

March 8, 2011  
Resona Holdings, Inc.

**Resona Holdings Announces Repurchase and Cancellation of Shares of the Preferred  
Stocks Issued with Public Funds**

Resona Holdings, Inc. (President: Seiji Higaki) (“Resona Holdings”) hereby announces that it has been decided to repurchase (1) all of the shares of Class One No. 1 preferred stock (the aggregate issue price of JPY 150 billion) at the aggregate purchase price of JPY 160.0 billion, (2) all of the shares of Class Two No. 1 preferred stock (the aggregate issue price of JPY 563.5 billion) at the aggregate purchase price of JPY 610.6 billion, and (3) part of the shares of Class Three No. 1 preferred stock (the aggregate issue price of JPY 100 billion out of the outstanding JPY 550 billion) at the aggregate purchase price of JPY 111.2 billion, all of which have been held by Deposit Insurance Corporation of Japan (Yokin Hoken Kikou). The totals of the aggregate issue prices and the aggregate purchase prices amount to JPY 813.5 billion and JPY 881.9 billion, respectively. Resona Holdings has obtained the approval therefor from the relevant authorities. The details of the repurchase are as stated below.

Such shares of the preferred stocks are to be repurchased pursuant to the “Resona Capital Restructuring Plan” and within the prescribed maximum limit of the aggregate purchase prices of JPY 900 billion for repurchase of own shares, which has been authorized by resolution at the meeting of the Board of Directors held on November 5, 2010. The shares of the preferred stocks so repurchased will be cancelled immediately following such repurchase.

Repurchase pursuant to the prescribed maximum limit for repurchase of own shares authorized at the meeting of the Board of Directors held on November 5, 2010 will be completed with the repurchase described herein.

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

Today, we have decided to complete the capital exchange and the partial repayment of the public funds, which are a part of “Resona Capital Restructuring Plan”.

This document is a press release statement to publicly announce the repurchase of our own shares (shares of preferred stocks) and is not prepared for investment solicitation purposes. We do not offer any securities by this document in any jurisdiction, in or outside Japan.

Since the injection of the public funds under the Deposit Insurance Act in June 2003, we have accumulated management efforts in order to solve Resona's fundamental challenge. Due to the changes in the environment surrounding our business and financial regulations after the collapse of Lehman Brothers, however, our complicated capital structure has emerged as an issue, which might possibly affect our scenario of an early repayment of the public funds.

By implementing the transactions this time, we have proceeded in line with the originally intended plans, such as (1) transforming into an "ordinary corporation" with a common stock centered capital structure and minimizing uncertainty relating to the stock valuation for investors, (2) showing a perspective of the full repayment of the public funds, which have given an anxiety to our customers and employees, and (3) improving the quality of capital base on the capital adequacy regulations.

We plan to repay the remaining JPY 450 billion of the preferred stock issued under the Deposit Insurance Act in approximately five years through repurchase and cancellation utilizing future profits (retained earnings). We plan to prioritize the repurchase of the remaining shares of the preferred stock, and therefore, at the moment, we do not plan to submit "a request for a secondary offering" of the shares of common stock (JPY 261.6 billion) held by Deposit Insurance Corporation of Japan.

We believe that Resona's business model is understood among investors in and outside Japan. It is our mission to achieve outperforming results over our Business Revitalization Plan and to accelerate management reforms for the purpose of an early full repayment of the public funds.

We sincerely appreciate your continued supports to Resona Group.

### **Repurchase and cancellation of shares of the preferred stocks issued with public funds**

Pursuant to Article 157, Paragraph 1 of the Companies Act (Kaisha Hou) (Act No. 86 of 2005, as amended), Resona Holdings is to repurchase its own shares of the preferred stocks as outlined below within the prescribed maximum limit of the aggregate purchase prices of JPY 900 billion for repurchase of own shares, which has been authorized by resolution at the meeting of the Board of Directors held on November 5, 2010. The shares of the preferred stocks so repurchased will be cancelled immediately following such repurchase.

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1. Class One No. 1 Preferred Stock

- (1) Total number of shares to be repurchased : 75,000,000 shares
- (2) Purchase price : JPY 2,134.6 per share
- (3) Aggregate purchase price : JPY 160,095,000,000
- (4) Scheduled date for repurchase : Friday, March 11, 2011

2. Class Two No. 1 Preferred Stock

- (1) Total number of shares to be repurchased : 281,780,786 shares
- (2) Purchase price : JPY 2,167.0 per share
- (3) Aggregate purchase price : JPY 610,618,963,262
- (4) Scheduled date for repurchase : Friday, March 11, 2011

3. Class Three No. 1 Preferred Stock

- (1) Total number of shares to be repurchased : 50,000,000 shares
- (2) Purchase price : JPY 2,225.0 per share
- (3) Aggregate purchase price : JPY 111,250,000,000
- (4) Scheduled date for repurchase : Friday, March 11, 2011

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## Additional Information

1. The prescribed maximum limit for repurchase of own shares (“Authorization of Repurchase of Shares up to Prescribed Maximum Limit” released on November 5, 2010)

### (1) Background

In order to repurchase part of the shares of the preferred stocks issued 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.

### (2) Details of the authorization

The maximum limit of the aggregate purchase prices of JPY 900 billion for repurchase of own shares has been authorized to repurchase the types and numbers of shares as shown in the table below.

Type of shares to be repurchased	Maximum number of shares to be repurchased	Form of compensation for shares to be repurchased	The maximum amount of compensation for shares to be repurchased
Class One No.1 Preferred Stock	75,000,000 shares	Cash	JPY 900 billion in aggregate
Class Two No.1 Preferred Stock	281,780,786 shares		
Class Three No.1 Preferred Stock	275,000,000 shares		

### (3) Effective period for executing the repurchase

The effective period for executing the contemplated repurchase shall be one year from November 5, 2010, and such period shall terminate upon completion of the repurchase of the shares.

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## 2. Forecast for the capital adequacy ratio

With respect to the capital adequacy regulations, at present, Resona Group continues to pursue its “True Retail Bank” strategy focused on its domestic business and so currently expects to remain subject to the capital adequacy requirements for domestic operations (second standard). However, in order to secure reliable capital strength, the Group operates its capital with a notion of the international standard (first standard).

Under the capital adequacy regulations currently effective, Resona Holdings’ consolidated capital adequacy ratio as of the end of March 2011 is estimated to be approximately 11%, taking into account the completion of the contemplated repurchase.

While new capital adequacy regulations are being considered, after the contemplated repurchase described herein, the common equity Tier 1 ratio and the Tier 1 ratio are expected to be approximately 5.5% and approximately 7% respectively as of the end of March 2011.

- \* At this moment, details - such as the target level, the calculation method, and the timing of implementation of new capital adequacy regulations in Japan - have yet to be determined. The capital adequacy ratio numbers, etc. under new capital adequacy regulations described above are estimated by Resona Holdings based on the rules text issued on December 16, 2010 as well as the press releases distributed by the Group of Governors and Heads of Supervision and the public materials created by the Basel Committee on Banking Supervision.

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

	September 30, 2003 (Actual)	December 31, 2010 (Actual)	After contemplated repurchase		Notes
			(Planned)	Amount repaid	
	(1)		(2)	(2)–(1)	
<b>Total public funds</b>	<b>3,128.0</b>	<b>1,685.2</b>	<b>871.6</b>	<b>(2,256.3)</b>	
<b>Preferred Stocks</b>	<b>2,531.5</b>	<b>1,423.5</b>	<b>610.0</b>	<b>(1,921.5)</b>	
Early Strengthening Act	868.0	160.0	160.0	(708.0)	
Class B (otsu)	408.0	—	—	(408.0)	Fully repaid in March 2009
Class C (hei)	60.0	60.0	60.0	—	
Class E (bo)	300.0	—	—	(300.0)	Fully repaid in March 2009
Class F (ki)	100.0	100.0	100.0	—	
Deposit Insurance Act	1,663.5	1,263.5	450.0	(1,213.5)	
Class One	550.0	150.0	0	(550.0)	JPY 400.0 billion (August 2010) As announced herein
Class Two	563.5	563.5	0	(563.5)	As announced herein
Class Three	550.0	550.0	450.0	(100.0)	As announced herein
<b>Subordinated Loans</b>	<b>300.0</b>	<b>—</b>	<b>—</b>	<b>(300.0)</b>	
Stabilization Act	200.0	—	—	(200.0)	Fully repaid in October 2005
Early Strengthening Act	100.0	—	—	(100.0)	Fully repaid in March 2009
<b>Common Stock</b>	<b>296.4</b>	<b>261.6</b>	<b>261.6</b>	<b>(34.7)</b>	JPY 2.7 billion (Feb. 2005) JPY 14.4 billion (Jun. 2008) JPY 17.5 billion (Dec. 2008)

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