MAY 10, 2013

Resona Holdings, Inc.

Consolidated Financial Results for Fiscal Year 2012
(April 1, 2012- March 31, 2013/ Unaudited)
<under Japanese GAAP>

Code number: 8308 Stock exchange listings: Tokyo, Osaka
URL: http://www.resona-gr.co.jp
Representative: Kazuhiro Higashi, President and Representative Executive Officer
General Meeting of Stockholders: June 21, 2013 Dividends payment date: June 5, 2013
Annual securities report issuing date: June 26, 2013 Trading accounts: Established
Supplemental information for the financial results: Available
Investor relations meeting: Scheduled (for institutional investors and analysts)

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

1. Consolidated Financial Results for Fiscal Year 2012 (April 1, 2012- March 31, 2013)

(1) Consolidated Operating Results (% represents the change from the previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income	
	Million yen	*%*	*Million yen*	*%*	*Million yen*	*%*
Fiscal Year 2012	832,183	(2.1)	285,133	3.7	275,141	8.5
Fiscal Year 2011	850,350	(1.1)	274,872	30.7	253,662	58.5

Note: Comprehensive Income: FY 2012: 398,602 million yen (+32.5%) FY 2011: 300,884 million yen (+127.1%)

	Net Income per Share of Common Stock	Diluted Net Income per Share of Common Stock	Net Income to Net Assets Attributable to Stockholders Ratio	Ordinary Profits to Total Assets Ratio	Ordinary Profits to Ordinary Income Ratio
	Yen	*Yen*	*%*	*%*	*%*
Fiscal Year 2012	105.71	72.52	14.5	0.7	34.3
Fiscal Year 2011	96.56	68.36	15.8	0.6	32.3

(Reference) Equity in earnings of investments in affiliates: FY 2012: 174 million yen FY 2011: 191 million yen

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Net Assets Attributable to Stockholders to Total Assets Ratio	Net Assets per Share of Common Stock
	Million yen	*Million yen*	*%*	*Yen*
March 31, 2013	43,110,629	2,189,304	4.8	490.48
March 31, 2012	43,199,830	1,843,329	4.0	354.35

(Reference) Net Assets Attributable to Stockholders: March 31, 2013: 2,063,232 million yen March 31, 2012: 1,733,439 million yen
Note: "Net Assets Attributable to Stockholders to Total Assets Ratio" is (Net assets at year-end minus Stock option at year-end minus Minority interests at year-end) divided by Total assets at year-end.

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at Fiscal Year-end
	Million yen	*Million yen*	*Million yen*	*Million yen*
Fiscal Year 2012	(538,550)	1,380,828	(195,760)	3,236,761
Fiscal Year 2011	1,155,398	(1,306,760)	59,461	2,590,131

2. Dividends on Common Stock

	Dividends per Share					Total Dividends (Annual)	Dividend Payout Ratio (Consolidated)	Dividends to Net Assets Ratio (Consolidated)
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	Fiscal Year-end	Total			
	Yen	*Yen*	*Yen*	*Yen*	*Yen*	*Million yen*	*%*	*%*
Fiscal Year 2011	-	0.00	-	12.00	12.00	29,409	12.4	4.0
Fiscal Year 2012	-	0.00	-	12.00	12.00	29,409	11.4	2.8
Fiscal Year 2013 (Forecast)	-	0.00	-	15.00	15.00		28.5	

Note1: The figure above shows dividends on common stock. Please refer to following "Dividends on Classified Stock" with regard to the details of dividends on classified stock (unlisted) whose legal rights differ from common stock

Note2: With regard to the details of dividends for Fiscal Year 2013 (Forecast), please refer to the note concerning dividends for fiscal Year 2013 (Forecast).

3. Earnings Forecasts for Fiscal Year 2013 (April 1, 2013 - March 31, 2014)

(% represents the change from the same period in the previous fiscal year)

	Ordinary Profits		Net Income		Net Income per Share of Common Stock
	Million yen	*%*	*Million yen*	*%*	*Yen*
1st Half of Fiscal Year 2013	110,000	(18.6)	70,000	(60.2)	28.65
Fiscal Year 2013 (Full year)	220,000	(22.8)	145,000	(47.3)	52.61

4. Other

(1) Changes in Significant Subsidiaries during the Fiscal Year: No

(2) Changes in Accounting Policies, Changes in Accounting Estimates and Restatement during the Fiscal Year

A) Changes due to revision of accounting standards: Yes
B) Changes due to other reasons: No
C) Changes in accounting estimates: Yes
D) Restatement: No

Note: This change corresponds to "Changes in accounting policies which are indistinguishable from changes in accounting estimates". Please refer to attachment "4. Consolidated Financial Statements (6) Significant Accounting Policies Applied in Preparing Consolidated Financial Statements"

(3) Number of Shares of Common Stock Outstanding

A) Total outstanding shares including treasury stock at the fiscal year-end
March 31, 2013: 2,514,957,691 shares March 31, 2012: 2,514,957,691 shares
B) Treasury stock at the fiscal year-end
March 31, 2013: 71,812,990 shares March 31, 2012: 64,185,059 shares
C) Average outstanding shares during the fiscal year
Fiscal Year 2012: 2,442,740,463 shares Fiscal Year 2011: 2,450,775,746 shares

Note: Treasury stock at the fiscal year-end included the stocks owned by ESOP-type Stock Benefit Trust for the Employee Shareholding Association.
Fiscal Year 2012: 7,618,400 shares

Summary of Non-Consolidated Financial Results
1. Non-Consolidated Financial Results for Fiscal Year 2012 (April 1, 2012 - March 31, 2013)

(1) Operating Results (% represents the change from the previous fiscal year)

	Operating Income		Operating Profits		Ordinary Profits	
	Million yen	*%*	*Million yen*	*%*	*Million yen*	*%*
Fiscal Year 2012	244,546	54.5	237,463	57.4	237,733	57.3
Fiscal Year 2011	158,322	404.5	150,877	479.0	151,117	546.3

	Net Income		Net Income per Share of Common Stock	Diluted Net Income per Share of Common Stock
	Million yen	*%*	*Yen*	*Yen*
Fiscal Year 2012	237,832	57.3	90.43	62.32
Fiscal Year 2011	151,165	476.4	54.74	39.54

(2) Financial Conditions

	Total Assets	Net Assets	Net Assets Attributable to Stockholders to Total Assets Ratio	Net Assets per Common Share
	Million yen	*Million yen*	*%*	*Yen*
March 31, 2013	1,519,857	1,212,102	79.8	142.10
March 31, 2012	1,350,339	1,023,423	75.8	64.64

(Reference) Net Assets Attributable to Stockholders: March 31, 2013: 1,212,102 million yen March 31, 2012: 1,023,423 million yen

2. Non- Consolidated Earnings Forecasts for Fiscal Year 2013 (April 1, 2013 - March 31, 2014)

(% represents the change from the same period in the previous fiscal year)

	Operating Income		Operating Profits		Ordinary Profits		Net Income		Net Income per Share of Common Stock
	Million yen	*%*	*Million yen*	*%*	*Million yen*	*%*	*Million yen*	*%*	*Yen*
1st Half of Fiscal Year 2013	128,000	5.0	125,000	5.5	125,000	5.2	125,000	5.2	51.16
Fiscal Year 2013 (Full year)	258,000	5.5	250,000	5.3	250,000	5.2	250,000	5.1	95.59

Note: Disclaimer regarding Audit status
Audit of the consolidated and non-consolidated financial results in accordance with Financial Instruments and Exchange Act (“FIEA”) is still in process at the time of disclosing this report.

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.

Please refer to attachment “1. Operating Results and Financial Condition (4) Risk factors” for important factors which may have an effect on actual financial results. Also, please refer to attachment “1. Operating Results and Financial Condition (1) Operating Results” for the assumptions used for the Earnings Forecasts.

Note: How to get supplemental information for the financial results
Supplemental information for the financial results is disclosed through TD net. Investor relations meeting for institutional investor or analyst is scheduled on May 17, 2013. Materials for the meeting will be available on the web site after the meeting.

○ **Dividends for Fiscal Year 2013 (Forecast)**

(Note concerning the forecast of dividends for the fiscal year ending March 31, 2014)

In the past, Resona Holdings have allotted annual dividends of twelve yen (per share) per year to ordinary shares. When the new “Public Funds Full Repayment Plan” (refer to the “On Formulation of the ‘Public Funds Full Repayment Plan’” separately disclosed) was formulated on May 10, 2013, in terms of further enhancing the redemption to shareholders, Resona Holdings forecast, that the dividend for the fiscal year ending March 31, 2014 would be fifteen yen (per share) per year. This dividend increase is subject to the approval of the relevant proposals at the annual shareholders’ meeting scheduled to be held on June 21, 2013 and others (specifically, (a) the approval of the proposal as originally proposed regarding the partial amendment to the articles of incorporation regarding the Plan (as stated in the “Announcement Regarding the Partial Amendment to the Articles of Incorporation Regarding the ‘Public Funds Full Repayment Plan’” separately disclosed), and the proposals regarding the capitalization of the retained earnings, and the reduction in the amount of capital stock and the capital reserve (as stated in the “Announcement Regarding the Capitalization of Retained Earnings (Other Retained Earnings) and the Reduction of the Amount of Capital Stock and Capital Reserve” separately disclosed) at the Annual Shareholders’ Meeting, and (b) the approval of the proposal as originally proposed regarding the partial amendment of the articles of incorporation at each of the class meetings of the Ordinary Shareholders, Class C Preferred Shareholders, Class F Preferred Shareholders, Class Three Preferred Shareholders, Class Four Preferred Shareholders, Class Five Preferred Shareholders and Class Six Preferred Shareholders. Therefore, if these conditions are not satisfied, the dividend forecast for the fiscal year ending March 31, 2014 will be twelve yen (per share) per year.

○ **Dividends on Classified Stock**

Dividends per share on classified stock whose legal rights differ from common stock are as follows:

		Dividends per Share				
		1st Quarter-end	2nd Quarter-end	3rd Quarter-end	Fiscal Year-end	Total
		Yen	*Yen*	*Yen*	*Yen*	*Yen*
Class C No.1 Preferred Stock	FY 2011	-	0.00	-	68.00	68.00
	FY 2012	-	0.00	-	68.00	68.00
	FY 2013 (Forecast)	-	0.00	-	68.00	68.00
Class F No.1 Preferred Stock	FY 2011	-	0.00	-	185.00	185.00
	FY 2012	-	0.00	-	185.00	185.00
	FY 2013 (Forecast)	-	0.00	-	185.00	185.00
Class Three No.1 Preferred Stock	FY 2011	-	0.00	-	21.38	21.38
	FY 2012	-	0.00	-	21.04	21.04
	FY 2013 (Forecast)	-	0.00	-	19.02	19.02
Class Four Preferred Stock	FY 2011	-	0.00	-	992.50	992.50
	FY 2012	-	0.00	-	992.50	992.50
	FY 2013 (Forecast)	-	0.00	-	992.50	992.50
Class Five Preferred Stock	FY 2011	-	0.00	-	918.75	918.75
	FY 2012	-	0.00	-	918.75	918.75
	FY 2013 (Forecast)	-	0.00	-	918.75	918.75
Class Six Preferred Stock	FY 2011	-	0.00	-	1,237.50	1,237.50
	FY 2012	-	0.00	-	1,237.50	1,237.50
	FY 2013 (Forecast)	-	0.00	-	1,237.50	1,237.50

(Reference)

Formula for Forecasted Net Income per Share of Common Stock

$$\frac{\text{Forecasted net income – Forecasted total dividend for preferred stock}}{\text{Forecasted average number of shares of common stock (excluding treasury stock)}}$$

* Forecasted average number of shares of common stock (excluding treasury stock): 2,443,144,701 shares

* Forecasted total dividend for preferred stock: 2nd Quarter: - million yen Full year: 16,464 million yen

Contents of Attachment

1. Operating Results and Financial Conditions

(1) Operating Results

Ordinary profits and net income for the fiscal year 2012 were ¥ 285.1 billion and ¥ 275.1 billion, respectively.

Consolidated gross operating profit decreased by ¥ 18.0 billion from the previous fiscal year to ¥ 637.1 billion due to a decrease in net interest income. General and administrative expenses increased by ¥ 0.7 billion to ¥ 361.6 billion. However, income before income taxes and minority interests increased by ¥ 11.0 billion to ¥ 284.3 billion because total credit costs was improved by ¥ 26.8 billion to ¥ 13.0 billion of gain on reversal. On the other hand, income taxes decreased by ¥ 10.4 billion from the previous fiscal year to ¥ 9.2 billion mainly due to a change of classification relating to the deferred tax accounting. As a result, consolidated net income increased by ¥ 21.4 billion from the previous fiscal year to ¥ 275.1 billion.

Total actual net operating profit of three group banks (Resona Bank, Ltd., Saitama Resona Bank, Ltd. and The Kinki Osaka Bank, Ltd.) decreased by ¥ 13.7 billion from the previous fiscal year to ¥ 246.0 billion, but total credit costs of the three group banks was improved by ¥ 25.9 billion to ¥ 21.4 billion of gain on reversal. As a result, total income before income taxes and minority interests of the three group banks increased by ¥ 11.0 billion from the previous fiscal year to ¥ 253.7 billion and total net income after income taxes of the three group banks increased by ¥ 12.4 billion from the previous fiscal year to ¥ 251.9 billion.

As for operating results of Resona Holdings, Inc. ("the Company") on a non-consolidated basis, operating income increased by ¥ 86.2 billion from the previous fiscal year to ¥ 244.5 billion due to increase in dividends from the three group banks, and ordinary profits and net income increased by ¥ 86.6 billion and ¥ 86.6 billion from the previous fiscal year to ¥ 237.7 billion and ¥ 237.8 billion, respectively.

(Earnings Forecasts for the Fiscal Year 2013)

As for earnings forecasts on a consolidated basis for the fiscal year 2013, ordinary profits and net income are expected to amount to ¥ 220.0 billion and ¥ 145.0 billion, respectively, which are mostly comprised of the three group banks' earnings. As for earnings forecasts of the three group banks, total actual net operating profit and total net income are expected to amount to ¥ 233.0 billion and ¥ 131.0 billion, respectively.

As for earnings forecasts of the Company on a non-consolidated basis, operating income, ordinary profits and net income are expected to amount to ¥ 258.0 billion, ¥ 250.0 billion and ¥ 250.0 billion, respectively.

(2) Financial Conditions

Total assets on a consolidated basis decreased by ¥ 89.2 billion from the previous fiscal year-end to ¥ 43,110.6 billion.

With regards to major items of assets, securities decreased by ¥ 1,154.2 billion from the previous fiscal year-end to ¥ 10,181.5 billion, but loans and bills discounted increased by ¥ 707.4 billion from the previous fiscal year-end to ¥ 26,490.1 billion. With regards to liabilities, deposits increased by ¥ 861.2 billion from the previous fiscal year-end to ¥ 35,384.8 billion.

Net assets increased by ¥ 345.9 billion from the previous fiscal year-end to ¥ 2,189.3 billion mainly due to net income for the fiscal year 2012.

Total trust assets decreased by ¥ 596.2 billion from the previous fiscal year-end to ¥ 23,377.3 billion.

With regards to cash flows on a consolidated basis, cash flows from operating activities was used by ¥ 538.5 billion mainly due to decrease in borrowed money and decrease in loans and bills discounted. Cash flows from investing activities was provided in ¥ 1,380.8 billion mainly due to proceeds from sales of securities. And cash flows from financing activities was used by ¥ 195.7 billion mainly due to repayment of subordinated bonds. As a result, cash and cash equivalents decreased by ¥ 646.6 billion from the beginning of the fiscal year 2012 to ¥ 3,236.7 billion.

(3) Basic Policy on Profit Distribution and Dividends for Fiscal Year 2012 and 2013

The Resona Group ("the Group") intends to pay stable dividends to stockholders, maintaining its basic policy of refraining outflows of profits and prioritizing accumulation of retained earnings while continuing the management reforms to enhance its corporate value with a view to realizing the repayment of public funds at an early date.

(4) Risk Factors

Operational and other risks faced by the Company and the Group that could materially affect the decisions of investors are set out as follows. The Company recognizes probability of these risks, takes necessary actions to prevent these risks from occurring, and responds appropriately when these risks do occur.

- Risk of an increase in credit cost
- Risk associated with market transactions
- Risks associated with fluctuations in foreign currency exchange rates
- Risk associated with holding securities
- Risk associated with funding and liquidity
- Risk associated with market turbulence
- Risk associated with business strategy

- Risk of worsening net assets attributable to stockholders to total assets ratio
- Matters related to public funds
- Risks associated with credit ratings
- Risks associated with deferred tax assets
- Risks associated with projected benefit obligation
- Risk associated with trust asset management
- Risk associated with processing errors or fraud by directors and employees
- Risk associated with systems failure
- Risk associated with leakage of information
- Risk associated with outsourcing
- Risk associated with financial crimes
- Risk associated with natural disasters
- Risk associated with violation of laws
- Risk associated with significant lawsuits
- Risk associated with failure of keeping human resources
- Risk associated with rumors and unfounded information
- Risk associated with holding company system
- Risk associated with changes in regulations
- Risk associated with effectiveness of risk management policies and procedures
- Assessment concerning internal control over financial reporting

The risk factors were disclosed in the latest Annual Securities Report. Details of the above risk factors will be disclosed in 12th Annual Securities Report for the fiscal year 2012.

2. Information on Resona Group

Overview of the Group is omitted because there have been no significant change from “the Group organization chart” and “Information of the affiliates” included in the latest Annual Securities Report submitted on June 27th 2012.

Asahi Finance (Cayman) Ltd was liquidated on November 26, 2012.

3. Management Policy

(1) Principle Management Policy

The Group, based on the CORPORATE MISSION stated below, will make the utmost efforts to become a financial group which is trusted by regional societies and appreciated by stockholders and the market. The Group will continue to implement reforms for further progression and work to maximize its corporate value.

[CORPORATE MISSION]

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

- Live up to customers’ expectations,
- Renovate its organization,
- Implement transparent management, and
- Develop further with regional societies

(2) Management Targets

Quantitative targets in aggregate for the three group banks for the fiscal year 2015 are as follows:

	Quantitative targets
Actual net operating profit	253.0 billion yen
Income before income taxes	215.0 billion yen
Net income	140.0 billion yen
OHR	56.97%
ROE	15.79%

Notes

1. OHR = (Expenses) / (Operating income before disposal of problem loans in the trust account)
2. ROE

$$= \frac{\text{(Net operating profit before general reserve for possible loan losses and disposal of problem loans in the trust account)}}{\text{(Net assets - Stock option) <Average balance>}}$$

3. Above quantitative targets are stated in “Business Revitalization Plan” announced in November 2012.

(3) Medium-to Long-Term Management Strategy

The Group takes seriously obligations as a recipient of substantial public funding for capital reinforcement and has accomplished its business revitalization by carrying out Resona reforms. In addition, the Group aims for evolution from a traditional bank to a financial service company and has implemented various operational reforms towards a customer-centric management.

On the other hand, the business environment surrounding the domestic finance becomes more uncertainty with acceleration of globalization, declining birthrate and aging population, change of fund circulation structure and continuous deflation. In order to reinforce its response to those business environmental changes, the Group announced the new "Business Revitalization Plan for the Period ending March 2016" in November 2012.

The Group realizes a "True retail bank" highly trusted by its customers and the local community by maintaining Resona's current basic policy of reform and enhancing appropriate response to the business environmental changes, and aims at establishing a position as the front-runner of domestic retail bank.

The Group maintains "ACL of Management Reforms" which consisted of A: Exerting the comprehensive capabilities of "All Resona" banking group, C: Fully promoting "Cross-selling activities," and L: Promoting "Low-cost operations," while developing two basic strategies ("Business-domain selection and focus" and "Pursuit of a distinctive Resona style") as well as four priority measures ("Creating and deepening new business opportunities with an eye towards future change," "Strategic enhancement of customer contacts," "Further acceleration of low-cost operations," and "Continuing a robust financial base to support sustainable growth"). With these efforts, we will strive to "Maximizing the Group's corporate value" through "Creating value jointly with customers" and "Improving quality of service."

– "ACL" of Management Reform –

A：Exerting the comprehensive capabilities of "All Resona" banking group

In order to provide customers with truly useful "values," the Group will exert the comprehensive capabilities of the Group by organically combining all solution functions, products, services, human resources and so forth held by the Group.

C：Fully promoting "Cross-selling activities"

The Group will meet the customers' diverse needs through provision of Resona's solution functions, products, services and so forth while studying business activities and life scenes of customers with medium- to long-term relationships and trust, starting with customers' apparent and potential needs.

L：Promoting "Low-cost operations"

While placing emphasis on the customers' point of view and the improvement of convenience and safety for the customers, the Group will pursue further enhancement of competitiveness by continuing to seek more efficient and effective ways of operations.

(4) Key Issues

The Group recognizes the following items are key issues to be addressed to aim for a "True retail bank."

①Basic Strategy

The Group regards the various changes emerging from the domestic retail banking field as business opportunities and will continue to endeavor its two basic strategies ("Business-domain selection and focus" and "Pursuit of a distinctive Resona style").

1. Business-domain selection and focus

In order to improve profitability by allocating management resources efficiently and effectively, and to accomplish the "Maximizing the Group's corporate value," we will strive to establish competitive advantages through "Business-domain selection and focus" around the two axis of community and customer.

a. Focus on two large urban areas in the community axis

The two large urban areas (the Osaka-centered "Kansai area" and the "Tokyo metropolitan area" centered on Tokyo and Saitama) are the markets in which further growth is expected in the future. The Group intends to boost its presence by combining its abundant customer base, its densely placed and familiar branch office network, and close relationships, with its sophisticated solution capabilities.

b. Focus on retail banking in the customer axis

In continuing business deployment focusing on the customers of retail banking, we will provide "Life designing support business" to individual customers and "Business offering solutions to management challenges" to corporate customers. Furthermore, in order to meet the diverse needs of company owners and wealthy individual customers, we will provide sophisticated solution capabilities combining trust and real estate functions to the banking function as a commercial bank in the medium- to long-term perspectives.

2. Pursuit of a distinctive Resona style

"Resona style" is a basis to support reforms and improvement of competitiveness so that the Group can achieve evolution to a financial service company free from the traditional common practices and customs of the banking industry. The Group will strive to become a "True retail bank" while working consistently on its themes of

"Creating a new corporate culture," "Focusing on individuals" and "Endeavoring to become Japan's most trusted company" toward the establishment of Resona style and evolution.

② Priority Measures

In pursuit of realization of sustainable growth under an uncertain business environment, we, as a Group, will undertake all-out efforts to implement the four priority measures.

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

To secure its competitive advantages in the domestic retail banking field and achieve future growth under the uncertain circumstances over sales, the Group will endeavor to aggressively develop new business opportunities caused by various "Change", and will expand and deepen its sales activities by using both the close relationships with customers and sophisticated solutions as the key drivers and deepening customer needs more sensitively.

2. Strategic enhancement of customer contacts

The Group, which core business is community-based indirect finance, recognizes that establishment of competitive advantage over customer contacts is an important factor for future continuous growth. Amid the changes observed in customers' financial behaviors and transaction styles due to various changes in the business environment, the Group has now returned to the starting point to review and strategically enhance the customer contact points from various point of view including "area," "marketing," "human resources," "channels," and so on.

Through these efforts in operational reforms, the Group aims to become a financial service company most trusted by customers in the four leading fields ("Solution-related business," "Lending business," "Succession and inheritance planning business," and "CAM (Customer Asset Management) business" where the Group strategically concentrates the management resources.

Moreover, as the Group's operational structure is based on "Regional management," each region pursues the optimum combination of those four leading fields in response to respective regional characteristics and customer needs (a retail best mix according to the regional characteristics and changes in the market),

3. Further acceleration of low-cost operations

The Group aims further accelerating quality of services and low-cost operations by extending its know-how on operational reforms accumulated in the field of deposits to the loan and housing loan businesses. Also, from the perspectives of selection and focus of management resources, the Group, as a financial service company, will enhance its comprehensive capabilities through effective alliances and other ways in response to customers' diverse and sophisticated needs.

4. Continuing a robust financial base to support sustainable growth

The Group recognizes that establishment of a robust financial base is indispensable to achieve a sustainable growth. Based on this understanding, the Group will continue to maintain and reinforce its financial base that generates stable profits from sound assets through small lots of loans, stable deposit funding and market operations controlling risks.

Furthermore, the Group will accumulate stable surpluses by earning profits steadily to secure both improvement of the financial basis for future growth and early repayment of public funds.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	March 31, 2012	March 31, 2013
Assets		
Cash and due from banks	¥ 2,707,761	¥ 3,386,146
Call loans and bills bought	246,323	183,822
Monetary claims bought	439,726	376,537
Trading assets	696,538	787,139
Money held in trust	—	200
Securities	11,335,875	10,181,599
Loans and bills discounted	25,782,695	26,490,121
Foreign exchange assets	76,340	67,782
Other assets	1,158,028	876,023
Tangible fixed assets	307,088	307,328
Buildings	103,271	103,360
Land	190,081	189,692
Leased assets	1,504	2,985
Construction in progress	1,146	1,132
Other tangible fixed assets	11,084	10,157
Intangible fixed assets	51,860	43,498
Software	10,844	8,863
Leased assets	35,647	29,342
Other intangible fixed assets	5,368	5,291
Deferred tax assets	169,357	176,269
Customers' liabilities for acceptances and guarantees	608,435	539,855
Reserve for possible loan losses	(379,863)	(305,532)
Reserve for possible losses on investments	(338)	(161)
Total Assets	43,199,830	43,110,629
Liabilities and Net Assets		
Liabilities		
Deposits	34,523,604	35,384,871
Negotiable certificates of deposit	1,337,560	1,301,400
Call money and bills sold	408,527	250,602
Payables under repurchase agreements	11,998	38,992
Payables under securities lending transactions	345,063	—
Trading liabilities	273,269	346,073
Borrowed money	1,512,904	671,869
Foreign exchange liabilities	2,051	1,463
Bonds	797,076	716,429
Due to trust account	354,818	448,793
Other liabilities	1,089,568	1,126,413
Reserve for employees' bonuses	13,943	18,182
Reserve for employees' retirement benefits	12,481	12,940
Other reserves	41,358	39,504
Deferred tax liabilities	125	240
Deferred tax liabilities for land revaluation	23,713	23,690
Acceptances and guarantees	608,435	539,855
Total Liabilities	41,356,500	40,921,325
Net Assets		
Capital stock	340,472	340,472
Capital surplus	237,082	237,082
Retained earnings	1,086,691	1,315,470
Treasury stock	(86,849)	(89,596)
Total stockholders' equity	1,577,397	1,803,428
Net unrealized gains on available-for-sale securities	92,243	186,573
Net deferred gains on hedges	27,124	36,319
Revaluation reserve for land	41,303	41,260
Foreign currency translation adjustments	(4,629)	(4,350)
Total accumulated other comprehensive income	156,042	259,803
Minority interests in consolidated subsidiaries	109,890	126,072
Total Net Assets	1,843,329	2,189,304
Total Liabilities and Net Assets	¥ 43,199,830	¥ 43,110,629

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

[Consolidated Statement of Income]

(Millions of yen)

	For the fiscal year ended March 31, 2012	For the fiscal year ended March 31, 2013
Ordinary income	¥ 850,350	¥ 832,183
Interest income	520,239	491,990
Interest on loans and bills discounted	441,565	417,779
Interest and dividends on securities	59,402	55,805
Interest on call loans and bills bought	863	568
Interest on receivables under securities borrowing transactions	2	27
Interest on due from banks	2,536	1,855
Other interest income	15,867	15,952
Trust fees	23,497	21,639
Fees and commissions	171,696	181,932
Trading income	11,558	3,542
Other operating income	52,212	53,466
Other ordinary income	71,147	79,611
Reversal of reserve for possible loan losses	9,573	39,214
Recoveries of written-off loans	31,243	12,508
Other	30,330	27,888
Ordinary expenses	575,478	547,049
Interest expenses	56,257	48,920
Interest on deposits	29,841	23,866
Interest on negotiable certificates of deposit	1,886	1,572
Interest on call money and bills sold	205	629
Interest on payables under repurchase agreements	37	38
Interest on payables under securities lending transactions	167	190
Interest on borrowed money	2,897	2,725
Interest on bonds	19,127	18,227
Other interest expenses	2,095	1,670
Fees and commissions	52,010	52,944
Trading expenses	—	1,357
Other operating expenses	15,709	12,185
General and administrative expenses	360,914	361,645
Other ordinary expenses	90,585	69,995
Other	90,585	69,995
Ordinary profits	274,872	285,133
Extraordinary gains	2,069	1,132
Gains on disposal of fixed assets	2,069	1,132
Extraordinary losses	3,645	1,917
Losses on disposal of fixed assets	1,039	1,237
Impairment losses on fixed assets	2,606	679
Net income before income taxes and minority interests	273,297	284,348
Income taxes – current	12,522	47,627
Income taxes – deferred	2,593	(43,732)
Total income taxes	15,116	3,895
Net income before minority interests	258,180	280,453
Minority interests in net income	4,518	5,312
Net income	¥ 253,662	¥ 275,141

[Consolidated Statement of Comprehensive Income]

(Millions of yen)

	For the fiscal year ended March 31, 2012	For the fiscal year ended March 31, 2013
Net income before minority interests	¥ 258,180	¥ 280,453
Other comprehensive income	42,703	118,149
Net unrealized gains (losses) on available-for-sale securities	30,463	94,361
Net deferred gains (losses) on hedges	10,772	9,194
Revaluation reserve for land	3,366	—
Foreign currency translation adjustments	(1,872)	14,597
Share of other comprehensive income of affiliates accounted for using the equity method	(26)	(3)
Total comprehensive income	¥ 300,884	¥ 398,602
Comprehensive income attributable to:		
Owners of the parent	¥ 298,056	¥ 378,945
Minority interests	¥ 2,827	¥ 19,657

(3) Consolidated Statement of Changes in Net Assets *(Millions of yen)*

	For the fiscal year ended March 31, 2012	For the fiscal year ended March 31, 2013
Stockholders' equity		
Capital stock		
Balance at the beginning of the fiscal year	¥ 340,472	¥ 340,472
Changes during the fiscal year		
Total changes during the fiscal year	—	—
Balance at the end of the fiscal year	340,472	340,472
Capital surplus		
Balance at the beginning of the fiscal year	237,082	237,082
Changes during the fiscal year		
Disposal of treasury stock	(0)	(0)
Transfer from retained earnings to capital surplus	0	0
Total changes during the fiscal year	—	—
Balance at the end of the fiscal year	237,082	237,082
Retained earnings		
Balance at the beginning of the fiscal year	879,381	1,086,691
Changes during the fiscal year		
Dividends paid	(46,894)	(46,404)
Net income	253,662	275,141
Reversal of revaluation reserve for land	542	42
Transfer from retained earnings to capital surplus	(0)	(0)
Total changes during the fiscal year	207,309	228,778
Balance at the end of the fiscal year	1,086,691	1,315,470
Treasury stock		
Balance at the beginning of the fiscal year	(86,847)	(86,849)
Changes during the fiscal year		
Purchase of treasury stock	(2)	(3,449)
Disposal of treasury stock	0	701
Total changes during the fiscal year	(1)	(2,747)
Balance at the end of the fiscal year	(86,849)	(89,596)
Total stockholders' equity		
Balance at the beginning of the fiscal year	1,370,089	1,577,397
Changes during the fiscal year		
Dividends paid	(46,894)	(46,404)
Net income	253,662	275,141
Purchase of treasury stock	(2)	(3,449)
Disposal of treasury stock	0	701
Reversal of revaluation reserve for land	542	42
Total changes during the fiscal year	207,307	226,031
Balance at the end of the fiscal year	¥ 1,577,397	¥ 1,803,428

(3) Consolidated Statement of Changes in Net Assets (Continued)

(Millions of yen)	For the fiscal year ended March 31, 2012	For the fiscal year ended March 31, 2013
Accumulated other comprehensive income		
Net unrealized gains on available-for-sale securities		
Balance at the beginning of the fiscal year	¥ 61,826	¥ 92,243
Changes during the fiscal year		
Net changes except for stockholders' equity during the fiscal year	30,416	94,330
Total changes during the fiscal year	30,416	94,330
Balance at the end of the fiscal year	92,243	186,573
Net deferred gains on hedges		
Balance at the beginning of the fiscal year	16,352	27,124
Changes during the fiscal year		
Net changes except for stockholders' equity during the fiscal year	10,772	9,194
Total changes during the fiscal year	10,772	9,194
Balance at the end of the fiscal year	27,124	36,319
Revaluation reserve for land		
Balance at the beginning of the fiscal year	38,479	41,303
Changes during the fiscal year		
Net changes except for stockholders' equity during the fiscal year	2,824	(42)
Total changes during the fiscal year	2,824	(42)
Balance at the end of the fiscal year	41,303	41,260
Foreign currency translation adjustments		
Balance at the beginning of the fiscal year	(4,468)	(4,629)
Changes during the fiscal year		
Net changes except for stockholders' equity during the fiscal year	(161)	279
Total changes during the fiscal year	(161)	279
Balance at the end of the fiscal year	(4,629)	(4,350)
Total		
Balance at the beginning of the fiscal year	112,190	156,042
Changes during the fiscal year		
Net changes except for stockholders' equity during the fiscal year	43,851	103,761
Total changes during the fiscal year	43,851	103,761
Balance at the end of the fiscal year	156,042	259,803
Minority interests in consolidated subsidiaries		
Balance at the beginning of the fiscal year	110,273	109,890
Changes during the fiscal year		
Net changes except for stockholders' equity during the fiscal year	(383)	16,181
Total changes during the fiscal year	(383)	16,181
Balance at the end of the fiscal year	109,890	126,072
Total net assets		
Balance at the beginning of the fiscal year	1,592,553	1,843,329
Changes during the fiscal year		
Dividends paid	(46,894)	(46,404)
Net income	253,662	275,141
Purchase of treasury stock	(2)	(3,449)
Disposal of treasury stock	0	701
Reversal of revaluation reserve for land	542	42
Net changes except for stockholders' equity during the fiscal year	43,468	119,943
Total changes during the fiscal year	250,776	345,974
Balance at the end of the fiscal year	¥ 1,843,329	¥ 2,189,304

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2012	For the fiscal year ended March 31, 2013
Cash flows from operating activities		
Income before income taxes and minority interests	¥ 273,297	¥ 284,348
Adjustment for:		
Depreciation and amortization	27,743	28,402
Impairment losses on fixed assets	2,606	679
Equity in earnings of investments in affiliates	(191)	(174)
Increase/(decrease) in reserve for possible loan losses	(44,755)	(74,330)
Increase/(decrease) in reserve for possible losses on investments	(800)	(177)
Increase/(decrease) in reserve for employees' bonuses	(660)	4,239
Increase/(decrease) in reserve for employees' retirement benefits	889	459
Interest income (accrual basis)	(520,239)	(491,990)
Interest expenses (accrual basis)	56,257	48,920
Net (gains)/losses on securities	(23,024)	(15,525)
Net foreign exchange (gains)/losses	(54,714)	30,677
Net (gains)/losses on disposal of fixed assets	(1,030)	105
Net (increase)/decrease in trading assets	(59,029)	(90,600)
Net increase/(decrease) in trading liabilities	28,987	72,803
Net (increase)/decrease in loans and bills discounted	70,326	(707,426)
Net increase/(decrease) in deposits	343,657	861,267
Net increase/(decrease) in negotiable certificates of deposit	(87,050)	(36,160)
Net increase/(decrease) in borrowed money (excluding subordinated borrowed money)	(177,909)	(839,034)
Net (increase)/decrease in due from banks (excluding those deposited at Bank of Japan)	228,113	(31,755)
Net (increase)/decrease in call loans and other	98,095	125,689
Net increase/(decrease) in call money and other	(363)	(130,929)
Net increase /(decrease) in payables under securities lending transactions	345,063	(345,063)
Net (increase)/decrease in foreign exchange assets	(12,868)	8,558
Net increase/(decrease) in foreign exchange liabilities	295	(587)
Net increase/(decrease) in straight bonds	8,954	52,820
Net increase/(decrease) in due to trust account	(21,048)	93,975
Interest receipts (cash basis)	520,729	498,915
Interest payments (cash basis)	(63,117)	(60,077)
Other, net	251,813	204,307
Subtotal	1,190,025	(507,661)
Income taxes paid or tax refund	(34,627)	(30,889)
Net cash provided by/(used in) operating activities	¥ 1,155,398	¥ (538,550)

(4) Consolidated Statement of Cash Flows (Continued) *(Millions of yen)*

	For the fiscal year ended March 31, 2012	For the fiscal year ended March 31, 2013
Cash flows from investing activities		
Purchases of securities	¥ (41,237,703)	¥ (27,930,944)
Proceeds from sales of securities	36,553,559	25,644,024
Proceeds from redemption of securities	3,385,689	3,678,248
(Increase)/decrease in money held in trust	―	(200)
Purchases of tangible fixed assets	(9,283)	(9,324)
Proceeds from sales of tangible fixed assets	5,873	1,906
Purchases of intangible fixed assets	(4,546)	(2,677)
Proceeds from disposal of intangible fixed assets	―	29
Other, net	(348)	(233)
Net cash provided by/(used in) investing activities	(1,306,760)	1,380,828
Cash flows from financing activities		
Repayment of subordinated borrowed money	(10,000)	(2,000)
Proceeds from issuance of subordinated bonds	210,876	44,756
Repayment of subordinated bonds	(94,096)	(189,005)
Dividends paid	(46,894)	(46,404)
Dividends paid to minority stockholders of consolidated subsidiaries	(421)	(328)
Purchases of treasury stock	(2)	(3,449)
Proceeds from sales of treasury stock	0	670
Net cash provided by/(used in) financing activities	59,461	(195,760)
Effect of exchange rate changes on cash and cash equivalents	(7)	112
Net increase/(decrease) in cash and cash equivalents	(91,907)	646,629
Cash and cash equivalents at the beginning of the fiscal year	2,682,038	2,590,131
Cash and cash equivalents at the end of the fiscal year	¥ 2,590,131	¥ 3,236,761

(5) Note on Going-Concern Assumption

Not applicable

(6) Significant Accounting Policies Applied in Preparing Consolidated Financial Statements

1. Scope of Consolidation

(1) Number of Consolidated Subsidiaries: 15
Names of principal companies: Resona Bank, Ltd.
Saitama Resona Bank, Ltd.
The Kinki Osaka Bank, Ltd.

Asahi Finance (Cayman)., Ltd. completed the 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 retained earnings (based on the owned interest), accumulated other comprehensive income (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) Number of Non-consolidated Subsidiaries accounted for by the Equity Method: None

(2) Number of Affiliates accounted for by the Equity Method: 1 company
Name of the company: Japan Trustee Services Bank, Ltd.

(3) Non-consolidated Subsidiaries not accounted for by the Equity Method
Name of principal company: Asahi Servicos e Representacoes Ltda.

(4) Affiliates not accounted for by the Equity Method
Name of principal company: Arise Capital Partners, Inc.

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), retained earnings (based on the owned interest), accumulated other comprehensive income (based on owned interest), etc. and accordingly, the equity method is not applied to them.

(5) Entities not recognized as Affiliates which the Company owns from 20% to 50% of the Voting Rights
Name of entity: 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: 3 companies
End of March: 12 companies

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

4. Accounting Policies

(1) Trading assets/trading liabilities and trading income/trading expenses

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

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

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

(2) Securities

Held-to-maturity debt securities are stated at amortized cost determined by the moving average method (the amortization/accumulation is calculated by the straight-line method).

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

Available-for-sale equity securities are stated at fair value based on the average quoted market prices in the last month of the fiscal year. Other marketable available-for-sale securities are stated at their respective market value and the cost of these securities sold is determined by the moving average method. Non-marketable available-for-sale securities whose fair value cannot be readily determined are stated at cost determined by the moving-average method.

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

(3) Derivative transactions

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

(4) Depreciation for fixed assets

(i) Tangible fixed assets (except for leased assets)
Depreciation of tangible fixed assets is mainly computed by the straight-line method for buildings and by the declining-balance method for equipment over the estimated useful lives. The estimated useful lives of major tangible fixed assets are as follows:
- Buildings: 2 ~ 50 years
- Equipment: 2 ~ 20 years

(Changes in accounting policies which are indistinguishable from changes in accounting estimates)
The Company and consolidated subsidiaries have changed the method of depreciation for the tangible fixed assets acquired on or after April 1, 2012 in conformity with the revision made to the Income Tax Act. The impact of this change is immaterial.

(ii) Intangible fixed assets (except for leased assets)
Amortization of intangible fixed assets is computed by the straight-line method. Software for internal use is amortized over the estimated useful lives (mainly 5 years) determined by the Company and its consolidated subsidiaries.

(iii) Leased assets
Finance leases other than those which are deemed to transfer the ownership of the leased assets to the lessee are depreciated by a straight-line method over the lease term. Residual value of those leased assets is zero unless any guaranteed amount is prescribed in the lease agreement.

Depreciation of leased assets deemed to transfer ownership to the lessee is computed by the same method used for owned assets.

(5) Deferred charges

Bond issuance costs are charged to expense as incurred.

(6) Reserve for possible loan losses

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

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

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

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

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

The operating divisions initially assess all claims based on the internal standards for self-assessment of asset quality. The Internal Audit Division, which is independent from the operating divisions, examines their assessments.

For collateralized or guaranteed claims, etc. to borrowers under bankruptcy proceedings and borrowers substantially in bankruptcy, uncollectible amount (i.e., the carrying value less the amounts collectible from the disposal of collateral and execution of guarantees) are directly written-off. Such uncollectible amount is determined considering a valuation of the collateral and guarantees and is ¥347,767 million.

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

(7) Reserve for possible losses on investments

Reserve for possible losses on investments is provided for possible losses on investments in securities based on assessment of the issuers' financial condition and other factors.

(8) Reserve for employees' bonuses

The reserve for employees' bonuses is provided for the payment of performance incentive bonuses to be paid to employees at an estimated amount accrued as of the consolidated balance sheet date.

(9) Reserve for employees' retirement benefits

The reserve for employees' retirement benefits is provided for the payment of retirement benefits to employees in the amount deemed necessary based on the projected benefit obligation and the fair value of plan assets as of the consolidated balance sheet dates.

Prior service cost is charged to expense as it is incurred.

Unrecognized actuarial gains and losses are amortized from the next year after incurrence by the straight-line method over a period (ten years) defined within the average remaining service years of eligible employees.

(10) Other reserves

Other reserves are provided to cover future expenses and losses that can be reasonably estimated.
Major components are as follows:

(i) Reserve for losses on reimbursement of dormant deposits: ¥16,078 million
A reserve for losses on reimbursement of dormant deposits is provided for the estimated future losses resulting from reimbursements of dormant deposits subsequent to the period of derecognition of the related liabilities.

(ii) Reserve for losses on trust transactions: ¥11,233 million
A reserve for losses on trust transactions is provided for the estimated future losses on the trust transactions without the principal indemnification which certain consolidated domestic banking subsidiaries have been administrating and operating.

(iii) Reserve for losses on burden charge under the credit guarantee system: ¥5,882 million
A reserve for losses on burden charge under the credit guarantee system is provided for the estimated future losses to be charged by the credit guarantee corporation under the burden sharing system for credit losses on loans.

(iv) Reserve for Resona Club points: ¥3,528 million
A reserve for Resona Club points is provided for the estimated future losses by usage of the points awarded to the Resona Club members.

(v) Reserve for losses on off-balance sheet transactions: ¥1,200 million
A reserve for losses on off-balance sheet transactions is provided for the estimated future losses from contingent events related to off-balance sheet transactions.

(vi) Reserve for losses on interest repayments: ¥832 million
A reserve for losses on interest repayments is provided for the future losses on interest repayment claims based on the historical experience for such repayments.

(11) Translation of Assets and liabilities denominated in foreign currencies into Japanese yen

Assets and liabilities denominated in foreign currencies of consolidated domestic banking subsidiaries, except for the investments in affiliates on which historical foreign exchange rates are used, are translated into Japanese yen, primarily at the exchange rates on the consolidated balance sheet dates.

Assets and liabilities denominated in foreign currencies of other consolidated subsidiaries are translated into Japanese yen at the exchange rates on the respective balance sheet dates.

(12) Lease transactions

Finance leases other than those which are deemed to transfer ownership of the leased assets to the lessee of the Company and consolidated domestic subsidiaries, which started before April 1, 2008, are accounted for by a similar method that applicable to operating lease.

(13) Hedge accounting

(i) Hedges of interest rate risk
Consolidated domestic banking subsidiaries apply the deferral hedge accounting to the hedge of interest rate risk associated with their financial assets and liabilities in accordance with the Japanese Institute of Certified Public Accountants (“JICPA”) Industry 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.

Net deferred gains or losses on hedges 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 “Provisional Accounting and Auditing 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, 2004 as interest income and expenses based on the remaining term and the notional amount of hedging instruments.

(ii) Hedges of foreign currency risk
Certain consolidated domestic banking subsidiaries apply the deferral hedge accounting to hedge of the foreign currency risk associated with their financial assets and liabilities denominated in foreign currencies in accordance with JICPA Industry Audit Committee Report No. 25 “Accounting and Auditing Treatments for 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 receivables or payables denominated in foreign currencies.

In addition, in application of the deferral hedge accounting or the fair value hedge accounting to hedges of foreign exchange risk of securities denominated in foreign currencies 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 securities denominated in foreign currencies.

(iii) Transaction among consolidated subsidiaries
Because internal interest swaps, currency swaps, and other derivative 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 Reports 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 deferral hedge accounting, fair value hedge accounting and the special treatment of interest rate swaps.

(14) Cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in 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 sheets.

(15) Consumption taxes

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

(16) Consolidated corporate-tax system

The Company and certain consolidated domestic subsidiaries adopt consolidated corporate-tax system with the

Company being a parent company under the system.

(7) Additional Information

(Deferred Tax Accounting)
The Group, under the consolidated corporate-tax system with the Company being a parent company, has changed its classification relating to the realizability of deferred tax assets defined in the “Audit Guideline for Considering Realizability of Deferred Tax Assets” issued by JICPA (the “JICPA Audit Committee Report No. 66”) from “No.4 Provisory” to “No.2” in the applicable clause. The reasons of the change are 1) its tax loss carryforwards already expired, 2) they have been generating stable taxable income consecutively, and 3) it is highly likely for them to continue to generate stable taxable income according to the Business Revitalization Plan newly formulated on November 11, 2012. As a result of the change, the Group is allowed to recognize deferred tax assets as realizable based on the future projected taxable income longer than the next five years which was the period previously allowed for the Group.

(The ESOP-type Stock Benefit Trust for the Employee Shareholding Association)
The Company decided to introduce the ESOP-type Stock Benefit Trust for the Employee Shareholdings Association (“ESOP Trust”) on January 31, 2012 and completed the intended stock acquisitions by April 19, 2012.
The acquisition and disposal of shares by the ESOP Trust were accounted for as if the Company and the ESOP Trust were a single entity from a viewpoint of grasping the economic reality with accuracy since the Company guarantees the borrowing of the ESOP Trust. Therefore, the stocks of the Company owned by the ESOP Trust are treated as treasury stocks. In addition, assets and liabilities as well as income and expenses of the ESOP are all reflected in the consolidated financial statements.

(8) Notes to Consolidated Financial Statements

(Notes to Consolidated Balance Sheet)
March 31, 2013

1. Securities include equity investments in non-consolidated subsidiaries and affiliates of ¥ 19,349 million and capital subscriptions to entities of ¥ 2,385 million.

2. There is no stock lent under consumption agreements in “Securities.” There is no portion of unsecured borrowed securities, securities purchased under resale agreements and securities borrowed with cash collateral.

3. Loans to borrowers in legal bankruptcy amounted to ¥ 12,891 million, and past due loans amounted to ¥ 413,976 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 Act (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 ¥ 4,583 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” nor “past due loans.”

5. Restructured loans amounted to ¥ 300,169 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 ¥ 731,621 million in the aggregate. The amounts presented in above 3. to 6. are stated at the amounts 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, documentary bills and foreign currency bills bought, which were obtained at a discount, was ¥ 179,544 million.

8. Assets pledged as collateral were as follows:

   Assets pledged as collateral:

• Trading assets	¥ 38,985 million
• Securities	¥ 6,950,100 million
• Loans and bills discounted	¥ 258,188 million
• Other assets	¥ 3,951 million

   Debt collateralized:

• Deposits	¥ 128,620 million
• Payables under repurchase agreements	¥ 38,992 million
• Borrowed money	¥ 608,045 million

   Other than noted on the table, “Cash and due from banks”, “Securities” and “Other assets”, in the amount of ¥ 80 million, ¥ 741,870 million, and ¥ 608 million, respectively, were pledged as collateral for settlement of foreign exchange or futures transactions and others.

   “Other assets” include the initial margins for future transactions in the amount of ¥ 3,673 million, cash collateral paid for financial instruments in the amount of ¥ 71,426 million and guarantee deposits in the amount of ¥ 21,022 million.

9. Overdrafts agreements on current accounts and commitment line agreements for loans are agreements to extend loans up to the prearranged amount upon customers’ requests, unless any terms or conditions in the agreements are violated. Unused balances related to these agreements amounted to ¥ 8,058,661 million including ¥ 7,783,860 million of agreements with original terms of one year or less or those that are unconditionally cancellable by the Group at any time without penalty.
   The unused balances do not necessarily affect future cash flows of the consolidated subsidiaries because most of those agreements are expected to expire without being exercised. In addition, most agreements contain provisions, which stipulate that the consolidated subsidiaries may decline to extend loans or reduce the prearranged commitment amount when there are adverse changes in the financial conditions of the borrowers or for other reasons.

   When extending loans to customers, the Group may request collateral or guarantees such as real estate and securities if deemed necessary.

   After originating loans, the Group periodically checks the financial condition of the borrowers based on its internal rules and, if necessary, takes measures to ensure the security of the loans.

10. Certain domestic consolidated subsidiaries adopted a special one-time measure to revalue their land used in operations in accordance with the “Act Concerning Land Revaluation” (Act 34, announced on March 31, 1998). The land revaluation differences have been recorded in “revaluation reserve for land” as a separate component of net assets with the related income taxes included in “deferred tax liabilities for land revaluation.”

    Revaluation date: March 31, 1998

    The revaluation method as stated in Article 3, Item 3 of the Act Concerning Land Revaluation:

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

    The aggregate carrying value of the land after one-time revaluation exceeded its aggregate fair value that was determined in accordance with Article 10 of the Act by ¥ 31,887 million

11. Accumulated depreciation of tangible fixed assets: ¥ 214,084 million

12. Deferred profit on tangible fixed assets deducted for tax purposes: ¥ 51,612 million

13. Borrowed money includes subordinated borrowings of ¥ 37,000 million that are subordinated to other debt in repayment by special covenants.

14. Bonds include subordinated bonds or perpetual subordinated bonds of ¥ 601,053 million.

15. The principal amount of trust with the principal indemnification agreement which a consolidated domestic banking subsidiary as a trustee has been administrating and operating is ¥ 493,318 million.

16. Guarantees are provided on certain privately placed bonds, in accordance with Article 2, Item 3 of FIFA, included

in "Securities." The amount of the guarantees is ¥ 307,813 million.

17. In addition to the lease assets recognized in the consolidated balance sheets, certain computers are held under finance leases which do not transfer ownership of the leased assets to the lessees and are accounted for as operating lease.

18. Information related to the employees' retirement benefits as of the consolidated balance sheet date is as follows:

Projected benefit obligation	¥ (393,770)	million
Plan assets at fair value	383,910	
Plan assets in excess of projected benefit obligation	(9,860)	
Unrecognized actuarial gain (loss)	51,461	
Net retirement benefit obligation	¥ 41,600	
Prepaid pension cost	54,541	
Reserve for employees' retirement benefits	(12,940)	

(Notes to Consolidated Statement of Income)
For the fiscal year 2012

1. "Other ordinary income" includes gains on sales of stocks and other securities in the amount of ¥ 10,233 million.

2. "Other ordinary expenses" includes:

• Write-offs of loans	¥ 35,175 million
• Losses on sales of stocks and other securities	¥ 3,751 million
• Impairment losses on stocks and other securities	¥ 14,049 million

(Notes to Consolidated Statement of Comprehensive Income)
For the fiscal year 2012

1. Reclassification adjustment and tax effect of other comprehensive income

Net unrealized gains (losses) on available-for-sale securities		
Amount incurred during the fiscal year	¥ 148,055	million
Reclassification adjustment	(21,864)	
Prior to deducting tax effect	126,191	
Tax effect	(31,830)	
Net unrealized gains (losses) on available-for-sale securities	¥ 94,361	
Net deferred gains (losses) on hedges		
Amount incurred during the fiscal year	¥ 28,599	
Reclassification adjustment	(14,329)	
Prior to deducting tax effect	14,270	
Tax effect	(5,075)	
Net deferred gains (losses) on hedges	¥ 9,194	
Foreign currency translation adjustments		
Amount incurred during the fiscal year	¥ 14,597	
Reclassification adjustment	—	
Prior to deducting tax effect	14,597	
Tax effect	—	
Foreign currency translation adjustments	¥ 14,597	
Share of other comprehensive income of affiliates accounted for using equity method		
Amount incurred during the fiscal year	¥ (3)	
Total other comprehensive income	¥ 118,149	

(Notes to Consolidated Statement of Changes in Net Assets)
For the fiscal year 2012

1. The changes in the number and class of shares issued and treasury stock are as follows:

(Shares in thousand)

	Number of shares at the beginning of the fiscal year	During the fiscal year 2012		Number of shares at the end of the fiscal year	Remarks
		Number of shares increased	Number of shares decreased		
Issued stock					
Common stock	2,514,957	—	—	2,514,957	
Preferred stock					
Class C No.1 preferred stock	12,000	—	—	12,000	
Class F No.1 preferred stock	8,000	—	—	8,000	
Class Three No.1 preferred stock	225,000	—	—	225,000	
Class Four preferred stock	2,520	—	—	2,520	
Class Five preferred stock	4,000	—	—	4,000	
Class Six preferred stock	3,000	—	—	3,000	
Total	2,769,477	—	—	2,769,477	
Treasury stock					
Common stock	64,185	9,574	1,946	71,812	(*1)
Total	64,185	9,574	1,946	71,812	

Note: (*1) The increase represents 10 thousand shares of the odd-lot shares acquisition and 9,564 thousand shares of the acquisition by ESOP Trust.

The decrease represents the 0 thousand shares of odd-lot shares disposal and 1,945 thousand shares sold by ESOP Trust to Employee Shareholdings Association of the Company.

Number of shares at the end of the fiscal year includes 7,618 thousand shares of ESOP Trust owned common stock.

2. Detail of cash dividend

(1) Dividends paid in the fiscal year 2012

Resolution	Type of stock	Cash dividends	Dividend per share	Dividend record date	Effective date
		Millions of yen	*Yen*		
Board of directors' meeting on May 11, 2012	Common stock	¥ 29,409	¥ 12.00	March 31, 2012	June 6, 2012
	Preferred stock				
	Class C No.1 preferred stock	816	68.00		
	Class F No.1 preferred stock	1,480	185.00		
	Class Three No.1 preferred stock	4,810	21.38		
	Class Four preferred stock	2,501	992.50		
	Class Five preferred stock	3,675	918.75		
	Class Six preferred stock	¥ 3,712	¥ 1,237.50		

(2) Dividends with record dates before March 31, 2013 and effective dates after April 1, 2013

The following dividends are proposed to the board of directors meeting held on May 10, 2013.

Type of stock	Cash dividends	Dividend per share	Source of dividends	Dividend record date	Effective date
	Millions of yen	*Yen*			
Common stock	¥ 29,409	¥ 12.00	Retained earnings	March 31, 2013	June 5, 2013
Classified stock					
Class C No.1 preferred stock	816	68.00			
Class F No.1 preferred stock	1,480	185.00			
Class Three No.1 preferred stock	4,734	21,04			
Class Four preferred stock	2,501	992.50			
Class Five preferred stock	3,675	918.75			
Class Six preferred stock	¥ 3,712	¥ 1,237.50			

(Notes to Consolidated Statement of Cash Flows)
For the fiscal year 2012

The reconciliation between cash and cash equivalents in the consolidated statement of cash flows and cash and due from banks in the consolidated balance sheet is as follows:

Cash and due from banks	¥ 3,386,146	Million
Less:Due from except for The Bank of Japan	(149,384)	
Cash and cash equivalents	¥ 3,236,761	

(Financial Instruments)
For the fiscal year 2012

1. Conditions of financial instruments

(1) Policies and objectives for using financial instruments

As a financial service group comprising three commercial banks with consolidated assets of approximately ¥43 trillion, the Group aims to render useful financial services to customers and provides various financial instruments corresponding to the customer needs. In addition, the Group utilizes financial instruments for risk-taking and risk-control in order to improve its profitability and secure soundness of operations.

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

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

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

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

(2) Type of and risks associated with financial instruments

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

(ii) Type of and risks associated with securities
Securities, which each bank of the Group holds, are bonds, stocks, investment trusts, investment trusts in partnership and specified purpose funds. The Group holds them to promote business in addition to net investments and smooth cash flow operation. Japanese government bonds occupy 73% of securities as of the end of the fiscal year.

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

(iii) Type of and risks associated with derivative transactions
The Group utilizes derivative instruments such as interest rate-related products, currency-related products, stock-related products and bond-related products.

- Interest rate-related products: futures, future options, forward rate agreements, swaps, and options
- Currency-related products: forward exchange contracts, swaps and options
- Stock-related products: index futures, index options, and over-the-counter options
- Bond-related products: futures, future options, and over-the-counter options

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

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

(a) Customers' risk hedging needs

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

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

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

  Customers are given explanation in accurate and simplified terms instead of difficult technical terms. Customers are given cooperation to confirm completeness of the explanation and full understanding by using designated documents with check column.
- Customers' responsibility and capability to enter into a transaction
  Customers are ready to take responsibility for the products fully, and are capable and willing to enter into the transactions based on their own judgement.

  Customers are not engaged in transactions which are recognized as improper from the points of transaction amount, term, and level of risk of view, according to customers' knowledge, experience, assets, purpose of transaction, capacity to meet loss and internal management systems.
- Providing relevant fair value information
  Customers are provided with relevant fair value information (i.e., unrealized gains and losses on customers' positions) to assist them in evaluating the products and transactions, periodically or whenever considered necessary.

(b) Hedging risks of financial assets and liabilities

Each bank of the Group uses derivatives to manage interest rate and foreign currency risks associated with various financial assets and liabilities, such as loans and deposits.

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

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

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

(c) Trading activities

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

Risks associated with derivative transactions are credit risks and market risks.

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

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

(iv) Type of and risks associated with financial liabilities

Each bank of the Group raises funds through acceptance customer deposits, funding in the market and issuing bonds. Customer deposits comprise 86% of liabilities as of March 31, 2013. Liabilities are exposed to liquidity risk and may be difficult to fund based on the fluctuation of the financial economic environment.

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

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

(3) Risk management system related to financial instruments

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

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

(i) Credit risk management

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

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

(ii) Market risk management

(a) Market risk management system

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

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

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

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

(b) Quantitative information on market risk

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

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

(Trading)

The Group adopts a historical simulation method (holding period is 10 business days, confidence interval is 99%, observation period is 250 business days) in order to measure VaR associated with securities held for trading and derivative instruments.

The market risk exposure of the Group in the trading operation as of March 31, 2013 is ¥ 2,717 million.

(Banking)

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

The market risk exposure of the Group in the banking operation as of March 31, 2013 is ¥ 61,880 million.

(Securities held for the purpose of strategic investment)

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

The market risk exposure of the Group on the securities held for the purpose of strategic investment as of March 31, 2013 is ¥ 56,078 million.

(Verification system of VaR)

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

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

(iii) Liquidity risk management

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

Each bank of the Group establishes policies such as the “Liquidity Risk Management Policy” to manage liquidity risk appropriately and strictly in accordance with the Basic Policies for Risk Management. For cash flow management, each bank of the Group establishes liquidity risk phases (normal and 3 levels under emergency condition) and carries out corresponding actions at each phase determined in advance.

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

As for market liquidity risks in which each bank of the Group may suffer losses because it can not make transactions on market or is forced to make significantly unfavorable transactions due to market turmoil, each bank of the Group monitors conditions of the market liquidity risk on a regular basis.

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

The fair value of financial instruments includes, in addition to the value determined based on the market price, a value calculated on a reasonable basis if no market price is available. Certain assumptions are used for the calculation of such amount. Accordingly, the result of such calculation may vary if different assumptions are used.

Refer to following “(Note 1). Calculation method of fair value of financial instruments” for certain assumptions” on “2. Fair value of financial instruments” does not include transactions not recognized on consolidated balance sheet, such as an investment trust sold to a customer.

2. Fair value of financial instruments

Amount on consolidated balance sheet, fair value and difference between them as of March 31, 2013 were as follows. Non-marketable securities whose fair values cannot be reliably determined such as non-listed equity securities are not included in the next table. (Refer to Note 2.)

(Millions of yen)

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

	Contractual amounts	Fair values
Other		
Guarantee contract (*3)	¥ 539,855	¥ (12,722)

Notes:

(*1) Reserve for possible loan losses corresponding to loans and bills discounted are deducted. Specific reserve for possible loan losses corresponding to monetary claims bought and foreign exchange assets are excluded from the amount on consolidated balance sheet directly due to immateriality.

(*2) Derivative financial instruments included in trading assets/liabilities and other assets/liabilities are presented in total. Assets (positive amount) and liabilities (negative amount) arising from derivative transactions are presented on a net basis.

(*3) Contractual amount of guarantee contract is equal to acceptances and guarantees in the consolidated balance sheets.

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

Assets

(1) Cash and due from banks

For due from banks which have no maturity, since fair values of these items approximate carrying amounts, the Group deems the carrying amounts to be fair values. For due from banks which have maturity, since contractual terms of these items are short (i.e., within one year) and fair values of these items approximate carrying amount, the Group deems the carrying amounts to be fair value. Fair value of negotiable certificates of deposit is based on present value determined by discounting future cash flow.

(2) Call loans and bills bought

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

(3) Monetary claims bought

Fair values for deed of beneficiary certificate of loan trust are based on the values provided by third parties (brokers) or calculated by a similar method used for loans and bills discounted (refer to (6)).

(4) Trading assets

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

(5) Securities

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

(6) Loans and bills discounted

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

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

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

(7) Foreign exchange assets

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

Liabilities

(1) Deposits and (2) Negotiable certificates of deposit

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

(3) Call money and bills sold and (4) Payables under repurchase agreements

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

(5) Borrowed money

For fair values of borrowings with floating interest rates reflecting the market interest rates in a short-term period, the carrying amounts are presented as fair values as the fair values approximate such carrying amounts, because creditworthiness of the Company and its consolidated subsidiaries have not changed significantly since they made the borrowings. For fair values of borrowings with fixed interest rates, fair values are determined by discounting the principal and interest amount with the interest rate expected for similar borrowings. For fair values of borrowings by maturity within one year, the carrying amounts are presented as fair values as the fair values approximate such carrying amounts.

(6) Foreign exchange liabilities

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

(7) Bonds

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

(8) Due to trust account

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

Derivative transactions

Derivatives transactions are Interest rate-related products (future, options, swaps, etc), Currency-related products (forward exchange contracts, options and swaps, etc) and Bond-related products (future, future options, etc). Derivative transactions are measured at market price, the discounted value of their future cash flows or option pricing models.

Other

Guarantee contract

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

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

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

Financial instruments are not included in (5) Securities in (Note 1) Calculation method of fair values of financial instruments:

(Millions of yen)

Classification	Amount on consolidated balance sheet
Unlisted stocks (*1)(*2)	¥ 68,988
Investments in partnerships (*3)	17,527
Total	¥ 86,516

Notes:

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

(*2) For the fiscal year ended March 31, 2013, impairment losses of unlisted stocks was ¥ 756 million.

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

(Note 3) Maturity analysis for monetary claims and securities with contractual maturities

(Millions of yen)

	One year or less	One to three years	Three to five years	Five to seven years	Seven to ten years	Over ten years
Due from banks	¥ 2,940,460	¥ —	¥ —	¥ —	¥ —	¥ —
Call loans and bills bought	183,822	—	—	—	—	—
Monetary claims bought	251,086	220	—	—	—	125,459
Securities:						
Held-to-maturity debt securities	190,418	255,691	409,799	546,373	817,915	3,000
Japanese government bonds	165,000	177,000	323,300	486,300	667,900	3,000
Japanese local government bonds	24,224	75,236	84,954	60,061	150,015	—
Japanese corporate bonds	1,194	3,455	1,545	11	—	—
Available-for-sale securities	2,397,583	1,160,858	2,727,548	417,212	454,374	64,674
Japanese government bonds	2,187,830	750,200	2,121,000	200,400	349,000	34,000
Japanese local government bonds	11,281	20,139	78,224	45,330	59,648	—
Japanese corporate bonds	178,472	368,998	383,421	122,734	13,195	15,239
Loans and bills discounted (*)	6,859,012	4,250,911	3,011,202	1,952,767	2,229,933	8,047,000
Foreign exchange assets	67,782	—	—	—	—	—
Total	¥ 12,890,165	¥ 5,667,683	¥ 6,148,550	¥ 2,916,352	¥ 3,502,222	¥ 8,240,133

(*) Loans and bills discounted, for which it is difficult to estimate the redemption amount, amounted to ¥ 139,293 million and are excluded from the above table. The estimated uncollectable amount, which is deducted from loans directly, is excluded.

(Note 4) Maturity analysis for bonds, borrowed money and other debts with interest

(Millions of yen)

	One year or less	One to three years	Three to five years	Five to seven years	Seven to ten years	Over ten years
Deposits (*1)	¥ 32,522,261	¥ 2,068,654	¥ 793,955	¥ —	¥ —	¥ —
Negotiable certificates of deposit	1,301,140	260	—	—	—	—
Call money and bills sold	250,602	—	—	—	—	—
Payables under repurchase agreements	38,992	—	—	—	—	—
Borrowed money	629,209	5,081	560	11,018	26,000	—
Foreign exchange liabilities	1,463	—	—	—	—	—
Bonds (*2)	32,700	42,700	80,000	121,300	271,000	36,000
Due to trust account	448,793	—	—	—	—	—
Total	¥ 35,225,163	¥ 2,116,696	¥ 874,515	¥ 132,318	¥ 297,000	¥ 36,000

(*1) Demand deposits are included and presented in “one year or less” in the above table.
(*2) Bonds without maturity dates, which amounted to ¥ 132,778 million, are excluded from the above table.

(Securities)
For the fiscal year 2012

"Securities" in the consolidated balance sheet, negotiable certificates of deposit in "Cash and due from banks", trust beneficiary certificate in "Monetary claims bought", and trading securities and short-term bonds in "Trading assets" were included in the following tables.

1. Trading securities (As of March 31, 2013)

(Millions of yen)

	Net unrealized gains (losses) recorded in the consolidated statement of income during the fiscal year
Trading securities	¥ 271

2. Held-to-maturity debt securities (As of March 31, 2013)

(Millions of yen)

	Type	Amount on consolidated balance sheet	Estimated fair Value	Net unrealized gains (losses)
Fair value exceeding amount on consolidated balance sheet	Japanese government bonds	¥ 1,824,193	¥ 1,882,306	¥ 58,112
	Japanese local government bonds	390,894	409,083	18,189
	Japanese corporate bonds	5,773	5,893	120
	Total	2,220,861	2,297,283	76,422
Fair value below amount on consolidated balance sheet	Japanese government bonds	—	—	—
	Japanese local government bonds	3,500	3,494	(5)
	Japanese corporate bonds	433	428	(4)
	Total	3,933	3,923	(9)
Grand Total		¥ 2,224,794	¥ 2,301,206	¥ 76,412

3. Available-for-sale securities (As of March 31, 2013)

(Millions of yen)

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

Note: Unlisted stocks in the amounts of ¥ 49,616 million and investments in partnerships in the amounts of ¥ 15,165 million, whose fair value cannot be reliably determined, are not included in available-for-sale securities on above.

4. Held-to-maturity debt securities sold during the fiscal year (from April 1, 2012 to March 31, 2013)
None

5. Available-for-sale securities Sold during the fiscal year (from April 1, 2012 to March 31, 2013)

(Millions of yen)

		Proceeds from sales	Gains on sales	Losses on sales
Japanese stocks		¥ 9,159	¥ 3,216	¥ 2,162
Bonds		24,197,445	32,602	3,412
	Japanese government bonds	23,874,059	31,074	3,390
	Japanese local government bonds	38,421	343	21
	Japanese corporate bonds	284,964	1,184	0
Other		1,319,451	10,764	2,016
Total		¥ 25,526,057	¥ 46,582	¥ 7,591

6. Impairment of Securities

Securities except trading securities(excluding whose fair values cannot be reliably determined), of which market values substantially declined in comparison with acquisition cost and the market value rarely recovers to the acquisition cost, are recorded at the market value on the consolidated balance sheet and the valuation difference is recognized as an impairment loss.

For the year ended March 31, 2013, an impairment loss was amounted to ¥13,770 million.

To assess whether or not a decline in fair values is substantial, the Group considers not only the severity and duration of the decline in value but also the classification of the security issuer which is used in the self-assessment of asset quality as follows:

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

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

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

【Segment Information】
For the fiscal year 2012

1. Segment Information

(1) Overview of segments
Principal operating activities of the segments are as follows:

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

(2) Change in segment classification
On or after April 1, 2012, the Group has changed the classification of certain products (e.g., loans for construction of apartments and condominiums) to “Corporate banking” which was previously classified as “Consumer banking.”

2. Profit and loss by segment

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

(Millions of yen)

	Segment				Other	Total
	Consumer banking	Corporate banking	Market trading	Sub total		
Gross operating profit	¥ 258,616	¥ 286,416	¥ 73,969	¥ 619,002	¥ (4,437)	¥ 614,564
General and administrative expenses	(174,192)	(154,762)	(9,880)	(338,835)	—	(338,835)
Actual net operating profit	84,423	131,635	64,089	280,147	(4,437)	275,710
Credit cost	(5,253)	20,262	—	15,009	—	15,009
Net operating profit less credit cost	¥ 79,169	¥ 151,897	¥ 64,089	¥ 295,156	¥ (4,437)	¥ 290,719

Notes:
1. Total amount is aggregated by the figures of three consolidated subsidiary banks and three consolidated credit guarantee subsidiaries.
2. The consumer banking unit contains operating results of the three consolidated credit guarantee subsidiaries.
3. Gross operating profit of Corporate banking unit does not include credit cost incurred in trust accounts amounting to ¥ 18 million of gain.
4. Gross operating profit of the Market trading unit contains some portion of gains/losses on equity securities.
5. “Other” includes all other departments, such as management office, which are not operating segments.
6. Depreciation expense is included in general and administrative expenses.

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

(Millions of yen)

Profit	Amount
Total amounts of segments	¥ 295,156
Net gains (losses) of “Other”	(4,437)
Net non-recurring losses other than credit cost	(16,601)
Net extraordinary gains (losses) other than credit cost	(761)
Profit of consolidated subsidiaries which are not included in segments, etc.	10,992
Income before income taxes and minority interests	¥ 284,348

Notes:
1. Non-recurring gains (losses) other than credit cost include some portion of gain/loss on securities and retirement benefit expenses.
2. Net extraordinary gains (losses) other than credit cost include impairment loss.

【Per Share Information】

1. Net assets per share of common stock and its calculation base

(Millions of yen, except "Net assets per share of common stock" *and number of shares)*

	Fiscal Year 2011 From April 1, 2011 To March 31, 2012	Fiscal Year 2012 From April 1, 2012 To March 31, 2013
Net assets per share of common stock	354.35 yen	490.48 yen
(Calculation base)		
Total net assets	¥ 1,843,329	¥ 2,189,304
Deductions from total net assets	974,885	990,991
Minority interests	109,890	126,072
Preferred stock	848,000	848,000
Preferred dividends	16,995	16,918
Net assets attributable to common stock at the end of the fiscal year	¥ 868,444	¥ 1,198,313
Number of shares of common stock at the end of the fiscal year used for the calculation of net assets per share of common stock (shares in thousand)	2,450,772	2,433,144

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

2. Net income per share of common stock, diluted net income per share of common stock and those calculation bases

(Millions of yen, except "Net income per share of common stock" and *number of shares)*

	Fiscal Year 2011 From April 1, 2011 To March 31, 2012	Fiscal Year 2012 From April 1, 2012 To March 31, 2013
(1) Net income per share of common stock	96.56 yen	105.71 yen
(Calculation base)		
Net income	¥ 253,662	¥ 275,141
Amounts not attributable to common stock	16,995	16,918
Dividends on preferred stock	16,995	16,918
Net income attributable to common stock	¥ 236,667	¥ 258,222
Weighted-average number of common shares during the fiscal year (thousands of shares)	2,450,775	2,442,740
(2) Diluted net income per share of common stock	68.36 yen	72.52 yen
(Calculation base)		
Adjustments in net income	¥ 7,106	¥ 7,030
Dividends on preferred stock	¥ 7,106	¥ 7,030
Increase in number of common shares (thousands of shares)	1,114,810	1,214,654
Preferred stock (thousands of shares)	1,114,810	1,214,654
Outline of dilutive securities which were not included in the calculation of "Diluted net income per share" because they do not have dilutive effect.	Not applicable	Not applicable

Note: Average number of common shares during the period is after deductions of 1) the number of treasury shares and 2) the number of shares held by the ESOP Trust (8,028 thousands shares for the period).

【Subsequent Events】

Resona Holdings, Inc. ("Resona Holdings") formulated the "Public Funds Full Repayment Plan" (the "Plan") and adopted resolutions as follows at the meeting of the Board of Directors held on May 10, 2013.

1. Reduction of the amount of capital stock and capital reserve

Resona Holdings adopted a resolution to submit for deliberation the capitalization of other retained earnings and the reduction of the amount of capital stock and capital reserve (collectively, the "Reduction, etc.") to the annual shareholders' meeting scheduled to be held on June 21, 2013 (the "Annual Shareholders' Meeting").
The effectuation of the Reduction, etc. is subject to (a) the approval as originally proposed of the proposal regarding the partial amendment to the articles of incorporation regarding the Plan at the Annual Shareholders' Meeting, in addition to the proposal regarding the Reduction, etc., and (b) the approval as originally proposed of the proposal regarding the partial amendment to the articles of incorporation at each of the class meetings of the Ordinary Shareholders, Class C Preferred Shareholders, Class F Preferred Shareholders, Class Three Preferred Shareholders, Class Four Preferred Shareholders, Class Five Preferred Shareholders and Class Six Preferred Shareholders.

(1) Purpose of the Reduction, etc.	Purports to secure the source for repayment(Note) of 900.0 billion yen (other retained earnings) in advance and to ensure the execution of the Plan for the early repayment of public funds. (Notes) This means the source for (a) the special preferred dividend for preferred shares regarding the public funds pursuant to the Act on Emergency Measures for Early Strengthening of Financial Functions (total: 160.0 billion yen), and (b) the repayment of the consideration for the acquisition of shares regarding the public funds pursuant to the Deposit Insurance Act.
(2) Capitalization of the Retained Earnings)	The amount of other retained earnings of 320,000,000,000 yen shall be capitalized, thereof the amount of capital stock shall be 660,472,846,991 yen.
(3) Reduction in the Amount of Capital	(a) 660,472,846,991 yen, which is the amount of capital stock and (b) 340,472,846,991 yen, which is the amount of capital reserve, shall be respectively reduced by 610,000,000,000 yen and 290,000,000,000 yen, and (a) and (b) shall both be 50,472,846,991 yen, and 900,000,000,000 yen, which is the total amount of the capital stock and the capital reserve to be reduced, shall be transferred to other capital surplus in full. No decrease in number of outstanding shares.
(4) Schedule of the Reduction, etc. (Planned)	(a) Date of resolution at the meeting of the Board of Directors May 10, 2013 (b) Date of publishing the statutory public notice May 20, 2013 (c) Last date for creditors to state objections June 21, 2013 (d) Date of resolution at the shareholders' meeting June 21, 2013 (e) Effective date of the Reduction, etc. June 24, 2013

2. Establishment of the Threshold for Acquisition of Own Shares

Resona Holdings resolved to implement the acquisition of own shares (the "Acquisition of Own Shares") as described below pursuant to the provisions of Article 53 of the Articles of Incorporation of Resona Holdings pursuant to Article 459, paragraph 1 of the Companies Act.
The Acquisition of the Own Shares aims for the early repayment of the public funds pursuant to the Deposit Insurance Act, and shall be implemented subject to (a) the approval as originally proposed of the proposal regarding the partial amendment to the articles of incorporation regarding the Plan, and the proposals regarding the capitalization of the retained earnings, and the reduction in the amount of capital stock and the capital reserve at the Annual Shareholders' Meeting, and (b) the approval as originally proposed of the proposal regarding the partial amendment of the articles of incorporation at the Class Shareholders' Meetings, and (c) the acquisition of approvals of the relevant authorities.

(1)Ordinary Shares

(a) Total number of shares available for acquisition	To be determined
(b) Total amount of the acquisition price of the shares	100.0 billion yen (ceiling)
(c) Period of acquisition	June 24, 2013 ~ March 31, 2014
(d) Manner of acquisition	Off-auction own share repurchase transactions at ToSTNeT market (ToSTNeT-3)

(2)First Series Class Three Preferred Shares

(a) Total number of shares available for acquisition	225,000,000 shares (Outstanding shares on May 10, 2013)
(b) Total amount of the acquisition price of the shares	300.0 billion yen (ceiling)
(c) Period of acquisition	June 24, 2013 ~ March 31, 2014

3. Partial Amendment to the Articles of Incorporation

Resona Holdings adopted a resolution to submit for deliberation the partial amendment to Resona Holdings' articles of incorporation (the "Amendment to the Articles of Incorporation") to the annual shareholders' meeting scheduled to be held on June 21, 2013 (the "Annual Shareholders' Meeting") at the meeting of the Board of Directors held on May 10, 2013.

The Amendment to the Articles of Incorporation will be implemented as a part of the "Plan" in order to enable repayment of public funds in installments pursuant to the Act on Emergency Measures for Early Strengthening of Financial Functions.

The Amendment to the Articles of Incorporation shall come into effect subject to the following:

(i) the approval as originally proposed at the Annual Shareholders' Meeting, of the proposal regarding the capitalization of other retained earnings and the reduction of the amount of capital stock and capital reserve in addition to the proposal regarding the Amendment to the Articles of Incorporation

(ii) the approval as originally proposed at the Class Shareholders' Meetings, of the proposal regarding the Amendment to the Articles of Incorporation

(iii) the partial acquisition of the own shares (ordinary shares) of Resona Holdings, based on the resolution of Resona Holdings Board of Directors' meeting held on May 10, 2013 is implemented, and the settlement regarding the acquisition where the total amount of the acquisition price paid by Resona Holdings is equal to or more than the amount of 99,999,900,000 yen is completed.

(1) Extension of the Simultaneous Acquisition Date with the Ordinary Shares as the consideration, and the extension of the exercise period of the put option regarding the Class C Preferred Shares and the Class F Preferred Shares

a) The Simultaneous Acquisition Date of the Class C Preferred Shares and the Class F Preferred Shares with the Ordinary Shares as the consideration (so-called simultaneous date of conversion into the Ordinary Shares) shall both be extended by the date following the date of the Annual Shareholders' Meeting for the fiscal year ending March 2018

b) The exercise period (so-called conversion period) for the put option attached to the Class C Preferred Shares and the Class F Preferred Shares shall be extended by the date of the Annual Shareholders' Meeting for the fiscal year ending March 2018.

(2) Changes in the amount of preferred dividends regarding the Class C Preferred Shares and the Class F Preferred Shares

a) Separate from the usual preferred dividends, provisions on the special preferred dividends of the aggregate of twelve billion yen per year (fixed) on the Class C Preferred Shares and twenty billion yen per year (fixed) on the Class F Preferred Shares, respectively, shall be established. These special preferred dividends shall be appropriated to the repayment in installments of public funds.

b) Regarding the Class C Preferred Shares and the Class F Preferred Shares, the provisions on the amount of usual preferred dividends shall be changed so that the amount of usual preferred dividends will be reduced proportionately to the year-on-year reduction in the balance of the amount of repayment required for the public funds with the annual payment of both the special preferred dividends set forth in (i) above (the repayment of public funds in installments).

【Statement of Trust Assets and Liabilities】

March 31, 2013

(Millions of Yen)

Assets	Amount	Liabilities	Amount
Loans and bills discounted	¥ 53,412	Money trusts	¥ 7,030,744
Securities	63	Pension trusts	3,502,401
Beneficiary rights	21,969,982	Property formation benefit trusts	1,120
Securities held in custody account	5,578	Securities investment trusts	11,205,133
Monetary claims	372,080	Money entrusted other than money trusts	325,836
Tangible fixed assets	500,550		
Intangible fixed assets	2,024	Securities trusts	166,568
Other claims	7,052	Monetary claims trusts	382,789
Due from banking account	448,793	Land and fixtures trusts	118,844
Cash and due from banks	17,817	Land and fixtures lease trusts	2,814
		Composite trusts	641,104
Total assets	¥ 23,377,357	Total liabilities	¥ 23,377,357

Notes:

1. Amounts of less than one million yen have been rounded down.
2. The trust without readily determinable monetary values was excluded.
3. Beneficiary rights worth of ¥21,969,982 million were re-entrusted for asset administration purpose.
4. Co-managed trust funds under other trust bank's administration amounted to ¥ 655,712 million.
5. Loans and bills discounted where the Bank guarantees the principal is amounted to ¥53,412 million include followings:

	(Millions of Yen)
Loans to borrowers in legal bankruptcy	¥ 2
Past-due loans	1,194
Loans past due 3 months or more	-
Restructured loans	1,995
Total	¥ 3,191

6. Subsidiary subject to aggregation is Resona Bank, Ltd., only.

Appendix: The trust in the principal indemnification agreement, including the trust that was re-entrusted for operations, consists of followings.

Money trusts

(Millions of Yen)

Assets	Amount	Liabilities	Amount
Loans and bills discounted	¥ 53,412	Principal	¥ 493,318
Other	440,123	Special loan loss reserve	161
		Other	56
Total assets	¥ 493,535	Total liabilities	¥ 493,535

Comparison of Statements of Trust Assets and Liabilities

(Millions of Yen)

Assets	March 31, 2012 (A)	March 31, 2013 (B)	Difference (B)-(A)
Loans and bills discounted	¥ 61,909	¥ 53,412	¥ (8,497)
Securities	0	63	63
Beneficiary rights	22,587,612	21,969,982	(671,629)
Securities held in custody account	4,512	5,578	1,066
Monetary claims	391,346	372,080	(19,265)
Tangible fixed assets	545,087	500,550	(44,536)
Intangible fixed assets	2,139	2,024	(114)
Other claims	7,170	7,052	(117)
Due from banking account	354,818	448,793	93,975
Cash and due from banks	19,053	17,817	(1,236)
Total assets	23,973,650	23,377,357	(596,292)
Co-managed trust funds under other trust bank's administration	¥ 927,052	¥ 665,712	¥ (271,339)

Liabilities	March 31, 2012 (A)	March 31, 2013 (B)	Difference (B)-(A)
Money trusts	¥ 7,169,755	¥ 7,030,744	¥ (139,011)
Pension trusts	3,545,831	3,502,401	(43,430)
Property formation benefit trusts	1,086	1,120	33
Securities investment trusts	11,600,386	11,205,133	(395,252)
Money entrusted other than money trusts	289,228	325,836	36,608
Securities trusts	149,602	166,568	16,966
Monetary claims trusts	402,747	382,789	(19,958)
Land and fixtures trusts	119,037	118,844	(192)
Land and fixtures lease trusts	2,812	2,814	1
Composite trusts	693,161	641,104	(52,056)
Total liabilities	¥ 23,973,650	¥ 23,377,357	¥ (596,292)

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

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheet

(Millions of yen)

	March 31, 2012	March 31, 2013
Assets		
Current assets		
Cash and due from banks	¥ 529	435
Money held in trust	—	200
Securities	86,000	274,800
Prepaid expenses	8	6
Deferred tax assets	97	120
Accrued income	12	13
Other receivable	25,618	33,898
Accrued income taxes refund	30,430	17,631
Total current assets	142,697	327,106
Non-current assets		
Tangible fixed assets		
Tools, furniture and fixtures, net	6	5
Leased assets, net	6	4
Total tangible fixed assets	12	10
Intangible fixed assets		
Trademarks	6	0
Software	13	8
Total intangible fixed assets	19	9
Investments and other assets		
Investments in subsidiaries and affiliates	1,121,170	1,116,174
Long-term loans to subsidiaries and affiliates	89,500	79,500
Other	1	1
Reserve for possible losses on investments	(3,062)	(2,945)
Total investments and other assets	1,207,609	1,192,731
Total non-current assets	1,207,642	1,192,750
Total Assets	1,350,339	1,519,857
Liabilities and Net Assets		
Liabilities		
Current liabilities		
Bonds scheduled for repayment within one year	—	30,000
Lease obligations	1	1
Other payable	25,408	684
Accrued expenses	717	645
Income taxes payable	25	2,626
Consumption taxes payable	65	45
Reserve for employees' bonuses	327	421
Other	366	509
Total current liabilities	26,911	34,933
Non-current liabilities		
Bonds	60,000	80,000
Long-term debts to subsidiaries and affiliates	240,000	192,817
Lease obligations	5	3
Total non-current liabilities	300,005	272,821
Total Liabilities	326,916	307,754
Net Assets		
Stockholder's equity		
Capital stock	340,472	340,472
Capital surplus		
Capital reserve	340,472	340,472
Total capital surplus	340,472	340,472
Retained earnings		
Other retained earnings		
Retained earnings carried forward	429,326	620,754
Total retained earnings	429,326	620,754
Treasury stock	(86,849)	(89,596)
Total stockholders' equity	1,023,423	1,212,102
Total Net Assets	1,023,423	1,212,102
Total Liabilities and Net Assets	¥ 1,350,339	1,519,857

(2) Non-Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31,2012	For the fiscal year ended March 31,2013
Operating income		
Dividends from subsidiaries and affiliates	¥ 151,597	238,025
Fees from subsidiaries and affiliates	4,523	4,481
Interest on loans to subsidiaries and affiliates	2,202	2,039
Total operating income	158,322	244,546
Operating expenses		
Interest on debts	2,442	2,152
Interest on bonds	846	760
Bond issuance costs	120	191
General and administrative expenses	4,035	3,977
Total operating expenses	7,445	7,082
Operating profits	150,877	237,463
Non-operating income		
Interest income on securities	23	76
Fees and commissions	108	114
Reversal of reserve for possible losses on investments	113	116
Interest on tax refunds	4	25
Other	1	1
Total non-operating income	251	334
Non-operating expenses		
Total non-operating expenses	11	65
Ordinary profits	151,117	237,733
Extraordinary losses		
Losses on liquidation of subsidiaries	154	－
Total extraordinary losses	154	－
Net income before income taxes	150,962	237,733
Income taxes－current	(204)	(75)
Income taxes – deferred	1	(23)
Total income taxes	(202)	(99)
Net income	¥ 151,165	237,832

(3) Non-Consolidated Statement of Changes in Net Assets *(Millions of yen)*

	For the fiscal year ended March 31,2012	For the fiscal year ended March 31,2013
Net assets		
Stockholders' equity		
Capital stock		
Balance at the beginning of the fiscal year	¥ 340,472	340,472
Changes during the fiscal year		
Total changes during the fiscal year	—	—
Balance at the end of the fiscal year	340,472	340,472
Capital surplus		
Capital reserve		
Balance at the beginning of the fiscal year	340,472	340,472
Changes during the fiscal year		
Total changes during the fiscal year	—	—
Balance at the end of the fiscal year	340,472	340,472
Other capital surplus		
Balance at the beginning of the fiscal year	—	—
Changes during the fiscal year		
Disposal of treasury stock	(0)	(0)
Transfer from retained earnings to capital surplus	0	0
Total changes during the fiscal year	—	—
Balance at the end of the fiscal year	—	—
Total capital surplus		
Balance at the beginning of the fiscal year	340,472	340,472
Changes during the fiscal year		
Disposal of treasury stock	(0)	(0)
Transfer from retained earnings to capital surplus	0	0
Total changes during the fiscal year	—	—
Balance at the end of the fiscal year	340,472	340,472
Retained earnings		
Other retained earnings		
Retained earnings carried forward		
Balance at the beginning of the fiscal year	325,057	429,436
Changes during the fiscal year		
Dividends paid	(46,894)	(46,404)
Net income	151,165	237,832
Transfer from retained earnings to capital surplus	(0)	(0)
Total changes during the fiscal year	104,269	191,427
Balance at the end of the fiscal year	429,326	620,754

(3) Non-Consolidated Statement of Changes in Net Assets (Continued) *(Millions of yen)*

	For the fiscal year ended March 31, 2012	For the fiscal year ended March 31, 2013
Treasury stock		
Balance at the beginning of the fiscal year	¥ (86,847)	(86,849)
Changes during the fiscal year		
Purchase of treasury stock	(2)	(3,449)
Disposal of treasury stock	0	701
Total changes during the fiscal year	(1)	(2,747)
Balance at the end of the fiscal year	(86,849)	(89,596)
Total stockholders' equity		
Balance at the beginning of the fiscal year	919,155	1,023,423
Changes during the fiscal year		
Dividends paid	(46,894)	(46,404)
Net income	151,165	237,832
Purchase of treasury stock	(2)	(3,449)
Disposal of treasury stock	0	701
Total changes during the fiscal year	104,268	188,679
Balance at the end of the fiscal year	1,023,423	1,212,102
Total net assets		
Balance at the beginning of the fiscal year	919,155	1,023,423
Changes during the fiscal year		
Dividends paid	(46,894)	(46,404)
Net income	151,165	237,832
Purchase of treasury stock	(2)	(3,449)
Disposal of treasury stock	0	701
Total changes during the fiscal year	104,268	188,679
Balance at the end of the fiscal year	¥ 1,023,423	1,212,102

(4) Note on Going-Concern Assumption

Not applicable