

Business Report for the 11th Term
(from April 1, 2011 to March 31, 2012)

(English Translation of the Japanese Original)

Business Report for the 11th Term

(from April 1, 2011 to March 31, 2012)

1. Current Status of the Company

(1) Business Developments and Results of the Corporate Group

(A) Principal Business Activities of the Corporate Group

The Group is a financial service provider centered on banking and trust banking business with a capacity to also provide services in other financial-related businesses such as factoring, credit card administration and venture capital operations.

(B) Financial and Economic Environment

During the fiscal year ended March 31, 2012, the global economy was forced into a slowdown due to the hike in crude oil prices triggered by growing tensions in the Middle East at the beginning of the year. There were also effects from the sluggish growth rate caused by the tight monetary policies to suppress inflation taken by emerging countries, which have been stepping up its presence as a leading force of the global economy, while developed nations continued to mark stagnant growth.

Meanwhile, the Japanese economy was en route to recovery from the Great East Japan Earthquake, which struck in March 2011. Although the components supply channels, etc. that were shut off by the disaster had fully recovered in the summer and manufacturing resumed, production activities slumped again in October, particularly in the automotive and electronic device sectors, due to the effects of flooding in Thailand. Further, imports of natural gas, etc. increased as the shift to thermal power generation became more active after the disaster. As a result, in 2011, Japan recorded a trade deficit for the first time in 31 years.

In the financial market, there were some stages where financial institutions faced difficulties raising necessary funds due to concerns about the further expansion of the European sovereign debt problem. The market, however, returned to calmness as major nations collaborated in implementing monetary easing measures. The monetary easing policies are expected to continue in the long term, such as the supplying of long-term funds to financial institutions by ECB (European Central Bank) and the extension of low-interest rate policies as announced by FRB (U.S. Federal Reserve Board) and the Bank of Japan. Although the dollar-yen exchange rate marked yet another post-war record high in October at 75.32 yen, it moved into the lower 80-yen range after the Bank of Japan promoted further easing in February. Stock prices in major markets turned upward against the backdrop of monetary easing worldwide, and Nikkei average prices have also been recovering since the start of the new year.

(C) Business Developments and Results of the Corporate Group

Under these financial and economic conditions during the 11th term, the Group continued to establish its presence as a smart, friendly, "True Retail Bank". We made further initiatives in promoting "Selection and Concentration of Business Domains" (priority areas and businesses) and "Establishing a Distinctive Resona Style" (i.e. creating a new corporate culture, focusing on individuals, and striving to become the most trusted company) to accommodate market needs and pursue customer-oriented business operations.

Loans to Individuals

In the housing loan business, the market environment continues to be difficult as new house starts and new condominium sales remain stagnant. Under these business circumstances, the Group has been strengthening its sales efforts toward housing business operators to reinforce lending. In addition, the Group has been giving priority to closer communication with customers and strengthening the cross-selling to enable customers to utilize our several services, not only the housing loans.

Further, we have been giving detailed response to consultations from customers affected by the Great East Japan Earthquake struck in March 2011 in respect of moratorium on repayments and such like through establishment of special help desk and other means.

Financial Products Sale

The Group is striving to enhance its financial products sale business by working to improve customer satisfaction. Our primary initiatives include reinforcing product lineups through offering competitive products and providing products that invest into areas which are expected to grow in the future and enhancing follow-up services based on improved customer service skills and speedy information offering.

Asset Succession Business

In the asset succession business whose market is expanding with the further aging of Japan's population, we accommodate customers' needs to leave behind assets by providing our asset succession know-how, including will trust and estate planning (so-called the inheritance process agency service) drawn on the trust functions of Resona Bank, Ltd. through making use of the Group's branch network and customer base.

We have been refining our operating structure by increasing the number of financial planners (FPs), to enable us to propose increasingly effective plans that meet the asset needs and intentions of each customer. We have also been supporting customers address management challenges and providing solutions that utilize our trust functions. We also strongly promote business succession consulting and owner stock succession trusts for corporate owners. As such, we are committed to accommodating the asset succession needs of our customers by fully leveraging our expertise to service both corporate and individual customers.

Loans to Small and Midsize Enterprises (SMEs)

At the Group, we promote sales that meet the characteristics of local communities and exert efforts in responding thoroughly to the needs of customers in providing smooth financial services to SMEs. We are strengthening the cross-selling through utilizing the Group's solution functions to the full extent toward diversity needs of customers of corporate owners. Corporate division and individual division, and sales offices and the head office are closely working together as one in promoting solution-based business to help customers resolve their management issues.

Real Estate

Resona Bank, Ltd., being the only commercial bank with a real estate business operation within the bank, has been striving to increase income from the real estate business. Specifically, it has made efforts to

collect quality real estate information by leveraging the Group's branch network and wide customer base, and to reinforce a vast range of solution-based functions such as brokering, consulting, liquidity promotion and appraisal. Especially in real estate brokering, which is the core segment, we have strengthened collaboration between the head office and the sales offices more than ever, and consequently provide speedy, optimal services for customers. We are working to maximize synergies within the Group through offering the real estate functions of Resona Bank, Ltd. to accommodate also the needs of the customers of Saitama Resona Bank, Ltd. and The Kinki Osaka Bank, Ltd.

Corporate Pensions

Amid the rapid advancement in Japan's aging population with a declining birth rate, the environment surrounding corporate pensions is facing major changes. As such, expectations are growing even stronger for corporate pension plans to compensate for the public pension plan. Under these circumstances, we are providing appropriate support toward the changes of the environment through providing customers with solution functions backed by the expertise in corporate pension business which Resona Bank, Ltd. has fostered for long time in a timely manner.

(Results for Consolidated Fiscal Year Ended March 31, 2012)

Consolidated net income increased ¥93.5 billion from a year earlier to ¥253.6 billion, due to the considerable decrease in credit costs and tax expenses although consolidated gross profit declined. Specifically, consolidated gross profit dropped ¥11.8 billion year-on-year to ¥655.2 billion, due to the decline in interest income caused by the decline in interest on loans associated with decline of interest rate, and due to the decline in trust fees. Operating expenses totaled ¥360.9 billion, down ¥8.4 billion from a year earlier and credit costs improved significantly and marked ¥13.8 billion, down ¥47.7 billion year-on-year. Tax expenses declined significantly to ¥15.1 billion, down ¥57.5 billion year-on-year, due to the review of tax effects with respect to allowance for doubtful accounts.

Consolidated total assets increased ¥492.9 billion from a year earlier to ¥43,199.8 billion, due primarily to the increase in the balance of investments in government bonds. Consolidated net assets totaled ¥1,843.3 billion, up ¥250.7 billion year-on-year, owing to the record of net income.

Ratio of non-performing loans (total of affiliated banks, including trust accounts with a contract clause for covering the principal) based on the Financial Revitalization Law was 2.32% and trust assets totaled ¥23,973.6 billion, a decrease of ¥2,119.9 billion compared with the results of the previous fiscal year.

(D) Issues to be Addressed by the Corporate Group

(i) Selection and Concentration of Business Domains

We will further deepen the existing strategy of "Business-domain Selection and Concentration" (priority areas and businesses) and pursue the following five priority strategies. In addition, through surely executing these strategies, we will organically combine the comprehensive functions of the Group (exercise of "All-Resona") in fully promoting "Cross-selling" activities to have customers use multiple services.

- Pursuing relationships closely linked to local communities

With the priority regions for the Group set as Osaka, Saitama and Tokyo, we will optimally allocate management resources in line with the characteristics of local communities and businesses based on market analyses of respective areas.

We will aim for area management that builds relationships with customers and conduct fine-tuned sales activities to provide services that go beyond customers' expectations. By so doing, we will aim to expand our market share.

- Demonstration of "Synergies between Retail and Trust"

Having defined our core differentiation strategy as "Exerting Trust Functions", we will implement unique business models to provide optimal solutions built on our retail base and trust functions combined, to accommodate customers' increasingly diverse and sophisticated management challenges.

- Aiming to be the No. 1 provider of financial products and loans

We will focus on reinforcing our capability to provide optimal financial products (insurance and investment trusts) and loans by fully leveraging our alliances to respond effectively to the individual customer's diverse asset management and fund raising needs at various lifetime events, and implementing local community-oriented, consulting-based sales. Through these efforts, we will strive to become the No. 1 provider of financial products and loans.

- Establishment of a brand for asset and business succession planning

We will make use of the comprehensive trust functions of Resona Bank, Ltd. to propose fine-tuned plans on will trusts and estate planning to individual customers, while recommending business succession plans to company owners in responding effectively and thoroughly to the needs of each and every customer.

- Expansion of corporate business base by exerting comprehensive strength

The Group will work to promptly provide optimal solutions that utilize Resona's comprehensive financial functions by strengthening our relationships with corporate customers and accurately recognizing their management issues.

(ii) Establishment of Distinctive Resona Style

The Group will consistently concentrate its efforts on "Creating a New Corporate Culture", "Focusing on Individuals", and "Striving to Become the Most Trusted Company", in establishing a distinctive Resona style as a financial services company that is not bound by traditional customs and practices to become a leader in retail banking. We will break the high cost nature of the retail business and gain cost-advantaged competitiveness by strengthening the promotion of "Establishing a Distinctive Resona Style" continuously.

(iii) Resona Capital Restructuring Plan

In the aim to win greater trust as a "True Retail Bank", the Group announced the "Resona Capital Restructuring Plan" (hereafter, "the Plan") in November 2010. Based on the implementation of the Plan, we will shift the focus of our capital strategy from "Repayment of Public Funds" to "Enhancement of Shareholder Value".

Future measures and policies are as follows.

A. Mid-to-long term dividend policy

The Group adopts the basic policy of pursuing management reforms aimed at enhancing corporate value and restraining outflow of revenue by placing higher priority on accumulating retained earnings to realize early

repayment of public funds. In addition, we will continue to stably distribute dividends going forward. We plan on clarifying our dividend policy including the target level of the payout ratio upon fully repaying the DIA Preferred Shares.

B. Policy on future repayment of public funds

a) Preferred shares under the Deposit Insurance Act (DIA Preferred Shares)

We will repay the remaining ¥450 billion (amount on an issue price basis) by building up retained earnings going forward. The specific repayment date will be flexibly and proactively determined in consideration of factors such as the stricter capital adequacy requirements.

b) Ordinary shares issued under the Deposit Insurance Act

Intending to place higher priority on repayment of the DIA Preferred Shares, we do not plan to propose an offering for the outstanding ¥261.6 billion (amount on an issue price basis) for the time being.

c) Preferred shares under Act on Emergency Measures for Early Strengthening of Financial Functions (Class C and Class F Preferred Shares)

Ordinary shares to be issued in the event of an automatic acquisition (automatic conversion) are already being held as treasury shares, and hence we do not expect to see any increase in the number of shares issued.

C. Policy on responding to the stricter capital adequacy requirements ("Basel III")

In order to consistently pursue strategies to become a "True Retail Bank" primarily in Japan, the Group will continue to apply the domestic standard (second standard) on capital adequacy requirements for the time being. However, we will manage our capital with the awareness for the uniform international standard (first standard) to secure sound capital adequacy. As a bank adopting the domestic standard, we will aim to strengthen our capability to provide the best services to customers engaged in overseas business activities by making use of our current global network and alliances.

(2) Operating Performance of the Corporate Group and the Company

A. Operating performance of the Corporate Group

(Billions of yen)

	FY2008	FY2009	FY2010	FY2011
Consolidated ordinary income	979.2	875.1	859.8	850.3
Consolidated ordinary profit	114.4	152.3	210.2	274.8
Consolidated net income	123.9	132.2	160.0	253.6
Consolidated comprehensive income	—	—	132.5	300.8
Consolidated net assets	2,178.0	2,271.8	1,592.5	1,843.3
Consolidated total assets	39,863.1	40,743.5	42,706.8	43,199.8

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

B. Operating performance of the Company

(Billions of yen)

	FY2008	FY2009	FY2010	FY2011
Operating income	185.5	39.0	31.3	158.3
Dividends from subsidiaries and affiliates	178.4	32.0	24.7	151.5
Subsidiaries in the banking business	178.4	32.0	24.7	149.4
Other subsidiaries	0	—	0	2.1
Net income	174,105 million yen	34,979 million yen	26,223 million yen	151,165 million yen
Net income per share (or net loss per share)	120.97 yen	1.33 yen	-25.17 yen	54.74 yen
Total assets	2,028.3	1,809.1	1,260.2	1,350.4
Shares of subsidiaries in the banking business, etc.	1,092.3	1,092.3	1,092.3	1,092.3
Shares of other subsidiaries, etc.	15.8	26.6	30.0	28.8

Notes:

1. Amounts less than the specified unit have been rounded down.
2. The Company split its ordinary shares and preferred shares at a ratio of 100-for-1 respectively, effective January 4, 2009. The per-share information assumes that the share split took place at the beginning of the fiscal year ended March 31, 2009.
3. Net income per share (or net loss per share) was derived by deducting from net income, the amount of dividends on preferred shares for the period and the amount of retirement difference associated with the preferred shares and dividing the result by the average number of ordinary shares issued during the period (excluding the average number of treasury shares during the period).

(3) Employees of the Corporate Group

A. Number of employees of the Corporate Group

	As of March 31, 2012		As of March 31, 2011	
	Banking and trust banking business	Other businesses	Banking and trust banking business	Other businesses
Number of employees	16,520	361	16,561	380

Note: Figures represent the number of employees on duty.

B. Number of employees of the Company

	As of March 31, 2012	As of March 31, 2011
Number of employees	533	536
Average age	43 years and 9 months	42 years and 11 months
Average number of years of employment	19 years and 3 months	18 years and 6 months
Average monthly salary	541 thousand yen	527 thousand yen

Notes:

1. All employees of the Company have been seconded from Resona Bank, Ltd., Saitama Resona Bank, Ltd., The Kinki Osaka Bank, Ltd. and seven other companies.
2. "Average age" and "average monthly salary" do not include data on employees seconded from companies other than Resona Bank, Ltd., Saitama Resona Bank, Ltd. and The Kinki Osaka Bank, Ltd. "Average number of years of employment" include the average number of years of employment also at Resona Bank, Ltd., Saitama Resona Bank, Ltd. and The Kinki Osaka Bank, Ltd. respectively prior to the seconding.
3. "Average age", "average number of years of employment" and "average monthly salary" are presented with amounts less than the specified unit respectively rounded down.
4. "Average monthly salary" represents the average salary for March including overtime and does not include bonus.

(4) Principal Sales Offices of the Corporate Group

A. Principal sales offices of the Corporate Group

(i) Banking and trust banking business

Resona Bank, Ltd. Osaka Office, Tokyo Office and 345 other offices (323 offices as of March 31, 2011)

Saitama Resona Bank, Ltd. Saitama Office and 131 other offices (132 offices as of March 31, 2011)

The Kinki Osaka Bank, Ltd. Head Office and 127 other offices (128 offices as of March 31, 2011)

(ii) Other businesses

Resona Kessai Service Co., Ltd. Head Office and four other offices

Resona Card Co., Ltd. Head Office and one other office

Resona Capital Co., Ltd. Head Office

B. Offices of the Company

Name of Office	Location	Date Established
Tokyo Head Office	Fukagawa Gatharia W2 Bldg. 5-65, Kiba 1-Chome, Koto-ku, Tokyo	May 6, 2010
Osaka Head Office	2-1, Bingomachi 2-Chome, Chuo-ku, Osaka	December 12, 2001

(5) Capital Investment by the Corporate Group

A. Total capital investment

(Millions of yen)

	Banking and trust banking business	Other businesses
Total capital investment	26,491	234

Note: Amounts less than 1 million yen have been rounded down.

B. Principal new establishments

(Millions of yen)

	Description	Amount
Banking and trust banking business	Installation and renewal of software	12,969
	Establishment of new branches (Abenobashi branch of Resona Bank and others)	1,264
	Renovation of head offices (Head office of Saitama Resona Bank and others)	553
	Sales of branches (Akihabara branch of Resona Bank and others)	

Note: Amounts less than 1 million yen have been rounded down.

(6) Principal Status of Parent Company, Subsidiaries and Affiliates

A. Parent Company

Not applicable.

B. Subsidiaries and affiliates

Name of Company	Location	Principal Operations	Date Established	Capital (Millions of yen)	Company's Voting Rights Ratio in Subsidiary/Affiliate (%)	Dividends to the Company (Millions of yen)
Resona Bank, Ltd.	2-1, Bingomachi 2-Chome, Chuo-ku, Osaka	Banking and trust banking business	May 15, 1918	279,928	100.00	104,998
Saitama Resona Bank, Ltd.	4-1, Tokiwa 7-Chome, Urawa-ku, Saitama	Banking business	August 27, 2002	70,000	100.00	34,200
The Kinki Osaka Bank, Ltd.	4-27, Shiromi 1-Chome, Chuo-ku, Osaka	Banking business	November 24, 1950	38,971	100.00	10,246
Resona Guarantee Co., Ltd.	13-10, Tokiwa 10-Chome, Urawa-ku, Saitama	Credit guarantee	May 8, 1975	14,000	100.00 (49.02)	—
Daiwa Guarantee Co., Ltd.	2-1, Bingomachi 2-Chome, Chuo-ku, Osaka	Credit guarantee	July 23, 1969	6,000	100.00 (100.00)	—
Kinki Osaka Shinyo Hosho Co., Ltd.	7-6, Bingomachi 1-Chome, Chuo-ku, Osaka	Credit guarantee	March 17, 1995	6,397	100.00 (100.00)	—
Resona Kessai Service Co., Ltd.	10-5, Nihonbashi Kayabacho 1-Chome, Chuo-ku, Tokyo	Factoring	October 25, 1978	1,000	100.00	—
Resona Card Co., Ltd.	2-20, Toyo 2-Chome, Koto-ku, Tokyo	Credit card administration and credit guarantee	February 12, 1983	1,000	77.58	28
Resona Capital Co., Ltd.	10-5, Nihonbashi Kayabacho 1-Chome, Chuo-ku, Tokyo	Venture capital business	March 29, 1988	10,649	100.00	—
Resona Research Institute Co., Ltd.	2-1, Bingomachi 2-Chome, Chuo-ku, Osaka	Consulting business	October 1, 1986	100	100.00	—
Resona Business Service Co., Ltd.	25-11, Ueno 5-Chome, Taito-ku, Tokyo	Back office and other entrusted operations, personnel dispatch	October 2, 1987	60	100.00	1,098
Japan Trustee Services Bank, Ltd.	8-11, Harumi 1-Chome, Chuo-ku, Tokyo	Banking and trust banking business	June 20, 2000	51,000	33.33 (33.33)	—
P.T. Bank Resona Perdania	JL.Jend.Sudirman Kav. 40-41, Jakarta,	Banking business	February 15, 1956	285 billion	43.41	—

	Indonesia			Indonesia n Rupiah (¥2,565 million)	(43.41)	
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Notes:

1. Amounts less than 1 million yen have been rounded down.
2. The yen amount of capital was computed using the foreign exchange rate as of the fiscal closing date.
3. "Company's voting rights ratio in subsidiary/affiliate" is presented with the figure rounded down to the nearest two decimal points.
4. The figure in parenthesis under "Company's voting rights ratio in subsidiary/affiliate" is inclusive and represents the ratio of voting rights indirectly held by the Company.
5. Resona Servicer Co., Ltd. stated in the business report for the 10th term completed its liquidation on December 22, 2011.
6. Kinki Osaka Shinyo Hosho Co., Ltd. will relocate its head office on May 28, 2012. Address of the new head office is as follows:
Address: 4-27, Shiromi 1-Chome, Chuo-ku, Osaka

(7) Principal Lenders

Lender	Loan Balance	Investment in the Company	
		Number of Shares in Holding	Voting Rights Ratio
Resona Bank, Ltd.	Million yen 240,000	—	—

(8) Business Transfers

Not applicable.

(9) Other Principal Matters Relating to the Status of the Corporate Group

Not applicable.

2. Matters Relating Directors and Executive Officers of the Company

(1) Directors and Executive Officers

(As of March 31, 2012)

Name	Position & Role	Key Concurrent Responsibilities	Other
Eiji Hosoya	Director, Chairman and Executive Officer	Chairman and Director of Resona Bank, Ltd.; Outside Director of Ricoh Company, Ltd.; Outside Director of Mitsui Fudosan Co., Ltd.	
Seiji Higaki	Director, President and Representative Executive Officer	Deputy Chairman and Director of Resona Bank, Ltd.	
Kazuhiro Higashi	Director, Deputy President and Representative Executive Officer; in charge of Group Strategy Division and Corporate Governance Office	Executive Officer of Resona Bank, Ltd.	
Kaoru Isono	Director		
Kunio Kojima	Outside Director	Adviser of Japan Securities Finance Co., Ltd.; Outside Director of JBIS Holdings, Inc.	
Hideo Iida	Outside Director	Lawyer (Visiting Lawyer of Okuno & Partners); Outside Corporate Auditor of Eco's Co., Ltd.; Outside Corporate Auditor of Bunka Shutter Co., Ltd.	
Tsutomu Okuda	Outside Director	Chairman & CEO of J. Front Retailing Co., Ltd.; Outside Director of Osaka Securities Exchange Co., Ltd.	

Shusai Nagai	Outside Director	Outside Director of Saitama Resona Bank, Ltd.; Professor, Faculty of Business Administration of Toyo Gakuen University Graduate School	
Emi Osono	Outside Director	Professor of Hitotsubashi University Graduate School of International Corporate Strategy	
Toshio Arima	Outside Director	Chairman of the Board, Global Compact Japan Network; Outside Director of Kirin Holdings Company, Limited.; Outside Director of Fuji Heavy Industries Ltd.	
Naoki Iwata	Executive Officer; in charge of Group Strategy Division (corporate management of Resona Bank, Ltd.)	Representative Director and President of Resona Bank, Ltd.	
Masahito Kamijo	Executive Officer; in charge of Group Strategy Division (corporate management of Saitama Resona Bank, Ltd.)	Representative Director and President of Saitama Resona Bank, Ltd.	
Hiroyuki Ikeda	Executive Officer; in charge of Group Strategy Division (corporate management of The Kinki Osaka Bank, Ltd.)	Representative Director and President of The Kinki Osaka Bank, Ltd.	
Kazuyoshi Ikeda	Executive Officer; in charge of Operational Reform Division, Purchasing Strategy Division and Information Technology Planning Division	Director and Senior Managing Executive Officer of Resona Bank, Ltd.; Outside Director of Saitama Resona Bank, Ltd.	
Masatoshi Noguchi	Executive Officer; Manager of Internal Audit Division		
Koichi Matsui	Executive Officer; in charge of Risk Management Division and Credit Risk Management Division	Managing Executive Officer of Resona Bank, Ltd.	
Hisashi Saito	Executive Officer; in charge of Compliance Division	Managing Executive Officer of Resona Bank, Ltd.	

Makoto Nomura	Executive Officer; Manager of Financial Accounting Division; in charge of Group Strategy Division (Finance, Group ALM and IR)		
Kenichiro Masuda	Executive Officer; Manager of Group Strategy Division; in charge of Institute for Financial Marketing	Outside Director of The Kinki Osaka Bank, Ltd.	

Notes:

1. Eiji Hosoya, Seiji Higaki and Kazuhiro Higashi each serve concurrently as an executive officer.
2. Personnel changes of directors during the fiscal year ended March 31, 2012
Emi Osono and Toshio Arima were newly appointed at the 10th Ordinary General Meeting of Shareholders held on June 24, 2011 and they assumed their positions.
Shotaro Watanabe and Yuko Kawamoto resigned as of the end of the 10th Ordinary General Meeting of Shareholders held on June 24, 2011.
3. Personnel changes of executive officers during the fiscal year ended March 31, 2012
Masatoshi Noguchi and Kenichiro Masuda newly assumed their positions as of June 24, 2011.
Hajime Yoshitake resigned as of June 24, 2011 at the expiry of his term of office.
Eiji Hosoya resigned as Representative Executive Officer as of March 31, 2012. He continues to hold Executive Officer.
Shigeharu Nakamura resigned as of March 31, 2012 and as of the said date, he also resigned as Representative Director, Deputy President and Executive Officer of Resona Bank, Ltd. As of the date of resignation, he served as Outside Director of Saitama Resona Bank, Ltd. and he continues to hold that post in the Bank.
4. As of April 1, 2012, the role of Kazuhiro Higashi was changed to Corporate Communications Division, Human Resources Division and Corporate Governance Office. As of the said date, he newly assumed the post of Representative Director and Deputy President of Resona Bank, Ltd.
5. As of April 1, 2012, Masanao Kuzuno newly assumed the post of Executive Officer, Manager of Credit Risk Management Division and Deputy Manger of Risk Management Division. As of the said date, he assumed the post of Executive Officer of Resona Bank, Ltd.
6. The members of each committee are as follows (these members were appointed at the meeting of the Board of Directors on June 24, 2011 and assumed their positions):

Nomination Committee:

Shusai Nagai (Chairman) Toshio Arima Eiji Hosoya

Audit Committee:

Kunio Kojima (Chairman) Hideo Iida Kaoru Isono

Compensation Committee:

Tsutomu Okuda (Chairman) Emi Osono Eiji Hosoya

(2) Remuneration of Directors

Remuneration of directors for the fiscal year ended March 31, 2012

(Number of persons; millions of yen)

Classification	No. of Officers	Total Amount of Remuneration		
			Basic Compensation	Performance-Based Compensation
Director	9	86	80	6
Executive Officer	11	162	88	74
Total	20	249	168	80

Notes:

1. Amounts less than 1 million yen have been rounded down.
2. The above includes two directors and one executive officer who resigned as of June 24, 2011 and one executive officer who resigned as of March 31, 2012.
3. There were 10 directors and 12 executive officers as of March 31, 2012, with 3 individuals holding concurrent positions as director and executive officer.
4. Individuals holding concurrent positions as director and executive officer are not paid the portion of compensation for the director. Three executive officers holding concurrent positions as representative director and president of subsidiary banks are not given the portion of compensation for executive officer.
5. Basic compensation includes the fixed compensation based on position and the additional fixed portion based on duty.
6. There is no provision of share-based compensation.
7. No director receives ¥100 million or more in total consolidated remuneration.

Policy for Determination of Individual Remuneration, etc. for Directors and Executive Officers

The Compensation Committee defines the policy on determining individual remuneration for directors and executive officers of the Company as follows and decides on the remuneration amounts based on this policy.

Remuneration for directors and executive officers of the Company shall be structured to include performance-based compensation with the aim of increasing motivation to raise corporate value and to clarify accountability.

Furthermore, remuneration for executive officers shall be structured to include share-based compensation with the aim of increasing motivation to achieve sustainable growth of the Resona Group and enhance shareholder value on a mid-to-long-term basis (introduced in June 2010.)

(1) Compensation system for directors

Remuneration for directors consists of fixed compensation based on position, variable compensation based on performance and additional fixed compensation based on duty.

In order to ensure sound supervision over executive officers, the ratio of position-based compensation and performance-based compensation (standard amount) is set at 95 to 5, with higher weight placed on position-based compensation.

(i) Position-based compensation (fixed compensation)

Position-based compensation is provided in accordance with the magnitude of the responsibility by position.

(ii) Performance-based compensation (variable compensation)

Performance-based compensation of a director is provided based on the operating results of the Company for the previous fiscal year.

(iii) Additional duty-based compensation (fixed compensation)

Each outside director serving as a member of the Nomination Committee, Compensation Committee or Audit Committee is paid an additional portion based on the respective duty of a member.

(2) Compensation system for executive officers

Remuneration of executive officers consists of fixed compensation based on position, variable compensation based on performance and share-based compensation.

In order to maintain and increase motivation to fully carry out business, the ratio between position-based compensation and performance-based compensation (standard amount) is set at 60 to 40, with a suitably enhanced percentage of the performance-based compensation.

(i) Position-based compensation (fixed compensation)

Position-based compensation is provided in accordance with the magnitude of the responsibility by position.

(ii) Performance-based compensation (variable compensation)

Performance-based compensation of an executive officer is provided based on the operating results of the Company and the personal performance in the previous fiscal year.

(iii) Share-based compensation (variable compensation)

In the event income before income taxes of the previous fiscal year under the medium-term management plan exceeds a certain level, share-based compensation is provided for the purpose of acquiring shares of the Company. An executive officer receiving this compensation acquires the shares of the Company by contributing a certain amount to the Directors' Shareholding Association on a monthly basis, and holds the shares for up till one year after retirement from his or her position.

A certain amount of each type of compensation is paid by cash on a monthly basis.

Any officer holding concurrent positions as a director and executive officer is given only the portion of compensation for an executive officer.

An executive officer holding a concurrent position as a representative director and president of a subsidiary bank is not given the portion of compensation for an executive officer.

The retirement benefit plan for directors and executive officers was terminated effective June 25, 2004.

3. Matters Relating to Outside Directors

(1) Concurrent positions and other status of outside directors

Name	Concurrent Positions and Other Status
Kunio Kojima	Adviser of Japan Securities Finance Co., Ltd. Outside Director of JBIS Holdings, Inc.
Hideo Iida	Lawyer (Visiting Lawyer of Okuno & Partners) Outside Corporate Auditor of Eco's Co., Ltd. Outside Corporate Auditor of Bunka Shutter Co., Ltd.
Tsutomu Okuda	Chairman & CEO of J. Front Retailing Co., Ltd. Outside Director of Osaka Securities Exchange Co., Ltd.
Shusai Nagai	Outside Director of Saitama Resona Bank, Ltd.* Professor, Faculty of Business Administration of Toyo Gakuen University Graduate School
Emi Osono	Professor of Hitotsubashi University Graduate School of International Corporate Strategy
Toshio Arima	Chairman of the Board, Global Compact Japan Network Outside Director of Kirin Holdings Company, Limited. Outside Director of Fuji Heavy Industries Ltd.

Notes:

1. *Saitama Resona Bank, Ltd. is wholly owned subsidiary of the Company.
2. There are no business relationships to note between other principal companies in which the directors hold concurrent positions, and the Company.
3. Toshio Arima was Executive Corporate Advisor of Fuji Xerox Co., Ltd. and resigned that position as of March 31, 2012.
4. The above six outside directors are not related to executive officers and directors of the Company or the specified related business operators of the Company.
5. The above six outside directors are independent director(s)/auditor(s) under the provisions of the Tokyo Stock Exchange and the Osaka Stock Exchange.

(2) Principal Activities of Outside Directors

Outside directors provide timely and appropriate comments on the management of the Company based on broad perspectives at meetings of Board of Directors, etc.

Name	Period in Office	Attendance at Meetings of Board of Directors, etc.	Comments at the Meetings of Board of Directors and Other Activities
Kunio Kojima	6 years and 9 months	Attended 15 of the 15 meetings of the Board of Directors in FY2011. Attended 14 of the 14 Audit Committee meetings in FY2011.	As an expert in finance with a wealth of experience in management, Kunio Kojima proactively offers opinions and advice across a wide spectrum of areas focusing namely on financial markets and management reform.
Hideo Iida	5 years and 9 months	Attended 15 of the 15 meetings of the Board of Directors in FY2011. Attended 14 of the 14 Audit Committee meetings in FY2011.	As a legal specialist with a wealth of knowledge and experience, Hideo Iida actively offers opinions and advice across a wide spectrum of areas focusing namely on legal affairs and compliance.
Tsutomu Okuda	5 years and 9 months	Attended 15 of the 15 meetings of the Board of Directors in FY2011. Attended four of the four Compensation Committee meetings in FY2011.	With a wealth of insight and experience as management in the retail sector, Tsutomu Okuda proactively offers opinions and advice across a wide spectrum of areas focusing particularly on sales strategies and business management innovation.
Shusai Nagai	5 years and 9 months	Attended 15 of the 15 meetings of the Board of Directors in FY2011. Attended five of the five Nomination Committee meetings in FY2011.	As an expert in finance with a wealth of knowledge and experience, Shusai Nagai proactively offers opinions and advice across a wide spectrum of areas focusing particularly on comprehensive risk management and earnings management.
Emi Osono	9 months	Attended 10 of the 11 meetings of the Board of Directors after assuming office. Attended two of the two Compensation Committee meetings after assuming office.	As an expert in business management with a wealth of knowledge and experience, Emi Osono proactively offers opinions and advice across a wide spectrum of areas focusing particularly on business strategies and business reform.
Toshio Arima	9 months	Attended 11 of the 11 meetings of the Board of Directors after assuming office. Attended four of the four Nomination Committee meetings after assuming office.	As a manager of manufacture business and sales business with a extensive idea and experience, Toshio Arima proactively offers opinions and advice across a wide spectrum of areas focusing particularly on customer service and CSR.

Notes:

1. "Period in office" represents the period from the day on which the outside director assumed office to March 31, 2012, with any period of less than one month omitted.
2. There is no written resolution that assumes a Board resolution based on Article 370 of the Companies Act was reached.

(3) Liability Limitation Agreement

The Company has entered into an agreement with outside directors, Kunio Kojima, Hideo Iida, Tsutomu Okuda, Shusai Nagai, Emi Osono and Toshio Arima respectively, which limits the outside directors' indemnity liability under Article 423, Paragraph 1 of the Companies Act to the aggregated amounts provided for in each of the items of Paragraph 1 in Article 425 of the Companies Act.

(4) Remuneration for Outside Directors

(Number of persons; millions of yen)

Number of Directors	Total Amount of Remuneration	
	Basic Compensation	Performance-Based Compensation
8	64	4

Notes:

1. Amounts less than 1 million yen have been rounded down.
2. The above includes 2 directors resigned as of June 24, 2011.
3. "Basic compensation" includes fixed compensation based on position and the additional fixed portion based on duty.
4. Remuneration, etc. for outside directors from subsidiaries are as follows.

Number of directors paid: 2

Amount of remuneration, etc.: ¥9 million

4. Information on Shares of the Company

(1) Number of Shares

Total number of authorized shares

Ordinary Shares	7,300,000 thousand shares
Preferred Shares	295,000 thousand shares
(including Class C Preferred Shares:	12,000 thousand shares)
(including Class F Preferred Shares:	8,000 thousand shares)
(including Class 3 Preferred Shares:	225,000 thousand shares)
(including Class 4 Preferred Shares:	10,000 thousand shares)
(including Class 5 Preferred Shares:	10,000 thousand shares)
(including Class 6 Preferred Shares:	10,000 thousand shares)
(including Class 7 Preferred Shares:	10,000 thousand shares)
(including Class 8 Preferred Shares:	10,000 thousand shares)

Total number of issued shares

Ordinary Shares	2,514,957 thousand shares
Preferred Shares	254,520 thousand shares
(including Class C First Issue Preferred Shares:	12,000 thousand shares)
(including Class F First Issue Preferred Shares:	8,000 thousand shares)
(including Class 3 First Issue Preferred Shares:	225,000 thousand shares)
(including Class 4 Preferred Shares:	2,520 thousand shares)
(including Class 5 Preferred Shares:	4,000 thousand shares)
(including Class 6 Preferred Shares:	3,000 thousand shares)

Note: Numbers of shares less than 1 thousand have been omitted for simplicity.

(2) Number of Shareholders as of March 31, 2012

Ordinary Shares	347,393 shareholders
Class C First Issue Preferred Shares	1 shareholder
Class F First Issue Preferred Shares	1 shareholder
Class 3 First Issue Preferred Shares	1 shareholder
Class 4 Preferred Shares	1 shareholder
Class 5 Preferred Shares	1 shareholder
Class 6 Preferred Shares	3 shareholders

Note: The number of shareholders of Ordinary Shares above includes 20,705 shareholders who only hold shares less than one unit.

(3) Principal Shareholders

(i) Ordinary Shares (top 10 shareholders)

Name of Shareholder	Investment in the Company	
	Number of Shares in Holding (Thousand shares)	Shareholding Ratio (%)

Deposit Insurance Corporation of Japan	503,262	20.53
Japan Trustee Services Bank, Ltd. (trust account)	127,425	5.19
The Master Trust Bank of Japan, Ltd. (trust account)	83,255	3.39
The Dai-ichi Life Insurance Company, Limited	55,241	2.25
CACEIS BANK FRANCE/ CREDIT AGRICOLE SA	39,483	1.61
Japan Trustee Services Bank, Ltd. (trust account No. 9)	38,032	1.55
THE CHASE MANHATTAN BANK 380501	34,565	1.41
JP MORGAN CHASE BANK 380055	28,187	1.15
Japan Trustee Services Bank, Ltd. (trust account No. 4)	26,435	1.07
SSBT OD05 OMNIBUS ACCOUNT – TREATY CLIENTS	24,806	1.01

Notes:

1. Numbers of shares less than 1 thousand have been omitted in the column of "number of shares in holding".
2. "Shareholding ratio" was calculated by deducting treasury shares (64,185 thousand shares) and rounding down to the nearest two decimal points.
3. Of the shareholders above, Japan Trustee Services Bank, Ltd. has 340 thousand or 33.33% of its shares held by Resona Bank, Ltd.
4. According to the large-scale holding (revised) report dated March 11, 2011 issued by The Resolution and Collection Corporation and one other shareholder, Deposit Insurance Corporation of Japan held 511,039 thousand shares (shareholding ratio of 20.85%) as of March 8, 2011. However, the Company is unable to confirm the number of shares of substantial shareholders as of March 31, 2012, and hence the number of shares in holding based on the shareholder register is recorded herein.

(ii) Class C First Issue Preferred Shares

Name of Shareholder	Investment in the Company	
	Number of Shares Held	Shareholding Ratio
The Resolution and Collection Corporation	12,000 thousand	100.00%

(iii) Class F First Issue Preferred Shares

Name of Shareholder	Investment in the Company	
	Number of Shares Held	Shareholding Ratio
The Resolution and Collection Corporation	8,000 thousand	100.00%

(iv) Class 3 First Issue Preferred Shares

Name of Shareholder	Investment in the Company	
	Number of Shares Held	Shareholding Ratio
Deposit Insurance Corporation of Japan	225,000 thousand	100.00%

(v) Class 4 Preferred Shares

Name of Shareholder	Investment in the Company	
	Number of Shares Held	Shareholding Ratio
Shinkin Trust Bank, Ltd. (trust account) No. 8260041	2,520 thousand	100.00%

(vi) Class 5 Preferred Shares

Name of Shareholder	Investment in the Company	
	Number of Shares Held	Shareholding Ratio
The Dai-ichi Life Insurance Company, Limited	4,000 thousand	100.00%

(vii) Class 6 Preferred Shares

Name of Shareholder	Investment in the Company	
	Number of Shares Held (Thousand shares)	Shareholding Ratio (%)
Nippon Life Insurance Company	2,000	66.66
Meiji Yasuda Life Insurance Company	800	26.66
Daido Life Insurance Company	200	6.66

Note: Preferred Shares above are shown with any shares less than 1 thousand omitted, and the shareholding ratios have been rounded down to the nearest two decimal points.

(4) Other Important Share Information

Acquisition, sale and holding of treasury shares

(i) Acquisition of treasury shares

Ordinary Shares	6,333 shares
Total acquisition price	2,317 thousand yen

Note: The acquisition price is presented with amounts less than 1 thousand yen rounded down.

(ii) Disposal of treasury shares

Ordinary Shares	457 shares
Total amount of disposal	618 thousand yen

Note: The total amount of disposal is presented with amounts less than 1 thousand yen rounded down.

(iii) Treasury shares held as of March 31, 2012

Ordinary Shares	64,185,059 shares
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5. Matters Relating to the Accounting Auditor

(1) Status of Accounting Auditor

(Millions of yen)

Name	Remuneration, etc. Associated with the Fiscal Year Ended March 31, 2012	Other
Deloitte Touche Tohmatsu LLC Shigeru Omori, designated limited liability partner Mitsuo Kimura, designated limited liability partner Ayako Makino, designated limited liability partner	180	Services other than those provided in Article 2, Paragraph 1 of the Certified Public Accountants Act • Guidance and advisory associated with the International Financial Reporting Standards (IFRS)

Notes:

1. Amounts less than 1 million yen have been rounded down.
2. Money and other profit to be paid by the Company and its subsidiaries amount to a total of ¥690 million.

(2) Liability Limitation Agreement

Not applicable.

(3) Other Matters Relating to the Accounting Auditor

A. Policy on determining dismissal or non-reappointment of the accounting auditor

In the event the accounting auditor is recognized to fall under any of the items in Paragraph 1 of Article 340 of the Companies Act, the Audit Committee will dismiss the accounting auditor based on unanimous consent from members of the Committee.

In addition to the above, we will primarily review the qualifications of the accounting auditor, the status of a system to ensure that the duties of the accounting auditor are carried out properly, and the eligibility as the accounting auditor of the Group and determine the proposal concerning dismissal or non-reappointment of the accounting auditor to be submitted to the general meeting of shareholders by also taking into account the reporting made by the accounting auditor and the executive officers of the Company and mutual understanding between the accounting auditor and the management of the Group including auditors of subsidiaries.

B. Policy on exercise of rights given to the Board of Directors as set forth in the Articles of Incorporation pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act

The Group adopts the basic policy of promoting management reforms toward improving corporate value and placing a higher priority on accumulating retained earnings and restraining outflow of profits to realize prompt repayment of public funds. We will continue to provide stable dividend distribution.

With respect to the acquisition of treasury shares, we will exert efforts to secure an adequate level of capital and take action properly based on discussions with the respective authorities in order to manage appropriately our capital strategies toward repayment of public funds.

C. Audit of financial documents of principal subsidiaries and affiliates of the Company by certified public accountants or an accounting auditor other than the accounting auditor of the Company

The accounting auditor of P.T. Bank Resona Perdania for the fiscal year ended December 31, 2011 was Osman Bing Satrio & Rekan (member of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee).

6. System to Ensure Appropriateness of Operations

To establish a system that ensures appropriate operations and realize an internal control system befitting the Resona Group, the Company has established the "Basic Policies on Group Internal Control", which has been approved by the Board of Directors.

Overview of "Basic Policy on Group Internal Control"

(1) Statement

The Company and other companies of the Group seriously view the fact that the Group had to reinforce capital through injecting a massive amount of public funds. In order to prevent the recurrence of such a situation, the Group hereby formulates the Basic Policies on Group Internal Control (hereafter, the Basic Policies).

In accordance with the Basic Policies, the Group aims to establish an internal control system most befitting the Group and strives to manage and maintain control systems in optimal condition to ensure their efficacy, with a view to enhancing the Group's corporate value.

(2) Purpose of Internal Control (Basic Principles)

The Company and other companies of the Group adopt as the Group's basic principles, the fulfilling of the following four objectives in accordance with the generally accepted standards for evaluation of internal control systems.

(i) Enhancement of effectiveness and efficiency of operations

Promote enhancement of effectiveness and efficiency of operations for the purpose of ensuring soundness of business operations and improving corporate value.

(ii) Ensuring reliability of financial reporting

Exert efforts to ensure reliability of financial statements and information that can possibly have a material impact on financial statements for the purpose of attaining trust from investors and promoting transparency and fairness of information disclosure.

(iii) Legal and regulatory compliance

Adhere compliance with laws, regulations and other norms associated with the business activities in light of the public nature of the banking business and also with strong awareness for "Social Responsibility and Public Mission" of the Company and each of the Group companies. In addition, exert efforts to prevent and promptly detect any unauthorized actions.

(iv) Safeguarding of assets

Promote safeguarding of assets to ensure that acquisition, use and disposal of assets are appropriately performed and authorized, and pursue business activities based on the fundamental principles of exercising risk-taking suitable for management strength and earnings and promptly handling any inherent or expected losses, in light of the importance of managing risks in the banking business.

(3) Development of a Framework of Internal Control Systems (Basic Provisions)

In order to achieve the objectives of internal control, the Company shall develop a framework of internal control systems comprised of basic components: control environment, risk assessment and response, control activities, information and communication, monitoring, and response to information technology (IT), and make efforts to ensure the effectiveness of the framework. In accordance with this policy, the Company will ensure the "Resona Group Corporate Mission" is shared throughout the Group to serve as the foundation for the following basic guidelines, set forth to ensure appropriate operations of the Group.

(i) Guidelines concerning a system to ensure that duties of executive officers and employees are executed in compliance with laws, regulations and the Articles of Incorporation

In order to ensure strict compliance with respective laws and regulations, the "Basic Compliance Policy" shall be defined, based on which the compliance system will be established and managed. In accordance with the Policy, a standard compliance structure is to be clearly identified and a compliance system is to be established by defining the roles of executive officers and employees. A compliance division shall be put in place to oversee legal and regulatory compliance, and the division reviews any matters requiring a certain degree of important decision-making and verify the lawfulness and other aspects of the matter in advance to ensure that duties executed by executive officers and employees are appropriate.

Furthermore, in order protect customers and enhance their convenience, the "Group Policy on Providing Explanations to Customers", "Group Policy on Customer Service Quality Management", "Basic Policy on Handling of Information", "Group Risk Management Policy", and "Group Policy on Conflicts of Interest Management" shall be defined. Based on these policies, the Group shall establish and operate appropriate and adequate controls to manage responses to inquiries and complaints from customers, handle customer information, administer customer data and responses to customers when outsourcing operations, and manage conflicts of interest.

(ii) Guidelines concerning a system for retention and management of information relating to the execution of duties by executive officers

In order to ensure that information on execution of duties by executive officers is appropriately retained and managed, executive officers follow certain rules on areas including methods of retention and management of information under the "Regulations of Executive Officers", and ensure that the rules are strictly enforced. In addition, the "Basic Policy on Handling of Information" shall be set forth to ensure that handling, retention and management of information associated with the execution of duties by executive officers and employees is properly performed.

(iii) Guidelines concerning management of risk that may cause losses and other related controls

In order to establish a risk management system for the Company and each of the Group companies, the "Group Risk Management Policy" shall be formulated and a risk management division shall be established for comprehensively managing various risks. The risk management division is to exercise comprehensive risk management by overseeing the category-specific risk management performed by each risk managing department.

In addition, to secure adequate levels of capital and capital adequacy ratio, the "Basic Policy on Group Capital Management" is to be formulated so as to establish an effective system to manage capital.

Furthermore, the "Basic Policy on Group Crisis Management" shall be established based on which proper crisis management controls are to be established and exercised even under normal conditions. In this way, even in the event any risk identified materializes due to a disaster, system failure or other cause and expands beyond the scope of risk management and develops into a crisis, it will be possible to promptly respond and take risk-mitigating measures to quickly restore the operations (continuation or recovery of operations).

(iv) Guidelines concerning a system to ensure that duties of executive officers are carried out efficiently

The "Regulations on Segregation of Duties" and "Regulations of Executive Officers" relating to executive officers and the organizational structure shall be formulated to clearly define the scope of coverage, roles and authority, and responsibilities of each organ, and a system shall be put in place to ensure duties are executed properly and efficiently. In addition, the "Regulations of the Board of Directors" and other internal regulations on important meetings are defined to secure a system to ensure that decisions are made properly and efficiently.

(v) Guidelines concerning a system to ensure that operations of the Corporate Group, consisting of the Company and all Group companies, are executed appropriately

The Company and each company of the Group shall, based on the "Resona Group Corporate Mission", endeavor to win trust from customers, accept challenges in pursuing innovation, secure transparency of management, and contribute to the development of local communities, and set forth the following policies, aiming to ensure appropriate operations of the corporate group.

(1) In accordance with the "Group Business Management Regulations" separately defined, the Company shall manage the businesses of Group companies, aiming to maximize the corporate value of the Group. Operationally, business management standards are to be established, and matters requiring adequate discussions in advance between the Company and each of the Group companies and those that must be reported by Group companies to the Company shall be defined.

(2) The Company shall set forth the "Basic Policy on Information Disclosure and Financial Reporting" and promote fair, timely and appropriate information disclosure and reliable financial reporting while also maintaining effectiveness of controls on information disclosure including internal control over financial reporting in the Company and each company of the Group.

(3) The Company shall formulate the "Basic IT Policy regarding IT", which is the source of competitiveness that helps the Company and other Group companies enhance their corporate value, and exert efforts to ensure that IT functions including the effectiveness of internal control is continuously and appropriately maintained and that the practicability of IT strategies is secured.

(4) In order to put in place an internal audit system in the Company and each of the Group companies, the "Basic Policy on Group Internal Audit" shall be formulated, and internal audit departments

independent of business operations departments must be established. The internal audit departments shall examine and evaluate the status of execution of various business activities of the Company and Group companies respectively and promote improvements as necessary.

(vi) Guidelines concerning employees to assist the duties of the Audit Committee

The Company establishes the Office of Audit Council as a unit directly reporting to the Audit Committee, and also formulates the "Regulations Concerning Assistants to the Operations of the Audit Committee" and has employees assisting the duties of the Audit Committee belong to the Office. Employees with the sufficient expertise to properly validate the various operations shall be assigned to the Office of Audit Council.

Regulations on the operations of the Office shall be separately defined by the Audit Committee.

(vii) Guidelines to ensure the independence of employees in the preceding paragraph from executive officers

In order to secure the independence of employees serving as assistants in the preceding paragraph from executive officers, the "Regulations Concerning Assistants to the Operations of the Audit Committee" provided in the preceding paragraph shall define, with regard to transfers and other activities of the employees, that discussions are to be held in advance with the Audit Committee or the Office of Audit Council.

Executive officers must exercise due care so as not to unfairly place any restriction on the said discussions or the execution of operations of the aforementioned employees.

(viii) Guidelines concerning a system for executive officers and employees to report to the Audit Committee and other reporting to the Audit Committee

All executive officers and employees shall abide by the "Regulations Concerning Reporting to the Audit Committee" and report in writing or orally to the Audit Committee any incident that has or may have material damage on the Company or Group companies, a situation that may considerably impair the credibility of the Group, a major deficiency or problem concerning the framework or procedures of internal control, a legal or regulatory violation or unfair act, and any other similar incidents.

Notwithstanding the aforementioned, the Audit Committee may, if deemed necessary, request an executive officer or an employee to report at any time.

(ix) Guidelines concerning a system to ensure that audits by the Audit Committee are conducted effectively

To ensure that audits by the Audit Committee are effectively performed, internal audit departments shall report the results of internal audits and of the status of improvements based on the comments calling for improvements to the Audit Committee in accordance with the "Basic Policy on Group Internal Audit" separately provided. Departments associated with internal control, such as internal audit, finance and accounting, risk management, and legal and regulatory compliance, shall promote smooth mutual understanding and collaboration with the Audit Committee.

7. Other

Not applicable.