

July 31, 2009
Resona Holdings, Inc.

Announcement Concerning Repurchase of Own Shares (Preferred Shares), Issuance of New Shares through Allotment of Shares to Persons Other Than Shareholders and Increase in “Other Capital Surplus”

(Repurchase of Class Nine Preferred Shares, issuance of new common shares through allotment of shares to persons other than shareholders and simultaneous reduction in stated capital and capital surplus)

Resona Holdings, Inc. hereby announces that its board of directors meeting held today resolved to establish a limit within which Resona Holdings may repurchase its own shares as described in Section II. below. Today, Resona Holdings also decided to repurchase its Class Nine Preferred Shares (total original issue amount: JPY 350.0 billion, total issue amount of shares to be repurchased: JPY 350.0 billion, total amount to be paid for repurchase: JPY 271.2 billion), within the aforesaid limit for repurchase of own shares established by the aforesaid resolution of the board of directors meeting.

In addition, Resona Holdings has also decided to issue new common shares through allotment of shares to persons other than shareholders (total issue amount: JPY 103.6 billion) and to transfer the proceeds from the issuance of such new common shares to “other capital surplus” through simultaneous reduction in stated capital and capital surplus, as described in Sections III. and IV. below.

I. General overview

Resona Holdings issued its Class Nine Preferred Shares in June 2007 in order to secure the funds available for repayment of public funds. Subsequently, market environments deteriorated far worse than originally expected at the time of their issue as tensions in the international financial and capital markets continued and macroeconomic situations in Japan and overseas continued to worsen. Also, regulation of the capital adequacy of financial institutions became a topic for heated debates and began to draw increasing attention internationally.

In response to the noticeable changes in market environments, Resona Holdings intends to make the best use of the prevailing situation by trying to repurchase the outstanding Class Nine Preferred Shares at a price lower than their original issue price, and simultaneously issue new common shares to the existing holder of the Class Nine Preferred Shares. Through this de facto Exchange Offer in which the outstanding Class Nine Preferred Shares are partially exchanged for new common shares, Resona Holdings can maintain an appropriate capital adequacy ratio while strengthening its financial position including further improvement in quality of its capital.

Upon completing the transactions described herein, Resona Holdings can improve the quality of its capital including “core Tier 1 capital”. In addition, Resona Holdings can reduce the number of potential shares through the repurchase of the outstanding Class Nine Preferred Shares.

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Although the intended issuance of new common shares would increase the number of outstanding common shares, the number of potential shares reduced through the repurchase of the Class Nine Preferred Shares would be greater than the number of the new common shares to be issued. Therefore, in total, reduction in the number of potential shares can suppress the dilutive effect on common shares.

Resona Holdings intends to utilize the proceeds from the issuance of the new common shares as funds available for repaying public funds in future, by transferring the proceeds to "other capital surplus" which constitutes distributable amounts through simultaneous reduction in stated capital and capital surplus.

Resona Group is fully committed to implement appropriate capital policies in a flexible and timely fashion while monitoring market situations closely, with a view to repaying the outstanding public funds as early as possible.

II. Repurchase of Class Nine Preferred Shares

1. Establishment of an upper limit for repurchase of own shares

(1) Reason for establishing an upper limit for repurchase of own shares

Resona Holdings established an upper limit for repurchase of own shares in order to repurchase its Class Nine Preferred Shares by resolution of the board of directors pursuant to Article 156, Paragraph 1 of the Companies Act based upon Article 55 of the Articles of Incorporation of Resona Holdings promulgated in accordance with Article 459, Paragraph 1, Sub-paragraph 1 of the Companies Act.

(2) Upper limit for repurchase of own shares

Resona Holdings has established an upper limit of JPY 280.0 billion for repurchases of the type and number of its own shares as follows:

Type of shares to be repurchased	Class Nine Preferred Shares
Number of shares to be repurchased	Upper limit: 10,000,000 shares
Consideration to be paid for repurchase	Cash
Total amount to be paid for repurchase	Upper limit: JPY 280.0 billion

(3) Period for repurchase

From July 31, 2009 to September 8, 2009

2. Outline of repurchase of the Class Nine Preferred Shares

Pursuant to Article 157, Paragraph 1 of the Companies Act, Resona Holdings intends to repurchase its Class Nine Preferred Shares as described below within the upper limit for repurchase referred to in above 1. Resona Holdings intends to cancel the Class Nine Preferred Shares so repurchased immediately upon their repurchase.

The repurchase of the Class Nine Preferred Shares would reduce the consolidated capital adequacy ratio of Resona Holdings by approximately 1.3% on a pro forma basis based on

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the risk-weighted assets as of the end of March 2009.

(1)	Type of shares to be repurchased	Class Nine Preferred Shares
(2)	Total number of shares to be repurchased	10,000,000 shares
(3)	Price at which repurchase is made	JPY 27,125 per share
(4)	Total repurchase price	JPY 271,250,000,000
(5)	Date of repurchase (planned)	September 8, 2009 (Tuesday)

III. Issuance of New Common Shares through Allotment to Persons Other Than Shareholders

1. Purpose of issuing new shares through allotment to persons other than shareholders

As explained in Section I. above, Resona Holdings intends to issue new common shares with a view to maintaining the capital adequacy ratio at an adequate level, strengthening its financial position by improving the quality of its capital, and implementing appropriate capital policies aimed at early repayment of outstanding public funds.

In combination with the repurchase of the Class Nine Preferred Shares described in Section II. above, Resona Holdings intends to issue new common shares to the existing holder of the Class Nine Preferred Shares, effectively exchanging part of the Class Nine Preferred Shares with the new common shares to be issued. Resona Holdings opted to issue new shares by way of allotment to persons other than shareholders as this method enables it to raise capital in an efficient and flexible manner while minimizing adverse impacts on market.

Terms of issue of new shares

(1)	Number of shares to be issued	Common stock: 75,000,000 shares
(2)	Subscription price	JPY 1,382 per share
(3)	Total issue amount	JPY 103,650,000,000
(4)	Amount of capital to be increased	JPY 691 per share
(5)	Method of issue	By way of allotment to persons other than shareholders
(6)	Due date for subscription	September 8, 2009 (Tuesday)
(7)	Payment date	September 8, 2009 (Tuesday)
(8)	Allottee and the number of shares to be allotted	Merrill Lynch Japan Finance Co., Ltd. 75,000,000 shares
(9)	The foregoing is conditional that the registration made in accordance with the Financial Instruments and Exchange Law becomes effective	

2. Amount of capital to be raised and use of funds

Total amount to be paid	JPY 103,650,000,000
Approximate issuing cost	JPY 445,000,000
Amount of capital to be raised (Approximate net amount)	JPY 103,205,000,000

(2) Use of the proceeds

The proceeds will be transferred to "other capital surplus" which constitutes distributable amounts through simultaneous reduction in stated capital and capital surplus so that the

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proceeds can be utilized as funds available for repaying the outstanding public funds

(3) Schedule for spending the procured funds

Resona Holdings will make a public announcement when it makes a specific decision for repayment of public funds. Resona Group will make its efforts to repay the outstanding public funds as early as possible.

(4) Reasonableness of the use of the procured funds

Resona Group has been working on management reforms aimed at enhancing its corporate value to realize repayment of public funds at an early date. In this regard, utilizing the proceeds from the issuance of new common shares for repayments of public funds in the future is considered to be rational in light of its management objectives.

3. Business results of and equity financing in the past three years

(1) Business results of the past three years (consolidated basis, in millions of yen)

	Fiscal 2006		Fiscal 2007		Fiscal 2008	
Consolidated ordinary income	1,153,316		1,114,441		979,276	
Ordinary profit	409,855		233,712		114,402	
Net income	664,899		302,818		123,910	
Equity per share (yen)	(23,676.18)		(13,711.01)		(303.63)	
Net income per share (yen)	53,933.18		23,690.06		76.27	
Dividends per share (yen)	Common	1,000	Common	1,000	Common	10.00
	Class B	6,360	Class B	6,360		
	No.1		No.1			
	Class C	6,800	Class C	6,800	Class C	68.00
	No.1		No.1		No.1	
	Class D	10,000				
	No.1					
	Class E	14,380	Class E	14,380		
	No.1		No.1			
	Class F	18,500	Class F	18,500	Class F	185.00
	No.1		No.1		No.1	
	Class One	1,688	Class One	2,564	Class One	31.90
	No.1		No.1		No.1	
	Class Two	1,688	Class Two	2,564	Class Two	31.90
	No.1		No.1		No.1	
	Class		Class		Class	
	Three	1,688	Three	2,564	Three	31.90
	No.1		No.1		No.1	
	Class		Class		Class	
	Four	57,918	Four	99,250	Four	992.50
			Class		Class	
			Five	54,622	Five	918.75
			Class		Class	
			Nine	26,769	Nine	325.50

(Note) Effective on January 4, 2009, Resona Holdings implemented a 100-for-1 stock split on its common shares and all classes of preferred shares.

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(2) Number of outstanding and potential shares at present (as of March 31, 2009)

Type	Number of shares	Ratio to the number of shares outstanding
Number of shares outstanding	2,008,258,477 shares (Common) 1,139,957,691 shares (Preferred) 868,300,786 shares	100.0%
Number of potential shares based on the exchange (exercise) prices applicable at present	942,490,862 shares	46.9%
Number of potential shares based on the floor exchange (exercise) prices	5,249,438,571 shares	261.3%
Number of potential shares based on the maximum exchange (exercise) prices	—	—

(Note.1) The number of potential shares from the Class Three Preferred Shares is not included in the numbers in the table above, because the initial exchange price for the Class Three Preferred Shares has not been determined yet and the Class Three Preferred Shares are not convertible yet.

(Note.2) The number of potential shares is equivalent to 49.4% (based on the exchange prices now in effect) and 275.3% (based on the floor exchange prices), respectively, of the total number of voting rights.

(3) Common share price data

Common share price for the past three years

	Fiscal 2007	Fiscal 2008	Fiscal 2009
Opening price	316,000 yen	1,670 yen	1,330 yen
Highest price	325,000 yen	2,050 yen	1,518 yen
Lowest price	150,000 yen	725 yen	1,221 yen
Closing price	166,000 yen	1,310 yen	1,398 yen

(Note. 1) Share price data for fiscal 2009 are as of July 31, 2009.

(Note. 2) Resona Holdings implemented a 100-for-1 stock split during fiscal 2008. Share price data for fiscal 2008 are shown as if the company implemented the stock split at the beginning of the fiscal year.

Common share price for the past six months

	February	March	April	May	June	July
Opening price	1,405 yen	1,660 yen	1,330 yen	1,327 yen	1,429 yen	1,350 yen
Highest price	1,729 yen	1,698 yen	1,410 yen	1,503 yen	1,518 yen	1,425 yen
Lowest price	1,367 yen	1,305 yen	1,289 yen	1,301 yen	1,345 yen	1,221 yen
Closing price	1,707 yen	1,310 yen	1,316 yen	1,429 yen	1,356 yen	1,398 yen

Common share price for the day on which a resolution to issue new shares was made

	As of July 31, 2009
Opening price	1,386 yen
Highest price	1,398 yen
Lowest price	1,383 yen
Closing price	1,398 yen

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(4) Outline of the equity financing this time

Date of issue	September 8, 2009
Amount to be raised	JPY 103,205,000,000 (Issue price per share : JPY 1,382)
Number of shares outstanding before this issuance	2,008,258,477 shares (Common: 1,139,957,691 shares, Preferred: 868,300,786 shares)
Number of shares to be issued as a result of this issuance	75,000,000 shares (Common: 75,000,000 shares)
Number of shares outstanding after this issuance	2,073,258,477 shares (Note) (Common: 1,214,957,691 shares, Preferred: 858,300,786 shares)
Allottee	Merrill Lynch Japan Finance Co., Ltd.

(Note) The number of shares outstanding after this issuance takes into account the intended repurchase of the Class Nine Preferred Shares described in Section II. above.

(5) Equity financing in the past three years

- Issuance of the Class Four Preferred Shares through allotment to persons other than shareholders

Date of issue	August 31, 2006
Amount raised	JPY 63,000,000,000 (Issue price per share: JPY 2,500,000)
Number of shares outstanding before this issuance	20,837,022.778 shares (Common: 11,399,094.917 shares, Preferred: 9,437,927.861 shares)
Number of shares issued as a result of this issuance	25,200 shares (Preferred: 25,200 shares)
Allottee	Nomura Securities Co., Ltd.
Use of funds envisaged at time of this issuance	To strengthen the Group's financial position and implement appropriate capital policies aimed at early repayment of outstanding public funds
Scheduled time for spending	—
Current use of funds	—

(Note) Effective on January 4, 2009, Resona Holdings implemented a 100-for-1 stock split on its common shares and all classes of preferred shares.

- Issuance of the Class Nine Preferred Shares through allotment to persons other than shareholders

Date of issue	June 5, 2007
Amount raised	JPY 350,000,000,000 (Issue price per share: JPY 3,500,000)
Number of shares outstanding before this issuance	20,224,181.778 shares (Common: 11,399,335.917 shares, Preferred: 8,824,845.861 shares)
Number of shares issued as a result of this issuance	100,000 shares (Preferred: 100,000 shares)
Number of potential shares at the time of this issuance	Based on the initial exchange price of JPY 332,465: 1,052,742 shares Based on the floor exchange price of JPY 86,730: 4,035,512 shares

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Current status of conversion into common shares	No acquisition rights have been exercised to date.
Allottee	Merrill Lynch Japan Finance Co., Ltd.
Use of funds envisaged at time of this issuance	To strengthen the Group's financial position and implement appropriate capital policies aimed at early repayment of outstanding public funds
Scheduled time for spending	—
Current use of funds	—

(Note) Effective on January 4, 2009, Resona Holdings implemented a 100-for-1 stock split on its common shares and all classes of preferred shares.

- Issuance of the Class Five Preferred Shares through allotment to persons other than shareholders

Date of issue	August 28, 2007
Amount raised	JPY 100,000,000,000 (Issue price per share: JPY 2,500,000)
Number of shares outstanding before this issuance	20,324,181.778 shares (Common: 11,399,335.917 shares, Preferred: 8,924,845.861 shares)
Number of shares issued as a result of this issuance	40,000 shares (Preferred: 40,000 shares)
Allottee	The Dai-ichi Mutual Life Insurance Company
Use of funds envisaged at time of this issuance	To strengthen the Group's financial position and implement appropriate capital policies aimed at early repayment of outstanding public funds
Scheduled time for spending	—
Current use of funds	—

(Note) Effective on January 4, 2009, Resona Holdings implemented a 100-for-1 stock split on its common shares and all classes of preferred shares.

4. Major shareholders and shareholding ratio

(1) Common shares

Before the capital increase this time (as of March 31, 2009)		After the capital increase	
Deposit Insurance Corporation of Japan	46.77%	Deposit Insurance Corporation of Japan	43.73%
The Dai-ichi Mutual Life Insurance Company	5.13%	Merrill Lynch Japan Finance Co., Ltd	6.51%
CACEIS BANK / CREDIT AGRICOLE SA	3.67%	The Dai-ichi Mutual Life Insurance Company	4.80%
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	2.94%	CACEIS BANK / CREDIT AGRICOLE SA	3.43%
Japan Trustee Services Bank, Ltd. (Trust Account)	1.31%	Japan Trustee Services Bank, Ltd. (Trust Account 4G)	2.75%
The Master Trust Bank of Japan (Trust Account)	1.03%	Japan Trustee Services Bank, Ltd. (Trust Account)	1.22%
Japan Trustee Services Bank, Ltd. (Trust Account 4)	0.84%	The Master Trust Bank of Japan (Trust Account)	0.96%
Nomura Holdings, Inc.	0.73%	Japan Trustee Services Bank, Ltd. (Trust Account 4)	0.79%

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Tokio Marine & Nichido Fire Insurance Co., Ltd.	0.51%	Nomura Holdings, Inc.	0.68%
Nippon Life Insurance Company	0.51%	Tokio Marine & Nichido Fire Insurance Co., Ltd.	0.48%

(Note. 1) Treasury shares are not included

(Note. 2) The shareholding ratio after the capital increase is calculated by adding the number of new shares to be issued through this capital increase to the number of shares recorded on the register of common shareholders as of March 31, 2009.

(2) Class Nine Preferred Shares

Before the capital increase this time (as of March 31, 2009)		After the capital increase	
Merrill Lynch Japan Finance Co., Ltd.	100.00%	Merrill Lynch Japan Finance Co., Ltd.	—

5. Effect of this capital increase on the earnings projections

There is no amendment to the earnings projection for the current fiscal year as a result of this capital increase. The intended capital increase would increase the consolidated capital adequacy ratio of Resona Holdings by approximately 0.5% on a pro forma basis based on the risk-weighted assets as of March 31, 2009.

6. Reasonableness of the terms of issue

(1) Basis of determination of the issue price per share

The issue price per share was decided to be JPY 1,382, which is equal to the closing price (regular trading) of Resona Holdings' common shares on the Tokyo Stock Exchange, Inc. on July 30, 2009, the day immediately preceding the date of determination of this capital increase. As a result of discussion with the allottee, Resona Holdings decided not to apply any discount to the aforesaid closing price.

The issue price per share is equivalent of 99.2% of the average closing prices (rounded to the nearest yen) for the past three months to July 30, 2009, the day immediately preceding the date of determination of this capital increase.

(2) Reasonableness of the number of shares to be issued and scale of dilutive impact

The intended issue of new common shares would increase the number of outstanding shares by 75,000,000 shares. However, the intended repurchase of the Class Nine Preferred Shares described in Section II. above would reduce the number of potential shares by 105,274,239 shares^{*1}, which exceeds the number of outstanding shares to be increased. Therefore, the dilutive effect on common shares would in total be suppressed

*1. The number of potential shares is based on the current exchange price of JPY 3,324.65. The number of potential shares to be reduced, if calculated based on the closing price of JPY 1,382 on July 30, 2009, the day immediately preceding the date of determination of this capital increase, would be 253,256,150 shares. If calculated based on the floor exchange price, reduction in the number of potential shares would be 403,551,251 shares.

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7. Reason for selecting the allottee

(1) Outline of the allottee

1.	Name of the allottee	Merrill Lynch Japan Finance Co., Ltd.		
2.	Line of business	Lending and other financial services		
3.	Date of establishment	November 28, 2000		
4.	Head office address	Nihonbashi 1-chome building, 1-4-1 Nihonbashi, Chuo-ku, Tokyo		
5.	Name and title of the Representative	President & CEO: Naoko Akutagawa		
6.	Paid-in capital	JPY 50,249,500,000		
7.	Number of shares issued	376,660 shares		
8.	Net assets	JPY 72,587 million		
9.	Total assets	JPY 524,345 million		
10.	Fiscal year-end	March 31		
11.	Number of employees	None		
12.	Principal customers	None		
13.	Major shareholders	100% owned by Merrill Lynch Japan Securities Co., Ltd.		
14.	Main financing bank	Sumitomo Mitsui Banking Corp.		
15.	Relationship between the allottee and Resona Holdings	Capital relationship	The allottee holds 10,000,000 shares of the Class Nine Preferred Shares issued by Resona Holdings. (Shareholding ratio of the Class Nine Preferred Shares: 100%)	
		Business relationship	None	
		Personnel relationship	None	
		Related parties	None	
16.	Business performances for the past 3 years	(in millions of yen)		
		Fiscal 2006	Fiscal 2007	Fiscal 2008
	Sales amount	18,579	27,535	20,473
	Business profit/(loss)	12,988	15,721	(57,869)
	Ordinary profit/(loss)	12,993	15,725	(57,678)
	Net income/(loss)	7,794	9,329	(51,834)
	Net income/(loss) per share	80,638 yen	56,967 yen	(291,606) yen
	Dividends per share	—yen	—yen	—yen
	Net assets per share	311,899 yen	363,264 yen	192,713 yen

(Note) The amount of paid-in capital, number of shares issued, net assets, total assets, number of employees, major shareholders and capital relationship are as of March 31, 2009.

(2) Reason for selecting the allottee

The intended capital increase will, coupled with the intended repurchase of the Class Nine Preferred Shares described in Section II. above, effectively result in an exchange of part of the Class Nine Preferred Shares with new common shares. Because of this, Merrill Lynch Japan Finance Co., Ltd., which is the existing shareholder of the Class Nine Preferred Shares, was selected as allottee for the new common shares, also considering implementing the capital increase in an efficient and flexible manner while minimizing the adverse impacts on the market.

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(3) Allottee's policy toward holding the shares

There is no arrangement between Resona Holdings and the allottee with respect to continuing ownership of the shares allotted. The allottee may, based on its own decision, transfer all or part of the allotted shares to third parties.

However, Resona Holdings and the allottee intend to agree that 1) if the allottee transfers all or part of the allotted shares to a third party within two years from the effective date of the issuance of the allotted shares, the allottee will report to Resona Holdings such transfer in writing, 2) Resona Holdings will make a written report to the financial instruments exchanges of the matters reported by the allottee, and 3) such written report will be made available for public inspection.

IV. Increase in "other capital surplus"
(Reduction in capital and capital surplus simultaneous with the issuance of new shares)

1. Purpose of capital and capital surplus reductions simultaneous with the issuance of new shares

To implement capital policies in a flexible and appropriate manner with a view to realizing early repayment of public funds, by transferring the proceeds from the issuance of new common shares to "other capital surplus" which can be used as funds for repurchase of own shares (other capital surplus being a component of distributable amounts).

2. Outline of reduction in capital and capital surplus

(1) Amount of capital to be reduced

JPY 51,825,000,000

(As the capital amount will simultaneously be increased through the issuance of new common shares, despite the capital reduction, the amount of capital after the effective date will not be less than that before the effective date.)

(2) Amount of capital surplus to be reduced

JPY 51,825,000,000

(As the amount of capital surplus will simultaneously be increased through the issuance of new common shares, despite the reduction in capital surplus, the amount of capital surplus after the effective date will not be less than that before the effective date.)

(3) Method of capital and capital surplus reduction

The method stipulated in Article 447, Paragraph 3 and Article 448, Paragraph 3 of the Companies Act (reduction of capital and capital surplus simultaneous with an issuance of new shares)

3. Schedule of capital and capital surplus reductions simultaneous with the issuance of new shares (planned)

- | | |
|--|-----------------------------|
| (1) Corporate resolution
(decision by the representative executive officer) | July 31, 2009 (Friday) |
| (2) Legal notice | August 7, 2009 (Friday) |
| (3) Deadline for creditors to submit dissents | September 7, 2009 (Monday) |
| (4) Effective date | September 8, 2009 (Tuesday) |

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