

## Summary of Consolidated Financial Results (March 31, 2008/Unaudited)

May 16, 2008

### Resona Holdings, Inc.

#### 1. Financial Highlights (April 1, 2007 - March 31, 2008)

##### (1) Consolidated Operating Results

(\*1) Amounts of less than one million yen have been rounded down.

|                | Ordinary income    |       | Ordinary profit    |        | Net income         |        |
|----------------|--------------------|-------|--------------------|--------|--------------------|--------|
|                | <i>Million yen</i> | %     | <i>Million yen</i> | %      | <i>Million yen</i> | %      |
| March 31, 2008 | 1,114,441          | (3.4) | 233,712            | (43.0) | 302,818            | (54.5) |
| March 31, 2007 | 1,153,316          | 10.1  | 409,855            | 11.3   | 664,899            | 73.5   |

|                | Net income per share | Net income per share (potential equity adjusted) | Ratio of net income to capital assets | Ratio of ordinary profit to total assets | Ratio of ordinary profit to ordinary Income |
|----------------|----------------------|--|---------------------------------------|--|---|
|                | <i>Yen</i>           | <i>Yen</i>                                       | %                                     | %  | %   |
| March 31, 2008 | 23,690.06            | 16,401.22  | 14.4                                  | 0.6                                      | 21.0  |
| March 31, 2007 | 53,933.18            | 34,237.60  | 38.3                                  | 1.0                                      | 35.5  |

Reference: Equity in net earnings of affiliated companies:

March 31, 2008: ¥409 million

March 31, 2007: ¥497 million

Note: Percentages in ordinary income, ordinary profit and net income represent the difference from the previous year.

##### (2) Consolidated Financial Position

|                | Total assets       | Equity             | Net equity ratio | Equity per share | Consolidated capital adequacy ratio (Japanese domestic standard) | (Reference) Equity per share (*1) |
|----------------|--------------------|--------------------|------------------|------------------|--|-----------------------------------|
|                | <i>Million yen</i> | <i>Million yen</i> | %                | <i>Yen</i>       | %  | <i>Yen</i>                        |
| March 31, 2008 | 39,916,171         | 2,524,656          | 6.0              | (13,711.01)      | (*2)   | 206,719.97                        |
| March 31, 2007 | 39,985,678         | 1,970,139          | 4.5              | (23,676.18)      | 10.56  | 157,253.92                        |

(\*1) Not excluding amounts of preferred stocks issued

(\*2) To be disclosed subsequently.

Reference: Capital assets

March 31, 2008: ¥2,388,467 million

March 31, 2007: ¥1,811,812 million

Note: Please refer to "Notes: Consolidated Financial Position" on Page 3 for more information.

##### (3) Consolidated Cash Flows

|                | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents |
|----------------|--------------------------------------|--------------------------------------|--------------------------------------|---------------------------|
|                | <i>Million yen</i>                   | <i>Million yen</i>                   | <i>Million yen</i>                   | <i>Million yen</i>        |
| March 31, 2008 | (1,153,782)                          | 589,524                              | 396,337                              | 1,153,744                 |
| March 31, 2007 | 21,119                               | 363,230                              | (538,537)                            | 1,321,557                 |

## 2. Dividends on Common stock

|                              | Dividends per share |            |            | Total dividends<br>(annual) | Dividend<br>payout ratio<br>(consolidated) | Ratio of<br>dividends to<br>equity<br>(consolidated) |
|------------------------------|---------------------|------------|------------|-----------------------------|--|--|
|                              | Interim             | Year end   | Annual     |                             |  |  |
|                              | <i>Yen</i>          | <i>Yen</i> | <i>Yen</i> | <i>Million yen</i>          | <i>%</i>                                   | <i>%</i>   |
| March 31, 2008               | -                   | 1,000.0    | 1,000.0    | 11,395                      | 4.2  | -  |
| March 31, 2007               | -                   | 1,000.0    | 1,000.0    | 11,396                      | 1.9  | -  |
| March 31, 2009<br>(Forecast) | -                   | 1,000.0    | 1,000.0    |                             | 5.4  |  |

Note: The table shown does not include other than common stocks. Please refer to page 4 for information with regard to the classified stocks.

## 3. Earnings forecasts for the fiscal year 2008 (April 1, 2008 - March 31, 2009)

|                    | Ordinary income    |          | Ordinary profits   |          | Net income         |          | Net income<br>per share |
|--------------------|--------------------|----------|--------------------|----------|--------------------|----------|-------------------------|
|                    | <i>Million yen</i> | <i>%</i> | <i>Million yen</i> | <i>%</i> | <i>Million yen</i> | <i>%</i> | <i>Yen</i>              |
| September 30, 2008 | 520,000            | (5.7)    | 120,000            | (5.9)    | 150,000            | 24.8     | 13,163.45               |
| March 31, 2009     | 1,050,000          | (5.8)    | 270,000            | 15.5     | 250,000            | (17.4)   | 18,417.44               |

Note: Percentages in ordinary income, ordinary profit and net income represent the difference from the previous year.

## 4. Other

- (1) Changes in scope of consolidation during the period: No
- (2) Changes in accounting policies and principles to prepare consolidated financial statements during the period:
- (i) Change due to revision of accounting standards: Yes
- (ii) Change due to other reasons: No

Note: Please refer to "17. New accounting pronouncements" on page 18 for the details.

## (3) Number of Common stock outstanding:

- (i) Total outstanding shares at the end of year
- March 31, 2008: 11,399,576 shares
- March 31, 2007: 11,399,335 shares
- (ii) Treasury shares at the end of year
- March 31, 2008: 4,388 shares
- March 31, 2007: 2,820 shares

Note: Please refer to "Per Share Information" on page 31 for the number of shares used in computing net income per share (consolidated).

**(Reference) Non-consolidated financial data**

## 1. Non-consolidated financial data for the fiscal year 2007 (April 1, 2007 - March 31, 2008)

## (1) Result of Operations

|                | Operating income   |          | Operating profits  |          | Ordinary profits   |          |
|----------------|--------------------|----------|--------------------|----------|--------------------|----------|
|                | <i>Million yen</i> | <i>%</i> | <i>Million yen</i> | <i>%</i> | <i>Million yen</i> | <i>%</i> |
| March 31, 2008 | 600,477            | 51.7     | 589,926            | 53.3     | 590,287            | 53.5     |
| March 31, 2007 | 395,828            | 24.6     | 384,783            | 27.4     | 384,444            | 27.2     |

|                | Net income         |          | Net income per share | Net income (diluted) per share |
|----------------|--------------------|----------|----------------------|--------------------------------|
|                | <i>Million yen</i> | <i>%</i> | <i>Yen</i>           | <i>Yen</i>                     |
| March 31, 2008 | 624,674            | 49.0     | 51,933.83            | 34,107.57                      |
| March 31, 2007 | 419,123            | 40.2     | 32,367.71            | 20,941.34                      |

Note: Percentages in ordinary income, ordinary profit and net income represent the difference from the previous year.

## (2) Financial Conditions

|                | Total assets       | Equity             | Net equity ratio | Equity per share | [Reference] Equity per share (*) |
|----------------|--------------------|--------------------|------------------|------------------|----------------------------------|
|                | <i>Million yen</i> | <i>Million yen</i> | <i>%</i>         | <i>Yen</i>       | <i>Yen</i>                       |
| March 31, 2008 | 2,227,950          | 1,940,702          | 87.1             | (53,005.27)      | 167,425.71                       |
| March 31, 2007 | 1,364,041          | 897,518            | 65.8             | (103,901.93)     | 77,028.17                        |

(\*) Not excluding amounts of preferred stocks issued

Reference: Capital assets  
 March 31, 2008: ¥1,940,702 million  
 March 31, 2007: ¥897,518 million

## 2. Earnings forecasts for the fiscal year 2008 (April 1, 2008 - March 31, 2009)

|                    | Operating income   |          | Operating profits  |          | Ordinary profits   |          | Net income         |          | Net income per share |
|--------------------|--------------------|----------|--------------------|----------|--------------------|----------|--------------------|----------|----------------------|
|                    | <i>Million yen</i> | <i>%</i> | <i>Million yen</i> | <i>%</i> | <i>Million yen</i> | <i>%</i> | <i>Million yen</i> | <i>%</i> | <i>Yen</i>           |
| September 30, 2008 | 50,000             | (87.2)   | 40,000             | (89.6)   | 40,000             | (89.6)   | 50,000             | (87.1)   | 4,387.82             |
| March 31, 2009     | 180,000            | (70.0)   | 170,000            | (71.2)   | 170,000            | (71.2)   | 190,000            | (69.6)   | 13,152.06            |

(Note: Disclaimer regarding Forward-looking Statements)

This report contains forward-looking statements, which are based on the information currently available and certain assumptions the company considers to be reasonable. Risks, uncertainties and other factors may cause actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

(Notes: Consolidated Financial Position)

(1) "Capital adequacy ratio" (Equity at year-end minus Stock option at year-end minus Minority interests at year-end) is divided by total assets at year-end.

(2) "Consolidated capital adequacy ratio" is computed in accordance with the "Standards for Consolidated Capital Adequacy Ratio of Bank Holding Company under Article 52-25 of the Banking Law" (the Notification of the Financial Services Agency No. 20, 2006).

## Dividends on Classified Stocks

|                                   |                           | Dividends per share |            |            | Total dividends<br>(Annual) |
|-----------------------------------|---------------------------|---------------------|------------|------------|-----------------------------|
|                                   |                           | Interim             | Year end   | Annual     |                             |
|                                   |                           | <i>Yen</i>          | <i>Yen</i> | <i>Yen</i> | <i>Million of yen</i>       |
| Class B No. 1 preferred stock     | March 31, 2007            | -                   | 6,360.0    | 6,360.0    | 1,731                       |
|                                   | March 31, 2008            | -                   | 6,360.0    | 6,360.0    | 1,731                       |
|                                   | March 31, 2009 (Forecast) | -                   | 6,360.0    | 6,360.0    |                             |
| Class C No. 1 preferred stock     | March 31, 2007            | -                   | 6,800.0    | 6,800.0    | 816                         |
|                                   | March 31, 2008            | -                   | 6,800.0    | 6,800.0    | 816                         |
|                                   | March 31, 2009 (Forecast) | -                   | 6,800.0    | 6,800.0    |                             |
| Class D No. 1 preferred stock     | March 31, 2007            | -                   | 10,000.0   | 10,000.0   | 0                           |
|                                   | March 31, 2008            | -                   | -          | -          | -                           |
|                                   | March 31, 2009 (Forecast) | -                   | -          | -          |                             |
| Class E No. 1 preferred stock     | March 31, 2007            | -                   | 14,380.0   | 14,380.0   | 137                         |
|                                   | March 31, 2008            | -                   | 14,380.0   | 14,380.0   | 137                         |
|                                   | March 31, 2009 (Forecast) | -                   | 14,380.0   | 14,380.0   |                             |
| Class F No. 1 preferred stock     | March 31, 2007            | -                   | 18,500.0   | 18,500.0   | 1,480                       |
|                                   | March 31, 2008            | -                   | 18,500.0   | 18,500.0   | 1,480                       |
|                                   | March 31, 2009 (Forecast) | -                   | 18,500.0   | 18,500.0   |                             |
| Class one No. 1 preferred stock   | March 31, 2007            | -                   | 1,688.0    | 1,688.0    | 4,642                       |
|                                   | March 31, 2008            | -                   | 2,564.0    | 2,564.0    | 7,051                       |
|                                   | March 31, 2009 (Forecast) | -                   | 3,190.0    | 3,190.0    |                             |
| Class two No. 1 preferred stock   | March 31, 2007            | -                   | 1,688.0    | 1,688.0    | 4,756                       |
|                                   | March 31, 2008            | -                   | 2,564.0    | 2,564.0    | 7,224                       |
|                                   | March 31, 2009 (Forecast) | -                   | 3,190.0    | 3,190.0    |                             |
| Class three No. 1 preferred stock | March 31, 2007            | -                   | 1,688.0    | 1,688.0    | 4,642                       |
|                                   | March 31, 2008            | -                   | 2,564.0    | 2,564.0    | 7,051                       |
|                                   | March 31, 2009 (Forecast) | -                   | 3,190.0    | 3,190.0    |                             |
| Class four preferred stock        | March 31, 2007            | -                   | 57,918.0   | 57,918.0   | 1,459                       |
|                                   | March 31, 2008            | -                   | 99,250.0   | 99,250.0   | 2,501                       |
|                                   | March 31, 2009 (Forecast) | -                   | 99,250.0   | 99,250.0   |                             |
| Class five preferred stock        | March 31, 2007            | -                   | -          | -          | -                           |
|                                   | March 31, 2008            | -                   | 54,622.0   | 54,622.0   | 2,184                       |
|                                   | March 31, 2009 (Forecast) | -                   | 91,875.0   | 91,875.0   |                             |
| Class nine preferred stock        | March 31, 2007            | -                   | -          | -          | -                           |
|                                   | March 31, 2008            | -                   | 26,769.0   | 26,769.0   | 2,676                       |
|                                   | March 31, 2009 (Forecast) | -                   | 32,550.0   | 32,550.0   |                             |

## Consolidated Balance Sheets

(Millions of yen)

| Items   | March 31, 2008<br>(A) | March 31, 2007<br>(B) | Difference<br>(A) - (B) |
|---|-----------------------|-----------------------|-------------------------|
| <b>Assets</b>   |                       |                       |                         |
| Cash and due from banks                               | ¥2,045,603            | ¥1,609,285            | ¥436,318                |
| Call loans and bills bought                           | 1,644,268             | 1,200,121             | 444,146                 |
| Deposits paid for bonds borrowing transactions        | 101,250               | 114,451               | (13,200)                |
| Monetary claims bought                                | 509,277               | 571,122               | (61,845)                |
| Trading assets  | 445,962               | 370,899               | 75,062                  |
| Money held in trust                                   | -                     | 10,385                | (10,385)                |
| Securities  | 6,718,651             | 7,595,212             | (876,561)               |
| Loans and bills discounted                            | 26,052,461            | 26,252,861            | (200,400)               |
| Foreign exchange assets                               | 71,854                | 83,265                | (11,411)                |
| Other assets  | 1,051,340             | 909,471               | 141,868                 |
| Tangible fixed assets                                 | 391,423               | 401,302               | (9,879)                 |
| Buildings and equipment                               | 109,084               | 114,798               | (5,714)                 |
| Land  | 262,945               | 266,660               | (3,715)                 |
| Construction in progress                              | 1,389                 | 1,767                 | (378)                   |
| Other tangible fixed assets                           | 18,003                | 18,075                | (71)                    |
| Intangible fixed assets                               | 33,664                | 40,382                | (6,717)                 |
| Software  | 13,602                | 13,208                | 394                     |
| Goodwill  | 14,484                | 21,754                | (7,270)                 |
| Other intangible fixed assets                         | 5,577                 | 5,419                 | 158                     |
| Deferred tax assets                                   | 371,871               | 309,286               | 62,584                  |
| Customers' liabilities for acceptances and guarantees | 969,346               | 1,075,585             | (106,239)               |
| Reserve for possible loan losses                      | (490,803)             | (543,137)             | 52,334                  |
| Reserve for possible losses on investments            | -                     | (14,819)              | 14,819                  |
| <b>Total assets</b>                                   | <b>39,916,171</b>     | <b>39,985,678</b>     | <b>(69,506)</b>         |
| <b>Liabilities</b>                                    |                       |                       |                         |
| Deposits  | 31,635,428            | 31,731,081            | (95,653)                |
| Negotiable certificates of deposit                    | 1,362,130             | 1,800,220             | (438,090)               |
| Call money and bills sold                             | 428,328               | 124,054               | 304,273                 |
| Bills sold under repurchase agreements                | 16,976                | 13,983                | 2,993                   |
| Deposits received for bonds lending transactions      | 40,638                | 55,575                | (14,937)                |
| Trading liabilities                                   | 139,328               | 115,367               | 23,961                  |
| Borrowed money  | 684,186               | 993,227               | (309,041)               |
| Foreign exchange liabilities                          | 2,896                 | 3,199                 | (302)                   |
| Bonds   | 892,130               | 866,141               | 25,989                  |
| Due to trust account                                  | 367,996               | 417,715               | (49,718)                |
| Other liabilities                                     | 767,862               | 766,672               | 1,189                   |
| Reserve for employees' bonuses                        | 16,965                | -                     | 16,965                  |
| Reserve for employees' retirement benefits            | 4,349                 | 3,766                 | 582                     |
| Other reserves  | 20,454                | 5,409                 | 15,045                  |
| Reserves under special laws                           | 0                     | 0                     | (0)                     |
| Deferred tax liabilities                              | 0                     | 0                     | (0)                     |
| Deferred tax liabilities on land revaluation          | 42,494                | 43,536                | (1,041)                 |
| Acceptances and guarantees                            | 969,346               | 1,075,585             | (106,239)               |
| <b>Total liabilities</b>                              | <b>¥37,391,514</b>    | <b>¥38,015,538</b>    | <b>¥(624,023)</b>       |

**Consolidated Balance Sheets (Continued)***(Millions of yen)*

| Items  | March 31, 2008<br>(A) | March 31, 2007<br>(B) | Difference<br>(A) - (B) |
|--|-----------------------|-----------------------|-------------------------|
| <b>Equity</b>  |                       |                       |                         |
| Capital stock  | ¥327,201              | ¥327,201              | -                       |
| Capital surplus  | 673,764               | 223,810               | 449,953                 |
| Retained earnings  | 1,190,557             | 917,277               | 273,279                 |
| Treasury stock at cost                                   | (1,280)               | (898)                 | (382)                   |
| Total shareholders' equity                               | 2,190,242             | 1,467,391             | 722,850                 |
| Net unrealized gains on<br>available-for-sale securities | 123,207               | 301,013               | (177,805)               |
| Net deferred losses on hedges                            | 18,308                | (15,675)              | 33,984                  |
| Revaluation reserve for land                             | 58,961                | 60,484                | (1,523)                 |
| Translation adjustments                                  | (2,252)               | (1,400)               | (851)                   |
| Total valuation and translation<br>adjustments           | 198,225               | 344,421               | (146,195)               |
| Minority interests                                       | 136,188               | 158,327               | (22,138)                |
| <b>Total equity</b>                                      | <b>2,524,656</b>      | <b>1,970,139</b>      | <b>554,517</b>          |
| <b>Total liabilities and equity</b>                      | <b>¥39,916,171</b>    | <b>¥39,985,678</b>    | <b>¥(69,506)</b>        |

## Consolidated Statements of Operations

(Millions of yen)

| Items  | FY 2007<br>From Apr 1, 2007<br>To Mar 31, 2008<br>(A) | FY 2006<br>From Apr 1, 2006<br>To Mar 31, 2007<br>(B) | Difference<br>(A) - (B) |
|--|---|---|-------------------------|
| <b>Ordinary income</b>                                   | ¥1,114,441  | ¥1,153,316  | ¥(38,874)               |
| Interest income  | 703,122   | 665,223   | 37,898                  |
| (Interest on loans and bills discounted)                 | 571,529   | 515,486   | 56,043                  |
| (Interest and dividends on securities)                   | 61,523  | 94,290  | (32,766)                |
| (Interest on call loans and bills bought)                | 16,442  | 8,889   | 7,553                   |
| (Interest on bills bought under resale agreement)        | -   | 0   | (0)                     |
| (Interest on bonds borrowing transactions)               | 683   | 122   | 561                     |
| (Interest on deposit)                                    | 15,649  | 9,476   | 6,172                   |
| (Other interest income)                                  | 37,293  | 36,959  | 334                     |
| Trust fees   | 41,380  | 40,438  | 941                     |
| Fees and commissions                                     | 198,765   | 207,849   | (9,083)                 |
| Trading profits  | 67,953  | 21,995  | 45,957                  |
| Other operating income                                   | 50,719  | 71,006  | (20,287)                |
| Other ordinary income                                    | 52,501  | 146,802   | (94,301)                |
| <b>Ordinary expenses</b>                                 | 880,728   | 743,461   | 137,267                 |
| Interest expenses  | 147,772   | 101,520   | 46,251                  |
| (Interest on deposits)                                   | 88,856  | 51,834  | 37,021                  |
| (Interest on negotiable certificates of deposit)         | 10,353  | 6,055   | 4,298                   |
| (Interest on call money and bills sold)                  | 1,909   | 1,298   | 610                     |
| (Interest on bills sold under repurchase agreement)      | 874   | 309   | 565                     |
| (Interest on bonds lending transactions)                 | 1,319   | 804   | 514                     |
| (Interest on borrowed money)                             | 6,689   | 6,501   | 188                     |
| (Interest on bonds)                                      | 31,396  | 29,396  | 1,999                   |
| (Other interest expenses)                                | 6,373   | 5,319   | 1,053                   |
| Fees and commissions                                     | 51,666  | 50,811  | 854                     |
| Trading losses   | 107   | 455   | (348)                   |
| Other operating expenses                                 | 93,090  | 48,505  | 44,585                  |
| General and administrative expenses                      | 385,919   | 384,631   | 1,288                   |
| Other ordinary expenses                                  | 202,172   | 157,536   | 44,635                  |
| (Provision for reserve for possible loan losses)         | 15,643  | 58,447  | (42,804)                |
| (Other expenses)   | 186,529   | 99,088  | 87,440                  |
| <b>Ordinary profits</b>                                  | 233,712   | 409,855   | (176,142)               |
| Extraordinary profits                                    | 94,111  | 29,162  | 64,948                  |
| Gains on disposal of fixed assets                        | 416   | 1,611   | (1,194)                 |
| Recovery on written-off claims                           | 38,914  | 24,824  | 14,089                  |
| Other extraordinary profits                              | 54,780  | 2,726   | 52,053                  |
| Extraordinary losses                                     | 5,131   | 12,942  | (7,811)                 |
| Losses on disposal of fixed assets                       | 1,992   | 2,668   | (675)                   |
| Impairment losses on fixed assets                        | 3,054   | 7,720   | (4,666)                 |
| Other extraordinary expenses                             | 84  | 2,553   | (2,469)                 |
| <b>Income before income taxes and minority interests</b> | 322,692   | 426,074   | (103,382)               |
| Income taxes – current                                   | 15,232  | 12,466  | 2,765                   |
| Income taxes – deferred                                  | (4,488)   | (263,686)   | 259,198                 |
| Minority interests in net income                         | 9,129   | 12,396  | (3,266)                 |
| <b>Net income</b>  | ¥302,818  | ¥664,899  | ¥(362,080)              |

## Consolidated Statement of Changes in Equity

Fiscal year 2007 (From April 1, 2007 to March 31, 2008)

(Millions of yen)

|   | Shareholders' equity |                 |                   |                        |                            |
|---|----------------------|-----------------|-------------------|------------------------|----------------------------|
|   | Capital stock        | Capital surplus | Retained earnings | Treasury stock at cost | Total shareholders' equity |
| Balance at beginning of year                        | ¥327,201             | ¥223,810        | ¥917,277          | ¥(898)                 | ¥1,467,391                 |
| Changes of items during the year                    |                      |                 |                   |                        |                            |
| Issuance of common stock                            |                      | 450,000         |                   |                        | 450,000                    |
| Dividends from surplus                              |                      |                 | (31,062)          |                        | (31,062)                   |
| Net income  |                      |                 | 302,818           |                        | 302,818                    |
| Acquisition of treasury stock                       |                      |                 |                   | (586)                  | (586)                      |
| Disposal of treasury stock                          |                      | (46)            |                   | 203                    | 157                        |
| Retirement of treasury stock                        |                      | (0)             |                   | 0                      | -                          |
| Reduction in land revaluation excess                |                      |                 | 1,523             |                        | 1,523                      |
| Net change of items other than shareholders' equity |                      |                 |                   |                        |                            |
| Total changes of items during the year              | -                    | 449,953         | 273,279           | (382)                  | 722,850                    |
| Balance at end of year                              | ¥327,201             | ¥673,764        | ¥1,190,557        | ¥(1,280)               | ¥2,190,242                 |

|   | Valuation and Translation adjustments                 |                               |                              |                         |   | Minority interests | Total equity |
|---|---|-------------------------------|------------------------------|-------------------------|---|--------------------|--------------|
|   | Net unrealized gains on available-for-sale securities | Net deferred losses on hedges | Revaluation reserve for land | Translation adjustments | Total valuation and translation adjustments |                    |              |
| Balance at beginning of year                        | ¥301,013  | ¥(15,675)                     | ¥60,484                      | ¥(1,400)                | ¥344,421                                    | ¥158,327           | ¥1,970,139   |
| Changes of items during the year                    |   |                               |                              |                         |   |                    |              |
| Issuance of common stock                            |   |                               |                              |                         |   |                    | 450,000      |
| Dividends from surplus                              |   |                               |                              |                         |   |                    | (31,062)     |
| Net income  |   |                               |                              |                         |   |                    | 302,818      |
| Acquisition of treasury stock                       |   |                               |                              |                         |   |                    | (586)        |
| Disposal of treasury stock                          |   |                               |                              |                         |   |                    | 157          |
| Retirement of treasury stock                        |   |                               |                              |                         |   |                    | -            |
| Reduction in land revaluation excess                |   |                               |                              |                         |   |                    | 1,523        |
| Net change of items other than shareholders' equity | (177,805)   | 33,984                        | (1,523)                      | (851)                   | (146,195)                                   | (22,138)           | (168,333)    |
| Total changes of items during the year              | (177,805)   | 33,984                        | (1,523)                      | (851)                   | (146,195)                                   | (22,138)           | 554,517      |
| Balance at end of year                              | ¥123,207  | ¥18,308                       | ¥58,961                      | ¥(2,252)                | ¥198,225                                    | ¥136,188           | ¥2,524,656   |



## Consolidated Statement of Changes in Equity

Fiscal year 2006 (From April 1, 2006 to March 31, 2007)

(Millions of yen)

|   | Shareholders' equity |                 |                   |                        |                            |
|---|----------------------|-----------------|-------------------|------------------------|----------------------------|
|   | Capital stock        | Capital surplus | Retained earnings | Treasury stock at cost | Total shareholders' equity |
| Balance at beginning of year                        | ¥327,201             | ¥263,505        | ¥749,118          | ¥(579)                 | ¥1,339,245                 |
| Changes of items during the year                    |                      |                 |                   |                        |                            |
| Issuance of common stock                            |                      | 63,000          |                   |                        | 63,000                     |
| Dividends from surplus                              |                      |                 | (31,351)          |                        | (31,351)                   |
| Net income  |                      |                 | 664,899           |                        | 664,899                    |
| Acquisition of treasury stock                       |                      |                 |                   | (570,345)              | (570,345)                  |
| Disposal of treasury stock                          |                      | 4               |                   | 28                     | 32                         |
| Retirement of treasury stock                        |                      | (569,998)       |                   | 569,998                | -                          |
| Transfer from retained earnings to capital surplus  |                      | 467,300         | (467,300)         |                        | -                          |
| Reduction in land revaluation excess                |                      |                 | 1,912             |                        | 1,912                      |
| Net change of items other than shareholders' equity |                      |                 |                   |                        |                            |
| Total changes of items during the year              | -                    | (39,694)        | 168,159           | (319)                  | 128,145                    |
| Balance at end of year                              | ¥327,201             | ¥223,810        | ¥917,277          | ¥(898)                 | ¥1,467,391                 |

|   | Valuation and Translation adjustments                 |                               |                              |                         |   | Minority interests | Total equity |
|---|---|-------------------------------|------------------------------|-------------------------|---|--------------------|--------------|
|   | Net unrealized gains on available-for-sale securities | Net deferred losses on hedges | Revaluation reserve for land | Translation adjustments | Total valuation and translation adjustments |                    |              |
| Balance at beginning of year                        | ¥257,388  | ¥-                            | ¥62,396                      | ¥(1,946)                | ¥317,838                                    | ¥156,829           | ¥1,813,913   |
| Changes of items during the year                    |   |                               |                              |                         |   |                    |              |
| Issuance of common stock                            |   |                               |                              |                         |   |                    | 63,000       |
| Dividends from surplus                              |   |                               |                              |                         |   |                    | (31,351)     |
| Net income  |   |                               |                              |                         |   |                    | 664,899      |
| Acquisition of treasury stock                       |   |                               |                              |                         |   |                    | (570,345)    |
| Disposal of treasury stock                          |   |                               |                              |                         |   |                    | 32           |
| Retirement of treasury stock                        |   |                               |                              |                         |   |                    | -            |
| Transfer from retained earnings to capital surplus  |   |                               |                              |                         |   |                    | -            |
| Reduction in land revaluation excess                |   |                               |                              |                         |   |                    | 1,912        |
| Net change of items other than shareholders' equity | 43,624  | (15,675)                      | (1,912)                      | 545                     | 26,582                                      | 1,498              | 28,080       |
| Total changes of items during the year              | 43,624  | (15,675)                      | (1,912)                      | 545                     | 26,582                                      | 1,498              | 156,225      |
| Balance at end of year                              | ¥301,013  | ¥(15,675)                     | ¥60,484                      | ¥(1,400)                | ¥344,421                                    | ¥158,327           | ¥1,970,139   |

## Consolidated Statements of Cash Flows

(Millions of yen)

| Items   | FY 2007<br>From Apr 1, 2007<br>To Mar 31, 2008<br>(A) | FY 2006<br>From Apr 1, 2006<br>To Mar 31, 2007<br>(B) | Difference<br>(A) - (B) |
|---|---|---|-------------------------|
| <b>Cash flows from operating activities</b>                                       |   |   |                         |
| Income before income taxes and minority interests                                 | ¥322,692  | ¥426,074  | ¥(103,382)              |
| Depreciation and amortization   | 15,945  | 15,372  | 572                     |
| Impairment losses on fixed assets   | 3,054   | 7,720   | (4,666)                 |
| Amortization of goodwill  | 7,270   | 7,050   | 219                     |
| Equity in earnings of investments in affiliated companies                         | (409)   | (497)   | 87                      |
| Increase/(decrease) in reserve for possible loan losses                           | (52,334)  | 4,683   | (57,018)                |
| Increase/(decrease) in reserve for possible losses on investments                 | (14,819)  | 182   | (15,002)                |
| Increase in reserve for employees' bonuses  | 16,965  | -   | 16,965                  |
| Decrease in reserve for business restructuring                                    | -   | (171)   | 171                     |
| Increase in reserve for employees' retirement benefits                            | 582   | 329   | 253                     |
| Interest income   | (703,122)   | (665,223)   | (37,898)                |
| Interest expenses   | 147,772   | 101,520   | 46,251                  |
| Net gains on securities   | (11,639)  | (88,911)  | 77,271                  |
| Net gains on money held in trust  | (248)   | (385)   | 136                     |
| Net foreign exchange gains  | (58,341)  | (56,655)  | (1,686)                 |
| Net losses on sale of fixed assets  | 1,575   | 1,056   | 519                     |
| Net (increase)/decrease in trading assets   | (45,322)  | 297,986   | (343,308)               |
| Net increase in trading liabilities   | 46,424  | 44,276  | 2,147                   |
| Net (increase)/decrease in loans and bills discounted                             | 200,400   | (43,258)  | 243,658                 |
| Net increase/(decrease) in deposits   | (95,653)  | 133,833   | (229,486)               |
| Net increase/(decrease) in negotiable certificates of deposit                     | (438,090)   | 76,480  | (514,570)               |
| Net increase/(decrease) in borrowed money (excluding subordinated borrowed money) | (237,609)   | 765,187   | (1,002,796)             |
| Net increase in due from banks (excluding those deposited at BOJ)                 | (604,131)   | (88,960)  | (515,170)               |
| Net increase in call loans and other  | (382,301)   | (642,367)   | 260,066                 |
| Net (increase)/decrease in deposits paid for bonds borrowing transactions         | 13,200  | (66,885)  | 80,086                  |
| Net increase/(decrease) in call money and other                                   | 307,494   | (1,023,785)   | 1,331,279               |
| Net decrease in deposits received for bonds lending transactions                  | (14,937)  | (98,882)  | 83,944                  |
| Net decrease in foreign exchange assets   | 11,767  | 6,246   | 5,520                   |
| Net decrease in foreign exchange liabilities                                      | (302)   | (2,286)   | 1,983                   |
| Net increase on issuance and repayment of bonds                                   | 1,599   | 50,000  | (48,400)                |
| Net decrease in due to trust account  | (49,718)  | (8,397)   | (41,321)                |
| Interest receipts   | 711,900   | 672,222   | 39,678                  |
| Interest payments   | (151,875)   | (94,903)  | (56,971)                |
| Other, net  | (90,212)  | 310,006   | (400,219)               |
| Subtotal  | (1,142,424)   | 38,658  | (1,181,083)             |
| Income taxes paid   | (11,357)  | (17,539)  | 6,181                   |
| <b>Net cash used in operating activities</b>                                      | <b>¥(1,153,782)</b>                                   | <b>¥21,119</b>  | <b>¥(1,174,901)</b>     |

**Consolidated Statements of Cash Flows (continued)***(Millions of yen)*

| Items   | <b>FY 2007<br/>From Apr 1, 2007<br/>To Mar 31, 2008<br/>(A)</b> | <b>FY 2006<br/>From Apr 1, 2006<br/>To Mar 31, 2007<br/>(B)</b> | <b>Difference<br/>(A) - (B)</b> |
|---|---|---|---------------------------------|
| <b>Cash flows from investing activities</b>                         |   |   |                                 |
| Purchases of securities   | ¥(33,119,422)   | ¥(22,743,109)   | ¥(10,376,313)                   |
| Proceeds from sales of securities                                   | 29,687,455  | 20,912,420  | 8,775,034                       |
| Proceeds from maturity of securities                                | 4,023,801   | 2,216,224   | 1,807,576                       |
| Increase in money held in trust                                     | -   | (10,000)  | 10,000                          |
| Decrease in money held in trust                                     | 10,269  | -   | 10,269                          |
| Purchases of tangible fixed assets                                  | (9,201)   | (9,996)   | 795                             |
| Proceeds from sales of tangible fixed assets                        | 2,362   | 1,841   | 521                             |
| Purchases of intangible fixed assets                                | (5,755)   | (6,291)   | 535                             |
| Proceeds from sales of intangible fixed assets                      | 14  | 2,141   | (2,127)                         |
| <b>Net cash provided by investing activities</b>                    | <b>589,524</b>  | <b>363,230</b>  | <b>226,293</b>                  |
| <b>Cash flows from financing activities</b>                         |   |   |                                 |
| Proceeds from subordinated borrowed money                           | 27,000  | 10,000  | 17,000                          |
| Repayment of subordinated borrowed money                            | (106,000)   | (27,000)  | (79,000)                        |
| Proceeds from issuance of subordinated bonds                        | 68,678  | 126,960   | (58,282)                        |
| Repayment of subordinated bonds                                     | (10,000)  | (108,743)   | 98,743                          |
| Proceeds from issuance of common stock                              | 448,367   | 62,147  | 386,220                         |
| Dividends paid  | (31,062)  | (31,351)  | 289                             |
| Dividends paid to minority shareholders                             | (218)   | (236)   | 17                              |
| Payments related to acquisition of treasury stock                   | (586)   | (570,345)   | 569,759                         |
| Proceeds from sales of treasury stock                               | 157   | 32  | 125                             |
| <b>Net cash provided by financing activities</b>                    | <b>396,337</b>  | <b>(538,537)</b>  | <b>934,874</b>                  |
| <b>Effect of exchange rate changes on cash and cash equivalents</b> | <b>107</b>  | <b>54</b>   | <b>53</b>                       |
| <b>Decrease in cash and cash equivalents</b>                        | <b>(164,813)</b>  | <b>(154,132)</b>  | <b>(13,680)</b>                 |
| <b>Cash and cash equivalents at beginning of the year</b>           | <b>1,321,557</b>  | <b>1,475,689</b>  | <b>(154,132)</b>                |
| <b>Cash and cash equivalents at end of the year</b>                 | <b>¥1,153,744</b>   | <b>¥1,321,557</b>   | <b>¥(167,813)</b>               |

## Preparation Policies for the Consolidated Financial Statements

\*Amounts of less than one million yen have been rounded down

### 1. Scope of consolidation

- (1) Number of consolidated subsidiaries: 19  
 Names of principal companies: Resona Bank, Ltd.  
 Saitama Resona Bank, Ltd.  
 The Kinki Osaka Bank, Ltd.  
 The Resona Trust & Banking Co., Ltd.

Daiwa International Finance (Cayman) Limited and Daiwa PB Limited have been excluded from consolidation during the year due to their liquidation.

### (2) Non-consolidated subsidiaries:

Name of principal company: Asahi Servicos e Representacoes Ltda.

Non-consolidated subsidiaries are immaterial with respect to assets, ordinary income, net income/loss (based on the owned interest) and earned surplus (based on the owned interest), deferred gains/losses on hedges (based on the owned interest), etc. They are excluded from the consolidation as reasonable judgment on the financial conditions and operating results can still be expected even if they were not consolidated.

### 2. Application of the equity method

(1) There are no non-consolidated subsidiaries which are accounted for by the equity method.

(2) Number of affiliates which are accounted for by the equity method: 2

Name of principal company: Japan Trustee Services Bank, Ltd.

(3) Non-consolidated subsidiaries which are not accounted for by the equity method

Name of principal company: Asahi Servicos e Representacoes Ltda.

(4) Number of affiliates which are not accounted for by the equity method

Name of principal company: Arise Capital Partners, Inc.

The non-consolidated subsidiaries and affiliates, which are not accounted for by the equity method, are not material to the consolidated financial statements with respect to net income/loss (based on the owned interest), earned surplus (based on the owned interest), deferred gains/losses on hedges (based on owned interest), etc. and accordingly, the equity method is not applied to them.

(5) Entities not recognized as affiliates which Resona Holdings, Inc. (hereinafter “the Company”) owns from 20% to 50% of the voting rights.

Name of entities: HASEGAWA CO., LTD.  
 MINITOR CO., LTD.  
 First Advantage Co., Ltd.

Venture capital, one of the consolidated subsidiaries, owns over 20% of the voting shares of above entities for operating purpose to nurture the venture businesses, not to control them. Therefore the entities are not recognized as affiliates.

Name of entities: Kinai Sogo Shinyo Hosho Co., Ltd.

The entity is established as joint venture by the banks registered to the second association of regional banks in Kinki region to guarantee mortgage. The entity is administered by all those banks' discussion and unanimous vote, and the Company's intent is not to control it. Therefore the entity is not recognized as affiliate.

3. Balance sheet dates of consolidated subsidiaries

(1) Balance sheet dates of the consolidated subsidiaries are as follows:

End of December: 4 companies

End of March: 15 companies

(2) All subsidiaries have been consolidated based on their accounts at their respective balance sheet date.

Appropriate adjustments have been made for significant transactions during the period from the respective balance sheet date of the above subsidiaries to the balance sheet date of the Company.

4. Valuation of assets and liabilities of consolidated subsidiaries

Acquisitions of subsidiaries are accounted for by the purchase method and assets and liabilities of the consolidated subsidiaries are initially recorded at fair value.

5. Amortization of goodwill and negative goodwill

Goodwill and negative goodwill are amortized by the straight-line method over 5 years and which are with insignificant balances are expensed as incurred.

## Significant Accounting Policies

### 1. Trading assets/trading liabilities and trading profits/trading losses

Transactions whose purpose is to earn a profit by taking advantage of short-term fluctuations in the market or discrepancies between interest rates, currency exchange rates, share prices or other indices on different markets (hereinafter referred to as “transactions for trading purposes”) are included in “Trading assets” or “Trading liabilities” in the consolidated balance sheets on a trade-date basis. Profits and losses on the transactions for trading purposes are included in “Trading profits” and “Trading losses” in the consolidated statements of operation on a trade-date basis.

Securities and monetary claims etc. held for trading purposes are stated at market value as of the consolidated balance sheet date. Derivatives, including swaps, futures and options, held for trading purposes, are stated at the close-out value calculated assuming the transaction is closed-out on the consolidated balance sheet date.

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

### 2. Securities

Bonds held to maturity are stated at amortized cost (straight-line method) by the moving average method.

Investments in the non-consolidated subsidiaries and affiliates for which the equity method of accounting are not applied are stated at cost determined by the moving average method.

Available-for-sale equity securities with market value are stated at fair value, based on the average market price in the last month for the year. Available-for-sale securities, except equity securities, with market value are stated at their respective market value and the cost of sales of such securities is determined by the moving average method. Available-for-sale securities without market value are stated at cost determined by the moving average method or at their respective amortized cost.

Net unrealized gains or losses, net of applicable taxes, on available-for-sale securities are included as a component of equity.

### 3. Derivative transactions

Derivative transactions (excluding “transactions for trading purposes”) are stated at market value.

### 4. Depreciation of fixed assets

#### (1) Tangible fixed assets

Depreciation of tangible fixed assets is calculated mainly by the straight-line method for buildings and by the declining-balance method for equipment. The useful lives adopted for major premises and equipment are as follows:

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

#### (Change in accounting policy)

Depreciation method used for the tangible assets acquired on and after April 1, 2007 have been changed based on an amendment in corporation tax law. As a result of the change, ordinary income and income before income taxes and minority interests decreased by ¥172 million compared to the corresponding amounts under the previous method.

(Additional information)

As for tangible assets acquired on and before March 31, 2007, residual value has been equally depreciated over 5 years from the year after the tangible assets are thoroughly depreciated to the limits of depreciable amount. As a result of the change, ordinary income and income before income taxes and minority interests decreased by ¥520 million compared to the corresponding amounts under the previous method.

With respect to the tangible fixed assets to be disposed with the planned relocation of the Tokyo head office building in 2010, the Company revised its estimate of the useful life and recorded additional depreciation expense. As a result, ordinary income and income before income taxes and minority interests decreased by ¥1,332 million.

(2) Intangible fixed assets

Amortization of intangible fixed assets is calculated by the straight-line method. Software for internal use is amortized by the straight-line method over the estimated useful lives (mainly 5 years).

5. Reserve for possible loan losses

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

For loans to insolvent customers who are undergoing bankruptcy or special liquidation, etc. (hereinafter, “borrowers under bankruptcy proceedings”) or who are in a similar financial condition, although not yet in bankruptcy (hereinafter “borrowers substantially in bankruptcy”), the reserve for possible loan losses is provided at the full amount of the book value of such loans after deducting the amount of direct write-offs (as defined below) and excluding the amounts deemed collectible from the disposal of the collateral and the guarantees that are deemed recoverable.

For loans to customers not presently in the above circumstances, but in a high probability of becoming insolvent (hereinafter, “customers with high probability of becoming insolvent”) or loans to customers to be closely watched, which exceeds a certain threshold, the Discounted Cash Flows Method (the “DCF Method”) is applied to provide the allowance for doubtful accounts, if cash flows on collection of principals of interests can be reasonably estimated. Under the DCF Method, reserve for possible loan losses is provided as the difference between future cash flows discounted by the original interest rate and carrying value of the loan.

For loans to customers with high probability of becoming insolvent and whose future cash flows cannot be reasonably estimated, the reserve for possible loan losses is provided at the estimated un-recoverable amounts determined based on a valuation of the collateral, recovery from the guarantees and the customer’s overall financial condition.

For other loans, the reserve for possible loan losses is calculated based on the loss rates derived from the historical loss experience for a certain period and others.

The allowance for loans to specific foreign borrowers is provided based on the amount of expected losses determined considering the political and economic situation of their respective countries.

The Credit Review Office, which is independent from the operating divisions, examines the operating divisions’ asset quality reviews of each loan for collectibility in accordance with self-assessment standards. The provision for possible loan losses is based on the results of these reviews.

Regarding the loans with collateral or guarantees, etc. to the borrowers under bankruptcy proceedings and borrowers substantially in bankruptcy, the unrecoverable amount of loans is directly written-off from loan balances. The estimated unrecoverable amount is determined considering a valuation of the collateral and guarantees and is ¥374,040 million.

Other consolidated subsidiaries mainly provide the reserve for possible loan losses at amounts deemed necessary judged by the past write-off experience ratios for general loans and individually determined uncollectible amounts for specific loans, such as those to borrowers under bankruptcy proceedings.

#### 6. Reserve for possible losses on investments in securities

The reserve for possible losses on investments in securities is provided for the possible losses from investments in securities, considering the financial conditions and others of the issuer of such securities.

#### 7. Reserve for employees' bonuses

The reserve for employees' bonuses is provided for estimated performance bonuses to be paid for employees as of the balance sheet date.

Because the performance bonuses had been determined and resolved when preparing the consolidated financial statements, the aggregate amount was presented as other liabilities as of March 31, 2007. The estimated performance bonus was presented as reserve for employees' bonuses as of March 31, 2008, because the amount is not determined or resolved partially.

Other payable for the performance bonuses as of March 31, 2007 amounted to ¥16,035 million.

#### 8. Reserve for employees' retirement benefits

The reserve for employees' retirement benefits is provided for the payment of retirement benefits to employees at the amount attributable to the current interim period based on the projected benefits obligation and the fair value of plan assets as of the balance sheet date.

Prior service cost is changed to income as it is incurred.

Unrecognized actuarial gains and losses are amortized from the following fiscal year after incurrence by the straight-line method over the average remaining service period of eligible employees (10 years).

#### 9. Other reserves

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

Major components are as follows:

##### (1) Reserve for losses on trust transactions: ¥10,686 million

A reserve for losses on trust transactions has been provided for the estimated future losses on the trust transactions without the principal indemnification which certain consolidated banking subsidiaries have been administrating and operating.

##### (2) Reserve for losses on reimbursement of deposits: ¥4,929 million

A reserve for losses on reimbursement of deposits has been provided for the future losses resulting from reimbursements of deposits subsequent to the period of derecognition of the related liabilities.

##### (3) Reserve for deposit to credit guarantee corporations: ¥3,958 million

A reserve for deposit to credit guarantee corporations has been provided for the estimated future deposits required due to the implementation of burden charge system.

##### (4) Reserve for losses on interest repayments: ¥560 million

A reserve for losses on interest repayments has been provided for the future losses on interest repayment claims based on the historical experience for such repayments.

#### 10. Reserve under special law

Reserve under special law is a reserve for contingent liabilities from financial instrument and amounted to ¥0 million. The reserve is provided indemnify for losses on consigned market derivative transactions based on Article 48-3-1 of the Financial Instrument and Exchange Law (hereinafter "FIEL") and Article 189 of the Cabinet Office Ordinance relating to financial instruments business.

Based on the Article 65-2-7 and 51 of the Securities and Exchange Law, the reserve for contingent liabilities from securities transactions are provided in previous years. However, in accordance with FIEL enforced on September 30, 2007, the reserve for contingent liabilities from financial instrument is provided.



### 11. Foreign-currency-denominated assets and liabilities

Foreign-currency-denominated assets and liabilities of domestic consolidated banking subsidiaries, except for the investments in affiliates on which historical foreign exchange rates are used, are translated into yen, primarily at the exchange rates on the consolidated balance sheet date.

Foreign-currency-denominated assets and liabilities of the other consolidated subsidiaries are translated into yen at the exchange rate on the respective balance sheet date.

### 12. Leases

Finance leases other than those which are deemed to transfer ownership of the leased property to the lessee are not capitalized, but are accounted for by a method similar to that applicable to operating leases.

### 13. Derivatives and hedge accounting

#### (1) Hedges of interest rate risk

Certain consolidated banking subsidiaries apply the deferred hedge accounting to hedges of interest risk associated with their financial assets and liabilities in accordance with the Japanese Institute of Certified Public Accountants (“JICPA”) Industrial Audit Committee Report No. 24 “Accounting and Auditing Treatments on the Application of Accounting Standards for Financial Instruments in the Banking Industry”. In assessment of effectiveness of fair value hedge, the hedged instruments such as loans and deposits and hedging instruments such as interest swaps are specified as a group with similar remaining term. In assessing effectiveness of cash flow hedge the correlation of the interest sensitivities of the hedged instruments and the hedging instruments are examined.

Deferred gains or losses on hedges in consolidated interim balance sheet based on previous macro-hedge approach, under which derivatives are designated to hedge net interest risk of numerous financial assets and liabilities, such as loans and deposits, in accordance with JICPA Industry Audit Committee, Report No. 15 “Accounting and Auditing Present Treatments on the Application of Accounting Standards for Financial Instruments in the Banking Industry”, are amortized at most 10 years starting from the year ended March 31, 2003 as interest income and expenses based on the remaining term and the notional amount of hedging instruments.

Deferred gains and losses on hedges based on the macro-hedge approach at the consolidated balance sheet date were ¥2,651 million (prior to the deduction of taxes) and ¥1,804 million (prior to the deduction of taxes), respectively.

#### (2) Hedges of foreign currency risk

Certain consolidated banking subsidiaries apply the deferred hedge accounting to hedge of the foreign currency risk associated with their foreign-currency-dominated financial assets and liabilities in accordance with JICPA Industry Audit Committee Report No.25 “Treatment in Accounting and Auditing Concerning the Accounting Treatment of Foreign Currency Transactions in the Banking Industry”.

Assessment of the effectiveness of these hedge transactions is conducted by confirming whether notional amount of hedging currency swaps, foreign exchange swaps, etc. is corresponding to hedged foreign-currency-denominated receivables or payables.

In addition, in application of the deferred hedge accounting or the fair value hedge accounting to hedges of foreign exchange risk of foreign-currency-denominated securities (subsidiaries, affiliates and other securities) other than bonds, at the inception of each hedge, the hedge effectiveness is assessed by confirming whether the foreign currency payable amount of hedging spot or forward exchange contracts exceed the acquisition costs of the hedged foreign-currency-denominated securities.

(3) Inter-and intra-company derivative transactions

Because internal interest swaps, currency swaps, and other derivatives transactions specified as hedging instruments are strictly processed based the appropriate market pricing and covered by corresponding external transactions as required by the JICPA Industry Audit Committee, Report No. 24 and No. 25, gains and losses on these internal derivative transactions within consolidated banking subsidiaries or with their trading accounts, are not eliminated, and are recognized as profit or deferred.

The hedging of certain assets and liabilities are accounted for by the deferred hedge accounting, fair value hedge accounting and the special treatment of interest rate swaps.

14. Consumption tax and local consumption tax

The Company and domestic consolidated subsidiaries mainly account for consumption tax and local consumption tax with the tax-exclusion method.

15. Consolidated corporate-tax system

The Company and certain consolidated subsidiaries adopt consolidated corporate-tax system with the Company being a parent company under the system.

16. Consolidated statements of cash flow

Cash and cash equivalents on the consolidated statements of cash flows represent cash and due from the Bank of Japan included in “Cash and due from banks” on the consolidated balance sheet.

17. New accounting pronouncements

(Accounting Standards for Financial Instruments)

The descriptions of investment securities stated on “Accounting Standards for Financial Instruments” (ASBJ Statements No.10) and Accounting Committee Report No.14 “Practical Guidelines for Accounting Financial Instruments” issued by the JICPA, are partially revised (as of June 6 and July 4 2007) and effective upon or after the enforcement of FIEL. Consequently, the revised accounting standard and practical guidelines were adopted from this fiscal year.

## Notes to Consolidated Balance Sheets

1. Investments in affiliates (except for investments in consolidated subsidiaries): ¥30,904 million
2. There was no stock lent under consumption agreements.  
A portion of unsecured borrowed securities, securities purchased under resale agreements and securities borrowed with cash collateral included ¥54 million of securities neither repledged nor re-loaned and ¥86,492 million of securities collateralized as of March 31, 2008. There were no securities re-loaned as of March 31, 2008.
3. Loans to borrowers in legal bankruptcy amounted to ¥22,057 million, and past due loans amounted to ¥394,291 million.

Loans to borrowers in legal bankruptcy are loans for which payment of principals or interests has not been received for a substantial period or, for other reasons, there are no prospects for collection of principals or interests, and accordingly, no interest has been accrued (excluding balance already written off and hereinafter referred to as nonaccrual loans) and also certain specific condition stated in the Implementation Ordinances for the Corporation Tax Law (Cabinet Order No. 97, 1965), Items i through v in Article 96-1-3 or the circumstances stated in Article 96-1-4 exists.

Past due loans are nonaccrual loans, other than loans to borrowers in legal bankruptcy and loans whose interest payments have been rescheduled in order to support the restructuring of the borrowers.

4. Loans past due 3 months or more amounted to ¥8,147 million.

Loans past due 3 months or more are loans on which payment of principal or interest is overdue for 3 months or more from the contract payment date. These loans do not include “loans to borrowers in legal bankruptcy” and “past due loans.”

5. Restructured loans amounted to ¥202,978 million.

Restructured loans are those which consolidated subsidiaries have provided special terms and conditions: - including reduction of the interest rates, reschedule of the interest and principal payments, or waiver of claims on the borrowers, all of which are more favorable to the borrowers than the corresponding terms in the original loan agreements. These loans do not include “loans to borrowers in legal bankruptcy”, “past due loans” and “loans past due 3 months or more.”

6. Loans to borrowers in legal bankruptcy, past due loans, loans past due 3 months or more and restructured loans amounted to ¥627,474 million in the aggregate.

The amounts presented in Notes from 3 to 6 are stated before net of the reserve for possible loan losses.

7. Bills discounted are recorded as lending/borrowing transactions in accordance with the JICPA Industry Audit Committee, Report No.24. Consolidated banking subsidiaries have a right to sell or collateralize such bills at their discretion. The total face value of bank acceptance bills, commercial bills and documentary bills obtained as a result of discounting and foreign exchange purchase was ¥278,367 million.

## 8. Assets pledged as collateral are as follows:

## Assets pledged as collateral:

|                               |                    |
|-------------------------------|--------------------|
| • Call loans and bills bought | ¥230,000 million   |
| • Trading assets              | ¥96,807 million    |
| • Securities                  | ¥3,414,322 million |
| • Loans and bills discounted  | ¥268,999 million   |
| • Other assets                | ¥4,028 million     |

## Liabilities corresponding to the assets pledged:

|   |                  |
|---|------------------|
| • Deposits  | ¥193,289 million |
| • Call money and bills sold                       | ¥250,000 million |
| • Bills sold under repurchase agreement           | ¥16,976 million  |
| • Deposits received for bonds lending transaction | ¥40,638 million  |
| • Borrowed money                                  | ¥555,600 million |
| • Other liabilities                               | ¥139 million     |

Other than above, “Cash and due from banks”, “Securities” and “Other assets”, in the amount of ¥80 million, ¥882,434 million, and ¥89,155 million, respectively, were pledged as collateral for settlement of foreign exchange, derivatives transactions or for futures transactions and others.

“Other assets” includes the deposits for future transactions in the amount of ¥3,022 million and for leasehold deposits in the amount of ¥22,477 million

9. Overdrafts and loans commitment agreement is an agreement under which the Company extends loans to customers up to the certain amount at the request of customer unless the customer violates the conditions of the agreement. Unused balances of such agreements are amounted to ¥9,049,701 million including ¥8,740,644 million of balances under the agreements expiring within a year or agreements cancelable at any time without penalty.

The unused commitment does not necessarily impact on the future cash flows of consolidated subsidiaries because most of those agreements will be terminated without used. In addition, most agreements contain provisions, which allow consolidated subsidiaries to refuse making loans or decrease the limit, if there are any reasons such as changes in the financial condition, the credit management policies or for other reasons. When extending loans to customers, consolidated subsidiaries request collateral such as premises or securities if necessary. After entering into the agreement, consolidated subsidiaries periodically check the financial condition of the customers based on its internal rules and, if necessary, take certain measures from credit risk management perspectives.

10. Certain consolidated domestic subsidiaries revalued land used for business purposes based on the Law Concerning Land Revaluation (Law No.34, announced on March 31, 1998). “Deferred tax liabilities on land revaluation” is presented in liabilities and “revaluation reserve for land” is presented in equity.

Revaluation date: March 31, 1998

The revaluation method as stated in Article 3-3 of the Law Concerning Land Revaluation:

The value of land is based on the official notice prices stated in the Law of Public Notice of Land Prices (assessed date, January 1, 1998) as stipulated in Article 2-1 of the Ordinance for the Law Concerning Land Revaluation (Cabinet Office Ordinance No.119, announced on March 31, 1998) after making reasonable adjustments for the location and quality of the sites.

11. Accumulated depreciation of tangible fixed assets: ¥210,513 million

12. Basis adjustment to the acquisition costs of tangible fixed assets: ¥61,870 million

13. Borrowed money includes subordinated borrowed money of ¥98,000 million that are subordinated to other debt in repayment by special covenants.
14. Bonds include subordinated bonds of ¥680,531 million.
15. The principal amount of trust with the principal indemnification agreement is ¥433,580 million.
16. Guarantees are provided on certain privately placed bonds, in accordance with Article 2-3 of FIEL, included in “Securities.” The amount of the guarantees is ¥453,847 million.
17. Equity per share: (13,711.01) yen
18. In addition to the fixed assets recorded in the consolidated balance sheets, certain computers are held under finance leases which do not transfer ownership of the leased assets to lessees and are accounted for as operating lease.

|   |                     |                        |
|---|---------------------|------------------------|
| (1) Acquisition costs                                 | Equipment           | ¥13,774 million        |
|   | Other               | ¥627 million           |
|   | <u>Total</u>        | <u>¥14,402 million</u> |
| (2) Accumulated depreciation                          | Equipment           | ¥7,934 million         |
|   | Other               | ¥302 million           |
|   | <u>Total</u>        | <u>¥8,237 million</u>  |
| (3) Net book value                                    | Equipment           | ¥5,840 million         |
|   | Other               | ¥324 million           |
|   | <u>Total</u>        | <u>¥6,164 million</u>  |
| (4) Future minimum lease payments excluding interests | Due within one year | ¥2,409 million         |
|   | Due after one year  | ¥4,235 million         |
|   | <u>Total</u>        | <u>¥6,645 million</u>  |
|   |                     |                        |
| (5) Pro forma depreciation and interest expenses      | Lease expenses      | ¥2,786 million         |
|   | Depreciation        | ¥2,683 million         |
|   | Interest expenses   | ¥206 million           |

(6) Computation of pro forma depreciation

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

(7) Computation of pro forma interest expense

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

19. Information related to the employee retirement benefits as of the consolidated balance sheet date is as follows:

|  |                          |
|--|--------------------------|
|  | <i>(Millions of yen)</i> |
| Retirement benefits obligations              | ¥(350,094)               |
| Pension assets at fair value                 | 600,815                  |
| Unfunded retirement benefits obligations     | 250,721                  |
| Unrecognized actuarial differences           | <u>(116,017)</u>         |
| Net assets on the consolidated balance sheet | ¥134,703                 |
| Prepaid pension expenses                     | ¥139,053                 |
| Reserve for employees' retirement benefits   | ¥(4,349)                 |

20. The Company's subsidiary, Resona Bank, Ltd., sold the Tokyo head office building on April 30, 2008 based on a resolution at the board of directors' meeting held on April 28, 2008.

Resona Bank, Ltd had owned the building and Resona Group companies had rent the spaces. After the sales for a meanwhile, Resona Group companies are leased back the building for use. The Company has planned to relocate to Fukagawa area in Koto-ku, Tokyo.

The purpose of those series of actions is to strengthen relationship with customers and the area, create new corporate culture, carry out a drastic reform of office infrastructure and enhance productivity of the head office divisions.

|                     |   |
|---------------------|---|
| Name of assignee:   | Mitsubishi Estate Co., Ltd.   |
| Transferred asset:  | Resona Maruha Building (which Resona Bank, Ltd. had owned)<br>2-1 Otemachi 1-chome, Chiyoda-ku, Tokyo |
| Book value:         | ¥58.1 billion   |
| Sales price:        | ¥162.6 billion  |
| Date of assignment: | April 30, 2008  |

## Note to Consolidated Statements of Operations

1. “Other ordinary income” includes:
  - Gains on sales of stocks and other securities ¥24,421 million
2. “Other ordinary expenses” includes:
  - Write-off of loans ¥76,579 million
  - Losses on sales of stocks and other securities ¥39,980 million
  - Write down of equity securities ¥28,271 million
3. “Extraordinary profits” include:
  - Gains on sales of loans ¥40,000 million
  - Reversal of reserve for losses on investment securities ¥14,779 million
4. Net income per share: 23,690.06 yen
5. Diluted net income per share: 16,401.22 yen

## Note to Consolidated Statements of Changes in Equity

1. Number and class of shares issued and outstanding and treasury stock are as follows:

(shares in thousand)

|                                    | Balance as of<br>March 31, 2007 | During the fiscal year<br>2007 |          | Balance as of<br>March 31, 2008 | Remarks |
|------------------------------------|---------------------------------|--------------------------------|----------|---------------------------------|---------|
|                                    |                                 | Increase                       | Decrease |                                 |         |
| <b>Issued stock</b>                |                                 |                                |          |                                 |         |
| Common stock                       | 11,399                          | 0                              | -        | 11,399                          | Note 1  |
| Classified stock                   |                                 |                                |          |                                 |         |
| Class B, No.1 Preferred Stock      | 272                             | -                              | -        | 272                             |         |
| Class C, No.1 Preferred Stock      | 120                             | -                              | -        | 120                             |         |
| Class D, No.1 Preferred Stock      | 0                               | -                              | 0        | -                               | Note 1  |
| Class E, No.1 Preferred Stock      | 9                               | -                              | -        | 9                               |         |
| Class F, No.1 Preferred Stock      | 80                              | -                              | -        | 80                              |         |
| Class one, No. 1 Preferred stock   | 2,750                           | -                              | -        | 2,750                           |         |
| Class two, No. 1 Preferred stock   | 2,817                           | -                              | -        | 2,817                           |         |
| Class three, No. 1 Preferred stock | 2,750                           | -                              | -        | 2,750                           |         |
| Class four Preferred stock         | 25                              | -                              | -        | 25                              |         |
| Class five Preferred stock         | -                               | 40                             | -        | 40                              | Note 2  |
| Class nine Preferred stock         | -                               | 100                            | -        | 100                             | Note 2  |
| <b>Total</b>                       | <b>20,224</b>                   | <b>140</b>                     | <b>0</b> | <b>20,364</b>                   |         |
| <b>Treasury stock</b>              |                                 |                                |          |                                 |         |
| Common stock                       | 2                               | 2                              | 0        | 4                               | Note 3  |
| Classified stock                   |                                 |                                |          |                                 |         |
| Class D, No.1 Preferred Stock      | -                               | 0                              | 0        | -                               | Note 1  |
| <b>Total</b>                       | <b>2</b>                        | <b>2</b>                       | <b>0</b> | <b>4</b>                        |         |

Note 1: Increase in number of common stock issued and treasury stock of preferred stock (Class D No.1) are due exercising of rights to request acquisition. Decrease in number of common stock issued and treasury stock of preferred stock (Class D No.1) are due to retirement of treasury stocks.

Note 2: Class five and nine Preferred stock increased due to issuance o preferred stock.

Note 3: Common stock increased due to acquisition of odd lot.



## 2. Detail of cash dividend is as follows:

| Date of declaration                      | Class of stock                     | Amount of cash dividend | Dividend per share | Dividend record date | Effective date |
|--|------------------------------------|-------------------------|--------------------|----------------------|----------------|
|  |                                    | <i>Millions of yen</i>  | <i>Yen</i>         |                      |                |
| May 18, 2007 Board of directors' meeting | Common stock                       | 11,396                  | 1,000              | March 31, 2007       | June 11, 2007  |
|  | Classified stock                   |                         |                    |                      |                |
|  | Class B, No.1 Preferred Stock      | 1,731                   | 6,360              |                      |                |
|  | Class C, No.1 Preferred Stock      | 816                     | 6,800              |                      |                |
|  | Class D, No.1 Preferred Stock      | 0                       | 10,000             |                      |                |
|  | Class E, No.1 Preferred Stock      | 137                     | 14,380             |                      |                |
|  | Class F, No.1 Preferred Stock      | 1,480                   | 18,500             |                      |                |
|  | Class one, No. 1 Preferred stock   | 4,642                   | 1,688              |                      |                |
|  | Class two, No. 1 Preferred stock   | 4,756                   | 1,688              |                      |                |
|  | Class three, No. 1 Preferred stock | 4,642                   | 1,688              |                      |                |
| Class four Preferred stock               | 1,459                              | 57,918                  |                    |                      |                |

Dividends with record dates before March 31, 2008 and effective dates after April 1, 2008 are listed as follows. The dividends are proposed to the board of directors to be held on May 16, 2008.

| Class of stock                     | Amount of cash dividend | Dividend per share | Source of dividends | Dividend record date | Effective date |
|------------------------------------|-------------------------|--------------------|---------------------|----------------------|----------------|
|                                    | <i>Millions of yen</i>  | <i>Yen</i>         |                     |                      |                |
| Common stock                       | 11,396                  | 1,000              | Retained earnings   | March 31, 2008       | June 10, 2008  |
| Classified stock                   |                         |                    |                     |                      |                |
| Class B, No.1 Preferred Stock      | 1,731                   | 6,360              |                     |                      |                |
| Class C, No.1 Preferred Stock      | 816                     | 6,800              |                     |                      |                |
| Class E, No.1 Preferred Stock      | 137                     | 14,380             |                     |                      |                |
| Class F, No.1 Preferred Stock      | 1,480                   | 18,500             |                     |                      |                |
| Class one, No. 1 Preferred stock   | 7,051                   | 2,564              |                     |                      |                |
| Class two, No. 1 Preferred stock   | 7,224                   | 2,564              |                     |                      |                |
| Class three, No. 1 Preferred stock | 7,051                   | 2,564              |                     |                      |                |
| Class four Preferred stock         | 2,501                   | 99,250             |                     |                      |                |
| Class five Preferred stock         | 2,184                   | 54,622             |                     |                      |                |
| Class nine Preferred stock         | 2,676                   | 26,769             |                     |                      |                |

**Notes to consolidated statements of cash flows:**

1. Reconciliation between cash and cash equivalents and cash and due from banks in the consolidated balance sheet as of March 31, 2008 is as follows:

|   |                          |
|---|--------------------------|
|   | <i>(Millions of yen)</i> |
| Cash and due from banks                     | ¥2,045,603               |
| Due from banks other than The Bank of Japan | (891,858)                |
| Cash and cash equivalents                   | <u>¥1,153,744</u>        |

## Market Value of Investment Securities and Money Held in Trust

(As of March 31, 2008)

### 1. Investment securities

“Securities” in the consolidated balance sheet, trading securities and short-term bonds in “Trading assets”, negotiable certificates of deposit in “Cash and due from banks”, and trust beneficiary certificate in “Monetary claims bought” were as follows:

#### (1) Securities held for trading purposes

(Millions of yen)

|                                      | As of March 31, 2008              |   |
|--------------------------------------|-----------------------------------|---|
|                                      | Consolidated balance sheet amount | Net unrealized gain included in consolidated statements of operations |
| Securities held for trading purposes | ¥292,348                          | ¥721  |

#### (2) Marketable bonds held to maturity

(Millions of yen)

|                        | As of March 31, 2008                          |                          |                                       |                         |        |
|------------------------|---|--------------------------|---------------------------------------|-------------------------|--------|
|                        | Consolidated balance sheet amount<br><b>X</b> | Market Value<br><b>Y</b> | Unrealized Gains/Losses<br><b>Y-X</b> | Unrealized Gains/Losses |        |
|                        |   |                          |                                       | Gains                   | Losses |
| Local government bonds | ¥188,989                                      | ¥194,814                 | ¥5,824                                | ¥5,825                  | ¥0     |

#### (3) Available-for-sale securities with market values

(Millions of yen)

|                           | As of March 31, 2008          |   |                                       |                         |         |
|---------------------------|-------------------------------|---|---------------------------------------|-------------------------|---------|
|                           | Acquisition costs<br><b>X</b> | Consolidated balance sheet amount<br><b>Y</b> | Unrealized Gains/Losses<br><b>Y-X</b> | Unrealized Gains/Losses |         |
|                           |                               |   |                                       | Gains                   | Losses  |
| Stocks                    | ¥385,586                      | ¥589,979                                      | ¥204,392                              | ¥216,106                | ¥11,713 |
| Bonds                     | 5,104,401                     | 5,074,447                                     | (29,953)                              | 7,666                   | 37,619  |
| National government bonds | 4,184,455                     | 4,151,666                                     | (32,788)                              | 3,273                   | 36,062  |
| Local government bonds    | 250,751                       | 253,274                                       | 2,522                                 | 3,046                   | 523     |
| Corporate bonds           | 669,194                       | 669,506                                       | 312                                   | 1,346                   | 1,034   |
| Other                     | 451,885                       | 449,103                                       | (2,782)                               | 8,089                   | 10,872  |
| Total                     | ¥5,941,874                    | ¥6,113,531                                    | ¥171,656                              | ¥231,862                | ¥60,205 |

Notes: 1. Market values of stocks are based on the average market prices of the last one-month of the year ended March 31, 2008. Market values of others are based on the market prices on March 31, 2008.

2. “Unrealized Gains/Losses” consist of “Gains” and “Losses”.

3. In other securities with market value, these securities, of which market values significantly declined, were recorded with the market value on the consolidated balance sheet as there is no possibility to restore their market value to the acquisition costs. Such valuation differences are recorded as a loss (“Impairment loss”).

For the year ended March 31, 2008, an impairment loss was amounted to ¥5,628 million

A substantial decline in fair value is determined 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 and borrowers under close watch: where the fair value is lower than the carrying value.
- (ii) For issuers who are classified as borrowers under close watch: where the fair value declined by 30% or more compared to the carrying value.
- (iii) Others: where the fair value declined by 50% or more compared to the carrying value.

## (4) Available-for-securities sold during the year

*(Millions of yen)*

|                  | During the year ended March 31, 2008 |         |         |
|------------------|--------------------------------------|---------|---------|
|                  | Sold                                 | Gain    | Loss    |
| Other securities | ¥29,638,351                          | ¥75,556 | ¥63,489 |

## (5) The major components of securities with which market value was not available and their respective consolidated balance sheet amounts

*(Millions of yen)*

|                         | As of March 31, 2008 |
|-------------------------|----------------------|
| Bonds held to maturity  |                      |
| Unlisted domestic bonds | ¥30,590              |
| Other securities        |                      |
| Unlisted domestic bonds | ¥464,038             |
| Unlisted stocks         | 82,705               |

## (6) Projected redemption amounts for available-for-sale securities with maturities and bonds held to maturity.

*(Millions of yen)*

|                           | As of March 31, 2008 |              |               |               |
|---------------------------|----------------------|--------------|---------------|---------------|
|                           | 1 Year or Less       | 1 to 5 Years | 5 to 10 Years | Over 10 years |
| Bonds                     | ¥3,274,881           | ¥1,074,209   | ¥810,601      | ¥598,369      |
| National government bonds | 2,739,498            | 320,309      | 518,381       | 573,473       |
| Local government bonds    | 52,857               | 135,084      | 254,322       | -             |
| Corporate bonds           | 482,525              | 618,816      | 37,897        | 24,896        |
| Other                     | 11,835               | 62,902       | 90,446        | 214,070       |
| Total                     | ¥3,286,716           | ¥1,137,111   | ¥901,048      | ¥812,439      |

## Segment Information

### 1. Business Segment Information

FY 2007 (for the period from April 1, 2007 to March 31, 2008)

Since the ordinary income and employed assets of "Banking and Trust banking" segment is more than 90 % of all the other segments combined, business segment information for FY 2007 is not presented.

Such disclosures have been omitted in the prior fiscal year (for the period from April 1, 2006 to March 31, 2007) also.

### 2. Geographical Segment Information

FY 2007 (for the period from April 1, 2007 to March 31, 2008)

Since the ordinary income and employed assets of "Japan" segment is more than 90 % of all the other segments combined, geographical segment information for FY 2007 is not presented.

Such disclosures have been omitted in the prior fiscal year (for the period from April 1, 2006 to March 31, 2007) also.

### 3. Overseas ordinary income

FY 2007 (for the period from April 1, 2007 to March 31, 2008)

Since overseas ordinary income is less than 10% of the total, overseas ordinary income for FY 2007 is not presented.

Such disclosures have been omitted in the prior fiscal year (for the period from April 1, 2006 to March 31, 2007) also.

## Market Value of Investment Securities and Money Held in Trust

(As of March 31, 2007)

### 1. Investment securities

“Securities” in the consolidated balance sheet, trading securities, commercial paper and short-term bonds in “Trading assets”, negotiable certificates of deposit in “Cash and due from banks”, and commercial paper and trust beneficiary certificate in “Monetary claims bought” were as follows:

#### (1) Securities held for trading purposes

(Millions of yen)

|                                      | As of March 31, 2007              |   |
|--------------------------------------|-----------------------------------|---|
|                                      | Consolidated balance sheet amount | Net unrealized gain included in consolidated statements of operations |
| Securities held for trading purposes | ¥291,026                          | ¥272  |

#### (2) Marketable bonds held to maturity

(Millions of yen)

|                        | As of March 31, 2007                          |                          |                                       |                         |        |
|------------------------|---|--------------------------|---------------------------------------|-------------------------|--------|
|                        | Consolidated balance sheet amount<br><b>X</b> | Market Value<br><b>Y</b> | Unrealized Gains/Losses<br><b>Y-X</b> | Unrealized Gains/Losses |        |
|                        |   |                          |                                       | Gains                   | Losses |
| Local government bonds | ¥148,451                                      | ¥148,074                 | ¥(377)                                | ¥588                    | ¥966   |

Note: 1. Market values are based on the market prices on March 31, 2007.  
2. “Unrealized Gains/Losses” consist of “Gains” and “Losses”.

#### (3) Available-for-sale securities for with market values

(Millions of yen)

|                           | As of March 31, 2007          |   |                                       |                         |         |
|---------------------------|-------------------------------|---|---------------------------------------|-------------------------|---------|
|                           | Acquisition costs<br><b>X</b> | Consolidated balance sheet amount<br><b>Y</b> | Unrealized Gains/Losses<br><b>Y-X</b> | Unrealized Gains/Losses |         |
|                           |                               |   |                                       | Gains                   | Losses  |
| Stocks                    | ¥390,466                      | ¥839,411                                      | ¥448,944                              | ¥451,428                | ¥2,483  |
| Bonds                     | 4,951,728                     | 4,913,534                                     | (38,193)                              | 1,468                   | 39,662  |
| National government bonds | 3,927,606                     | 3,894,702                                     | (32,903)                              | 814                     | 33,718  |
| Local government bonds    | 311,550                       | 308,743                                       | (2,806)                               | 376                     | 3,183   |
| Corporate bonds           | 712,570                       | 710,087                                       | (2,483)                               | 277                     | 2,760   |
| Other                     | 1,054,405                     | 1,076,576                                     | 22,171                                | 49,626                  | 27,455  |
| Total                     | ¥6,396,599                    | ¥6,829,521                                    | ¥432,921                              | ¥502,523                | ¥69,601 |

Notes: 1. Market values of stocks are based on the average market prices of the last one-month of the year ended March 31, 2007. Market values of others are based on the market prices on March 31, 2007.  
2. “Unrealized Gains/Losses” consist of “Gains” and “Losses”.  
3. In other securities with market value, these securities, of which market values significantly declined, were recorded with the market value on the consolidated balance sheet as there is no possibility to restore their market value to the acquisition costs. Such valuation differences are recorded as a loss (“Impairment loss”).  
For the year ended March 31, 2007, an impairment loss was amounted to ¥6,261 million  
A substantial decline in fair value is determined 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 and borrowers under close watch: where the fair value is lower than the carrying value.  
(ii) For issuers who are classified as borrowers under close watch: where the fair value declined by 30% or more compared to the carrying value.  
(iii) Others: where the fair value declined by 50% or more compared to the carrying value.

## (4) Available-for-securities sold during the year

*(Millions of yen)*

|                  | During the year ended March 31, 2007 |          |         |
|------------------|--------------------------------------|----------|---------|
|                  | Sold                                 | Gain     | Loss    |
| Other securities | ¥20,521,550                          | ¥148,413 | ¥59,169 |

## (5) The major components of securities with which market value was not available and their respective consolidated balance sheet amounts

*(Millions of yen)*

|                         | As of March 31, 2007 |
|-------------------------|----------------------|
| Bonds held to maturity  |                      |
| Unlisted domestic bonds | ¥30,640              |
| Other securities        |                      |
| Unlisted domestic bonds | ¥571,668             |
| Unlisted stocks         | ¥122,077             |

## (6) Projected redemption amounts for available-for-sale securities with maturities and bonds held to maturity.

*(Millions of yen)*

|                           | As of March 31, 2007 |              |               |               |
|---------------------------|----------------------|--------------|---------------|---------------|
|                           | 1 Year or Less       | 1 to 5 Years | 5 to 10 Years | Over 10 years |
| Bonds                     | ¥2,939,623           | ¥1,368,164   | ¥614,257      | ¥742,346      |
| National government bonds | 2,387,786            | 452,723      | 328,040       | 726,152       |
| Local government bonds    | 63,290               | 152,803      | 241,102       | -             |
| Corporate bonds           | 488,547              | 762,637      | 45,115        | 16,193        |
| Other                     | 11,400               | 85,151       | 240,849       | 232,712       |
| Total                     | ¥2,951,024           | ¥1,453,316   | ¥855,106      | ¥975,058      |

## 2. Money held in trust

*(Millions of yen)*

|   | As of March 31, 2007              |   |
|---|-----------------------------------|---|
|   | Consolidated balance sheet amount | Net unrealized gain included in consolidated statements of operations |
| Money held in trust for trading purpose | ¥10,385                           | ¥385  |

## Per Share Information

|                                | Fiscal Year 2006<br>From April 1, 2006<br>To March 31, 2007 | Fiscal Year 2007<br>From April 1, 2007<br>To March 31, 2008 |
|--------------------------------|---|---|
| Net assets per share           | ¥(23,676.18)  | ¥(13,711.01)  |
| Net income per share           | 53,933.18   | 23,690.06   |
| Net income (diluted) per share | 34,237.60   | 16,401.22   |

(Note 1) Equity per share is calculated based on the followings:

*(Millions of yen, except number of shares)*

|   | March 31, 2007 | March 31, 2008 |
|---|----------------|----------------|
| Equity  | ¥1,970,139     | ¥2,524,656     |
| Amounts excluded from equity  | 2,239,965      | 2,680,895      |
| Minority interests  | 158,327        | 136,188        |
| Preferred stock   | 2,061,972      | 2,511,852      |
| Dividends on preferred stock  | 19,665         | 32,854         |
| Equity attributable to common stock at the end of year  | (269,826)      | (156,239)      |
| Number of common stock at the end of year used for the calculation of Equity per share (shares in thousand) | 11,396         | 11,395         |

(Note2) Net income per share and Net income per share (diluted) are calculated based on the followings:

*(Millions of yen, except number of shares)*

|   | Fiscal Year 2006<br>From April 1, 2006<br>To March 31, 2007 | Fiscal Year 2007<br>From April 1, 2007<br>To March 31, 2008 |
|---|---|---|
| Net income per share  |   |   |
| Net income  | ¥664,899  | ¥302,818  |
| Amounts not attributable to common stockholders   | 50,236  | 32,854  |
| Dividends on preferred stock  | 19,665  | 32,854  |
| Balance of preferred stock retired  | 30,571  | -   |
| Net income attributable to common stock   | 614,662   | 269,963   |
| Average number of common stock during the period (shares in thousand)   | 11,396  | 11,395  |
| Net income (diluted) per share  |   |   |
| Adjustments in net income   | 18,205  | 28,168  |
| Dividends on preferred stock  | 18,205  | 28,168  |
| Increase in number of common stock (shares in thousand)   | 7,087   | 6,781   |
| Preferred stock (shares in thousand)  | 7,087   | 6,781   |
| Outline of dilutive securities which were not included in the calculation of "Net income per share (diluted)" because they do not have dilutive effect. | Not applicable  | Not applicable  |

\*Due to the significance, notes to “Lease transactions”, “Related party transactions”, “Deferred tax accounting”, “Derivative transactions” and “Employee’s retirement benefits” are not presented here, but disclosed on EDINET. As for “Finance leases other than those which are deemed to transfer ownership of the leased property to the lessee” and “Projected employees’ retirement benefits obligation”, please refer to “Notes to consolidated balance sheets.” Also, as for “Deferred tax accounting”, please refer to the following “Computation of Deferred Tax Assets.”

## Computation of Deferred Tax Assets

### 1. Computation of deferred tax assets and estimated period of future taxable income

|                                  | Classification of exemplification (*1) | Estimated period of future taxable income | Special factors (*2)<br>(only the case of No. 4 Exception)                                       |
|----------------------------------|--|---|--|
| Resona Bank, Ltd.                | No. 4 Exception                        | 5 years                                   | Acceleration of disposal of non-performing loans (Program for Financial Revival, etc) and others |
| Saitama Resona Bank, Ltd.        | No. 2                                  | -   |  |
| Kinki Osaka Bank, Ltd.           | No. 4                                  | 1 year                                    |  |
| Resona Trust & Banking Co., Ltd. | No. 1                                  | -   |  |

Note:

(\*1) Classification of exemplification: Auditing Treatment concerning Determination of Recoverability of Deferred Tax Assets (JICPA Audit Committee Report No. 66, issued on November 9, 1999)

For the entity applicable to No. 4 Exception, it is more likely that future deductible temporary differences will be realized in accordance with the JICPA Audit Committee Report No. 66.

(\*2) Reasons for significant net operating loss carry forward and future deductible temporary difference which significantly exceed the past ordinary profits level

### 2. The amounts of taxable income/non-consolidated taxable income allocated from consolidation (Before deduction of net operating losses carry forward/consolidated net operating losses) for the past five years

(Billions of yen)

|                                  | FY2003    | FY2004  | FY2005 | FY2006 | FY2007 |
|----------------------------------|-----------|---------|--------|--------|--------|
| Resona Bank, Ltd.                | (1,223.9) | (341.0) | 104.7  | 219.7  | 211.0  |
| Saitama Resona Bank, Ltd.        | (37.4)    | 35.7    | 62.6   | 46.5   | 67.5   |
| Kinki Osaka Bank, Ltd.           | (210.2)   | (80.5)  | (19.4) | 9.7    | 8.1    |
| Resona Trust & Banking Co., Ltd. | 15.5      | 13.8    | 13.9   | 16.8   | 17.9   |

### 3. The estimated amounts of net business profits, income before income tax, taxable income before adjustments used for the estimation

(Billions of yen)

|                           | Estimated period | Net operating income | Operating income before taxes | Taxable income |
|---------------------------|------------------|----------------------|-------------------------------|----------------|
| Resona Bank, Ltd.<br>(*1) | 5 Years          | 807.1                | 693.0                         | 803.3          |
| Kinki Osaka Bank, Ltd.    | 1 Year           | 21.9                 | 10.0                          | 27.7           |



## 4. Description of the types of deferred tax assets and liabilities

(Consolidated corporate-tax system has been applied since FY 2004. Deferred tax assets and liabilities are calculated on the assumption of the consolidated corporate-tax system)

(Billions of yen)

|  | Resona Bank,<br>Ltd. | Saitama<br>Resona Bank,<br>Ltd. | Kinki Osaka<br>Bank, Ltd. | Resona Trust<br>& Banking<br>Co., Ltd. |
|--|----------------------|---------------------------------|---------------------------|--|
| Reserve for loan losses                        | 192.4                | 17.2                            | 14.3                      |  |
| Write-down on investment securities            | 125.6                | 10.1                            | 6.3                       |  |
| Unrealized losses on other securities          |                      |                                 |                           |  |
| Reserve for employees' retirement benefits     | 34.1                 | 7.4                             | 1.1                       |  |
| Net loss carry forward                         | 804.8                |                                 | 114.0                     |  |
| Others   | 62.5                 | 11.2                            | 9.4                       | 0.8                                    |
| Subtotal of deferred tax assts                 | 1,219.6              | 46.1                            | 145.3                     | 0.8                                    |
| Valuation allowance                            | (887.9)              | (20.0)                          | (135.5)                   | -                                      |
| Deferred tax assts                             | 331.6                | 26.1                            | 9.7                       | 0.8                                    |
| Gains on placing trust for retirement benefits | 19.3                 |                                 |                           |  |
| Unrealized gains on other securities           | 31.9                 | 4.6                             | 0.3                       | 0                                      |
| Deferred gains on hedges                       | 13.4                 |                                 |                           |  |
| Others   | 4.3                  | 7.8                             | 0.1                       |  |
| Deferred tax liabilities                       | 69.0                 | 12.4                            | 0.4                       | 0                                      |
| Net deferred tax assets                        | 262.5                | 13.6                            | 9.3                       | 0.8                                    |

(Reference)

|                         | Total of four subsidiaries |
|-------------------------|----------------------------|
| Net deferred tax assets | 286.3                      |

## Statement of Trust Assets and Liabilities

(As of March 31, 2008)

*(Millions of Yen)*

| <b>Assets</b>                      | <b>Amount</b>      | <b>Liabilities</b>                       | <b>Amount</b>      |
|------------------------------------|--------------------|--|--------------------|
| Loans and bills discounted         | ¥126,327           | Money trusts                             | ¥16,025,426        |
| Securities                         | 9,059,990          | Pension trusts                           | 4,761,549          |
| Trust beneficiary certificate      | 26,115,140         | Asset formation benefit trusts           | 1,272              |
| Securities held in custody account | 327                | Securities investment trusts             | 13,748,252         |
| Monetary claims                    | 374,501            | Pecuniary trusts other than money trusts | 171,894            |
| Tangible fixed assets              | 632,020            | Securities trusts                        | 523,695            |
| Intangible fixed assets            | 4,165              | Monetary claims trusts                   | 398,201            |
| Other claims                       | 15,022             | Real estates trusts                      | 121,327            |
| Due from banking account           | 367,996            | Real estate leases trusts                | 4,691              |
| Cash and due from banks            | 38,043             | Composite trusts                         | 977,222            |
| <b>Total assets</b>                | <b>¥36,733,534</b> | <b>Total liabilities</b>                 | <b>¥36,733,534</b> |

Notes:

1. Amounts of less than one million yen have been rounded down.
2. The trust without readily determinable monetary values was excluded.
3. The trust that was re-entrusted for operations was excluded.
4. Trust beneficiary certificates worth of ¥26,115,140 million were re-entrusted for asset administration purpose.
5. Co-managed trust funds under other trust bank's administration amounted to ¥2,332,136 million.
6. Loans and bills discounted that were funded by the JOMT account funds, where the Bank guarantees the principal, amounted to ¥126,144 million included the following:

|  | (Million of Yen) |
|--|------------------|
| Loans to borrowers in legal bankruptcy | ¥104             |
| Past-due loans                         | 20,021           |
| Loans past due 3 months or more        | -                |
| <u>Restructured loans</u>              | <u>3,963</u>     |
| Total                                  | ¥24,090          |

## The trust in the principal indemnification agreement (including the trust that were re-entrusted for operations )

(As of March 31, 2008)

*(Millions of Yen)*

| <b>Assets</b>              | <b>Amount</b>   | <b>Liabilities</b>        | <b>Amount</b>   |
|----------------------------|-----------------|---------------------------|-----------------|
| Loans and bills discounted | ¥126,144        | Principal                 | ¥433,580        |
| Other                      | 308,320         | Special loan loss reserve | 380             |
|                            |                 | Other                     | 504             |
| <b>Total assets</b>        | <b>¥434,464</b> | <b>Total liabilities</b>  | <b>¥434,464</b> |

**(Reference Sheet)**  
**Comparison of Statements of Trust Assets and Liabilities**

*(Millions of Yen)*

| Assets  | March 31, 2008<br>(A) | March 31, 2007<br>(B) | Difference<br>(A)-(B) |
|---|-----------------------|-----------------------|-----------------------|
| Loans and bills discounted  | ¥126,327              | ¥151,362              | ¥(25,035)             |
| Securities  | 9,059,990             | 7,981,453             | 1,078,537             |
| Trust beneficiary certificate                                     | 26,115,140            | 24,594,659            | 1,520,480             |
| Securities held in custody account                                | 327                   | 327                   | 0                     |
| Monetary claims   | 374,501               | 400,072               | (25,571)              |
| Tangible fixed assets   | 632,020               | 591,401               | 40,619                |
| Intangible fixed assets   | 4,165                 | 3,321                 | 844                   |
| Other claims  | 15,022                | 18,118                | (3,095)               |
| Due from banking account  | 367,996               | 417,715               | (49,718)              |
| Cash and due from banks   | 38,043                | 44,570                | (6,527)               |
| <b>Total assets</b>   | <b>36,733,534</b>     | <b>34,203,001</b>     | <b>2,530,533</b>      |
| Co-managed trust funds under<br>other trust bank's administration | ¥2,332,136            | ¥2,713,637            | ¥(381,500)            |

| Liabilities                                 | March 31, 2008<br>(A) | March 31, 2007<br>(B) | Difference<br>(A)-(B) |
|---|-----------------------|-----------------------|-----------------------|
| Money trusts                                | ¥16,025,426           | ¥14,341,253           | ¥1,684,172            |
| Pension trusts                              | 4,761,549             | 4,729,693             | 31,856                |
| Asset formation benefit trusts              | 1,272                 | 1,656                 | (383)                 |
| Securities investment trusts                | 13,748,252            | 12,899,339            | 848,912               |
| Pecuniary trusts other than<br>money trusts | 171,894               | 228,667               | (56,773)              |
| Securities trusts                           | 523,695               | 529,774               | (6,078)               |
| Monetary claims trusts                      | 398,201               | 416,893               | (18,691)              |
| Real estate trusts                          | 121,327               | 159,371               | (38,043)              |
| Real estate lease trusts                    | 4,691                 | 4,697                 | (6)                   |
| Composite trusts                            | 977,222               | 891,654               | 85,567                |
| <b>Total liabilities</b>                    | <b>¥36,733,534</b>    | <b>¥34,203,001</b>    | <b>¥2,530,533</b>     |

Note: Amounts of less than one million yen have been rounded down.

**Summary of Non-Consolidated Financial Results**  
**(March 31, 2008/Unaudited)**

May 16, 2008  
**Resona Holdings, Inc.**

**Non-Consolidated Balance Sheets**

*(Millions of yen)*

| Items  | March 31, 2008    |               | March 31, 2007    |               | Difference<br>(A)-(B) |
|--|-------------------|---------------|-------------------|---------------|-----------------------|
|  | (A)               | %             | (B)               | %             |                       |
| <b>Assets</b>                                  |                   |               |                   |               |                       |
| Current assets:                                |                   |               |                   |               |                       |
| Cash and due cash equivalents                  | ¥1,383            |               | ¥22,567           |               | ¥(21,183)             |
| Securities                                     | 828,000           |               | -                 |               | 828,000               |
| Prepaid expenses                               | 1                 |               | 347               |               | (345)                 |
| Deferred tax assets                            | 32,676            |               | 115               |               | 32,560                |
| Accrued income                                 | 49                |               | 9                 |               | 40                    |
| Other receivable                               | 32,113            |               | 24,213            |               | 7,900                 |
| Accrued income tax refund                      | 119,096           |               | 77,950            |               | 41,145                |
| <b>Total current assets</b>                    | <b>1,013,320</b>  | <b>45.48</b>  | <b>125,202</b>    | <b>9.18</b>   | <b>888,117</b>        |
| Non-current assets:                            |                   |               |                   |               |                       |
| Tangible fixed assets                          | 12                |               | 15                |               | (2)                   |
| Furniture and fixtures                         | 12                |               | 15                |               | (2)                   |
| Intangible fixed assets                        | 66                |               | 75                |               | (8)                   |
| Trademark                                      | 53                |               | 65                |               | (11)                  |
| Software                                       | 13                |               | 9                 |               | 3                     |
| Investments and other assets                   | 1,214,550         |               | 1,238,747         |               | (24,196)              |
| Investments in subsidiaries and affiliates     | 1,111,267         |               | 1,111,267         |               | -                     |
| Long-term loans to subsidiaries and affiliates | 70,000            |               | 95,000            |               | (25,000)              |
| Deferred tax assets                            | 33,277            |               | 32,474            |               | 803                   |
| Other  | 5                 |               | 5                 |               | -                     |
| <b>Total non-current assets</b>                | <b>1,214,630</b>  | <b>54.52</b>  | <b>1,238,838</b>  | <b>90.82</b>  | <b>(24,208)</b>       |
| <b>Total assets</b>                            | <b>2,227,950</b>  | <b>100.00</b> | <b>1,364,041</b>  | <b>100.00</b> | <b>863,909</b>        |
| <b>Liabilities</b>                             |                   |               |                   |               |                       |
| Current liabilities:                           |                   |               |                   |               |                       |
| Short-term debt to subsidiaries                | -                 |               | 80,000            |               | (80,000)              |
| Current portion of bonds and notes             | 20,000            |               | -                 |               | 20,000                |
| Current portion of long-term debt              | -                 |               | 17,000            |               | (17,000)              |
| Other payable                                  | 31,071            |               | 14,176            |               | 16,895                |
| Accrued expenses                               | 558               |               | 1,188             |               | (629)                 |
| Income tax payable                             | 22                |               | 61                |               | (39)                  |
| Consumption tax payable                        | 77                |               | 23                |               | 53                    |
| Reserve for employees' bonuses                 | 404               |               | -                 |               | 404                   |
| Other  | 113               |               | 73                |               | 40                    |
| <b>Total current liabilities</b>               | <b>52,248</b>     | <b>2.34</b>   | <b>112,523</b>    | <b>8.25</b>   | <b>(60,274)</b>       |
| Non-current liabilities:                       |                   |               |                   |               |                       |
| Bonds  | 190,000           |               | 210,000           |               | (20,000)              |
| Long-term debt                                 | 45,000            |               | 94,000            |               | (49,000)              |
| Long-term debt to subsidiaries                 | -                 |               | 50,000            |               | (50,000)              |
| <b>Total non-current liabilities</b>           | <b>235,000</b>    | <b>10.55</b>  | <b>354,000</b>    | <b>25.95</b>  | <b>(119,000)</b>      |
| <b>Total liabilities</b>                       | <b>¥287,248</b>   | <b>12.89</b>  | <b>¥466,523</b>   | <b>34.20</b>  | <b>¥(179,274)</b>     |
| <b>Equity</b>                                  |                   |               |                   |               |                       |
| Capital stock                                  | 327,201           | 14.69         | 327,201           | 23.99         | -                     |
| Capital surplus                                |                   |               |                   |               |                       |
| Capital reserve                                | 327,201           |               | 327,201           |               | -                     |
| Other capital surplus                          | 449,953           |               | -                 |               | 449,953               |
| Total capital surplus                          | 777,155           | 34.88         | 327,201           | 23.99         | 449,953               |
| Retained earnings                              |                   |               |                   |               |                       |
| Other earned surplus                           | 837,626           |               | 244,014           |               | 593,612               |
| Retained earnings carried forward              | 837,626           |               | 244,014           |               | 593,612               |
| Total retained earnings                        | 837,626           | 37.60         | 244,014           | 17.88         | 593,612               |
| Treasury stock at cost                         | (1,280)           | (0.06)        | (898)             | (0.06)        | (382)                 |
| <b>Total shareholders' equity</b>              | <b>1,940,702</b>  | <b>87.11</b>  | <b>897,518</b>    | <b>65.80</b>  | <b>1,043,183</b>      |
| <b>Total equity</b>                            | <b>1,940,702</b>  | <b>87.11</b>  | <b>897,518</b>    | <b>65.80</b>  | <b>1,043,183</b>      |
| <b>Total liabilities and equity</b>            | <b>¥2,227,950</b> | <b>100.00</b> | <b>¥1,364,041</b> | <b>100.00</b> | <b>¥863,909</b>       |

## Non-Consolidated Statements of Operations

(Millions of yen)

| Items  | FY 2007 (A)<br>From Apr 1, 2007<br>To Mar 31, 2008 |        | FY 2006 (B)<br>From Apr 1, 2006<br>To Mar 31, 2007 |        | Difference<br>(A)-(B) |
|--|--|--------|--|--------|-----------------------|
|  | ¥  | %      | ¥  | %      |                       |
| <b>Operating income:</b>                         | ¥600,477   | 100.00 | ¥395,828   | 100.00 | ¥204,648              |
| Dividends from subsidiaries and affiliates       | 593,813  |        | 389,448  |        | 204,365               |
| Fees from subsidiaries and affiliates            | 4,828  |        | 4,652  |        | 176                   |
| Interest on loans to subsidiaries and affiliates | 1,286  |        | 1,408  |        | (122)                 |
| Other  | 549  |        | 320  |        | 229                   |
| <b>Operating expenses:</b>                       | 10,551   | 1.76   | 11,045   | 2.79   | (494)                 |
| Interest expenses                                | 3,392  |        | 4,572  |        | (1,180)               |
| Interest on bonds                                | 2,284  |        | 1,766  |        | 518                   |
| Bond issuance costs                              | -  |        | 209  |        | (209)                 |
| General and administrative expenses              | 4,324  |        | 4,176  |        | 147                   |
| Other  | 549  |        | 320  |        | 229                   |
| <b>Operating profits</b>                         | 589,926  | 98.24  | 384,783  | 97.21  | 205,142               |
| <b>Non-operating profits:</b>                    | 1,993  | 0.33   | 522  | 0.13   | 1,470                 |
| Interest income                                  | -  |        | 305  |        | (305)                 |
| Interest on securities                           | 1,710  |        | -  |        | 1,710                 |
| Commission received                              | 130  |        | 134  |        | (4)                   |
| Interest on tax refunds                          | 22   |        | 70   |        | (47)                  |
| Other  | 130  |        | 12   |        | 117                   |
| <b>Non-operating expenses:</b>                   | 1,632  | 0.27   | 862  | 0.22   | 770                   |
| Stock issuance costs                             | 1,632  |        | 852  |        | 779                   |
| Other  | 0  |        | 9  |        | (9)                   |
| <b>Ordinary profits</b>                          | 590,287  | 98.30  | 384,444  | 97.12  | 205,843               |
| <b>Extraordinary losses:</b>                     | 1  | 0.00   | 0  | 0.00   | 1                     |
| Loss on disposed of fixed assets                 | 1  |        | 0  |        | 1                     |
| <b>Income before income taxes</b>                | 590,285  | 98.30  | 384,443  | 97.12  | 205,841               |
| <b>Income taxes:</b>                             | (34,388)   | (5.73) | (34,679)   | (8.76) | 9,345                 |
| Income taxes – current                           | (1,024)  |        | (10,370)   |        | 9,345                 |
| Income taxes – deferred                          | (33,364)   |        | (24,308)   |        | (9,055)               |
| <b>Net income</b>                                | ¥624,674   | 104.03 | ¥419,123   | 105.88 | ¥205,551              |

## Non-Consolidated Statements of Changes in Equity

(From April 1, 2007 to March 31, 2008)

(Millions of yen)

|  | Shareholders' Equity |                 |                       |                       |                                   |                        |                            | Total net assets |
|--|----------------------|-----------------|-----------------------|-----------------------|-----------------------------------|------------------------|----------------------------|------------------|
|  | Capital stock        | Capital surplus |                       |                       | Retained earnings                 | Treasury stock at cost | Total shareholders' equity |                  |
|  |                      | Capital reserve | Other capital surplus | Total capital surplus | Other earned surplus              |                        |                            |                  |
|  |                      |                 |                       |                       | Retained earnings carried forward |                        |                            |                  |
| Balance at beginning of year             | ¥327,201             | ¥327,201        | -                     | ¥327,201              | ¥244,014                          | ¥(898)                 | ¥897,518                   | ¥897,518         |
| Changes of items during the period       |                      |                 |                       |                       |                                   |                        |                            |                  |
| Issuance of new stock                    |                      |                 | 450,000               | 450,000               |                                   |                        | 450,000                    | 450,000          |
| Dividends from surplus                   |                      |                 |                       |                       | (31,062)                          |                        | (31,062)                   | (31,062)         |
| Net income                               |                      |                 |                       |                       | 624,674                           |                        | 624,674                    | 624,674          |
| Acquisition of treasury stock            |                      |                 |                       |                       |                                   | (586)                  | (586)                      | (586)            |
| Disposal of treasury stock               |                      |                 | (46)                  | (46)                  |                                   | 203                    | 157                        | 157              |
| Retirement of treasury stock             |                      |                 | (0)                   | (0)                   |                                   | 0                      | -                          | -                |
| Total changes of items during the period | -                    | -               | 449,953               | 449,953               | 593,612                           | (382)                  | 1,043,183                  | 1,043,183        |
| Balance at end of year                   | ¥327,201             | ¥327,201        | 449,953               | ¥777,155              | ¥837,626                          | ¥(1,280)               | ¥1,940,702                 | ¥1,940,702       |

(From April 1, 2006 to March 31, 2007)

(Millions of yen)

|  | Shareholders' Equity |                 |                       |                       |                                   |                |                            | Total net assets |
|--|----------------------|-----------------|-----------------------|-----------------------|-----------------------------------|----------------|----------------------------|------------------|
|  | Capital              | Capital surplus |                       |                       | Retained earnings                 | Treasury stock | Total shareholders' equity |                  |
|  |                      | Capital reserve | Other capital surplus | Total capital surplus | Other earned surplus              |                |                            |                  |
|  |                      |                 |                       |                       | Retained earnings carried forward |                |                            |                  |
| Balance at beginning of year                       | ¥327,201             | ¥327,201        | ¥39,694               | ¥366,895              | ¥323,543                          | ¥(579)         | ¥1,017,061                 | ¥1,017,061       |
| Changes of items during the period                 |                      |                 |                       |                       |                                   |                |                            |                  |
| Issuance of new stock                              |                      |                 | 63,000                | 63,000                |                                   |                | 63,000                     | 63,000           |
| Dividends from surplus                             |                      |                 |                       |                       | (31,351)                          |                | (31,351)                   | (31,351)         |
| Net income   |                      |                 |                       |                       | 419,123                           |                | 419,123                    | 419,123          |
| Acquisition of treasury stock                      |                      |                 |                       |                       |                                   | (570,345)      | (570,345)                  | (570,345)        |
| Disposal of treasury stock                         |                      |                 | 4                     | 4                     |                                   | 28             | 32                         | 32               |
| Retirement of treasury stock                       |                      |                 | (569,998)             | (569,998)             |                                   | 569,998        | -                          | -                |
| Transfer from retained earnings to capital surplus |                      |                 | 467,300               | 467,300               | (467,300)                         |                | -                          | -                |
| Total changes of items during the period           | -                    | -               | (39,694)              | (39,694)              | (79,528)                          | (319)          | (119,542)                  | (119,542)        |
| Balance at end of year                             | ¥327,201             | ¥327,201        | -                     | ¥327,201              | ¥244,014                          | ¥(898)         | ¥897,518                   | ¥897,518         |