

# For the Earth and For the Future

*Do what we can do now.*



## RESONA WAY

CSR Report 2010 Highlight Edition



Resona Group

## RESONAWAY

CSR REPORT 2010 [Highlight edition]

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## Our Message

We, Resona Group, carry out our daily activities, thinking that what helps customers and society through our core business is Corporate Social Responsibility.

This CSR report highlight edition features part of our achievements for the past year and the direction toward which Resona Group wants to head. We hope that this report will contribute to a better understanding of the Resona Group while our wishes deeply resonate with your heart through this.

The Resona Group

## Resona Group's Network (as of 31st March, 2010)

### Kanto 813

Resona Bank 365  
(Manned Office 155 Unmanned Office 210)  
Saitama Resona Bank 447  
(Manned Office 128 Unmanned Office 319)  
Kinki Osaka Bank 1  
(Manned Office 1)

### Kansai 570

Resona Bank 411  
(Manned Office 139 Unmanned Office 272)  
Kinki Osaka Bank 159  
(Manned Office 134 Unmanned Office 25)

### Kyushu 6

Resona Bank 6  
(Manned Office 4 Unmanned Office 2)

### Hokkaido and Tohoku 3

Resona Bank 3  
(Manned Office 3)

### Koushinetsu 5

Resona Bank 5  
(Manned Office 3 Unmanned Office 2)

### Chubu and Tokai 23

Resona Bank 22  
(Manned Office 7 Unmanned Office 15)  
Kinki Osaka Bank 1  
(Manned office 1)

### Chugoku and Shikoku 2

Resona Bank 2  
(Manned Office 1 Unmanned Office 1)

Overseas Representative Office  
Resona Bank 4



Under “the Resona Way (Resona Group Corporate Promises)” which is our action guideline to realize the group’s management philosophy, we believe that our mission is to work on “global environmental issues” and to fulfil our social responsibility by placing much importance on the relationship with all stakeholders: “Customers”, “Shareholders”, “Society” and “Employees”. The goal of our Corporate Social Responsibility (CSR) is to build a corporate culture to encourage each employee to sincerely implement “Resona Way (Resona Group Corporate Promises)” through daily activities.

### Corporate mission

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

- live up to customers’ expectations,
- renovate its organization,
- implement transparent management, and
- develop further with regional societies.



This is embodied as our stance towards each stakeholder

### Resona Way (Resona Group Corporate Promises)

#### Customers and “Resona”

##### Resona cherishes relationships with customers.

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

#### Employees and “Resona”

##### Resona highly regards employees’ dignity and personality.

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

#### Society and “Resona”

##### Resona places importance on its ties with society.

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

#### Shareholders and “Resona”

##### Resona cherishes relationships with shareholders.

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

### Group Environmental Policies

#### 1. Observance of Environment-related Laws and Regulations

We abide by laws relating to environmental conservation and to other requirements that we have subscribed.

#### 2. Environmental Conservation through Our Core Business

We support environmental conservation activities by developing and providing environment conscious products and services.

#### 3. Environmental Load Reduction in Our Offices

We work toward reducing the environmental load through resource-and energy-saving activities in our offices.

#### 4. Environmental Communication

We take active measures to communicate environment-related information inside and outside of the Group and promote environmental education activities.

#### 5. In-house Education and Full Participation

We ensure that all Group executives and employees are familiar with our environmental policies, and that all executives and employees act in an environmentally-responsible manner.

#### 6. Public Disclosure of Environmental Policies

We disclose our environmental policies to all parties.

### Overview of the Resona Group (as of 31st March, 2010)

The 4th largest financial group in Japan Consolidated Asset: approximately 40 trillion yen

### Resona Holdings, Inc.

Capital Stock 327.2 billion yen, Number of Employees 508

#### Resona Bank, Ltd.

Capital Stock  
279.9 billion yen  
Manned Offices  
312  
Number of Employees  
8,966

#### Saitama Resona Bank, Ltd.

Capital Stock  
70 billion yen  
Manned Offices  
128  
Number of Employees  
2,977

#### The Kinki Osaka Bank, Ltd.

Capital Stock  
38.9 billion yen  
Manned Offices  
136  
Number of Employees  
2,398

#### Resona Servicer Co., Ltd. Servicer

#### Resona Research Institute Co., Ltd. Business consulting services

#### Resona Capital Co., Ltd. Venture Capital

#### Resona Business Service Co., Ltd. Personnel services and Back office work

#### Resona Card Co., Ltd. Credit Card, Credit Guarantee

#### Resona Kessai Service Co., Ltd. Factoring

\*Employees of each bank include ones who hold concurrent positions at Resona Holdings, Inc.



#### Introduction of “CSR Report 2010 Data Edition”

In this “CSR Report 2010 Highlight Edition”, we present our major activities regarding FY 2009 CSR.

At our homepage, we publish detailed information including other CSR activities and data in “CSR Report 2009 Data Edition”.

Please refer to it.

<http://www.resona-gr.co.jp/holdings/csr/>

Only in being valuable to customers we have certain existential value!  
Without local communities being “improved”, there is no way “Resona” can “improve”.

## The attitude to support local communities is the starting point of Resona Group’s social responsibility.

Resona Group wishes to implement CSR (Corporate Social Responsibility) activities in a sincere manner as part of our main line of business while valuing communication with people and bond with local communities more than anything else.

Top management of four Resona Group companies and Ms. Kumi Fujisawa, vice president of Think Tank SophiaBank had a discussion in greater depth about “Ideal CSR”.

### What issues does Japanese society face?

**Fujisawa** Currently, there are so many challenges in the society. Based on social matters, what kind of issues do you have in mind?

**Higaki** The issue of aging is serious in particular. Coupled with issues of nursing care and pension, an unhappy society where people think “longevity is a risk” is created. This is a very significant point in our business as well.

**Iwata** I agree. In addition, as former Prime Minister Hatoyama declared “25% reduction of CO<sub>2</sub>” last year, every industry started to feel that “without thinking about environmental issues seriously, business will not proceed”. It is also essential for banking business to tackle environmental issues.

**Kamijo** Indeed. Moreover, many university students cannot get an official job offer even when they are close to graduation. It is quite sad to see the society where young people cannot make their dreams come true. We continue to think what we can do for local communities to solve these issues.





## It is the starting point of “Resona” how to contribute to solving the issues with which local communities are facing.

**Fujisawa** I would like to delve deeper into this “contribution to local communities”. We often hear at Davos Forum (World Economic Forum) that “a company will win a respectable position by making contribution to the society not through mere charity and donation but through core business”.

**Higaki** We use the words like “solving social issues” and “financial service business” many times in our medium-term plan. For example,

we may provide solutions through products that deal with the issue of aging such as pension trusts and will trusts. Or we may support further growth of local companies by offering propositions not only just financially but also from various aspects. I believe that this attitude to solve social issues through our core business is the starting point of CSR.

**Kamijo** I agree. At Saitama Resona Bank, we firmly establish relationships with government agencies and work to solve issues by leveraging our strength as a designated financial institution of not only Saitama Prefecture but most municipalities within Saitama Prefecture. For example, we make a regional contribution through cooperation to industrial policies implemented by tie-up with Saitama Prefecture, participation in environmental policies, development of loan products that respond to child-support programs and PFI projects (project where maintenance of public facilities and provision of services are delegated to the private sector).

**Iwata** Other than such services that are rooted in the characteristics of each region, it is required to provide common services nationwide. Resona Bank takes the lead in developing the latter services.

**Kikyo** I think the role of “roundsman” is going to be important, who frequently visits customers to carefully listen to their issues and concerns and think about how to solve them, not for the purpose of selling something. At Kinki Osaka Bank, we have just started intensive visits to customers by bicycles in order to expand our reach to customers. (laugh)

**Higaki** We would like to make an approach to each issue that individual customer is facing with in an accurate manner. We started from the idea that “unless



Moderator

**Kumi Fujisawa**

- Vice President, The think tank, SophiaBank,
- Vice President, Japan Social Entrepreneur Forum
- Visiting Professor, Graduate School of Hosei University



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

**Seiji Higaki**

It is our mission to deal  
with each customer's  
concern with accuracy.



We play the role of  
“roundsman” in order to  
shed light on issues.

Representative Director, President and  
Executive Officer of The Kinki Osaka Bank, Ltd.

**Yoshihito Kikyo**



local communities improve, we will never improve”. In the long run, we will be able to grow as a result of individual customer's growth. Therefore, “giving priority to customer support” is very important.

### After customer's satisfaction, our revenue comes.

**Fujisawa** However, won't shareholders put any pressure to seek “revenue” ?

**Higaki** It depends on the quality of revenue. We never take significant risks such as purchasing subprime loans in order to increase short-term revenue. Since we are a bank that borrows public funds, being healthy is the prime condition. We value local communities more than anything else. I believe this policy will be valued highly in the medium- and long-term.

**Kikyo** We have observed such idea sprung after the infusion of public funds seven years ago. Even some young employees say with enthusiasm, “I want to give something back to the customers.”

**Iwata** However, our business is not charity. After customers are satisfied, then we can enjoy our revenue. (laugh)

**Kamijo** I would like to ensure that good manners for the customers are in place, not just making customers feel satisfied. By simple calculation, six out of ten people who live in Saitama Prefecture have our accounts. It means six out of ten people we pass on the street are our customers. However, the awareness of our employees is not so high that they do not greet everyone they pass on the street. I feel chagrined at the lack of “Merchant Spirit” in doing business in local communities.

**Iwata** Now one-third of all employees did not experience “the fateful crisis of ‘Resona’”, so it is natural that the feeling of “never forgetting a sense of crisis during the “Resona” shock and always thanking our customers” is gradually fading. It may be a time to rethink our awareness and manners.

### Field staffs shall make a choice on site for what to do in regional management

**Kikyo** Recently I relish the enchantment of regional management. People in Osaka simply love Osaka. They are extremely supportive of any attempt to make Osaka better. For example, our time deposit product called “Ecology Mission to Fill Osaka with Flowers”, which donates a part of deposit balance for planting flowers, was sold out in three days.

**Fujisawa** Projects of Kinki Osaka Bank are created through a bottom-up process. It is quite interesting among banks with strong images of top-down.

**Higaki** There is a famous line, “Incidents occur on site!” in the TV drama “Odoru Daisousasen (Bayside Shakedown)”. That is exactly it. Field staffs make a choice for what to do, not just waiting for instructions from management. This is what regional management should be like. There are of course some difficult aspects in the field-

staff-led management. However, we cannot become a true retail bank without taking on challenges.

**Iwata** I completely agree. Fundamentally, for regional management, field staffs shall take the initiative in implementing what they think appropriate. Headquarters give approval and provide support. However, the enthusiasm of headquarters in providing support is not sufficient. In some regions, field staffs may shrink saying, “We are scared of responsibilities by doing what we can do without permission.” Therefore, it is an issue for headquarters how much support they can provide to field staffs.

**Kamijo** In contrast, at Saitama Resona Bank, field staffs tend to wait for judgements of the headquarters. For example, 70% of video news for employees comes from the headquarters. Saitama Resona Bank consists of four regions; if we increase the number of video news from these regions purposefully, examples of contributions to local communities and sales efforts in each region will be clarified, and by seeing them, each region will be more active in planning and implementing unique strategies. However, it is important to note that interregional relationships are quite strong among customers. So I think it is not preferable to see a phenomenon that “certain activity is implemented in one region, but not in another”, but, anyway, I expect field staffs to act more proactively.

### Autonomy of employees is the source of on-site power.

**Fujisawa** I see. Awareness of each employee supports CSR.

**Higaki** I want all employees to enhance their “autonomy”. Once they become “autonomous”, they will see the value of their work more clearly and come to understand what they should do now.

**Iwata** Yes, “autonomy” is the keyword here. A group of “autonomous” individuals make an organization strong. This is also related to Mr. Kamijo’s opinion about “employees waiting for instructions from management”. If employees think about ideas autonomously, they can take actions proactively preparing to take risks by themselves. In addition, I would like to make employees strengthen the attitude to come down in favour of customers. If they make a serious try, unique position of “Resona” becomes prominent.

**Kamijo** I also expect employees to put emphasis on “on-site power”. “On-site power” of banks is the sum of the power of each employee who thinks and acts beyond manuals and roles given from management. This is the “on-site power” of branches that eventually expands to the “on-site power” of the entire Resona Group. Therefore, I expect employees to always think and act.

**Kikyo** I would like to say, “Be confident!”. Even from an objective perspective, I believe our bank’s efforts are at the “top level in relation banking of regional banks”.

**Fujisawa** At any rate, what I truly understand today is the fact that Resona Group acknowledges “CSR as core business of ‘Resona’”. I look forward to new CSR activities created and embodied through the core business.



Representative Director and  
President of Resona Bank, Ltd.

**Naoki Iwata**

Our revenue comes  
after customer’s  
satisfaction.



Representative Director and  
President of Saitama Resona Bank, Ltd.

**Masahito Kamijo**

We put emphasis on the “on-site  
power”, the power of employees  
beyond manuals and roles given  
from management.







**Highlight 1** Deep relationship between environment and finance

**Change in individuals' attitude  
This brings a big change  
to the environment business.**





The small island nation, Tuvalu, is on the brink of being submerged by the sea. Alaskan glacier is falling down into the sea...The world is now filled with news that show changes in nature due to climate change. However, here in Japan, far away from these places, we consume an enormous amount of energy and have a comfortable life. People's awareness of environmental issues has not been raised enough to lead to the nationwide movement. However, due to the "25% reduction of CO<sub>2</sub> compared to the 1990 level" declared by the government and "Challenge 25 Campaign", the corresponding national movement for prevention of global warming, people's awareness of environmental issues is increasing. Now there is a tide of public opinion that promotes earth-friendly actions.

Under these circumstances, what can financial institutions do and what are we expected of? Of course, it is necessary to work on energy saving and reduction of paper use in offices in order to reduce the effects on the environment. Resona Group promotes reduction of electricity use and copy paper, but due to the business characteristic of financial service business having no factories, effects of energy saving within the Group is limited. However, banks have lots of customers including individuals and corporate customers. Thus, by leveraging our position as a bank that is close to people, we call for individual customers to make earth-friendly efforts by encouraging them to use "ordinary deposit account, 'TIMO', that does not issue a passbook" and "ATM/Internet banking" that lead to reduction in paper resources. We also try to raise local companies' awareness of environmental issues by regularly holding an environmental business matching, "Environmental Commercial Meeting" and a seminar on "environmental business".

### Environmental Commercial Meeting

Resona Bank, Kinki Osaka Bank and Resona Research Institute collaborate with environmental businesses that Resona Bank have relationships with and held "Resona Environmental Commercial Meeting" in July 2009, an exhibition-type meeting that introduced energy-saving and cost-saving products developed by these businesses. Due to the enhanced regulation with regard to environment by the revision of "Energy Saving Act", visitors showed high interest. They closely examined technologies and services that contribute to energy as well as cost savings and listened with enthusiasm to explanations of persons in charge.

If people's awareness changes and they have a strong desire to "trade up to an eco-friendly car" or "start environmental business" through these activities, we are prepared to provide financial support. We are introducing loan products to purchase eco-friendly housing as well as cars and financing for companies that make capital investment in an eco-friendly way. We support those, individuals or companies, who proactively work on environmental issues.

Also in the area of investment, Resona Bank signed "UN Principles for Responsible Investment" that declare decision-making in a manner that pays attention to environmental, social and corporate governance issues. We not only implement such decision-makings in managing entrusted pension funds, making investments and providing loans, but also recommend such an investment method to investors such as pension funds.

We often hear that "finance is blood of the society". Encourage the society to think about environmental issues by utilizing financial function. By doing so, the world and the earth will get gradually beautiful. From this perspective, financial institutions will be able to make a significant contribution to solving environmental issues. And this is the role that financial institutions are expected to play the most.

## We support eco-friendly efforts!

Resona Group provide various product plans to proactively support efforts of corporate as well as individual customers on environmental protection. For example, for car financing, we have "Eco Toku Plan<sup>\*1</sup>" and "eco Toku Plan<sup>\*2</sup>" for those who purchase eco-friendly cars. For home improvement loan, we have "Solar Plan<sup>\*1</sup>" for those who install photovoltaic utilization system and "Eco Toku Plan<sup>\*2</sup>" for those whose home improvement is covered by the Home Eco-point System. For corporate customers, we encourage them to use "Resona Environmental Finance Eco<sup>\*2</sup>", "Saitama Resona Eco-Friendly Finance<sup>\*1</sup>", "Eco-Friendly Syndicated Loan<sup>\*2</sup>" and "Kankyo Keikaku<sup>\*2</sup>" in order to install equipments for global warming countermeasures.

<sup>\*1</sup> Available at Saitama Resona Bank

<sup>\*2</sup> Available at Resona Bank

# Resona and Environment



Ordinary deposit account  
"TIMO" without issuing a  
passbook

"TIMO" does not issue a  
passbook and we award 50  
Eco Action Points for the  
cooperation in reducing paper.

# Finance is blood that makes the society work. We want everyone to realize the importance of the relation between environment and finance.



## We encourage eco-friendly efforts!

At Resona Group, we have participated in “Eco Action Point” since October 2008 with our ordinary deposit account, “TIMO” that does not issue a passbook. “Eco Action Point” is promoted by the Ministry of the Environment. Under this system, people can earn points by purchasing eco-friendly products and services and participating in eco-conscious events. To date, Resona Group has issued more than 350,000 points, one of the largest records among companies participating in this project. In addition, at Resona Bank, we encourage customers to take environmentally-oriented actions in banking transactions. For example, for customers who selected “paperless services” such as utilization of ATM for tax payment, we ask them to put a green seal in the shape of a leaf on an “Eco Tree” poster.

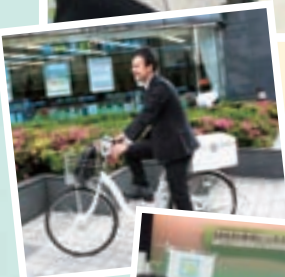


## We love the earth! Let's do ecology activities!! Kinki Osaka Bank

At Kinki Osaka Bank, by making “We love the earth! Let's do eco-friendly activities together!” our catch-phrase, we are aggressively working on environmental protection. In September 2009, we switched half of cars and motorcycles used for sales activities to eco-friendly electric bicycles.

In December 2009, in order to support “Ecology Mission to Fill Osaka with Flowers” that promotes development of towns filled with flowers, we signed a letter of acknowledgement with Osaka Prefecture. We implemented a project that we purchase flower seeds with a part of the interest earned on one of our time deposit products, “Hana Ippai (filled with flower)” and give them to elementary and junior high schools in Osaka to grow them. This project won over many people, and the product was sold out in three days after its release.

In February 2010, in order to support the realization of “Cool City Sakai” financially, a low-carbon city that Sakai-shi (“Environment Model City”) aims to become, we established “SAKAI Eco Finance Supporters Club” in cooperation with 22 financial institutions doing business in Sakai-shi. We signed an agreement with Sakai-shi to prevent global warming. Currently, as a representative of this “SAKAI Eco Finance Supporters Club”, Kinki Osaka Bank is working on various projects.







## Highlight 2 What finance can do for local communities

# Companies “encounter”. Japan “connects”.

### Resona DE Monitor

Monitor meeting where users check products about which companies have confidence with stern eyes. Resona Bank holds “Resona DE Monitor” where only women can participate. It is becoming popular among companies, and they say “Women’s severe and true opinions are useful in marketing”. After the meeting in Osaka, we held a meeting in March 2010 for the first time in Tokyo.

“Small- and medium-sized companies showed some signs of recovery in the January-March 2009 quarter as the bottom, but the overall growth level remains low.” (White Paper on Small- and Medium-sized Companies 2010) The economy small- and medium-sized companies are facing with is still in severe condition including deflation and development of appreciation of the Japanese yen. However, even under these circumstances, there are many companies that steadily gather stream. If local companies become energized, people living in these regions will be lively and active. What is expected of financial institutions for local revitalization?

Main line of business of financial institutions is to create cash flows in the society through operations such as deposit, loan and currency exchange. When we think about supporting small- and medium-sized companies in local areas, the first thing that comes to our mind is financial support such as business finance. However, Resona Group thinks that we should be able to make multilateral contribution to revitalization of local companies

### “We aim to become a bank that grows with our home town, Saitama!” Saitama Resona Bank

Saitama Resona Bank aims to become a “bank everyone in Saitama Prefecture trusts and which grows with our home town, Saitama” and undertakes various efforts in collaboration with Saitama Prefecture. In November 2009, we ran a booth at “Manabipia Saitama 2009”, the nationwide lifelong learning festival. We held small seminars on finance education for children and on environment. Also in December 2009, we and Saitama Prefecture co-hosted “Exhibition and Business Meeting of Farming and Food” following the

previous year. We are also undertaking various efforts in collaboration with local measures such as house mortgage tied up with housing-related measures of Saitama Prefecture and provision of home improvement loan.

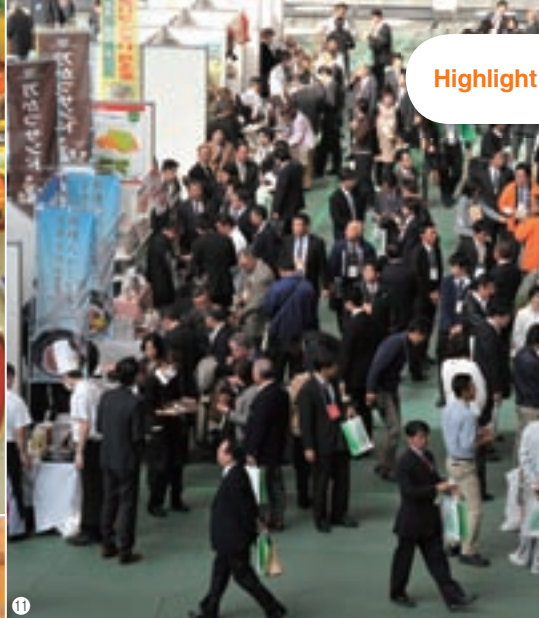
In addition to the collaboration with public administration, we also think a great deal of the relationship with universities. We cooperate with nine universities based in Saitama Prefecture including Saitama University and work on giving research achievement and know-how of these

universities back to the community by leveraging the unique network banks have. We also match companies with needs for business-academic collaboration with our partner universities to support mid- and long-term growth of companies.

We also donated to open a new course at Saitama University from FY2008. We would like to contribute to development of the local society through support for cultivation of human resources that assume an important role in the future regional economy.



## Highlight 2 What finance can do for local communities



### Resona DE Monitor

Introduce products and listen to opinions directly (1, 2, 3, 7)  
Visitors who try products and respond to surveys (3, 5)  
Products shown at the meeting in Tokyo (4)

**Exhibition and Business Meeting of Farming and Food**  
Introducing unique products made by companies in Saitama Prefecture (8, 9)

Exhibition site full of many food buyers (11, 15)  
Listening intently to explanation of products (12, 13, 14)

### Exhibition and Business Meeting of Farming and Food

"Exhibition and Business Meeting of Farming and Food" was held by Saitama Prefecture and Saitama Resona Bank. This event aimed to expand business opportunities for farm producers as well as food manufacturers such as advertisement of foodstuffs in Saitama Prefecture and cultivation of new sales channels. We recently hear the word, "Local production for local consumption", but many companies are still looking for ways to achieve it. Saitama Resona Bank proactively supports these efforts.

by leveraging the characteristics of banks and is now implementing various projects.

For example, for supporting product development of small- and medium-sized companies, we held an event called "Resona DE Monitor" that directly hears from consumer monitors in the regions. For customers that want to widen sales channels, we implement business matching such as "Exhibition and Business Meeting of Farming and Food" that leverages a wide network banks have. In this way, we contribute to local revitalization by supporting business expansion of local companies.

Also, for owners of local companies, business succession and employees' pension are big issues. Resona Bank, that has trust function, addresses concerns of business owners by proposing made-to-order solutions from a comprehensive perspective such as will trusts, corporate pension and real estate. We make efforts so that business owners can focus on business activities feeling free from anxiety.

## "We contribute to addressing concerns in the region by leveraging our trust function!" Resona Bank

In the face of the aging society, many people, not just business owners and land owners, are increasingly worried about the issue of inheritance. At Resona Group that has trust function, we propose solutions for these problems by utilizing will trusts and estate settlement service. In order to meet various needs, we also continue to improve our service such as

"Inheritance Settlement Peace of Mind Package" with inexpensive fee and "Peace of Mind for Your Golden Years Plan" that addresses concerns when people become demented by any possibility. By utilizing our trust function, customers can bequeath a part of your estate to social contribution organizations.

In order to provide these solution

services as one-stop service, Resona Group merged Resona Trust & Banking with Resona Bank in April 2009. By embedding trust function into the bank, we are now able to respond to a wide variety of needs more swiftly and closely to the community.

Participants of Economics Koshien. Each team gets all pumped up. ↓



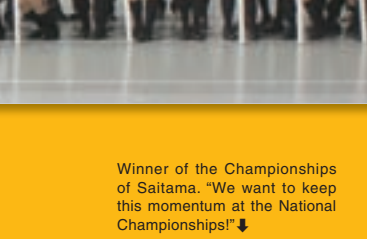
"We are very nervous, but we will do our best!" Seeing their smile we can hear their pitty-pat. ↓



↑"Correct!" Most exciting fastest fingers first. Person who gives a right answer is presented with lei.



↑The trophy all participants try to get shines in the center of the venue.



Winner of the Championships of Saitama. "We want to keep this momentum at the National Championships!" ↓



Winner of the Championships of Kanto. Hosoya, the Chairman of Resona Holdings rewarded them. ↓



↑Board quiz where everyone thinks really hard! They are working on the question, "In which house mortgage repayment method is the total repayment amount higher, 'principal and interest equal repayment' or 'principal equal repayment'?" The answer is at a lower right.



↑Participants of the Championships of Kansai. It is organized by volunteer staffs of Resona Bank and Kinki Osaka Bank.

Photo on the left page: Economics Koshien

Photo on the right page: Education on finance and economy for children

## Learning financial knowledge necessary for life planning through games

It is important to know about money and its role in order to make plan for one's life and realize one's dream. However, in reality, due to the need to balance with academic work and a peculiarly Japanese resistance to education on money, education on finance and economy receives a low priority in the classroom. We want young people to acquire practical financial knowledge! An event that meets such wishes of people involved in finance is "Economics Koshien", a finance and economy quiz championship for senior high school students. It is hosted by Association for the Promotion of Financial Literacy, an incorporated non-profit organization that informs the importance of "financial literacy" and provides opportunities to acquire that. Resona Group agreed with this activity and has supported "Economics Koshien" from the first. In 2009 Championships in Saitama, in particular, cooperated with "Manabipia Saitama 2009\*", the nationwide lifelong learning festival and realized a collaboration with Saitama Prefecture. This is the style perfect for Resona Group

### For Children

## We pass on "financial knowledge" that enriches your life to the next generation.

The biggest gift financial institutions can give to young people is the knowledge of "finance and economy" that are essential to life. Resona Group is communicating knowledge on "how to deal with money" that becomes essential to lives of young people of various ages by hosting variety events such as "Resona Kids' Money Academy" for elementary school students, "Experience of the Field of Work/Company Tour" for junior high school students and "Economics Koshien" for senior high school students. Bright future for the next generation! This is what Resona Group wishes.

# Go for it, young people!



Mainichi Newspaper x Resona Kids' Money Academy. For day 1, children studied about money at Resona Bank, and the next day, they toured Mainichi Newspaper. The two-day course was quite fruitful. ↓



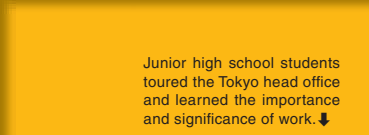
Everyone who participated in Resona Kids' Money Academy threw ducats! The staff who played a role of teacher were deeply moved by the word children said at the end, "We want to be bankers". ↓



↑Children experienced a one-day office manager. They were filled with a sense of responsibility for this important role.



↑Eco-rangers acted by staffs of the city office of Minoo! Environmental education promoted by municipal government united with Resona Kids' Academy.



Junior high school students toured the Tokyo head office and learned the importance and significance of work. ↓



We developed materials for e-learning in collaboration with Tokyo University of Technology. These materials are available on the Resona Group's web site HP so that anyone can study freely. ↓



↑We visited elementary schools to give lectures! Requests from schools and PTAs are increasing year by year.



↑Children enjoy learning excitedly using the game kit developed by employees of Resona Group!

For elementary school students as well as junior high school students.  
**We are expanding our activities!**

to host, that aims to take community-based approach.

However, it is not just senior high school students who need financial education. In order to realize the importance of money, it is the most important thing to raise young people's interest from an early age. Thus we present "Resona Kids' Money Academy" for elementary school students. This program developed by employees of Resona Group helps children realize the importance of money and work and creates opportunities to learn the structure of the economy in a joyful and easy-to-understand manner. We also conduct "Experience of the Field of Work/Company Tour" at both head offices and branches for junior high school students wishing to give them a hint to think about their future career.

Every activity is based on our wishes for the next generation to acquire financial literacy and an ability to realize their dreams by themselves. Resona Group always supports young people's bright future.

\*"Manabipia" is an experience-based event that communicates pleasure and importance of learning. Host prefecture is determined based on a rotation every year.



## Everyday donation at company cafeteria to "School Lunch" in developing countries held TABLE FOR TWO

95,626 meals were ordered for one year from April 2009 to March 2010; including the donation, annual school lunch expense for 450 students was covered.



TABLE FOR TWO is a system where, with an order of low-calorie healthy menu at a company cafeteria, 20 yen out of the meal cost is donated to children in developing countries as fund for school lunch. This social contribution activity started in Japan that enables to solve simultaneously the issue of metabolic syndrome in developed countries and the issue of starvation in developing countries. At Resona Group, cafeteria of each bank's head office participates in this project.

It usually takes time to gain understanding for this type of social contribution activity, but Resona Group was among the first to announce its participation. Management as well as employees are positively cooperating with this effort, and Resona Group is now one of the companies that donate the largest number of school lunches. We really appreciate Resona Group's effort.



Incorporated non-profit organization TABLE FOR TWO International Secretary-general Masahisa Kogure

★Answer: principal and interest equal repayment



We tell you the secret of Resona Group's power!

# Women lithely making a big leap

At Resona Group, almost half of our customers are women, and nearly 60% of employees are also women.

In consideration of these circumstances, we have promoted reforms to become a "No.1 bank supported by women".

Our efforts received recognition, and Resona Bank won the "J-Win's Grand Prize Award for Diversity" from J-Win, an incorporated non-profit organization. This prize is awarded to a company that contributes to raising awareness about women.

With this pleasure that our group-wide diversity promotion activity was recognized, we continue to aim for "true diversity".

## *Promote Women Diversity*

### Interview with Woman's Council

#### Aiming to become attractive "Resona" Activities of Woman's Council

Woman's Council is an advisory body established in 2005 under direct control of management.

It was established in order to reflect more women's opinions on management and to create a working environment where women can be active. Its catch-phrase is "We want to be chosen. We want to work. We aim to become attractive "Resona" to provide a fulfilling daily life". In order to create a better working environment for women, we have conducted activities as an organization to think what we can do to become an attractive company that is "chosen" by customers and college students.

At Resona Bank, there are various systems to promote women's success. While Woman's Council is involved in development of these systems from a perspective unique to women, we have spread the information on these systems in order to promote utilization. As a result of the systems created from a



perspective of users and internal activities to spread relevant information, users are increasing year by year.

In order to support career development of women, we introduce women who play an important role in management/specialist positions and propose seminars and training. We have provided opportunities to women to think about their own career development proactively.

One of the reasons we won the "J-Win's Grand Prize Award for Diversity" is that "we make efforts to bring out each employee's best in order to become a company where employees who work hard can receive recognition regardless of the distinctions such as gender, age and employment status".

Resona Group is changing to a workplace where women can continue to work lively as long as possible. We would like to continue these activities aiming to create a workplace where everyone can work lively.

Employee-friendly systems based on a perspective of users



"I want to return to work after childbirth/childcare is settled down!"

➡ **JOB Return system**



"I want to work as a partner employee (part-time) until childcare is over!"

➡ **Full-time to temporary staff conversion system**



"I want to spend time with my child until his/her one year birthday!"

➡ **We extended childcare leave to one year and one month.**

\*Childcare leave will be extended to one year and two months from June 30, 2010.

Other than those, we have an "employee status conversion system" from partner employee to full-time employee and "short work hours" for child rearing.





## We cherish “personality” of each employee and aim for true “diversity”.

**To become a company where everyone who works hard receives recognition**

Resona Group has promoted creation of a working environment where women can be active and a women's network. As a result, corporate culture where women can work actively is steadily making strides forward as we see an increase in those who take childcare leave and work under the short-time work system for child rearing, an increase in the number of management positions and expansion of job categories. The Diversity Promotion Group encourages male employees to actively participate in childcare to aim for a pleasant working environment for all employees. In addition,

we implement a “human resource strategy” that focuses on diversity. We aim for a “company where people who work hard can receive recognition providing opportunities regardless of gender, age and employment status”.

Promotion of diversity is still only half done. We take the “J-Win's Grand Prize Award for Diversity” as an encouragement for our future efforts and advance



**【Interview】**  
Resona Holdings/Resona Bank  
Human Resource Division,  
Diversity Promotion Group  
Takako Maehata/Emiko Goto

## Our project “My Strength” got newly launched.

—Closer to what you feel—

In “Resona ‘My Strength’ Project”, female employees develop various products and services from a perspective unique to women. Responding to women's needs only women can understand, various products such as all purpose loan and investment products were created. In July 2010, new security insurance was introduced. This is the product which incorporates security and mechanisms which are important for women based on many opinions of women. Ideas unique to women are applied throughout services at branches and promotional activities.





# Evolution of Resona Group

There is no "upper limit" on service.

Resona Group listens to opinions and requests we receive from each customer carefully and aim to provide services enhanced steadily based on these opinions and requests.



No ATM fees!

¥0

Extension of  
business hours!

17:00



"Customers stand and bank tellers sit to deal with them." This is a traditional bank style.

Q Banks are open until 3 p.m. Isn't it too short?

A Counters of Resona Bank and Saitama Resona Bank are open until 5 p.m. on weekdays!

From April 2004

Q Bank transfer fee is too expensive...

A Fees of transfer within any Resona Group banks is zero and transfer to banks other than Resona Group 100 yen (including tax)!\*

From April 2004

\*In the case of transfer via telephone or Internet banking



We were not able to attend on customers until tellers called customers when their turns come.



We handled consultations on loan and asset management at the same counter as for transactions such as deposit.



### Consultation booth

Special staffs handle consultations on asset management etc. at consultation booths. You can take time for consultation in a relaxed atmosphere.



### Quick Navi

For tax payment and bank transfer, customers can use Quick Navi with a dedicated ATM. As a result, completion of paperwork becomes unnecessary, and we can handle these transactions swiftly.

**Q Why do I have to pay fees to withdraw my own money?**

**A Banks of Resona Group abolished ATM fees for after-hours use!\***

From November 2007

\*In the case of using a cash card of any banks of Resona Group at any Resona Group ATMs

**Q Why can I deposit cash only during daylight of weekdays?**

**A You can deposit cash not only on weekdays but on Saturday, Sunday and holidays until 7 p.m.!**

From June 2004



### General reception counter

General reception counter is set up closest to the entrance. We can attend you without keeping you waiting and take you to an appropriate booth.

# Evolving services!

## Unique branches! “Smart Branch for Individuals”, a new style branch

It has an open consultation corner that is not equipped with the counter to create a space where customers can consult more casually.



**Finance business is hospitality business! This is what Resona Group aims for.**

Resona Group aims to evolve from “finance business” to “financial service business”. The key will be found in customers’ honest opinions...We think that responding to these opinions sincerely is a first step for improvement of our services and put them into practice one by one. For example, there was an opinion that “waiting time at banks is too long”, or a suggestion that “I came here for consultation on money, but I was in full view of others. I could not focus on consultation due to others’ eyes”. For such issues naturally come up from customers, we made improvement by changing how to attend

to customers and the flow of paperwork while renewing branches.

We also reviewed from customers’ perspective opening hours of bank counters and fee structures that used to be the same among banks generally. As a result, we extended opening hours to 5 p.m. on weekdays and abolished ATM fees for after-hours use.

When we look from customers’ perspective, we can find many services that need improvement. We feel this every day.





Economic Journalist  
**Seiichi Takarabe**

Director, Chairman and Representative  
Executive Officer of Resona Holdings, Inc.  
**Eiji Hosoya**

# Origin of “Resona” that aims to establish the true retail bank

Resona Group thinks activities implemented through our core business are CSR. Mr. Seiichi Takarabe, an economic journalist who has observed developments in the economy interviewed Eiji Hosoya, Chairman of Resona Group and explored the origin of activities of “Resona Group”.





**Takarabe** Seven years ago, Mr. Hosoya assumed the post of chairman of Resona Group, to which public funds were injected, to lead the “revitalization of ‘Resona’”. What symbolizes the current status of Resona Group is that it was the only major bank to make a profit right after the Lehman Shock.

**Hosoya** In March 2009, Resona Holdings posted a net profit of more than 100 billion yen while many banks incurred losses. We think that as we value individual customers as a retail bank, our management style should be to protect precious things of individual customers. Therefore, we did not invest in any products related to the U.S. subprime loans. Among major Japanese banks, only Resona Group has consistently adhered to this type of policy. As a result, after the Lehman Shock, the risk that financial results would end up lower was extremely small compared to other banks.

**Takarabe** That investment policy is quite unique to Resona Group. You, after assuming the post of chairman, have driven reform that is unthinkable in the old-fashioned banking world.

**Hosoya** We drastically reformed our balance sheet and disposed of nonperforming loans as well as reorganized subsidiaries and affiliated companies with a view to revitalizing Resona Group. We also think that “for management, it is important to eliminate future risk as much as possible” and reduced relationship-purpose equity holdings by approximately one trillion yen. In addition, we decided to decrease the projected benefit obligation for our corporate pension scheme after gaining an understanding of our retirees. We posted huge losses of over 1,660 billion yen in the first year, but thanks to the drastic reform in the initial stage, Resona Group changed into a sustained profit structure from the second year. Results of these reforms also contributed to the profit right after the Lehman Shock.

### Specialization in “retail” that focuses on individuals and small- and medium-sized companies

**Takarabe** At Resona Group, you made a big move to specialize in retail banking that focuses on individuals and small- and medium-sized corporate customers while advancing reform.

**Hosoya** It is because we believe retail banking has greatest growth potential. In fact, at Resona Group, housing loans and loans for small- and medium-sized companies account for 85% of total loans. Small- and medium-sized companies are now faced with various business issues such as “I want my

son to succeed the business”, “I want to implement M&A” and “I want to re-examine the retirement benefit system”. The merger of Resona Trust & Banking and Resona Bank last year enabled us to provide one-stop trust service. By utilizing such function, we are making efforts to shift from just “lending money” to responding to customers’ needs and making proposals one by one.

### Reform corporate culture; shift from “bank is special” to “bank is a service business”

**Takarabe** I see. I think another point that needs to be considered in viewing Resona Group is “corporate culture”. You say, “Bank is not special. It is an ordinary service company.”

**Hosoya** I have kept saying that to employees since I assumed the post. If we “try to be an ordinary company”, the attitude to learn great things in the society humbly must take root in us. I also keep saying that “we should see things from a customers’ perspective”. We are still halfway to the final goal, but the awareness that “we belong to service industry” is gradually penetrating into employees.

**Takarabe** A top executive of a company said, “Companies do not deteriorate suddenly. They slowly deteriorate over a long period of time. Therefore, in order to implement corporate revitalization, it is necessary to change corporate culture including awareness of employees.”

**Hosoya** In fact, when Resona Group started to make a profit, the reform began to slow down. When I told Mr. Louis Gerstner, who reorganized IBM, about this, he gave me an advice that “once IBM started to make a profit, employees tried to return to ‘old times’. You need to change corporate culture in order to prevent such return”. I believe that the biggest challenge of Resona Group is to inculcate the spirit that “we are an organization of a service innovator” and work closely on reform of corporate culture including direct dialogue with employees.

### Introduce diversity management in the reform of corporate culture

**Takarabe** I have an impression that banks, that repeat mergers in a short period of time, have difficulties in unifying different corporate cultures because employees from each bank have conflicts. How about Resona Group?

**Hosoya** At Resona Group, the fact that I came from a different industry and corporate governance carried out by outside directors worked to our advantage. We also work on drastic

#### Economic Journalist **Seiichi Takarabe**

After graduation from university, Mr. Takarabe joined Nomura Securities Company. He resigned Nomura and became a freelance economic journalist after working for a publication company for 3 years. Contributing financial/economic magazines, he is regarded a spirited journalist who is frequently appearing on TV and Radio program. In addition, Mr. Takarabe established “HARVEYROAD JAPAN” and has made various policy recommendations.





reform of personnel system and personnel review, that is to create a system where people who really work hard receive due recognition. I think establishment of a satisfying and open personnel system leads to elimination of various barriers including conflicts based on the pre-merger bank distinction.

**Takarabe** What kind of specific reform did you carry out?

**Hosoya** For personnel system, we carry out thorough diversity management. We abolished discrimination between men and women, comprehensive work and general office work and part-time and full-time, and a personnel framework where everyone can gain an equal opportunity to challenge. When I came to here, what I noticed was that “male employees ride on an escalator, while female employees walk upstairs when it comes to promotion”. I firstly wanted to expand the stage for women. “We stop the escalator. Let’s everyone walk up stairs.” We improved the promotion system that is common in banks and started leadership training for women. We also created a system where employees can shift their status to part-time during childcare and return to full-time once childcare is over, so that they can keep working while raising children. In addition, we opened a gate for able part-time employees to become full-time employees and have a system in place to eliminate wage differences between full-time and part-time employees.

**Takarabe** What kind of change did these reforms bring to the bank?

**Hosoya** I used to work at Japan National Railways; so I understand banks’ personnel system based on the year of joining a bank. In the end, to break down such conventional practice leads to a change of a bureaucratic organization. In the case of Resona Bank, the president joined the bank in 1979, and the vice presidents in 1976 and 1978. In selecting a president, while we took advices from external professionals, we filtered candidates five times to consider potential qualities and chose the one who is “eligible for a president”. And this process is disclosed publicly.

**Takarabe** Nobody can complain if top executives are selected this way. (laugh)

**Hosoya** We conduct motivation research on employees every two years, and it became clear that there is a growing sense of trust on the management and personnel system. Awareness of employees is changing to a great deal.

**Takarabe** Will this personnel system reform continue?

**Hosoya** Yes. Performance review is not our main evaluation,

but we plan to put an emphasis on sincere communication with customers and trust from them. We will take on a challenge to establish an upgraded personnel review system by various means including a new training program that strengthens “the power as a person”. We would like to win evaluations, “Resona with humanity”, by word of mouth of customers.

### What employees create voluntarily can become true CSR.

**Takarabe** By the way, what do you think of CSR (Corporate Social Responsibility)?

**Hosoya** I think it is an important activity as an evaluation from the society becomes a basis for any company’s continuous growth. And I think corporate value is the sum of trusts from stakeholders such as customers, local communities, shareholders and employees.

**Takarabe** Honestly, I am sceptical about the trend that companies implement CSR activities as if it were a fad. Tell me about the difference between Resona Group’s CSR activities and other companies’ activities.

**Hosoya** There are various activities in Resona Group. For example “Kids’ Money Academy”, an education on economy and finance for children, was organized by employees and also they participate in it voluntarily feeling “we need to appreciate the public funds. We want to give something back to the society” when Resona Group first posted a profit. This is indeed created by the knowledge, sweat and time of employees. We also work on solving various social issues through financial service business, our main line of business. This is true CSR and an essence that creates power brand of a company.

### Mission of the management is to “make crisis our good friend” and continue reform.

**Takarabe** The big issue Resona Group has to resolve as Corporate Social Responsibility is the “repayment of public funds”.

**Hosoya** Yes, it is the biggest issue for the top executive. We have repaid approximately 1,040 billion yen so far, but 2,852 billion yen is left. Since we have accumulated the funds available for repayment which cover approximately 80% of







the remaining preferred shares subscribed with public funds on their infusion amount basis, the goal is gradually coming in our sight. However, after the recent financial crisis, regulations will be strengthened globally as “banks are seen in need of higher soundness in order to cope with another financial crisis”. Currently, “Resona” holds 14% of capital adequacy ratio, but we may need to maintain it at a higher level depending on the outcome of future discussions. We also need to improve the quality of capital itself. In order to do that, we cannot repay the remaining public funds at once. I really hesitate to tell you this, but we are not in the position to inform clearly about a specific scenario of repayment completion of the public funds.

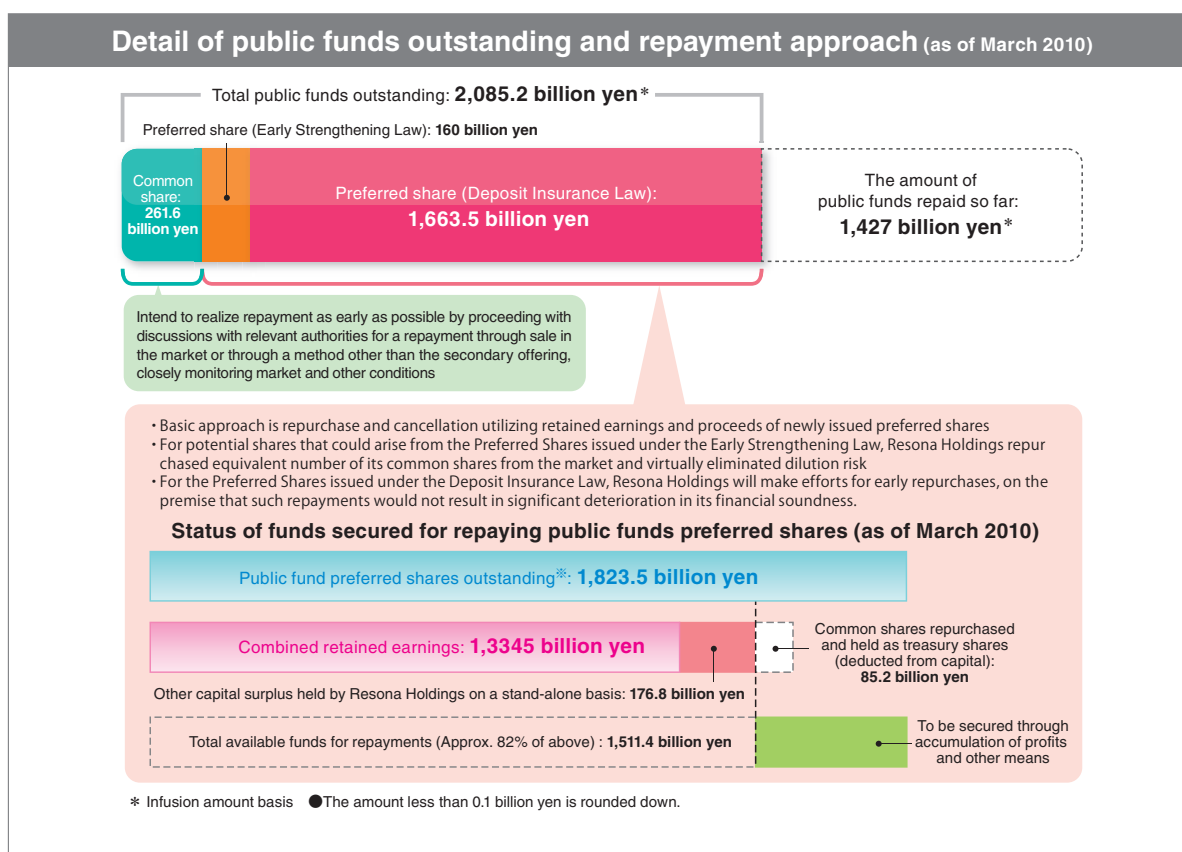
**Takarabe** You cannot repay at one time, but repayment of the public funds is not a burden on the management of “Resona”. Is that correct?

**Hosoya** Yes. The fact that we have to repay the public funds works favourably to the reform of employees’ minds. They think, “We cannot return to banks in old times.” In that sense, I take this positively.

**Takarabe** What about new challenges?

**Hosoya** We will aim to implement further low-cost operation. We plan to replace all the terminals at banking offices in the next year and a half to shift to paperless operation. We started to take on a challenge to abolish traditional passbooks and seals and change to a new bank where all services can be provided by IC cards and finger biometric authentication. As a top executive, I commit myself to continue our reform by “making crisis our good friend”.

**Takarabe** I want you to keep up the great job. I support



# Content and Editing Policy

## ■ Editorial Policy

This report has been created for the purpose of disclosing information related to the Resona Group's corporate social responsibility (CSR) to all stakeholders.

In order to release information about the Group's major activities in a more effective way, we issued "CSR Report 2010, Highlight Edition", and posted other information and data about the Group's activities on our website. In creating this report, we have used the 3rd edition of GRI\* Sustainability Reporting Guidelines (G3) as a reference, keeping in mind the importance of disclosed information and balance; furthermore, we received the third-party comment for better objectivity.

It is our hope that this report will promote communication with each of you, leading to a deepening of your understanding regarding the Resona Group.

\*GRI (Global Reporting Initiative): An international organization founded in 1997 by businesses, NGOs and other various stakeholders around the world to create and promote the spread of international guidelines related to sustainability reports published by businesses, etc.

## ■ Scope of coverage

- Resona Bank, Ltd. • Saitama Resona Bank, Ltd.
- The Kinki Osaka Bank, Ltd.
- Other main Group companies

\*Concerning scope of coverage terms  
"The Resona Group", "Resona", "the Group": These each refer to the Resona Group and its main Group companies.

## ■ Reporting period

April 1st, 2009–March 31st, 2010

\*Some important issues, which were not included in the above period, are covered by this report.

## ■ Publication Information

- CSR Report 2010 Highlight Edition: June 2010 (Next edition scheduled to be published: June 2011)
- CSR Report 2010 Data (Web edition): August 2010 (Next edition scheduled to be published: August 2011)

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### Introduction of "CSR Report 2010 Highlight Edition"

"Highlights of CSR Report 2010" was issued in June 2010 to report major CSR activities of the Resona Group in a more concise and easy-to-understand manner.

This report is available at branches of each group bank at all times, and website of Resona Holdings provides the report in an electronic book form. Please refer to it.



#### Contents of Highlight Edition

- **Special Dialogue**  
Top management of Resona Group addresses CSR
- **Dialogue**  
Mr. Seiichi Takarabe X Eiji Hosoya  
Origin of "Resona" that aims to establish the true retail bank
- **Highlight**  
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Highlight 2 What finance can do for local communities



## Message from the Chairman

Each employee commits to implementing CSR in daily activities aiming to “establish the true retail bank”.



Director, Chairman and Representative Executive Officer of Resona Holdings, Inc.

Eiji Hosoya



Although there are some signs of recovery from effects of the financial crisis two years ago due to the economic recovery of emerging countries, uncertain outlook cannot be removed from the entire Japanese economy. The Resona Group has always believed that it is the origin of social responsibility and CSR to face issues of customers with sincerity under such severe economic conditions from the viewpoint of financial service provider and to win trust from our stakeholders including customers, communities, shareholders and employees. We always return to this starting point and implement CSR activities, which focus on the following four themes, incorporating into our core business.

First theme is “service reform” for customers. Based on an idea that finance is a service business, we have resolved opinions of and complaints from customers by carrying out a strict review of our operations. In addition, provision of new services as a result of the merger of Resona Bank and Resona Trust & Banking in April 2009 enables us to resolve issues regarding customers’ anxiety about everyday’s life and issues in business management. In order to respond to a wide range of issues of customers, we continue to enhance our services as well as solutions aiming to “establish the true retail bank” that is trusted as an adviser.

Second theme is “coexistence with local communities” which the Resona Group regards as important mission. The Resona Group has steadily expanded activities for local revitalization only “Resona” can do, such as business support events like business matching for local companies, and collaboration with universities and municipalities. In May 2010, we moved Tokyo head office of Resona Holdings and Resona Bank to a new location in Kiba, Koto-ku, Tokyo. By moving our head office to the area full of downtown atmosphere, we aim to further

reinforce relationships with individual customers as well as small- and medium-sized corporates customers.

Third theme is “utilization of women”. Half of the Resona Group’s individual customers are women, and approximately 60% of our employees are also women. With this situation in mind, the Resona Group has established system to create a women-friendly working environment and promoted reform of awareness. In March 2010, the Resona Group won the grand prize of “J-Win’s Grand Prize Award for Diversity” from J-Win, an incorporated non-profit organization, which is awarded to companies that contribute to raising awareness about women. We aim to promote diversity management through our personnel system with high transparency.

Fourth theme is “environment”, which is one of the most important themes for the Resona Group. Needless to say, we make efforts to reduce environmental load as the Resona Group. In addition, we acknowledge that financial support for companies that work on environmental issues, holding of workshop, business matching of environmental technology and efforts to raise customers’ awareness of environment by utilizing the Resona Group as an intermediate are all important and promote various initiatives.

In January 2008, the Resona Group signed the Global Compact that is advocated by the United Nations. We think these global initiatives have something in common with CSR activities of the Resona Group. CSR activities increase corporate value, and corporate value is the sum of trusts from stakeholders.

We would like to ask for your continuous support and encouragement in the years to come.



# CSR Management

## Corporate Governance

### Basic Approach to Corporate Governance

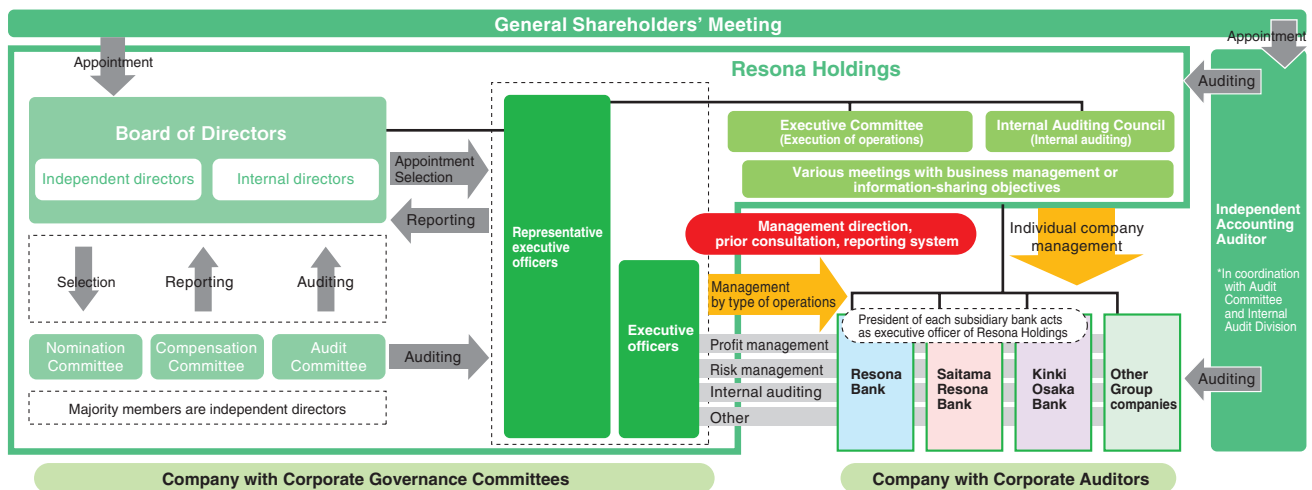
The basic policy of the Resona Group is to strengthen its corporate governance by establishing responsible management systems and strengthening supervision as well as surveillance functions while working to improve the transparency of management.

With the injection of public funds into Resona Bank in June 2003, Resona Holdings became the first banking institution to adopt the "Committees Governance Model" in the interest of realizing highly transparent as well as sound and efficient management. Resona Holdings increased management transparency by appointing a majority of independent directors not only to the Nomination Committee, Compensation Committee, and

Audit Committee, but also to the Board of Directors. In our quest for management that reflects the Resona Group's management philosophy, we have separated management oversight and operations functions, shifting certain responsibilities to the executive officers to enable quick decision making while bolstering the Board of Directors' supervisory function.

On the other hand, the subsidiary banks of Resona Holdings all adopt the Company with Corporate Auditors model. This governance framework at Group banks ensures consistency in the strengthening of Groupwide governance as a whole and the framework of subsidiary banks' governance structure that facilitates their autonomous management.

### Group Corporate Governance Framework



### Activities at Resona Holdings

|  |  |
|--|--|
| <b>Board of Directors</b>                      | The Board of Directors, with ten directors, six of whom are independent directors, fully ensures that management engages in substantial discussion in fulfilling their responsibilities of making decisions about the Group's important management issues and supervising the execution of business activities by executive officers and directors. One of the unique features of the Committees Governance Model is that, while the Board of Directors makes decisions regarding important management issues and supervises the execution of operations, clearly defined roles give executive officers responsibility for the execution of operations, thus strengthening the Board of Directors' supervisory function and accelerating the execution of operations. In fiscal 2009, the Board of Directors met 15 times.   |
| <b>Nomination Committee</b>                    | The Nomination Committee comprises three directors, with the committee chairman and one other member being independent directors. The committee makes decisions regarding proposals for the selection and dismissal of directors that are submitted to the General Meeting of Shareholders, based on the specific qualities that the Group should seek in its directors as well as the Standards for Appointing Independent Director Candidates, both of which have been discussed and decided at the committee's meetings. In fiscal 2009, the committee met five times. Please note that, to accelerate the Group's management reforms and attain sustained increases in corporate value, the Nomination Committee introduced a succession plan in June 2007, which serves as a mechanism to ensure that the most appropriate candidates are selected to fill top management roles and responsibilities. |
| <b>Compensation Committee</b>                  | The Compensation Committee comprises three directors, including two independent directors, one of whom serves as the committee chairman. This committee makes decisions regarding policies for compensation and other benefits for individual directors and executive officers as well as the compensation and other benefits for specific individuals. In addition, the committee considers the role a director compensation system should play in enhancing the Group's corporate value. In fiscal 2009, the committee met three times. Please note that the committee chose to eliminate the directors' retirement benefit system in fiscal 2004 and introduced a performance-based compensation system. In fiscal 2010, the committee introduced a stock purchase based compensation system.   |
| <b>Audit Committee</b>                         | The Audit Committee comprises three directors, including two independent directors, one of whom chairs the committee. In addition to auditing the execution of duties by executive officers and directors, this committee makes decisions regarding proposals for the selection and dismissal of independent accounting auditors. In addition, the committee works with the Internal Audit Division, Compliance Division, Risk Management Division, Financial Accounting Division, and other internal control related units to supervise and verify internal control systems and make the necessary responses, urging executive officers and other responsible persons to make necessary improvements. This committee met 14 times in fiscal 2009.   |
| <b>Executive Committee</b>                     | Resona Holdings has set up an Executive Committee as a body to deliberate and report on generally important management items and important matters in the execution of operations to support the decision-making process in the execution of operations. The Executive Committee consists of representative executive officers as well as executive officers and employs serious debate to ensure the transparency of decisions regarding significant management issues. In fiscal 2009, this committee met 40 times.  |
| <b>Internal Auditing Council</b>               | As a body to deliberate and report on important matters related to internal audits, Resona Holdings has established an Internal Auditing Council that is independent from the Executive Committee, which serves as a body for the execution of business. The council is composed of all representative executive officers, the executive officer in charge of the Internal Audit Division, and a general manager of the Internal Audit Division. Contents of deliberations and reports are reported to the Board of Directors and the Audit Committee. The council met 16 times in fiscal 2009 and, in addition to discussing the internal auditing plan, it reported on the results of internal audits.   |
| <b>Management Supervision of Group Company</b> | Resona Holdings, as the Group holding company, supervises the management of its subsidiary banks and other Group companies, with the objective of raising corporate value. The Company has established a system for managing and controlling Group companies, clearly identifying items for which prior discussion with Resona Holdings is necessary and items that require reporting.   |



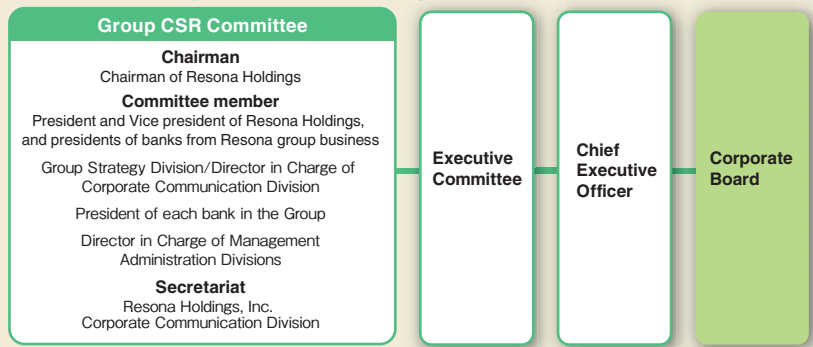


## CSR Implementation System

Amid growing demand for CSR, the Resona Group has established "the Group CSR Committee" in order to further strengthen and improve CSR activities, which is one of our important business challenges.

"The Group CSR Committee" chaired by the chairman of Resona Holdings consists of the president and vice-president of Resona Holdings as well as the presidents of all other Resona Group banks. We conduct CSR activities utilizing a variety of the Group's management resources through this committee.

### ■ Resona Group CSR Promotion System



## Internal Control-related Issues

### ■ Basic Stance

The Resona Group is implementing a thoroughgoing differentiation strategy with the aim of becoming "the unrivaled leader in retail financial services." Key elements of this strategy are further selectivity and concentration in business domains (review and confirmation of priority regions and priority businesses) and the establishment of a Resona Style (emphasizing the creation of a new corporate culture, placing more importance on individuals, and pursuing the most-trusted status).

Moving toward the attainment of these business goals, Resona is working to secure greater efficacy and efficiency in its operations and to clarify processes related to compliance in its business activities. We are aiming to construct internal control systems befitting the Resona Group—systems that are understood and followed by the entire Group.

To enhance corporate value, the Resona Group has established a basic policy on internal control, which has been passed by the Board of Directors, to realize an internal control system that is appropriate for the Group.

### ■ Status of Internal Control Systems

In accordance with its basic policy in Group internal control systems, the Resona Group is striving to ensure the efficacy of its internal control systems through appropriate development and operations of all internal control systems, including the Internal Auditing System, the Compliance System, and the Risk Management System.

### ■ Basic Policy

#### ■ Overview of the "Basic Policies for Group Internal Control Systems"

|  |  |
|--|--|
| <b>I. Statement</b>  | Driven by sincerest apologies for a major injection of public funds, Resona Holdings and Group companies have determined the following the Basic Policies for Group Internal Control Systems in order to prevent a recurrence of such serious matters. Based on these basic policies, we aim to create Internal Control Systems that befit the Resona Group, and through their optimal operation and maintenance, ensure the effectiveness of such internal controls to increase the corporate value of all Group companies.   |
| <b>II. Purpose of Internal Control Systems (Basic Principles)</b>    | In accordance with generally accepted evaluation standards for internal control systems, the Resona Group shall adopt as the Group's basic principles on internal controls the fulfillment of the following four goals.<br>a. Improve efficacy and efficiency of operations<br>b. Assure reliability of financial disclosure<br>c. Comply with legislation<br>d. Maintain the soundness of assets  |
| <b>III. Constructing Internal Control Systems (Basic Guidelines)</b> | Resona Holdings shall develop internal control systems composed of the basic elements required for the systems to fulfill their purposes, including a control framework, risk evaluation and response system, internal control activities, information and communication systems, monitoring standards and IT systems. Upon establishment of the Corporate Mission shared throughout the Group and based on these policies, Resona Holdings shall determine the following basic guidelines in constructing systems to ensure that the Group's operations are conducted in an appropriate manner.<br>a. Guidelines to Ensure that Business Operations of Executive Officers and Employees Are Executed in Compliance with Legislation and Group Regulations<br>b. Guidelines to Store and Manage Information Related to the Execution of Operations by Executive Officers<br>c. Guidelines to Govern the Management of Loss Risk and Related Systems<br>d. Guidelines to Ensure that Executive Officers' Responsibilities Are Carried out Effectively<br>e. Guidelines to Ensure that Operations of the Corporate Group, Consisting of Resona Holdings and All Group Companies, Are Conducted Appropriately<br>f. Guidelines Concerning Assistants to the Operations of the Audit Committee<br>g. Guidelines to Ensure the Independence of the Specialist Personnel Mentioned above in Relation to Executive Officers<br>h. Guidelines Concerning a System for Executive Officers and Employees to Report to the Audit Committee and Other Related Reporting Rules<br>i. Guidelines to Ensure that Audits by the Audit Committee May Be Conducted Effectively |



## Compliance systems

The Resona Group defines compliance as strict observance not only of laws and regulations but also social norms and positions compliance as a key management issue. The Group is strongly

aware of the responsibilities of banking institutions to society and to acting in the public interest and is working to implement effectively and enhance the compliance systems of the Group as a whole.

### Basic Activities

The Resona Group has established its "Corporate Mission", which forms the basis for the judgments and behavior of directors and employees; the "Resona WAY (Resona Group Corporate Promises)", which outlines the basic stance, based on the Corporate Mission, that directors and employees should take toward all Group stakeholders; and the "Resona Standards (the Resona Group's Behavior Guidelines)", specific guidelines about behavior expected from directors and employees under the "Corporate Mission" and the "Resona WAY". The "Corporate Mission", "Resona WAY", and "Resona STANDARDS" are applied uniformly across Group companies. We believe that in order for the Resona Group to give customers a great feeling that exceeds mere satisfaction, and to become the financial services provider of choice for customers, it is important that we place the "Corporate Mission", "The Resona WAY" and the "Resona STANDARDS" as the benchmarks for judgment and behavior, and that we continually follow them. In order to thoroughly publicize these within the Group, we create booklets containing these materials, as well as abbreviated versions for portability which contain checklists, distribute the same to all executives and employees, repeatedly perform trainings on them, and also promote e-learning trainings.

In addition, we conduct an annual survey among Group employees to check the awareness and penetration of the "Corporate Mission", "Resona STANDARDS" and "The Resona WAY". At the beginning of the "Resona STANDARDS", the chairman of Resona Holdings, in his own words, makes the Group's stance on compliance.

The introduction to the "Resona STANDARDS" is "Aiming to Be a Good Company", a message from the chairman of Resona Holdings. It takes a clear stance on compliance at the Resona

Group, stating that corporate ethics must be improved, and identifies the most important issues as 1) what the company can do for society as a member of society and 2) continuing to be a company that practices compliance.

Moreover, Resona Holdings and the Group banks have prepared a "Basic Compliance Policy", which makes clear, from a compliance point of view, the roles of directors and employees as well as basic framework for organizational systems based on the Corporate Mission and other statements. To put compliance into practice, we have also prepared a "Compliance Manual" that is distributed to all employees.



### ■ Outline of the "Resona STANDARD"

#### STANDARD-I: For Customers

Offer the most appropriate services, Approach customers with sincere attitude, Maintain confidentiality, etc.

#### STANDARD-II: Challenge for Reform

Commit to making profits, Eliminate status-consciousness as bank clerks, Pursue victory, etc.

#### STANDARD-III: Honest and Transparent Behavior

Comply with laws, regulations, and social norms, Strengthen sensitivity to public and private matters, Respect human rights, etc.

#### STANDARD-IV: Responsible Duties

Perform accurate clerical duties, Timeliness, Report, communicate, and consult in an appropriate manner, etc.

#### STANDARD-V: Society's Trust

Gain the trust from local communities, Disclose information in an appropriate manner, Implement fair trade, etc.



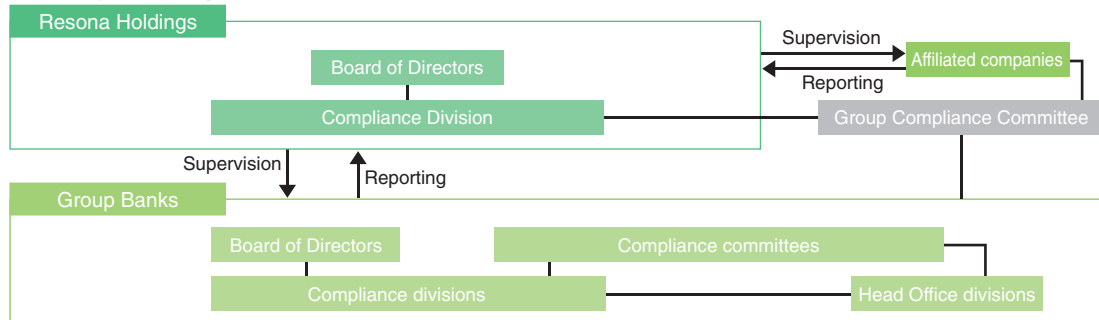


## Group Management Systems

The Compliance Division at Resona Holdings controls Group compliance and works with compliance divisions at Group companies to strengthen compliance systems Groupwide. Resona

Holdings, Group banks, and affiliated companies all have members on the "Group Compliance Committee", which discusses and evaluates all problems related to Group compliance.

### ■ Compliance System



## Compliance Programs

The members of the Resona Group have prepared "compliance programs" for putting guidelines into everyday action. Progress reports on compliance matters are made periodically to the boards

of directors of Group member companies, and activities are under way to systematically strengthen compliance systems.

## Compliance Hotline

### ■ "Resona Legal Counsel Hotline" "Resona Compliance Hotline"

We recognize an understanding of the issues and clear communication among all employees are essential to a strong compliance system; therefore, we have established Group compliance advice and reporting systems using the "Resona Legal Counsel Hotline" and the "Resona Compliance Hotline".

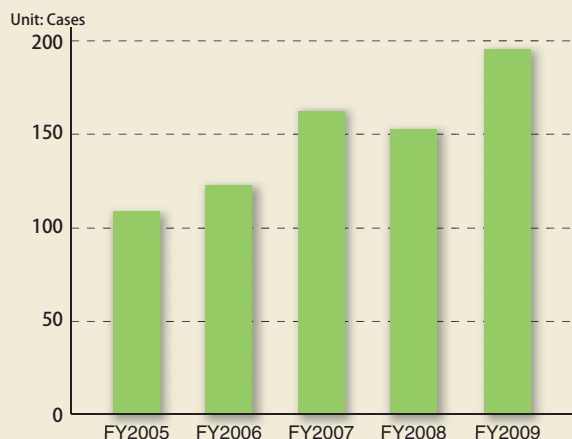
For these two hotlines, we clearly state in the company regulations that employees are not allowed to take adverse action or cause trouble against/to those who make a legitimate report so that the employees of the group companies can use them with ease.

By thoroughly informing employees at all manner of internal company gatherings and trainings, and placing the system content and contact information in the aforementioned booklet of "Resona STANDARDS" and its abbreviated version, we proactively strive to promote use of the system. We will continue to implement measures to make the hotline well-known and strive to detect compliance-related problems at an early stage and build transparent corporate culture.

In accordance with the whistleblower Protection Act, which went into a effect in April 2006, we endeavour to protect whistleblowers

with the previously mentioned hotlines as well as establish rules for internal reporting at Resona Holdings and all other Group companies.

### ■ Number of Cases of Hotline Use Transition





# CSR Management

## Offering Appropriate Products and Services to Customers

The Resona Group shares the common sales policy that strives to offer the most appropriate products and services taking into account each customer's knowledge, investment experience, asset conditions, purpose of investment, and other factors while giving an easily understandable explanation and advertising to

customers in a proper way. We continue to work on the fulfillment of internal control systems, preparation of various manuals, and staff education through activities led by the "Service Quality Management Committee" so that no one conducts inappropriate sales.

### Resona Group Sales Policy

#### To provide suitable products and services to customers

**We place the highest priority on trust from customers and comply with a broad range of social rules while we provide sincere and thoughtful products and services for smiling faces and happiness of customers.**

1. We shall make efforts to provide appropriate information and explain about products and services and to be of service to customers in light of information obtained from customers, customers' experience in financial transactions, assets owned by customers and purpose of purchase.
2. We shall provide appropriate explanations about not only advantages of products and services but also risks, transaction fees and other expenses so that customers can fully understand them.
3. We shall never provide information that may lead customers to misunderstanding such as providing explanations that differ from facts and assertive explanations about uncertain matters.
4. We shall behave with sincerity and make efforts not to cause customers inconvenience regarding times and places where we provide explanations about products and services by phone and visit.
5. We shall make efforts to increase each employee's knowledge of products and provide high-quality services while we enhance the internal management system as well as employee training.

## Management of Customer Information

The "protection of customer information" is one of the most important factors in enabling customers to use the Resona Group with peace of mind. We strive to properly manage information in compliance with the Act on the Protection of Personal Information

by publicizing the "Promise to Protect Personal Information" of All Group Companies, establishing a framework for protecting against leaks or the loss of personal information, and conducting ongoing and thorough employee education.

### Declaration of Personal Information Protection

**As a member of the Resona Group aiming to become a "true financial services group full of creativity", we would like to develop the strong relationship of trust with you by supporting you and meeting your needs. For this purpose, we are committed to creating an environment in which you can safely do business with us by protecting your information that we keep in a proper way.**

1. We are committed to complying with the "Private Information Protection Law" and all other relevant laws as well as social norms.
2. We collect information using a legal and fair method, identify the purpose to use the private information, and appropriately deal with the collected private information without departing from the purpose of use.
3. We are fully aware that you deal with the Resona Group because you trust us, and make every effort to prevent your information from being lost or leaking.
4. We sincerely and appropriately attend to your enquiries, comments, and/or complaints.
5. We continuously review and improve the policy for information management, organization structure, rules, and other activities for information protection.

## Elimination of Anti-social Forces

The Resona Group believes that preventing and eradicating transactions with anti-social forces are critically important to its public mission and social responsibility as a financial institution. Our basic approach is to intervene in and nullify transactions that would support anti-social forces through the corporate activities of Resona Holdings and Group companies.

The Resona Group has designated its compliance divisions as the departments responsible for countering antisocial forces and has set specific internal rules and regulations, as well as providing ongoing training and education on these compliance issues for directors and employees. To prevent and nullify

transactions with antisocial forces, we have formed cooperative relationships with law-enforcement agencies, law firms, and other professional organizations.

Moreover, when commencing transactions with customers, we have the customers affirm and declare that they are not currently linked with anti-social forces and will not be so linked at any time in the future. If this affirmation should be violated, all Resona Group banks have introduced an "Anti-Social Force Clause" in their contracts that provides the legal basis for suspending transactions with such parties. Through these initiatives, the Group is strengthening its activities to prevent transactions with anti-social forces.





## Risk Management System

### Risk Management System

#### Basic Philosophy

We deeply regret the serious concern and inconvenience that the injection of public funds in June 2003 caused the people of Japan, our customers, and other stakeholders. Consequently, we have established the risk management principles below to enhance our risk management systems and methods as well as risk control. Resona Holdings and other Resona Group companies conduct their risk management activities with an eye to securing the soundness of operations and enhancing profitability.

1. We will not assume levels of risk in excess of our economic capital.
2. We will deal promptly with losses that we have incurred or expect to incur.
3. We will take risks appropriate for our earnings power.

#### Risk Management Policies and Systems

Resona Holdings has established the "Group Risk Management Policy" that serves as the Group's basic risk management policy. Based on the Group Risk Management Policy, each Group bank has established its own risk management policy that is tailored to its operations,

unique characteristics, and the risks it must address.

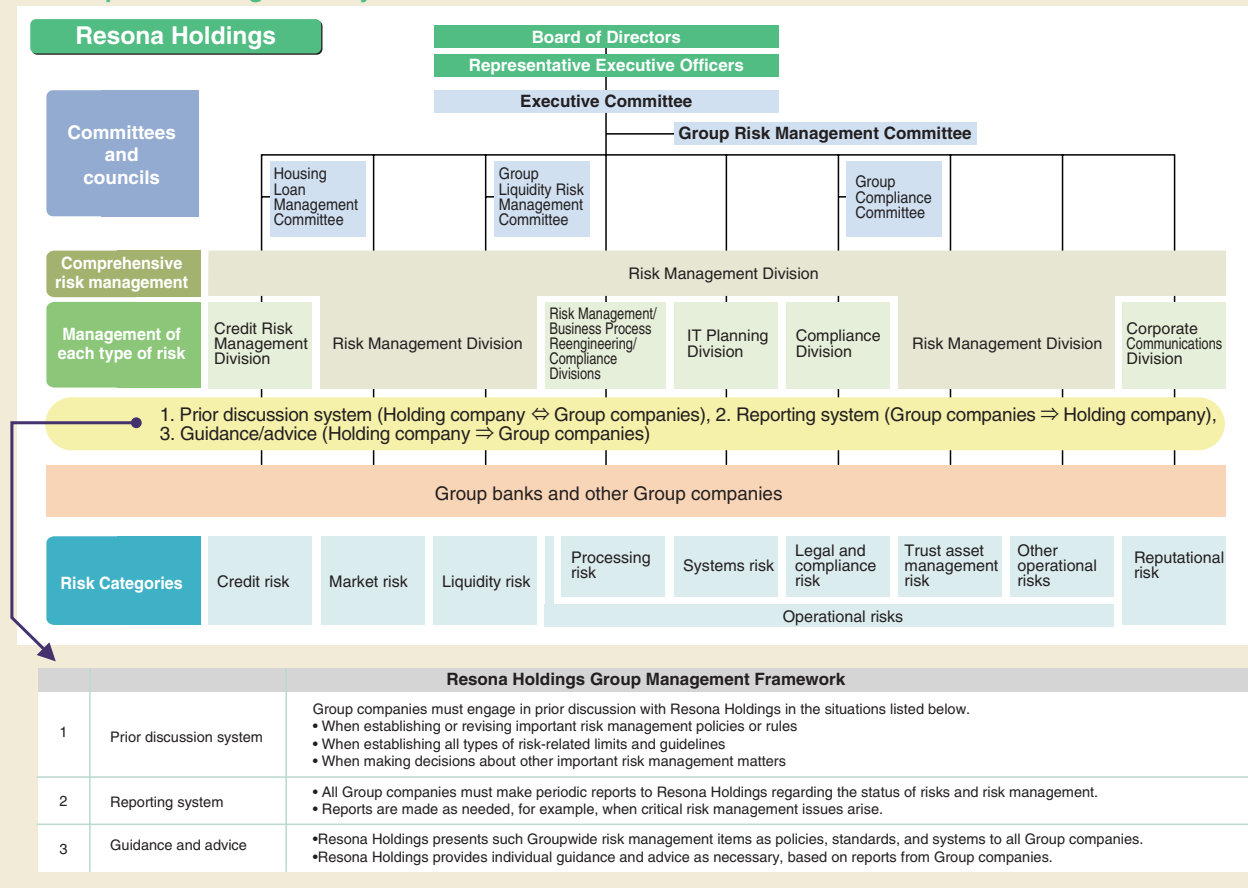
Resona Holdings and Group banks have established risk management departments for managing different types of risk, along with a Risk Management Division, to integrate the management and control of all types of risk.

The chief risk categories are divided into credit risk, market risk, liquidity risk, operational risk and reputational risk, and each category is managed according to methods that best fit its characteristics.

Principal Group companies, other than the banks, have also established risk management policies that are tailored to their own operations, special characteristics, and risks. In addition to establishing risk management systems and frameworks, these policies establish guidelines for avoiding risks outside their fundamental business areas. These Group companies have also established risk management departments for managing different categories of risk and risk management divisions for comprehensive risk management.

In addition, to prepare for the worst case scenario in which risks are triggered by disasters or systems failures, and the effect goes beyond the scope of usual risk management and reaches a crisis proportion, Resona Holdings and all Resona Group companies have established a crisis management policy to respond quickly and achieve a fast recovery of operations through sustaining business activities or early rehabilitation of operations.

#### Group Risk Management Systems in Outline





# CSR Management

## Operational Risk Management

### Basic approach to Operational Risk Management

Operational risk is “the risk of losses that may occur when internal processes, personnel, and/or systems function improperly or fail to function and when external factors result in such losses”. Operational risks encompass a wide range, including processing, systems, legal, and compliance risks, and such risks may arise in all business processes, products, and services.

In dealing with operational risks, the Resona Group works to manage and reduce risks by identifying and evaluating potential and inherent risks and discussing measures to prevent

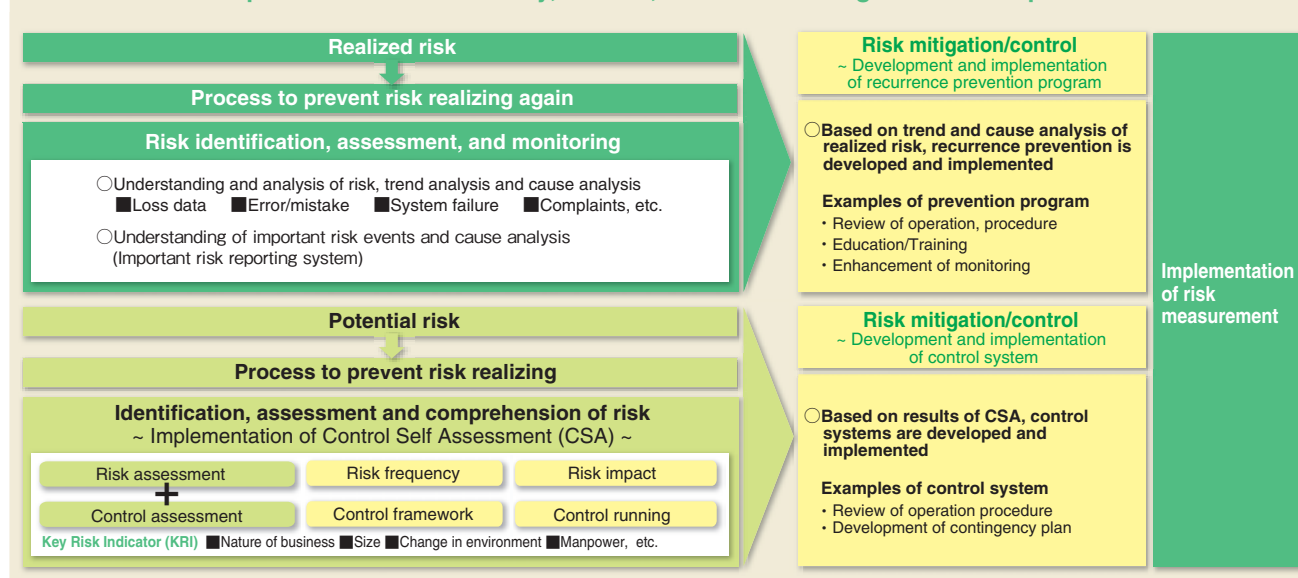
incidents that will have a major impact on business or result in losses or inconvenience for our customers. We also promote the full preparedness of our management systems by including outsourced operations within the scope of our operational risk management activities.

In addition to grasp the degree of the impact that potential operational risks might have on their businesses, we will quantify operational risks and use this information as a part of comprehensive risk management.

### Classification of Operational Risk

| Risk Categories Adopted by Resona Group |                                     | Specific Examples<br>(Possible internal and external examples)   | Loss Categories of Basel II<br>(excerpt of examples of losses from domestic announcement)  |
|---|-------------------------------------|--|--|
| Processing risk                         | Fraud                               | Embezzlement of customer deposits<br>Misappropriation of bank's asset<br>Intentional unauthorized trading, fabrication                                       | <b>Internal fraud</b><br>Losses due to acts of a type intended to defraud, misappropriate property or circumvent regulations, the law or company policy, discrimination events   |
|   | Processing errors                   | Loss due to processing error<br>Loss or accidental disposal of important items<br>Loss due to failure to meet due date                                       | <b>Execution, Delivery &amp; Process Management</b><br>Losses from failed transaction processing or process management, from relations with trade counterparties and vendors   |
| Systems risk                            |                                     | Systems failure<br>Hacking, infection with computer viruses  | <b>Business disruption and system failures</b><br>Losses arising from disruption of business or system failures  |
| Legal and compliance risks              |                                     | Loss due to violation of duty to explain<br>Misuse of a stronger bargaining position   | <b>Clients, Products &amp; Business Practices</b><br>Losses arising from an unintentional or negligent failure to meet a professional obligation to specific clients (including fiduciary and suitability requirements), or from the nature or design of a product |
| Trust asset management risk             |                                     | Loss due to misfeasance, Failure to perform fiducially duties<br>Violation of management guidelines  |  |
| Other operational risk                  | Disaster                            | Cessation to business activities due to disaster or power outage   | <b>Business disruption and system failures</b><br>Losses arising from disruption of business or system failures  |
|   | External crime                      | Compensation for losses damage due to counterfeit or stolen cards<br>Damage due to robbery, theft  | <b>External fraud</b><br>Losses due to acts of a type intended to defraud, misappropriate property or circumvent the law, by a third party   |
|   | Defects of facilities and equipment | Damage to equipment due to natural disaster and terrorism<br>Loss compensation caused by defective facilities  | <b>Damage to Physical Assets</b><br>Losses arising from loss or damage to physical assets from natural disaster or other events  |
|   | Human resources management          | Litigation over unpaid allowance for overtime work<br>Compensation for work-related accident cases<br>Settlement package for sexual harassment lawsuit, etc. | <b>Employment Practices and Workplace Safety</b><br>Losses arising from acts inconsistent with employment, health or safety laws or agreements, from payment of personal injury claims, or from diversity / discrimination events                                  |

### The Resona Group's Framework to Identify, Assess, Monitor and Mitigate/Control Operational Risk







## Internal Auditing System

### Group Internal Auditing

The objective of “internal auditing” at the Resona Group is to serve the essential function of facilitating improvements in corporate value by verifying and evaluating progress as well as promoting improvements in all management activities to ensure sound and appropriate operations and to gain social trust in the business management systems established by Resona Holdings and other Group companies.

To ensure that internal audits meet our objectives and

serve their functions properly, we put internal auditing systems in place and make sure that they are effective, establishing independent internal auditing departments at Resona Holdings and its Group companies and clearly establishing their internal auditing responsibilities, including the authority to conduct audits, the authority to access information, and their obligation of confidentiality.

### Organization

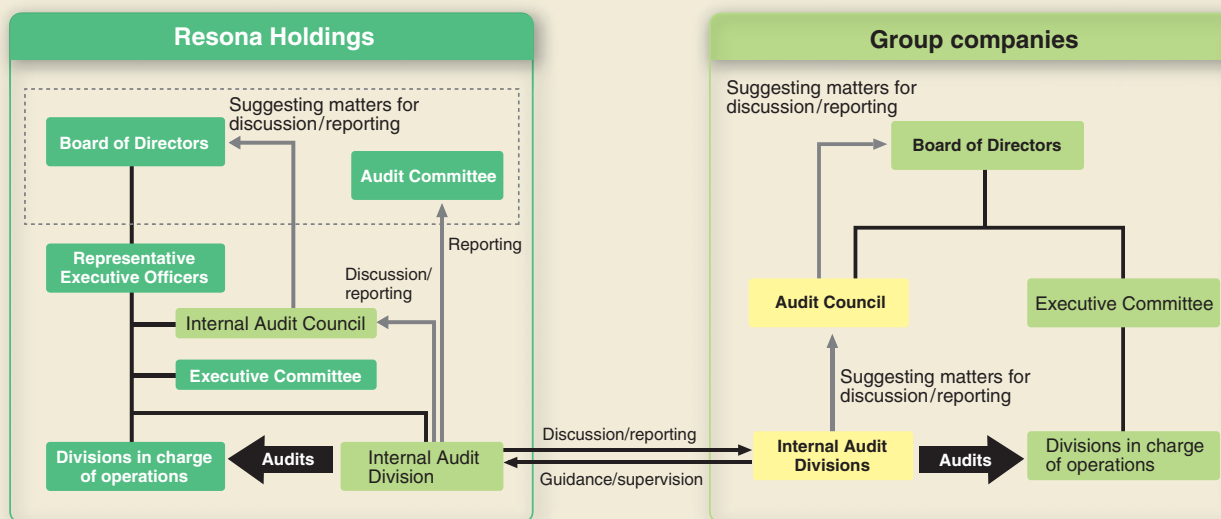
We believe that the role that the internal auditing units play in working to attain the Resona Group’s management objectives of “responding to the trust of customers” and “conducting transparent management” is extremely important. Accordingly, we have created the organization structure below for internal auditing.

In Resona Holdings, we have formed the “Internal Audit Division”, which reports to the Representative Executive Officers and the executive officer in charge of internal auditing. Moreover, we have formed an “Internal Audit Council”, separate from the “Executive Committee” and made up of Representative Executive

Officers, the executive officer in charge of internal auditing, and the general manager of the Internal Audit Division, to discuss matters related to internal auditing.

The Group’s subsidiary banks have established independent internal audit divisions under the direction of their respective boards of directors. According to the type of business and size of operations, these banks have formed “auditing councils,” which report directly to the board of directors of their banks to make decisions on important and fundamental matters related to internal auditing.

#### ■ Group Internal Auditing Systems



### Functions and Roles

To guide the preparation of specific plans for internal auditing, the Internal Audit Division of Resona Holdings prepares the “Basic Plan for Internal Auditing”, a manual containing the Group’s policies, a statement of issues subject to auditing, and other major items. This manual is approved by the Board of Directors of Resona Holdings.

The internal auditing departments of each of the Group companies also prepare basic plans for internal auditing in discussion with the Internal Audit Division of Resona Holdings.

These plans are to be approved by the boards of directors of the respective banks.

The internal auditing divisions at Resona Holdings and its Group companies conduct audits based on the “Basic Plan for Internal Auditing”. Resona Holdings reports the results of internal audits to its Board of Directors and the Audit Committee. Group companies report results of internal audits to their respective boards of directors and auditors as well as Resona Holdings.



# Customers and "Resona"

## Basic Approach to Customers

The Resona Group is determined to always satisfy customers' needs with gratitude, prioritize gaining trust from customers, and provide cordial and warm-hearted high quality services to customers to make them happy. For this purpose, while we

aggressively reform our services operations to improve the Group's profitability by completely realizing low-cost operations and strengthening our sales performance, we ensure we are enhancing our customer service level.

## Service Reforms

The Resona Group, aiming to transition from the banking industry to financial services, has reevaluated its business from the customer perspective, and is implementing service reforms. Each Group bank also has made ATM available after hours, completely free of charge,

and improved its services related to the transaction fee system, business hours, and waiting time at counters, all of which were on the top of customers' requirement list for improvement.

### Examples of Service Reforms

| Service                  | Examples   |
|--------------------------|--|
| Transaction Fees         | <ul style="list-style-type: none"> <li>● Elimination of fees for ATM after-hours use at each Group bank</li> <li>● Elimination of transfer fees made by Internet or telephone banking between Group banks</li> <li>● Elimination of the fee for issuance of a biometrics IC cash card</li> <li>● Elimination of fees for use of bank point service, etc</li> </ul>   |
| Business Hours           | <ul style="list-style-type: none"> <li>● Extension of bank counter business hours to 5:00 P.M. on weekdays (Resona Bank and Saitama Resona Bank)</li> <li>● In response to the needs of customers who wish to consult on holidays, expansion of branch offices which also operate on Saturdays</li> <li>● Extension of hours in which ATM accept deposits to 7:00 P.M. on both weekdays and Saturdays</li> </ul> |
| Waiting Time at Counters | <ul style="list-style-type: none"> <li>● Promoting "Zero Waiting Time" project to shorten waiting time at counters by reviewing business flow</li> <li>● Introducing "Quick Navi" to next-generation branch offices while expediting procedures for transfers, tax payments, deposits and withdrawals</li> </ul>   |

### Service Reforms (Basic Concepts)

#### Voice of customers

We are doing activities to quickly carry out specific measures by gathering "Voice of Customers" and "My Proposal".

#### Service Reform Committee

We pursue a comfortable branch office with which customers can be satisfied by further promoting staff education programs and the like.

#### Improvement of CS (Customer Satisfaction)

We pursue a comfortable branch office with which customers can be satisfied by further promoting staff education programs and the like.

## Topics of FY2009

### Expansion of ATM Service in Convenience Stores

Resona Bank is expanding "Bank Time ATM", an ATM service in partnership with Circle K Sunkus, a convenience store chain. At Bank Time ATM, customers can withdraw/deposit with no transaction fee anytime with a cash card of Resona Bank, Saitama Resona Bank and Kinki Osaka Bank. The service which started in February 2008 at "Circle K" and "Sunkus" stores in the Kansai area is now expanding to Shikoku, Kita Kanto, Chugoku, Hokuriku, Kyushu, Hokkaido and Tohoku (1,530 ATMs nationwide as of the end of June 2010).



### Account Transfer on the Web

Saitama Resona Bank started a service where customers can complete the application procedure for account transfer on the Internet ("Web Account Transfer Service") from September 7, 2009. This service enables customers, who use "Resona Direct", Saitama Resona Bank's Internet banking service for individual customers, to apply for account transfer via websites of our partner payment agencies. The procedure that used to take about a month to complete can be completed swiftly from PC at home, which greatly improved convenience for customers.



### Introduction of Exchange of Electronic Money Point

The Resona Group provides a service where customers can exchange points earned corresponding the frequency of banking transactions for points of partner companies. Based on many requests from customers, we added electronic money companies to these partner companies. We will provide highly convenient services closely connected with customers' everyday life.





## Customer Supporting Scheme

### Customers' Voice

The Resona Group sets up a responsible department at Resona Holdings, and each bank also sets up a responsible department dedicated to service reforms in order to further enhance the management system such as a cross-group customer support (handling of complaints and consultation) and further improve service quality. Through this dedicated system, we consolidate customers' opinions and requests given to us in different ways including telephone, visit, questionnaire at branch, website, etc. to utilize them for developing and improving our products and services. Furthermore, each branch office directly addresses the issues that can be immediately improved.

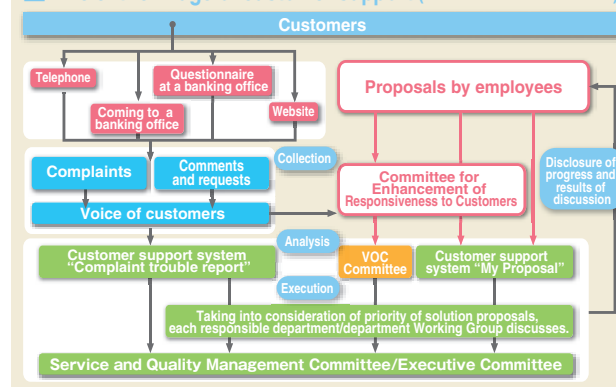
### Proposals by Employees

The Resona Group positions an employees' activities related to improvement proposals for services as our priority measures to improve customer satisfaction (CS). We implement proposals for improvement submitted to the headquarters and are proactively working on service reforms in order to realize products customers truly want and the quality of services.

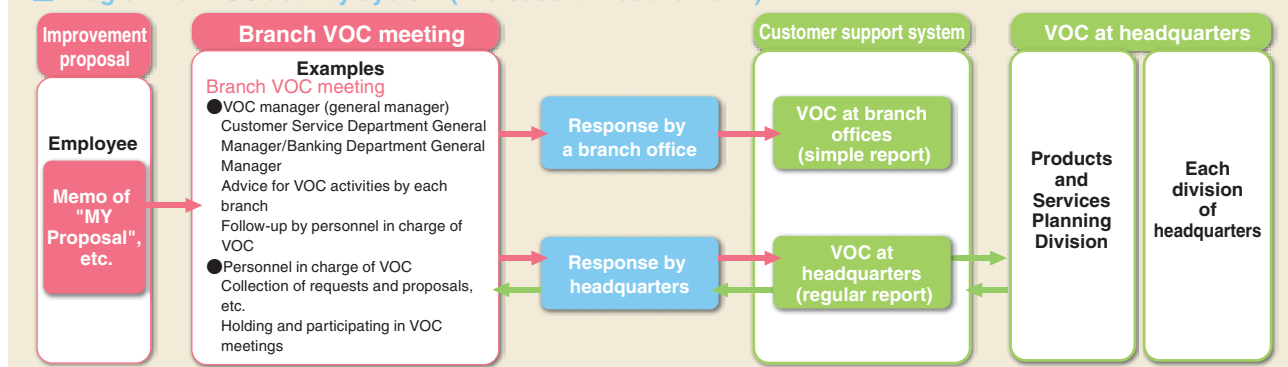
### ■ Status of Customers' Voice (complaints and proposals) at Group Banks

| Bank                | First Half of FY2009 | Second Half of FY2009 | FY2009 Total |
|---------------------|----------------------|-----------------------|--------------|
| Resona Bank         | 6,835                | 5,306                 | 12,141       |
| Saitama Resona Bank | 3,927                | 3,848                 | 7,775        |
| Kinki Osaka Bank    | 1,945                | 1,332                 | 3,227        |
| Total               | 12,707               | 10,486                | 23,193       |

### ■ The entire image of customer support (in case of Resona Bank)



### ■ Diagram for VOC activity system (in a case of Resona Bank)



### Customer Survey

In order to identify customers' satisfaction with us, the Resona Group conducts a regular customer survey. We have received a high evaluation from customers such as "long available hours of branches/ATMs", "good support from tellers and sales representatives" and "consult in a friendly manner". We are making efforts to improve quality of employees through training programs on knowledge of financial products and hospitality so that we can continue to meet customers' expectations.

### Sophistication of Marketing

The Resona Group utilizes the research/analysis function of Financial Marketing Research Institute and strives to make marketing sophisticate in order to provide products and services that match the truly needs of customers. In the retail banking sector, we work on establishment of a model where we timely propose loans and financial products that fulfill customers' needs through appropriate channels by understanding life stages and financial behavior of customers. In the corporate banking sector, we work on development of proposal method based on the database in order to further cultivate relationships with customers of small- and medium-sized companies.





# Customers and "Resona"

## Operation Reforms

While the Resona Group concentrates its management resources on the retail banking sector, we work on operational reforms that strike a balance between improvement of convenience as well as trustworthiness based on a prompt and accurate service provision

and low-cost operation system by fundamentally reviewing the role of clerical work in banking operations and implementing sweeping reforms of branch layout and office work process and the like.

### Next-generation Branch Office

Resona Bank and Saitama Resona Bank are introducing a next-generation branch equipped with "general reception", "quick navi" and "consultation booth" from November 2004 so that customers

can use our services comfortably without waiting (Resona Bank has already established 210 branches and Saitama Resona Bank 98 branches as of the end of March 2010).

#### ■ Next-generation Branch Office Flow Chart

General reception counter



Please visit the general reception counter, which is located nearest to the entrance. Clerks will ask what they need without making customers wait, and guide them to the appropriate counter.

Quick Navi



Tax and utility payments, transfers and other transactions are handled at "Quick Navi" with dedicated ATMs. Through performing a part of transactions by ATM, elimination of the need for such steps as filling out of documentation allows speedy handling.

Consultation counter



Consultations regarding asset management, etc. are accepted at the consultation counter. The booth style allows customers to receive consultation in a calm, thorough manner.

## Establishment of Smart Branch for Individual Customers

Resona Bank is now introducing "smart branch for individuals", a new-style branch for individual customers in order to improve convenience of customers and efficiency of clerical work. As the first, Tama Plaza Branch was reopened in September 2009, which provides smooth transactions by adopting biometric authentication technology to transactions, thereby eliminating the necessity of bringing a seal and filling out a slip. In the next few years, we plan to reopen approximately 50 branches tailored for individual customers to "smart branch for individual".



A new consultation corner in lobby space with the ease with no counter and approachability as its concept was set up.

## Improvement of Services by Strengthening Expertise

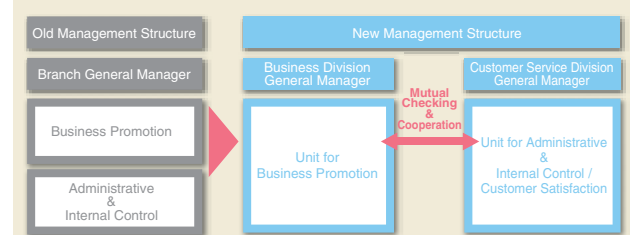
Resona Bank eliminated the position of branch manager in April, 2008. Instead, we set up the positions of business division general manager who mainly controls external affairs and customer service division general manager who manages over-the-counter services.

If a customer service general manager is stationed in a banking office, then it will be possible to quickly provide services to customers who visit there. Additionally this approach gives support to improved compliance management. As for external affairs activities, we could provide more sophisticated services to customers more quickly.

By introducing the division of roles and improving the

expertise in both office management and in external affairs, we are trying to improve our services and strengthen the capability of providing solutions to customers and meeting their needs.

#### ■ Operation System





## [Services for Individual Customers]

### Basic Approach

For individual customers, we support customers' affluent life design by providing optimal products and services (e.g., personal loans, investment products) tailored to various life stages. We are committed to operating customer-centric businesses that revolve around providing added value to customers. Specifically, we

endeavour to clearly delineate lines of responsibility by customer segment, increase our points of contact with customers, and strengthen our sales promotion and marketing capabilities based on customer information gathered through CRM (Customer Relationship Management)

### Proactive Approach to Customers' Needs

#### ■ Resona My Strength Project

The Resona Group implements "Resona 'My Strength' Project" where female employees design products and services that meet the needs of women aiming to become a bank that can gain the biggest support of women. Various products such as investment trusts, housing loans, consumer loans and medical insurance have been developed so far and win favorable recognition from customers.



#### ■ Needs for Inheritance Issues

With the progress in the aging society, customers' needs for asset succession matters are increasing. Utilizing the branch network and basis of customers that the Group has, the Resona Group provides will trusts by leveraging the trust function of Resona Bank and know-how of asset succession such as disposing inheritance in order to fulfill customers' needs for bequest. "Peace of Mind for Your Golden Years Plan"\*1 and "Inheritance Settlement Peace of Mind Package"\*2 win favorable recognition from customers, and the number of transactions which apply to these packages are increasing.

#### ■ Expansion of Housing Loan Products Line

The largest spending in life for many people is home purchase. The Resona Group strives to provide products that meet customers' needs more than ever before. For example, we make efforts to increase convenience by providing "Smile Package" that enables customers to combine fixed interest rate and variable interest rate, partial advanced repayment by Internet and offering inquiry function of repayment schedule additionally. We also provide services with sensitivity such as loans exclusively for customers who purchase nurturing-friendly house or apartment with high hazard resistance in coordination with municipalities.

##### [Inheritance Disposition Business]

Number of newly accepted businesses: 284(FY 2008) ⇒ 489(FY 2009)

##### [Will Trusts]

Number of newly accepted businesses: 812 (FY 2008) ⇒ 1,306 (FY 2009)

\*1 "Peace of Mind for Your Golden Years Plan" is a product which combines three functions: asset succession trusts, will trusts and adult guardian selection system assistance service.

\*2 "Inheritance Settlement Peace of Mind Package" is a product which simplifies the inheritance settlement service.

## Building of Continual Relationship with Customers

### Asset Management Report Meeting

The Resona Group places much importance on the follow-up services after customers bought our investment packages. We regularly hold an "Asset Management Report Meeting" inviting experts as lecturers to explain about the status of the management of customers' investment packages and the current market environment.

Aiming to become a bank that can gain support from customers, we are determined to make concerted efforts to provide information and follow-up services in a timely manner for years to come.

##### [Actual results of the meeting held]

FY 2009: 53 times (total number of participants: approximately 14,000)

### Free Magazine/Web Magazine

Resona Bank and Saitama Resona Bank publish the free magazines, "R'style 5L" (monthly) and "Sai 5L" (seasonal) in order to provide customers with the latest information on a regular basis. These two journals are distributed at branch offices, or by sales representatives.

Resona Bank has released the "Resona Style", the web magazine on their website. "The Resona Style" regularly delivers various information such as the "Resona Special Investigation Front Line" where the story and characteristics of Resona Bank's products and services are introduced in a dialogue style, and the "Tell me how to inherit a property in a smart way!" where our financial planners answer to customers' questions. Users can also download materials and find the relevant websites linked.



## [Services for Corporate Customers]

### Basic Approach

For corporate customers, we value relationships with each customer by expansion of segment in-charge system as well as support function and implementation of sales activities that focus on quality. By amassing knowledge and skills at both the

sales-force and corporate levels, we propose optimal solutions (e.g., small- and medium-sized enterprise loans, real estate, corporate pensions) to customers' management challenges.

### Providing of Business Solutions

#### ■ Support for New Product Development

In order to support product development of small- and medium-sized companies customers "Resona DE Monitor" was held in Osaka and Tokyo; exhibitors can collect opinions on products and package designs directly from women who participated in the trial in each region. True opinions of women who are strict about consumption are a gold mine of marketing clues. Companies which participated in the event were highly satisfied with its results.



#### ■ Recruitment Activity Support

Considering the recent recession as an opportunity for the local small- and medium-sized companies to retain top-class personnel, we planned/held events in Osaka and Saitama to support the local companies' recruitment activities.

##### [May 2010 (Osaka)]

"Job Hunting Event ~ Forum of Recession-Proof Technology Companies"

##### [June 2010 (Saitama)]

"Joint Company Information Session/Job Interview by Partner Universities"



#### ■ Business Succession

Due to the aging of company owners and a shortage of successors, measures for inheritance and business succession are one of the most important issues to small- and medium-sized companies in Japan. The Resona Group utilizes its many years of experience and accumulated know-how in will trusts, real estate business and other trust business to give various advice on customers, enabling them to achieve a smooth succession. Also, Saitama Resona Bank held the "Business Succession Seminar" and the "Up-and-coming Business Owners Conference", both of which gave a chance to think about business succession to company owners and their successors.



#### ■ Solutions to Other Business Challenges

Companies are faced with various challenges including responding to changes in laws and accounting standards. The Resona Group holds a seminar by experts on a timely basis in order to assist to these companies in developing solutions to these challenges. In fiscal 2009, we dealt with the institutional reforms of public interest corporations and held "IFRS Seminar".



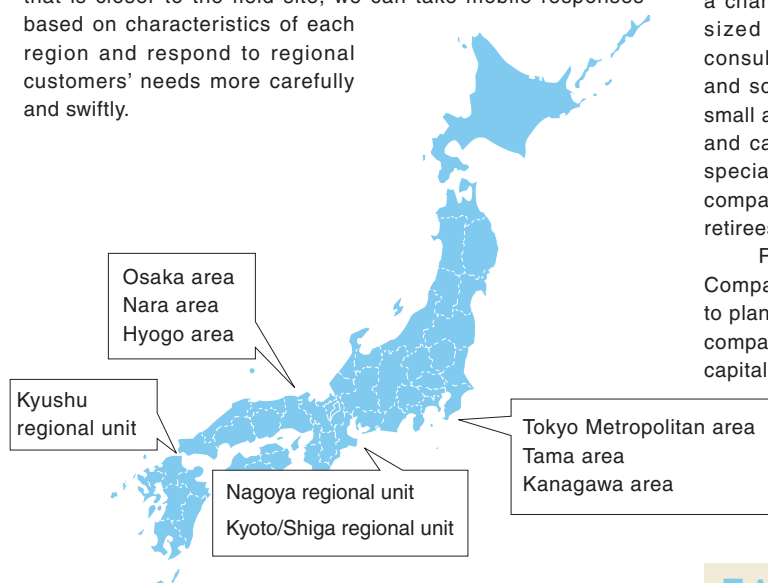




## Activities as Financial Institution Close to Local Communities

### ■ Expansion of Regional Operations

Resona Bank started regional operations from April 2004 and now has six areas and three regional units. By delegating authorities of the headquarters to each regional headquarter that is closer to the field site, we can take mobile responses based on characteristics of each region and respond to regional customers' needs more carefully and swiftly.



### ■ Established Department Dedicated to Support of Local Firms

Kinki Osaka Bank finds customers' needs and provides sophisticated supports by building a close relationship with regional small- and medium-sized companies and sole proprietors and utilize its unique relationship activities and the trust function of Resona Group so that it claims to establish a "credit union model with capability of issue resolution". We also set up "Support Department for Local Firms", a department dedicated to providing management assistance by promptly understanding business challenges of customers and taking appropriate responses and make efforts to resolve business challenges hand-in-hand with local companies.

### ■ Organization of Channel Dedicated to Transactions with Small- and Medium-sized Companies

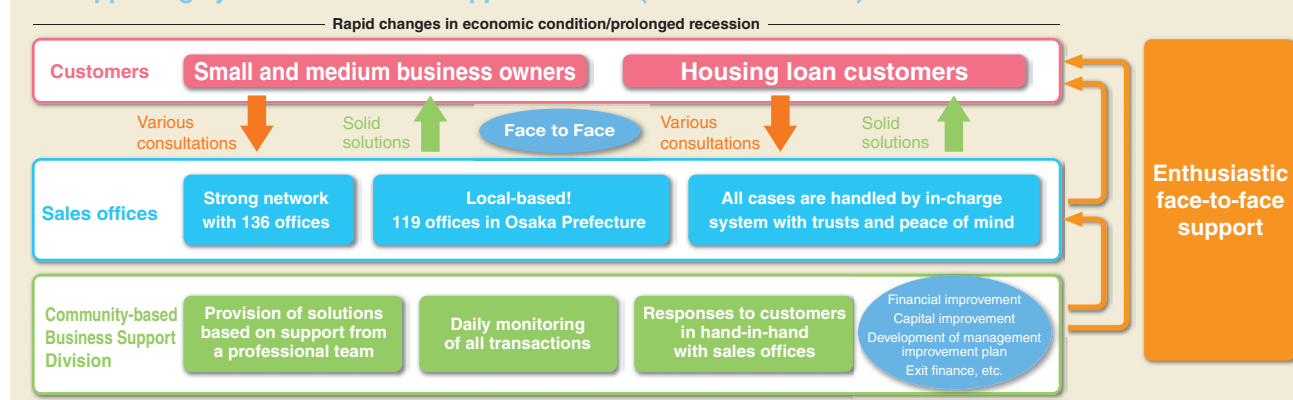
Saitama Resona Bank organizes the business loan center as a channel dedicated to transactions with small- and medium-sized companies and establishes/expands the support/consultation system for small and medium business owners and sole proprietors in order to respond to financial needs of small and medium enterprises in Saitama Prefecture proactively and carefully. In fiscal 2009, we increased loan advisors who specialize in promoting finance for small- and medium-sized companies and provided support for technology evaluation by retirees in the manufacturing sector following the previous year.

Resona Bank set up the "Support Office for Regional Companies" which cooperates with the regional headquarters to plan, promote and manage loans to small- and medium-sized companies in each region. We make finely-tuned responses to capital needs of regional companies.

### ■ Actual Results and Plan of Information Relationship Activities (Kinki Osaka Bank)

|  | Actual Results |         | Plan    |
|--|----------------|---------|---------|
|  | FY2008         | FY2009  | FY2010  |
| Accumulation of information/needs              | 104,353        | 121,319 | 150,000 |
| Business matching                              | 3,347          | 4,194   | 5,000   |
| Various proposals for business succession      | 713            | 515     | 500     |
| Will trusts and inheritance settlement service | 40             | 182     | 500     |

### ■ Supporting system of local firm support division (Kinki Osaka Bank)





# Society and “Resona”

## Basic Approach to Regional Society

Under our corporate mission, "To Develop Further with Regional Societies", the Resona Group complies with social rules as a matter of course, but also wants many people to

recognize our reason for existence. For this purpose, we continue to work hard, and contribute to local communities as a good corporate citizen.

## Local Economy Revitalization Support

Resona Bank, Saitama Resona Bank and Kinki Osaka Bank, which consider living together with communities as an important mission, support regional economies by

implementing not only the conventional banking transactions but also various initiatives as financial service providers.

## The Regional Strength Coordination Base Project

Saitama Resona Bank and Kinki Osaka Bank were chosen in FY 2009 as the institutions which implement “The Regional Strength Coordination Base Project” promoted by the Small

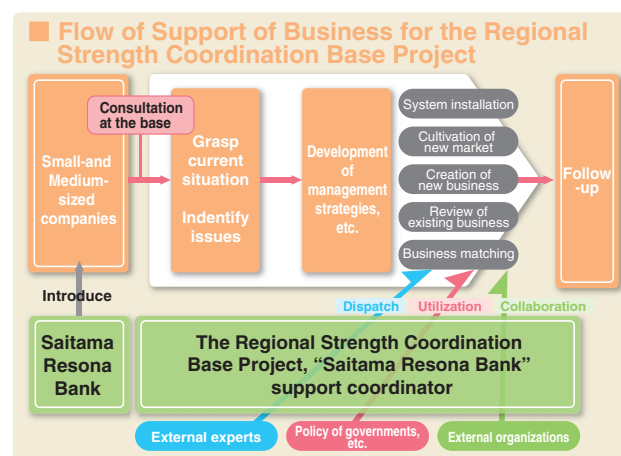
and Medium Enterprise Agency and have worked on making value-creating proposals based on the information asset local communities have.

### <Saitama Resona Bank>

As the regional strength coordination base among financial institutions in Saitama Prefecture, Saitama Resona Bank in coordination with regional support organizations provided support such as dispatch of experts in order to resolve issues which companies in the Prefecture were faced with.

#### [Actual Results for FY 2009]

Number of consultations: 345  
Number of dispatches of experts: 153



### <Kinki Osaka Bank>

In fiscal 2009, Kinki Osaka Bank was certified an implementing agency as the first regional bank within the Kinki Bureau of Economy, Trade and Industry. We proactively implemented activities including dispatch of experts, holding of seminars and support for obtaining an approval for business innovation plan to help small- and medium-sized companies resolve their business challenges.

### Results of the Regional Strength Coordination Base Project

|                               |                          | Actual Result<br>for FY2009 |
|-------------------------------|--------------------------|-----------------------------|
| Provide management consulting |                          | 1,064 cases                 |
| Dispatch of experts           |                          | 298 times                   |
| Holding of seminars           |                          | 4 times                     |
| Business innovation<br>plan   | Application              | 29 cases                    |
|                               | Application for approval | 19 cases*                   |

\* Approximately 10% of the total number of approvals in Osaka Prefecture (FY 2009)

### Results of Seminars Held (FY 2009)

“Restructuring of small- and medium-sized companies. in the times of change”, etc.



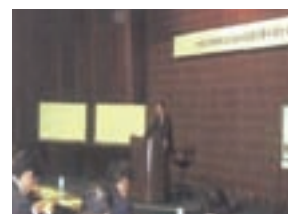
“Small- and medium-sized companies, make profit from environmental business!”



“Management innovation of small and medium enterprises and role of owners”, etc.



“Seminar on the Revised Labor Standards Act and how to respond practically based on the latest information on revisions”





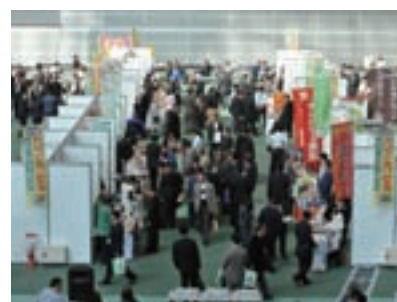
## Sainokuni Business Arena 2010

Saitama Resona Bank held "Sainokuni Business Arena 2010" in conjunction with Saitama Small and Medium Enterprises Development Corporation and other organizations in January, 2010. The number of exhibitors was 640 including companies, organizations, universities, and research institutions that presented great technology, products and services. There were 14,807 participants, so information and technology exchanges as well as business talks were promoted. Saitama Resona Bank will contribute to the revitalization of local communities through the promotion of business matching activities for years to come.



## Exhibition and Business Meeting of Farming and Food

In December 2009, Saitama Resona Bank and Saitama Prefecture co-hosted "Second Exhibition and Business Meeting of Farming and Food" which offer opportunities that food- and agriculture-related business such as food manufacturers, people engaged in agriculture and livestock industries, food supermarkets, buyers of home-meal replacement and restaurant industries and the like finds can have business talks and also see, touch and try products. The number of visitors exceeded 2,452, and active business negotiations and information exchange were conducted.



## Resona/Local Support/Asset Diversification Fund

The Resona Group supports local companies to be revitalized through services related to the investment trust that allocates assets to shares of local companies, foreign loans, and Real Estate Investment Trust (REIT). Also, part of the profit achieved from this investment trust was donated to local organizations involved in social contribution and the like.

| Nickname of fund  | Nickname of fund <sup>*2</sup>   |
|---|--|
| Oedo Bun-san<br><Companies of Tokyo (Tokyo's 23 wards)> <sup>*1</sup>   | Firefighters Scholarship Foundation<br>Police Scholarship Foundation   |
| Saitama Bun-san<br><Stocks of companies in Saitama Prefecture (companies in the Prefecture and companies penetrated into the Prefecture)> <sup>*1</sup> | Saitama Prefecture (Saitama Green Trust Fund)<br>Saitama Prefecture (Sai-no-kuni Green Fund)   |
| Tama Bun-san<br><Stocks of companies in Tama area (Tokyo outside 23 wards)> <sup>*1</sup>   | Task Force on National Leprosy Memorial Park, Forest of Human Rights<br>Ashinaga Scholarship Foundation, Donation to building of a student dormitory "Ashinaga Kokoro Juku"  |
| Hama-no Bun-san<br><Stocks of companies in Kanagawa Prefecture> <sup>*1</sup>   | Kanagawa Trust Green Fund  |
| Riso-chu Bun-san<br><Stocks of companies in Aichi, Mie, Shizuoka, Gifu, Yamanashi, Niigata and Nagano Prefecture> <sup>*1</sup>                         | Nagoya Chamber of Commerce, (56th) Donation to giving Christmas presents to kids at foster homes   |
| Kyo/Ohmi Bun-san<br><Stocks of companies in Kyoto and Shiga Prefecture> <sup>*1</sup>   | Kyoto City (Traditional Handicraft Department)/Executive Committee of the "Day of Traditional Handicraft"<br>Executive Committee of Naosuke Ii and Celebration for the 150th Anniversary of Opening Up the Country |
| Kamigata Bun-san<br><Stocks of companies in Osaka Prefecture> <sup>*1</sup>   | Osaka Prefecture Green Fund  |
| Hyogo Genki Bun-san<br><Stocks of companies in Hyogo Prefecture> <sup>*1</sup>  | (Social welfare organization) Hyogo Prefecture Council of Social Welfare<br>Ashinaga Scholarship Foundation  |

<sup>\*1</sup>: Limited to listed companies <sup>\*2</sup>: Part of custodian fee (approximately 0.05% of the total asset as of the closing date in August every year) is donated to local public organizations, organizations which work on social issues and nonprofit organizations which implement social action programs.

## Outstanding New Technology/New Product Award for Small and Medium Enterprises

Resona Foundation for Small and Medium Enterprise Promotion gives an award to an excellent technology/product every year jointly with Nikkan Kogyo Shimbun for the purpose of promoting technologies of small and medium enterprises and contributing to the development of Japanese industries.

This award started in 1988, and the total number of applicants for the past 22 years amounts to 6,986, and 632 technologies/products were awarded. The 22nd award in 2009 received 233 applicants for the general section and 69 applicants for the software section, and 34 technologies/products were awarded. Awarded companies told us that this brought them multilateral effects such as increased publicity, increased sales channels as well as sales, improved morals of development engineers, as well as joint research with other companies and contact with public testing institutions. The award has a big ripple effect.

### Results of Outstanding New Technology/New Product Award for Small and Medium Enterprises

| Number of applicants (number of awards given) | 18th (2005) | 19th (2006) | 20th (2007) | 21st (2008) | 22nd (2009) |
|---|-------------|-------------|-------------|-------------|-------------|
| <b>General section</b>                        | 305 (28)    | 248 (28)    | 337 (30)    | 301 (29)    | 233 (26)    |
| <b>Software section</b>                       | 52 (5)      | 66 (7)      | 43 (4)      | 57 (6)      | 69 (8)      |



## Coordination with Local Communities

### Coordination with Universities

The Resona Group cooperates with regional universities in various ways. We aim to contribute to reinforcement and development of local communities by combining corporate needs with academic "seeds" in such fields as business-academia collaboration, education and cultural activities while utilizing the human/intellectual resources of both sides. From September 2009, we started promoting more deeply cooperation to reinforce the business-academia collaboration operation such as temporary posting of Resona Bank's employees to Ritsumeikan University.

#### ■ Art Liaison Service

In April 2008, Resona Bank and Resona Research Institute in coordination with seven arts universities located in the Kyoto, Osaka and Kobe areas\* began offering business-academia collaboration service to be a bridge (liaison) between clients needs for "arts and design" such as creating products guide and product designs and arts universities.



\* Osaka University of Arts, Osaka Seikei University Faculty of Art and Design, Kyoto Saga University of Arts, Kyoto Seika University, Kyoto University of Art and Design, Kobe Design University, Takarazuka University of Art and Design

#### ■ Business-Academia Collaboration Competition

Resona Bank, Resona Research Institute and Osaka Foundation for Trade and Industry co-hosted the "Business-Academia Collaboration Competition" in October 2009. 15 universities that participate in the "Creation Core Higashiosaka", a support center for manufacturing made a presentation to manufacturers in Osaka and the Kansai Area on "characteristics", "appealing points" and "what they are aiming for".

#### ■ Business-Academia Collaboration Seminar with Ten Academic Partners

On December, 2009, Saitama Resona Bank held "the Business-Academia Collaboration Seminar with ten academic partners" with 10 partner universities including Saitama University. At the seminar, the status of business-academia collaboration and good examples were introduced in order to support companies to resolve business challenges by business-academia collaboration and to meet recruitment needs; in addition, business consultations were implemented actively at exhibition booths. More than 200 visitors participated in the seminar, most of which were business owners in Saitama Prefecture.

#### ■ Contributing Lecture at Saitama University

This year again, Saitama Resona Bank held a contributing lecture at Saitama University. Directors and managers including the president of Saitama Resona Bank became lecturers and held 13 lectures on the theme of community-based finance.

### Collaboration with Local Public Organizations

#### ■ "Educational Activities for Cancer" in Coordination with Saitama Prefecture

In November 2009, Saitama Resona Bank signed the "Agreement on the Comprehensive Cooperation for Education on Cancer and Improvement of Consultation Rate of Cancer Detection" with Saitama Prefecture. Saitama Resona Bank will promote activities on "Saitama Prefecture's Plan to Promote Measures to Prevent Cancer" with Saitama Prefecture in order to realize a healthy life by early detection and early treatment of cancer.

#### ■ Educational Activities for "Environment" in Coordination with Saitama Prefecture

Saitama Resona Bank set up a booth at the "Manabipia Saitama 2009", the nationwide lifelong learning festival in November 2009. We provided financial education for children and a mini seminar as theme of environment and supported the "My Bottle Campaign" promoted by the Environment Department of Saitama Prefecture by giving original tumblers to those who participated in the seminar. We signed the "Agreement on Cooperation in the Field of Environment" with Saitama Prefecture in June 2010 and will continue to proactively work on various initiatives for environmental preservation.

#### ■ Ecology Mission to Fill Osaka with Flowers

Kinki Osaka Bank, in coordination with Osaka Prefecture and elementary/junior high schools in the Prefecture, signed a letter of acknowledgement with the Prefecture on the "Ecology Mission to Fill Osaka with Flowers", which aims to promote creation of towns filled with flowers and enlighten citizens on environmental activities.

In the next five years, Kinki Osaka Bank, in coordination with Osaka Prefecture, plan to implement various activities with customers through our products and services.

#### ■ Cooperation with "Cool City Sakai", a Low-carbon City

Kinki Osaka Bank is implementing activities in coordination with Sakai City in order to achieve "Cool City Sakai", which the City (environment model city) aims for. In February 2010, we, as a founder, established "SAKAI Eco Finance Supporters Club" with 22 regional financial institutions based in Sakai City for the purpose of playing a role in solving the issue of global warming through various financial supports such as provision of products/services and educational activities. Kinki Osaka Bank, as the head of the Club, signed the "Agreement on Mutual Cooperation" with Sakai City.

#### ■ Cooperation with "Osaka, The Museum" Concept

Resona Bank agrees over the "Osaka, The Museum" Concept proposed by Osaka Prefecture and actively cooperates with it. The "Osaka, The Museum" Concept pays attention to appealing resources such as historical townscape, lush greenery and nature, positions the entire Prefecture as a "Museum" and appealing resources as "Exhibits" and "Events in the Museum" and conveys them as the "Symbol of the Town" at home and abroad by cultivating/rediscovers, refining and brightening up those resources. Resona Bank distributed "Recommendation form for registration with Osaka Museum" and accepted them at branches in Osaka Prefecture (92 branches/sub-branches); we also posted the PR image on the top screen of 508 ATMs and also planned/provided a venue for the 1st Networking Event of Osaka Museum in January 2010.



## Activities for Children

### Education on finance and economy

#### ■ Resona Kids' Money Academy

The Resona Group believes that "we want to contribute to the development of the community by teaching children knowledge on finance" and conducts the financial education activity for children named "The Resona Kids Money Academy" every year since 2005. This activity spread throughout the country, and during the summer vacation of 2009, approximately 3,000 children and their parents participated in the activity at 193 locations.

We also provide various programs such as collaboration project that combines work experience programs and environmental education and programs for schoolchildren in the lower grades.



#### ■ Company Tour /On-site Lecture

The Resona Group implements work experience programs, company tour and on-site lecture based on requests from local communities. We held seminars 197 times, work experience programs 24 times, company tours 9 times and on-site lectures 7 times in total in fiscal 2009.

We also cooperated with work experience programs and company tour for junior/senior high school students in local communities.



Fukuoka Branch accepted students from Korea for work experience programs two consecutive years.

#### ■ Economics Koshien

The Resona Group, in cooperation with the Association for the Promotion of Financial Literacy, hosts regional contests of the "Economics Koshien", the financial and economy quiz championship for high school students in Saitama, Kanto and Kansai area. In the times when we are asked to accept self-responsibility along with changes in Japan's social structure, this event is aiming for helping high school students, who are at important stage to decide their future plan, gain experience the financial and economic education in an enjoyable manner and learn financial knowledge they can use in their own lives. We have supported this event since the first event was held in fiscal 2006.



#### ■ Internship Program for Students and Teachers

Each Resona Group bank wishing to do something for stimulating students' interest in career as well as their career choice spontaneously accepts internship students and teachers. While we provide an opportunity to these students to know "What is work? What is society?" through work experience programs, we aim to create a virtuous cycle of regional revitalization by students and lecturers and those who accept them stimulating each other.



## Regional/Social Contribution Activities

### TABLE FOR TWO

In the canteens at the head offices of Resona Bank Tokyo, Osaka, Saitama Resona Bank and Kinki Osaka Bank, we started participating in a campaign “TABLE FOR TWO” in which 20 yen from the price you pay for Healthy Menu is donated for school lunch in developing countries from January 2008. Free school lunch can be a motivation for families in difficult economic conditions to send children to school, and can lead to the provision of educational opportunities to children in developing countries.



### Children 110

As part of our social and local contribution activities, the Resona Group has carried out “the Children 110” activity aiming to protect children in the local community at staffed Group bank branch offices (approx. 600) since April 2005. Currently, many branch offices have extended counter business hours, so it’s possible to respond to the emergency of children coming out of school, and we hope that this activity will be helpful to local communities as much as possible.



### The Resona Foundation for Asia and Oceania

The Resona Foundation for Asia and Oceania, since its 1989 founding, has given personal and joint research aid to applicable local communities, as well as aid for holding international meetings and symposia, all with the purpose of deepening mutual understanding between Asia, Oceania and Japan and contributing to international interaction. Research results gained are published as essays, or are publicized in academic journals, which return their knowledge back to society. In total, 14 aids for research programs, and 1 for an exchange program were realized in fiscal 2008.

### Pink Ribbon/Gold Ribbon Campaign

In the “Resona ‘My Strength’ Project”, an initiative to aim to become a bank with the biggest support of women in the industry, we cooperate with the Pink Ribbon<sup>\*1</sup>/Gold Ribbon campaign<sup>\*2</sup> as a part of our social contribution activities and implement educational activities that communicate an importance of measures to prevent cancer.



<sup>\*1</sup> Pink Ribbon Campaign: campaign to communicate an importance of early detection, early diagnosis and early treatment of breast cancer

<sup>\*2</sup> Gold Ribbon Campaign: campaign to ask for understanding and support for children who are fighting with cancer

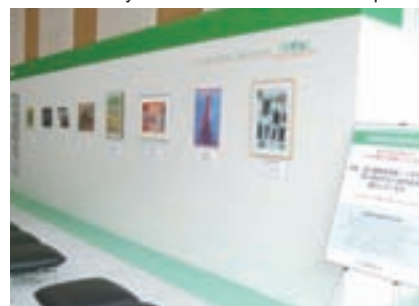
### Praise for Braille Calendars

Since 1982, aiming to increase the convenience of life for people with vision impairments, the Resona Group annually produces a Braille calendar and donates copies to welfare associations and schools that serve people with visual handicaps throughout Japan. To help the visually impaired enjoy the calendar’s design, Braille dots are used to make the illustrations tactilely perceptible. The calendars have been highly praised by many users.



### Support for the Special Needs Schools Cultural Festival

Resona Bank, with the purpose of enriching the arts and cultural activities of children and students at schools for the blind and deaf around Japan has provided continual support for “the Special Needs Schools Cultural Festival” hosted by National Association of Special Needs School on an annual basis since the first event was held in 1994. In fiscal 2008, we exhibited the awarded works at the entrance hall of both Tokyo and Osaka headquarters in cooperation with the host organization.







## Support for Disaster Areas

The Resona Group cooperates with reconstruction assistance for victims of natural disasters and the like. We provided reconstruction assistance loans in fiscal 2009 as follows:

July 2009: restoration support loans to flood victims in the Chugoku and Northern Kyushu areas

August 2009: restoration support loans to victims of typhoon No. 9

## Holding of Charity Events

The Resona Group holds various charity events by utilizing auditoriums and halls we own. We held charity events for raising funds to construct Tenma Tenjin Hanjo-tei and reconstruction assistance for disaster victims in New Orleans. In addition, the following event in fiscal 2009 were held:



July 2009: jazz concert for reconstruction assistance for victims of the massive earthquake in China's Sichuan Province

## Deployment of Dementia Supporter

Saitama Resona Bank, in cooperation with Saitama Prefecture, holds training program for dementia supporters for approximately 250 employees and deploys more than one dementia supporter at each branch in order to improve the quality of financial services, deepen our understanding of dementia in the aging society and contribute to creation of the environment where people with dementia can live with peace of mind.

## Installation of Communication Boards

Each Resona Group bank installs "the communication board" in the entrance hall. This is a tool that allows customers who visit our branch offices to indicate the nature of their business by pointing to the board's icons and receive helpful information, for example about where to go. English is provided along with Japanese to enable foreign customers to use this information source.



## Installation of ATMs for People with Vision Impairment

The Resona Group installs ATMs with handsets that provide service to people with visual impairment. When the handset on this ATM is used at the commencement of the transaction, it changes to visually impaired mode, and giving guidance through the handset audio, a customer can perform transactions by pushing handset buttons.

## Installation of AED

Some branches of Resona Bank and Saitama Resona Bank installed AEDs (Automated External Defibrillator) and we hold training sessions for employees as well as those in local communities so that they can administer emergency medical care.



## Dealing with Charitable Trust for The Purpose of Education and Welfare

Resona Bank is doing activities for social contribution through "The Charitable Trust" aiming to achieve various trusts by providing scholarship, offering subsidy to natural environment recovery and

conservation activities, welfare activities, and giving aid for academic researches including medical science research.

| Approach items                               | Specific contents   | Approach items  | Specific contents   |
|--|---|---|---|
| <b>Provision of scholarship</b>              | <ul style="list-style-type: none"> <li>• Kazuo Katayama Social Welfare Scholarship Fund</li> <li>• Koutou Shinkumi Scholarship Fund</li> <li>• Ishikari and Shiribeshi Scholarship Fund for Orphans from Automobile Accidents</li> <li>• Tax Accountant Hisakazu Kanaya Scholarship Fund</li> <li>• Aflac Scholarship Fund for Orphans from Cancer</li> <li>• Tatsuo and Katsuko Kurematsu Memorial Scholarship Fund</li> </ul> | <b>Subsidies for educational promotion activities</b>             | <ul style="list-style-type: none"> <li>• Yao Icho Fund for Youth Development</li> <li>• Neyagawa Fureai Fund</li> <li>• Kagawa Bank Fund for Promotion of Lifelong Learning of the Elderly</li> <li>• Ozawa Lifelong Learning Promotion Fund</li> </ul>   |
| <b>Subsidies for academic research, etc.</b> | <ul style="list-style-type: none"> <li>• Marumo Promotion Fund for Research on Emergency Medication</li> <li>• Kimi Imai Memorial Fund for Research on Stress-related Diseases</li> <li>• Okumura Corporation Fund for Building and Environmental Technologies</li> </ul>   | <b>Subsidies for social welfare projects</b>                      | <ul style="list-style-type: none"> <li>• Social Welfare Fund of Kanto Tsukuba Bank</li> <li>• Hiroyuki and Masako Emori Memorial Welfare Fund for the elderly</li> <li>• Ikuno Fureai Fund in Commemoration of the 50th Anniversary of the Establishment of Administration of a Ward</li> </ul> |
|  |   | <b>Subsidies for cultural and industrial promotion activities</b> | <ul style="list-style-type: none"> <li>• Shinzo Takahashi Memorial Fund for Promotion of Broadcasting Culture</li> <li>• Hiroshi Shiina Memorial Fund for Promotion and Development of Local Industries in Ageo City</li> </ul>   |



# Environment and “Resona”

## Group Environmental Policies

In order to clarify its environmental efforts, in April 2008, the Resona Group formulated the Resona Group Environmental Policies as a guide for corporate environmental activities and as

a component of CSR. Each official and employee of the Group is working on the protection of global environments while recognizing what we can do as a member of a local society.

### ■ Group Environmental Policies

#### 1. Observance of Environment-related Laws and Regulations

We abide by laws relating to environmental conservation and to other requirements that we have subscribed.

#### 2. Environmental Conservation through our Core Business

We support environmental conservation activities by developing and providing environment conscious products and services.

#### 3. Environmental Load Reduction in our Offices

We work toward reducing the environmental load through resource- and energy-saving activities in our offices.

#### 4. Environmental Communication

We take active measures to communicate environment-related information inside and outside of the Group and promote environmental education activities.

#### 5. In-house Education and Full Participation

We ensure that all Group executives and employees are familiar with our environmental policies, and that all executives and employees act in an environmentally-responsible manner.

#### 6. Public Disclosure of Environmental Policies

We disclose our environmental policies to all parties.

## Environmental Management System

The Resona Group has introduced the environmental management system in order to further reinforce activities concerning global environmental issues. Kinki Osaka Bank, Saitama Resona Bank and Resona Bank Osaka Head Office obtained “ISO 14001”, an international certification standard concerning environmental management, for a head office building respectively in October

2008, in December 2008 and in December 2009. We will develop more vigorous activities for a reduction of environmental burden in offices, environmental protection through our core business, and environmental education inside and outside, by establishing PDCA cycle (Plan, Do, Check, Act) to improve performance.

### ■ Environmental Voluntary Action Plan (medium term target)\*

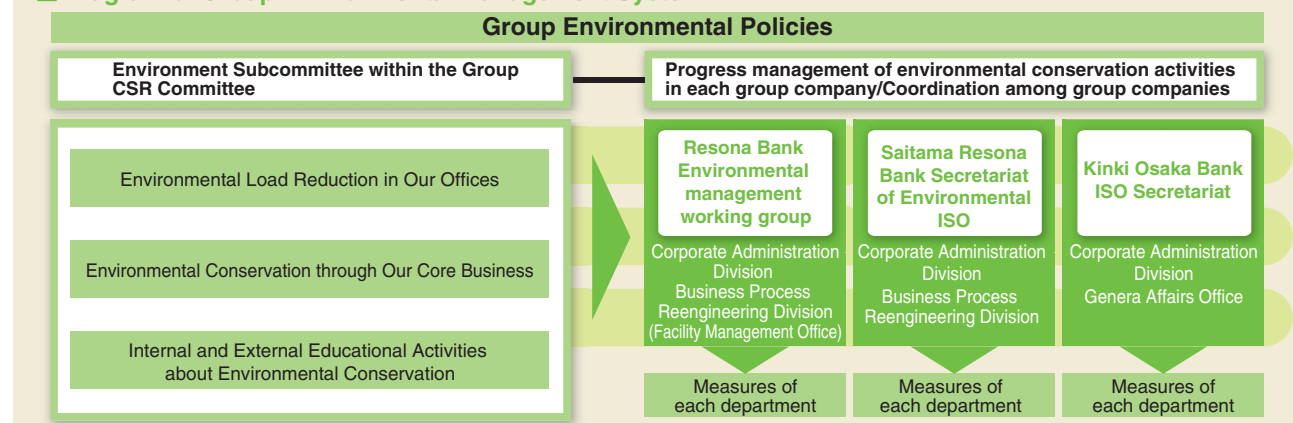
|                         | Target  | Group's Medium-Term Action Goals  | Results of FY 2009   |
|-------------------------|---|---|--|
| Usage of Electric Power | Head Office, banking head office/ administration center | Average for 2008~2012<br>In comparison with FY 2000, 12% reduction                          | In comparison with FY 2000, ▲ 31.6%  |
| Paper                   | Same as above   | Utilization ratio of recycled paper over 70% by FY 2010<br>Recycling rate of paper over 75% | Utilization ratio of recycled paper 33.2%<br>Recycling rate of paper 94.0% |

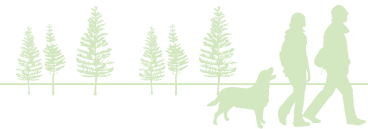
### ■ FY 2009 Group Action Goals\*

|  | Target                     | Target                                   | FY 2009 Results | Evaluation | Target for FY 2010                       |
|--|----------------------------|--|-----------------|------------|--|
| Usage of Electric Power                          | Head Office, Branch Office | 1% reduction in comparison with FY 2008  | ▲ 5.96%         | ◎          | 1% reduction in comparison with FY 2009  |
| The amount of photocopying paper purchase volume | Same as above              | 20% reduction in comparison with FY 2008 | ▲ 26.72%        | ◎          | 20% reduction in comparison with FY 2008 |

\*Resona Holdings, Resona Bank, Saitama Resona Bank and Kinki Osaka Bank are covered.

### ■ Diagram of Group Environmental Management System

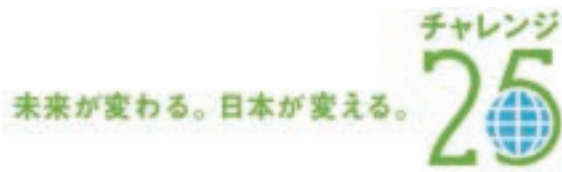




## Environmental Load Reduction in Our Offices

### Challenge 25 Campaign

Each Resona Group bank is participating in the Challenge 25 Campaign promoted by the Ministry of the Environment and engages in global warming prevention activities.



#### <Challenge 25 Campaign Participant Companies>

- Resona Holdings
- Resona Bank
- Saitama Resona Bank
- Kinki Osaka Bank
- Resona Card
- Resona Capital
- Resona Kessai Service
- Resona Research Institute
- Resona Business Service
- Resona Servicer
- Resona Guaranteed
- Kinki Osaka Shinyo Hosho

### Energy-saving Activities

The Resona Group works on reduction of electricity usage by system consolidation, installation of energy-saving devices, implementation of Cool Biz and "go home early" campaign. We also proactively work on reduction of gasoline usage by switching cars used for sales activities to hybrid cars and introducing electric bicycles.



### Green Purchase and Waste Reduction

The banks work on green purchase and waste reduction with paper as the biggest theme since we use an enormous amount of paper in the normal course of business. While we promote usage of environmentally-friendly paper such as paper made of forest thinning and forest certified paper for our leaflets and posters and the like, we switched photocopying paper used on business to recycled paper that complies with the Act on Promoting Green Purchasing for all the required volume purchased since February 2010 and after. We use carbon offset ink toners for printers. In addition, paperless business operations and reduction of paper usage are promoted from a perspective of resource saving and waste reduction.

#### ■ FY 2009 Results for Photocopying Paper Purchase

| Amount purchased | Of those, recycled paper | Rate of recycling paper purchased |
|------------------|--------------------------|-----------------------------------|
| 377 tons         | 125 tons                 | 33%                               |

#### ■ Environment-related Statistics

| Item   |                 | Unit                        | FY2005 results | FY2006 results | FY2007 results | FY2008 results | FY2009 results |
|--|-----------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| CO <sub>2</sub> released through energy usage* |                 | t-CO <sub>2</sub>           | 46,995.1       | 45,616.1       | 43,331.2       | 44,154.2       | 39,721.3       |
| Electric Power consumption                     |                 | kWh                         | 80,969,354     | 75,352,268     | 71,145,671     | 73,548,077     | 66,067,104     |
| Usage of city gas                              |                 | Thousands of m <sup>3</sup> | 860.0          | 1,663.8        | 1,627.0        | 1,375.0        | 1,269.4        |
| Usage of gasoline                              |                 | kℓ                          | 115.7          | 144.5          | 198.9          | 204.8          | 178.4          |
| Water consumption                              |                 | m <sup>3</sup>              | 329,500        | 320,086        | 330,347        | 287,538        | 236,583        |
| Waste  | Amount produced | t                           | 1,693.4        | 1,588.9        | 1,633.5        | 1,681.7        | 1,457.5        |
|  | Amount recycled | t                           | 1,073.9        | 1,113.1        | 1,220.7        | 1,344.2        | 1,164.9        |
|  | Recycling rate  |                             | 63%            | 70%            | 75%            | 80%            | 80%            |
| (of that, paper waste)                         | Amount produced | t                           | 1,259.4        | 1,229.2        | 1,322.2        | 1,314.8        | 1,078.1        |
|  | Amount recycled | t                           | 980.2          | 1,011.5        | 1,109.5        | 1,187.2        | 1,017.5        |
|  | Recycling rate  |                             | 78%            | 82%            | 84%            | 90%            | 94%            |

This data summed up figures from head offices and branches at Resona Bank, Saitama Resona Bank and Kinki Osaka Bank as well as main system/administration centers (these are targeted by Keidanren's Voluntary Action Plan).

\*CO<sub>2</sub> emissions for each year listed are calculated based on the "Ministerial Ordinance Related to the Calculation of Greenhouse Gas Emissions in Association with the Business Activities of Specified Emitters" (March 2006, Ministry of Economy, Trade and Industry and Ministry of the Environment Ordinance No. 3)





# Environment and “Resona”

## Environmental Conservation through Our Core Business

### For Individual Customers

#### ■ Eco Action Point

The Resona Group participates in the “Eco Action Point” promoted by the Ministry of the Environment. This is the system to grant points to customers who purchase environment-conscious products and services. Customers can exchange one point with the equivalent of one-yen of product so that we encourage customers to make environment-conscious choices in banking transactions.



##### <Products and Services Covered by the “Eco Action Point”>

|  |              |
|--|--------------|
| Deposit account “TIMO” without issuing a passbook<br>(each group bank) | ⇒ 50 points  |
| Investment trust electronic issuing service<br>(Resona Bank only)      | ⇒ 100 points |

#### ■ Eco-conscious time deposit product “Hana Ippai”

Kinki Osaka Bank signed a letter of acknowledgement with Osaka Prefecture on the “Ecology Mission to Fill Osaka with Flowers”, which aims to promote creation of towns filled with flowers in cooperation with elementary/junior high schools in December 2009. Based on this letter, we started accepting applications for “Hana Ippai”, an eco-conscious time deposit in February 2010. This deposit won great popularity from customers, and the subscribed amount of 10 billion yen was achieved in just three days. We used 0.01% of the total amount of “Hana Ippai” to purchase materials necessary to grow flowers and provided them to elementary/junior high schools through Osaka Prefecture. Public space in the Prefecture will be filled with nursery plants grown there.



#### ■ Inheritance-related Services

In its testamentary trust and inheritance settlement work, Resona Bank provides a service which offers priority fee rates for an entire inheritance settlement matter in the case that the customer leaves a portion of their assets to an environmental protection group such as “Ecosystem Conservation Society-Japan” and “Association of National Trusts in Japan”. By utilizing asset succession trusts, Saitama Resona Bank has been operating the “Saitama Green Trust Fund”, in which the trust assets are donated to the Saitama Green Trust Funds when the trust is fulfilled, or at the time of inheritance. Through these services, we will offer customers with opportunities to contribute to environment while encouraging customers’ interests in natural environment protection and biodiversity.

#### ■ SRI Fund and Community Support Fund

The Resona Group encourages individual customers to invest in environment-related shares through handling SRI fund (= Socially Responsible Investment) which invests in companies that proactively tackle environmental issues and contribute to the society. We also donate profits from investment trusts for supporting local companies to local environmental protection organizations.



Resona Japan CSR Fund  
(nickname: Seijitsu No Mori)



Resona/community support/asset diversification fund series

#### ■ Housing Loans/Consumer Loans

In cooperation with municipalities and electric power/gas companies, etc., each Resona Group bank supports individual customers’ environment-conscious choices by providing housing loans for those who purchase environmentally-friendly houses and the like.

#### [Major Loan Products for Individual Customers]

##### <Housing Loans>

Energy-saving and Ecology Support!! Housing Loan (Resona/Saitama Resona Bank)  
Good Energy Housing Loan (Resona Bank)  
Renewed Housing Loan (Resona Bank)  
Saitama’s House Eco Living Support!! Housing Loan (Saitama Resona Bank)  
Eco Housing Loan (Kinki Osaka Bank)

##### <Renovation Loans>

Resona Safe Renovation Loan <eco-Toku Plan> (Resona Bank)  
Resona Renovation Loan Solar Plan (no-collateral type) (Saitama Resona Bank)

##### <Car Financing>

Resona Car Financing <eco-Toku Plan> (Resona Bank)  
Resona Car Financing <eco-Toku Plan> (Saitama Resona Bank)

\* Kinki Osaka Bank provides specific interest rate plans for car financing renovation loans and multipurpose loans which cover eco-related expenses (as of July 2010).



## For Corporate Customers

### Loans to Corporate Customers

Each bank of the Resona Group provides various kinds of loan programs in response to business owners' demand for financing in order to work on environmental protection activities and install environment-conscious facilities and product so that we encourage customers to implement environment-conscious initiatives.

#### [Major Loans for Corporate Customers]

##### <Resona Bank>

Resona Environmental Loan Eco  
Osaka Environment Fund (Environmental Planning)  
Environment-conscious Syndicate Loan

##### <Saitama Resona Bank>

Saitama Resona Environmental Management Support Loan  
Saitama Resona Environment-conscious Loan  
(plan that uses the interest subsidize system by the Ministry of the Environment) II  
Saitama Resona Environment Fund  
Saitama Prefecture Eco-up Certification Loan

##### <Kinki Osaka Bank>

Environment Fund  
"Eco Business Loan" for shipping companies"  
(as of July 2010)

### SRI Fund for Corporate Pension

While increasing awareness of environmental issues in the society, Resona Bank started "Global SRI" fund for corporate pension to invest in foreign companies, which keep ESG\* in mind, in December 2009. SRI fund structured by foreign stocks is quite unique among domestic funds for corporate pension, and it offers a broader choice of pension investments.

\* ESG stands for Environmental, Social and Corporate Governance.

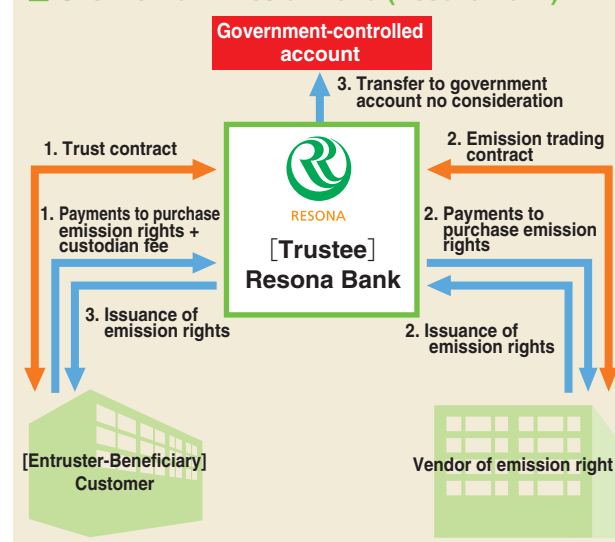
### Charitable Trust

By utilizing its trust functions, Resona Bank implements environment preservation activities through charitable trusts that aim to aid protection of biodiversity and maintenance and preservation of natural environment.

### Emission Credit Trust

Resona Bank started to operate "Emission Credit Trust" from March 2009. "Emission Credit Trust" is a trust that fulfills customers' needs for acquisition and management of emission credit. Due to its complicated procedures, existing emission trading was mostly large size transactions dominated by large corporations. By utilizing its trust function, Resona Bank started to deal with small-lot emission credit and enable small- and medium-sized companies to purchase; further, obtain/manage their emission credit on behalf of customers. We will support emission trading for customers by leveraging the unique function of a bank with a trust function.

#### Overview of Emission Fund (Resona Bank)



#### <Environmental Preservation-related Charitable Trusts>

|   | Fund name  | Contract date | Purpose of trust   |
|---|--|---------------|--|
| 1 | Suntory Fund for Birds Preservation  | 1990.2.26     | Through granting funds for the activities of bird preservation groups around the world, including Japan, contribute to the promotion of bird protection activities, and thereby to the preservation of the global environment. |
| 2 | The Japan Trust for the Global Environment   | 1991.7.1      | Through supporting donations for environmental preservation in developing regions, Japan contributes to global environmental protection.   |
| 3 | Musashino Green Fund   | 1992.7.2      | Through giving support to activities which assist to the preservation and creation of natural environment in Saitama Prefecture, contribute to the creation of a beautiful environment in which it is easy to live.            |
| 4 | Green Program 21 (Midori-kikin)  | 1994.3.31     | Through supplying grants to groups, etc. which perform tree planting activities, promote green projects, and thereby contribute to the creation of a beautiful, green country.   |
| 5 | ESPEC Foundation for Global Environment Research and Technology (Charitable Trust) | 1998.3.30     | Through supporting the raising of scientific and technological knowledge related to the environment, contribute to the overcoming of global environmental problems.  |
| 6 | Public Trust Fund for the Preservation of Minoo Mountain Foothills                 | 2004.1.9      | Through support for activities related to the protection, care and utilization of the abundant greenery of Minoo City, contribute to the expansion and vitalization of foothills preservation activities.                      |



## Environmental Communication

### Resona Environmental Commercial Meeting

Following the previous year, Resona Bank and Kinki Osaka Bank held “Resona Environmental Commercial Meeting” in July 2009. This was an exhibition-type of business matching commercial meeting on the subject of energy saving and cost reduction, and 27 environmental companies, which mainly deal with Resona Bank, displayed their own products. We also held a seminar on the “Revised Energy Saving Act” enforced in April 2010, and 481 visitors participated in it.



### Environmental Business Research Seminar

Resona Research Institute held environmental business research seminar in Tokyo and Osaka on a regular basis, which work on case studies on the latest environmental business in order to encourage participants to consider making proactive efforts by taking environmental issues as a business opportunity. Since this research seminar got favorable notice, we decide to hold the same seminar in Saitama Prefecture in FY 2010.

### Environment Symposium

Resona Bank, Mainichi Shimbun and Ecology Online (NPO) co-hosted a symposium called “Measures to Spread New Energy and Purchase Program with Fixed Rate in Germany” in November 2009. This symposium was held on the sidelines of the introduction of the new purchase program of solar energy by the Ministry of Economy, Trade and Industry. We invited environment journalists from Germany where the purchase program has already been in place, and active exchange of opinions was observed.

### Environmental Forum 2009

On October 29, 2009, Saitama Resona Bank and Saitama Resona Foundation for Industrial Cooperation, in cooperation with Saitama Prefecture, held “Environmental Forum 2009” for business owners in Saitama Prefecture on the subject of business administration and global warming countermeasures. In this forum, we had lectures by prominent guests and panel discussion by people from the field of business, academia and government on the main theme of “what management and behavior is required of companies?” in anticipation of post-Kyoto Protocol.



### Use of Green Power

By using green power that utilized the “Solar Bear Green Power Certification” system The Resona Group held various CSR events including general shareholders’ meeting in FY 2009, IR seminar for individual investors and Economics Koshien. While we aimed to reduce environmental burden as a result of these events, we considered providing an opportunity to visitors to become aware of environmental issues.







## Cooperation with Recycling Activity

Resona Bank set up a collection box for used ink cartridges at branches in the Kinki area (6 prefectures) from June to September 2009. Collected ink cartridges were handed to Ecorica, and 20 yen per one used cartridge was donated to WWF Japan. In addition, branches in Kanagawa Prefecture started collecting artificial teeth from October 2009. We collected 97 artificial teeth by June 2010, and profits from rare metal contained in these are used to support children around the world through UNICEF.



## Participation in Environmental Volunteer

Employees of Kinki Osaka Bank and their families, 35 people in total, participated in environmental volunteer activities for Izumi-no-mori in Izumisano City in November 2009. After given instructions from local volunteers, they worked on creating mori-no-hiroba and a path leading to it, and the created space were named "Hidamari Hiroba". After the activity, local volunteers expressed gratitude, saying "This space will be an important place for everyone to think about environment preservation activities."



## In-house Education

### Environmental Training

Kinki Osaka Bank conducts training for newly-hired employees on the subject of "How to Cope with Environmental Issues" every year. Resona Bank and Saitama Resona Bank conduct environmental training for employees by using e-learning on a regular basis and raise their awareness of environmental issues.

### Setup of Environmental Management Objective

Resona Bank added an item of environmental management to business objectives of the headquarters as well as each division for fiscal 2009. Each division proactively made efforts by voluntarily setting up objectives with regard to environmental protection including new product developments, educational activities for customers and educational activities inside the organization.

### Environmental Fund-raising

Kinki Osaka Bank has implemented the environmental fund-raising in the Bank for the purpose of financial aid for environmental preservation activities in June 2009. As a result, approximately 560,000 yen were collected from 2,203 employees and contract employees, all of which were donated to "Osaka Green Trust" and "Osaka Prefecture Environmental Preservation Fund".



Resona Group magazine ("ECO" Highlight)

### Branch-wide Day for "Go Home Early"

Resona Bank and Saitama Resona Bank set the third Wednesday of every month as "Resona Environment Day", and Kinki Osaka Bank set the 16th of every month as "Stop Global Warming Day" to encourage employees to go home early. At Tokyo and Osaka Head offices of Resona Bank, directors as well as employees proactively undertake various efforts by airing an environmental message from a director on the day for "Go Home Early".





# Employees and "Resona"

## Basic Policy

Through creating an organization in which each employee can work comfortably, the Resona Group promotes human resource development. With its watchwords as "the fronts lines take the

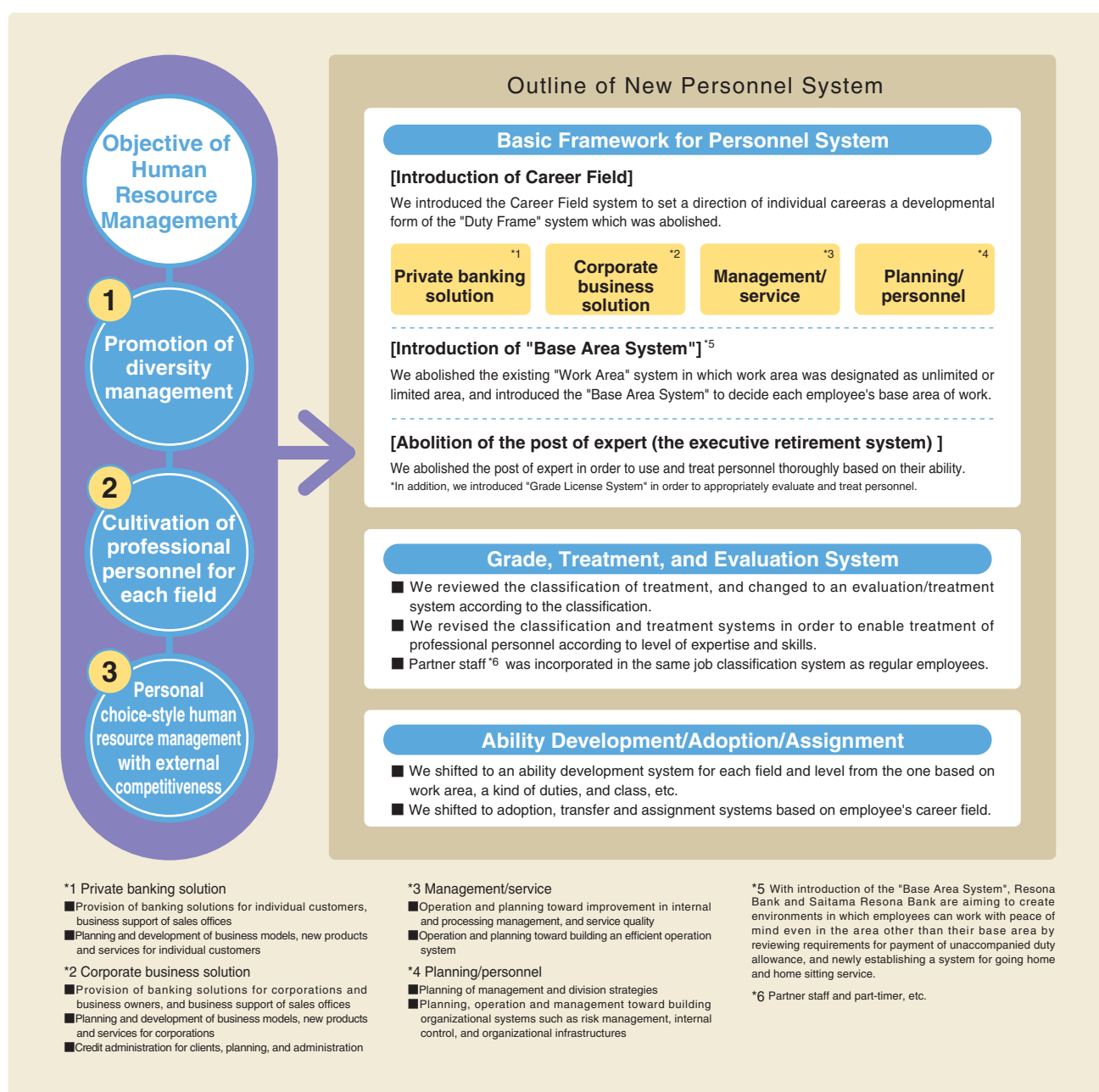
lead", "autonomy" and "diversity", we are creating a work environment in which diverse personnel can succeed.

## Personnel System

Resona Bank, Ltd., Saitama Resona Bank, Ltd. and Resona Trust and Banking Co., Ltd. of the Resona Group, with the aim of implementing (1) diversity management promotion, (2) professional personnel development by field and (3) personal choice-style personnel operations, have implemented a personnel system.

As a new personnel system, "Career Field System" has been

introduced in order to help each employee build their career autonomously, which defines a direction of individual career. Resona Bank and Saitama Resona Bank have also introduced "Base Area System" in which each employee's base area of work is decided.





## Toward Autonomous Career Building

In order to facilitate the individual career improvement of employees according to their own "will" and "choice", the Resona

Group has introduced various support systems and development programs.

### Career Improvement Support Systems

#### ■ Post Challenge System (Internal Recruitment System)

This system is one in which the personnel necessary to the widely varying fields of existing operations and new projects are filled through internal recruitment. The system proactively provides highly motivated employees with opportunities to improve their careers.

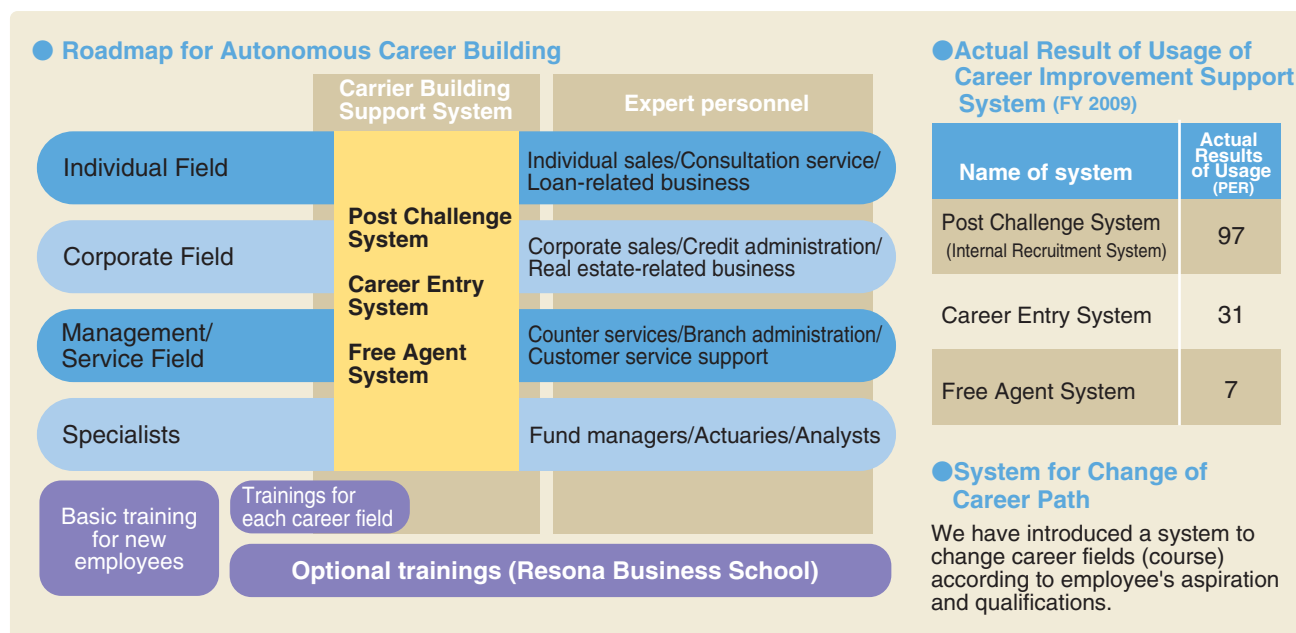
#### ■ Free Agent System\*

Free agent rights are given to employees who attain a certain level of performance, etc., and with those rights they are able to choose which area of work and division they wish to be employed.

\*Resona Bank and Saitama Resona Bank only

#### ■ Career Entry System

This system supports each employee in building their own career, by allowing them to participate in internal and external company trainings, and to determine their future business type by their own choice, not by company direction.



### Ability Development Programs

#### ■ Resona Business School

In order to support the autonomous ability development of its employees, the Resona Group uses days off to hold lectures and seminars in which employees can gain knowledge and learn skills. The content of these includes financial analysis, financial markets, pension systems and other banking knowledge. They also branch out to such business skills as communication skills, coaching and sign language, and extend further to certification support classes as well.



### Exchange of Opinions with Top Management

#### ■ Town Meetings

The Resona Group has held regular "town meetings" every year since 2003, in which employees working at the forefront and top management can exchange their own opinions. The number of meetings held is over 300, including 38 meetings held in fiscal 2009. Through such direct communication, top management and those employees can share the common sense of direction toward structuring a new image of bank. Accordingly, employees would feel further motivated, and transparent company climate in which employee's humanity is focused on can be created.







# Employees and "Resona"

## Provision of Systems in which Diverse Personnel Can Succeed

### Diversity

The Resona Group has implemented "Women Leader Training" to support female employees to improve their management ability since October 2005 while proactively promoting women to administrative positions. In fiscal 2008, the Group introduced a human resource development program to support, regardless of gender, employees to grow to leaders for the next generation, aiming to realize company climate in which all employees can show their true ability.

Resona Bank won the grand prize of "2010 J-Win Diversity Award" from J-Win (NPO) in recognition of our various activities.



### Introduction of Rehiring System

In response to the falling birthrate and aging population in Japan, each company in the Resona Group has introduced a system in which employees who are turning the retirement age of 60 can, if they meet certain conditions and so desire, be rehired until they are 65. Through effectively utilizing the know-how that these veteran employees possess, the Group aims to give its strength further vitality. In fiscal 2009, each bank of the Resona Group rehired in total of 61 employees of retirement age and they became master employees.

### Development of the Next Generation

The Resona Group has made efforts for improvement of conditions to support child-raising. For example, the Group enlarged the childcare leave period, the maternity work period and the nursing leave, introduced the system to enable an employee to become a part-timer during the period of maternity work period, and come back to a regular employee after that period, as well as "JOB Return" system, a reemployment system for employees who once retired due to child-care or similar reasons. For employees who were on maternity leave, we held a seminar on supports for returning to work to explain points to remember when returning to work and changes in handling of operations during such a leave and share personal experience of seniors. 66 female employees participated in this seminar in FY 2009.



### Resona Women's Council

With the aim of realizing a corporate culture in which women can happily succeed, the Resona Group organized "the Resona Women's Council" in April 2005 as an advisory body reporting directly to management. The Group has made proposals to top management on creation of work environment in which women can continue to work for long time and supports for building their career. It has also reformed a lot of systems, for example, a system to convert employment pattern, such as a regular employee or a part-timer, according to change of employee's life style, and JOB Return system to enable employees to return to work after completing a certain stage of child-raising.

| Effort item                                    | Specific content  |
|--|---|
| Irregular working hours                        | Introduction of monthly irregular hours limits<br>Set number of annual days off as 122  |
| <b>Maternity</b>                               | Until child is 1 year and 2 month old<br>(as old as 2 years and 1 month depending on circumstances)   |
| Child-care leave                               |   |
| Child-care working (Short work hours)          | Until child is 3 years old<br>(as old as the end of 3rd grade [9 years], depending on circumstances)<br>Hours set freely between 8:40 and 17:25<br>(However, one day is 6 hrs. or more)           |
| <b>Nursing care</b>                            |   |
| Nursing care leave                             | As long as 1 year   |
| Nursing care work (Short work hours)           | As long as one year of total nursing care leave<br>Hours set freely between 8:40 and 17:25<br>(However, one day is 6.5 hrs. or more)  |
| Full-time to temporary staff conversion system | For employees who wish to reduce their work hours or workload due to child-care or nursing care reasons, this system allows them to become temporary (part-time) staff for an established period. |
| "Job Return" system                            | This is a rehiring scheme for employees who have left their jobs due to marriage, maternity, or child-rearing, etc.   |

#### Proposals from the Resona Women's Council

### Human Rights Education Efforts

The Resona Group's basic policy for addressing human rights issues include the development of company climate and work environment in which basic human rights are respected.

The Resona Group has created the Human Rights Education Committee, which strives to foster heightened employee awareness of human rights issues. Each business office holds training of designated human rights promotion personnel twice a year for the Human Rights Education Committee. The Committee secretariat holds training by rank, for newly hired employees, and for designated human rights promotion personnel at each division or branch office; it encourages each employee to raise human rights awareness through selecting the human rights slogan internally every year.



## Relationship with Employees

### Health Management

Resona Group banks have had industrial physicians and occupational health nurses, which pay visits to all divisions and branch offices, giving assistance in health care matters. In addition to an annual health examination according to law, the Group banks have also mandated a comprehensive medical examination on a company prescribed regime for employees when they are 35 years old, and every other year after 40. Further, through the Resona Health Insurance Society, the Group supplements the costs of comprehensive medical and other examinations for employees and their families. In addition, the Group has placed specialist doctors and counselors for the handling of mental health issues.

### Consideration for Working Environment

The Resona Group has stable labor-management relations between employees and the labor union, and we negotiate and discuss creation of a pleasant working environment and work conditions such as wage, working hours and benefit programs on a regular basis.

### Employee Surveys

Resona Group banks regularly conduct employee surveys. Through these surveys, the group is able to ascertain employee expectations for, satisfaction with and burdens resulting from the company, their workplaces and work. The results obtained are then utilized to provide an environment in which it is easy for employees to work.

#### Results of Employees Questionnaires in 2009

| Order | Management issue                              | Work Environment (Job Satisfaction)                                     |
|-------|---|---|
| No. 1 | Ability of employees                          | Workplace with good teamwork  |
| No. 2 | Ability to educate and foster human resources | Existence of a reliable boss  |
| No. 3 | High motivation of employees                  | Open-minded workplace where employees can express their opinions easily |

### Resona Brand Award

"Resona Brand Award" is a system intended to embody "Resona Brand Declaration". The Resona Group is implementing voluntary activities to make customers feel more than satisfied with close relationship and speedy services, placing importance on communication with each customer. Among those activities, the gold, the silver and the bronze prizes of "Resona Brand Award" are decided every month. Furthermore, "Resona Brand Grand Prix" is

semiannually decided with voting by all officials and employees. Everybody can share information on such activities through participating in, voting to and award the prize to them.



#### employee Data

|  | Total  | Male   | Female |
|--|--------|--------|--------|
| The Number of Employees (PER)                | 26,573 | 10,759 | 15,814 |
| The Number of Full-time Employees (PER)      | 15,115 | 8,942  | 6,173  |
| Average Age (YR)                             | 39.1   | 42.8   | 33.9   |
| Average Length of Work                       | 14.9   | 18.8   | 10.7   |
| Non-regular Staff and Partner Staff*1 (PER)  | 11,458 | 1,817  | 9,641  |
| (Temporary staff from Agencies) (PER)        | 2,105  | 577    | 1,528  |
| The Number of employees Locally Hired Abroad | 13     | 4      | 9      |

\*1 Partner staff = Part-time employees etc.

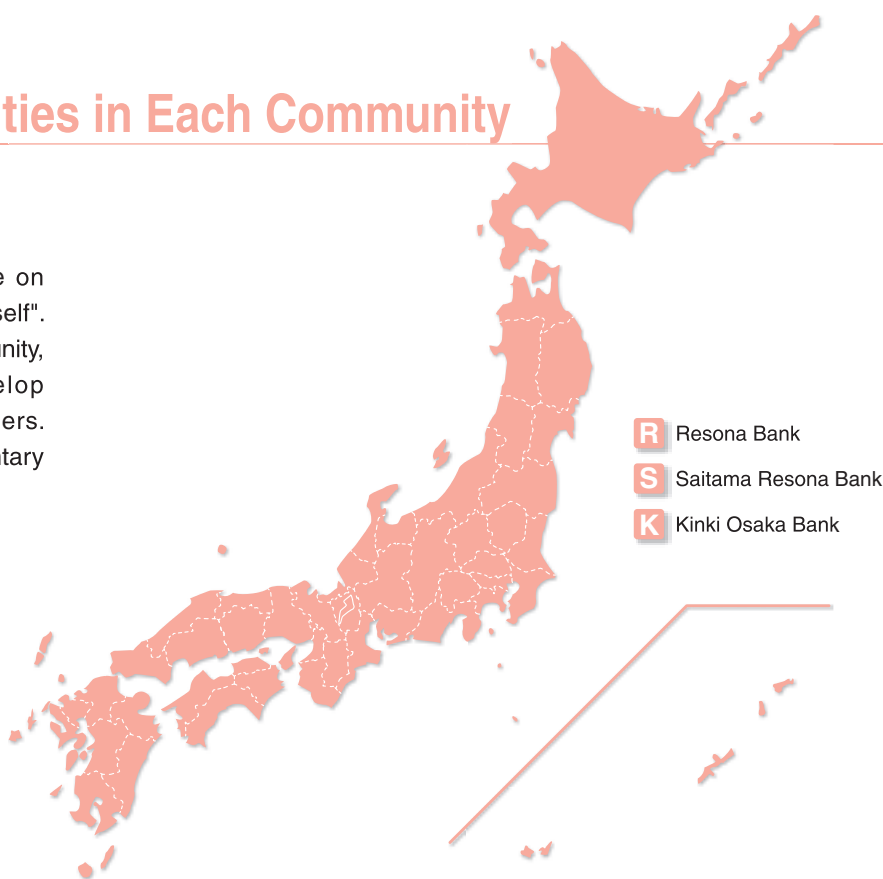
|   | As of 1st of June, 2008 | As of 1st of June, 2009 | As of 1st of June, 2010 |
|---|-------------------------|-------------------------|-------------------------|
| The Rate of Disabled People Recruitment*2<br>(The Number of Disabled People Recruitment)(PER) | 1.60%<br>(223)          | 1.81%<br>(258)          | 1.84%<br>(290)          |

\*2 Base date of "The report of disabled people recruitment situation" which was submitted to Public Employment Security Office. Average of each Resona Bank.

|  | FY2007 | FY2008 | FY2009 |
|--|--------|--------|--------|
| The Number of Female Manager-level Employees (PER) | 766    | 840    | 887    |
| Employees Receiving Child Care Leave (PER)         | 146    | 167    | 207    |
| Employees Receiving Nursing Care Leave (PER)       | 8      | 8      | 3      |
| The Number of Graduate Recruitment (PER)           | 682    | 758    | 848    |
| The Number of Mid-carrier Recruitment (PER)        | 123    | 193    | 52     |
| Turnovers (PER)                                    | 876    | 799    | 641    |
| The number of Members of Labor Union (PER)         | 11,720 | 11,836 | 12,125 |
| Average Overtime Hours (Hr)                        | 30.2   | 28.7   | 28.8   |
| Average Number of Paid Day-off (Days)              | 9.3    | 9.6    | 10.3   |
| Average Salary (thousand yen)                      | 6,484  | 6,596  | 6,321  |
| Number of Work-related Accidents                   | 151    | 164    | 117    |

# Voluntary CSR Activities in Each Community

The Resona Group places importance on "awakening, thinking and acting by oneself". Aiming at being further rooted in a community, each employee will voluntarily develop diverse communication with stakeholders. We will introduce case examples of voluntary CSR activities in each community.



## R Cooperation between Minoo Municipal Government and bank branches!

Minoo Branch, Toyonaka Branch and Toyonaka Hattori Branch of Resona Bank cooperate with Minoo City in the area of regional information distribution and educational program for citizens. A corner named "Introduction of Minoo City" in the branch lobby was in place; it provides information on tourist spots, specialty products and events and exhibits various materials. In addition, events for education on environmental issues and the like were held.



Resona Bank  
Toyonaka/Minoo Area

## R Plan and implementation of Walk Rally to visit popular places in the local community!

In the Osaka Area of Resona Bank cooperates with the "Osaka, The Museum" Concept. As part of this cooperation, we, in cooperation with Ibaraki City and the Tourist Association of Ibaraki City, hosted "Sunbeams Streaming through Leaves, Spring Walking Course", a walk rally to visit places registered with Osaka Museum in Ibaraki City, and many customers participated in it.



Resona Bank  
Takatsuki/Ibaraki Area

## K Cooperation in realization of "Cool City Sakai"

In order to realize "Cool City Sakai" that Sakai City has been working on, branches of Kinki Osaka Bank in Sakai City, in cooperation with other financial institutions in the city, provide environment-conscious financial products and services and hold environmental events to realize the low-carbon city and to revitalize of regional industries.



Kinki Osaka Bank  
Branches in Sakai City

## R Sakaisuji Amenity Society

"Sakaisuji Amenity Society", a voluntary organization established by companies located in the area along Sakaisuji, implements activities to create a comfortable and beautiful urban space. Resona Bank is a head office of this organization and implements cleanup activity in the region and plans events to expand the network of this organization.



Resona Bank  
Osaka Head Office



## S No.1 in the number of cases to prevent billing frauds! Commended by National Police Agency!

We proactively work on prevention of billing frauds, a social issue, to protect customers' assets. At Tsuruse Branch, as a result of focusing on taking good care of customers from their perspective, the number of cases to prevent billing frauds was the largest in Japan. They were commended by National Policy Agency.



Saitama Resona Bank  
Tsuruse Branch

## S Producing restaurant that serves "Kaiseki Ryori" (dainty and refined Japanese dishes) particular about products made in Saitama Prefecture!

We proposed a customer, who planned to open a Japanese restaurant, to only use foodstuffs made in Saitama Prefecture. We also invited other customers who sold various products in Saitama Prefecture and helped create a restaurant that uses not only foodstuff but also dishes, chopsticks and towels made in Saitama Prefecture. This led to an advertisement of Saitama brand.



Saitama Resona Bank  
Kita-Urawa Branch

## S Activities in cooperation with local social welfare councils!

Thanks to contributions of people with disabilities to plant in front of branches and to make gift items in cooperation with local welfare councils, we improved our relationship with the local communities.



Saitama Resona Bank  
Wako Branch

## R Support for construction of community hall, a dream of the community!

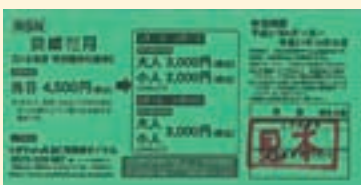
We got information that a neighborhood association was having trouble in financing for construction of a community hall, since it has no corporate status. We did some research in order to help the community realize its dream and found out that a neighborhood association can obtain corporate status in acquiring a meeting facility under the Local Autonomy Act. With the financial support from Resona Bank, construction of a community hall was finally realized.



Resona Bank  
Kita-Narashino Branch

## R Advertisement of "Kyobashi Kagetsu", a new popular venue in the region!

We consulted with the manager of "Kyobashi Kagetsu" to revitalize the region by making a much wider audience familiar with "Kyobashi Kagetsu" where a new popular place in the region. We distributed discount tickets to all customers who newly opened a deposit account with us. This was received well by many customers as one of the community-based activities.



Resona Bank  
Keihan-Kyobashi Branch/  
Jyoto Branch/  
Miyakojima Branch/  
Noe Branch/

## R "Shushutto Arakawa Soujishitai" (Let's Clean Arakawa River!)

In the Tokyo Metropolitan Area of Resona Bank, we, in cooperation with local environmental volunteer organizations, hold "Shushutto Arakawa Soujishita", which aims to restore nature by picking waste in the river bed of Arakawa every year. Hundreds of employees and their families participate in this event every year to work on preservation of natural environment in the area.



Resona Bank  
Capital Central Area



# Shareholders and "Resona"

## Communication with Shareholders and Investors

### Basic Stance for IR Activities

The Resona Group is aiming at IR activities contributing to Financial Reporting improvement in shareholder value by providing accurate information on financial conditions, business strategies and other matters to the market fairly and promptly in accordance with "the basic policy concerning information disclosure and financial reports".

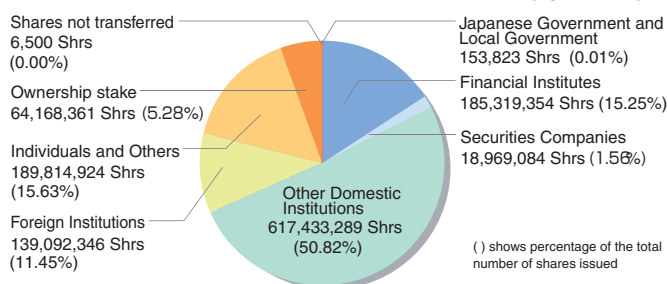
### Efforts at the General Shareholders' Meeting

The Resona Group considers the general shareholders' meeting to be an important opportunity to communicate with each shareholder. For this reason, the Group has visualized the content of its reporting and used a large screen, striving to give explanations in a manner that is easy to understand. Also, in addition to placing notification of the general shareholders' meeting and reference materials on its website, the Group distributes a video recording of the proceedings, from start to finish of reporting items. The 2010 general shareholders' meeting was held on June 25 and a lot of shareholders attended.

### Dividend Policy and Shareholder Composition

The Resona Group intends to make efforts for business reform with an eye to improvement in our corporate value, and early repay public funds. From this viewpoint, it is our basic policy to place priority on accumulating retained earnings by minimizing outflow of earnings. Under this policy, the Group will strive to pay dividends in a stable manner based on a predetermined amount of dividend for preference shares, and future earnings conditions for ordinary shares.

#### Condition of Distribution of Common Stocks (by holder)



#### Major Shareholders (Common Stocks) (top 10)

| Name of major shareholder                         | Number of stocks held (in thousand) | Shareholding ratio (%) |
|---|-------------------------------------|------------------------|
| Deposit Insurance Corporation of Japan            | 503,262                             | 43.73                  |
| Dai-ichi Mutual Life Insurance Co.                | 55,241                              | 4.80                   |
| Japan Trustee Services Bank, Ltd. (trust unit)    | 39,483                              | 3.43                   |
| CACEIS BANK/CREDIT AGRICOLE SA                    | 19,989                              | 1.73                   |
| The Master Trust Bank of Japan, Ltd. (trust unit) | 18,112                              | 1.57                   |
| Japan Trustee Services Bank, Ltd. (trust unit 4)  | 8,601                               | 0.74                   |
| Nomura Holdings, Inc.                             | 7,904                               | 0.68                   |
| Tokio Marine & Nichido Fire Insurance, Co., Ltd.  | 5,565                               | 0.48                   |
| Nippon Life Insurance Co.                         | 5,488                               | 0.47                   |
| Resona Holdings Employees Stock Ownership Plan    | 5,306                               | 0.46                   |

\*excluding treasury stock

### Basic Guidelines for Information Disclosure and Financial Reporting

The Resona Group has formulated basic guidelines for information disclosure and financial reporting with the objectives of accomplishing fair, timely, and appropriate disclosure and credible financial reporting, as well as ensuring the effectiveness of the regulations governing disclosure. The main contents of the guidelines are described below.

#### Basic Stance

1. The Resona Group will implement information disclosure and financial reporting to a broader audience, on a continuing basis, and in a reader friendly form, so that our domestic and international customers, stockholders, investors and others can accurately assess and judge the status of the group.
2. The Resona Group will comply with the applicable laws, ordinances, and regulations, including the provisions of the Financial Instruments and Exchange Act, the regulations of exchanges where its securities are listed, the Companies Act, the Banking Act, and other relevant rules and regulations.
3. The Resona Group will actively utilize a variety of tools, including the information systems of exchanges, the group's website, and various printed materials, in order to ensure the timeliness and appropriateness of contents, timing, methods, and so forth.
4. The Resona Group will continue to seek to improve the operation and maintenance of regulations governing information disclosure.

#### Structure and Function for Information Disclosure and Financial Reporting

The Board of Directors will establish and review the basic guidelines, and appropriately oversee the operation and maintenance of internal controls related to the information disclosure and financial reporting conducted by the Representative Executive Officer and Executive Officers. The Audit Committee will independently monitor the status of operation and maintenance of internal controls related to financial reporting as part of their audit of the performance of Executive Officers.

The Representative Executive Officer will have responsibility for the appropriateness of information disclosure and the credibility of financial reporting, and will implement the most suitable operation and maintenance to ensure the effectiveness of internal controls.

(Revised February 2008)



## Disclosure

We are making efforts to enable shareholders and investors to further deeply understand the Resona Group by posting reports on activities to solve business issues and the latest topics concerning the Group, as well as business and financial reports, on a disclosure magazine issued twice a year and "Resona Today", the Resona Group Report issued semiannually.



## Efforts Regarding Individual Investors

The Resona Group makes proactive efforts at IR activities oriented toward individual investors. We participated in TSE IR Festa hosted by Tokyo Stock Exchange and Company Information Session for Individual Investors hosted by Security Analysts Association of Japan (Tokyo/Osaka) in March 2010 for two consecutive years, and our top management directly explained business attitude of the Group and progress of various business strategies. The Group will create more opportunities for management to proactively make their actual voices heard, striving to deepen understanding of the Group among our valued individual investors.



## IR for Institutional Investors and Analysts

For domestic and foreign institutional investors and analysts, the Resona Group regularly holds IR meetings twice annually, in which representative executive officers and the chief finance officer explain the financial results. In fiscal 2009, on November 20, 2009, the interim financial results were reported, followed by the reporting of financial results for fiscal 2009 on May 27, 2010, with many participants in attendance.

## Enrich of IR Website

Representative executive officers as well as the executive officer in charge of IR of the Group visit foreign investors individually and participate in conferences held by securities companies to give explanation of its financial results and business strategies and the like. In addition, representative executive officers, the executive officer in charge of IR and Chief Finance Officer proactively hold one-on-one meetings with foreign investors in Japan as well.



## IR for Foreign Investors

In order to fulfill needs of shareholders and investors, the Resona Group discloses financial information such as the brief report of financial results and the annual securities report, interview with president of each companies of the Resona Group, press release and CSR-related information, in addition to information and presentations at various meetings for institutional investors and analysts.

### FY2009 IR Event Calendar

May 15<sup>th</sup>

Fiscal year ending March of 2009 earnings announcement

May 25<sup>th</sup>

Fiscal year ending March of 2009 results briefing

June 25<sup>th</sup>

Annual meeting of shareholders

Late July

Published disclosure report 2009

July 31<sup>st</sup>

Fiscal year ending March of 2009, first quarter earnings announcement

Late August

Published English annual report 2009

September 15<sup>th</sup>

Merrill Lynch Japan Conference (Organized by Merrill Lynch Japan)

October 10<sup>th</sup>

Held IR seminar for individual investors "Money Recipe: Let's brush up our life! Make money and body shiny!"

November 13<sup>th</sup>

Fiscal year ending March of 2010, interim financial results announcement

November 20<sup>th</sup>

Fiscal year ending March of 2010, interim financial results briefing

December 3<sup>rd</sup>

Nomura Investment Forum 2009 (Organized by Nomura Securities)

January 27<sup>th</sup>

Published disclosure report of interim results 2009-2010

January 29<sup>th</sup>

Fiscal year ending March of 2010, third quarter earnings announcement

February 25<sup>th</sup>

CLSA Japan Forum 2010 (Organized by Credit Agricole CIB)

March 5/6<sup>th</sup>

TSE IR Festa 2010 (Organized by Tokyo Stock Exchange)

March 13<sup>th</sup>/16<sup>th</sup>

Company Information Session for Individual Investors (hosted by Security Analysts Association of Japan/Tokyo and Osaka)

March 26<sup>th</sup>

Held IR seminar for individual investors "Money Recipe: Common Sense for banks is Not Common Sense for the General Public! Discussing Corporate Value of the Resona Group as It Strives to Be a 'True Retail Banking Group'"



## Awards, etc.

### ■ Selected as a Leading Company in Disclosure

Resona Holdings was selected as a “Leading Company in Disclosure for FY 2009” by the Disclosure Council of Security Analysts Association of Japan. This program started in 1995 aiming to improve information disclosure by companies, and this year was the 15th.

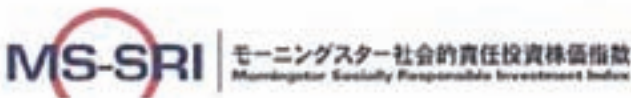
Companies are evaluated by segment based on the five standards: 1) Management attitude toward IR, 2) Information session etc., 3) Fair disclosure, 4) Corporate governance and 5) Voluntary disclosure from a perspective of security analysts who are in charge of each business segment.

We were selected from 15 institutions in the banking sector, and it was the first time that we won the 1st prize. We will make efforts to increase our corporate value through fair, timely and appropriate disclosure to investors.

### ■ Selected as a Stock to Make up Morningstar MS-SRI Index

Resona Holdings was selected as a stock to make up “Morningstar Socially Responsible Investment Stock Index (MS-SRI Index)” calculated by Morningstar in September 2009.

Socially Responsible Investment Stock Index is a stock index based on 150 companies, which Morningstar considered socially excellent, selected 3,600 listed companies in Japan.



\*SRI (Socially Responsible Investment) is used for investment decision-making; it evaluates a company at not only financial conditions and growth potential but also social responsibility a company fulfills. Many SRI funds are dealt with in Japan.

### ■ Incorporated into “FTSE4Good”, a Global Socially Responsible Investment Index

Resona Holdings is incorporated into “FTSE4Good”, one of the global socially responsible investment indices, from September 2009. “FTSE” is an evaluation organization in England that develops/manages stock indices and provides investors with index data.



### ■ 3rd CANPAN CSR Award

Resona Holdings won the silver prize in the disclosure section of the 3rd CANPAN “CSR Award” hosted by the Nippon Foundation (Japan Shipbuilding Industry Foundation).

CANPAN “CSR Award” is the first program ever to evaluate companies by public vote for the purpose of encouraging and supporting companies that proactively work on CSR. As a result of the public vote on the Internet by 21,717 citizens for the period between September 24 and October 8, 2009, we won the silver prize.

Winning of this award is the first time ever in the financial sector. We would like to appreciate that many people evaluated our work on CSR highly. We will continue to proactively implement CSR activities in various areas in order to establish the “true retail bank” and achieve the “No.1 trust in the industry”.



## Column

### Signature of United Nations Global Compact

Resona Bank (former Resona Trust and Banking Co., Ltd.) signed the United Nations Principles for Responsible Investment in March 2008. The United Nations Principles for Responsible Investment are voluntary investment principles established through the United Nations Environment Programme's Finance Initiative (UNEP FI) and the United Nations Global Compact. The principles are for institutional investors, and suggest performance of investment activities that take into consideration ESG (environmental, social, and governmental issues) within a scope that does not violate fiduciary responsibility. As an institutional investor, Resona Bank has implemented investment activities that take into consideration ESG problems, contributing to the realization of a sustainable society.



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



# The Third-Party Comment



Professor, Faculty of Business Administration,  
Toyo University  
Certified Public Accountant

## Yoshito Nakamura

Executive board member, Research Institute of Accounting for Construction Industry  
Head of the Supporting Organization of JOCV  
Head of Kawasaki City Council of Social Welfare  
Special Member of Osaka ESCO Association  
Member of the Ministry of Defense Commission on Evaluation of Independent Administrative Institutions

I read “CSR Report 2010 Highlight Edition” and “CSR Report 2010 Data Edition” of the Resona Group (hereinafter referred to as the “CSR Report”) and listened explanation of CSR activities from the Resona Group’s personnel in charge of CSR. In response, I will make observations about the CSR Report as third parties following the previous year.

In the CSR Report Highlight Edition, interviews of CEOs of four companies of the Resona Group clearly indicate that the origin of CSR lies in the support for local communities and explain their specific activities in an easy-to-understand manner. This clearly shows that these lead to the Resona Group’s business strategy that focuses on retail banking, and its CSR management is described in details in the data edition.

### 1. CSR Management

Effective corporate governance increases trustworthiness from the market economy, reduces capital cost and supports the nation’s economy. The CSR Report explains in details internal control, compliance and risk management which are primary components of corporate governance of the Resona Group. Risk management, in particular, is noteworthy. I understand that risk is strictly managed in order to maintain sound management and improve profitability. For CSR activities, the CSR Committee of the Group was established and explains group-wide CSR activities as well as their progress, but I believe it could be the Group’s CSR management more clearly if the CSR Report also explains relevancy and similarity of these activities with the management principle of the Resona Group, Resona Way and corporate governance. In addition, I hope that explanations of annual target, result and improvement of CSR management will be described.

### 2. Customers and “Resona”

Based on a clear policy that “finance is a service industry”, the Resona Group implements reforms of customer service. In particular, many customers understand well the customer service that is clearly differentiated from that of other banks such as design of branches, office hours, bank commission and waiting hours without reading the CSR Report. In order to further improve the quality of services, I believe it is necessary

to fulfill customer satisfaction with its services. In addition, in-depth explanations about customers’ voice, how the Group responds to it and customer satisfaction are expected so that readers can understand the Group’s activities better.

### 3. Society and “Resona”

What is essential to revitalize regional economy is a role that small- and medium-sized companies play. Based on the principle to develop with local communities, the Resona Group works on harmonious coexistence with local communities by providing support and proposals to small- and medium-sized companies to solve their business challenges. This is to share management know-how and special skills accumulated as a financial institution with the society. Development of regional economy creates a chain of sustainable development of the Resona Group. I hope that the Group will continue and reinforce these activities.

### 4. Environment and “Resona”

For environmental management of the Resona Group, I favorably appraise the fact that the CSR Report compares in details annual environmental performance data and explains its achievement of reduction of environmental burden. The Group also provides Eco-conscious time deposit, SRI fund and emission credit trust, and I believe that stakeholders can understand its efforts on environmental preservation through financial services. In addition, I think the Report can gain more trust if it discloses plans and achievements with specific data for these efforts on environment through financial services.

The role of the Resona Group to support and promote sustainable development of the society by financial system is quite significant. In addition, the society expects CSR activities of the Resona Group to fulfill its role and responsibility in the economic society. I believe it is the best way to gaining trust from the society to disclose CSR efforts and their effects/results in an easy-to-understand manner.

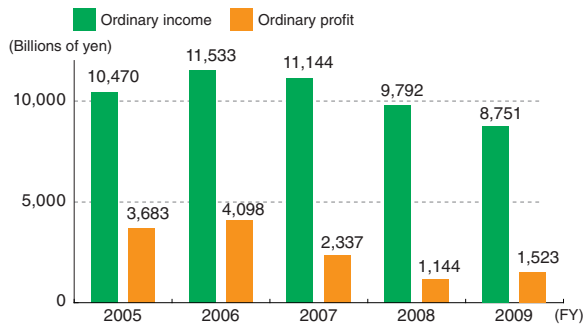
\*The Third-Party Comment does not contain opinions concerning the accuracy of the information included in this report.

# Overview of Resona Group

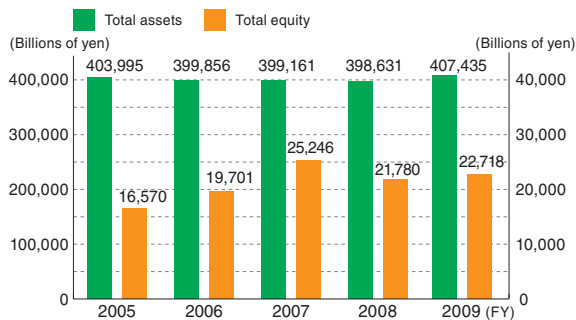
The Resona Group with Resona Holdings as the Group holding company, is a financial services group comprising three commercial banks. With aggregate consolidated assets of approximately ¥40 trillion, the Resona Group ranks as Japan's fourth-largest financial group by asset size. Please note that Resona Trust & Banking merged with Resona Bank on April 1, 2009, thus becoming a commercial bank with the full line trust capabilities having a No.1 client base and branch network.

The Resona Group's key markets are the greater Tokyo metropolitan area and the Kansai region, where Japan's largest clusters of population, economic activity and industry are concentrated. Our branch network in these two areas rivals those of Japan's mega banks, and we have established a strong presence. We are implementing marketing activities closely tailored to regional needs and are aiming to become "the unrivaled leader in retail financial services." Especially in Saitama and Osaka prefectures, our shares of deposits and loans are more than 40% and close to 20%, respectively.

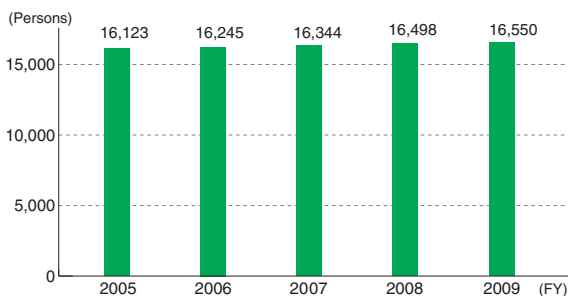
## ■ Ordinary income/ordinary profit (consolidated)



## ■ Total assets (left) /total equity (right) (consolidated)



## ■ Number of employees (consolidated)



## ■ Company Overview

|                      |  |
|----------------------|--|
| Company name         | Resona Holdings, Inc   |
| Head office          | Fukagawa Gatharia W2 Bldg. 5-65 Kiba 1-Chome, Koto-ku, Tokyo 135-8582, Japan   |
| Phone                | +81(6)6704 3111 (Pilot Number)   |
| Establishment        | December 12, 2001  |
| Representative       | Eiji Hosoya, Director, Chairman and Representative Executive Officer<br>Seiji Higaki, Director, President and Representative Executive Officer |
| Capitalization       | 327.2 billion yen  |
| Consolidated capital | Consolidated capital adequacy ratio 13.81% (as of March 31, 2010)  |

## ■ Major Group Companies

### Resona Holdings, Inc

**Date of Establishment :** December 12, 2001  
**Capitalization :** 327.2 billion yen  
**Number of employees :** 508

### Resona Bank, Ltd.

**Date of Establishment**  
May 15, 1918  
**Capitalization**  
279.9 billion yen  
**Manned Offices**  
312  
**Principal Shareholder**  
Resona Holdings, Inc (100%)  
**Number of Employees**  
8,966

### Saitama Resona Bank, Ltd.

**Date of Establishment**  
August 27, 2002  
**Capitalization**  
70 billion yen  
**Manned Offices**  
128  
**Principal Shareholder**  
Resona Holdings, Inc (100%)  
**Number of Employees**  
2,977

### Kinki Osaka Bank, Ltd.

**Date of Establishment**  
November 24, 1950  
**Capitalization**  
38.9 billion yen  
**Manned Offices**  
136  
**Principal Shareholder**  
Resona Holdings, Inc (100%)  
**Number of Employees**  
2,398

### Resona Card Co., Ltd.

**Operations :**  
Credit Card administration,  
Credit guarantee  
**Date of Establishment :**  
February 12, 1983  
**Capitalization :**  
1 billion yen  
**Principal Shareholder :**  
Resona Holdings, Inc, Others

### Resona Capital Co., Ltd.

**Operations :**  
Private equity business  
**Date of Establishment :**  
March 29, 1988  
**Capitalization :**  
4.5 billion yen  
**Principal Shareholder :**  
Resona Holdings, Inc and Group-related companies, etc

### Resona Kessai Service Co., Ltd.

**Operations :**  
Factoring  
**Date of Establishment :**  
October 25, 1978  
**Capitalization :**  
1 billion yen  
**Principal Shareholder :**  
Resona Holdings, Inc (100%)

### Resona Servicer Co., Ltd.

**Operations :**  
Servicer  
**Date of Establishment :**  
October 25, 2000  
**Capitalization :**  
500 million yen  
**Principal Shareholder :**  
Resona Holdings, Inc (100%)

### Resona Business Service Co., Ltd.

**Operations :**  
Personnel and welfare services  
**Date of Establishment :**  
October 2, 1987  
**Capitalization :**  
60 million yen  
**Principal Shareholder :**  
Resona Holdings, Inc (100%)

### Resona Research Institute Co., Ltd.

**Operations :**  
Business consulting services  
**Date of Establishment :**  
October 1, 1986  
**Capitalization :**  
100 million yen  
**Principal Shareholder :**  
Resona Holdings, Inc and Group-related companies, etc



# GRI Context Index



This report has been created in accordance with GRI Guidelines (GRI Sustainability Reporting Guidelines Version 3 (G3) and is classed as Application Level B, as defined in the Guidelines.

| Item | Page         |                   |
|------|--------------|-------------------|
|      | Data Edition | Highlight Edition |

|                                 |   |           |
|---------------------------------|---|-----------|
| <b>1. Strategy and Analysis</b> |   |           |
| 1.1                             | 2 | 3-6,19-22 |
| 1.2                             | 2 | 3-6,19-22 |

|                                  |       |            |
|----------------------------------|-------|------------|
| <b>2. Organizational Profile</b> |       |            |
| 2.1                              | 39    |            |
| 2.2                              | 39    |            |
| 2.3                              | 39    | 2          |
| 2.4                              | 39    |            |
| 2.5                              | *     | *          |
| 2.6                              | 3,39  |            |
| 2.7                              | **    | 1          |
| 2.8                              | 32,39 | 2          |
| 2.9                              | 35    | back cover |
| 2.10                             | 31,37 | 15,16      |

|                                  |      |  |
|----------------------------------|------|--|
| <b>3. Report Parameters</b>      |      |  |
| <b>Report Profile</b>            |      |  |
| 3.1                              | 1    |  |
| 3.2                              | 1    |  |
| 3.3                              | 1    |  |
| 3.4                              | 1    |  |
| <b>Report Scope and Boundary</b> |      |  |
| 3.5                              | 1    |  |
| 3.6                              | 1    |  |
| 3.7                              | 1    |  |
| 3.8                              | 1    |  |
| 3.9                              | 24   |  |
| 3.10                             | 1    |  |
| 3.11                             | 1    |  |
| <b>GRI Content Index</b>         |      |  |
| 3.12                             | 40   |  |
| <b>Assurance</b>                 |      |  |
| 3.13                             | 1,38 |  |

|   |                |      |
|---|----------------|------|
| <b>4. Governance, Commitments, and Engagement</b> |                |      |
| <b>Governance</b>                                 |                |      |
| 4.1   | 3              |      |
| 4.2   | 3              |      |
| 4.3   | 3              |      |
| 4.4   | 3              |      |
| 4.5   | 3              |      |
| 4.6   | 3              |      |
| 4.7   | 3              |      |
| 4.8   | 4,5,7,23,27,29 | 2    |
| 4.9   | 3,4            |      |
| 4.10  | 3,4            |      |
| <b>Commitments to External Initiatives</b>        |                |      |
| 4.11  | 8-10           |      |
| 4.12  | 2,37           |      |
| 4.13  | 37             |      |
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