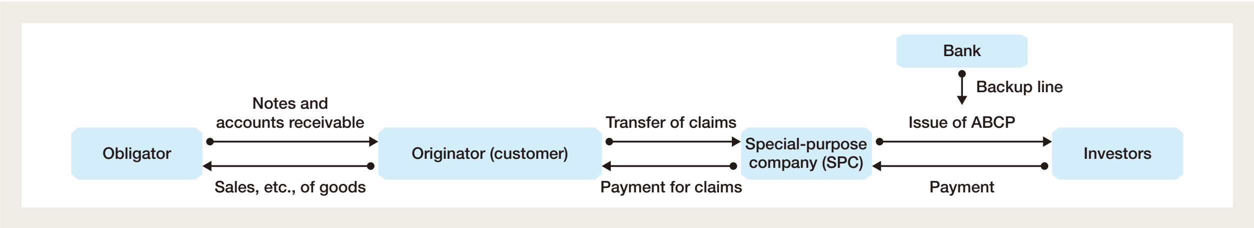
Securitization Exposures Originated by the Holding Company Group

The Group banks, to control credit risk and interest rate risk of assets on the balance sheets, securitize housing loans and non-performing loans. 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 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 lines and ABL 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. Since the Group banks make arrangements for programs to liquefy assets to enable customers to raise funds, they have an appropriate understanding of the "structural features" that give rise to risks particular to securitized products. Also, Group banks have systems in place to gain an understanding of the "condition of the underlying assets" at all times.

[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, 2012 to March 31, 2013 was as follows.

Resona Bank

(Billions of yen)	Period end	Maximum	Minimum	Average
Trading transactions	2.61	5.19	1.84	2.96
Banking transactions	45.7	55.5	31.3	45.4

* 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

Saitama Resona Bank

(Billions of yen)	Period end	Maximum	Minimum	Average
Trading transactions	0.10	0.14	0.02	0.06
Banking transactions	9.0	9.6	8.0	8.7

* 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	0.18	0.00	0.07
Banking transactions	7.1	8.8	6.7	7.5

* 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 (core deposits), Group banks 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. In addition, to calculate the interest rate risk of possible prepayments of housing loans, future cash flows are estimated based on analysis of 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 • 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, to identify the status of risk at an early stage.

Processing Risk

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.

To prevent processing errors, the Group banks have processing procedures in place and conduct 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.

The 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.

Each of the Group banks conducts 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 examined by an external auditing organization according to U.S. Statement on Standards for Attestation Engagements No. 16 (SSAE 16), 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, there is a possibility that they could cause more unfavorable consequences than might be expected, including loss of trust, a fall in share prices, fewer transactions, and damage to the brand.

In the Resona Group, we position reputational risk as an important area for management attention and take preventive measures against the emergence of reputational risk by maintaining and enhancing trust through the timely and appropriate disclosure of information.

Specifically, we strive to identify emerging reputational risk at an early date by checking for rumors on the Internet, speculative articles in the mass media, and other information carried in various media. In addition, to prevent the appearance of reputational risk as a result of the use of social media, we have prepared our *Social Media Policy.*

When reputational risk materializes, we protect the interests 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 when the degree of crisis is high, matters will be handled promptly by 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.

INITIATIVES TO IMPROVE MANAGEMENT OF SMES AND REVITALIZE COMMUNITIES

Policy for Initiatives to Support the Management of SMEs

The Resona Group endeavors to build relationships and bonds of trust with small and medium-sized enterprises (SMEs) as well as its other customers. Based on these relationships, the Resona Group banks and other Group companies strive to provide their solutions capabilities, products, and services at an appropriate timing to respond to customer needs that arise in their business activities and at various stages of their lives.

In addition, the Resona Group is aware that the most-important role that society expects it to perform as a financial institution is to smoothly provide the necessary funding for its customers, including SMEs that are conducting sound business operations. Based on this awareness, each of the Group banks has adopted the following Basic Policy for Facilitating Finance, and, as each Group bank gives due attention to sound and appropriate conduct of its business activities, it makes its best efforts to facilitate financing.

All Management and Staff Will Conduct Business Activities with an Awareness that Society Expects the Resona Group to Facilitate Financing

- To the greatest extent possible, we will be flexible in providing new funding and changing repayment terms and conditions for our customers who are conducting business and living soundly.
- Even after making changes in repayment terms and conditions, we will provide management advice and other services to our customers to give them appropriate support and help them improve and revitalize their business activities.

To Facilitate Financing, Resona Group Personnel Will Know Their Customers and Maintain a Sincere Attitude at All Times

- We will give appropriate and sufficient explanations to our customers regarding new funding and changing repayment terms and conditions. Especially in cases where we do not accept customer applications and conclude contracts with terms and conditions differing from those requested in customer applications, we will strive to gain the understanding of customers by providing detailed and sufficient explanations.
- When customers make inquiries regarding new funding and changing repayment terms and conditions, we will offer advice and respond appropriately to requests and complaints.

The Resona Group Will Create the Necessary Systems to Implement Appropriate Measures for Facilitating Financing

- To manage the facilitation of financing, the Resona Group will appoint an executive officer (or a member of the Board of Directors) who has the necessary knowledge and experience to manage the facilitation of finance and appoint other officers with the necessary qualifications.
- The executive officer (or a member of the Board of Directors) in charge playing a central role, consideration will be given to policies and measures to actively support customers by providing them with management advice and initiatives to make improvements in their business activities.

The Resona Group Will Actively Communicate Its Systems for Acceptance and Response to Facilitate Financing

- We will proactively provide information on our website and at our offices regarding systems for accepting and responding to requests for advice from customers.
- We will make public announcements and reports to the supervisory authorities in compliance with laws and regulations.

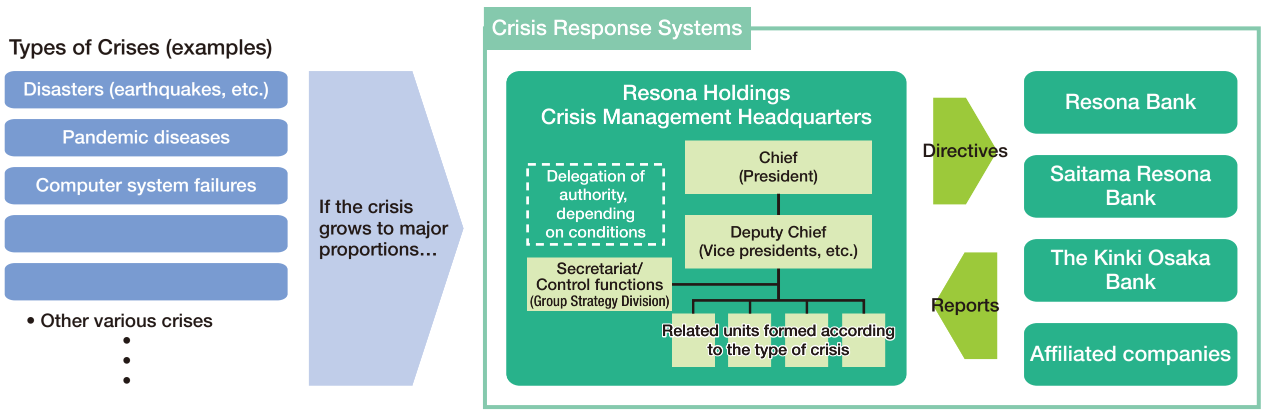
CRISIS MANAGEMENT AND BUSINESS CONTINUITY MANAGEMENT

Crisis Management Systems

To deal with risks that arise due to disasters and computer system failures, and then lead to crises that extend beyond the domain of risk management, Resona Holdings and other Resona Group companies have prepared basic policies for crisis management and established crisis management systems. These policies and systems are intended to ensure the continuation of business activities and the early restoration of functions with the aims of securing the safety of customers, employees, and others and taking quick action and other measures to minimize risk.

When a major crisis occurs, a crisis management headquarters is formed in each Group company, which is headed by the presidents of the respective Group companies (or their duly appointed representatives). Group companies then work together to respond to the crisis.

Diagram of Group Crisis Management Systems



Business Continuity Systems

Basic Policy for Business Continuity

When crises emerge that threaten the continuity of business operations as a result of major earthquakes, pandemic diseases, and other crises, the basic policy of the Resona Group regarding business continuity is as shown below. To prevent the interruption of financial system functions, the Group prepares business continuity plans and works to create systems for business continuity, and then endeavors to make improvements in these plans and systems based on the results of their inspections by the representative executive officers (or representative directors) in charge.

Basic Policy for Business Continuity

- Securing the lives and personal safety of customers, employees, and other related persons will be given priority over all else.
- To the maximum extent possible, measures will be taken to continue business activities and restore functions at an early date to contribute to the maintenance of the livelihood and economic activities of customers as well as to restrain the impact on the monetary settlement systems.
- To keep opportunity and other losses due to the suspension of business operations to an absolute minimum and to appropriately secure assets and trust assets, soundness will be maintained and management risk will be minimized.
- To ensure the efficacy of the above policies, the necessary systems and infrastructure will be created and appropriate management resources will be allocated.

Preparation of Business Continuity Plans

The Resona Group companies, based on the Basic Policy for Business Continuity, have prepared a business continuity plan, various rules and regulations, manuals, and other items based on the assumption of the occurrence of such crises as a major earthquake, pandemic diseases, and other crises.

In the business continuity plan, it is assumed that the continuation of business operations will be difficult because of crises, such as a major earthquake. While giving due consideration to the safety of the lives and personal safety of customers, employees, and others, the plan sets forth specifically the measures that will be taken to secure the necessary management resources and business execution systems as well as measures to provide for continuing business operations and securing the early restoration of functions to maintain the proper workings of the financial system.

Priority Business Operations during Times of Crises

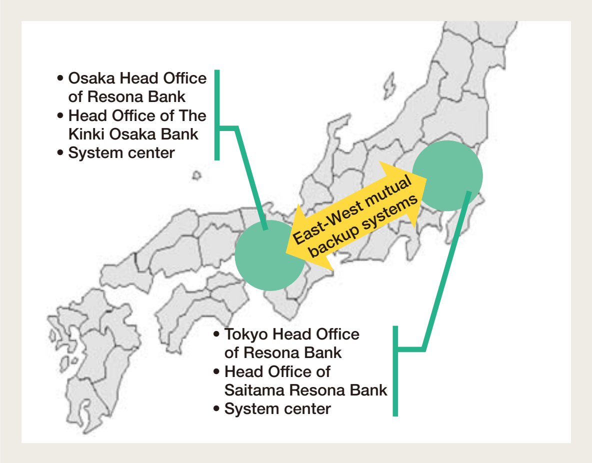
After giving consideration to customers and monetary settlements, the Resona Group companies have positioned the following business operations as priority activities during emergencies following major earthquakes and other disasters: Deposits, money transfers, funds and securities settlement, and certain other activities. The objective we have set is to have these business operations back in service within the same day the disaster occurs.

Principal Infrastructure Improvements

To prepare for major earthquakes, in their headquarters, branches, system centers, and major facilities, the Resona Group companies are taking such steps as increasing the earthquake resistance of their buildings and installing emergency electric power generators.

In addition, Group companies have established Head Office functions and system centers in both the Tokyo metropolitan area in eastern Japan and in the Kinki region in the western part of the country to reduce the risk of the impairment of these functions and provide backup systems in the event of a major earthquake in eastern or western Japan. In addition, as a safety measure for major computer systems, Group companies have provided for emergency backup systems in remote areas and have built the duplicated network infrastructure among offices. Also, to provide for the possibility that communication networks may go down, Group companies have introduced multiple communication devices, including satellite phones, telephones that have priority during disasters, transceivers for business use, etc. Also, to strengthen capabilities for making contact during emergencies, the Group is planning to install TV conferencing systems.

The Group's East-West Backup Systems



Securing Personnel for Business Continuity

During times of crises, such as major earthquakes, pandemic diseases, and other crises, it may be difficult to secure sufficient personnel for the continuation of business operations as employees may fall victim to these circumstances or become incapacitated as a result of them, and transportation systems may be disrupted. For these reasons, the companies of the Resona Group have prepared measures for securing necessary personnel during times of emergency under the assumption that the safety of personnel can be maintained. Also, in major offices, stores of emergency supplies have been readied for such contingencies.

Cooperating with and Contributing to the Community

The companies of the Resona Group, as retail banks with close ties to their regions, contribute to their local communities from a financial perspective through the continuation of their business activities. Resona Group companies also work together with local communities during times of disaster to restore operational functions and, during normal times, to provide educational and information dissemination activities.

Saitama Resona Bank has concluded an agreement with Saitama Prefecture entitled "Comprehensive Agreement Concerning Cooperation during Times of Disaster." In September 2012, Saitama Resona participated in a disaster training exercise and fair sponsored by Saitama Prefecture and Hanno City (Saitama) and is working in cooperation with the local community.

Initiatives to Upgrade Business Continuity Systems

The companies of the Resona Group are preparing business continuity systems to deal with many kinds of crises. These include major earthquakes, pandemic diseases, system failures due to cyber-terror incidents, and other crises. At the same time, the Group is working to increase its capabilities for coping with crises through training and education courses for employees. To have Resona Group customers use its services with a sense of safety, the Group is continuing to enhance the sophistication of its business continuity systems.

Joint Group business continuity practice exercise in progress

CAPITAL MANAGEMENT SYSTEMS

Resona Group's Response to Capital Adequacy Regulations

Capital adequacy regulations are a framework aimed at securing the soundness of financial institutions through enhancement of capital. This framework has three components: namely, minimum capital requirements, self-assessment and supervisory reviews, and market discipline enhanced through information disclosure.

To secure sufficient capital for the Resona Group, in line with the 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 calculation of the capital adequacy ratio (Note 1). The Group is also moving forward with initiatives to enhance the level of risk management.

Method for Calculating the Capital Adequacy Ratio

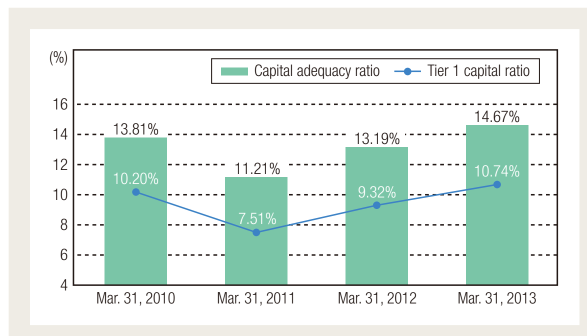
Note: The amount equivalent to market risk is not included since all Group banks apply the special measure for exempting inclusion.

Notes: 1. The Resona Group's method for calculating its capital adequacy ratio is outlined above. The capital adequacy ratio of Resona Holdings and Resona Group banks, as of March 31, 2013, was calculated according to the domestic standard of the Notification on the Consolidated Capital Adequacy Under Basel 2.

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 the Consolidated Capital Adequacy and differs from the "gross operating profit" that appears on the Resona Group's financial statements.

Taking account of the worldwide financial crisis after 2007, the Basel 3 framework, which calls for enhancing both the quality and quantity of capital, is scheduled to be implemented and applied to the banks that adopt domestic standards from March 2014 onward. The Resona Group continues to apply domestic standards with regard to the capital adequacy regulation for the time being, as it takes priority in securing the business model as a new financial services company concentrating in Japan. However, in order to secure a sound capital surplus, the Resona Group shall engage in equity capital management with an awareness of the international uniform standards.

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

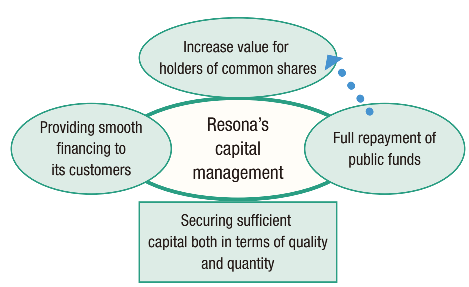


Resona Group's Capital Management

The Resona Group will work to "secure sufficient capital both in terms of quality and quantity" as it "provides smooth financing to its domestic customers," which is the most-important mission that it must fulfill as a financial institution.

In addition, in May 2013, the Resona Group formulated the "Public Funds Full Repayment Plan", which calls both for full repayment and for increasing ordinary shareholders' value. As conditions precedent to the Plan, as well as for purposes of ensuring sufficient equity capital under domestic standards based on Basel 3, the Resona Group shall have a target for equity capital management for the time being to secure the level of around 5.5% or higher common equity Tier 1 ratio and around 7.0% or higher Tier 1 ratio under international uniform standards.

Looking ahead, the Resona Group will continue to manage its capital in an appropriate manner as described below.



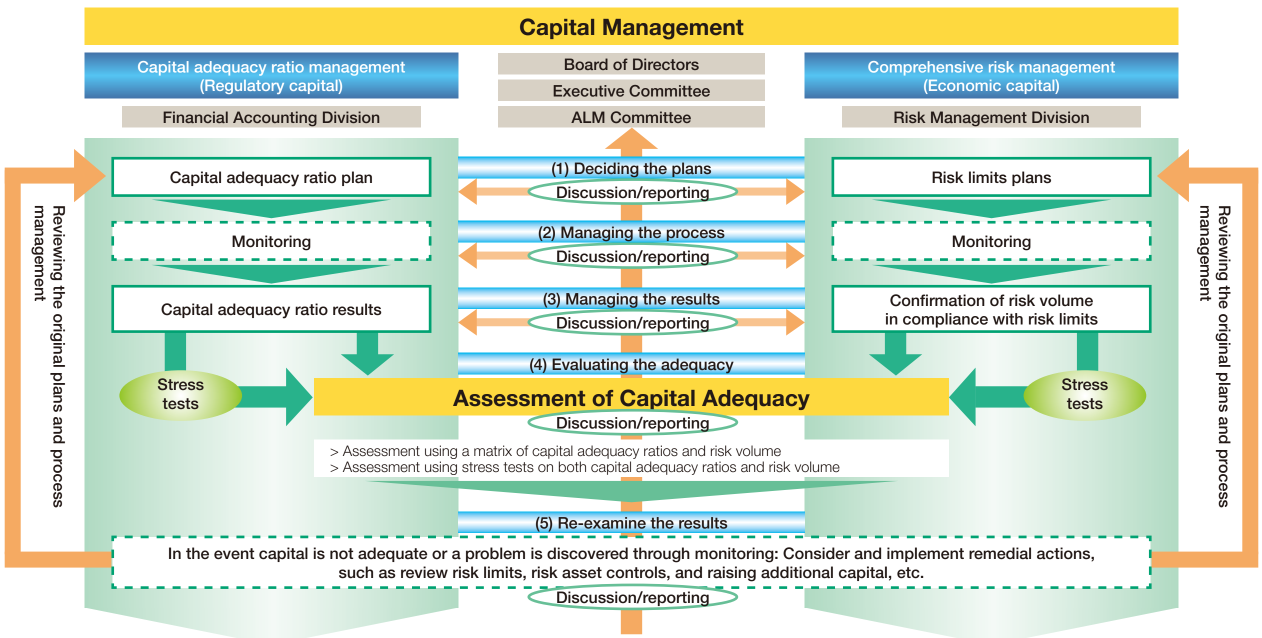
Governance and Implementation of the PDCA Cycle in Capital Management

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 capital adequacy 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 taken into account in the first perspective under capital rules (such as credit concentration, interest rate risk in the banking book, and other factors), we make comprehensive assessments of capital adequacy.

Under this system for capital management, during the fiscal year ended March 31, 2013, 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.

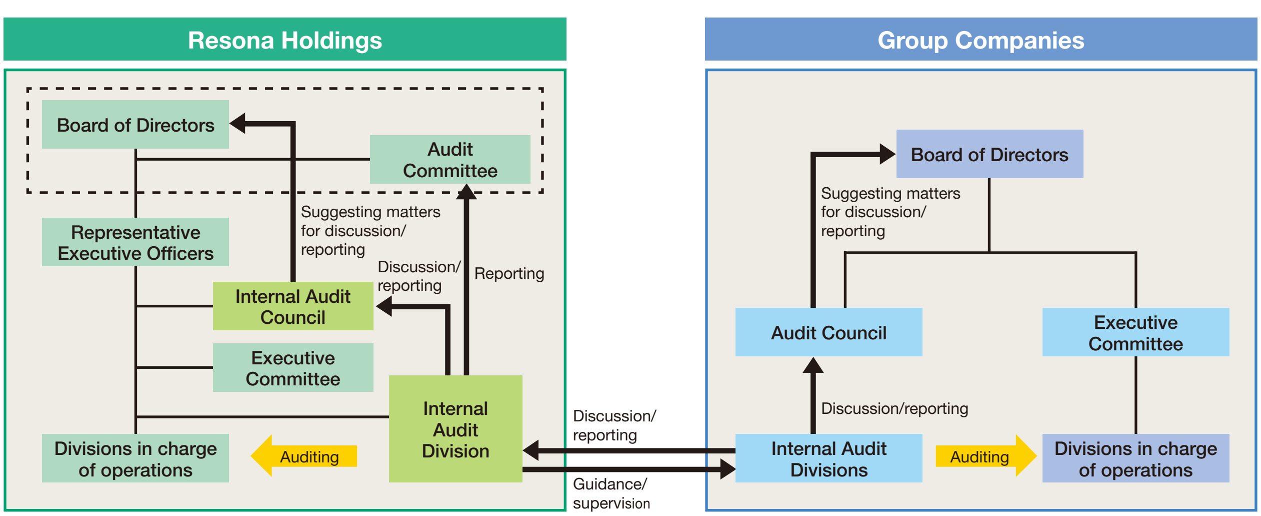
Functions and Roles

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]



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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated balance sheet of Resona Holdings, Inc. (the "Company") and its consolidated subsidiaries as of March 31, 2013, and the related consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its consolidated subsidiaries as of March 31, 2013, and the consolidated results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Emphasis of Matter

As discussed in Note 36(2) to the consolidated financial statements, the Company reduced the amount of capital stock and capital reserve, and determined the matters regarding the acquisition of own shares in accordance with the Public Funds Full Repayment Plan which the board of directors decided to adopt at its meeting held subsequent to the consolidated balance sheet date.

As discussed in Note 36(4) to the consolidated financial statements, the Company acquired own shares and the partial amendments to the article of incorporation became effective in accordance with the Public Funds Full Repayment Plan which the board of directors decided to adopt at its meeting held subsequent to the consolidated balance sheet date.

Our opinion is not qualified in respect of these matters.

Convenience Translation

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

Deloitte Touche Tohmatsu LLC

June 28, 2013
(August 8, 2013 as to Note 36(4))

CONSOLIDATED BALANCE SHEET

Resona Holdings, Inc. and consolidated subsidiaries
March 31, 2013

	Millions of yen		Millions of U.S. dollars (Note 1)
	2013	2012	**2013**
Assets:			
Cash and due from banks (Notes 3, 13 and 29)	**¥ 3,386,146**	¥ 2,707,761	**$ 35,999**
Call loans and bills bought (Notes 4 and 29)	**183,822**	246,323	**1,954**
Monetary claims bought (Note 29)	**376,537**	439,726	**4,003**
Trading assets (Notes 5, 13, 29 and 30)	**787,139**	696,538	**8,368**
Money held in trust	**200**	—	**2**
Securities (Notes 6, 13 and 29)	**10,181,599**	11,335,875	**108,245**
Loans and bills discounted (Notes 7, 13, 14, 29 and 35)	**26,490,121**	25,782,695	**281,630**
Foreign exchange assets (Notes 8 and 29)	**67,782**	76,340	**720**
Other assets (Notes 9, 13, 29, 30 and 31)	**876,023**	1,158,028	**9,313**
Tangible fixed assets (Notes 10, 12, 21 and 28)	**307,328**	307,088	**3,267**
Intangible fixed assets (Notes 11, 12 and 28)	**43,498**	51,860	**462**
Deferred tax assets (Note 27)	**176,269**	169,357	**1,874**
Customers' liabilities for acceptances and guarantees (Notes 20 and 29)	**539,855**	608,435	**5,739**
Reserve for possible loan losses (Note 29)	**(305,532)**	(379,863)	**(3,248)**
Reserve for possible losses on investments	**(161)**	(338)	**(1)**
Total Assets	**¥43,110,629**	¥43,199,830	**$458,331**
Liabilities and Net Assets:			
Liabilities:			
Deposits (Notes 13, 15, 29 and 35)	**¥35,384,871**	¥34,523,604	**$376,194**
Negotiable certificates of deposit (Note 29)	**1,301,400**	1,337,560	**13,835**
Call money and bills sold (Notes 4 and 29)	**250,602**	408,527	**2,664**
Payables under repurchase agreements (Notes 13 and 29)	**38,992**	11,998	**414**
Payables under securities lending transactions (Notes 13 and 29)	**—**	345,063	**—**
Trading liabilities (Notes 5, 29 and 30)	**346,073**	273,269	**3,679**
Borrowed money (Notes 13, 16 and 29)	**671,869**	1,512,904	**7,142**
Foreign exchange liabilities (Notes 8 and 29)	**1,463**	2,051	**15**
Bonds (Notes 17 and 29)	**716,429**	797,076	**7,616**
Due to trust account (Note 29)	**448,793**	354,818	**4,771**
Other liabilities (Notes 13, 16, 18, 29 and 30)	**1,126,413**	1,089,568	**11,975**
Reserve for employees' bonuses	**18,182**	13,943	**193**
Reserve for employees' retirement benefits (Note 31)	**12,940**	12,481	**137**
Other reserves (Note 19)	**39,504**	41,358	**419**
Deferred tax liabilities (Note 27)	**240**	125	**2**
Deferred tax liabilities for land revaluation (Note 21)	**23,690**	23,713	**251**
Acceptances and guarantees (Notes 20 and 29)	**539,855**	608,435	**5,739**
Total Liabilities	**40,921,325**	41,356,500	**435,055**
Net Assets (Notes 22, 33 and 36):			
Capital stock	**340,472**	340,472	**3,619**
Capital surplus	**237,082**	237,082	**2,520**
Retained earnings	**1,315,470**	1,086,691	**13,985**
Treasury stock	**(89,596)**	(86,849)	**(952)**
Total stockholders' equity	**1,803,428**	1,577,397	**19,173**
Net unrealized gains on available-for-sale securities (Note 6)	**186,573**	92,243	**1,983**
Net deferred gains on hedges	**36,319**	27,124	**386**
Revaluation reserve for land (Note 21)	**41,260**	41,303	**438**
Foreign currency translation adjustments	**(4,350)**	(4,629)	**(46)**
Total accumulated other comprehensive income	**259,803**	156,042	**2,762**
Minority interests in consolidated subsidiaries	**126,072**	109,890	**1,340**
Total Net Assets	**2,189,304**	1,843,329	**23,275**
Total Liabilities and Net Assets	**¥43,110,629**	¥43,199,830	**$458,331**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME

Resona Holdings, Inc. and consolidated subsidiaries
For the fiscal year ended March 31, 2013

	Millions of yen		Millions of U.S. dollars (Note 1)
	2013	2012	**2013**
Income:			
Interest income (Note 23)	**¥491,990**	¥520,239	**$5,230**
Trust fees	**21,639**	23,497	**230**
Fees and commissions	**181,932**	171,696	**1,934**
Trading income (Note 24)	**3,542**	11,558	**37**
Other operating income (Note 25)	**53,466**	52,212	**568**
Other income (Note 26)	**80,743**	73,217	**858**
Total Income	**833,315**	852,420	**8,859**
Expenses:			
Interest expenses (Note 23)	**48,920**	56,257	**520**
Fees and commissions	**52,944**	52,010	**562**
Trading expenses	**1,357**	—	**14**
Other operating expenses (Note 25)	**12,185**	15,709	**129**
General and administrative expenses	**361,645**	360,914	**3,844**
Other expenses (Note 26)	**71,912**	94,231	**764**
Total Expenses	**548,966**	579,123	**5,836**
Net income before income taxes and minority interests	**284,348**	273,297	**3,023**
Income Taxes (Note 27):			
Current	**47,627**	12,522	**506**
Deferred	**(43,732)**	2,593	**(464)**
Total income taxes	**3,895**	15,116	**41**
Net income before minority interests	**280,453**	258,180	**2,981**
Minority interests in net income	**5,312**	4,518	**56**
Net income	**¥275,141**	¥253,662	**$2,925**

	Yen		U.S. dollars (Note 1)
Per common share information:			
Net income per share (Basic) (Note 33)	**¥105.71**	¥96.56	**$1.12**
Net income per share (Diluted) (Note 33)	**72.52**	68.36	**0.77**
Cash dividends per share applicable to the fiscal year (Notes 22 and 36)	**12.00**	12.00	**0.12**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Resona Holdings, Inc. and consolidated subsidiaries
For the fiscal year ended March 31, 2013

	Millions of yen		Millions of U.S. dollars (Note 1)
	2013	2012	**2013**
Net income before minority interests	**¥280,453**	¥258,180	**$2,981**
Other comprehensive income (Note 32):			
Net unrealized gains on available-for-sale securities	**94,361**	30,463	**1,003**
Net deferred gains on hedges	**9,194**	10,772	**97**
Revaluation reserve for land	**—**	3,366	**—**
Foreign currency translation adjustments	**14,597**	(1,872)	**155**
Share of other comprehensive income of affiliates accounted for using the equity method	**(3)**	(26)	**(0)**
Total other comprehensive income	**118,149**	42,703	**1,256**
Total comprehensive income (Note 32)	**¥398,602**	¥300,884	**$4,237**
Comprehensive income attributable to (Note 32):			
Owners of the parent	**¥378,945**	¥298,056	**$4,028**
Minority interests	**19,657**	2,827	**208**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

Resona Holdings, Inc. and consolidated subsidiaries
For the fiscal year ended March 31, 2013

	Millions of yen		Millions of U.S. dollars (Note 1)
	2013	2012	2013
Net assets (Note 22)**:**			
Stockholders' equity:			
Capital stock:			
Balance at the beginning of the fiscal year	¥ 340,472	¥ 340,472	$ 3,619
Changes during the fiscal year			
Total changes during the fiscal year	—	—	—
Balance at the end of the fiscal year	¥ 340,472	¥ 340,472	$ 3,619
Capital surplus:			
Balance at the beginning of the fiscal year	¥ 237,082	¥ 237,082	$ 2,520
Changes during the fiscal year			
Disposal of treasury stock	(0)	(0)	(0)
Transfer from retained earnings to capital surplus	0	0	0
Total changes during the fiscal year	—	—	—
Balance at the end of the fiscal year	¥ 237,082	¥ 237,082	$ 2,520
Retained earnings:			
Balance at the beginning of the fiscal year	¥1,086,691	¥ 879,381	$11,553
Changes during the fiscal year			
Dividends paid	(46,404)	(46,894)	(493)
Net income	275,141	253,662	2,925
Reversal of revaluation reserve for land	42	542	0
Transfer from retained earnings to capital surplus	(0)	(0)	(0)
Total changes during the fiscal year	228,778	207,309	2,432
Balance at the end of the fiscal year	¥1,315,470	¥1,086,691	$13,985
Treasury stock:			
Balance at the beginning of the fiscal year	¥ (86,849)	¥ (86,847)	$ (923)
Changes during the fiscal year			
Purchase of treasury stock	(3,449)	(2)	(36)
Disposal of treasury stock	701	0	7
Total changes during the fiscal year	(2,747)	(1)	(29)
Balance at the end of the fiscal year	¥ (89,596)	¥ (86,849)	$ (952)
Total stockholders' equity:			
Balance at the beginning of the fiscal year	¥1,577,397	¥1,370,089	$16,770
Changes during the fiscal year			
Dividends paid	(46,404)	(46,894)	(493)
Net income	275,141	253,662	2,925
Purchase of treasury stock	(3,449)	(2)	(36)
Disposal of treasury stock	701	0	7
Reversal of revaluation reserve for land	42	542	0
Total changes during the fiscal year	226,031	207,307	2,403
Balance at the end of the fiscal year	¥1,803,428	¥1,577,397	$19,173

See accompanying notes to the consolidated financial statements.

(Continued)

	Millions of yen		Millions of U.S. dollars (Note 1)
	2013	2012	2013
Accumulated other comprehensive income:			
Net unrealized gains on available-for-sale securities:			
Balance at the beginning of the fiscal year	**¥ 92,243**	¥ 61,826	**$ 980**
Changes during the fiscal year			
Net changes except for stockholders' equity during the fiscal year	**94,330**	30,416	**1,002**
Total changes during the fiscal year	**94,330**	30,416	**1,002**
Balance at the end of the fiscal year	**¥ 186,573**	¥ 92,243	**$ 1,983**
Net deferred gains on hedges:			
Balance at the beginning of the fiscal year	**¥ 27,124**	¥ 16,352	**$ 288**
Changes during the fiscal year			
Net changes except for stockholders' equity during the fiscal year	**9,194**	10,772	**97**
Total changes during the fiscal year	**9,194**	10,772	**97**
Balance at the end of the fiscal year	**¥ 36,319**	¥ 27,124	**$ 386**
Revaluation reserve for land:			
Balance at the beginning of the fiscal year	**¥ 41,303**	¥ 38,479	**$ 439**
Changes during the fiscal year			
Net changes except for stockholders' equity during the fiscal year	**(42)**	2,824	**(0)**
Total changes during the fiscal year	**(42)**	2,824	**(0)**
Balance at the end of the fiscal year	**¥ 41,260**	¥ 41,303	**$ 438**
Foreign currency translation adjustments:			
Balance at the beginning of the fiscal year	**¥ (4,629)**	¥ (4,468)	**$ (49)**
Changes during the fiscal year			
Net changes except for stockholders' equity during the fiscal year	**279**	(161)	**2**
Total changes during the fiscal year	**279**	(161)	**2**
Balance at the end of the fiscal year	**¥ (4,350)**	¥ (4,629)	**$ (46)**
Total accumulated other comprehensive income			
Balance at the beginning of the fiscal year	**¥ 156,042**	¥ 112,190	**$ 1,658**
Changes during the fiscal year			
Net changes except for stockholders' equity during the fiscal year	**103,761**	43,851	**1,103**
Total changes during the fiscal year	**103,761**	43,851	**1,103**
Balance at the end of the fiscal year	**¥ 259,803**	¥ 156,042	**$ 2,762**
Minority interests in consolidated subsidiaries:			
Balance at the beginning of the fiscal year	**¥ 109,890**	¥ 110,273	**$ 1,168**
Changes during the fiscal year			
Net changes except for stockholders' equity during the fiscal year	**16,181**	(383)	**172**
Total changes during the fiscal year	**16,181**	(383)	**172**
Balance at the end of the fiscal year	**¥ 126,072**	¥ 109,890	**$ 1,340**
Total net assets:			
Balance at the beginning of the fiscal year	**¥1,843,329**	¥1,592,553	**$19,597**
Changes during the fiscal year			
Dividends paid	**(46,404)**	(46,894)	**(493)**
Net income	**275,141**	253,662	**2,925**
Purchase of treasury stock	**(3,449)**	(2)	**(36)**
Disposal of treasury stock	**701**	0	**7**
Reversal of revaluation reserve for land	**42**	542	**0**
Net changes except for stockholders' equity during the fiscal year	**119,943**	43,468	**1,275**
Total changes during the fiscal year	**345,974**	250,776	**3,678**
Balance at the end of the fiscal year	**¥2,189,304**	¥1,843,329	**$23,275**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Resona Holdings, Inc. and consolidated subsidiaries
For the fiscal year ended March 31, 2013

	Millions of yen		Millions of U.S. dollars (Note 1)
	2013	2012	2013
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 284,348	¥ 273,297	$ 3,023
Adjustments for:			
Depreciation and amortization	28,402	27,743	301
Impairment losses on fixed assets	679	2,606	7
Equity in earnings of investments in affiliates	(174)	(191)	(1)
Decrease in reserve for possible loan losses	(74,330)	(44,755)	(790)
Decrease in reserve for possible losses on investments	(177)	(800)	(1)
Increase (decrease) in reserve for employees' bonuses	4,239	(660)	45
Increase in reserve for employees' retirement benefits	459	889	4
Interest income (accrual basis)	(491,990)	(520,239)	(5,230)
Interest expenses (accrual basis)	48,920	56,257	520
Net gains on securities	(15,525)	(23,024)	(165)
Net foreign exchange losses (gains)	30,677	(54,714)	326
Net losses (gains) on disposal of fixed assets	105	(1,030)	1
Net increase in trading assets	(90,600)	(59,029)	(963)
Net increase in trading liabilities	72,803	28,987	774
Net decrease (increase) in loans and bills discounted	(707,426)	70,326	(7,521)
Net increase in deposits	861,267	343,657	9,156
Net decrease in negotiable certificates of deposit	(36,160)	(87,050)	(384)
Net decrease in borrowed money (excluding subordinated borrowed money)	(839,034)	(177,909)	(8,920)
Net decrease (increase) in due from banks (excluding those deposited at Bank of Japan)	(31,755)	228,113	(337)
Net decrease in call loans and other	125,689	98,095	1,336
Net decrease in call money and other	(130,929)	(363)	(1,391)
Net increase (decrease) in payables under securities lending transactions	(345,063)	345,063	(3,668)
Net decrease (increase) in foreign exchange assets	8,558	(12,868)	90
Net increase (decrease) in foreign exchange liabilities	(587)	295	(6)
Net increase in straight bonds	52,820	8,954	561
Net increase (decrease) in due to trust account	93,975	(21,048)	999
Interest receipts (cash basis)	498,915	520,729	5,304
Interest payments (cash basis)	(60,077)	(63,117)	(638)
Other—net	204,307	251,813	2,172
Subtotal	(507,661)	1,190,025	(5,397)
Income taxes paid	(30,889)	(34,627)	(328)
Net cash provided by (used in) operating activities	(538,550)	1,155,398	(5,725)
Cash flows from investing activities:			
Purchases of securities	(27,930,944)	(41,237,703)	(296,948)
Proceeds from sales of securities	25,644,024	36,553,559	272,634
Proceeds from redemption of securities	3,678,248	3,385,689	39,105
Increase in money held in trust	(200)	—	(2)
Purchases of tangible fixed assets	(9,324)	(9,283)	(99)
Proceeds from sales of tangible fixed assets	1,906	5,873	20
Purchases of intangible fixed assets	(2,677)	(4,546)	(28)
Proceeds from disposal of intangible fixed assets	29	—	0
Other—net	(233)	(348)	(2)
Net cash provided by (used in) investing activities	1,380,828	(1,306,760)	14,680
Cash flows from financing activities:			
Repayment of subordinated borrowed money	(2,000)	(10,000)	(21)
Proceeds from issuance of subordinated bonds	44,756	210,876	475
Repayment of subordinated bonds	(189,005)	(94,096)	(2,009)
Dividends paid	(46,404)	(46,894)	(493)
Dividends paid to minority stockholders of consolidated subsidiaries	(328)	(421)	(3)
Purchases of treasury stock	(3,449)	(2)	(36)
Proceeds from sales of treasury stock	670	0	7
Net cash provided by (used in) financing activities	(195,760)	59,461	(2,081)
Effect of exchange rate changes on cash and cash equivalents	112	(7)	1
Net increase (decrease) in cash and cash equivalents	646,629	(91,907)	6,874
Cash and cash equivalents at the beginning of the fiscal year	2,590,131	2,682,038	27,537
Cash and cash equivalents at the end of the fiscal year (Note 3)	¥ 3,236,761	¥ 2,590,131	$ 34,411

See accompanying notes to the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Resona Holdings, Inc. and consolidated subsidiaries
Fiscal year ended March 31, 2013

1. Basis of Presentation

The accompanying consolidated financial statements have been prepared from the accounts maintained by Resona Holdings, Inc. (the “Company”) and its consolidated subsidiaries (together, the “Group”) in accordance with the provisions set forth in the Financial Instruments and Exchange Act and its related accounting regulations concerning preparation of consolidated financial statements, Ordinance for Enforcement of the Banking Act, and in accordance 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 (“IFRSs”).

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. Certain reclassifications have been made in the 2012 consolidated financial statements to conform to the classifications used in 2013.

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

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of the readers outside Japan and have been made at the rate of ¥94.06 to U.S. $1.00, the rate of exchange prevailing in the Tokyo Foreign Exchange Market on March 31, 2013. 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.

In accordance with the Companies Act of Japan (the “Companies Act”), 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 accordance with Japanese GAAP 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 income 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 Group has the ability to exercise significant influence are accounted for by the equity method.

In order to apply the control and influence criteria for certain collective investment vehicles, such as *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 Accounting Standards Board of Japan (the “ASBJ”).

(a) Scope of consolidation

The number of consolidated subsidiaries as of March 31, 2013 and 2012, was 15 and 16, respectively. The changes in the number of consolidated subsidiaries for the fiscal years ended March 31, 2013 and 2012, were as follows:

(Number of consolidated subsidiaries)	2013	2012
At the beginning of the fiscal year	**16**	17
Decrease:		
Liquidation	**1**	1
At the end of the fiscal year	**15**	16

Asahi Finance (Cayman) Ltd. was excluded from consolidation because it completed the liquidation and is not a subsidiary of the Company anymore.

The Group excludes accounts of certain subsidiaries from consolidation when the total assets, total income, net income or loss (applicable for the owned interest), retained earnings (applicable for the owned interest) and accumulated other comprehensive income (applicable for the owned interest) 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, 2013 and 2012, was one.

The equity method of accounting has not been applied to investments in certain nonconsolidated subsidiaries and affiliates, as the net income or loss (applicable for the owned interest), retained earnings (applicable for the owned interest) and accumulated other comprehensive income (applicable for the owned interest) 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, 2013 and 2012. 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 entity 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, 2013 and 2012, were as follows:

(Number of consolidated subsidiaries)	2013	2012
End of December	**3**	4
End of March	**12**	12

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) Eliminations of intercompany balances and transactions

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

(e) 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 IFRSs 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 tangible fixed assets and investment properties and incorporation of the cost model accounting
(v) 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 date.

(4) Trading income and trading expenses

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

Trading income and trading expenses include interest received and paid during the fiscal year, net changes in fair value of securities and monetary claims, etc., and changes in the close-out value of derivatives during the fiscal 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/accumulation 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 net assets. The fair values of equity securities with quoted market prices are determined based on the average quoted market prices in the last month of the fiscal year. The fair values of securities other than 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).
(iv) nonmarketable 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 or expenses 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 net assets. 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 Industry Audit Committee Report No. 15 “Provisional Accounting and Auditing Treatments on the Application of Accounting Standards for Financial Instruments in the Banking Industry” issued by JICPA (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. There was no remaining balance of deferred hedge gains on macro hedges as of March 31, 2013. The remaining balance of deferred hedge gains on macro hedges as of March 31, 2012, was ¥3 million.

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

(b) Hedges of foreign currency risk

Consolidated domestic banking subsidiaries apply deferral hedge accounting to the hedges of foreign currency risk associated with financial assets and liabilities denominated in foreign currencies in accordance with the Industry Audit Committee Report No. 25 "Accounting and Auditing Treatments for Foreign Currency Transactions in the Banking Industry" issued by JICPA (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 receivables or payables denominated in foreign currencies 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 available-for-sale securities (other than bonds) denominated in foreign currencies, 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 on- and off-balance sheet liabilities denominated in foreign currencies 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) Tangible fixed assets (except for leased assets)

Depreciation of tangible fixed assets (except for 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 tangible fixed assets are as follows:

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

Changes in accounting policies which are indistinguishable from changes in accounting estimates for the fiscal year ended March 31, 2013

The Group has changed the method of depreciation for the tangible fixed assets acquired on and after April 1, 2012, in accordance with the revision made to the Income Tax Act. The impact of this change is immaterial.

(b) Intangible fixed assets (except for leased assets)

Amortization of intangible fixed assets (except for 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 lease transactions 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 (20) "Lease transactions" 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.

(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

Bond issuance costs are charged to expense as incurred.

(10) Dormant deposits

Consolidated domestic banking subsidiaries derecognize the balance of customer deposits in their balance sheets and recognize a gain when they determine that the deposit account has been dormant for a period of more than 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 response 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 reserve 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 exceed 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 situation 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 reserve for possible loan losses is 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, 2013 and 2012, were ¥347,767 million ($3,697 million) and ¥420,113 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 net assets 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 net assets.

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

Assets and liabilities denominated in foreign currency 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 pretax 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 amounts on consolidated balance sheet 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.

Changes in applicable deferred tax assets recoverability for the fiscal year ended March 31, 2013

The Group, under the consolidated corporate-tax system with the Company being a parent company, has changed its classification relating to the realizability of deferred tax assets defined in the JICPA Audit Committee Report No. 66 “Audit Treatment Regarding Judgement of Realizability of Deferred Tax Assets.” The reasons of the change are 1) their tax loss carryforwards already expired, 2) they have been generating stable taxable income consecutively, and 3) it is highly likely for them to continue to generate stable taxable income according to the Business Revitalization Plan newly formulated on November 11, 2012. As a result of the change, the Group is allowed to recognize deferred tax assets as realizable based on the future projected taxable income longer than the next five years which was the period previously allowed for the Group.

Changes in tax rates used to determine deferred tax assets and liabilities

Following the promulgation on December 2, 2011, of the “Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures” (Act No. 114 of 2011) and the “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake” (Act No. 117 of 2011), corporation tax rate has been reduced, and the special reconstruction corporation tax, a surtax for reconstruction funding after the Great East Japan Earthquake, has been imposed from the fiscal years beginning on or after April 1, 2012.

In line with these changes, the effective statutory tax rate used to measure deferred tax assets and liabilities has been changed from 40.64% to 37.97% for temporary differences expected to be reversed in the fiscal years beginning on or after April 1, 2012, and to 35.60% for those expected to be reversed in the fiscal years beginning on or after April 1, 2015.

(18) Consumption taxes

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) Lease transactions

All finance lease transactions entered into on or after April 1, 2008, are capitalized, recognizing leased assets and corresponding obligations under finance lease transactions in the consolidated 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 omitted because the amount is immaterial.

(20) Appropriations of retained earnings

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

(21) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of cash flows include cash and the balances due from the Bank of Japan.

(22) Per share information

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

Diluted net income per share of common stock 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 fiscal year (or at the time of issuance, if the securities were issued during the fiscal year) with applicable adjustments for related interest expenses and dividends, net of any tax effect, and exercise of all conversion options outstanding.

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

(23) Accounting changes and error corrections

The Group has adopted 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 these standard and guidance are as follows:

(i) Changes in accounting policies
When a new accounting policy is applied following revision of an accounting standard, a new policy is applied retrospectively unless the revised accounting standard includes specific transitional, in which case the 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.

(24) Employee stock ownership plan (Stock Benefit Trust)

The Company decided to introduce the Employee stock ownership plan-type Stock Benefit Trust for the Employee Shareholdings Association ("ESOP Trust") on January 31, 2012, and completed the intended stock acquisitions by April 19, 2012. The acquisition and disposal of shares by the ESOP Trust were accounted for as if the Company and the ESOP Trust were a single entity since the Company guarantees the obligation of the ESOP Trust. Therefore, the stocks of the Company owned by the ESOP Trust are disclosed as treasury stocks in the consolidated balance sheet. In addition, assets and liabilities as well as income and expenses of the ESOP Trust are all reflected in the consolidated financial statements.

(25) New accounting pronouncements

Accounting standard for retirement benefits

On May 17, 2012, the ASBJ issued ASBJ Statement No. 26 “Accounting Standard for Retirement Benefits” and ASBJ Guidance No. 25 “Guidance on Accounting Standard for Retirement Benefits” which replaced the Accounting Standard for Retirement Benefits that had been issued by the Business Accounting Council in 1998 with an effective date of April 1, 2000, and the other related practical guidance, and followed by partial amendments from time to time through 2009.

Major changes are as follows:

(a) Treatment in the balance sheet

Under the current requirements, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are not recognized in the balance sheet, and the difference between retirement benefit obligations and plan assets (hereinafter, “deficit or surplus”), adjusted by such unrecognized amounts, is recognized as a liability or asset.

Under the revised accounting standard, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss shall be recognized within net assets (accumulated other comprehensive income), after adjusting for tax effects, and any resulting deficit or surplus shall be recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits).

(b) Treatment in the statement of income and the statement of comprehensive income

The revised accounting standard does not change how to recognize actuarial gains and losses and past service costs in profit or loss. Those amounts would be recognized in profit or loss over a certain period no longer than the expected average remaining working lives of the employees. However, actuarial gains and losses and past service costs that arose in the current period and have not yet been recognized in profit or loss shall be included in other comprehensive income and actuarial gains and losses and past service costs that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period shall be treated as reclassification adjustments.

(c) The Amendments relating to the method of attributing expected benefit to periods and relating to the discount rate and expected future salary increases

The revised accounting standard also made certain amendments relating to the method of attributing expected benefit to periods and relating to the discount rate and expected future salary increases. This accounting standard and the guidance for (a) and (b) above are effective for the end of annual periods beginning on or after April 1, 2013, and for (c) above are effective for the beginning of annual periods beginning on or after April 1, 2014, or for the beginning of annual periods beginning on or after April 1, 2015, subject to certain disclosure in March 2015, both with earlier application being permitted from the beginning of annual periods beginning on or after April 1, 2013. However, no retrospective application of this accounting standard to consolidated financial statements in prior periods is required.

The Group expects to apply the revised accounting standard for (a) and (b) above from the end of the fiscal year beginning on April 1, 2013, and for (c) above from the beginning of the annual period beginning on April 1, 2014, and is in the process of measuring the effects of applying the revised accounting standard in future applicable periods.

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, 2013 and 2012, were as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Cash and due from banks	**¥3,386,146**	¥2,707,761	**$35,999**
Less: Due from banks except for the Bank of Japan	**(149,384)**	(117,629)	**(1,588)**
Cash and cash equivalents	**¥3,236,761**	¥2,590,131	**$34,411**

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

Call loans and bills bought as of March 31, 2013 and 2012, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Call loans	**¥183,822**	¥246,323	**$1,954**

Call money and bills sold as of March 31, 2013 and 2012, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Call money	**¥250,602**	¥408,527	**$2,664**

5. Trading Assets and Trading Liabilities

Trading assets and liabilities as of March 31, 2013 and 2012, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Trading assets:			
Trading securities	**¥423,196**	¥409,690	**$4,499**
Derivatives of trading securities	**10**	21	**0**
Derivatives of securities related to trading transactions	**—**	135	**—**
Trading-related financial derivatives	**363,932**	286,690	**3,869**
Total	**¥787,139**	¥696,538	**$8,368**
Trading liabilities:			
Derivatives of trading securities	**¥ 12**	¥ —	**$ 0**
Derivatives of securities related to trading transactions	**2**	—	**0**
Trading-related financial derivatives	**346,059**	273,269	**3,679**
Total	**¥346,073**	¥273,269	**$3,679**

6. Securities

Securities as of March 31, 2013 and 2012, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Japanese government bonds	**¥ 7,500,107**	¥ 9,090,188	**$ 79,737**
Japanese local government bonds	**617,317**	548,456	**6,563**
Japanese corporate bonds	**1,098,054**	885,617	**11,673**
Japanese stocks	**628,070**	535,393	**6,677**
Other securities	**338,049**	276,219	**3,593**
Total	**¥10,181,599**	¥11,335,875	**$108,245**

As of March 31, 2013 and 2012, securities included equity investments in non-consolidated subsidiaries and affiliates, accounted for by the equity method or the cost method, of ¥19,349 million ($205 million) and ¥19,256 million, respectively, and capital subscriptions to entities such as limited liability companies of ¥2,385 million ($25 million) and ¥2,911 million, respectively.

The amounts on consolidated balance sheet, aggregate fair value and unrealized gains (losses) on held-to-maturity debt securities as of March 31, 2013 and 2012, were as follows:

	Millions of yen		
	Amount on consolidated balance sheet	Estimated fair value	Net unrealized gains (losses)
March 31, 2013			
Fair value exceeding amount on consolidated balance sheet:			
Held-to-maturity debt securities:			
Japanese government bonds	**¥1,824,193**	**¥1,882,306**	**¥58,112**
Japanese local government bonds	**390,894**	**409,083**	**18,189**
Japanese corporate bonds	**5,773**	**5,893**	**120**
Total	**¥2,220,861**	**¥2,297,283**	**¥76,422**
Fair value below amount on consolidated balance sheet:			
Held-to-maturity debt securities:			
Japanese local government bonds	**¥ 3,500**	**¥ 3,494**	**¥ (5)**
Japanese corporate bonds	**433**	**428**	**(4)**
Total	**3,933**	**3,923**	**(9)**
Grand total	**¥2,224,794**	**¥2,301,206**	**¥76,412**
March 31, 2012			
Fair value exceeding amount on consolidated balance sheet:			
Held-to-maturity debt securities:			
Japanese government bonds	¥1,693,953	¥1,730,083	¥36,130
Japanese local government bonds	340,494	353,978	13,483
Japanese corporate bonds	6,318	6,423	105
Total	¥2,040,766	¥2,090,485	¥49,718
Fair value below amount on consolidated balance sheet:			
Held-to-maturity debt securities:			
Japanese local government bonds	¥ 19,102	¥ 19,030	¥ (72)
Japanese corporate bonds	817	803	(14)
Total	¥ 19,920	¥ 19,833	¥ (86)
Grand total	¥2,060,686	¥2,110,318	¥49,631

	Millions of U.S. dollars		
	Amount on consolidated balance sheet	Estimated fair value	Net unrealized gains (losses)
March 31, 2013			
Fair value exceeding amount on consolidated balance sheet:			
Held-to-maturity debt securities:			
Japanese government bonds	**$19,393**	**$20,011**	**$617**
Japanese local government bonds	**4,155**	**4,349**	**193**
Japanese corporate bonds	**61**	**62**	**1**
Total	**$23,611**	**$24,423**	**$812**
Fair value below amount on consolidated balance sheet:			
Held-to-maturity debt securities:			
Japanese local government bonds	**$ 37**	**$ 37**	**$ (0)**
Japanese corporate bonds	**4**	**4**	**(0)**
Total	**41**	**41**	**(0)**
Grand total	**$23,652**	**$24,465**	**$812**

The amounts on consolidated balance sheet, acquisition or amortized cost and unrealized gains (losses) on available-for-sale securities as of March 31, 2013 and 2012, were as follows:

	Millions of yen		
	Amount on consolidated balance sheet	Acquisition/ amortized cost	Net unrealized gains (losses)
March 31, 2013			
Amount on consolidated balance sheet exceeding acquisition or amortized cost:			
Japanese stocks	**¥ 513,148**	**¥ 283,453**	**¥229,695**
Bonds:			
Japanese government bonds	**4,192,674**	**4,178,718**	**13,955**
Japanese local government bonds	**208,278**	**200,074**	**8,204**
Japanese corporate bonds	**1,025,041**	**1,017,596**	**7,445**
Total bonds	**5,425,994**	**5,396,389**	**29,604**
Other	**162,676**	**153,556**	**9,119**
Total	**¥6,101,819**	**¥5,833,400**	**¥268,418**
Amount on consolidated balance sheet below acquisition or amortized cost:			
Japanese stocks	**¥ 46,386**	**¥ 53,803**	**¥ (7,417)**
Bonds:			
Japanese government bonds	**1,483,239**	**1,484,137**	**(897)**
Japanese local government bonds	**14,644**	**14,666**	**(21)**
Japanese corporate bonds	**66,806**	**67,106**	**(300)**
Total bonds	**1,564,690**	**1,565,909**	**(1,219)**
Other	**242,238**	**243,929**	**(1,690)**
Total	**¥1,853,315**	**¥1,863,642**	**¥ (10,327)**
Grand total	**¥7,955,134**	**¥7,697,043**	**¥258,091**

	Millions of yen		
	Amount on consolidated balance sheet	Acquisition/ amortized cost	Net unrealized gains (losses)
March 31, 2012			
Amount on consolidated balance sheet exceeding acquisition or amortized cost:			
Japanese stocks	¥ 350,918	¥ 203,258	¥147,660
Bonds:			
Japanese government bonds	3,284,836	3,278,280	6,556
Japanese local government bonds	143,871	138,444	5,427
Japanese corporate bonds	684,472	679,548	4,924
Total bonds	4,113,181	4,096,273	16,908
Other	85,167	83,127	2,040
Total	¥4,549,268	¥4,382,658	¥166,609
Amount on consolidated balance sheet below acquisition or amortized cost:			
Japanese stocks	¥ 113,029	¥ 139,341	¥ (26,312)
Bonds:			
Japanese government bonds	4,111,398	4,115,021	(3,623)
Japanese local government bonds	44,986	45,109	(122)
Japanese corporate bonds	194,009	194,600	(591)
Total bonds	4,350,394	4,354,731	(4,337)
Other	277,961	282,021	(4,059)
Total	¥4,741,385	¥4,776,094	¥ (34,709)
Grand total	¥9,290,653	¥9,158,753	¥131,900

	Millions of U.S. dollars		
	Amount on consolidated balance sheet	Acquisition/ amortized cost	Net unrealized gains (losses)
March 31, 2013			
Amount on consolidated balance sheet exceeding acquisition or amortized cost:			
Japanese stocks	**$ 5,455**	**$ 3,013**	**$2,442**
Bonds:			
Japanese government bonds	**44,574**	**44,426**	**148**
Japanese local government bonds	**2,214**	**2,127**	**87**
Japanese corporate bonds	**10,897**	**10,818**	**79**
Total bonds	**57,686**	**57,371**	**314**
Other	**1,729**	**1,632**	**96**
Total	**$64,871**	**$62,017**	**$2,853**
Amount on consolidated balance sheet below acquisition or amortized cost:			
Japanese stocks	**$ 493**	**$ 572**	**$ (78)**
Bonds:			
Japanese government bonds	**15,769**	**15,778**	**(9)**
Japanese local government bonds	**155**	**155**	**(0)**
Japanese corporate bonds	**710**	**713**	**(3)**
Total bonds	**16,635**	**16,647**	**(12)**
Other	**2,575**	**2,593**	**(17)**
Total	**$19,703**	**$19,813**	**$ (109)**
Grand total	**$84,575**	**$81,831**	**$2,743**

Note: As of March 31, 2013 and 2012, unlisted stocks in the amounts of ¥49,616 million ($527 million) and ¥52,605 million and investments in partnerships in the amounts of ¥15,165 million ($161 million) and ¥17,920 million, respectively, whose fair values cannot be reliably determined, are not included in the above table.

Proceeds from sales of available-for-sale securities, gains on sales and losses on sales for the fiscal years ended March 31, 2013 and 2012, were as follows:

	Millions of yen			Millions of U.S. dollars		
	Proceeds from sales	Gains on sales	Losses on sales	Proceeds from sales	Gains on sales	Losses on sales
March 31, 2013						
Available-for-sale securities:						
Japanese stocks	**¥ 9,159**	**¥ 3,216**	**¥2,162**	**$ 97**	**$ 34**	**$22**
Bonds:						
Japanese government bonds	**23,874,059**	**31,074**	**3,390**	**253,817**	**330**	**36**
Japanese local government bonds	**38,421**	**343**	**21**	**408**	**3**	**0**
Japanese corporate bonds	**284,964**	**1,184**	**0**	**3,029**	**12**	**0**
Total bonds	**24,197,445**	**32,602**	**3,412**	**257,255**	**346**	**36**
Other	**1,319,451**	**10,764**	**2,016**	**14,027**	**114**	**21**
Total	**¥25,526,057**	**¥46,582**	**¥7,591**	**$271,380**	**$495**	**$80**
March 31, 2012						
Available-for-sale securities:						
Japanese stocks	¥ 17,218	¥ 6,244	¥ 123			
Bonds:						
Japanese government bonds	33,789,945	25,101	4,559			
Japanese local government bonds	59,864	417	31			
Japanese corporate bonds	503,242	904	0			
Total bonds	34,353,052	26,423	4,592			
Other	1,821,334	13,159	8,687			
Total	¥36,191,605	¥45,828	¥13,403			

For the fiscal years ended March 31, 2013 and 2012, 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 fiscal years ended March 31, 2013 and 2012, impairment losses of ¥13,770 million ($146 million) and ¥1,230 million, respectively, were recorded with respect to securities with fair values except for trading securities.

The amount on consolidated balance sheet, acquisition or amortized cost and unrealized gains (losses) on other money held in trust as of March 31, 2013, was as follows:

	Millions of yen				
	Amount on consolidated balance sheet	Acquisition/ amortized cost	Net unrealized gains (losses)	Amount on consolidated balance sheet exceeding acquisition or amortized cost	Amount on consolidated balance sheet below acquisition or amortized cost
March 31, 2013					
Other money held in trust	**¥200**	**¥200**	**¥—**	**¥—**	**¥—**

	Millions of U.S. dollars				
	Amount on consolidated balance sheet	Acquisition/ amortized cost	Net unrealized gains (losses)	Amount on consolidated balance sheet exceeding acquisition or amortized cost	Amount on consolidated balance sheet below acquisition or amortized cost
March 31, 2013					
Other money held in trust	**$2**	**$2**	**$—**	**$—**	**$—**

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 net assets as of March 31, 2013 and 2012, in the consolidated balance sheets, was as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Net unrealized gains before taxes on available-for-sale securities(*)	**¥249,859**	¥123,668	**$2,656**
Deferred tax liabilities	**(63,213)**	(31,383)	**(672)**
Net unrealized gains on available-for-sale securities (before adjustment)	**186,646**	92,285	**1,984**
Amounts attributable to minority interests	**(72)**	(45)	**(0)**
The Company's portion of unrealized gains on available-for-sale securities of equity method investees	**(0)**	3	**(0)**
Amounts recorded in the consolidated balance sheets	**¥186,573**	¥ 92,243	**$1,983**

Note: (*) There was no money held in trust for trading purposes as of March 31, 2013 and 2012.
For the fiscal years ended March 31, 2013 and 2012, discontinued fair value hedge gains previously recognized as income of ¥8,231 million ($87 million) and ¥8,231 million, respectively, were excluded from Net unrealized gains before taxes on available-for-sale securities.

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, 2013 and 2012.

7. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2013 and 2012, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Bills discounted	**¥ 166,519**	¥ 195,576	**$ 1,770**
Loans on notes	**863,525**	941,748	**9,180**
Loans on deeds	**22,507,446**	21,657,474	**239,288**
Overdrafts	**2,952,629**	2,987,895	**31,390**
Total	**¥26,490,121**	¥25,782,695	**$281,630**

The following loans were included in loans and bills discounted as of March 31, 2013 and 2012.

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Loans to borrowers in legal bankruptcy	**¥ 12,891**	¥ 13,970	**$ 137**
Past due loans	**413,976**	457,844	**4,401**
Loans past due three months or more	**4,583**	4,555	**48**
Restructured loans	**300,169**	274,523	**3,191**
Total	**¥731,621**	¥750,893	**$7,778**

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 Act, Civil Rehabilitation Act, Bankruptcy Act, liquidation under the Companies Act of Japan, 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 ¥179,544 million ($1,908 million) and ¥206,969 million as of March 31, 2013 and 2012, respectively.

8. Foreign Exchange

Foreign exchange assets and liabilities as of March 31, 2013 and 2012, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Assets:			
Due from foreign banks	**¥29,955**	¥41,425	**$318**
Foreign bills of exchange bought	**13,024**	11,393	**138**
Foreign bills of exchange receivable	**24,802**	23,521	**263**
Total	**¥67,782**	¥76,340	**$720**
Liabilities:			
Due to foreign banks	**¥ 164**	¥ 648	**$ 1**
Foreign bills of exchange sold	**751**	610	**7**
Foreign bills of exchange payable	**547**	791	**5**
Total	**¥ 1,463**	¥ 2,051	**$ 15**

9. Other Assets

Other assets as of March 31, 2013 and 2012, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Prepaid expenses	**¥ 21,953**	¥ 22,621	**$ 233**
Accrued income	**57,068**	56,725	**606**
Initial margins for futures transactions	**3,673**	1,426	**39**
Financial derivatives, principally including option premiums and contracts under hedge accounting	**432,766**	365,329	**4,600**
Prepaid pension cost	**54,541**	128,661	**579**
Guarantee deposits	**21,022**	21,641	**223**
Cash collateral paid for financial instruments	**71,426**	141,842	**759**
Other receivable on sales of securities	**68,269**	192,199	**725**
Other	**145,301**	227,580	**1,544**
Total	**¥876,023**	¥1,158,028	**$9,313**

10. Tangible Fixed Assets

Tangible fixed assets as of March 31, 2013 and 2012, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Land, buildings and leased assets	**¥520,281**	¥518,838	**$5,531**
Construction in progress	**1,132**	1,146	**12**
Subtotal	**521,413**	519,985	**5,543**
Accumulated depreciation	**(214,084)**	(212,896)	**(2,276)**
Total	**¥307,328**	¥307,088	**$3,267**

Under certain conditions such as exchanges of tangible 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, 2013 and 2012, such deferred profit amounted to ¥51,612 million ($548 million) and ¥52,679 million, respectively.

11. Intangible Fixed Assets

Intangible fixed assets as of March 31, 2013 and 2012, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Software	¥ 8,863	¥10,844	$ 94
Leased assets	29,342	35,647	311
Other intangible fixed assets	5,291	5,368	56
Total	¥43,498	¥51,860	$462

12. Long-Lived Assets

For the fiscal years ended March 31, 2013 and 2012, the Group recognized impairment losses of ¥679 million ($7 million) and ¥2,606 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, 2013 and 2012, were as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Assets pledged as collateral:			
Cash and due from banks	¥ —	¥ 1,747	$ —
Trading assets	38,985	11,996	414
Securities	6,950,100	8,335,942	73,890
Loans and bills discounted	258,188	162,626	2,744
Other assets	3,951	3,927	42
Debt collateralized:			
Deposits	¥ 128,620	¥ 98,141	$ 1,367
Payables under repurchase agreements	38,992	11,998	414
Payables under securities lending transactions	—	345,063	—
Borrowed money	608,045	1,449,490	6,464

In addition to the pledged assets shown above, the following assets were pledged as collateral for settlements of domestic exchanges, or futures transactions as of March 31, 2013 and 2012.

	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Assets pledged as collateral:			
Cash and due from banks	¥ 80	¥ 80	$ 0
Securities	741,870	798,101	7,887
Other assets	608	585	6

In addition to the above, initial margins for futures transactions, cash collateral paid for financial instruments and guarantee deposits are included in Other assets.

	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Initial margins for futures transactions	¥ 3,673	¥ 1,426	$ 39
Cash collateral paid for financial instruments	71,426	141,842	759
Guarantee deposits	21,022	21,641	223

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, 2013 and 2012, amounted to ¥8,058,661 million ($85,675 million) and ¥8,010,389 million, respectively, including ¥7,783,860 million ($82,754 million) and ¥7,756,264 million, respectively, 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, 2013 and 2012, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Current deposits	**¥ 2,888,709**	¥ 2,851,760	**$ 30,711**
Ordinary deposits	**19,023,776**	17,956,399	**202,251**
Savings deposits	**364,898**	374,656	**3,879**
Notice deposits	**109,509**	112,474	**1,164**
Time deposits	**12,232,041**	12,559,450	**130,045**
Other deposits	**765,936**	668,862	**8,143**
Total	**¥35,384,871**	¥34,523,604	**$376,194**

16. Borrowed Money and Lease Obligations

(1) Borrowed money

As of March 31, 2013 and 2012, the weighted average annual interest rates applicable to borrowed money were 0.30% and 0.19%, respectively.

Borrowed money included borrowings from the Bank of Japan and other financial institutions. In addition, borrowed money included subordinated borrowings of ¥37,000 million ($393 million) and ¥39,000 million as of March 31, 2013 and 2012, respectively.

The following is a summary of maturities of borrowed money subsequent to March 31, 2013:

Fiscal Year Ending March 31	Millions of yen	Millions of U.S. dollars
2014	**¥629,209**	**$6,689**
2015	**4,373**	**46**
2016	**708**	**7**
2017	**402**	**4**
2018	**157**	**1**
2019 and thereafter	**37,018**	**393**
Total	**¥671,869**	**$7,142**

(2) Obligations under finance lease transactions

As of March 31, 2013 and 2012, the weighted average annual interest rates applicable to the finance lease obligations were 0.26% and 0.31%, respectively.

The following is a summary of maturities of the finance lease obligations subsequent to March 31, 2013:

Fiscal Year Ending March 31	Millions of yen	Millions of U.S. dollars
2014	**¥12,272**	**$130**
2015	**8,830**	**93**
2016	**6,756**	**71**
2017	**3,229**	**34**
2018	**1,431**	**15**
2019 and thereafter	**312**	**3**
Total	**¥32,833**	**$349**

17. Bonds

Bonds as of March 31, 2013 and 2012, consisted of the following:

	Rate	Maturity	Millions of yen	Millions of U.S. dollars
March 31, 2013				
The Company:				
Straight bond	**1.70%**	**June 20, 2013**	**¥ 30,000**	**$ 318**
Straight bond	**0.644%**	**September 20, 2016**	**30,000**	**318**
Straight bond	**0.399%**	**December 13, 2017**	**50,000**	**531**
Resona Bank, Limited:				
Subordinated bonds(*1)	**1.32% to 5.85%**	**September 24, 2014 to Perpetuity**	**505,553**	**5,374**
Saitama Resona Bank, Ltd.:				
Subordinated bonds	**1.24% to 1.98714%**	**December 17, 2020 to Perpetuity**	**95,500**	**1,015**
P.T. Bank Resona Perdania(*2):				
Straight bond(*3)	**10.5%**	**December 9, 2013**	**2,686**	**28**
Straight bond(*4)	**8.75%**	**July 25, 2015**	**2,689**	**28**
Total			**¥716,429**	**$7,616**
March 31, 2012				
The Company:				
Straight bond	1.70%	June 20, 2013	¥ 30,000	
Straight bond	0.644%	September 20, 2016	30,000	
Resona Bank, Limited:				
Subordinated bonds(*1)	0.84438% to 5.85%	September 24, 2014 to Perpetuity	609,021	
Saitama Resona Bank, Ltd.:				
Subordinated bonds	1.03438% to 2.08%	September 27, 2017 to Perpetuity	125,500	
P.T. Bank Resona Perdania(*3):				
Straight bond(*5)	10.5%	December 9, 2013	2,555	
Total			¥797,076	

Notes: (*1) The amount includes the balances of bonds denominated in foreign currency originally issued at U.S. $1,299 million as of March 31, 2013.
The amount includes the balances of bonds denominated in foreign currency originally issued at U.S. $1,299 million and EUR €499 million as of March 31, 2012.
(*2) P.T. Bank Resona Perdania is a consolidated subsidiary of Resona Bank, Limited ("Resona Bank") which has 43.4% of its voting rights.
(*3) The amount includes the balance of bonds denominated in foreign currency originally issued at IDR Rp 298,547 million and IDR Rp 297,169 million Indonesian rupees as of March 31, 2013 and 2012, respectively.
(*4) The amount includes the balance of bonds denominated in foreign currency originally issued at IDR Rp 298,841 million Indonesian rupees as of March 31, 2013.
(*5) All of the outstanding bonds are unsecured.

The following is a summary of the maturities of bonds subsequent to March 31, 2013:

Fiscal Year Ending March 31	Millions of yen	Millions of U.S. dollars
2014	¥ 32,686	$ 347
2015	20,000	212
2016	22,689	241
2017	30,000	318
2018	50,000	531
2019 and thereafter	561,053	5,964
Total	¥716,429	$7,616

Note: The above amounts are stated at carrying amounts.

18. Other Liabilities

Other liabilities as of March 31, 2013 and 2012, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Accrued income taxes	¥ 12,397	¥ 9,998	$ 131
Accrued expenses	39,070	48,263	415
Unearned income	16,574	17,009	176
Cash collateral received for financial instruments	79,698	13,442	847
Lease obligations	32,833	37,358	349
Asset retirement obligations	1,090	1,087	11
Other payable on purchases of securities	149,986	219,264	1,594
Financial derivatives, principally including option premiums and contracts under hedge accounting	382,394	327,330	4,065
Other	412,368	415,813	4,384
Total	¥1,126,413	¥1,089,568	$11,975

19. Other Reserves

Other reserves mainly include a reserve for losses on the reimbursement of dormant deposits, a reserve for losses on trust transactions, a reserve for losses on burden charge under the credit guarantee system, a reserve for Resona Club points, a reserve for losses on off-balance-sheet transactions and a reserve for losses on interest repayments.

(i) 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 ¥16,078 million ($170 million) and ¥15,160 million as of March 31, 2013 and 2012, respectively.

(ii) 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 ¥11,233 million ($119 million) and ¥11,348 million as of March 31, 2013 and 2012, 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 ¥5,882 million ($62 million) and ¥5,346 million as of March 31, 2013 and 2012, respectively.

(iv) A reserve for Resona Club points is provided for the estimated future losses by usage of the points awarded to the Resona Club members and amounted to ¥3,528 million ($37 million) and ¥2,831 million as of March 31, 2013 and 2012, respectively.

(v) A reserve for losses on off-balance sheet transactions is provided for the estimated future losses from contingent events related to off-balance sheet transactions, and amounted to ¥1,200 million ($12 million) and ¥5,362 million as of March 31, 2013 and 2012, respectively.

(vi) 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 ¥832 million ($8 million) and ¥367 million as of March 31, 2013 and 2012, 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" are 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 ¥493,318 million ($5,244 million) and ¥407,227 million as of March 31, 2013 and 2012, 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 "Act Concerning Land Revaluation" (Act 34, announced on March 31, 1998). The land revaluation differences have been recorded in "revaluation reserve for land" as a separate component of net assets with the related income taxes included in "deferred tax liabilities for land revaluation."

In accordance with Article 3, Item 3 of the Act, the revaluation was based on the official notice prices stated in the "Act of Public Notice of Land Prices" (assessment date, January 1, 1998) as stipulated in Article 2, Item 1 of the "Ordinance for the Act 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 Act by ¥31,887 million ($339 million) and ¥31,953 million as of March 31, 2013 and 2012, respectively.

22. Net Assets

Capital requirement

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

(i) Dividends

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

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

The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to stockholders 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 Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the stockholders, 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 Companies Act 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 net assets 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 Companies Act, the total amount of the capital reserve and the legal reserve may be available for dividends upon resolution of the stockholders after transferring the amount to retained earnings without limitation. The Companies Act 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 stockholders. In addition, a company can do so without resolution of the stockholders when it meets certain other conditions under Articles 447-3 and 448-3.

(iii) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to acquire treasury stock and dispose 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 stockholders which is determined by specific formula.

Under the Companies Act, stock acquisition rights are presented as a separate component of net assets.

The Companies Act also provides that companies can acquire both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of net assets 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 the 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 to 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 fiscal 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 Fiscal Year

The changes in the number and class of shares issued and treasury stock for the fiscal year ended March 31, 2013, were as follows:

	(Shares in thousands)				
		Changes during the fiscal year			
	As of April 1, 2012	Increase	Decrease	As of March 31, 2013	
Issued stock:					
Common stock	2,514,957	—	—	2,514,957	
Preferred stock:					
Class C No. 1 preferred stock	12,000	—	—	12,000	
Class F No. 1 preferred stock	8,000	—	—	8,000	
Class Three No. 1 preferred stock	225,000	—	—	225,000	
Class Four preferred stock	2,520	—	—	2,520	
Class Five preferred stock	4,000	—	—	4,000	
Class Six preferred stock	3,000	—	—	3,000	
Total	2,769,477	—	—	2,769,477	
Treasury stock:					
Common stock	64,185	9,574	1,946	71,812	(*)

Note: (*) The increase represents the acquisition of 10 thousand shares of the odd-lot shares and the acquisition of 9,564 thousand shares by ESOP Trust.
The decrease represents the disposal of 0 thousand shares of odd-lot shares and 1,945 thousand shares sold by ESOP Trust to Employee Shareholdings Association of the Company. Number of shares at the end of the fiscal year includes 7,618 thousand shares of common stock owned by ESOP Trust.

The changes in the number and class of shares issued and treasury stock for the fiscal year ended March 31, 2012, were as follows:

	(Shares in thousands)				
		Changes during the fiscal year			
	As of April 1, 2011	Increase	Decrease	As of March 31, 2012	
Issued stock:					
Common stock	2,514,957	—	—	2,514,957	
Preferred stock:					
Class C No. 1 preferred stock	12,000	—	—	12,000	
Class F No. 1 preferred stock	8,000	—	—	8,000	
Class Three No. 1 preferred stock	225,000	—	—	225,000	
Class Four preferred stock	2,520	—	—	2,520	
Class Five preferred stock	4,000	—	—	4,000	
Class Six preferred stock	3,000	—	—	3,000	
Total	2,769,477	—	—	2,769,477	
Treasury stock:					
Common stock	64,179	6	0	64,185	(*)

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

Capital Stock—Summary of Stock Right

Common stock and preferred stock as of March 31, 2013, were as follows:

March 31, 2013	Number of shares						
Class of stock	Authorized(*5)	Issued(*1)	Liquidation value per share (Yen)	Convertible or not	Convertible period	Voting right	Conversion ratio or price
Common stock(*3)	7,300,000,000	2,514,957,691	¥ —	No	Not applicable	Yes	Not applicable
Class C No. 1 preferred stock(*2)(*4)	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(*2)(*4)	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(*2)	225,000,000	225,000,000	2,000	Yes	On or after July 1, 2010	Yes	¥ 484
Class Four preferred stock	2,520,000	2,520,000	25,000	No	—	No	—
Class Five preferred stock	4,000,000	4,000,000	25,000	No	—	No	—
Class Six preferred stock	3,000,000	3,000,000	25,000	No	—	No	—

Notes: (*1) The number of shares—issued does not include the increase or decrease in shares resulting by conversion of preferred stocks after June 1, 2013, until the financial statement submission date.

(*2) The preferred stocks stated above are moving strike convertible securities. Above conversion prices of Class F No. 1 preferred stock and Class Three No. 1 preferred stock were revised on July 1, 2013 and May 1, 2013, respectively.

(*3) At the shareholders meeting held on June 21, 2013, partial amendment to the articles of incorporation, which is to decrease the authorized number of Common stock from 7,300,000,000 shares to 6,000,000,000 shares, was approved. As of the financial statement submission date, the conditions for effectuation have not been fulfilled.

(*4) At the shareholders meeting held on June 21, 2013, partial amendment to the articles of incorporation, which is to enable installment repayment of public funds regarding Class C No. 1 and Class F No. 1 preferred stocks, was approved. As of financial statement submission date, the conditions for effectuation have not been fulfilled, thus, the above information is presented based on the earlier amendment.

(*5) In addition to the above, the authorized number of the shares for Class Seven preferred stock and Class Eight preferred stock is as follows as of March 31, 2013:

First Series of Class Seven preferred stock: 10,000,000 shares
Second Series of Class Seven preferred stock: 10,000,000 shares
Third Series of Class Seven preferred stock: 10,000,000 shares
Fourth Series of Class Seven preferred stock 10,000,000 shares
First Series of Class Eight preferred stock: 10,000,000 shares
Second Series of Class Eight preferred stock: 10,000,000 shares
Third Series of Class Eight preferred stock: 10,000,000 shares
Fourth Series of Class Eight preferred stock: 10,000,000 shares

The total number of authorized shares for the First through Fourth Series of Class Seven preferred stocks shall not exceed 10,000,000 shares in the aggregate. The total number of authorized shares for the First through Fourth Series of Class Eight preferred stocks shall not exceed 10,000,000 shares in the aggregate.

Holders or registered pledges of preferred stocks are entitled to receive annual dividends and the distribution of residual assets in priority to stockholders of common stock but pari passu among themselves. The Company may pay up to one-half of 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 stocks, 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 stocks) are not entitled to vote at the shareholders meeting except where the articles of incorporation entitle the holders to vote.

Cash Dividends Per Share

Cash dividends per share applicable to the fiscal years ended March 31, 2013 and 2012, and cash dividends per share paid for the fiscal years ended March 31, 2013 and 2012, were as follows:

	Cash dividends per share applicable to the fiscal year			Cash dividends per share paid during the fiscal year		
	Yen	Yen	U.S. dollars	Yen	Yen	U.S. dollars
	2013(*1)	2012(*1)	**2013**(*1)	**2013**(*2)	2012(*2)	**2013**(*2)
Class of stock						
Common stock	**¥ 12.00**	¥ 12.00	**$ 0.12**	**¥ 12.00**	¥ 12.00	**$ 0.12**
Class C No. 1 preferred stock	**68.00**	68.00	**0.72**	**68.00**	68.00	**0.72**
Class F No. 1 preferred stock	**185.00**	185.00	**1.96**	**185.00**	185.00	**1.96**
Class Three No. 1 preferred stock	**21.04**	21.38	**0.22**	**21.38**	23.56	**0.22**
Class Four preferred stock	**992.50**	992.50	**10.55**	**992.50**	992.50	**10.55**
Class Five preferred stock	**918.75**	918.75	**9.76**	**918.75**	918.75	**9.76**
Class Six preferred stock	**1,237.50**	1,237.50	**13.15**	**1,237.50**	1,237.50	**13.15**

Notes: (*1) Year-end cash dividends for the fiscal year ended March 31, 2013, were approved at the Board of Directors' meeting held on May 10, 2013.
(*2) Year-end cash dividends for the fiscal year ended March 31, 2012, were approved at the Board of Directors' meeting held on May 11, 2012.
(*3) Year-end cash dividends for the fiscal year ended March 31, 2011, were approved at the Board of Directors' meeting held on May 13, 2011.

23. Interest Income and Expenses

Interest income and expenses for the fiscal years ended March 31, 2013 and 2012, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Interest income:			
Interest on loans and bills discounted	**¥417,779**	¥441,565	**$4,441**
Interest and dividends on securities	**55,805**	59,402	**593**
Interest on call loans and bills bought	**568**	863	**6**
Interest on receivables under securities borrowing transactions	**27**	2	**0**
Interest on due from banks	**1,855**	2,536	**19**
Other interest income	**15,952**	15,867	**169**
Total	**¥491,990**	¥520,239	**$5,230**
Interest expenses:			
Interest on deposits	**¥ 23,866**	¥ 29,841	**$ 253**
Interest on negotiable certificates of deposit	**1,572**	1,886	**16**
Interest on call money and bills sold	**629**	205	**6**
Interest on payables under repurchase agreements	**38**	37	**0**
Interest on payables under securities lending transactions	**190**	167	**2**
Interest on borrowed money	**2,725**	2,897	**28**
Interest on bonds	**18,227**	19,127	**193**
Other interest expenses	**1,670**	2,095	**17**
Total	**¥ 48,920**	¥ 56,257	**$ 520**

24. Trading Income

Trading income for the fiscal years ended March 31, 2013 and 2012, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Trading income:			
Income from trading securities	**¥1,749**	¥ 1,216	**$18**
Income from trading-related financial derivatives	**1,210**	9,788	**12**
Other trading income	**583**	553	**6**
Total	**¥3,542**	¥11,558	**$37**

Income from trading securities included net valuation gain of ¥271 million ($2 million) and ¥203 million for the fiscal years ended March 31, 2013 and 2012, respectively.

25. Other Operating Income and Expenses

Other operating income and expenses for the fiscal years ended March 31, 2013 and 2012, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Other operating income:			
Gains on foreign exchange transactions	**¥16,857**	¥ 4,464	**$179**
Gains on sales of Japanese government bonds and other	**36,349**	33,173	**386**
Other	**259**	14,574	**2**
Total	**¥53,466**	¥52,212	**$568**
Other operating expenses:			
Losses on sales of Japanese government bonds and other	**¥ 3,839**	5,779	**$ 40**
Losses on redemption of Japanese government bonds and other	**1,511**	322	**16**
Impairment losses on Japanese government bonds and other	**476**	248	**5**
Expenses for financial derivatives	**6,358**	8,878	**67**
Other	**—**	480	**—**
Total	**¥12,185**	¥15,709	**$129**

26. Other Income and Expenses

Other income and expenses for the fiscal years ended March 31, 2013 and 2012, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Other income:			
Gains on sales of stocks and other securities	**¥10,233**	¥11,146	**$108**
Gains on disposal of fixed assets	**1,132**	2,069	**12**
Reversal of reserve for possible loan losses	**39,214**	9,573	**416**
Recoveries of written-off loans	**12,508**	31,243	**132**
Other	**17,654**	19,184	**187**
Total	**¥80,743**	¥73,217	**$858**
Other expenses:			
Write-offs of loans	**¥35,175**	¥49,853	**$373**
Losses on sales of stocks and other securities	**3,751**	7,623	**39**
Impairment losses on stocks and other securities	**14,049**	1,215	**149**
Losses on disposal of fixed assets	**1,237**	1,039	**13**
Impairment losses on fixed assets	**679**	2,606	**7**
Other	**17,018**	31,892	**180**
Total	**¥71,912**	¥94,231	**$764**

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 37.97% and 40.64% for the fiscal years ended March 31, 2013 and 2012, respectively.

The tax effects of significant temporary differences and loss carryforwards which resulted in deferred tax assets and liabilities as of March 31, 2013 and 2012, were as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Deferred tax assets:			
Write-downs of securities	**¥ 800,618**	¥ 801,858	**$ 8,511**
Reserve for possible loan losses and write-offs of loans	**236,177**	290,988	**2,510**
Reserve for employees' retirement benefits	**43,998**	43,796	**467**
Tax loss carryforwards	**31,614**	37,922	**336**
Other	**85,366**	87,235	**907**
Gross deferred tax assets	**1,197,775**	1,261,801	**12,734**
Less: valuation allowance	**(924,102)**	(1,030,660)	**(9,824)**
Total deferred tax assets	**273,672**	231,141	**2,909**
Deferred tax liabilities:			
Unrealized gains on available-for-sale securities	**(63,213)**	(31,382)	**(672)**
Deferred gains on hedges	**(20,373)**	(15,391)	**(216)**
Gains on securities transferred to employees' retirement benefit trust	**(4,059)**	(5,229)	**(43)**
Dividends receivable	**(1,993)**	(1,944)	**(21)**
Other	**(8,003)**	(7,961)	**(85)**
Total deferred tax liabilities	**(97,643)**	(61,909)	**(1,038)**
Net deferred tax assets	**¥ 176,029**	¥ 169,231	**$ 1,871**

Reconciliations between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of income for the fiscal years ended March 31, 2013 and 2012, were as follows:

	2013	2012
Normal effective statutory tax rate	**37.97%**	40.64%
Expiration of net operating loss carryforward	**1.39**	10.43
Change in valuation allowance	**(37.47)**	(51.40)
Lower tax rates applicable to income of subsidiaries	**(1.28)**	(1.26)
Dividends exempted for income tax purposes	**(0.75)**	(1.07)
Decrease in deferred tax assets due to change in tax rates	**—**	6.40
Other	**1.52**	1.79
Effective tax rate	**1.36%**	5.53%

28. Lease Transactions

(1) Lessee

(a) Finance lease transactions

The Group mainly leases electronic calculators, cash dispensers and software.

(b) Operating lease transactions

As of March 31, 2013 and 2012, future minimum lease payments including interest expense under non-cancellable operating lease transactions were as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Due within one year	**¥ 3,921**	¥ 4,217	**$ 41**
Due after one year	**20,643**	22,448	**219**
Total	**¥24,565**	¥26,665	**$261**

(2) Lessor

(a) Operating lease transactions

As of March 31, 2013 and 2012, future minimum lease receipts including interest income under non-cancelable operating lease transactions were as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Due within one year	**¥ 85**	¥ 83	**$0**
Due after one year	**553**	606	**5**
Total	**¥638**	¥690	**$6**

29. Financial Instruments and Related Disclosures

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 ¥43 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, undertaking private placement bonds and guarantees to individuals and corporate customers. It holds bonds such as Japanese government bonds as stable investments and securities such as stocks for keeping strong relationship with customers. Recently the Group 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 risks 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 risks, 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 a decline or the 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 73% and 80% of securities as of March 31, 2013 and 2012, 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 a decline or the disappearance of 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 the 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:

- Sufficient explanation of the products and associated risks

  Customers are given sufficient explanation on the nature of products and their risks in writing. A description of the product, structure, hedge effectiveness (including explanation of which customers would not be able to gain expected economic effects and which the economic effects from the hedge transactions would be against customers' interests), market risk and credit risk associated with the product are required to be included in the explanation documents (proposal, written explanation of derivative risks).

  Customers are given explanation in accurate and simplified terms instead of difficult technical terms. Customers are given cooperation to confirm completeness of the explanation and full understanding by using designated documents with check column.

- Customers' responsibility and capability to enter into a transaction

  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 not engaged in transactions which are recognized as improper from the points of transaction amount, term, and level of risk of view, according to customers' knowledge, experience, assets, purpose of transaction, capacity to meet loss and internal management systems.

- Providing relevant fair value information

  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 as 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 receivables and liabilities denominated in foreign currencies exceed the principal and interest amount of hedging 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 the 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 of customer deposits, funding in the market and issuing bonds. Customer deposits comprise 86% of liabilities as of March 31, 2013 and 2012. 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 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, Ltd. ("Saitama Resona Bank") and The Kinki Osaka Bank, Ltd. ("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, 2013 and 2012, is ¥2,717 million ($28 million) and ¥2,689 million, respectively.

(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 or 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, 2013 and 2012, is ¥61,880 million ($657 million) and ¥68,417 million, respectively.

(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, 2013 and 2012, is ¥56,078 million ($596 million) and ¥66,014 million, respectively.

(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 monitor and report 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. Fair value of financial instruments does not include transactions not recognized on consolidated balance sheet, such as an investment trust sold to a customer.

II. Fair value of financial instruments

Amount on consolidated balance sheet, fair values and differences between them as of March 31, 2013 and 2012, were 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, 2013	Amount on consolidated balance sheet	Fair value	Difference
Cash and due from banks	**¥ 3,386,146**	**¥ 3,386,146**	**¥ —**
Call loans and bills bought	**183,822**	**183,822**	**—**
Monetary claims bought(*1)	**376,495**	**377,413**	**917**
Trading assets:			
Trading securities	**423,196**	**423,196**	**—**
Securities:			
Held-to-maturity debt securities	**2,224,794**	**2,301,206**	**76,412**
Available-for-sale securities	**7,870,288**	**7,870,288**	**—**
Loans and bills discounted	**26,490,121**		
Reserve for possible loan losses(*1)	**(271,858)**		
	26,218,263	**26,523,290**	**305,027**
Foreign exchange assets(*1)	**67,782**	**67,782**	**—**
Total assets	**¥40,750,788**	**¥41,133,145**	**¥382,357**
Deposits	**¥35,384,871**	**¥35,387,983**	**¥ 3,112**
Negotiable certificates of deposit	**1,301,400**	**1,301,400**	**0**
Call money and bills sold	**250,602**	**250,602**	**—**
Payables under repurchase agreements	**38,992**	**38,992**	**—**
Borrowed money	**671,869**	**673,472**	**1,602**
Foreign exchange liabilities	**1,463**	**1,463**	**—**
Bonds	**716,429**	**753,376**	**36,947**
Due to trust account	**448,793**	**448,793**	**—**
Total liabilities	**¥38,814,424**	**¥38,856,086**	**¥ 41,662**
Derivative transactions(*2):			
Hedge accounting not applied	**¥ 26,780**	**¥ 26,780**	**¥ —**
Hedge accounting applied	**41,425**	**41,223**	**(201)**
Total derivative transactions	**¥ 68,206**	**¥ 68,004**	**¥ (201)**

	Millions of yen	
	Contractual amount	Fair value
Other		
Guarantee contract(*3)	**¥ 539,855**	**¥ (12,722)**

March 31, 2012	Millions of yen Amount on consolidated balance sheet	Fair value	Difference
Cash and due from banks	¥ 2,707,761	¥ 2,707,761	¥ —
Call loans and bills bought	246,323	246,323	—
Monetary claims bought[*1]	439,634	440,804	1,169
Trading assets:			
Trading securities	409,690	409,690	—
Securities:			
Held-to-maturity debt securities	2,060,686	2,110,318	49,631
Available-for-sale securities	9,182,495	9,182,495	—
Loans and bills discounted	25,782,695		
Reserve for possible loan losses[*1]	(313,375)		
	25,469,319	25,807,673	338,353
Foreign exchange assets[*1]	76,340	76,340	—
Total assets	¥40,592,252	¥40,981,407	¥389,154
Deposits	¥34,523,604	¥34,531,022	¥ 7,417
Negotiable certificates of deposit	1,337,560	1,337,565	5
Call money and bills sold	408,527	408,527	—
Payables under repurchase agreements	11,998	11,998	—
Payables under securities lending transactions	345,063	345,063	—
Borrowed money	1,512,904	1,514,500	1,596
Foreign exchange liabilities	2,051	2,051	—
Bonds	797,076	813,385	16,308
Due to trust account	354,818	354,818	—
Total liabilities	¥39,293,604	¥39,318,932	¥ 25,328
Derivative transactions[*2]:			
Hedge accounting not applied	¥ 53,279	¥ 53,279	¥ —
Hedge accounting applied	(1,721)	(1,896)	(175)
Total derivative transactions	¥ 51,558	¥ 51,383	¥ (175)

	Millions of yen Contractual amount	Fair value
Other		
Guarantee contract[*3]	¥ 608,435	¥ (16,769)

March 31, 2013	Millions of U.S. dollars Amount on consolidated balance sheet	Fair value	Difference
Cash and due from banks	$ 35,999	$ 35,999	$ —
Call loans and bills bought	1,954	1,954	—
Monetary claims bought(*1)	4,002	4,012	9
Trading assets:			
Trading securities	4,499	4,499	—
Securities:			
Held-to-maturity debt securities	23,652	24,465	812
Available-for-sale securities	83,673	83,673	—
Loans and bills discounted	281,630		
Reserve for possible loan losses(*1)	(2,890)		
	278,739	281,982	3,242
Foreign exchange assets(*1)	720	720	—
Total assets	$433,242	$437,307	$4,065
Deposits	$376,194	$376,227	$ 33
Negotiable certificates of deposit	13,835	13,835	0
Call money and bills sold	2,664	2,664	—
Payables under repurchase agreements	414	414	—
Borrowed money	7,142	7,160	17
Foreign exchange liabilities	15	15	—
Bonds	7,616	8,009	392
Due to trust account	4,771	4,771	—
Total liabilities	$412,656	$413,098	$ 442
Derivative transactions(*2):			
Hedge accounting not applied	$ 284	$ 284	$ —
Hedge accounting applied	440	438	(2)
Total derivative transactions	$ 725	$ 722	$ (2)

	Millions of U.S. dollars Contractual amount	Fair value
Other		
Guarantee contract(*3)	$ 5,739	$ (135)

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 amount on consolidated balance sheet 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

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 is 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 (loans to other foreign banks), export bills and traveler’s checks, etc. (purchased foreign bills), and loans on notes using import bills (foreign bills receivables), the carrying amounts are presented as fair values, as the fair values approximate such carrying amounts because 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, payables under repurchase agreements and payables under 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 borrowed money 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, because creditworthiness of the Company and its consolidated subsidiaries have not changed significantly since they made the borrowed money. For fair values of borrowed money with fixed interest rates, fair values are determined by discounting the principal and interest amount with the interest rate expected for similar borrowed money. For fair values of borrowed money 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 borrowed money 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

Financial instruments are not included in “Securities” in (Note 1) above “Calculation method of fair value of financial instruments.”

	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Unlisted stocks(*1)(*2)	¥68,988	¥71,885	$733
Investments in partnerships(*2)(*3)	17,527	20,808	186
Total	¥86,516	¥92,693	$919

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 fiscal year ended March 31, 2013, impairment losses of unlisted stocks was ¥756 million ($8 million). For the fiscal year ended March 31, 2012, impairment losses of unlisted stocks and investments in partnerships were ¥174 million and ¥59 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, 2013	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	¥ 2,940,460	¥ —	¥ —	¥ —	¥ —	¥ —
Call loans and bills bought	183,822	—	—	—	—	—
Monetary claims bought	251,086	220	—	—	—	125,459
Securities:						
Held-to-maturity debt securities	190,418	255,691	409,799	546,373	817,915	3,000
Japanese government bonds	165,000	177,000	323,300	486,300	667,900	3,000
Japanese local government bonds	24,224	75,236	84,954	60,061	150,015	—
Japanese corporate bonds	1,194	3,455	1,545	11	—	—
Available-for-sale securities	2,397,583	1,160,858	2,727,548	417,212	454,374	64,674
Japanese government bonds	2,187,830	750,200	2,121,000	200,400	349,000	34,000
Japanese local government bonds	11,281	20,139	78,224	45,330	59,648	—
Japanese corporate bonds	178,472	368,998	383,421	122,734	13,195	15,239
Loans and bills discounted(*1)	6,859,012	4,250,911	3,011,202	1,952,767	2,229,933	8,047,000
Foreign exchange assets	67,782	—	—	—	—	—
Total assets	¥12,890,165	¥5,667,683	¥6,148,550	¥2,916,352	¥3,502,222	¥8,240,133
Deposits(*2)	¥32,522,261	¥2,068,654	¥ 793,955	¥ —	¥ —	¥ —
Negotiable certificates of deposit	1,301,140	260	—	—	—	—
Call money and bills sold	250,602	—	—	—	—	—
Payables under securities lending transactions	38,992	—	—	—	—	—
Borrowed money	629,209	5,081	560	11,018	26,000	—
Foreign exchange liabilities	1,463	—	—	—	—	—
Bonds(*3)	32,700	42,700	80,000	121,300	271,000	36,000
Due to trust account	448,793	—	—	—	—	—
Total liabilities	¥35,225,163	¥2,116,696	¥ 874,515	¥ 132,318	¥ 297,000	¥ 36,000

As of March 31, 2012	Millions of yen 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	¥ 2,277,897	¥ —	¥ —	¥ —	¥ —	¥ —
Call loans and bills bought	246,323	—	—	—	—	—
Monetary claims bought	272,679	4,718	8	—	—	162,937
Securities:						
Held-to-maturity debt securities	30,349	317,498	288,059	345,139	1,075,370	3,000
Japanese government bonds	—	260,000	200,000	284,300	945,200	3,000
Japanese local government bonds	26,809	55,785	86,200	60,815	130,170	—
Japanese corporate bonds	3,539	1,712	1,859	24	—	—
Available-for-sale securities	2,985,599	1,863,073	2,868,677	424,678	486,931	56,616
Japanese government bonds	2,796,600	1,406,000	2,430,900	335,000	387,100	20,000
Japanese local government bonds	4,162	28,710	49,637	23,540	77,575	—
Japanese corporate bonds	172,644	368,536	277,396	28,457	4,547	18,822
Loans and bills discounted[*1]	6,891,480	4,195,989	2,797,954	1,871,183	2,187,841	7,662,677
Foreign exchange assets	76,340	—	—	—	—	—
Total assets	¥12,780,670	¥6,381,280	¥5,954,700	¥2,641,002	¥3,750,143	¥7,885,230
Deposits[*2]	¥31,598,935	¥2,346,412	¥ 578,255	¥ —	¥ —	¥ —
Negotiable certificates of deposit	1,335,720	1,840	—	—	—	—
Call money and bills sold	408,527	—	—	—	—	—
Payables under repurchase agreements	11,998	—	—	—	—	—
Payables under securities lending transactions	345,063	—	—	—	—	—
Borrowed money	1,470,317	2,169	1,390	2,020	37,006	—
Foreign exchange liabilities	2,051	—	—	—	—	—
Bonds[*3]	—	52,580	50,000	103,000	281,300	102,000
Due to trust account	354,818	—	—	—	—	—
Total liabilities	¥35,527,432	¥2,403,001	¥ 629,645	¥ 105,020	¥ 318,306	¥ 102,000

As of March 31, 2013	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	**$ 31,261**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Call loans and bills bought	**1,954**	**—**	**—**	**—**	**—**	**—**
Monetary claims bought	**2,669**	**2**	**—**	**—**	**—**	**1,333**
Securities:						
Held-to-maturity debt securities	**2,024**	**2,718**	**4,356**	**5,808**	**8,695**	**31**
Japanese government bonds	**1,754**	**1,881**	**3,437**	**5,170**	**7,100**	**31**
Japanese local government bonds	**257**	**799**	**903**	**638**	**1,594**	**—**
Japanese corporate bonds	**12**	**36**	**16**	**0**	**—**	**—**
Available-for-sale securities	**25,489**	**12,341**	**28,997**	**4,435**	**4,830**	**687**
Japanese government bonds	**23,259**	**7,975**	**22,549**	**2,130**	**3,710**	**361**
Japanese local government bonds	**119**	**214**	**831**	**481**	**634**	**—**
Japanese corporate bonds	**1,897**	**3,923**	**4,076**	**1,304**	**140**	**162**
Loans and bills discounted[*1]	**72,921**	**45,193**	**32,013**	**20,760**	**23,707**	**85,551**
Foreign exchange assets	**720**	**—**	**—**	**—**	**—**	**—**
Total assets	**$137,041**	**$60,256**	**$65,368**	**$31,005**	**$37,233**	**$87,605**
Deposits[*2]	**$345,760**	**$21,992**	**$ 8,440**	**$ —**	**$ —**	**$ —**
Negotiable certificates of deposit	**13,833**	**2**	**—**	**—**	**—**	**—**
Call money and bills sold	**2,664**	**—**	**—**	**—**	**—**	**—**
Payables under repurchase agreements	**414**	**—**	**—**	**—**	**—**	**—**
Borrowed money	**6,689**	**54**	**5**	**117**	**276**	**—**
Foreign exchange liabilities	**15**	**—**	**—**	**—**	**—**	**—**
Bonds[*3]	**347**	**453**	**850**	**1,289**	**2,881**	**382**
Due to trust account	**4,771**	**—**	**—**	**—**	**—**	**—**
Total liabilities	**$374,496**	**$22,503**	**$ 9,297**	**$ 1,406**	**$ 3,157**	**$ 382**

Notes: (*1) Loans and bills discounted, for which it is difficult to estimate the redemption amount, amounted to ¥139,293 million ($1,480 million) and ¥175,567 million as of March 31, 2013 and 2012, respectively, 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 ¥132,778 million ($1,411 million) and ¥208,252 million as of March 31, 2013 and 2012, respectively, 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, 2013 and 2012, 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, 2013						
Listed	Futures					
		Sold	**¥ 9,340**	**¥ 6,997**	**¥ (0)**	**¥ (0)**
		Bought	**42,353**	**—**	**(7)**	**(7)**
Over-the-counter	Swaps					
		Receive fixed/pay floating	**24,187,972**	**19,634,454**	**466,246**	**466,246**
		Receive floating/pay fixed	**23,926,124**	**19,055,995**	**(458,519)**	**(458,519)**
		Receive floating/pay floating	**5,666,600**	**3,766,600**	**7,524**	**7,524**
	Caps					
		Sold	**92,003**	**89,838**	**(1,527)**	**1,573**
		Bought	**—**	**—**	**—**	**—**
	Floors					
		Sold	**9,000**	**3,000**	**209**	**(100)**
		Bought	**90,826**	**84,314**	**1,951**	**1,766**
	Swaptions					
		Sold	**2,721,000**	**191,000**	**4,791**	**2,258**
		Bought	**1,067,200**	**311,200**	**16,586**	**2,230**
Consolidated related party	Swaps	Receive fixed/pay floating	**61,400**	**18,000**	**142**	**142**
Total					**¥ 30,449**	**¥ 23,113**

			Millions of yen			
			Notional or contract amount			
			Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2012						
Listed	Futures					
		Sold	¥ 6,132	¥ —	¥ (0)	¥ (0)
		Bought	20,373	20,373	3	3
Over-the-counter	Swaps					
		Receive fixed/pay floating	22,604,827	20,671,573	286,882	286,882
		Receive floating/pay fixed	21,953,792	20,237,562	(291,057)	(291,057)
		Receive floating/pay floating	5,933,100	5,058,100	8,058	8,058
	Caps					
		Sold	116,270	105,974	(1,674)	1,759
		Bought	—	—	—	—
	Floors					
		Sold	9,000	9,000	310	(161)
		Bought	83,115	81,606	1,679	1,490
	Swaptions					
		Sold	4,331,000	521,000	6,934	5,762
		Bought	1,926,000	276,000	25,154	113
Consolidated related party	Swaps	Receive fixed/pay floating	70,400	57,900	1,013	1,013
Total					¥ 26,162	¥ 13,864

			Millions of U.S. dollars			
			Notional or contract amount			
			Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2013						
Listed	Futures					
		Sold	**$ 99**	**$ 74**	**$ (0)**	**$ (0)**
		Bought	**450**	**—**	**(0)**	**(0)**
Over-the-counter	Swaps					
		Receive fixed/pay floating	**257,154**	**208,743**	**4,956**	**4,956**
		Receive floating/pay fixed	**254,370**	**202,594**	**(4,874)**	**(4,874)**
		Receive floating/pay floating	**60,244**	**40,044**	**79**	**79**
	Caps					
		Sold	**978**	**955**	**(16)**	**16**
		Bought	**—**	**—**	**—**	**—**
	Floors					
		Sold	**95**	**31**	**2**	**(1)**
		Bought	**965**	**896**	**20**	**18**
	Swaptions					
		Sold	**28,928**	**2,030**	**50**	**24**
		Bought	**11,345**	**3,308**	**176**	**23**
Consolidated related party	Swaps					
		Receive fixed/pay floating	**652**	**191**	**1**	**1**
Total					**$ 323**	**$ 245**

Notes: 1. The above transactions are stated at fair value and unrealized gains or losses are charged to income or expenses in the consolidated statements of income.
2. The fair value of listed contracts is based on the closing price on Tokyo Financial Exchange Inc. and other exchanges. The fair value of over-the-counter contracts and contracts between consolidated related parties is 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, 2013						
Over-the-counter	Currency swaps		**¥1,981,841**	**¥1,619,076**	**¥(18,634)**	**¥ 6,235**
	Forward contracts					
		Sold	**751,663**	**145,273**	**(47,146)**	**(47,146)**
		Bought	**1,050,264**	**428,537**	**78,960**	**78,960**
	Currency options					
		Sold	**1,723,290**	**935,614**	**87,231**	**5,067**
		Bought	**1,552,239**	**850,103**	**70,311**	**(6,598)**
Total					**¥ (3,740)**	**¥36,518**
March 31, 2012						
Over-the-counter	Currency swaps		¥2,247,504	¥1,943,061	¥(16,504)	¥27,474
	Forward contracts					
		Sold	675,416	198,198	(1,501)	(1,501)
		Bought	979,843	461,731	(24,974)	(24,974)
	Currency options					
		Sold	1,448,106	1,044,392	71,073	26,407
		Bought	1,340,386	985,762	140,985	48,305
Total					¥ 26,931	¥75,711

		Millions of U.S. dollars			
		Notional or contract amount			
		Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2013					
Over-the-counter	Currency swaps	**$21,069**	**$17,213**	**$(198)**	**$ 66**
	Forward contracts				
	Sold	**7,991**	**1,544**	**(501)**	**(501)**
	Bought	**11,165**	**4,555**	**839**	**839**
	Currency options				
	Sold	**18,321**	**9,946**	**927**	**53**
	Bought	**16,502**	**9,037**	**747**	**(70)**
Total				**$ (39)**	**$388**

Notes: 1. The above transactions are stated at fair value and unrealized gains or losses are charged to income or expenses 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, 2013					
Listed	Index futures				
	Sold	**¥26,601**	**¥—**	**¥(58)**	**¥(58)**
	Bought	**—**	**—**	**—**	**—**
	Index options				
	Sold	**5,233**	**—**	**5**	**26**
	Bought	**5,000**	**—**	**74**	**8**
Total				**¥ 10**	**¥(24)**

		Millions of U.S. dollars			
		Notional or contract amount			
		Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2013					
Listed	Index futures				
	Sold	**$282**	**$—**	**$(0)**	**$(0)**
	Bought	**—**	**—**	**—**	**—**
	Index options				
	Sold	**55**	**—**	**0**	**0**
	Bought	**53**	**—**	**0**	**0**
Total				**$ 0**	**$(0)**

Notes: 1. The above transactions are stated at fair value and unrealized gains or losses are charged to income or expenses in the consolidated statements of income.
2. The fair value of listed contracts is based on the closing prices on Tokyo Stock Exchange, Inc.
3. There were no stock-related transactions for the fiscal year ended March 31, 2012.

(d) Bond-related transactions

			Millions of yen			
			Notional or contract amount			
			Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2013						
Listed	Futures					
		Sold	**¥ 14,596**	**¥—**	**¥ 1**	**¥ 1**
		Bought	**3,636**	**—**	**—**	**—**
	Future options					
		Sold	**—**	**—**	**—**	**—**
		Bought	**3,997**	**—**	**22**	**5**
Over-the-counter	Options					
		Sold	**20,085**	**—**	**27**	**(18)**
		Bought	**40,257**	**—**	**63**	**10**
Total					**¥ 60**	**¥ (0)**
March 31, 2012						
Listed	Futures					
		Sold	¥101,873	¥—	¥185	¥185
		Bought	—	—	—	—
Total					¥185	¥185

			Millions of U.S. dollars			
			Notional or contract amount			
			Total	Maturity over 1 year	Fair value	Unrealized gains (losses)
March 31, 2013						
Listed	Futures					
		Sold	**$155**	**$—**	**$ 0**	**$ 0**
		Bought	**38**	**—**	**—**	**—**
	Future options					
		Sold	**—**	**—**	**—**	**—**
		Bought	**42**	**—**	**0**	**0**
Over-the-counter	Options					
		Sold	**213**	**—**	**0**	**(0)**
		Bought	**427**	**—**	**0**	**0**
Total					**$ 0**	**$ 0**

Notes: 1. The above transactions are stated at fair value and unrealized gains or losses are charged to income or expenses in the consolidated statements of income.
2. The fair value of listed contracts is based on the closing prices on Tokyo Stock Exchange, Inc. 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, 2013 and 2012, were as follows:

(a) Interest rate-related transactions

				Millions of yen		
				Notional or contract amount		
Accounting method for hedge	Hedging instruments		Hedged items	Total	Over 1 year	Fair value
March 31, 2013						
Deferral hedge accounting	Swaps	Receive fixed/pay floating	Financial assets and liabilities with interests (e.g., loans and deposits)	**¥1,780,050**	**¥1,725,050**	**¥101,594**
		Receive floating/pay fixed		**840,713**	**709,772**	**(48,857)**
Special treatment of interest rate swaps	Swaps	Receive floating/pay fixed	Loans	**26,555**	**13,131**	**(201)**
Total						**¥ 52,535**
March 31, 2012						
Deferral hedge accounting	Swaps	Receive fixed/pay floating	Financial assets and liabilities with interests (e.g., loans and deposits)	¥1,607,162	¥1,516,162	¥ 90,538
		Receive floating/pay fixed		846,147	836,147	(52,021)
Special treatment of interest rate swaps	Swaps	Receive floating/pay fixed	Loans	25,635	23,135	(175)
Total						¥ 38,341

				Millions of U.S. dollars		
				Notional or contract amount		
Accounting method for hedge	Hedging instruments		Hedged items	Total	Over 1 year	Fair value
March 31, 2013						
Deferral hedge accounting	Swaps	Receive fixed/pay floating	Financial assets and liabilities with interests (e.g., loans and deposits)	**$18,924**	**$18,339**	**$1,080**
		Receive floating/pay fixed		**8,938**	**7,545**	**(519)**
Special treatment of interest rate swaps	Swaps	Receive floating/pay fixed	Loans	**282**	**139**	**(2)**
Total						**$ 558**

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

(b) Currency-related transactions

Accounting method for hedge	Hedging instruments	Hedged items	Millions of yen Notional or contract amount Total	Over 1 year	Fair value
March 31, 2013					
Deferral hedge accounting	Currency swaps	Financial assets and liabilities denominated in foreign currency (e.g., loans and deposits)	**¥270,031**	**¥144,935**	**¥(11,311)**
March 31, 2012					
Deferral hedge accounting	Currency swaps	Financial assets and liabilities denominated in foreign currency (e.g., loans and deposits)	¥277,146	¥144,935	¥(40,238)

Accounting method for hedge	Hedging instruments	Hedged items	Millions of U.S. dollars Notional or contract amount Total	Over 1 year	Fair value
March 31, 2013					
Deferral hedge accounting	Currency swaps	Financial assets and liabilities denominated in foreign currency (e.g., loans and deposits)	**$2,870**	**$1,540**	**$(120)**

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.

The Company does not have a retirement benefit plan.

The reserve for employees' retirement benefits as of March 31, 2013 and 2012, is analyzed as follows:

	Millions of yen **2013**	2012	Millions of U.S. dollars **2013**
Projected benefit obligation	**¥(393,770)**	¥(361,866)	**$(4,186)**
Plan assets at fair value	**383,910**	440,007	**4,081**
Plan assets in excess of projected benefit obligation	**(9,860)**	78,141	**(104)**
Unrecognized actuarial loss	**51,461**	38,038	**547**
Net retirement benefit obligation	**41,600**	116,180	**442**
Prepaid pension cost	**54,541**	128,661	**579**
Reserve for employees' retirement benefits	**¥ (12,940)**	¥ (12,481)	**$ (137)**

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 fiscal years ended March 31, 2013 and 2012, were as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Service costs(*)	**¥10,228**	¥10,306	**$108**
Interest cost	**7,207**	7,204	**76**
Expected return on plan assets	**(4,173)**	(4,045)	**(44)**
Amortization of actuarial loss	**7,119**	2,743	**75**
Others (such as supplemental retirement benefit)	**947**	1,007	**10**
Retirement benefit expenses	**¥21,328**	¥17,215	**$226**

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 fiscal years ended March 31, 2013 and 2012, were as follows:

	2013	2012
Discount rate	**1.4%**	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 and 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

Reclassification adjustment and tax effect of other comprehensive income for the fiscal years ended March 31, 2013 and 2012, were as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Net unrealized gains on available-for-sale securities			
Amount incurred during the fiscal year	**¥148,055**	¥66,796	**$1,574**
Reclassification adjustment	**(21,864)**	(26,254)	**(232)**
Prior to deducting tax effect	**126,191**	40,541	**1,341**
Tax effect	**(31,830)**	(10,078)	**(338)**
Net unrealized gains on available-for-sale securities	**¥ 94,361**	¥30,463	**$1,003**
Net deferred gains on hedges			
Amount incurred during the fiscal year	**¥ 28,599**	¥28,326	**$ 304**
Reclassification adjustment	**(14,329)**	(13,767)	**(152)**
Prior to deducting tax effect	**14,270**	14,559	**151**
Tax effect	**(5,075)**	(3,787)	**(53)**
Net deferred gains on hedges	**¥ 9,194**	¥10,772	**$ 97**
Revaluation reserve for land			
Amount incurred during the fiscal year	**¥ —**	¥ —	**$ —**
Reclassification adjustment	**—**	—	**—**
Prior to deducting tax effect	**—**	—	**—**
Tax effect	**—**	3,366	**—**
Revaluation reserve for land	**¥ —**	¥ 3,366	**$ —**
Foreign currency translation adjustments			
Amount incurred during the fiscal year	**¥ 14,597**	¥ (1,872)	**$ 155**
Reclassification adjustment	**—**	—	**—**
Prior to deducting tax effect	**14,597**	(1,872)	**155**
Tax effect	**—**	—	**—**
Foreign currency translation adjustments	**¥ 14,597**	¥ (1,872)	**$ 155**
Share of other comprehensive income of affiliates accounted for using equity method			
Amount incurred during the fiscal year	**¥ (3)**	¥ (26)	**$ (0)**
Total other comprehensive income	**¥118,149**	¥42,703	**$1,256**

33. Per Common Share Information

(1) Net income per share of common stock

Reconciliation of the differences between basic and diluted net income per share of common stock ("EPS") for the fiscal years ended March 31, 2013 and 2012, was as follows:

	Net income (Millions of yen)	Weighted-average shares (Thousands of shares)	EPS (Yen)	EPS (U.S. dollars)
March 31, 2013				
Basic EPS:				
Net income attributable to common stock	**¥258,222**	**2,442,740**	**¥105.71**	**$1.12**
Adjustments for the potential effect of dilutive securities:				
Convertible preferred stock	**7,030**	**1,214,654**		
Diluted EPS:				
Net income for computation	**¥265,252**	**3,657,394**	**¥ 72.52**	**$0.77**
March 31, 2012				
Basic EPS:				
Net income attributable to common stock	¥236,667	2,450,775	¥ 96.56	
Adjustments for the potential effect of dilutive securities:				
Convertible preferred stock	7,106	1,114,810		
Diluted EPS:				
Net income for computation	¥243,773	3,565,586	¥ 68.36	

Note: Average number of common shares during the period is after deductions of 1) the number of shares of the treasury stock and 2) the number of shares held by the ESOP Trust (8,028 thousand shares as of March 31, 2013).

(2) Net assets per share of common stock

Net assets per share of common stock as of March 31, 2013 and 2012, were as follows:

	Yen		U.S. dollars
	2013	2012	**2013**
Net assets per share of common stock	**¥490.48**	¥354.35	**$5.21**

Net assets per share of common stock as of March 31, 2013 and 2012, were calculated based on the following:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Total net assets	**¥2,189,304**	¥1,843,329	**$23,275**
Deductions from total net assets:			
Minority interests	**126,072**	109,890	**1,340**
Preferred stock	**848,000**	848,000	**9,015**
Preferred dividends	**16,918**	16,995	**179**
Net assets attributable to common stock at the end of the fiscal year	**¥1,198,313**	¥ 868,444	**$12,739**
Number of shares of common stock at the end of the fiscal year used for the calculation of net assets per share of common stock (shares in thousands)	**2,443,144**	2,450,772	

Note: The number of shares of common stock used for the calculation of net assets per share of common stock at the end of the fiscal year is after deductions of 1) the number of shares of the treasury stock and 2) the number of shares held by the ESOP Trust (7,618 thousand shares as of March 31, 2013).

34. Segment Information

(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, loans 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, in 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 "retirement benefit expenses" in 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, in 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.

(c) Change in segment classification

On or after April 1, 2012, the Group has changed the classification of certain products (e.g., loans for construction of apartments and condominiums) to "Corporate banking" which was previously classified as "Consumer banking." The segment information for the fiscal year ended March 31, 2012, is also disclosed by the revised segment classification.

(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 in Note 2 "Summary of significant accounting policies".

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 of each segment

Profit and loss of each segment for the fiscal years ended March 31, 2013 and 2012, were as follows:

	Millions of yen					
	Consumer banking(*2)	Corporate banking(*3)	Market trading(*4)	Subtotal	Other(*5)	Total(*1)
March 31, 2013						
Gross operating profit	**¥258,616**	**¥286,416**	**¥73,969**	**¥619,002**	**¥(4,437)**	**¥614,564**
General and administrative expenses(*6)	**(174,192)**	**(154,762)**	**(9,880)**	**(338,835)**	**—**	**(338,835)**
Actual net operating profit	**84,423**	**131,635**	**64,089**	**280,147**	**(4,437)**	**275,710**
Credit cost	**(5,253)**	**20,262**	**—**	**15,009**	**—**	**15,009**
Net operating profit less credit cost	**¥ 79,169**	**¥151,897**	**¥64,089**	**¥295,156**	**¥(4,437)**	**¥290,719**
March 31, 2012						
Gross operating profit	¥259,195	¥299,682	¥55,399	¥614,277	¥ 7,121	¥621,398
General and administrative expenses(*6)	(177,608)	(154,907)	(9,690)	(342,206)	—	(342,206)
Actual net operating profit	81,586	144,727	45,708	272,023	7,121	279,144
Credit cost	(5,223)	(6,020)	—	(11,243)	—	(11,243)
Net operating profit less credit cost	¥ 76,363	¥138,707	¥45,708	¥260,779	¥ 7,121	¥267,900

	Millions of U.S. dollars					
	Consumer banking(*2)	Corporate banking(*3)	Market trading(*4)	Subtotal	Other(*5)	Total(*1)
March 31, 2013						
Gross operating profit	**$2,749**	**$3,045**	**$786**	**$6,580**	**$(47)**	**$6,533**
General and administrative expenses(*6)	**(1,851)**	**(1,645)**	**(105)**	**(3,602)**	**—**	**(3,602)**
Actual net operating profit	**897**	**1,399**	**681**	**2,978**	**(47)**	**2,931**
Credit cost	**(55)**	**215**	**—**	**159**	**—**	**159**
Net operating profit less credit cost	**$ 841**	**$1,614**	**$681**	**$3,137**	**$(47)**	**$3,090**

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 and the corporate banking unit contain 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 ¥18 million ($0 million) and ¥47 million of gain for the fiscal years ended March 31, 2013 and 2012, 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

Reconciliation between the segment information and the consolidated financial statements for the fiscal years ended March 31, 2013 and 2012, was as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Total amount of segments	**¥295,156**	¥260,779	**$3,137**
Net gains (losses) of "Other"	**(4,437)**	7,121	**(47)**
Net non-recurring losses other than credit cost(*1)	**(16,601)**	(4,426)	**(176)**
Net extraordinary losses(*2)	**(761)**	(1,422)	**(8)**
Net other reconciliation items(*3)	**10,992**	11,245	**116**
Income before income taxes and minority interests	**¥284,348**	¥273,297	**$3,023**

Notes: (*1) Non-recurring losses other than credit cost include some portion of gains/losses on securities and retirement benefit expenses.
(*2) Net extraordinary losses include impairment loss.
(*3) Net 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 fiscal years ended March 31, 2013 and 2012

(a) Information on services for the fiscal years ended March 31, 2013 and 2012

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

(b) Geographic information for the fiscal years ended March 31, 2013 and 2012

Since the ordinary income and total tangible fixed assets 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 for the fiscal years ended March 31, 2013 and 2012

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

35. Related Party Transactions

Major transactions and major balances for the fiscal years ended and as of March 31, 2013 and 2012, with related parties were as follows:

March 31, 2013		Transaction amount for the fiscal year			Balance at the end of the fiscal year	
Category and name of the related party	Description of the transactions	Millions of yen	Millions of U.S. dollars	Account name	Millions of yen	Millions of U.S. dollars
The Group's Directors and Officers and their close relatives	Loans(*1) (*2)	**¥229**	**$2**	Loans and bills discounted	**¥238**	**$2**
	Guarantee(*3)	**229**	**2**		**238**	**2**

Notes: (*1) ¥222 million ($2 million) of the balance represents the apartment loan originated by Resona Bank which is twenty-one-year terms and monthly equal instalments of principal and interest. Interest rate is reasonably determined based on the market rate. During the fiscal year, the three debtors were no longer identified as related parties. The disclosed amount above was the balance as of the date when the three debtors were no longer identified as related parties of the Group.

(*2) ¥13 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. During the fiscal year, the debtor was no longer identified as a related party. The disclosed amount above was the balance as of the date when the debtor was no longer identified as a related party of the Group.

(*3) The outside Director of Saitama Resona Bank and his relatives, identified as related parties, guarantee the apartment loan amounting to ¥222 million ($2 million) that is originated by Resona Bank. The Group also has received real estate collateral. During the fiscal year, the guarantors were no longer identified as a related party. The disclosed amount above was the balance as of the date when the three guarantors were no longer identified as related parties of the Group.

March 31, 2012		Transaction amount for the fiscal year			Balance at the end of the fiscal year	
Category and name of the related party	Description of the transactions	Millions of yen	Millions of U.S. dollars	Account name	Millions of yen	Millions of U.S. dollars
The Group's Directors and Officers and their close relatives	Loans(*1) (*2)	¥—	$—	Loans and bills discounted	¥435	$5
	Deposits(*3)	—	—	Deposits	81	0
	Guarantee(*4) (*5)	—	—	—	435	5

Notes: (*1) ¥14 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.

(*2) ¥421 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. During the fiscal year, the debtor was no longer identified as a related party. The disclosed amount above was the balance as of the date when the debtors were no longer identified as related parties of the Group.

(*3) 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. During the fiscal year, the depositor was no longer identified as a related party. The disclosed amount above was the balance as of the date when the depositors were no longer identified as related parties of the Group.

(*4) The Director of Saitama Resona Bank, identified as a related party, guarantees the apartment loan amounting to ¥14 million with guarantee of Resona Guarantee that is originated by Resona Bank. The Group also has received real estate collateral. He became an outside Director of Saitama Resona Bank on June 23, 2011, and resigned from Executive Officer of the Company and the Representative Director of Resona Bank on March 31, 2012.

(*5) The Audit & Supervisory Board Member of Resona Bank, identified as a related party, guarantees the apartment loan amounting to ¥421 million with guarantee of Resona Guarantee that is originated by Saitama Resona Bank. The Group also has received real estate collateral. During the fiscal year, he was no longer identified as a related party. The disclosed amount above was the balance as of the date when the member was not identified as a related party of the Group.

36. Subsequent Events

(1) Appropriation of retained earnings

On May 10, 2013, the Board of Directors approved payment of cash dividends to stockholders of record on March 31, 2013, as follows:

	Millions of yen	Millions of U.S. dollars
Year-end cash dividends:		
Common stock, ¥12.00 ($0.12) per share	**¥29,409**	**$312.66**
Class C No. 1 preferred stock, ¥68.00 ($0.72) per share	**816**	**8.67**
Class F No. 1 preferred stock, ¥185.00 ($1.96) per share	**1,480**	**15.73**
Class Three No. 1 preferred stock, ¥21.04 ($0.22) per share	**4,734**	**50.32**
Class Four preferred stock, ¥992.50 ($10.55) per share	**2,501**	**26.58**
Class Five preferred stock, ¥918.75 ($9.76) per share	**3,675**	**39.07**
Class Six preferred stock, ¥1,237.50 ($13.15) per share	**3,712**	**39.46**
Total	**¥46,327**	**$492.52**

(2) Implementation of the Public Funds Full Repayment Plan

On May 10, 2013, the Company formulated the Public Funds Full Repayment Plan (the "Plan") which aimed at fully repaying the remaining public funds. The following steps have been taken in accordance with the Plan.

(a) Reduction in the amount of capital stock and capital reserve

At the shareholders meeting held on June 21, 2013, the agenda relating to the capitalization of other retained earnings and the reduction of the amount of capital stock and capital reserve was adopted so that the reduction of capital stock and capital reserve took effect as of June 24, 2013.

Purpose	In order to realize early repayment of public funds, the Company intends to implement the Plan with certainty by having ¥900.0 billion ($9.5 billion) beforehand in the form of other capital surplus as funds available for the repayment.*	
Capitalization of other retained earnings	The amount of other retained earnings of ¥320,000,000,000 ($3,402,083,776) was reduced and the full amount thereof was capitalized. The amount of capital stock after the capitalization was ¥660,472,846,991 ($7,021,824,867).	
Amount of capital stock and capital reserve to be reduced	(a) ¥660,472,846,991 ($7,021,824,867), which is the amount of capital stock, and (b) ¥340,472,846,991 ($3,619,741,090), which is the amount of capital reserve, were reduced by ¥610,000,000,000 ($6,485,222,198) and ¥290,000,000,000 ($3,083,138,422), respectively. After such reductions, both (a) and (b) are ¥50,472,846,991 ($536,602,668), and ¥900,000,000,000 ($9,568,360,620) which is the total amount of the capital stock and the capital reserve reduced, was transferred to other capital surplus in full. There is no decrease in the number of issued and outstanding shares.	
Schedule	1) Resolution at the board of directors' meeting	May 10, 2013 (Friday)
	2) Publication of the statutory public notice	May 21, 2013 (Tuesday)
	3) Last date for creditors to state objections	June 21, 2013 (Friday)
	4) Resolution at the shareholders meeting	June 21, 2013 (Friday)
	5) Effective date of the reduction	June 24, 2013 (Monday)

Note: (*) The funds for special preferred dividends (totalling ¥160.0 billion ($1.7 billion)) to be distributed for the preferred stock regarding the public funds issued under the Act on Emergency Measures for Early Strengthening of Financial Functions plus the funds to purchase the preferred stock regarding the public funds issued under the Deposit Insurance Act.

(b) Details of the matters regarding acquisition of own shares

The Company determined the matters regarding own shares as specified below based on the resolutions at the board of directors' meetings held on May 10, 2013 and June 21, 2013, pursuant to Article 53 of the articles of incorporation of the Company and Article 459, Paragraph 1 of the Companies Act. The purpose of acquiring own shares is to repay the outstanding public funds injected under the Deposit Insurance Act at an early date. The acquisition of own shares is scheduled to be implemented at the time when the Company and relevant authorities could confirm that the intended repayment would not incur any national burden.

Common stock

Total number of shares available for acquisition	503,262,500 shares (ceiling)
Total amount of the acquisition price of the shares	¥100.0 billion ($1.0 billion) (ceiling)
Period of acquisition	June 24, 2013 to March 31, 2014
Manner of acquisition	Off-auction Own Share purchase transaction at ToSTNet market (ToSTNet3)

Class Three No. 1 preferred stock

Total number of shares available for acquisition	225,000,000 shares (ceiling) (Number of outstanding shares as of June 28, 2013)
Total amount of the acquisition price of the shares	¥300.0 billion ($3.1 billion) (ceiling)
Acquisition period	June 24, 2013 to March 31, 2014

(c) Partial amendments to the articles of incorporation

The following partial amendments to the Company's articles of incorporation were approved and adopted at the shareholders meeting and at each of the class meetings of the common stockholders, Class C No. 1 preferred stockholders, Class F No. 1 preferred stockholders, Class Three No. 1 preferred stockholders, Class Four preferred stockholders, Class Five preferred stockholders and Class Six preferred stockholders, all of which were held on June 21, 2013.

The amendments to the articles of incorporation will be implemented as a part of the Plan with a view to enabling installment repayment for the preferred stocks issued under the Act on Emergency Measures for Early Strengthening of Financial Functions. The amendments to the articles of incorporation will come into effect on the conditions that the partial acquisition of the own shares (common stocks) based on the resolution of the Company's board of directors' meeting held on May 10, 2013, is implemented, and the settlement regarding the acquisition which the total amount of the acquisition price paid by the Company is equal to or more than ¥99,999.90 million ($1,063.15 million) is completed.

(i) Extension of the simultaneous acquisition date with the common stocks and the extension of the period for making acquisition requests regarding the Class C No. 1 preferred stocks and Class F No. 1 preferred stocks
   1. The simultaneous acquisition date with the common stocks (so-called date of simultaneous conversion into the common stocks) will both be extended to the date following the date of the shareholders meeting for the fiscal year ending March 2018.
   2. The period for making acquisition requests (so-called conversion period) will be extended to the date of the shareholders meeting for the fiscal year ending March 2018.

(ii) Changes in the amount of preferred dividends regarding the Class C No. 1 preferred stocks and the Class F No. 1 preferred stock
   1. Separate from the usual preferred dividends, provisions on the special preferred dividends of the aggregate of ¥12.0 billion ($0.1 billion) per year (fixed) on the Class C No. 1 preferred stocks and ¥20.0 billion ($0.2 billion) per year (fixed) on the Class F No. 1 preferred stocks, respectively, will be established. These special preferred dividends will be appropriated to the repayment in installments of public funds.
   2. The provision on the amount of usual preferred dividends will be changed so that the amount of usual preferred dividends will be reduced proportionately to the year-on-year reduction in the balance of the amount of repayment required for the public funds with the annual payment of the special preferred dividends set forth in 1. above.

The Company and the Deposit Insurance Corporation of Japan signed a contract on June 21, 2013, which predicates that the aggregate amount to be repaid by the Company for the preferred stocks subscribed and owned by the Resolution and Collection Corporation is ¥160.0 billion ($1.7 billion) and the repayments will be implemented in the form of special preferred dividends, etc.

(3) Borrowing of funds

The Company borrowed money as specified in the following on June 28, 2013. The existed borrowing totalling ¥190,000 million ($2,019.9 million) was repaid on the same date.

Purpose of the loan	To acquire the Company's common stock and Class Three No. 1 preferred stocks
Lender	Resona Bank, Ltd.
Amount of borrowing	¥300,000 million ($3,189 million)
Date of final repayment	June 30, 2020
Terms of the loan	Loans are provided without collaterals and to be repaid in lump-sum on final repayment date. Applicable interest rate was determined rationally based on the prevailing market interest rate.

(4) The acquisition of own stock and the partial amendment to the articles of incorporation

Subsequently, as part of the Plan, the Company repurchased 190,839,600 common shares of its own with the total acquisition price of ¥99,999,950,400 on July 19, 2013 and cancelled all of them on July 25, 2013. Upon completing the settlement of the shares purchased, the partial amendments to the articles of incorporation, which were approved and adopted at the annual shareholders meeting and at each of the class meetings held on June 21, 2013 as specified in 2-(c) above, became effective as of July 24, 2013.

SUPPLEMENTARY FINANCIAL INFORMATION OF THE GROUP

CONTENTS

FINANCIAL INFORMATION OF RESONA HOLDINGS, INC.

Non-consolidated Balance Sheet

Resona Holdings, Inc.	Millions of yen		Millions of U.S. dollars
March 31, 2013	**2013**	2012	**2013**
Assets			
Current assets	**¥ 327,106**	¥ 142,697	**$ 3,477**
Cash and due from banks	**435**	529	**4**
Money held in trust	**200**	—	**2**
Securities	**274,800**	86,000	**2,921**
Prepaid expenses	**6**	8	**0**
Deferred tax assets	**120**	97	**1**
Accrued income	**13**	12	**0**
Other receivable	**33,898**	25,618	**360**
Accrued income tax refund	**17,631**	30,430	**187**
Non-current assets	**1,192,750**	1,207,642	**12,680**
Tangible fixed assets	**10**	12	**0**
Tools, furnitures and fixtures, net	**5**	6	**0**
Leased assets, net	**4**	6	**0**
Intangible fixed assets	**9**	19	**0**
Trademarks	**0**	6	**0**
Software	**8**	13	**0**
Investments and other assets	**1,192,731**	1,207,609	**12,680**
Investments in subsidiaries and affiliates	**1,116,174**	1,121,170	**11,866**
Long-term loans to subsidiaries and affiliates	**79,500**	89,500	**845**
Other	**1**	1	**0**
Reserve for possible losses on investments	**(2,945)**	(3,062)	**(31)**
Total Assets	**¥1,519,857**	¥1,350,339	**$16,158**
Liabilities			
Current liabilities	**¥ 34,933**	¥ 26,911	**$ 371**
Bonds scheduled for repayment within one year	**30,000**	—	**318**
Lease obligations	**1**	1	**0**
Other payable	**684**	25,408	**7**
Accrued expenses	**645**	717	**6**
Income taxes payable	**2,626**	25	**27**
Consumption taxes payable	**45**	65	**0**
Reserve for employees' bonuses	**421**	327	**4**
Other	**509**	366	**5**
Non-current liabilities	**272,821**	300,005	**2,900**
Bonds	**80,000**	60,000	**850**
Long-term debts to subsidiaries and affiliates	**192,817**	240,000	**2,049**
Lease obligations	**3**	5	**0**
Total Liabilities	**¥ 307,754**	¥ 326,916	**$ 3,271**
Net assets			
Shareholders' equity	**¥1,212,102**	¥1,023,423	**$12,886**
Capital stock	**340,472**	340,472	**3,619**
Capital surplus	**340,472**	340,472	**3,619**
Capital reserve	**340,472**	340,472	**3,619**
Retained earnings	**620,754**	429,326	**6,599**
Less: Treasury stock	**89,596**	86,849	**952**
Total Net Assets	**¥1,212,102**	¥1,023,423	**$12,886**
Total Liabilities and Net Assets	**¥1,519,857**	¥1,350,339	**$16,158**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥94.06=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2013, has been used.

Non-consolidated Statement of Income

Resona Holdings, Inc.

Year ended March 31, 2013	Millions of yen 2013	Millions of yen 2012	Millions of U.S. dollars 2013
Operating income	**¥244,546**	¥158,322	**$2,599**
Dividends from subsidiaries and affiliates	**238,025**	151,597	**2,530**
Fees from subsidiaries and affiliates	**4,481**	4,523	**47**
Interest on loans to subsidiaries and affiliates	**2,039**	2,202	**21**
Operating expenses	**7,082**	7,445	**75**
Interest on debts	**2,152**	2,442	**22**
Interest on bonds	**760**	846	**8**
Bond issuance costs	**191**	120	**2**
General and administrative expenses	**3,977**	4,035	**42**
Operating profits	**237,463**	150,877	**2,524**
Non-operating income	**334**	251	**3**
Interest income on securities	**76**	23	**0**
Fees and commissions	**114**	108	**1**
Reversal of reserve for possible losses on investments	**116**	113	**1**
Interest on tax refunds	**25**	4	**0**
Other	**1**	1	**0**
Non-operating expenses	**65**	165	**0**
Losses on liquidation of subsidiaries	**—**	154	**—**
Other	**65**	11	**0**
Income before income taxes	**237,733**	150,962	**2,527**
Income taxes—current	**(75)**	(204)	**(0)**
Income taxes—deferred	**(23)**	1	**(0)**
Net income	**¥237,832**	¥151,165	**$2,528**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥94.06=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2013, has been used.

Statement of Trust 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, 2013	Millions of yen 2013	Millions of yen 2012	Millions of U.S. dollars 2013
Assets			
Loans and bills discounted	**¥ 53,412**	¥ 61,909	**$ 567**
Securities	**63**	0	**0**
Beneficiary rights	**21,969,982**	22,587,612	**233,574**
Securities held in custody account	**5,578**	4,512	**59**
Monetary claims	**372,080**	391,346	**3,955**
Tangible fixed assets	**500,550**	545,087	**5,321**
Intangible fixed assets	**2,024**	2,139	**21**
Other claims	**7,052**	7,170	**74**
Due from banking account	**448,793**	354,818	**4,771**
Cash and due from banks	**17,817**	19,053	**189**
Total assets	**¥23,377,357**	¥23,973,650	**$248,536**
Liabilities			
Money trusts	**¥ 7,030,744**	¥ 7,169,755	**$ 74,747**
Pension trusts	**3,502,401**	3,545,831	**37,235**
Property formation benefit trusts	**1,120**	1,086	**11**
Securities investment trusts	**11,205,133**	11,600,386	**119,127**
Money entrusted other than money trusts	**325,836**	289,228	**3,464**
Securities trusts	**166,568**	149,602	**1,770**
Monetary claims trusts	**382,789**	402,747	**4,069**
Land and fixtures trusts	**118,844**	119,037	**1,263**
Land and fixtures lease trusts	**2,814**	2,812	**29**
Composite trusts	**641,104**	693,161	**6,815**
Total liabilities	**¥23,377,357**	¥23,973,650	**$248,536**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥94.06=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2013, has been used.
3. Co-managed trust funds under other trust banks' administration amounted to ¥655,712 million ($6,971 million) and ¥927,052 million on March 31, 2013 and 2012, respectively.

Jointly Operated Designated Money Trusts (JOMTs)

Resona Holdings, Inc.

March 31, 2013	Millions of yen 2013	Millions of yen 2012	Millions of U.S. dollars 2013
Assets			
Loans and bills discounted	**¥ 53,412**	¥ 61,909	**$ 567**
Other	**440,123**	345,579	**4,679**
Total assets	**¥493,535**	¥407,489	**$5,247**
Liabilities			
Principal	**¥493,318**	¥407,227	**$5,244**
Special loan loss reserve	**161**	186	**1**
Other	**56**	76	**0**
Total liabilities	**¥493,535**	¥407,489	**$5,247**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥94.06=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2013, has been used.
3. Risk management loans (Trust account)

March 31	Millions of yen 2013	Millions of yen 2012	Millions of U.S. dollars 2013
Loans to borrowers in legal bankruptcy	**¥ 2**	¥ 32	**$ 0**
Past due loans	**1,194**	2,014	**12**
Loans past due three months or more	**—**	—	**—**
Restructured loans	**1,995**	2,105	**21**
Total	**3,191**	4,153	**33**
Total loans and bills discounted	**¥53,412**	¥61,909	**$567**

FINANCIAL INFORMATION OF RESONA BANK, LTD.

Non-consolidated Balance Sheet

Resona Bank, Ltd.	Millions of yen		Millions of U.S. dollars
March 31, 2013	**2013**	2012	**2013**
Assets			
Cash and due from banks	**¥ 1,993,867**	¥ 2,177,774	**$ 21,197**
Call loans	**60,000**	70,045	**637**
Monetary claims bought	**62,806**	79,103	**667**
Trading assets	**756,460**	658,269	**8,042**
Securities	**5,785,124**	6,218,603	**61,504**
Loans and bills discounted	**17,440,713**	17,061,490	**185,421**
Foreign exchange assets	**55,586**	63,536	**590**
Other assets	**811,422**	1,087,524	**8,626**
Tangible fixed assets	**215,207**	215,277	**2,287**
Intangible fixed assets	**39,317**	47,170	**418**
Deferred tax assets	**131,933**	113,811	**1,402**
Customers' liabilities for acceptances and guarantees	**310,796**	343,093	**3,304**
Reserve for possible loan losses	**(158,540)**	(224,573)	**(1,685)**
Total Assets	**¥27,504,695**	¥27,911,127	**$292,416**
Liabilities			
Deposits	**¥21,282,538**	¥20,828,267	**$226,265**
Negotiable certificates of deposit	**1,579,190**	1,396,860	**16,789**
Call money	**202,188**	353,083	**2,149**
Payables under repurchase agreements	**38,992**	11,998	**414**
Payables under securities lending transactions	**—**	254,943	**—**
Trading liabilities	**347,375**	273,900	**3,693**
Borrowed money	**512,125**	1,393,232	**5,444**
Foreign exchange liabilities	**5,271**	5,657	**56**
Bonds	**615,603**	705,183	**6,544**
Due to trust account	**448,793**	354,818	**4,771**
Other liabilities	**761,152**	685,944	**8,092**
Reserve for employees' bonuses	**10,767**	8,374	**114**
Other reserves	**25,784**	29,189	**274**
Deferred tax liabilities for land revaluation	**23,690**	23,713	**251**
Acceptances and guarantees	**310,796**	343,093	**3,304**
Total Liabilities	**¥26,164,269**	¥26,668,260	**$278,165**
Net assets			
Capital stock	**¥ 279,928**	¥ 279,928	**$ 2,976**
Capital surplus	**377,178**	377,178	**4,009**
Capital reserve	**279,928**	279,928	**2,976**
Other capital surplus	**97,250**	97,250	**1,033**
Retained earnings	**474,934**	455,915	**5,049**
Total shareholders' equity	**¥ 1,132,042**	¥ 1,113,022	**$ 12,035**
Net unrealized gains on available-for-sale securities	**130,036**	60,321	**1,382**
Net deferred gains on hedges	**37,127**	28,259	**394**
Revaluation reserve for land	**41,219**	41,262	**438**
Total valuation and translation differences	**¥ 208,383**	¥ 129,844	**$ 2,215**
Total Net Assets	**¥ 1,340,426**	¥ 1,242,866	**$ 14,250**
Total Liabilities and Net Assets	**¥27,504,695**	¥27,911,127	**$292,416**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥94.06=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2013, has been used.
3. The distributable amount available for dividends which is defined under the Companies Act was ¥572,185 million as of the end of March 2013. Of this amount, the Bank distributed ¥102,159 million as term-end dividends for its common and preferred stock shares.

Non-consolidated Statement of Income

Resona Bank, Ltd.	Millions of yen		Millions of U.S. dollars
Year ended March 31, 2013	2013	2012	2013
Income			
Interest income	¥306,372	¥324,573	$3,257
Interest on loans and bills discounted	260,090	274,767	2,765
Interest and dividends on securities	32,185	34,596	342
Other interest income	14,097	15,209	149
Trust fees	21,657	23,497	230
Fees and commissions	111,290	105,116	1,183
Trading income	2,922	12,183	31
Other operating income	45,919	44,789	488
Other income	74,750	65,316	794
Total Income	562,913	575,477	5,984
Expenses			
Interest expenses	38,522	43,229	409
Interest on deposits	14,678	18,509	156
Other interest expenses	23,844	24,719	253
Fees and commissions	50,613	50,159	538
Trading expenses	1,357	—	14
Other operating expenses	9,765	13,591	103
General and administrative expenses	225,558	223,169	2,398
Other expenses	49,773	66,913	529
Total Expenses	375,591	397,062	3,993
Income before income taxes	187,321	178,415	1,991
Income taxes—current	25,780	(5,846)	274
Income taxes—deferred	(44,035)	(2,684)	(468)
Net income	¥205,576	¥186,946	$2,185

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥94.06=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2013, has been used.

Statement of Trust Assets and Liabilities

Resona Bank, Ltd. March 31, 2013	**Millions of yen** **2013**	 2012	**Millions of U.S. dollars** **2013**
Assets			
Loans and bills discounted	**¥ 53,412**	¥ 61,909	**$ 567**
Securities	**63**	0	**0**
Beneficiary rights	**21,969,982**	22,587,612	**233,574**
Securities held in custody account	**5,578**	4,512	**59**
Monetary claims	**372,080**	391,346	**3,955**
Tangible fixed assets	**500,550**	545,087	**5,321**
Intangible fixed assets	**2,024**	2,139	**21**
Other claims	**7,052**	7,170	**74**
Due from banking account	**448,793**	354,818	**4,771**
Cash and due from banks	**17,817**	19,053	**189**
Total assets	**¥23,377,357**	¥23,973,650	**$248,536**
Liabilities			
Money trusts	**¥ 3,894,454**	¥ 3,888,071	**$ 41,403**
Specified money in trust	**3,136,289**	3,281,683	**33,343**
Pension trusts	**3,502,401**	3,545,831	**37,235**
Property formation benefit trusts	**1,120**	1,086	**11**
Securities investment trusts	**11,205,133**	11,600,386	**119,127**
Money entrusted other than money trusts	**325,836**	289,228	**3,464**
Securities trusts	**166,568**	149,602	**1,770**
Monetary claims trusts	**382,789**	402,747	**4,069**
Land and fixtures trusts	**118,844**	119,037	**1,263**
Land and fixtures lease trusts	**2,814**	2,812	**29**
Composite trusts	**641,104**	693,161	**681**
Total liabilities	**¥23,377,357**	¥23,973,650	**$248,536**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥94.06=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2013, has been used.
3. Co-managed trust funds under other trust banks' administration amounted to ¥655,712 million ($6,971 million) and ¥927,052 million on March 31, 2013 and 2012, respectively.
4. Loans and bills discounted funded by Jointly Operated Designated Money Trust account funds that the Bank guarantees the principal amounting to ¥53,412 million ($567 million) and ¥61,909 million on March 31, 2013 and 2012, respectively, included the following:

March 31	**Millions of yen** **2013**	 2012	**Millions of U.S. dollars** **2013**
Loans to borrowers in legal bankruptcy	**¥ 2**	¥ 32	**¥ 0**
Past due loans	**1,194**	2,014	**12**
Loans past due three months or more	**—**	—	**—**
Restructured loans	**1,995**	2,105	**21**
Total	**¥3,191**	¥4,153	**¥33**

Deposits and Negotiable Certificates of Deposit (Non-consolidated)

Resona Bank, Ltd.	Billions of yen	
March 31	2013	2012
Liquid deposits	**¥13,663.5**	¥13,015.6
Time deposits	**7,000.1**	7,284.7
Other deposits	**2,198.0**	1,924.7
Total	**¥22,861.7**	¥22,225.1

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	2013	2012
Individuals	**¥12,278.6**	¥12,057.6
Corporations, Other	**8,985.3**	8,764.2
Total	**¥21,263.9**	¥20,821.9

Note: Domestic depositors only and excluding negotiable certificates of deposit

Loans to SMEs and Consumers (Non-consolidated)

Resona Bank, Ltd.	Billions of yen		Ratio to total loans	
March 31	2013	2012	2013	2012
Banking account	**¥14,422.1**	¥14,163.7	**82.6%**	83.0%
Banking and trust accounts	**14,469.7**	14.219.4	**82.7%**	83.0%

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

Resona Bank, Ltd.	Billions of yen	
March 31	2013	2012
Consumer loans total	**¥7,772.1**	¥7,583.5
Housing loans	**7,616.0**	7,421.7

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 2013	2012
Manufacturing	**¥ 1,924.0**	¥ 1,919.7
	11.03%	11.25%
Agriculture, forestry	**6.3**	5.2
	0.04%	0.03%
Fishery	**1.1**	1.3
	0.01%	0.01%
Mining, quarrying of stone, gravel extraction	**11.3**	12.6
	0.06%	0.07%
Construction	**388.6**	388.0
	2.23%	2.27%
Electricity, gas, heating, water	**92.1**	85.0
	0.53%	0.50%
Information and communication	**229.7**	245.1
	1.32%	1.44%
Transportation, postal service	**341.4**	361.2
	1.96%	2.12%
Wholesale and retail trade	**1,871.8**	1,875.9
	10.73%	11.00%
Finance and insurance	**903.8**	968.8
	5.18%	5.68%
Real estate	**1,895.4**	1,652.8
	10.87%	9.69%
Goods rental and leasing	**268.3**	251.6
	1.54%	1.47%
Services	**1,058.7**	1,069.5
	6.07%	6.27%
Government, local government	**308.7**	317.0
	1.77%	1.86%
Others	**8,138.8**	7,907.1
	46.67%	46.34%
Total	**¥17,440.7**	¥17,061.4
	100.0%	100.0%

Risk-managed Loans (Banking and Trust Accounts)

Resona Bank, Ltd. Non-consolidated Basis March 31	2013	Change	2012
	Billions of yen		
Loans to borrowers in legal bankruptcy	¥ 5.8	¥ (0.6)	¥ 6.4
Past due loans	240.9	(43.6)	284.6
Loans past due three months or more	2.4	(0.9)	3.3
Restructured loans	98.8	19.6	79.2
Total*	¥ 348.1	¥ (25.5)	¥ 373.7
Total loans and bills discounted	¥17,494.1	¥370.7	¥17,123.4
Ratio of risk-managed loans to total loans and bills discounted (%)	1.98	(0.20)	2.18

* Amounts are net of partial direct write-offs.

Disclosure According to the Financial Reconstruction Act (Banking and Trust Accounts)

Resona Bank, Ltd. Non-consolidated Basis March 31	2013	Change	2012
	Billions of yen		
Unrecoverable or valueless claims	¥ 47.6	¥ (1.0)	¥ 48.7
Risk claims	209.2	(68.5)	277.8
Special attention loans	101.2	18.6	82.6
Financial Reconstruction Act subtotal	358.2	(51.0)	409.2
Normal claims	17,810.8	420.9	17,389.9
Financial Reconstruction Act total*	¥18,169.0	¥369.9	¥17,799.1
Coverage ratio (%)	80.03	(2.96)	82.99

* 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	2013	Change	2012
	Billions of yen		
Reserves for possible loan losses	¥158.5	¥(66.0)	¥224.5
General reserve for possible loan losses	95.2	(22.4)	117.6
Specific reserve for possible loan losses	63.3	(43.6)	106.9
Special reserve for certain overseas loans	0.0	0.0	0.0
Reserve for write-off of loans in the trust account			¥ 0.1

Securities

Resona Bank, Ltd. Non-consolidated Basis March 31	2013	2012
	Billions of yen	
Japanese national and local government bonds	¥4,402.3	¥5,184.3
Japanese corporate bonds	654.3	427.5
Japanese corporate stocks	489.5	420.9
Other securities	238.8	185.7
Total book value	¥5,785.1	¥6,218.6

Capital Adequacy Ratio

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

Resona Bank, Ltd.

March 31			Billions of yen 2013 (Basel II F-IRB)	2012 (Basel II F-IRB)
Tier 1 capital	Capital stock		**¥ 279.9**	¥ 279.9
	Capital surplus		**429.3**	429.3
	Retained earnings		**466.4**	440.0
	Less: Planned distribution of income		**102.1**	92.8
	Less: Unrealized loss on available-for-sale securities		**—**	—
	Foreign currency translation adjustments		**(4.3)**	(4.6)
	Minority interests in consolidated subsidiaries		**120.7**	105.2
	Preferred securities issued by overseas SPCs		**108.1**	94.5
	Less: Goodwill		**—**	—
	Less: Capital increase due to securitization transactions		**3.6**	4.3
	Less: 50% of excess of expected losses relative to eligible reserves		**—**	—
	Total of Tier 1 capital before deduction of deferred tax assets		**1,186.2**	1,152.7
	Less: Deduction of deferred tax assets		**—**	—
	Subtotal	(A)	**1,186.2**	1,152.7
	Preferred securities with a step-up interest rate provision		**108.1**	94.5
Tier 2 capital	45% of revaluation reserve for land		**29.2**	29.2
	General reserve for possible loan losses		**2.2**	3.3
	Excess of eligible reserves relative to expected losses		**34.4**	34.1
	Hybrid debt capital instruments		**471.6**	461.1
	Subtotal		**537.5**	527.7
	Tier 2 capital included as qualifying capital	(B)	**537.5**	527.7
Deductions	Deductions for total risk-based capital	(C)	**42.6**	35.8
Total qualifying capital	(A)+(B)–(C)	(D)	**¥ 1,681.1**	¥ 1,644.7
Risk-weighted assets	On-balance-sheet items		**¥10,768.5**	¥10,683.3
	Off-balance-sheet items		**977.4**	1,004.0
	Credit risk assets	(E)	**11,746.0**	11,687.4
	Operational risk equivalent assets ((G)/8%)	(F)	**710.6**	720.1
	(For reference: Amount equivalent to operational risk)	(G)	**56.8**	57.6
Total risk-weighted assets	(E)+(F)	(H)	**¥12,456.7**	¥12,407.5
Capital adequacy ratio	(D)/(H) x 100%		**13.49%**	13.25%

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

Resona Bank, Ltd.

March 31			Billions of yen 2013 (Basel II F-IRB)	2012 (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		**476.7**	458.5
	Other		**111.7**	96.5
	Less: Planned distribution of income		**102.1**	92.8
	Less: Unrealized loss on available-for-sale securities		**—**	—
	Less: Capital increase due to securitization transactions		**3.6**	4.3
	Less: 50% of excess of expected losses relative to eligible reserves		**—**	—
	Total of Tier 1 capital before deduction of deferred tax assets		**1,139.7**	1,115.0
	Less: Deduction of deferred tax assets		**—**	—
	Subtotal	(A)	**1,139.7**	1,115.0
	Preferred securities with a step-up interest rate provision		**108.1**	94.5
Tier 2 capital	45% of revaluation reserve for land		**29.2**	29.2
	General reserve for possible loan losses		**1.3**	2.4
	Excess of eligible reserves relative to expected losses		**34.5**	34.1
	Hybrid debt capital instruments		**471.6**	461.1
	Subtotal		**536.7**	526.9
	Tier 2 capital included as qualifying capital	(B)	**536.7**	526.9
Deductions	Deductions for total risk-based capital	(C)	**19.4**	20.4
Total qualifying capital	(A)+(B)–(C)	(D)	**¥ 1,656.9**	¥ 1,621.5
Risk-weighted assets	On-balance-sheet items		**¥10,683.3**	¥10,618.6
	Off-balance-sheet items		**986.5**	1,009.2
	Credit risk assets	(E)	**11,669.9**	11,627.8
	Operational risk equivalent assets ((G)/8%)	(F)	**680.4**	690.8
	(For reference: Amount equivalent to operational risk)	(G)	**54.4**	55.2
Total risk-weighted assets	(E)+(F)	(H)	**¥12,350.3**	¥12,318.7
Capital adequacy ratio	(D)/(H) x 100%		**13.41%**	13.16%

FINANCIAL INFORMATION OF SAITAMA RESONA BANK, LTD.

Non-consolidated Balance Sheet

Saitama Resona Bank, Ltd.	Millions of yen		Millions of U.S. dollars
March 31, 2013	**2013**	2012	**2013**
Assets			
Cash and due from banks	**¥ 1,293,178**	¥ 402,666	**$ 13,748**
Call loans	**128,550**	173,054	**1,366**
Monetary claims bought	**23,106**	32,345	**245**
Trading securities	**32,578**	40,793	**346**
Securities	**3,579,705**	4,165,970	**38,057**
Loans and bills discounted	**6,631,075**	6,468,096	**70,498**
Foreign exchange assets	**6,963**	5,972	**74**
Other assets	**52,304**	50,005	**556**
Tangible fixed assets	**57,812**	57,426	**614**
Intangible fixed assets	**2,763**	2,837	**29**
Deferred tax assets	**13,884**	22,301	**147**
Customers' liabilities for acceptances and guarantees	**13,735**	15,028	**146**
Reserve for possible loan losses	**(43,730)**	(48,143)	**(464)**
Total Assets	**¥11,791,928**	¥11,388,353	**$125,366**
Liabilities			
Deposits	**¥10,911,648**	¥10,552,145	**$116,007**
Negotiable certificates of deposit	**110,410**	90,400	**1,173**
Call money	**60,000**	60,045	**637**
Borrowed money	**148,660**	123,190	**1,580**
Foreign exchange liabilities	**121**	189	**1**
Bonds	**95,500**	125,500	**1,015**
Other liabilities	**70,796**	68,612	**752**
Reserve for employees' bonuses	**3,358**	2,612	**35**
Reserve for employees' retirement benefits	**5,575**	5,110	**59**
Other reserves	**8,153**	7,127	**86**
Acceptances and guarantees	**13,735**	15,028	**146**
Total Liabilities	**¥11,427,958**	¥11,049,961	**$121,496**
Net assets			
Capital stock	**¥ 70,000**	¥ 70,000	**$ 744**
Capital surplus	**100,000**	100,000	**1,063**
Capital reserve	**100,000**	100,000	**1,063**
Retained earnings	**146,001**	139,042	**1,552**
Total shareholders' equity	**¥ 316,001**	¥ 309,042	**$ 3,359**
Net unrealized gains on available-for-sale securities	**48,553**	30,104	**516**
Net deferred losses on hedges	**(584)**	(754)	**(6)**
Total valuation and translation differences	**¥ 47,968**	¥ 29,350	**$ 509**
Total Net Assets	**¥ 363,969**	¥ 338,392	**$ 3,869**
Total Liabilities and Net Assets	**¥11,791,928**	¥11,388,353	**$125,366**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥94.06=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2013, has been used.

Non-consolidated Statement of Income

Saitama Resona Bank, Ltd.

Year ended March 31, 2013	Millions of yen 2013	Millions of yen 2012	Millions of U.S. dollars 2013
Income			
Interest income	**¥132,027**	¥138,979	**$1,403**
Interest on loans and bills discounted	**111,080**	117,564	**1,180**
Interest and dividends on securities	**19,304**	20,434	**205**
Other interest income	**1,642**	981	**17**
Fees and commissions	**35,255**	32,495	**374**
Other operating income	**4,462**	4,942	**47**
Other income	**6,119**	6,809	**65**
Total Income	**177,864**	183,227	**1,890**
Expenses			
Interest expenses	**8,997**	10,971	**95**
Interest on deposits	**5,120**	6,798	**54**
Other interest expenses	**3,877**	4,172	**41**
Fees and commissions	**19,133**	19,716	**203**
Other operating expenses	**1,787**	2,214	**18**
General and administrative expenses	**76,949**	77,364	**818**
Other expenses	**8,556**	11,622	**90**
Total Expenses	**115,423**	121,889	**1,227**
Income before income taxes	**62,441**	61,337	**663**
Income taxes—current	**18,862**	26,198	**200**
Income taxes—deferred	**900**	(860)	**9**
Net income	**¥ 42,678**	¥ 35,999	**$ 453**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥94.06=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2013, has been used.

Deposits and Negotiable Certificates of Deposit

Saitama Resona Bank, Ltd.	Billions of yen	
March 31	2013	2012
Liquid deposits	**¥ 7,091.5**	¥ 6,733.3
Time deposits	**3,700.6**	3,710.2
Other deposits	**229.7**	198.9
Total	**¥11,022.0**	¥10,642.5

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	2013	2012
Individuals	**¥ 8,344.9**	¥ 8,095.8
Corporations	**1,832.5**	1,783.7
Other	**734.2**	672.5
Total	**¥10,911.6**	¥10,552.1

Note: Domestic depositors only and excluding negotiable certificates of deposit

Loans to SMEs and Consumers

Saitama Resona Bank, Ltd.	Billions of yen		Ratio to total loans	
March 31	2013	2012	2013	2012
Loans to SMEs and individuals	**¥5,923.6**	¥5,736.0	**89.3%**	88.6%

Loans to Consumers

Saitama Resona Bank, Ltd.	Billions of yen	
March 31	2013	2012
Consumer loans total	**¥3,981.4**	¥3,814.4
Housing loans	**3,871.7**	3,708.9

Note: Amount after securitization of housing loans

Loans and Bills Discounted by Industry

Saitama Resona Bank, Ltd.

March 31	Billions of yen 2013	2012
Manufacturing	**¥ 473.2**	¥ 463.6
	7.14%	7.17%
Agriculture, forestry	**5.4**	5.4
	0.08%	0.08%
Fishery	**0.0**	0.0
	0.00%	0.00%
Mining, quarrying of stone, gravel extraction	**2.2**	2.4
	0.03%	0.04%
Construction	**189.4**	197.8
	2.86%	3.06%
Electricity, gas, heating, water	**13.6**	13.8
	0.20%	0.21%
Information and communication	**21.8**	22.3
	0.33%	0.34%
Transportation, postal service	**127.8**	133.7
	1.93%	2.07%
Wholesale and retail trade	**389.5**	378.3
	5.87%	5.85%
Finance and insurance	**39.6**	31.4
	0.60%	0.49%
Real estate	**550.7**	548.8
	8.31%	8.49%
Goods rental and leasing	**36.6**	34.3
	0.55%	0.53%
Services	**370.1**	386.9
	5.58%	5.98%
Government, local government	**340.8**	351.2
	5.14%	5.43%
Others	**4,069.8**	3,897.4
	61.38%	60.26%
Total	**¥6,631.0**	¥6,468.0
	100.0%	100.0%

Risk-managed Loans

Saitama Resona Bank, Ltd.

March 31	2013	Change	2012
	Billions of yen		
Loans to borrowers in legal bankruptcy	**¥ 4.7**	**¥ (0.4)**	¥ 5.2
Past due loans	**84.4**	**(3.0)**	87.4
Loans past due three months or more	**0.8**	**0.2**	0.5
Restructured loans	**23.5**	**2.0**	21.4
Total*	**¥ 113.5**	**¥ (1.1)**	¥ 114.7
Total loans and bills discounted	**¥6,631.0**	**¥162.9**	¥6,468.0
Ratio of risk-managed loans to total loans and bills discounted (%)	**1.71**	**(0.06)**	1.77

* Amounts are net of partial direct write-offs.

Disclosure According to the Financial Reconstruction Act

Saitama Resona Bank, Ltd.

March 31	2013	Change	2012
	Billions of yen		
Unrecoverable or valueless claims	**¥ 13.3**	**¥ (2.3)**	¥ 15.6
Risk claims	**76.2**	**(1.2)**	77.4
Special attention loans	**24.3**	**2.3**	22.0
Financial Reconstruction Act subtotal	**113.9**	**(1.1)**	115.1
Normal claims	**6,566.0**	**163.4**	6,402.6
Financial Reconstruction Act total*	**¥6,680.0**	**¥162.2**	¥6,517.7
Coverage ratio (%)	**88.32**	**0.35**	87.96

* Amounts are net of partial direct write-offs.

Reserve for Possible Loan Losses

Saitama Resona Bank, Ltd.

March 31	2013	Change	2012
	Billions of yen		
Reserves for possible loan losses	**¥43.7**	**¥(4.4)**	¥48.1
General reserve for possible loan losses	**22.5**	**(4.8)**	27.4
Specific reserve for possible loan losses	**21.1**	**0.4**	20.7

Securities

Saitama Resona Bank, Ltd.

March 31	2013	2012
	Billions of yen	
Japanese national and local government bonds	**¥3,349.5**	¥3,979.3
Japanese corporate bonds	**78.1**	61.3
Japanese corporate stocks	**127.7**	104.4
Other securities	**24.2**	20.7
Total book value	**¥3,579.7**	¥4,165.9

Capital Adequacy Ratio

Non-consolidated Capital Adequacy Ratio (Japanese Domestic Standard)

Saitama Resona Bank, Ltd.

March 31			Billions of yen **2013** (Basel II F-IRB)	2012 (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		**125.9**	119.0
	Less: Planned distribution of income		**21.2**	17.8
	Less: Unrealized loss on available-for-sale securities		**—**	—
	Less: Capital increase due to securitization transactions		**4.5**	4.8
	Less: 50% of excess of expected losses relative to eligible reserves		**8.1**	5.7
	Subtotal	(A)	**282.0**	280.5
Tier 2 capital	General reserve for possible loan losses		**0.1**	0.1
	Excess of eligible reserves relative to expected losses		**—**	—
	Hybrid debt capital instruments		**157.0**	167.0
	Subtotal		**157.1**	167.1
	Tier 2 capital included as qualifying capital	(B)	**157.1**	167.1
Deductions	Deductions for total risk-based capital	(C)	**10.4**	8.1
Total qualifying capital	(A)+(B)–(C)	(D)	**¥ 428.7**	¥ 439.6
Risk-weighted assets	On-balance-sheet items		**¥3,144.1**	¥3,219.9
	Off-balance-sheet items		**46.1**	48.9
	Credit risk assets	(E)	**3,190.2**	3,268.8
	Operational risk equivalent assets ((G)/8%)	(F)	**250.6**	255.2
	(For reference: Amount equivalent to operational risk)	(G)	**20.0**	20.4
Total risk-weighted assets	(E)+(F)	(H)	**¥3,440.9**	¥3,524.0
Capital adequacy ratio	(D)/(H) x 100%		**12.46%**	12.47%

FINANCIAL INFORMATION OF THE KINKI OSAKA BANK, LTD.

Non-consolidated Balance Sheet

The Kinki Osaka Bank, Ltd.	Millions of yen		Millions of U.S. dollars
March 31, 2013	**2013**	2012	**2013**
Assets			
Cash and due from banks	**¥ 90,075**	¥ 127,993	**$ 957**
Call loans	**1,000**	—	**10**
Monetary claims bought	**42,206**	56,854	**448**
Trading securities	**7**	—	**0**
Securities	**822,727**	956,741	**8,746**
Loans and bills discounted	**2,556,928**	2,458,941	**27,184**
Foreign exchange assets	**3,744**	3,769	**39**
Other assets	**10,368**	29,237	**110**
Tangible fixed assets	**31,611**	31,714	**336**
Intangible fixed assets	**423**	609	**4**
Deferred tax assets	**2,584**	6,123	**27**
Customers' liabilities for acceptances and guarantees	**11,699**	13,450	**124**
Reserve for possible loan losses	**(28,148)**	(26,152)	**(299)**
Total Assets	**¥3,545,229**	¥3,659,282	**$37,691**
Liabilities			
Deposits	**¥3,250,253**	¥3,236,120	**$34,555**
Negotiable certificates of deposit	**71,600**	111,300	**761**
Payables under securities lending transactions	**—**	90,120	**—**
Borrowed money	**66,110**	62,600	**702**
Foreign exchange liabilities	**114**	51	**1**
Other liabilities	**19,006**	14,027	**202**
Reserve for employees' bonuses	**2,448**	1,723	**26**
Reserve for employees' retirement benefits	**5,847**	5,930	**62**
Other reserves	**3,340**	3,309	**35**
Acceptances and guarantees	**11,699**	13,450	**124**
Total Liabilities	**¥3,430,420**	¥3,538,634	**$36,470**
Net assets			
Capital stock	**¥ 38,971**	¥ 38,971	**$ 414**
Capital surplus	**55,439**	55,439	**589**
Capital reserve	**38,971**	38,971	**414**
Other capital surplus	**16,467**	16,467	**175**
Retained earnings	**12,666**	24,584	**134**
Total shareholders' equity	**¥ 107,076**	¥ 118,994	**$ 1,138**
Net unrealized gains/(losses) on available-for-sale securities	**7,732**	1,653	**82**
Total valuation and translation differences	**¥ 7,732**	¥ 1,653	**$ 82**
Total Net Assets	**¥ 114,809**	¥ 120,648	**$ 1,220**
Total Liabilities and Net Assets	**¥3,545,229**	¥3,659,282	**$37,691**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥94.06=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2013, has been used.

Non-consolidated Statement of Income

The Kinki Osaka Bank, Ltd.

Year ended March 31, 2013	Millions of yen 2013	Millions of yen 2012	Millions of U.S. dollars 2013
Income			
Interest income	**¥46,503**	¥49,745	**$494**
Interest on loans and bills discounted	**41,450**	44,305	**440**
Interest and dividends on securities	**4,573**	4,785	**48**
Other interest income	**480**	654	**5**
Fees and commissions	**14,402**	12,894	**153**
Other operating income	**2,383**	1,781	**25**
Other income	**3,329**	2,982	**35**
Total Income	**66,618**	67,404	**708**
Expenses			
Interest expenses	**4,376**	4,903	**46**
Interest on deposits	**3,030**	3,504	**32**
Other interest expenses	**1,345**	1,398	**14**
Fees and commissions	**6,985**	7,210	**74**
Other operating expenses	**14**	313	**0**
General and administrative expenses	**41,165**	42,057	**437**
Other expenses	**10,065**	9,977	**107**
Total Expenses	**62,607**	64,462	**665**
Income before income taxes	**4,011**	2,941	**42**
Income taxes—current	**101**	(18,496)	**1**
Income taxes—deferred	**193**	4,899	**2**
Net income	**¥ 3,717**	¥16,539	**$ 39**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥94.06=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2013, has been used.

Deposits and Negotiable Certificates of Deposit

The Kinki Osaka Bank, Ltd.	Billions of yen	
March 31	**2013**	2012
Liquid deposits	**¥1,682.2**	¥1,622.3
Time deposits	**1,538.9**	1,579.6
Other deposits	**100.7**	145.4
Total	**¥3,321.8**	¥3,347.4

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	**2013**	2012
Individuals	**¥2,567.8**	¥2,563.3
Corporations	**659.4**	658.4
Other	**22.9**	14.3
Total	**¥3,250.2**	¥3,236.1

Note: Domestic depositors only and excluding negotiable certificates of deposit

Loans to SMEs and Consumers (Non-consolidated)

The Kinki Osaka Bank, Ltd.	Billions of yen		Ratio to total loans	
March 31	**2013**	2012	**2013**	2012
Loans to SMEs and individuals	**¥2,266.1**	¥2,280.3	**88.6%**	92.7%

Loans to Consumers (Non-consolidated)

The Kinki Osaka Bank, Ltd.	Billions of yen	
March 31	**2013**	2012
Consumer loans total	**¥1,199.0**	¥1,158.2
Housing loans	**1,164.1**	1,119.7

Loans and Bills Discounted by Industry

The Kinki Osaka Bank, Ltd.

March 31	Billions of yen	
	2013	2012
Manufacturing	**¥ 264.0**	¥ 288.2
	10.33%	11.72%
Agriculture, forestry	**0.6**	0.5
	0.02%	0.02%
Fishery	**0.1**	0.1
	0.01%	0.01%
Mining, quarrying of stone, gravel extraction	**0.0**	0.1
	0.00%	0.01%
Construction	**112.9**	120.3
	4.42%	4.89%
Electricity, gas, heating, water	**1.8**	0.2
	0.07%	0.01%
Information and communication	**14.3**	14.9
	0.56%	0.61%
Transportation, postal service	**35.1**	39.8
	1.38%	1.62%
Wholesale and retail trade	**284.0**	311.2
	11.11%	12.66%
Finance and insurance	**25.6**	25.3
	1.00%	1.03%
Real estate	**220.3**	206.2
	8.62%	8.39%
Goods rental and leasing	**20.7**	20.5
	0.81%	0.83%
Services	**126.1**	134.2
	4.93%	5.46%
Government, local government	**237.4**	125.2
	9.29%	5.10%
Others	**1,213.2**	1,171.4
	47.45%	47.64%
Total	**¥2,556.9**	¥2,458.9
	100.00%	100.00%

Risk-managed Loans

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

	Billions of yen		
	2013	Change	2012
Loans to borrowers in legal bankruptcy	**¥ 0.7**	**¥ (0.0)**	¥ 0.8
Past due loans	**68.0**	**2.3**	65.6
Loans past due three months or more	**1.2**	**0.7**	0.5
Restructured loans	**22.2**	**(7.5)**	29.7
Total*	**¥ 92.2**	**¥ (4.5)**	¥ 96.7
Total loans and bills discounted	**¥2,556.9**	**¥97.9**	¥2,458.9
Ratio of risk-managed loans to total loans and bills discounted (%)	**3.60**	**(0.3)**	3.93

* Amounts are net of partial direct write-offs.

Disclosure According to the Financial Reconstruction Act

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

	Billions of yen		
	2013	Change	2012
Unrecoverable or valueless claims	**¥ 9.3**	**¥ (0.6)**	¥ 9.9
Risk claims	**60.2**	**2.9**	57.2
Special attention loans	**23.4**	**(6.8)**	30.2
Financial Reconstruction Act subtotal	**93.0**	**(4.4)**	97.4
Normal claims	**2,485.7**	**99.0**	2,386.7
Financial Reconstruction Act total*	**¥2,578.7**	**¥94.5**	¥2,484.1
Coverage ratio (%)	**85.26**	**3.72**	81.53

* 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		
	2013	Change	2012
Reserves for possible loan losses	**¥28.1**	**¥1.9**	¥26.1
General reserve for possible loan losses	**13.9**	**(2.1)**	16.0
Specific reserve for possible loan losses	**14.2**	**4.1**	10.1

Securities

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

	Billions of yen	
	2013	2012
Japanese national and local government bonds	**¥365.4**	¥474.9
Japanese corporate bonds	**365.5**	396.7
Japanese corporate stocks	**12.7**	11.4
Other securities	**78.9**	73.6
Total book value	**¥822.7**	¥956.7

Capital Adequacy Ratio

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

The Kinki Osaka Bank, Ltd.

March 31			Billions of yen 2013 (Basel II F-IRB)	2012 (Basel II F-IRB)
Tier 1 capital	Capital stock		**¥ 38.9**	¥ 38.9
	Capital surplus		**55.4**	55.4
	Retained earnings		**19.2**	30.6
	Less: Planned distribution of income		**1.7**	7.8
	Less: Unrealized loss on available-for-sale securities		**—**	—
	Foreign currency translation adjustments		**—**	—
	Minority interests in consolidated subsidiaries		**—**	—
	Subtotal	(A)	**111.8**	117.2
Tier 2 capital	General reserve for possible loan losses		**0.2**	0.3
	Excess of eligible reserves relative to expected losses		**3.5**	3.5
	Hybrid debt capital instruments		**55.0**	55.0
	Subtotal		**58.7**	58.9
	Tier 2 capital included as qualifying capital	(B)	**58.7**	58.9
Deductions	Deductions for total risk-based capital	(C)	**0.1**	0.3
Total qualifying capital	(A)+(B)–(C)	(D)	**¥ 170.4**	¥ 175.8
Risk-weighted assets	On-balance-sheet items		**¥1,164.1**	¥1,193.1
	Off-balance-sheet items		**17.2**	17.7
	Credit risk assets	(E)	**1,181.4**	1,210.9
	Operational risk equivalent assets ((G)/8%)	(F)	**94.4**	98.6
	(For reference: Amount equivalent to operational risk)	(G)	**7.5**	7.8
Total risk-weighted assets	(E)+(F)	(H)	**¥1,275.8**	¥1,309.5
Capital adequacy ratio	(D)/(H) x 100%		**13.35%**	13.43%

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

The Kinki Osaka Bank, Ltd.

March 31			Billions of yen 2013 (Basel II F-IRB)	2012 (Basel II F-IRB)
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		**12.6**	24.5
	Less: Planned distribution of income		**1.7**	7.8
	Less: Unrealized loss on available-for-sale securities		**—**	—
	Less: 50% of excess of expected losses relative to eligible reserves		**—**	0.3
	Subtotal	(A)	**105.3**	110.7
Tier 2 capital	General reserve for possible loan losses		**0.0**	0.1
	Excess of eligible reserves relative to expected losses		**0.6**	—
	Hybrid debt capital instruments		**55.0**	55.0
	Subtotal		**55.7**	55.1
	Tier 2 capital included as qualifying capital	(B)	**55.7**	55.1
Deductions	Deductions for total risk-based capital	(C)	**0.1**	0.7
Total qualifying capital	(A)+(B)–(C)	(D)	**¥ 160.8**	¥ 165.2
Risk-weighted assets	On-balance-sheet items		**¥1,162.9**	¥1,191.4
	Off-balance-sheet items		**14.9**	14.9
	Credit risk assets	(E)	**1,177.9**	1,206.4
	Operational risk equivalent assets ((G)/8%)	(F)	**89.2**	93.9
	(For reference: Amount equivalent to operational risk)	(G)	**7.1**	7.5
Total risk-weighted assets	(E)+(F)	(H)	**¥1,267.1**	¥1,300.3
Capital adequacy ratio	(D)/(H) x 100%		**12.69%**	12.70%

MEMO

STATUS OF CAPITAL ADEQUACY/ BASEL 2 DATA SECTION

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SCOPE OF CONSOLIDATION

■ Differences between those companies belonging to the Corporate Group (hereinafter, Holding Company Group) for which the capital adequacy ratio is calculated based on the method stipulated in “Standards for Bank Holding Companies to Examine the Adequacy of its Capital Based on Assets, Etc. held by it and its Subsidiaries pursuant to Article 52-25 of the Banking Act” (Article 15 of the Notification 20, 2006, issued by the Financial Services Agency (hereinafter, Notification on Consolidated Capital Adequacy). Please note that, since Resona group apply domestic standard with regards to capital adequacy regulation, what is referred to herein as “Notification on the Consolidated Capital Adequacy” is the notification prior to the revision of March 2013 (Basel 2), 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: 15

Names and principal business activities of consolidated subsidiaries: As shown below (As of March 31, 2013)

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 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
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 Act 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,			2013	2012
Tier 1 capital	Capital stock		**340,472**	340,472
	Non-cumulative perpetual preferred stock (Note 1)		**—**	—
	Advance payment for new shares		**—**	—
	Capital surplus		**237,082**	237,082
	Retained earnings		**1,315,472**	1,086,693
	Less: Treasury stock		**89,596**	86,849
	Advance payment for treasury stock		**—**	—
	Less: Planned distribution of income		**46,327**	46,404
	Less: Unrealized loss on available-for-sale securities		**—**	—
	Foreign currency translation adjustments		**(4,350)**	(4,629)
	Rights to acquire new shares		**—**	—
	Minority interests in consolidated subsidiaries		**125,999**	109,845
	Preferred securities issued by overseas SPCs		**108,169**	94,518
	Less: Goodwill		**—**	—
	Less: Intangible fixed assets recognized as a result of a merger		**—**	—
	Less: Capital increase due to securitization transactions		**8,201**	9,160
	Less: 50% of excess of expected losses relative to eligible reserves		**—**	—
	Total of Tier 1 capital before deduction of deferred tax assets		**1,870,551**	1,627,049
	Less: Deduction of deferred tax assets (Note 2)		**—**	—
	Subtotal	(A)	**1,870,551**	1,627,049
	Preferred securities with a step-up interest rate provision (Note 3)	(B)	**108,169**	94,518
Tier 2 capital	45% of revaluation reserve for land		**29,227**	29,257
	General reserve for possible loan losses		**8,239**	10,853
	Excess of eligible reserves relative to expected losses		**46,969**	46,763
	Hybrid debt capital instruments		**604,154**	593,617
	Perpetual subordinated debt (Note 4)		**132,753**	123,318
	Subordinated debt with maturity dates and preferred stocks with maturity dates (Note 5)		**471,401**	470,298
	Subtotal		**688,591**	680,491
	Tier 2 capital included as qualifying capital	(C)	**688,591**	680,491
Deductions	Deductions for total risk-based capital (Note 6)	(D)	**4,972**	6,137
Total qualifying capital	(A)+(C)–(D)	(E)	**2,554,170**	2,301,403
Risk-weighted assets	On-balance-sheet items		**15,192,590**	15,169,239
	Off-balance-sheet items		**1,117,331**	1,157,311
	Credit risk assets	(F)	**16,309,921**	16,236,551
	Operational risk equivalent assets (J)/8%	(G)	**1,095,113**	1,115,625
	(For reference: Amount equivalent to operational risk)	(H)	**87,609**	89,250
	Credit risk asset adjustments	(I)	**—**	—
	Amount equivalent to operational risk adjustments	(J)	**—**	—
	Total (F)+(G)+(I)+(J)	(K)	**17,405,034**	17,442,176
Capital adequacy ratio (Japanese domestic standard) (E)/(K) x 100 (%)			**14.67**	13.19
Consolidated Tier 1 capital ratio (A)/(K) x 100 (%)			**10.74**	9.32
Percentage of preferred securities with conditions for interest rate step-ups in consolidated Tier 1 capital = (B)/(A) x 100 (%)			**5.78**	5.80
Total consolidated capital required (Note 7)			**1,392,402**	1,395,374

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, 2012, was ¥169,335 million, and the limit allowed to incorporate deferred tax assets into regulatory capital was ¥325,409 million. The amount of net deferred tax assets at March 31, 2013, was ¥176,223 million, and the limit allowed to incorporate deferred tax assets into regulatory capital was ¥374,110 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 domestic Basel 2 F-IRB Approach for calculating credit risk assets, it uses 8% to calculate total required capital on a consolidated basis.
8. Figures for March 31, 2012 have been calculated pursuant to Financial Services Agency 2008 Notification No. 79 (Special Measure Allowing Greater Flexibility in Some Areas for Capital Requirements of Banks and Other Financial Institutions). Also, figures for March 31, 2013 have been calculated pursuant to Financial Services Agency 2012 Notification 56 (Special Measure Allowing Greater Flexibility in Some Areas for Capital Requirements of Banks and Other Financial Institutions).
9. Pursuant to Industry Committee Report Practical Guidelines No. 30 of the Japanese Institute of Certified Public Accountants, we have made an engagement with ERNST & YOUNG SHINNIHON LLC to have them conduct Agreed-Upon Procedures in the areas of calculating the consolidated capital adequacy ratio as of March 31, 2012. This external audit is not conducted as a part of an audit performed under certain laws, such as the Companies Act. 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	**2013**	2012
Capital requirements for credit risk (excluding equity exposures in the Internal Ratings-based (IRB) Approach, exposures relating to investment funds)	**1,749,260**	1,835,219
Standardized Approach (Note 1)	**52,267**	59,115
IRB Approach (Note 2)	**1,686,810**	1,764,738
Corporate exposures (Note 3)	**1,208,541**	1,277,036
Sovereign exposures	**11,343**	10,968
Bank exposures	**27,541**	27,427
Residential mortgage exposures	**275,189**	279,561
Qualified revolving retail exposures	**13,359**	14,060
Other retail exposures	**89,122**	92,992
Other IRB exposures (Note 4)	**61,713**	62,692
Securitization exposures	**10,182**	11,365
Capital requirements for credit risk of equity exposures in the IRB Approach	**53,375**	38,601
Market-Based Approach (Simple Risk Weight Method)	**18,383**	5,236
Market-Based Approach (Internal Models Approach) (Note 5)	**—**	—
PD/LGD Approach	**5,759**	3,723
Exposures subject to transitional grandfathering provisions (Article 13 of the Supplementary Provisions of Notification on Consolidated Capital Adequacy)	**29,232**	29,642
Capital requirements for exposures relating to investment funds	**7,564**	8,473
Total	**1,810,201**	1,882,295

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	**2013**	2012
The Standardized Approach	**87,609**	89,250

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 (Note 1)
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	2,520,000
Class Five Preferred Stock	4,000,000
Class Six Preferred Stock	3,000,000
No. 1 Class Seven Preferred Stock	10,000,000 (Note 2)
No. 2 Class Seven Preferred Stock	10,000,000 (Note 2)
No. 3 Class Seven Preferred Stock	10,000,000 (Note 2)
No. 4 Class Seven Preferred Stock	10,000,000 (Note 2)
No. 1 Class Eight Preferred Stock	10,000,000 (Note 2)
No. 2 Class Eight Preferred Stock	10,000,000 (Note 2)
No. 3 Class Eight Preferred Stock	10,000,000 (Note 2)
No. 4 Class Eight Preferred Stock	10,000,000 (Note 2)
Total	7,574,520,000

Notes:
1. The partial amendments to the Articles of Incorporation relating to a reduction in the number of authorized common shares from 7.3 billion to 6.0 billion (a reduction of 1.3 billion shares) were approved and adopted at the annual shareholders meeting and at each of the class meetings held on June 21, 2013. However, the conditions attached for the amendments to take effect have not been met as of June 28, 2013.
2. The total number of authorized shares in each class with respect to the First through the Fourth Series of Class Seven Preferred Stock shall not exceed 10,000,000 shares in the aggregate, and the total number of authorized preferred stock in each class with respect to the First through Fourth Series of Class Eight Preferred Stock shall not exceed 10,000,000 in the aggregate, respectively.

(2) Number of Common and Preferred Stock Shares Issued and Outstanding

Class of stock	Number of shares issued and outstanding (March 31, 2013)	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 (“the Early Strengthening Act”), 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 shareholders meeting. (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 Act are attached with the voting rights to be exercised in the shareholders meeting 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. The partial amendments to the Articles of Incorporation which enable installment repayments for Class C Preferred Stock were approved and adopted at the annual shareholders meeting and each of the class meetings held on June 21, 2013. However, the following information does not reflect the change since the conditions attached for those amendments to take effect have not been met as of June 28, 2013.
   (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, 2013. 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. The partial amendments to the Articles of Incorporation which enable installment repayments for Class C Preferred Stock were approved and adopted at the annual shareholders meeting and each of the class meetings held on June 21, 2013. However, the following information does not reflect the change since the conditions attached for those amendments to take effect have not been met as of June 28, 2013.
   (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 determining 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 Companies Act, 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 shareholders meeting; 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 Companies Act, 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 Companies Act) 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 Companies Act, a proposal for payment of the full amount of the Preferred Dividends is not submitted to the annual shareholders meeting) from such annual shareholders meeting and (if a proposal for payment of the full amount of the Preferred Dividends is submitted but disapproved at the annual shareholders meeting) from the close of such annual shareholders meeting, 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 Companies Act or a resolution of the annual shareholders meeting 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 Companies Act or free rights to receive new shares under Article 277 of the said Act. 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 Act.

(9) Resolutions of the Class Meeting
No provisions have been made in the Articles of Incorporation based on Article 322-2 of the Companies Act.

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. The partial amendments to the Articles of Incorporation which enable installment repayments for Class F Preferred Stock were approved and adopted at the annual shareholders meeting and each of the class meetings held on June 21, 2013. However, the following information does not reflect the change since the conditions attached for those amendments to take effect have not been met as of June 28, 2013.
(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, 2013. 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. The partial amendments to the Articles of Incorporation which enable installment repayments for Class F Preferred Stock were approved and adopted at the annual shareholders meeting and each of the class meetings held on June 21, 2013. However, the following information does not reflect the change since the conditions attached for those amendments to take effect have not been met as of June 28, 2013.
(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 determining 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 Companies Act, 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 shareholders meeting; 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 Companies Act, 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 Companies Act) 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 Companies Act, a proposal for payment of the full amount of the Preferred Dividends is not submitted to the annual shareholders meeting) from such annual shareholders meeting and (if a proposal for payment of the full amount of the Preferred Dividends is submitted but disapproved at the annual shareholders meeting) from the close of such annual shareholders meeting, 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 Companies Act or a resolution of the annual shareholders meeting 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 Companies Act or free rights to receive new shares under Article 277 of the said Act. 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 Act.
(9) Resolutions of the Class Meeting
No provisions have been made in the Articles of Incorporation based on Article 322-2 of the Companies Act.

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, 2013. 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 ¥484.
(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 Companies Act, 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 shareholders meeting.
(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 Companies Act or free rights to receive new shares under Article 277 of the said Act. 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 Act.
(9) Resolutions of the Class Meeting
No provisions have been made in the Articles of Incorporation based on Article 322-2 of the Companies Act.

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 Companies Act, 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 Companies Act 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 shareholders meeting; 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 Companies Act, 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 Companies Act) 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 Companies Act, a proposal for payment of the full amount of the Preferred Dividends is not submitted to the annual shareholders meeting) from such annual shareholders meeting and (if a proposal for payment of the full amount of the Preferred Dividends is submitted but disapproved at the annual shareholders meeting) from the close of such annual shareholders meeting, 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 Companies Act or a resolution of the annual shareholders meeting to pay the full amount of the Preferred Dividends is made.
(7) Resolutions of the Class Meeting
Provisions have been made in the Articles of Incorporation based on Article 322-2 of the Companies Act.

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 Companies Act, 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 Companies Act 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 shareholders meeting; 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 Companies Act, 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 Companies Act) 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 Companies Act, a proposal for payment of the full amount of the Preferred Dividends is not submitted to the annual shareholders meeting) from such annual shareholders meeting and (if a proposal for payment of the full amount of the Preferred Dividends is submitted but disapproved at the annual shareholders meeting) from the close of such annual shareholders meeting, 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 Companies Act or a resolution of the annual shareholders meeting to pay the full amount of the Preferred Dividends is made.
(7) Resolutions of the Class Meeting
Provisions have been made in the Articles of Incorporation based on Article 322-2 of the Companies Act.

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 Companies Act, 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 Companies Act 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 shareholders meeting; 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 Companies Act, 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 Companies Act) 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 Companies Act, a proposal for payment of the full amount of the Preferred Dividends is not submitted to the annual shareholders meeting) from such annual shareholders meeting and (if a proposal for payment of the full amount of the Preferred Dividends is submitted but disapproved at the annual shareholders meeting) from the close of such annual shareholders meeting, 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 Companies Act or a resolution of the annual shareholders meeting to pay the full amount of the Preferred Dividends is made.
(7) Resolutions of the Class Meeting
Provisions have been made in the Articles of Incorporation based on Article 322-2 of the Companies Act.

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)
January 4, 2009 (Note 1)	2,016,071	2,036,436	—	327,201	—	327,201
January 5, 2009 (Note 2)	(0)	2,036,436	—	327,201	—	327,201
March 13, 2009 (Note 3)	(28,177)	2,008,258	—	327,201	—	327,201
September 8, 2009 (Note 4)	75,000	2,083,258	51,825	379,026	51,825	379,026
September 8, 2009 (Note 5)	—	2,083,258	(51,825)	327,201	(51,825)	327,201
September 8, 2009 (Note 6)	(10,000)	2,073,258	—	327,201	—	327,201
December 8, 2009 (Note 7)	3,000	2,076,258	37,500	364,701	37,500	364,701
December 8, 2009 (Note 8)	—	2,076,258	(37,500)	327,201	(37,500)	327,201
August 31, 2010 (Note 9)	(200,000)	1,876,258	—	327,201	—	327,201
January 31, 2011 (Note 10)	1,237,000	3,113,258	260,586	587,787	260,586	587,787
January 31, 2011 (Note 11)	—	3,113,258	(260,586)	327,201	(260,586)	327,201
February 18, 2011 (Note 12)	63,000	3,176,258	13,271	340,472	13,271	340,472
March 11, 2011 (Note 13)	(406,780)	2,769,477	—	340,472	—	340,472

Notes: 1. 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 annual shareholders meeting 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.
2. 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).
3. 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)
4. 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.
5. 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 Companies Act of Japan.
6. Retirement of treasury stock (10,000,000 shares of Class Nine Preferred Stock)
7. 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.
8. 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 Companies Act of Japan.
9. Retirement of treasury stock (200,000,000 shares of Class One No. 1 Preferred Stock)
10. 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
11. 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 Companies Act of Japan.
12. 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.
13. 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).
14. In accordance with the Article 450 of the Companies Act of Japan, a transfer from retained earnings (other retained earnings) to capital stock took effect on June 24, 2013. As a result, the amount of capital stock became ¥660,472 million.
15. In accordance with the Articles 447 and 448 of the Companies Act of Japan, the reductions in the amounts of capital stock and capital reserve took effect on June 24, 2013. As a result, the amounts of capital stock and capital reserve became ¥50,472 million, respectively.

3. Ownership of Common Stock and Preferred Stock

(1) Common stock

	As of March 31, 2013								
	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	134	84	11,709	523	243	310,615	323,322	—
Number of minimum trading units held	1,261	5,424,080	509,701	6,666,910	6,931,718	12,349	5,593,810	25,139,829	974,791
Ownership percentage	0.01	21.57	2.03	26.52	27.57	0.05	22.25	100.00	—

Notes: 1. In the table above, “Individuals and others” and “Fractional shares” contain 641,945 minimum trading units and 90 fractional shares held as treasury stocks.
2. In the above table, the item “Other corporations” contains 64 minimum trading units held in the name of the Japan Securities Depository Center.
3. There are 17,534 shareholders who hold only fractional shares.

(2) Class C No. 1 Preferred Stock

	As of March 31, 2013								
	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, 2013								
	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, 2013								
	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, 2013								
	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, 2013								
	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, 2013								
	Ownership (Minimum trading unit: 100 shares)								Fractional shares (shares less than one trading unit)
	National and local government entities	Financial institutions	Securities companies	Other corporations	Foreign corporations, etc.		Individuals and others	Total	
					Owners other than individuals	Individuals			
Number of shareholders	—	3	—	—	—	—	—	3	—
Number of minimum trading units held	—	30,000	—	—	—	—	—	30,000	—
Ownership percentage	—	100.00	—	—	—	—	—	100.00	—

4. Major Shareholders

(1) Stockholdings by Number of Stocks

Shareholder	As of March 31, 2013		
	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	105,986,700	3.82
The Master Trust Bank of Japan, Ltd. (Trust Account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	90,342,800	3.26
The Dai-ichi Mutual Life Insurance Company, Ltd.	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo	59,241,900	2.13
CACEIS BANK FRANCE/CREDIT AGRICOLE SA	91 93 BD Pasteur, 75015 Paris, France	39,483,700	1.42
Japan Trustee Services Bank, Ltd. (Trust Account 9)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	39,095,700	1.41
JP MORGAN CHASE BANK 380055	270 Park Avenue, New York, NY 10017, USA	28,794,841	1.03
Japan Trustee Services Bank, Ltd. (Trust Account 4)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	27,320,400	0.98
STATE STREET BANK AND TRUST COMPANY 505225	P.O. Box 351, Boston, Massachusetts 02101, U.S.A.	26,646,271	0.96
MSCO CUSTOMER SECURITIES	1585 Broadway, New York, New York 10036, U.S.A.	24,590,599	0.88
Total	—	1,169,765,411	42.23

Notes: 1. In addition to the above, the Company holds its own shares totaling 64,194,590 shares (2.31% of the total number of shares issued) as treasury shares. Please note that the aforementioned treasury shares do not include 7,618,400 shares (2.31% as of March 31, 2013) held by the Trust for Employee Stock Ownership Plan (ESOP).
2. In the reports on large holdings (changes) submitted by the Resolution and Collection Corporation and one other stockholder on January 30, 2013, it was indicated that the Deposit Insurance Corporation of Japan held 736,039,400 shares as of December 19, 2012 (which represented 26.57% of the total stocks issued). Since the Company cannot confirm actual ownership as of March 31, 2013, 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, 2013 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	1,059,867	3.96
The Master Trust Bank of Japan, Ltd. (Trust Account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	903,428	3.37
The Dai-ichi Mutual Life Insurance Company, Ltd.	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo	552,419	2.06
CACEIS BANK FRANCE/CREDIT AGRICOLE SA	91 93 BD Pasteur, 75015 Paris, France	394,837	1.47
Japan Trustee Services Bank, Ltd. (Trust Account 9)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	390,957	1.46
JP MORGAN CHASE BANK 380055	270 Park Avenue, New York, NY 10017, USA	287,948	1.07
Japan Trustee Services Bank, Ltd. (Trust Account 4)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	273,204	1.02
STATE STREET BANK AND TRUST COMPANY 505225	P.O. Box 351, Boston, Massachusetts 02101, U.S.A.	266,462	0.99
MSCO CUSTOMER SECURITIES	1585 Broadway, New York, New York 10036, U.S.A.	245,905	0.91
Total	—	11,657,652	43.58

5. Status of Voting Rights

(1) Stock issued and outstanding

Type of Stock	As of March 31, 2013 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 64,194,500	—	—
Stock with full voting rights (other types)	Common stock 2,449,788,400 Class Three No. 1 Preferred Stock 225,000,000	Common stock 24,497,884 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 974,791	—	(Note 3)
Total number of shares issued and outstanding	2,769,477,691	—	—
Number of voting rights for total shareholders	—	26,747,884	—

Notes: 1. In the above table, the entry "stock with full voting rights (other types)" includes 6,400 shares (64 voting rights) held under the name of Japan Securities Depository Center and 7,618,400 shares (76,184 voting rights) held by the Trust for Employee Stock Ownership Plan (ESOP).

2. On the Registry of Shareholders, Resona Bank, Ltd. and The Kinki Osaka Bank, Ltd., are listed as a shareholder even though it does not actually own these shares. The number of such shares on the Registry are 100 shares (1 voting right) for Resona Bank, Ltd. and 100 shares (1 voting right) for The Kinki Osaka Bank, Ltd. These shares are included in the entry "Stock with full voting rights (other types)."

3. In the table above, shares under "Fractional shares" included 90 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, 2013				
(Treasury stock) Resona Holdings, Inc.	5-65, Kiba 1-chome, Koto-ku, Tokyo	64,194,500	—	64,194,500	2.55
Total	—	64,194,500	—	64,194,500	2.55

Notes: 1. On the Registry of Shareholders, Resona Bank, Ltd. and The Kinki Osaka Bank, Ltd., are listed as a shareholder even though it does not actually own these shares. The number of such shares on the Registry are 100 shares (1 voting right) for Resona Bank, Ltd. and 100 shares (1 voting right) for The Kinki Osaka Bank. These shares are included in the entry "Stock with full voting rights (other types)" in the preceding table.
2. The number of shares issued and outstanding used in the computation of "Percentage ownership of total shares" is the total number of common shares issued and outstanding.
3. Other than the above, the Trust for Employee Stock Ownership Plan (ESOP) holds 7,618,400 shares of the Company.

■ Preferred Securities

Item	As of March 31, 2013 (Millions of yen)	Date of repayment or maturity
Preferred securities	108,169	—
Total	108,169	—

■ Subordinated Loans and Bonds

Item	As of March 31, 2013 (Millions of yen)	Date of repayment or maturity
Perpetual subordinated debt	132,753	—
Subordinated loans	—	—
Subordinated bonds	132,753	—
Subordinated debt with maturity dates	471,401	—
Subordinated loans	37,000	September 2019 to March 2021
Subordinated bonds	434,401	December 2015 to March 2027
Total	604,154	—

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, 2013, and are "qualified rating agencies" for the purposes of Basel 2.

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, 2013					
	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	**46,124,014**	**30,469,811**	**9,858,810**	**3,913,565**	**1,331,851**	**812,255**
Overseas	**—**	**—**	**—**	**—**	**—**	**—**
Exposure to which the Standardized Approach is applied	**1,140,540**	**710,685**	**58,228**	**76,196**	**189**	**30,905**
Total	**47,264,555**	**31,180,497**	**9,917,039**	**3,989,761**	**1,332,040**	**843,160**
By Industry						
Manufacturing	**3,227,002**	**2,554,055**	**302,119**	**318,109**	**47,368**	**115,103**
Agriculture and forestry	**43,923**	**43,511**	**40**	**372**	**—**	**1,706**
Fishery	**1,442**	**1,362**	**77**	**2**	**—**	**26**
Mining, quarrying of stone, gravel extraction	**14,230**	**13,017**	**1,044**	**130**	**37**	**236**
Construction	**649,373**	**529,518**	**45,558**	**73,268**	**829**	**30,475**
Electricity, gas, heating, water	**149,047**	**122,102**	**20,769**	**5,988**	**186**	**0**
Information and communication	**264,124**	**221,583**	**19,840**	**18,940**	**1,680**	**29,279**
Transportation, postal services	**553,330**	**492,146**	**26,343**	**28,703**	**6,039**	**39,111**
Wholesale and retail trade	**2,610,359**	**2,299,028**	**135,095**	**87,585**	**71,687**	**178,713**
Finance and insurance	**2,632,428**	**960,247**	**251,785**	**233,264**	**1,183,147**	**5,793**
Real estate	**4,551,511**	**4,439,775**	**25,008**	**52,701**	**11,149**	**179,006**
Goods rental and leasing	**514,190**	**493,127**	**5,643**	**14,609**	**741**	**3,551**
Services	**1,608,118**	**1,457,723**	**48,310**	**91,786**	**8,480**	**97,561**
Individuals	**10,280,293**	**10,189,753**	**—**	**89,948**	**—**	**131,682**
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	**17,793,326**	**6,204,136**	**8,715,321**	**2,873,367**	**501**	**—**
Foreign central governments and central banks, etc.	**214,266**	**797**	**213,468**	**—**	**—**	**7**
Others	**1,017,044**	**447,923**	**48,382**	**24,786**	**—**	**0**
Exposure to which the Standardized Approach is applied	**1,140,540**	**710,685**	**58,228**	**76,196**	**189**	**30,905**
Total	**47,264,555**	**31,180,497**	**9,917,039**	**3,989,761**	**1,332,040**	**843,160**
By Residual Contractual Maturity						
One year or less	**6,460,165**	**3,035,291**	**2,531,262**	**739,116**	**104,277**	**/**
One year to less than three years	**4,043,103**	**2,204,117**	**1,387,727**	**127,799**	**323,460**	**/**
Three years to less than five years	**6,073,861**	**2,488,977**	**3,211,765**	**32,291**	**340,827**	**/**
Five years to less than seven years	**2,784,110**	**1,519,514**	**982,413**	**18,394**	**263,787**	**/**
Over seven years	**16,937,536**	**15,212,757**	**1,325,606**	**99,673**	**299,498**	**/**
Exposures with no maturity dates	**9,825,236**	**6,009,153**	**420,037**	**2,896,288**	**—**	**/**
Exposure to which the Standardized Approach is applied	**1,140,540**	**710,685**	**58,228**	**76,196**	**189**	**/**
Total	**47,264,555**	**31,180,497**	**9,917,039**	**3,989,761**	**1,332,040**	**/**

	As of March 31, 2012					
	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	46,993,278	29,195,945	11,112,068	4,858,058	1,278,711	950,667
Overseas	—	—	—	—	—	—
Exposure to which the Standardized Approach is applied	1,147,477	427,593	184,719	87,761	125	23,095
Total	48,140,755	29,623,539	11,296,788	4,945,819	1,278,837	973,763
By Industry						
Manufacturing	3,265,308	2,631,230	287,801	250,800	92,894	132,995
Agriculture and forestry	45,422	44,486	60	872	0	1,547
Fishery	1,759	1,630	100	29	—	28
Mining, quarrying of stone, gravel extraction	16,106	14,387	891	800	22	316
Construction	664,207	551,818	44,051	66,888	862	51,000
Electricity, gas, heating, water	131,219	104,842	20,817	5,302	256	10
Information and communication	278,093	234,880	19,148	20,089	3,094	31,144
Transportation, postal services	550,962	485,362	26,655	31,289	7,551	16,694
Wholesale and retail trade	2,649,929	2,270,290	119,396	87,162	157,513	201,506
Finance and insurance	2,855,981	988,679	289,549	579,943	996,118	7,512
Real estate	4,094,454	3,984,534	27,151	49,696	9,771	221,916
Goods rental and leasing	421,462	404,129	4,939	11,765	580	3,414
Services	1,635,450	1,488,088	44,490	88,440	9,499	130,023
Individuals	10,006,997	9,911,981	—	94,245	—	152,547
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	19,249,720	5,643,616	10,034,827	3,570,730	544	—
Foreign central governments and central banks, etc.	171,227	949	170,278	—	—	7
Others	954,973	435,034	21,908	—	—	0
Exposure to which the Standardized Approach is applied	1,147,477	427,593	184,719	87,761	125	23,095
Total	48,140,755	29,623,539	11,296,788	4,945,819	1,278,837	973,763
By Residual Contractual Maturity						
One year or less	7,231,702	3,142,058	2,967,218	985,620	87,767	/
One year to less than three years	4,827,589	2,235,943	2,156,822	137,454	297,368	/
Three years to less than five years	5,922,837	2,333,494	3,213,467	38,353	337,521	/
Five years to less than seven years	2,337,207	1,238,502	790,283	28,697	279,724	/
Over seven years	16,822,451	14,834,785	1,602,122	109,213	276,330	/
Exposures with no maturity dates	9,851,491	5,411,161	382,154	3,558,718	—	/
Exposure to which the Standardized Approach is applied	1,147,477	427,593	184,719	87,761	125	/
Total	48,140,755	29,623,539	11,296,788	4,945,819	1,278,837	/

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.).

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,	2013			2012		
	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	**234,478**	**(34,650)**	**199,828**	292,278	(57,799)	234,478
Special reserve for certain overseas loans	**2**	**(0)**	**1**	3	(1)	2

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,	2013		
	Balance at beginning of fiscal year	Increase/(decrease) during the fiscal year	Balance at end of fiscal year
By Region			
Japan	**143,239**	**(39,774)**	**103,465**
Overseas	**—**	**—**	**—**
Total	**143,239**	**(39,774)**	**103,465**
By Industry			
Manufacturing	**32,895**	**(16,512)**	**16,382**
Agriculture and forestry	**81**	**81**	**162**
Fishery	**—**	**—**	**—**
Mining, quarrying of stone, gravel extraction	**20**	**(16)**	**3**
Construction	**2,806**	**18**	**2,824**
Electricity, gas, heating, water	**—**	**—**	**—**
Information and communication	**1,809**	**(174)**	**1,634**
Transportation, postal services	**1,316**	**2,347**	**3,664**
Wholesale and retail trade	**45,591**	**(13,001)**	**32,589**
Finance and insurance	**3,341**	**(286)**	**3,054**
Real estate	**16,459**	**132**	**16,591**
Goods rental and leasing	**93**	**74**	**167**
Services	**15,358**	**(2,719)**	**12,639**
Individuals	**4,897**	**(475)**	**4,422**
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	**193**	**(193)**	**—**
Foreign central governments and central banks, etc.	**—**	**—**	**—**
Others	**18,376**	**(9,048)**	**9,327**
Total	**143,239**	**(39,774)**	**103,465**

Year ended March 31,	2012		
	Balance at beginning of fiscal year	Increase/(decrease) during the fiscal year	Balance at end of fiscal year
By Region			
Japan	130,037	13,162	143,200
Overseas	—	—	—
Total	130,037	13,162	143,200
By Industry			
Manufacturing	31,100	1,794	32,895
Agriculture and forestry	57	24	81
Fishery	—	—	—
Mining, quarrying of stone, gravel extraction	20	0	20
Construction	2,369	436	2,806
Electricity, gas, heating, water	1	(1)	—
Information and communication	8,624	(6,815)	1,809
Transportation, postal services	953	363	1,316
Wholesale and retail trade	37,784	7,807	45,591
Finance and insurance	1,234	2,106	3,341
Real estate	7,483	8,975	16,459
Goods rental and leasing	257	(164)	93
Services	11,796	3,561	15,358
Individuals	5,014	(117)	4,897
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	268	(75)	193
Foreign central governments and central banks, etc.	—	—	—
Others	23,070	(4,734)	18,336
Total	130,037	13,162	143,200

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,	**2013**	2012
Manufacturing	**8,464**	7,629
Agriculture and forestry	**47**	56
Fishery	**—**	0
Mining, quarrying of stone, gravel extraction	**7**	—
Construction	**1,094**	4,482
Electricity, gas, heating, water	**—**	0
Information and communication	**585**	2,854
Transportation, postal services	**277**	446
Wholesale and retail trade	**9,342**	17,267
Finance and insurance	**(3)**	(3)
Real estate	**4,519**	3,015
Goods rental and leasing	**81**	194
Services	**3,767**	4,652
Individuals	**2,177**	2,506
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	**—**	—
Foreign central governments and central banks, etc.	**—**	—
Others	**4,811**	6,749
Total	**35,175**	49,853

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,	**2013**		2012	
	With external rating	**Without external rating**	With external rating	Without external rating
0%	**575**	**394,578**	451	264,586
10%	**—**	**30,009**	—	100,918
20%	**69,116**	**2**	50,983	2
35%	**—**	**—**	—	—
50%	**50,037**	**135**	58,348	57
75%	**—**	**0**	—	53
100%	**4,346**	**561,161**	392	637,126
150%	**—**	**30,575**	—	34,553
350%	**—**	**—**	—	—
Others	**—**	**—**	1	—
Total	**124,076**	**1,016,464**	110,178	1,037,299
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, 2013**	As of March 31, 2012
Strong	Under 2 and half years	50%	**6,904**	5,263
	Over 2 and half years	70%	**17,309**	16,101
Good	Under 2 and half years	70%	**12,519**	21,600
	Over 2 and half years	90%	**100,477**	55,040
Satisfactory	No term	115%	**75,814**	56,918
Weak	No term	250%	**2,830**	9,744
Default	No term	0%	**1,934**	2,201
Total			**217,790**	166,870

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

Slotting criteria	Residual contractual maturity	Risk weights	**As of March 31, 2013**	As of March 31, 2012
Strong	Under 2 and half years	70%	**2,000**	—
	Over 2 and half years	95%	**2,900**	4,851
Good	Under 2 and half years	95%	**6,500**	374
	Over 2 and half years	120%	**—**	5,731
Satisfactory	No term	140%	**10,950**	—
Weak	No term	250%	**—**	—
Default	No term	0%	**—**	—
Total			**22,350**	10,956

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

(Millions of yen)

As of March 31,	**2013**	2012
Risk weights		
300%	**62,698**	10,728
400%	**7,157**	7,376
Total	**69,856**	18,105

■ Corporate Exposures

(Millions of yen)

Credit rating	**As of March 31, 2013** PD (Estimated) (Note 1)	LGD (Estimated) (Note 1)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD
SA, A	**0.16%**	**43.80%**	**33.37%**	**3,001,022**	**426,267**
B–E	**1.21%**	**41.49%**	**77.43%**	**7,792,211**	**527,744**
F, G	**12.42%**	**40.98%**	**169.52%**	**1,168,337**	**56,262**
Default	**100.00%**	**43.36%**	**/**	**610,289**	**23,685**
Total	**/**	**/**	**/**	**12,571,860**	**1,033,959**

Credit rating	As of March 31, 2012 PD (Estimated) (Note 1)	LGD (Estimated) (Note 1)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD
SA, A	0.17%	42.47%	31.43%	2,714,519	490,664
B–E	1.29%	41.86%	79.12%	7,522,585	575,650
F, G	12.72%	41.18%	171.36%	1,298,470	85,216
Default	100.00%	43.47%	/	698,373	49,781
Total	/	/	/	12,233,948	1,201,313

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, 2013				
	PD* (Estimated)	LGD* (Estimated)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD
SA, A	**0.00%**	**45.00%**	**0.42%**	**15,091,915**	**2,872,556**
B–E	**0.98%**	**44.76%**	**105.88%**	**37,276**	**1,300**
F, G	**16.77%**	**43.43%**	**242.57%**	**4,523**	**69**
Default	**100.00%**	**45.00%**	**/**	**7**	**—**
Total	**/**	**/**	**/**	**15,133,722**	**2,873,926**

Credit rating	As of March 31, 2012				
	PD* (Estimated)	LGD* (Estimated)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD
SA, A	0.00%	45.01%	0.38%	15,810,541	3,569,822
B–E	1.74%	44.80%	115.29%	41,245	1,482
F, G	16.95%	37.26%	180.74%	549	134
Default	100.00%	45.00%	/	7	—
Total	/	/	/	15,852,343	3,571,439

Note: Weighted average figures based on EAD

■ Bank Exposures

(Millions of yen)

Credit rating	As of March 31, 2013				
	PD* (Estimated)	LGD* (Estimated)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD
SA, A	**0.12%**	**43.24%**	**26.73%**	**622,703**	**362,160**
B–E	**0.63%**	**45.82%**	**61.41%**	**41,672**	**12,734**
F, G	**11.70%**	**29.54%**	**122.92%**	**10,520**	**1,926**
Default	**—**	**—**	**/**	**—**	**—**
Total	**/**	**/**	**/**	**674,896**	**376,820**

Credit rating	As of March 31, 2012				
	PD* (Estimated)	LGD* (Estimated)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD
SA, A	0.13%	35.88%	20.28%	729,237	578,007
B–E	0.75%	45.57%	69.66%	29,291	13,034
F, G	12.06%	32.22%	135.69%	9,314	2,259
Default	—	—	/	—	—
Total	/	/	/	767,844	593,301

Note: Weighted average figures based on EAD

■ Equity Exposures subject to PD/LGD Approach

(Millions of yen)

Credit rating	As of March 31, 2013			As of March 31, 2012		
	PD* (Estimated)	Weighted average RW	Balance	PD* (Estimated)	Weighted average RW	Balance
SA, A	**0.16%**	**134.94%**	**26,787**	0.17%	143.40%	16,601
B–E	**0.70%**	**211.63%**	**9,473**	0.92%	229.23%	3,758
F, G	**11.70%**	**465.56%**	**500**	12.65%	474.82%	623
Default	**100.00%**	**/**	**21**	100.00%	/	0
Total	**/**	**/**	**36,782**	/	/	20,984

Note: Weighted average figures based on Balance

■ Retail Exposures

(Millions of yen)

	As of March 31, 2013						
	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	**/**	**/**	**/**	**8,669,941**	**23,464**	**—**	**—**
Non-default	**1.04%**	**33.88%**	**29.41%**	**8,574,785**	**22,770**	**—**	**—**
Default	**100.00%**	**35.41%**	**/**	**95,155**	**693**	**—**	**—**
Qualifying revolving retail exposures	**/**	**/**	**/**	**120,989**	**45,182**	**448,883**	**10.07%**
Non-default	**3.70%**	**70.38%**	**60.61%**	**120,360**	**45,130**	**448,590**	**10.06%**
Default	**100.00%**	**72.11%**	**/**	**629**	**52**	**293**	**17.73%**
Other retail exposures	**/**	**/**	**/**	**2,102,847**	**31,195**	**49,335**	**23.90%**
Non-default	**1.49%**	**31.07%**	**27.51%**	**2,023,658**	**30,592**	**49,136**	**23.89%**
Default	**100.00%**	**38.55%**	**/**	**79,189**	**602**	**198**	**27.61%**

	As of March 31, 2012						
	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	/	/	/	8,312,474	26,187	—	—
Non-default	1.14%	34.01%	30.85%	8,206,524	25,074	—	—
Default	100.00%	34.69%	/	105,949	1,112	—	—
Qualifying revolving retail exposures	/	/	/	124,000	44,157	452,502	9.76%
Non-default	3.90%	70.77%	62.23%	123,261	44,107	452,226	9.75%
Default	100.00%	71.77%	/	738	50	275	18.38%
Other retail exposures	/	/	/	2,075,064	34,817	50,376	23.19%
Non-default	1.62%	30.69%	27.44%	1,983,528	33,895	50,156	23.18%
Default	100.00%	38.16%	/	91,535	921	220	25.24%

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,	2013	2012
Resona Holdings, Inc. (Consolidated) (Note 4)	**(13,075)**	13,816
Resona Bank, Ltd. (Non-Consolidated) + Saitama Resona Bank, Ltd. (Non-Consolidated) + The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Note 4)	**(21,438)**	4,478
Corporate exposures	**4,924**	44,105
Sovereign exposures	**0**	(0)
Bank exposures	**—**	—
Residential mortgage exposures	**927**	(947)
Qualified revolving retail exposures	**(0)**	1
Other retail exposures	**8,639**	10,879
Resona Bank, Ltd. (Consolidated) (Note 4)	**(28,626)**	(6,446)
Resona Bank, Ltd. (Non-Consolidated) (Note 4)	**(29,558)**	(6,003)
Corporate exposures	**(6,184)**	29,721
Sovereign exposures	**0**	(0)
Bank exposures	**—**	—
Residential mortgage exposures	**523**	(603)
Qualified revolving retail exposures (Note 3)	**—**	—
Other retail exposures	**4,831**	5,473
Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 4)	**2,191**	4,332
Corporate exposures	**5,743**	8,235
Sovereign exposures	**—**	—
Bank exposures	**—**	—
Residential mortgage exposures	**271**	(345)
Qualified revolving retail exposures (Note 3)	**—**	—
Other retail exposures	**1,817**	2,672
The Kinki Osaka Bank, Ltd. (Consolidated) (Note 4)	**7,969**	7,581
The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Note 4)	**5,927**	6,150
Corporate exposures	**5,365**	6,148
Sovereign risk exposures	**—**	—
Bank exposures	**—**	—
Residential mortgage exposures	**132**	1
Qualified revolving retail exposures	**(0)**	1
Other retail exposures	**1,989**	2,734

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.

Analysis

The credit-related expenses of Resona Holdings for the year ended March 31, 2013, amounted to ¥13.0 billion, ¥26.8 billion lower than in the previous fiscal year.

For the Resona Bank (nonconsolidated), the principal causes of the rise of ¥23.3 billion (to minus ¥14.9 billion) were recovery of claims on doubtful obligors as well as reversals of reserves accompanying removal from the balance sheets and recovery of claims already written off.

By exposure category, loan write-offs and provisions to loan loss reserves increased in the wholesale category, and, as a result credit-related expenses related to corporate exposures increased.

■ Comparison of Estimated and Actual Losses by Types of Exposures

(Millions of yen)

	As of March 31, 2012 (Note 4)		**Year ended March 31, 2013**
	Estimated losses	Estimated losses after deduction of reserves (Note 5)	Actual losses (Note 6)
Resona Holdings, Inc. (Consolidated) (Notes 1, 2 and 7)	**/**	**/**	**(13,075)**
Resona Bank, Ltd. (Non-Consolidated) + Saitama Resona Bank, Ltd. (Non-Consolidated) + The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Note 7)	**489,457**	**(31,127)**	**(21,438)**
Corporate exposures	**433,611**	**(29,395)**	**4,924**
Sovereign exposures	**440**	**436**	**0**
Bank exposures	**1,371**	**1,371**	**—**
Residential mortgage exposures	**8,817**	**1,885**	**927**
Qualified revolving retail exposures	**505**	**498**	**(0)**
Other retail exposures	**41,398**	**(9,197)**	**8,639**
Resona Bank, Ltd. (Consolidated) (Note 7)	**/**	**/**	**(28,626)**
Resona Bank, Ltd. (Non-Consolidated) (Note 7)	**385,550**	**(40,959)**	**(29,558)**
Corporate exposures	**350,130**	**(41,963)**	**(6,184)**
Sovereign exposures	**253**	**249**	**0**
Bank exposures	**1,189**	**1,189**	**—**
Residential mortgage exposures	**6,199**	**3,332**	**523**
Qualified revolving retail exposures (Note 3)	**—**	**—**	**—**
Other retail exposures	**24,500**	**(7,037)**	**4,831**
Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 7)	**58,158**	**8,862**	**2,191**
Corporate exposures	**49,243**	**8,027**	**5,743**
Sovereign exposures	**149**	**149**	**—**
Bank exposures	**89**	**89**	**—**
Residential mortgage exposures	**1,542**	**611**	**271**
Qualified revolving retail exposures (Note 3)	**—**	**—**	**—**
Other retail exposures	**7,121**	**3**	**1,817**
The Kinki Osaka Bank, Ltd. (Consolidated) (Note 7)	**/**	**/**	**7,969**
The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Note 7)	**45,749**	**968**	**5,927**
Corporate exposures	**34,237**	**4,539**	**5,365**
Sovereign exposures	**37**	**37**	**—**
Bank exposures	**92**	**92**	**—**
Residential mortgage exposures	**1,075**	**(2,059)**	**132**
Qualified revolving retail exposures	**505**	**498**	**(0)**
Other retail exposures	**9,777**	**(2,163)**	**1,989**

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, 2012.
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, 2011 (Note 4)		Year ended March 31, 2012
	Estimated losses	Estimated losses after deduction of reserves (Note 5)	Actual losses (Note 6)
Resona Holdings, Inc. (Consolidated) (Notes 1, 2 and 7)	/	/	13,816
Resona Bank, Ltd. (Non-Consolidated) + Saitama Resona Bank, Ltd. (Non-Consolidated) + The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Note 7)	534,745	3,096	4,478
Corporate exposures	474,037	(1,031)	44,105
Sovereign exposures	377	373	(0)
Bank exposures	1,673	1,673	—
Residential mortgage exposures	11,450	3,264	(947)
Qualified revolving retail exposures	575	568	1
Other retail exposures	43,024	(5,303)	10,879
Resona Bank, Ltd. (Consolidated) (Note 7)	/	/	(6,446)
Resona Bank, Ltd. (Non-Consolidated) (Note 7)	424,081	(14,344)	(6,003)
Corporate exposures	386,655	(18,365)	29,721
Sovereign exposures	207	203	(0)
Bank exposures	1,532	1,532	—
Residential mortgage exposures	7,364	3,797	(603)
Qualified revolving retail exposures (Note 3)	—	—	—
Other retail exposures	24,779	(5,041)	5,473
Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 7)	61,783	13,720	4,332
Corporate exposures	52,764	11,901	8,235
Sovereign exposures	137	137	—
Bank exposures	69	69	—
Residential mortgage exposures	1,426	97	(345)
Qualified revolving retail exposures (Note 3)	—	—	—
Other retail exposures	7,368	1,539	2,672
The Kinki Osaka Bank, Ltd. (Consolidated) (Note 7)	/	/	7,581
The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Note 7)	48,880	3,720	6,150
Corporate exposures	34,616	5,432	6,148
Sovereign exposures	33	33	—
Bank exposures	71	71	—
Residential mortgage exposures	2,660	(630)	1
Qualified revolving retail exposures	575	568	1
Other retail exposures	10,876	(1,802)	2,734

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, 2011.
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, 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. Listed stocks
3. Real estate
4. Discounted bills
5. 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, 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, 2013				
	Eligible financial collateral	Other eligible IRB collateral	Guarantees	Credit derivatives	Total
Internal Ratings-based Approach	**376,805**	**2,744,108**	**2,485,255**	**—**	**5,606,169**
Corporate exposures	**332,828**	**2,742,611**	**823,088**	**—**	**3,898,527**
Sovereign exposures	**102**	**1,190**	**122,039**	**—**	**123,331**
Bank exposures	**43,874**	**307**	**—**	**—**	**44,181**
Residential mortgage exposures	**/**	**/**	**790,556**	**—**	**790,556**
Qualifying revolving retail exposures	**/**	**/**	**—**	**—**	**—**
Other retail exposures	**/**	**/**	**749,571**	**—**	**749,571**
Standardized Approach	**38,365**	**/**	**18**	**—**	**38,384**
Total	**415,170**	**2,744,108**	**2,485,274**	**—**	**5,644,553**

	As of March 31, 2012				
	Eligible financial collateral	Other eligible IRB collateral	Guarantees	Credit derivatives	Total
Internal Ratings-based Approach	699,373	2,358,513	2,687,416	—	5,745,304
Corporate exposures	431,604	2,357,172	922,113	—	3,710,890
Sovereign exposures	102	948	154,183	—	155,234
Bank exposures	267,667	393	—	—	268,060
Residential mortgage exposures	/	/	811,806	—	811,806
Qualifying revolving retail exposures	/	/	—	—	—
Other retail exposures	/	/	799,312	—	799,312
Standardized Approach	85,189	/	—	—	85,189
Total	784,563	2,358,513	2,687,416	—	5,830,493

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, 2013				
	Notional or contract amount	Fair value	Gross replacement cost	Gross add-ons	Credit equivalent amount
Long-settlement transactions	**1,624**	**(0)**	**0**	**162**	**162**
Interest rate related					
Interest rate swaps	**54,079,096**	**55,613**	**562,911**	**364,535**	**927,446**
Interest rate options	**1,198,283**	**18,601**	**18,601**	**2,729**	**21,330**
Subtotal	**55,277,380**	**74,215**	**581,512**	**367,264**	**948,777**
Currency-related					
Currency swaps	**2,126,983**	**(28,997)**	**39,138**	**98,396**	**137,535**
Currency options	**1,541,490**	**70,089**	**70,089**	**52,480**	**122,570**
Forward contracts	**1,636,769**	**29,797**	**83,261**	**39,896**	**123,157**
Subtotal	**5,305,244**	**70,890**	**192,489**	**190,773**	**383,263**
Subtotal (prior to netting)	**60,582,624**	**145,105**	**774,002**	**558,038**	**1,332,040**
Credit risk mitigation under close-out netting contracts					**785,835**
Credit risk mitigation by pledged collateral (Note 3)					**43,539**
Total (after netting)					**502,665**

(Millions of yen)

	As of March 31, 2012				
	Notional or contract amount	Fair value	Gross replacement cost	Gross add-ons	Credit equivalent amount
Long-settlement transactions	—	—	—	—	—
Interest rate related					
Interest rate swaps	52,900,266	43,239	392,423	414,911	807,334
Interest rate options	2,009,115	26,833	26,833	2,139	28,973
Subtotal	54,909,381	70,072	419,257	417,050	836,307
Currency-related					
Currency swaps	2,461,030	(56,650)	58,503	121,641	180,144
Currency options	1,323,673	140,756	140,756	54,127	194,883
Forward contracts	1,436,096	(29,002)	25,653	41,847	67,501
Subtotal	5,220,800	55,102	224,913	217,616	442,529
Subtotal (prior to netting)	60,130,182	125,175	644,170	634,666	1,278,837
Credit risk mitigation under close-out netting contracts					686,048
Credit risk mitigation by pledged collateral (Note 3)					(30,268)
Total (after netting)					623,056

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, 2013.
3. The effect of credit risk mitigation of collateralized derivative transactions as of March 31, 2013, is as follows.
Collateral is composed of cash.
(1) Collateral placed: 17,236
(2) Collateral held: 60,776
(2)-(1): 43,539

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 FY2012 (Reference Materials)" issued on May 10, 2013, 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 2 Exposure Items	
Balance of securitized products	ABS	466	Monetary claims bought	127,370	Securitization exposure	78,264
	CMBS	651	Foreign bonds	10,450	Corporation, etc.	306
	RMBS	142,136	Securities	5,433	Specialised lending exposure	102
					Retail exposure	2,488
					Purchased receivables	62,093
	Total	143,254	Total	143,254	Total	143,254
	(In addition to the above types of securities, the Company held ¥34.1 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 2 Exposure Items	
Balance other than those listed above	ABCP	4,454	Trading assets	4,454	Securitization exposure	66,571
	ABL	54,248	Loans and bills discounted	62,117		
	RMBS	7,868				
	Total	66,571	Total	66,571	Total	66,571

Classification	By Product Type		By Account Headings		By Basel 2 Exposure Items	
Total balance	ABCP	4,454	Monetary claims bought	127,370	Securitization exposure	144,836
	ABL	54,248	Trading assets	4,454	Corporation, etc.	306
	ABS	466	Foreign bonds	10,450	Specialised lending exposure	102
	CMBS	651	Securities	5,433	Retail exposure	2,488
	RMBS	150,004	Loans and bills discounted	62,117	Purchased receivables	62,093
	Total	209,826	Total	209,826	Total	209,826

EAD of securitization exposure	140,189
Required capital	4,308
Deduction from capital*	4,467*

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 ¥209.8 billion and are equivalent to 0.49% 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 (¥8,201 million) is also deducted from capital for Basel 2 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.

■ 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 Resona Group adopts the Ratings-Based Approach and the Supervisory Formula Approach as stipulated in Notification on Consolidated Capital Adequacy.

■ Name of Formula Used in Calculating the Amount Corresponding to Market Risk in Securitization Exposure

Since an exceptional treatment is applicable, the Resona Group does not include the amount equivalent to market risk.

■ When the Holding Company Group Securitizes Third-Party Assets through Special-Purpose Entities, Indicate the Type of Special-Purpose Entity and whether the Holding Company Group Holds Securitization Exposure from such Transaction

Special-Purpose Entity for Securitization	Type
AB Global Funding Limited, Tokyo Branch	SPC
March Asset Management Co., Ltd.	SPC

With respect to the status, whether the Holding Company Group retains the securitization exposure from such transactions or not, please refer to "Securitization Exposure that Is Subject to Calculation of Credit Risk Assets, When the Holding Company Group Is the Sponsor (ABCP, etc.)".

■ Name of the Subsidiaries of the Holding Company Group (Excluding Consolidated Subsidiaries) and Affiliated Companies That Holds Securitization Exposure Conducted by the Holding Company Group (Including Securitization Transactions Conducted through Special-Purpose Entities)

None

■ 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, 2013.

- 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)

■ When using the Internal Assessment Approach, give a summary of the method

The Resona Group does not use the Internal Assessment Approach

■ When Material Changes Occur in Quantitative Information, Give a Statement of the Content

None

■ Securitization Exposure that Is Subject to Calculation of Credit Risk Assets When the Holding Company Group Is the Originator.

1. Breakdown of Securitization Exposure Retained

(1) Securitization exposure (excluding re-securitization exposure)

(Millions of yen)

	As of March 31, 2013											
	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	—	15,844	—	—	—	—	—	—	—	—	15,844	5,769
Risk weight:												
To 20%	—	2,600	—	—	—	—	—	—	—	—	2,600	33
Over 20% to 100%	—	—	—	—	—	—	—	—	—	—	—	—
Over 100% to 1,250%	—	9,215	—	—	—	—	—	—	—	—	9,215	1,708
Deduction from capital	—	4,028	—	—	—	—	—	—	—	—	4,028	4,028
Capital increase due to securitization transactions	—	4,509	3,692	—	—	—	—	—	—	—	8,201	8,201

Notes: 1. The item “Deduction from capital” in the table above is securitization exposures subtracted from capital based on Article 225 of the Notification on Consolidated Capital Adequacy.
2. All securitization exposures retained are from on-balance-sheet transactions.

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, 2012											
	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	—	15,862	23,409	—	—	—	—	—	—	—	39,272	7,169
Risk weight:												
To 20%	—	2,600	—	—	—	—	—	—	—	—	2,600	33
Over 20% to 100%	—	—	23,409	—	—	—	—	—	—	—	23,409	1,044
Over 100% to 1,250%	—	9,220	—	—	—	—	—	—	—	—	9,220	2,048
Deduction from capital	—	4,042	—	—	—	—	—	—	—	—	4,042	4,042
Capital increase due to securitization transactions	—	4,840	4,319	—	—	—	—	—	—	—	9,160	9,160

Notes: 1. The item “Deduction from capital” in the table above is securitization exposures subtracted from capital based on Article 225 of the Notification on Consolidated Capital Adequacy.
2. All securitization exposures retained are from on-balance-sheet transactions.

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

(2) Re-securitization exposure

None

2. Underlying Assets

(Millions of yen)

	As of March 31, 2013										
	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	**—**	**75,288**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**75,288**
Asset transfer-type securitizations	**—**	**75,288**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**75,288**
Past due three months or more, or default	**—**	**3,326**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**3,326**
Losses during the year	**—**	**56**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**56**
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	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Amount of assets held for the purpose of securitization transactions	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**

(Millions of yen)

	As of March 31, 2012										
	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	—	87,623	36,030	—	—	—	—	—	—	—	123,654
Asset transfer-type securitizations	—	87,623	36,030	—	—	—	—	—	—	—	123,654
Past due three months or more, or default	—	3,577	44	—	—	—	—	—	—	—	3,622
Losses during the year	—	—	—	—	—	—	—	—	—	—	
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	—	—	—	—	—	—	—	—	—	—	—
Amount of assets held for the purpose of securitization transactions	—	—	—	—	—	—	—	—	—	—	—

■ Securitization Exposure that Is Subject to Calculation of Market Risk When the Holding Company Group Is the Originator.

None

■ Securitization Exposure that Is Subject to Calculation of Credit Risk Assets When the Holding Company Group Is the Sponsor of Securitization Programs (ABCP, etc.).

1. Breakdown of Securitization Exposures Retained

(1) Securitization exposure (excluding re-securitization exposure)

(Millions of yen)

	As of March 31, 2013											
	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	—	—	—	—	8,308	—	—	48,547	—	1,847	58,703	2,240
Risk weight:												
To 20%	—	—	—	—	8,308	—	—	17,682	—	602	26,592	160
Over 20% to 100%	—	—	—	—	—	—	—	29,514	—	960	30,474	1,535
Over 100% to 1,250%	—	—	—	—	—	—	—	1,350	—	—	1,350	258
Deduction from capital	—	—	—	—	—	—	—	—	—	285	285	285
Capital increase due to securitization transactions	—	—	—	—	—	—	—	—	—	—	—	—

Notes: 1. The item "Deduction from capital" in the table above is securitization exposures subtracted from capital based on Article 225 of the Notification on Consolidated Capital Adequacy.
2. All securitization exposures retained are from on-balance-sheet transactions.

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, 2012											
	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	—	—	—	—	14,471	—	—	53,852	466	2,481	71,271	3,282
Risk weight:												
To 20%	—	—	—	—	14,471	—	—	18,563	—	842	33,876	204
Over 20% to 100%	—	—	—	—	—	—	—	33,686	—	824	34,510	1,622
Over 100% to 1,250%	—	—	—	—	—	—	—	1,602	—	—	1,602	173
Deduction from capital	—	—	—	—	—	—	—	—	466	814	1,281	1,281
Capital increase due to securitization transactions	—	—	—	—	—	—	—	—	—	—	—	—

Notes: 1. The item "Deduction from capital" in the table above is securitization exposures subtracted from capital based on Article 225 of the Notification on Consolidated Capital Adequacy.
2. All securitization exposures retained are from on-balance-sheet transactions.

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

(2) Re-securitization exposure

None

2. Underlying Assets

(Millions of yen)

	As of March 31, 2013										
	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	**—**	**—**	**—**	**—**	**10,407**	**—**	**—**	**62,812**	**—**	**3,005**	**76,225**
Asset transfer-type securitizations	**—**	**—**	**—**	**—**	**10,407**	**—**	**—**	**62,812**	**—**	**3,005**	**76,225**
Past due three months or more, or default	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**5**	**5**
Losses during the year	**—**	**—**	**—**	**—**	**195**	**—**	**—**	**306**		**8**	**510**
Synthetic securitizations	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Past due three months or more, or default	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Losses during the year	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Amount of exposures securitized during the year*	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**109,023**	**—**	**2,871**	**111,894**
Amount of gain (loss) recognized for the period in connection with securitization transactions	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Securitization exposures subject to early amortization provisions	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Amount of assets held for the purpose of securitization transactions	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**

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, 2012										
	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	—	—	—	—	5,044	—	—	67,378	1,781	3,353	77,557
Asset transfer-type securitizations	—	—	—	—	5,044	—	—	67,378	1,781	3,353	77,557
Past due three months or more, or default	—	—	—	—	11	—	—	—	—	5	17
Losses during the year	—	—	—	—	465	—	—	60	559	10	1,095
Synthetic securitizations	—	—	—	—	—	—	—	—	—	—	—
Past due three months or more, or default	—	—	—	—	—	—	—	—	—	—	—
Losses during the year	—	—	—	—	—	—	—	—	—	—	—
Amount of exposures securitized during the year*	—	—	—	—	—	—	—	115,151	—	3,229	118,380
Amount of gain (loss) recognized for the period in connection with securitization transactions	—	—	—	—	—	—	—	—	—	—	—
Securitization exposures subject to early amortization provisions	—	—	—	—	—	—	—	—	—	—	—
Amount of assets held for the purpose of securitization transactions	—	—	—	—	—	—	—	—	—	—	—

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 Exposure that Is Subject to Calculation of Market Risk When the Holding Company Group Is the Sponsor of Securitization Programs (ABCP, etc.).

None

■ Securitization Exposure that Is Subject to the Calculation of Credit Risk Assets When the Holding Company Group Is an Investor.

(1) Securitization exposure (excluding re-securitization exposure)

(Millions of yen)

	As of March 31, 2013											
	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	**233**	**46,635**	**9,351**	**—**	**—**	**—**	**—**	**431**	**—**	**—**	**56,651**	**502**
Risk weight:												
To 20%	**—**	**46,635**	**9,351**	**—**	**—**	**—**	**—**	**431**	**—**	**—**	**56,418**	**344**
Over 20% to 100%	**80**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**80**	**5**
Over 100% to 1,250%	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Deduction from capital	**153**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**153**	**153**

Notes: 1. The item "Deduction from capital" in the table above is securitization exposures subtracted from capital based on Article 225 of the Notification on Consolidated Capital Adequacy.
2. All securitization exposures retained are from on-balance-sheet transactions.

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, 2012											
	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	469	62,671	10,804	—	—	—	—	979	—	8	74,933	791
Risk weight:												
To 20%	—	62,671	10,804	—	—	—	—	979	—	8	74,464	452
Over 20% to 100%	139	—	—	—	—	—	—	—	—	—	139	8
Over 100% to 1,250%	—	—	—	—	—	—	—	—	—	—	—	—
Deduction from capital	330	—	—	—	—	—	—	—	—	—	330	330

Notes: 1. The item "Deduction from capital" in the table above is securitization exposures subtracted from capital based on Article 225 of the Notification on Consolidated Capital Adequacy.
2. All securitization exposures retained are from on-balance-sheet transactions.

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

(2) Re-securitization exposure

(Millions of yen)

	As of March 31, 2013											
	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	**—**	**13,457**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**13,457**	**262**
Risk weight:												
To 20%	**—**	**13,261**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**13,261**	**224**
Over 20% to 100%	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Over 100% to 1,250%	**—**	**196**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**196**	**37**
Deduction from capital	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**

Notes: 1. The item "Deduction from capital" in the table above is securitization exposures subtracted from capital based on Article 225 of the Notification on Consolidated Capital Adequacy.
2. All securitization exposures retained are from on-balance-sheet transactions.

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

Credit risk reduction has not been applied for holdings of re-securitization exposure.

(Millions of yen)

	As of March 31, 2012											
	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	—	20,899	—	—	—	—	—	—	—	—	20,899	391
Risk weight:												
To 20%	—	20,685	—	—	—	—	—	—	—	—	20,685	350
Over 20% to 100%	—	—	—	—	—	—	—	—	—	—	—	—
Over 100% to 1,250%	—	214	—	—	—	—	—	—	—	—	214	40
Deduction from capital	—	—	—	—	—	—	—	—	—	—	—	—

Notes: 1. The item "Deduction from capital" in the table above is securitization exposures subtracted from capital based on Article 225 of the Notification on Consolidated Capital Adequacy.
2. All securitization exposures retained are from on-balance-sheet transactions.

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

Credit risk reduction has not been applied for holdings of re-securitization exposure.

■ Securitization Exposure that Is Included in the Calculation of Market Risk When the Holding Company Group Is an Investor.

None

Equity Exposures in the Banking Book

■ Equity Exposure on the Consolidated Balance Sheets

(Millions of yen)

As of March 31,	2013		2012	
	Consolidated balance sheet amount	Market value	Consolidated balance sheet amount	Market value
Listed stocks and other similar investment/equity exposure	**607,895**	**607,895**	478,179	478,179
Investment/equity exposure other than the above	**76,317**	**76,317**	79,155	79,155
Total	**684,213**	**684,213**	557,335	557,335

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

(Millions of yen)

Years ended March 31,	2013	2012
Gain on sale	**10,233**	11,146
Loss on sale	**(3,751)**	(7,623)
Write-off	**(14,049)**	(1,215)
Net gains/(losses)	**(7,567)**	2,307

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

(Millions of yen)

As of March 31,	2013	2012
Unrealized gain	**222,019**	114,043

■ 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,	2013	2012
Market-based approach (Simple Risk Weight Method)	**69,856**	18,105
Market-based approach (Internal Models Approach)	**—**	—
PD/LGD Approach	**36,782**	20,984
Grandfathering provision applied	**344,491**	349,315
Exposure to those enterprises assigned 0% risk weight under the Standardized Approach	**1**	1
Total	**451,131**	388,406

Exposures Relating to Investment Funds

■ Exposures Relating to Investment Funds

(Millions of yen)

As of March 31,	2013	2012
Exposures relating to investment funds	**28,396**	25,114

Interest Rate Risk in the Banking Book

■ Outlier Framework

Under Basel 2, 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,	2013		2012	
	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	**416**	**2.5%**	427	2.7%
Saitama Resona Bank	**260**	**6.0%**	211	4.8%
The Kinki Osaka Bank	**71**	**4.5%**	45	2.8%

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. An internal model has been adopted to estimate the interest rate risk of liquid deposits with no maturities.

[Disclosure on Remuneration]

■ **Table of Contents**

■ **Full Text of Disclosure on Remuneration**

1. Status of Organizational Systems Related to Remuneration of Resona Group Relevant Officers and Employees

(1) Scope of "Relevant Officers and Employees"

The scope of "Relevant Officers" and "Relevant Employees" (referred to collectively as "Relevant Officers and Employees") are specified in the "Notification on Remuneration*" and have the following meanings as applied by the Resona Group.

*Notification on Remuneration: Based on the Ordinance for Enforcement of the Banking Act Article 19-2 Paragraph 1 Item 6, this notification covers matters related to remuneration, and specifies persons who may have a material impact on banking operations and the state of bank assets as the head of the Financial Services Agency has issued a separate notice (Financial Services Agency Notification No. 21) specifying such persons.

1) Scope of "Relevant Officers"

"Relevant Officers" are the Company's Directors and Executive Officers. Outside directors are excluded.

2) Scope of "Relevant Employees"

"Relevant Employees" are staff of the Company and officers and employees of principal consolidated subsidiaries who "receive a high level of remuneration" and may have a material impact on the banking operations and/or the assets of the Resona Group.

(a) Scope of "Principal Consolidated Subsidiaries"

"Principal consolidated subsidiaries" are those subsidiaries whose total assets exceed 2% of the consolidated total assets of the bank holding company and are consolidated subsidiaries that have a material impact on Resona Group management. Specifically, these subsidiaries are Resona Bank, Ltd., Saitama Resona Bank, Ltd., and The Kinki Osaka Bank, Ltd.

(b) Scope of "Persons Receiving High Level of Remuneration"

"Persons receiving a high level of remuneration" are those persons receiving the base amount of remuneration or higher from the Company and its principal consolidated subsidiaries. (Here and hereinafter, "Resona Group refers to the Company (Resona Holdings, Inc.), which is the holding company for the Resona Group, and its principal consolidated subsidiaries.) In the Resona Group, the criterion for compensation is ¥20 million or higher, which was the average annual compensation received by full-time Directors in fiscal 2011 and fiscal 2012 computed by dividing the total amount of compensation paid to Directors by the number of Directors. This base compensation amount is applied in common to all principal consolidated subsidiaries that have the same compensation system and level.

Please note that when Severance Payments are made, the amount of the Severance Payment is deducted from remuneration and then, "the amount corresponding to the Severance Payment divided by the number of years of service" is added back. The resulting figure is regarded as that person's remuneration.

(c) Scope of "Persons Having a Material Impact on the Business and/or the Assets of the Resona Group"

"Persons having a material impact on the business and/or Assets of the Resona Group" are those persons who may have a substantial impact on the conduct of the Resona Group's operations in the course of executing regular transactions and managing matters under their supervision and who may have an important impact on the state of assets if losses are reported. Specifically, such persons include staff of the Risk Management Division and Compliance Division; Directors and Corporate Auditors of the Resona Bank, Ltd., Saitama Resona Bank, Ltd., and The Kinki Osaka Bank, Ltd., (excluding Outside Directors and Outside Corporate Auditors); and Executive Officers with the additional titles of Senior Managing Executive Officer, Managing Executive Officer and Executive Officers in charge of either the Market, Risk Management, or Compliance sections as well as the staff of these sections.

Please note that, because of the differences in the compensation decision-making process, Directors, Corporate Auditors, and Executive Officers of principal consolidated subsidiaries that is included in "Relevant Officers" and "Relevant Employees" are regarded as "Relevant Officers, etc." in Disclosure on Remuneration. In addition, "Relevant Employees" after the exclusion of such Directors, Corporate Auditors, and Executive Officers are regarded as "Relevant Staff."

(2) Decision Making on Remuneration of Relevant Officers and Employees

1) Decision Making on Remuneration of Relevant Officers, etc.
Resona Holdings, Inc., adopted the Committees Governance Model and has formed a Compensation Committee as required by law.

The Compensation Committee is responsible for setting policies regarding decision making for remuneration of Directors and Executive Officers as well as for making decisions on compensation of individual Directors and Executive Officers. The Compensation Committee comprises a majority of Outside Directors, is independent of the business promotion departments, and has the authority to set compensation policy and the amounts of remuneration of individual Directors and Executive Officers.

Resona Bank, Ltd., Saitama Resona Bank, Ltd., and The Kinki Osaka Bank, Ltd., are companies that have adopted the Corporate Auditors Model, and the total amount of monthly compensation of their Directors and the total amount of monthly compensation of their Corporate Auditors are decided by their respective shareholders meeting. The monthly compensation of individual Directors is decided by the Representative Director and President of the respective banks, who has been delegated this authority by the Board of Directors of the respective banks. Please note that, when such decisions are made, the Compensation Committee of the Company (Resona Holdings, Inc.) takes account of established standards for compensation of Directors and the total amount of monthly compensation. In addition, the monthly compensation of individual Corporate Auditors is set within the limits of the total amount of monthly compensation and is decided through consultation among the Corporate Auditors. On the other hand, the compensation of Executive Officers, who are appointed by the Board of Directors, is set by the Representative Director and President, based on the compensation standards set by the previously mentioned Compensation Committee.

2) Decision Making on Remuneration of Relevant Staff
The remuneration of relevant staff is set and paid based on the salary policies duly established by such as the management committees of the respective Resona Group companies. These policies are systematically designed and put in writing by the Human Resources sections of the Resona Group companies, which are independent of the business promotion departments. In addition, when the salary policies of principal consolidated subsidiaries are changed, this is reported to the Company's Human Resources section, which is responsible for verifying the appropriateness of such changes.

Please note that compensation of traders and others in certain market sections in the Company's principal consolidated subsidiaries are decided on an individual basis according to their duties and responsibilities.

(3) Decision Making on Remuneration of the Staff of Risk Management Division and Compliance Division

The compensation of the staff of the Risk Management Division and Compliance Division of Group companies is set based on salary policies, and the specific amounts are decided by the head of the respective Human Resources sections of these companies, which are independent of the business promotion departments, based on assessments of performance.

Moreover, personnel assessment items are used to evaluate the attainment of goals that have been set and approved by the persons responsible for employees in the Risk Management Division and Compliance Division. These goals reflect the contributions of employees within the risk management and compliance frameworks.

(4) Total Amount of Remuneration Paid to Members of the Committees, such as the Compensation Committee, and the Number of Meetings Held

	Number of Meetings (April 2012 to March 2013)
Compensation Committee (Resona Holdings, Inc.)	6
Executive Committee (Resona Bank, Ltd.)	3
Executive Committee (Saitama Resona Bank, Ltd.)	3
Executive Committee (The Kinki Osaka Bank, Ltd.)	2

Notes: 1. The Compensation Committee has three members, two of whom are Outside Directors, and therefore the total remuneration paid is not included in the above chart. In addition, as regards the single member of the committee aside from the Outside Directors, since the amount paid for services on the Compensation Committee cannot be separated from other compensation, the total amount of remuneration is not shown. Please note that, as of November 4, 2012, as a result of the retirement of one Director other than the Independent Directors, although one Outside Director was newly appointed to the Compensation Committee, this person is an Outside Director and is not included in the above total for compensation.
2. The number of meetings of the Executive Committees of Resona Bank, Ltd., Saitama Resona Bank, Ltd., and The Kinki Osaka Bank, Ltd. is the number of meetings of the Executive Committees held for deciding on compensation of relevant staff. Moreover, regarding the composition of the Executive Committees, since the amount corresponding to the performance of duties related to decisions on compensation cannot be separated from other compensation, the total amount of remuneration is not shown. Please note that, as regards to the compensation of officers of the respective banks, since decisions on the compensation system and levels are made by the Compensation Committee, related matters are not included on the agendas of the Executive Committees shown above.

2. Evaluation of the Appropriateness of the Design and Operation of the Remuneration System of Resona Group Relevant Officers and Employees

(1) Remuneration Policy

1) Remuneration Policy of Relevant Officers, etc.

(a) Remuneration Policy of the Company's Directors and Executive Officers

The Compensation Committee has established the following policies regarding the compensation of Directors and Executive Officers and the policy for decision making regarding the remuneration of individual Directors and Executive Officers. Based on these policies, decisions are made on the compensation of individual officers. Please note that the retirement benefit system was abolished as of June 2004.

a. Compensation System for Directors

Remuneration for Directors consists of a position-based fixed portion, a performance-based variable portion, and a duty-based additional fixed portion.

To enable the supervision of Executive Officers to function in a sound manner, the ratio of the position-based fixed portion to the performance-based variable portion (standard amount) is set at 95 to 5, thus placing strong emphasis on compensation for their position.

(i) Position-based fixed portion
The position-based fixed portion is determined by the nature and scope of responsibilities held by each individual.

(ii) Performance-based variable portion
The performance-based variable portion is determined after taking into consideration the results of the Company's previous fiscal year.

(iii) Duty-based additional fixed portion
The duty-based additional fixed portion is determined by the nature and scope of responsibilities held by each Outside Director who also serves as a member of the Nomination Committee, Compensation Committee, and/or Audit Committee.

b. Compensation System for Executive Officers

Remuneration for Executive Officers consists of the position-based fixed portion, a performance-based variable portion (standard amount), and a share-based portion.

The ratio of the position-based fixed portion to the performance-based variable portion is set at 60 to 40, respectively.

(i) Position-based fixed portion
The position-based fixed portion is determined by the nature and scope of responsibilities held by each individual.

(ii) Performance-based variable portion
The performance-based variable portion is determined after taking into consideration the results of the Company as well as the performance of each individual in the previous fiscal year.

(iii) Share-based variable portion (introduced in June 2010)
The share-based variable portion is determined for the purpose of acquiring Company shares when income before taxes and minority interest in the previous fiscal year has surpassed a certain level in the Company's Business Revitalization Plan. Executive Officers who receive this share-based variable portion shall acquire Company shares by disbursing a certain amount of this portion to the Directors' Shareholding Association every month. They possess such shares for up to one year after their retirement.

A certain amount of each benefit is paid monthly by cash.

Officers holding both the positions of Director and Executive Officer concurrently are paid only their compensation as Executive Officers. Executive Officers who concurrently hold the position of Representative Director and President in subsidiary banks are not paid as Executive Officers.

(b) Remuneration Policy of Officers of Resona Bank, Ltd., Saitama Resona Bank, Ltd., and The Kinki Osaka Bank, Ltd.

The respective shareholders meeting of these Group banks decide on the total amount of monthly remuneration of their Directors, and their respective Representative Director and President are authorized by their Board of Directors to set the remuneration of individual Directors within the limits of the total monthly remuneration.

In addition, taking account of the matters decided by the Compensation Committee of Resona Holdings, Inc., these Group banks have established the following policies regarding the setting of the remuneration of individual Directors (non-executive), the Representative Director(s), and the Directors with executive responsibilities and Executive Officers (hereinafter, Representative Director, etc.). Please note that the retirement benefit system was abolished as of June 2004.

a. Compensation System for Directors (non-executive)

Remuneration of Directors (non-executive) consists of a position-based fixed portion and a performance-based variable portion. To enable the supervision of Representative Directors, etc., to function in a sound manner, the ratio of the position-based fixed portion to the performance-based variable portion (standard amount) is set at 95 to 5, thus placing strong emphasis on compensation for their position.

(i) Position-based fixed portion
The position-based fixed portion is determined by the nature and scope of responsibilities held by each individual.

(ii) Performance-based variable portion
The performance-based variable portion is determined after taking into consideration the results of the Company's previous fiscal year.

b. Compensation system for Representative Directors, Etc.

Remuneration of Representative Directors, etc., consists of the position-based fixed portion, a performance-based variable portion, and a share-based portion. The ratio of the position-based fixed portion to the performance-based variable portion (standard amount) is set at 60 to 40, respectively.

(i) Position-based fixed portion
The position-based fixed portion is determined by the nature and scope of responsibilities held by each individual.

(ii) Performance-based variable portion
The performance-based variable portion is determined after taking into consideration the results of the Company as well as the performance of each individual in the previous fiscal year.

(iii) Share-based variable portion (introduced in June 2010)
The share-based variable portion is determined for the purpose of acquiring Company shares when income before taxes and minority interest in the previous fiscal year has surpassed a certain level in the Company's Business Revitalization Plan. Representative Directors who receive this share-based variable portion shall acquire Company shares by disbursing a certain amount of this portion to the Directors' Shareholding Association every month. They possess such shares for up to one year after their retirement.

The remuneration of Corporate Auditors is determined as follows. The scope of the total monthly amount of remuneration of Corporate Auditors is decided by the shareholders meeting. The monthly remuneration to be received by individual Corporate Auditors is decided, within the scope of the total amount, through consultation among the Corporate Auditors.

A certain amount of each benefit is paid monthly by cash.

2) Remuneration Policy of Relevant Staff

For relevant staff, compensation consists of a fixed amount that is set according to duties and responsibilities and an amount that is linked to corporate performance. To reflect such contribution, compensation is decided based on assessments of performance. Please note that, when deciding on remuneration, the officer in charge of Human Resources sections takes account of this compensation system, the status of performance assessments, and actual payments as well as confirms that compensation practices do not place excessive emphasis on performance.

(2) Impact of the Level of Overall Remuneration on Capital

(Relevant Officers, etc.)

To ensure that the overall level of compensation paid by the Resona Group is financially sound for the Group as a whole and consistent with the future outlook, the Compensation Committee calculates the maximum amount (theoretical value) that may be paid under the compensation system, then compares the outlook for payments to officers with the Business Revitalization Plan, and confirms that such payments will not have an adverse impact on the adequacy of the Group's capital in the future.

(Relevant Staff)

Regarding compensation to the staff of the Resona Group, the Company considers the management condition of the Group as well as the Group's performance, the portion of compensation that varies with assessments of performance of individuals, and the temporary payment portion; then compares these figures with the Business Revitalization Plan; and confirms that such payment will not have an adverse impact on the adequacy of the Group's capital in the future. In addition, the Company compares the amount of salaries paid for the fiscal year with the level of income for the fiscal year as well as the status of retained earnings to confirm that these payments will not have an adverse impact on the capital ratio.

3. Consistency between the Remuneration System of Resona Group Relevant Officers and Employees and Risk Management and the Link between Remuneration and Corporate Performance

(1) Method of Taking Account Risks in Deciding Remuneration

(Relevant Officers, etc.)

The portion of the compensation of Executive Officers and Representative Directors that is linked to corporate performance is determined with reference to the performance of Group companies in the previous fiscal year and individual performance. Indicators used in assessing corporate performance are not only income before taxes but also include profitability, soundness, and efficiency. In addition, in assessing individual performance, reference is made to the attainment of objectives that have been set after taking account of various risks that may occur in the divisions where the Executive Officers and Representatives are in charge.

For Directors (non-executive), the portion of compensation linked to corporate performance is set with reference to the Company's performance in the previous fiscal year, but the ratio of this portion in the individual's remuneration is set at a low level.

(Relevant Staff)

When the Resona Group companies design and review their payroll systems, the Human Resources section performs these design and review activities, and final decisions are made by the authorized organizational unit after being reviewed by the Executive Committee. Please note that, when such matters are brought up in meetings of the Executive Committee, the departments in charge of comprehensive risk management verify the appropriateness and suitability of the relevant payroll systems from a risk management perspective.

(2) Portion Linked to Corporate Performance in Deciding Remuneration of Relevant Officers and Employees

1) Method for Calculating the Portion Linked to Corporate Performance

(Relevant Officers, etc.)

When the Compensation Committee decides on compensation policy for Officers of the Resona Group as a whole, it takes account of the management policies, operating environment, and other relevant matters and then decides on the percentage of the portion of compensation linked to corporate performance for the fiscal year.

(Relevant Staff)

The portion of compensation linked to performance to be paid to the staff is determined based on Group performance according to a predetermined formula.

2) Method for Making Adjustments in the Portion Linked to Corporate Performance

(Relevant Officers, etc.)

When performance of Group companies is not satisfactory, the portion of compensation linked to corporate performance for relevant Officers, etc. of the Resona Group may be reduced by lowering the percentage contained in the predetermined formula.

(Relevant Staff)

When performance of Group companies is not satisfactory, the portion of compensation linked to corporate performance for the staff of the Resona Group may be reduced by lowering the percentage contained in the predetermined formula.

3) Assessment that the Linkage to Corporate Performance Is not Excessively Short-Term Oriented

(Relevant Officers, etc.)

For compensation of officers, etc. of Resona Group, the Compensation Committee has established criteria for the payment of compensation and, by assessing the ratio of the portion of compensation linked to corporate performance and the appropriateness of amounts paid, works to verify that compensation practices do not place excessive emphasis on performance.

(Relevant Staff)

For compensation of the staff of the Resona Group, taking into account the compensation system, assessments of performance, and actual payments made, Officers in charge of Human Resources sections confirm that compensation practices in their respective companies do not place excessive emphasis on performance.

4) Monitoring and Restraint on Transactions that Only Reduce Risk Superficially

In principal consolidated subsidiaries Resona Bank, Ltd., Saitama Resona Bank, Ltd., and The Kinki Osaka Bank, Ltd., the middle-office and back-office departments as well as the internal auditing departments monitor transactions at appropriate intervals to ensure that relevant officers and employees have not made arrangements, etc., to reduce risk superficially and that there is no behavior that may be contrary to the intent of the compensation system, which has been designed to be consistent with risk management.

4. Types, Amounts, and the Method of Remuneration Paid to Resona Group Relevant Officers and Employees

■ Total Amount of Remuneration of Relevant Officers and Employees

(From April 1, 2012 to March 31, 2013)

Item	Number	Total remuneration (¥ million)	Total fixed compensation			Total variable compensation			
				Basic compensation	Other		Basic compensation	One-time payments	Other
Relevant Officers (excluding Outside Officers)	14	370	208	208	—	161	161	—	—
Relevant Employees	18	411	229	229	—	182	182	—	—

Notes: 1. The compensation of relevant officers includes the amount of compensation as officers of principal consolidated subsidiaries.
2. Basic compensation includes retirement benefits paid during the fiscal year (lump-sum retirement benefit payments divided by the number of years of service).

5. Other Matters for Reference Regarding Remuneration System of Resona Group Relevant Officers and Employees

There are no other matters that need to be mentioned other than the items previously referred in this document.

MEMO

CORPORATE DATA SECTION

CONTENTS

DIRECTORS AND EXECUTIVE OFFICERS

As of July 1, 2013

■ Directors

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

Note: The six outside directors—Tsutomu Okuda, Shusai Nagai, Emi Osono, Toshio Arima, Yoko Sanuki, and Mitsudo Urano—meet the conditions for outside directors set forth in Article 2-15 of the Companies Act of Japan.

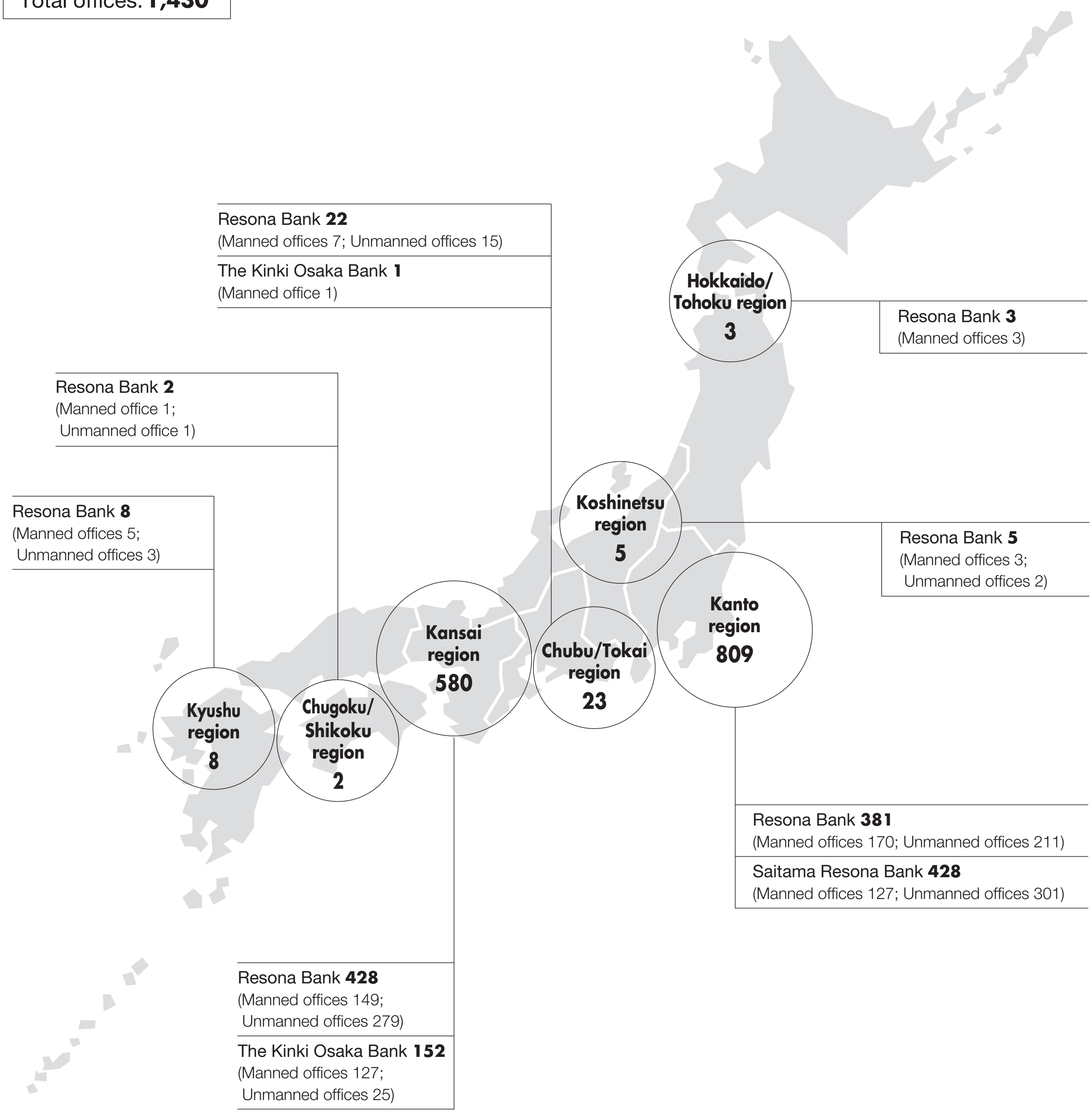
■ Executive Officers

Post	Name	Concurrent Post
Executive Officer	Masahito Kamijo	Representative Director and President of Saitama Resona Bank, Ltd.
Executive Officer	Koji Nakamae	Representative Director, President and Executive Officer of The Kinki Osaka Bank, Ltd.
Executive Officer	Koichi Matsui	Senior Managing Executive Officer of Resona Bank, Ltd. Outside Director of The Kinki Osaka Bank, Ltd.
Executive Officer	Toru Muraki	Senior Managing Executive Officer of Resona Bank, Ltd. Executive Officer of Saitama Resona Bank, Ltd.
Executive Officer	Makoto Nomura	Outside Director of Saitama Resona Bank, Ltd.
Executive Officer	Yasunori Uno	Executive Officer of Resona Bank, Ltd.
Executive Officer	Kenichiro Masuda	Executive Officer of Resona Bank, Ltd. Outside Director of The Kinki Osaka Bank, Ltd.
Executive Officer	Takayuki Torii	Executive Officer of Resona Bank, Ltd.

DOMESTIC NETWORK

As of March 31, 2013

Total offices: **1,430**



Domestic Branches

(As of March 31, 2013)

	Resona Bank	Saitama Resona Bank	The Kinki Osaka Bank	Total of the three banks	Including: Kanto region	Including: Kansai region
Manned offices	338	127	128	593	297	276
Unmanned offices	511	301	25	837	512	304
Total offices	849	428	153	1,430	809	580

INTERNATIONAL NETWORK

As of March 31, 2013

Resona Bank, Ltd.

■ ASIA

Hong Kong Representative Office
Unit 01, 6/F.,
Tower1, Lippo Centre
89 Queensway Admiralty,
Hong Kong, S.A.R.,
The People's Republic of China
Phone: 852-2532-0500
Fax: 852-2522-5378

Singapore Representative Office
20 Cecil Street,
#12-03 Equity Plaza,
Singapore 049705,
Republic of Singapore
Phone: 65-6333-0378
Fax: 65-6333-0797

Shanghai Representative Office
Room No. 2709,
Shanghai International
Trade Centre,
2201 Yan An Xi Lu, Shanghai,
The People's Republic of China
Phone: 86-21-6275-5198
Fax: 86-21-6275-5229

Bangkok Representative Office
31st Floor, Abdulrahim Place,
990 Rama 4 Road,
Silom, Bangrak,
Bangkok 10500,
Thailand
Phone: 66-2-636-2311
Fax: 66-2-636-2316

PT. Bank Resona Perdania

Head Office
Jl. Jend. Sudirman Kav. 40-41,
Jakarta, Indonesia
Phone: 62-21-5701958
Fax: 62-21-5701936
SWIFT: BPIAIDJA

Cikarang Sub-Branch
2nd Floor,
EJIP Center Building,
EJIP Industrial Park Plot 3A,
Cikarang Selatan,
Bekasi, West Java, Indonesia
Phone: 62-21-8974940
Fax: 62-21-8974941

Karawang Sub-Branch
1st Floor, Graha KIIC,
Jl. Permata Raya Lot C-1B,
Kawasan Industri KIIC,
Karawang,
West Java, Indonesia
Phone: 62-21-89115020
Fax: 62-267-647347

MM 2100 Sub-Branch
Ruko Mal Bekasi Fajar Blok D
No. 8, MM2100 Industrial Town,
Cikarang Barat, Bekasi,
West Java, Indonesia
Phone: 62-21-89982151
Fax: 62-21-89982943

Surabaya Branch
3rd Floor Plaza BRI, Suite 305,
Jl. Jend. Basuki Rachmat
No. 122,
Surabaya 60271,
East Java, Indonesia
Phone: 62-31-5355858
Fax: 62-31-5352007

Bandung Branch
Suite 204 & 205, 2nd Floor,
Graha Bumiputera,
Jl. Asia Afrika No. 141-149,
Bandung, West Java, Indonesia
Phone: 62-22-4241742
Fax: 62-22-4241207

PT. Resona Indonesia Finance
5th Floor,
Bank Resona Perdania Building,
Jl. Jend. Sudirman Kav. 40-41,
Jakarta, Indonesia
Phone: 62-21-5701956
Fax: 62-21-5701961

■ JAPAN

Tokyo Head Office
Fukagawa Gatharia W2 Bldg.,
5-65, Kiba 1-chome,
Koto-ku, Tokyo 135-8581, Japan
Phone: 81-3-6704-2111
SWIFT: DIWAJPJT

Osaka Head Office
2-1, Bingomachi 2-chome,
Chuo-ku, Osaka 540-8610,
Japan
Phone: 81-6-6271-1221
SWIFT: DIWAJPJT

Internet Address
http://www.resona-gr.co.jp/
resonabank/

The Kinki Osaka Bank, Ltd.

■ JAPAN

Head Office
4-27, Shiromi 1-chome,
Chuo-ku, Osaka 540-8560, Japan
Phone: 81-6-6945-2121
SWIFT: OSABJPJS

Internet Address
http://www.kinkiosakabank.co.jp/

Saitama Resona Bank, Ltd.

■ JAPAN

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

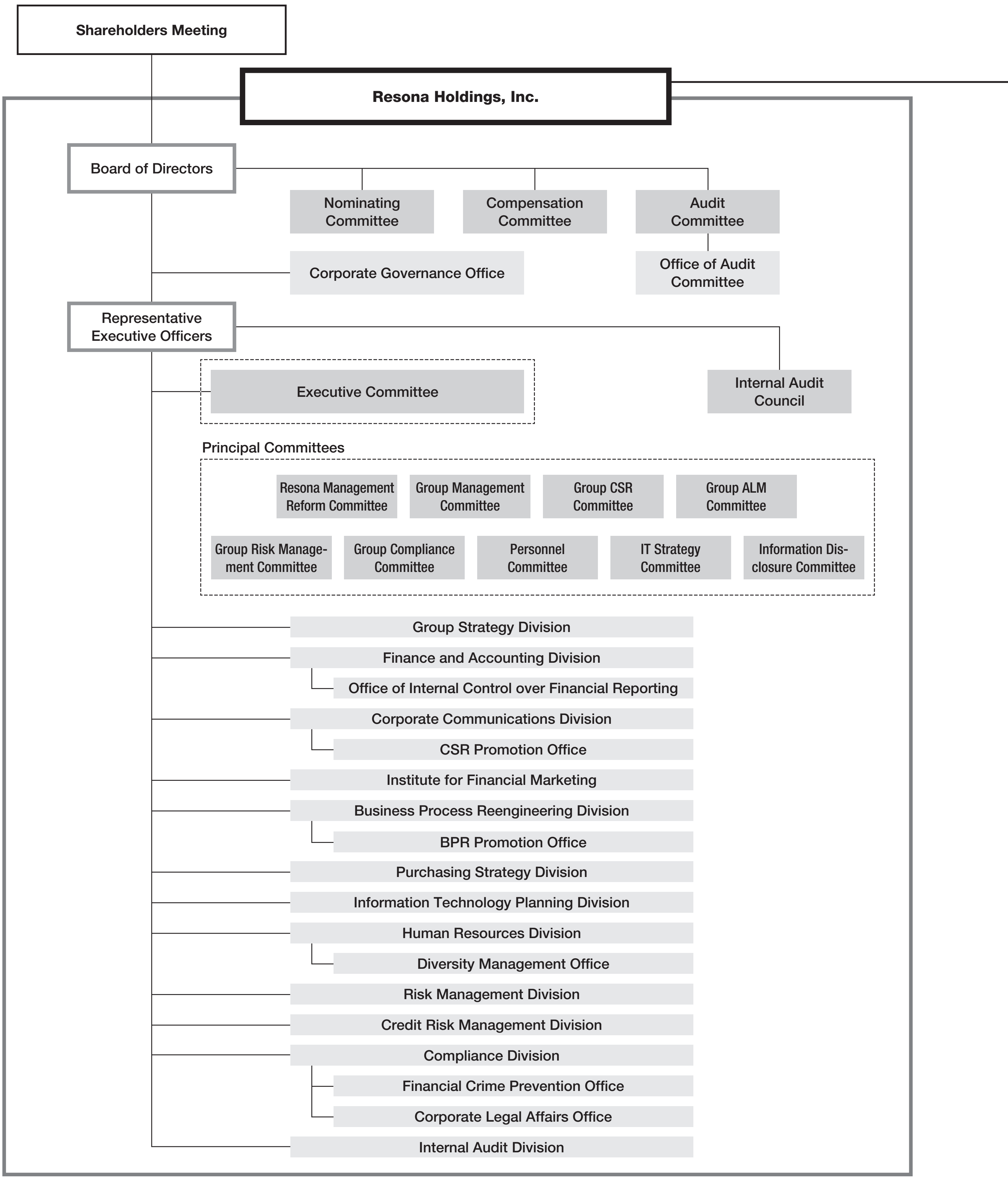
Tokyo Office
Fukagawa Gatharia W2 Bldg.,
5-65, Kiba 1-chome,
Koto-ku, Tokyo 135-8582, Japan

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

Internet Address
http://www.resona-gr.co.jp/saitamaresona/

ORGANIZATION CHART AND OUTLINE OF THE GROUP

As of July 1, 2013



Resona Holdings' Ownership: 100%	Resona Holdings' Ownership: 100%	Resona Holdings' Ownership: 100%
Resona Bank, Ltd.	**Saitama Resona Bank, Ltd.**	**The Kinki Osaka Bank, Ltd.**
Banking and trust banking business	Banking business	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	¥5,049	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, 2013

Tokyo Head Office
Fukagawa Gatharia W2 Bldg.
5-65, Kiba 1-chome,
Koto-ku, Tokyo 135-8582, Japan
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
¥50,472 million
(As of June 30, 2013, Non-consolidated)

Number of Shareholders
(Common stock)
323,322

Stock Exchange Listings
(As of July 31, 2013)
Tokyo Stock Exchange (1st Section)

Transfer Agent and Registrar
Sumitomo Mitsui Trust Bank, Ltd.
1-4-1, Marunouchi, Chuo-ku,
Tokyo 108-8233, Japan

Independent Auditor
Deloitte Touche Tohmatsu LLC

Number of Employees
16,826 (Consolidated)
533 (Non-consolidated)

Common Stock/Preferred Stock

(Number of shares)

	Authorized (End of March 2013)	Issued (End of March 2013)
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	2,520,000	2,520,000
Class Five Preferred Stock	4,000,000	4,000,000
Class Six Preferred Stock	3,000,000	3,000,000
No. 1 Class Seven Preferred Stock	10,000,000 (Note)	—
No. 2 Class Seven Preferred Stock	10,000,000 (Note)	—
No. 3 Class Seven Preferred Stock	10,000,000 (Note)	—
No. 4 Class Seven Preferred Stock	10,000,000 (Note)	—
No. 1 Class Eight Preferred Stock	10,000,000 (Note)	—
No. 2 Class Eight Preferred Stock	10,000,000 (Note)	—
No. 3 Class Eight Preferred Stock	10,000,000 (Note)	—
No. 4 Class Eight Preferred Stock	10,000,000 (Note)	—
	7,574,520,000	2,769,477,691

(Note) The total number of authorized shares in each class with respect to the First through the Fourth Series of Class Seven Preferred Stock shall not exceed 10,000,000 shares in the aggregate, and the total number of authorized preferred stock in each class with respect to the First through Fourth Series of Class Eight Preferred Stock shall not exceed 10,000,000 shares in the aggregate, respectively.

Stock Price Range on the Tokyo Stock Exchange
(First Section)

(Yen)

	2012						2013					
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
High	341	328	334	357	361	392	413	434	561	543	574	489
Low	301	303	304	316	321	340	383	405	423	453	458	421

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)	105,986,700	3.82
The Master Trust Bank of Japan, Ltd. (Trust Account)	90,342,800	3.26
The Dai-Ichi Mutual Life Insurance Company, Ltd.	59,241,900	2.13
CACEIS BANK FRANCE/CREDIT AGRICOLE SA	39,483,700	1.42
Japan Trustee Services Bank, Ltd. (Trust Account 9)	39,095,700	1.41
JP MORGAN CHASE BANK 380055	28,794,841	1.03
Japan Trustee Services Bank, Ltd. (Trust Account 4)	27,320,400	0.98
STATE STREET BANK AND TRUST COMPANY 505225	26,646,271	0.96
MSCO CUSTOMER SECURITIES	24,590,599	0.88
Total	1,169,765,411	42.23

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