

August 26, 2010
Resona Holdings, Inc.

Resona Holdings Announces Repurchase of Preferred Shares Issued with Public Funds
*upon authorization of repurchase of own shares up to a prescribed maximum limit, as
well as cancellation of the own preferred shares so repurchased*

Resona Holdings, Inc. hereby announces that its Board of Directors resolved to authorize repurchase of own shares up to a prescribed maximum limit at the Board Meeting today. The details of the authorization are outlined in the section I below.

Resona Holdings has also decided to repurchase part of the Class 1 First Issue Preferred Shares, which were issued at the aggregate issue price of JPY 550 billion in total and have since been held by Deposit Insurance Corporation of Japan (Yokin Hoken Kikou), at the aggregate purchase price of JPY 425.7 billion for the number of shares described below. Resona Holdings has obtained the approval therefor from the relevant authorities.

Such preferred shares are to be repurchased pursuant to the authorization given by the resolution of the Board of Directors mentioned above. The preferred shares so repurchased will be cancelled immediately following such repurchase.

Eiji Hosoya, Director, Chairman and Representative Executive Officer, would like to deliver the following message in relation to this repurchase.

“Today, we have decided to repay, or repurchase and cancel, part of the preferred shares issued under the Deposit Insurance Act (Yokin Hoken Hou). As a result of our firm-wide reorganization efforts since the public fund injection under the Deposit Insurance Act in 2003, we are able to mark the first step to repay the public funds injected to us in the form of preferred shares under the Deposit Insurance Act. We would really like to express our sincerest appreciation for the support and understanding by Japanese nationals, our stakeholders, and many other related parties, who have supported the revitalization of Resona Group. The significance of the injected public funds can never be mitigated even following this repurchase, however. We will continue to expedite our reorganization efforts in order to secure financial sources for further repayment while trying to enhance our enterprise value at the same time. We plan to renew our Business Revitalization Plan in the coming November. Again, we appreciate your continued support to the revitalization of Resona Group.”

I. Authorization of repurchase of own shares up to a prescribed maximum limit

1. Background

In order to repurchase part of the preferred shares issued with the public funds provided under the Deposit Insurance Act, repurchase of own shares up to a prescribed maximum limit has been authorized by resolution of the Board of Directors pursuant to Article 53 of the Articles of Incorporation as well as Article 156, Paragraph 1 and Article 459, Paragraph 1 of the Companies Act (Kaisha Hou) (Act No. 86 of 2005, as amended).

2. Details of the authorization

Authorization has been given to repurchase the type and number of shares as shown in the table below, up to the aggregate price of JPY 440 billion.

Type of shares to be repurchased	Maximum number of shares to be repurchased	Form of compensation in exchange for shares to be repurchased	The maximum amount of compensation in exchange for shares to be repurchased
Class 1 First Issue Preferred Shares	200,000,000 shares	Cash	JPY440 billion

3. Effective period for executing the repurchase

August 26, 2010 through August 31, 2010

II. Repurchase and cancellation of preferred shares issued with public funds

Pursuant to Article 157, Paragraph 1 of the Companies Act, Resona Holdings has decided to repurchase its own preferred shares as outlined below in accordance with the authorization described in the section I above. The preferred shares so repurchased will be cancelled immediately following such repurchase.

Class 1 First Issue Preferred Shares

- (1) Total number of shares to be repurchased : 200,000,000 shares
- (2) Purchase price : JPY 2,128.60 per share
- (3) Aggregate amount of purchase price : JPY 425,720,000,000
- (4) Scheduled date for repurchase : August 31, 2010

The impact of the contemplated repurchase on Resona Holdings' consolidated capital adequacy ratio will be approximately 2.17% (*pro forma* basis), based on the risk-weighted assets as of June 30, 2010.

III. Matters relating to the transaction with the controlling shareholder

- Deposit Insurance Corporation of Japan is the controlling shareholder of Resona Holdings, and the contemplated repurchase constitutes a transaction with the controlling shareholder.
- As mentioned in “the principle to follow with respect to the policy on protecting the interests of the minority shareholders when conducting a transaction with a controlling shareholder” on the Report regarding Corporate Governance disclosed on June 28, 2010, the contemplated transaction will be conducted in accordance with “Resona Way – Declaration of Action by Resona Group”, which illustrates the corporate philosophy of Resona Group in the form of the principle attitude toward its stakeholders.
- Resona Holdings has taken the following measures in order to secure fairness of the contemplated transaction and to avoid conflicts of interests.
 1. Resona Holdings has obtained an opinion from Nomura Securities Co., Ltd. (“Nomura”), who is a third party independent of Resona Holdings and its controlling shareholder, to the effect that, based on certain assumptions*1, the purchase price is appropriate for Resona Holdings from the financial viewpoint.
 2. For the purpose of ensuring that the contemplated transaction does not jeopardize the interests of the minority shareholders, on August 25, 2010, Resona Holdings has obtained a legal opinion from Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo, who is a third party independent of Resona Holdings and its controlling shareholder. The opinion states, based upon the opinion mentioned in 1 above and others to be considered, the contemplated repurchase of the own preferred shares including the level of the purchase price does not jeopardize the interests of the minority shareholders, as (1) under the Companies Act a company is generally free to repurchase its own shares and may conduct repurchase of own shares at its discretion for the purpose of implementation of its capital policy or other purposes, (2) the contemplated repurchase represents what is generally described as “partial repayment of public funds”, where early repayment of the injected public funds is a stated basic policy of Resona Holdings, and (3) the purchase price of the preferred shares to be repurchased deems to be reasonable based on the valuation conducted by the securities company who is an advisor to Resona Holdings.

*1

Nomura has assumed the accuracy and completeness of all public information reviewed by it and all financial, legal, regulatory, tax, accounting and other information provided to Nomura for purposes of rendering its opinion. Nomura has not verified or assumed any responsibility to independently verify the accuracy or completeness of any such information. Nomura has not made any independent valuation, appraisal or assessment of any of the assets or

liabilities (including derivatives, off-balance sheet assets and liabilities, and other contingent liabilities) of Resona Holdings and its affiliates, nor has Nomura made any request to a third party for any such appraisal or assessment. Nomura has assumed, without independent verification and assumption of any responsibility thereof, that the proposed transaction will be carried out lawfully and effectively in accordance with the terms set forth in the agreement*, that all governmental, regulatory or other consents and approvals necessary for the consummation of the proposed transaction will be obtained without any adverse effect on the contemplated benefits of the proposed transaction and that the proposed transaction will be consummated in accordance with the terms of the agreement, without waiver, modification or amendment of any material term, condition or agreement therein.

*Agreement on transfer of the Class 1 First Issue Preferred Shares of Resona Holdings, Inc.

Additional Information

1. Balance of public funds (in JPY billion, rounded down to the nearest JPY 0.1 billion)

	September 30, 2003 (Actual) (1)	March 31, 2010 (Actual)	After contemplated repurchase		Notes
			(2)	Amount repaid (2)–(1)	
Total public funds	3,128.0	2,085.2	1,685.2	▲ 1,442.7	
Preferred Shares	2,531.5	1,823.5	1,423.5	▲ 1,108.0	
Act *1	868.0	160.0	160.0	▲ 708.0	
Class B	408.0	—	—	▲ 408.0	Fully repaid in March 2009
Class C	60.0	60.0	60.0	—	
Class E	300.0	—	—	▲ 300.0	Fully repaid in March 2009
Class F	100.0	100.0	100.0	—	
Act *2	1,663.5	1,663.5	1,263.5	▲ 400.0	
Class 1	550.0	550.0	150.0	▲ 400.0	As announced here
Class 2	563.5	563.5	563.5	—	
Class 3	550.0	550.0	550.0	—	
Subordinated Loans	300.0	—	—	▲ 300.0	
Act *3	200.0	—	—	▲ 200.0	Fully repaid in October 2005
Act *1	100.0	—	—	▲ 100.0	Fully repaid in March 2009
Ordinary Shares	296.4	261.6	261.6	▲ 34.7	JPY 2.7 billion(Feb. 2005) JPY 14.4 billion(Jun. 2008) JPY 17.5 billion(Dec. 2008)

*1 Act on Emergency Measures for Early Strengthening of Financial Functions (kinou kinou no souki kenzenka no tameno kinkyu sochi ni kansuru houritu) (Act No. 143 of 1998, as amended)

*2 Deposit Insurance Act (yokin hoken hou) (Act No.34 of 1971, as amended)

*3 Act on Emergency Measures for the Stabilization of the Financial Functions (kinou kinou no anteika no tameno kinkyu sochi ni kansuru houritu) (Act No. 5 of 1998)

2. Capital Adequacy Ratio

As of June 30, 2010, the consolidated capital adequacy ratio and Tier 1 capital ratio of Resona Holdings under the BIS Domestic Standard were 14.49% and 10.84%, respectively. Resona Holdings intends under its current policy to maintain at least 9% of the consolidated capital adequacy ratio and at least 5% of the consolidated Tier 1 capital ratio after any repayment of the public funds. In response to recent international discussions on introducing more restrictive capital adequacy regulations, however, Resona Holdings aims to maintain at least 8% of the consolidated Tier 1 capital ratio following the completion of this repurchase.