

**Outline of the Business Revitalization Plan**  
**- *To Become True Retail Bank* –**

**November 2008**  
**Resona Holdings, Inc.**  
**Resona Bank, Ltd.**

## **The Resona Group's New Business Revitalization Plan**

At the Resona Group, we take seriously our obligations as a recipient of substantial public funding. To expeditiously revitalize our operations, we have been implementing various operational reforms, selecting and focusing on key businesses, and concentrating management resources in selected businesses.

We had been making steady progress with such reforms, aided by the Japanese economy's robust recovery. Recently, however, our operating environment has changed drastically amid the global financial market turmoil triggered by the financial crisis that began in the US and Europe. With downside risks to the global economy rapidly escalating as ripple effects from the financial crisis feed through to the real economy, recession concerns are mounting even in Japan. The economic environment has deviated substantially from the assumptions underlying our Business Revitalization Plan announced in November 2006, resulting in our earnings not reaching the Plan's earnings targets. Given such dramatic change in our operating environment and escalation of risks, we expect the future outlook to remain murky for some time.

Two years after formulating our previous Business Revitalization Plan, we hereby present a new Business Revitalization Plan (the "New Plan") extending through FY 2011 (i.e., to March 31, 2012). The New Plan maps out a course to fully implement the differentiation strategies we have been pursuing and establish true retail banks through further business-domain selection and concentration, continuing to concentrate management resources in selected businesses, and establishing a distinctive Resona style. All of our corporate officers and employees will endeavor to execute the New Plan by conducting customer-centric business, diligently committed to fulfilling our obligations as a recipient of public funding.

### **1. Measures to Rationalize Management**

#### **(1) Business Model and Management Strategies**

##### **Establishing True Retail Banks**

At the Resona Group, we have been concentrating management resources in retail businesses, transcending our old mindset of self-sufficient vertical integration, implementing customer-centric reforms in pursuit of productivity gains through low-cost operations, and proactively pursuing Resona differentiation strategies (area management, alliances, operational reform, and service reform). Under the New Plan, we will complete our transformation into a true retail banking group by fully implementing the Resona differentiation strategies, selecting and focusing on key business domains, concentrating management resources in selected businesses (re-prioritizing businesses and geographic areas), and endeavoring to establish a distinctive Resona style (creating a new corporate culture, focusing on individuals, pursuing most-trusted status).

The retail banking model to which we aspire is that of a financial services company that has a customer-centric business orientation and cultivates highly individualized relationships rooted in the local community with both retail and corporate customers. We will help retail customers plan their financial futures by offering optimal products and services tailored to various life stages. We will support corporate customers' growth by proposing optimal solutions to their various management challenges.

Through such an approach, we aim to become the unrivaled leader in retail financial services, grow our profits from retail businesses, and boost our return on risk-weighted assets (RORA).

## Selecting and Focusing on Key Business Domains and Concentrating of Management Resources

We will concentrate management resources in geographic areas and businesses in which we can capitalize on our strengths.

### (Priority Areas)

Geographically, we maintain our existing designation of Osaka, Saitama, and Tokyo as priority areas, but we will further optimize allocation of management resources in accord with geographic areas and businesses' attributes based on finely tuned area-marketing that utilizes the research and analytical capabilities of our Institute for Financial Marketing, established in April 2008.

In April 2008, Resona Bank reorganized its operations into ten geographic areas by consolidating some of the geographic operating units within Metropolitan Tokyo and Osaka Prefecture. At the same time, it transitioned to a new management hierarchy that eliminated the position of branch manager. This reorganization will increase the specialization of organizational units, improve products and services offered to customers, and strengthen sales capabilities and internal controls.

### (Priority Businesses)

Under the New Plan, we will reorganize our five core businesses (SME banking, personal loans, financial product sales, real estate, and corporate pensions) as business domains and endeavor to make them more customer-centric. We will do so through an approach of responsively catering to customer needs while strengthening our retail operations, trust banking functions, and consultative sales capabilities. Our fundamental approach to retail banking is to operate businesses rooted in the real economy. In trading operations, we will place priority on stability and sound practices.

In October 2008, we adopted a new personnel system that aims to develop individual expertise and cultivate financial professionals in our business domains. It generally classifies business functions into four operational areas: retail banking, corporate banking, administration and services, and planning. Beginning with the FY 2009 cohort of new hires, we plan to conduct hiring by operational area in the aim of recruiting personnel with a commitment to further developing specialized expertise.

### Retail Businesses

With Japan evolving into a consumer-led society in the wake of the aging of society and advancement of information technology, we will provide retail customers with 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 will endeavor 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). Through this approach, we will provide customers with appropriate advice and recommendations in our areas of expertise, including personal loans, asset management, and estate planning. By helping customers plan their financial future, we aim to retain them as customers throughout their lives.

Retail businesses	Initiatives
Personal loans	<ul style="list-style-type: none"><li>● Enhance value of products and services Improve convenience of 35-year fixed-rate mortgage programs ("Flat 35" of Japan Housing Finance Agency), install new operational support IT systems, etc.</li><li>● Strengthen sales capabilities</li></ul>

	<ul style="list-style-type: none"> <li>● Improve communication with customers</li> <li>Expand online application processing, etc.</li> </ul>
Insurance sales	<ul style="list-style-type: none"> <li>● Expand lineup of competitive products and services</li> <li>Augment original product offerings, strengthen alliances</li> <li>● Strengthen sales force</li> <li>Offer life planning, portfolio recommendations, etc.</li> <li>● Build a sales force that meets broad customer needs (e.g., expand staff of financial planners)</li> <li>● Develop human resources capable of executing our strategy</li> <li>Cultivate human resources through internal trainee programs, external training organizations, etc.</li> </ul>
Investment trust sales	
Estate planning	

### Corporate Businesses

With corporate customers facing increasingly complex and diverse management challenges as their markets mature and operating environments change rapidly in the wake of globalization, we will place priority on one-to-one relationships with customers by expanding support functions, improving customer coverage by segment, and conducting qualitatively focused sales activities. By amassing knowledge and skills at both the sales-force and corporate levels, we will be able to propose optimal solutions (e.g., SME loans, real estate, corporate pensions) to customers' management challenges.

Corporate businesses	Initiatives
SME loans	<ul style="list-style-type: none"> <li>● Strengthen solution coordination capabilities</li> <li>Build sales force committed to expanding points of contact with customers</li> <li>Collect and analyze customer information through CRM</li> <li>Fully utilize real estate, corporate pension, and trust banking functions</li> <li>● Strengthen employee training programs (e.g., by developing training systems)</li> </ul>
Real estate	<ul style="list-style-type: none"> <li>● Provide broad range of real estate solutions</li> <li>Provide wide range of services (e.g., brokerage, consulting, securitization, appraisal)</li> <li>● Tap into customer base</li> <li>Strengthen real estate business support staff at branch offices</li> <li>● Capitalize on group synergies</li> <li>Meet the needs of other Resona Group banking customers</li> </ul>
Corporate pensions	<ul style="list-style-type: none"> <li>● Capitalize on group synergies</li> <li>Merge Resona Bank and Resona Trust &amp; Banking, subject to regulatory approval</li> <li>● Support tax-qualified pension plan conversions</li> <li>Facilitate conversion of tax-qualified pension plans to new plans</li> <li>● Provide corporate pension solutions</li> <li>Provide asset management, pension plan design, and other services</li> </ul>

### Establishment of Resona Style

We have been pursuing productivity gains through low-cost management, promoting customer-centric operational reform, and reforming services that support our differentiation strategies. Under the New Plan, we will continue such differentiation-oriented reform initiatives and establish a distinctive Resona style by creating a new corporate culture, focusing on individuals, and endeavoring to become Japan's most trusted company. Through this approach, we aim to become Japan's retail banking leader.

### (Creation of New Corporate Culture)

We have been embracing low-cost management, strengthening our sales capabilities, and implementing operational reforms to establish a differentiated business model. Based on such reforms, we will create a new corporate culture by strengthening our marketing capabilities, reforming workstyles, and converting to a paperless office environment to further boost productivity, improve risk management, and enhance our competitiveness.

Creation of new corporate culture	Initiatives
Operational reform / paperless offices	<ul style="list-style-type: none"> <li>● Continue operational reforms</li> <li>● Reduce administrative workload by converting to paperless office environment</li> <li>● Improve administrative and IT system efficiency in conjunction with Kinki Osaka Bank's IT system upgrade</li> </ul>
Workstyle reform	<ul style="list-style-type: none"> <li>● Radically reform office infrastructure through relocation of Tokyo head office in April 2010</li> <li>● Create and propagate new corporate culture</li> </ul>
Upgrade of marketing capabilities	<ul style="list-style-type: none"> <li>● Utilize our Institute for Financial Marketing (established April 2008) Identify priority regions through analysis of regional attributes and intensively allocate management resources to them</li> <li>● Develop products, improve service quality, and conduct efficient promotions through analysis of customer attributes</li> </ul>

### (Individualized Focus)

We have been implementing several differentiation strategies (e.g., area management) to improve relations with customers and promote diversity management. Under the New Plan, we will value each and every customer and employee as individuals and endeavor to strengthen our relationships and reform our human resources.

Individualized focus	Initiatives
Strengthening of relationships	<ul style="list-style-type: none"> <li>● Utilize CRM</li> <li>● Build sales force</li> </ul>
HR reform	<ul style="list-style-type: none"> <li>● Build HR management &amp; development capabilities by business segment</li> <li>● Establish HR management sensitive to individuals' work-life balance</li> <li>● Promote diversity management</li> </ul>

### (Pursuit of Most-trusted Status)

Mindful that trust is fundamental to the financial services business, we have been endeavoring to become Japan's most-trusted company by contributing to society and our local communities through conscientious service that reliably meets customer needs. We will continue to strengthen our service reform and CSR (Corporate Social Responsibility) initiatives to win customers' perpetual loyalty.

Pursuit of most-trusted status	Initiatives
Service reform	<ul style="list-style-type: none"> <li>● Comply with laws, thoroughly protect customers</li> <li>● Endeavor to be No. 1 in retail customer satisfaction</li> <li>● Exhaustively promote customer-centric mindset</li> </ul>
CSR (Resona's social responsibility)	<ul style="list-style-type: none"> <li>● Strictly adhere to effective compliance practices</li> <li>● Conduct corporate activities to contribute to local community and address environmental issues (Resona Kids Academy,</li> </ul>

	etc.) ● Adequately disclose relevant management information on a timely basis
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**New Plan's Quantitative Targets (in aggregate for Resona Bank, Saitama Resona Bank, Kinki Osaka Bank, and Resona Trust & Banking)**

**Overview of Operating Performance Targets**

(Billions of yen)	FY 2008 (Plan)	FY 2011 (Plan)
Gross operating profits	684.0	760.0
Operating expenses	369.0	377.0
Actual net operating profit	315.0	383.0
After-tax net income	159.0	244.0
Aggregate earned surplus (Note 1)	1,314.7	1,763.5

1. Aggregate earned surplus includes Resona Holdings' earned surplus.

**Targets for Key Management Indicators**

(Amount in billions of yen)		FY 2008 (Plan)	FY 2011 (Plan)
Actual net operating profit		315.0	383.0
Income before income taxes		273.0	338.0
Profitability	Actual net operating profit RORA (Note 1)	1.25%	1.45%
Productivity	Cost-to-Income Ratio (OHR) (Note 2)	53.94%	49.60%
Soundness	NPL ratio	2.52%	Around 2.2%

1. Income before income taxes / ( [risk assets beginning balance + ending balance] / 2 )

2. Operating expenses / gross operating profits before trust account NPL charge-offs

**(2) Overview of Management Rationalization Plan**

**Operating Expenses**

We have been implementing internal reforms (e.g., major cuts in employee benefits, early retirement incentive programs) and pursuing radical BPR (Business Process Reengineering) of branch office administrative functions to build low-cost, high-speed, high-quality administrative processing capabilities (low-cost operations). By virtue of such reforms, we have reduced the Group's total personnel and non-personnel expenses from ¥432.5 billion in FY 2002 to ¥340.9 billion in FY 2007.

Under the New Plan, we will continue to endeavor to maximize operating efficiency through low-cost operation in pursuit of cost-structure reform. We will also continue to concentrate management resources in selected business domains and endeavor to establish a distinctive Resona style. Through this approach, we intend to achieve sustained, stable profits. At the same time, we aim to reduce aggregate cost-to-income ratio of Resona Group banks to below 50% by FY 2011, the New Plan's final fiscal year, by overcoming the inherently high-cost nature of retail businesses to achieve a lean profit structure.

**[Cost-to-Income Ratio (OHR)]**

(in aggregate for Resona Bank, Saitama Resona Bank, Kinki Osaka Bank, and Resona Trust & Banking)

(%)	FY 2007 (Actual)	FY 2008 (Plan)	FY 2009 (Plan)	FY 2010 (Plan)	FY 2011 (Plan)
Group banks total	51.73	53.94	54.49	52.14	49.60
Resona Bank	52.53	54.10	54.80	52.09	49.16

**[Personnel and Non-personnel Expenses]**

(Billions of yen)	FY 2007 (Actual)	FY 2008 (Plan)	FY 2009 (Plan)	FY 2010 (Plan)	FY 2011 (Plan)
Resona Group total*	340.9	347.0	354.0	354.0	355.0
Resona Bank	219.3	218.0	222.8	222.3	221.8

\* Resona Group total: Total for Resona Holdings and group banks combined

**[Personnel Expenses]**

(Billions of yen)	FY 2007 (Actual)	FY 2008 (Plan)	FY 2009 (Plan)	FY 2010 (Plan)	FY 2011 (Plan)
Resona Group total	126.7	130.0	130.0	132.0	134.0
Resona Bank	75.2	76.6	76.6	77.5	78.4

**[Employee Headcount]\*<sup>1</sup>**

	FY 2007 (Actual)	FY 2008 (Plan)	FY 2009 (Plan)	FY 2010 (Plan)	FY 2011 (Plan)
Resona Group total	14,675	14,750	14,700	14,700	14,700
Resona Bank	9,355	9,360	9,360	9,360	9,360

1. Headcounts are totals for office and miscellaneous personnel, including seconded personnel but excluding part-time, contract, and temp personnel.

**[Non-personnel Expenses]**

(Billions of yen)	FY 2007 (Actual)	FY 2008 (Plan)	FY 2009 (Plan)	FY 2010 (Plan)	FY 2011 (Plan)
Resona Group total	214.1	217.0	224.0	222.0	221.0
Resona Bank	144.1	141.4	146.2	144.8	143.4

**[Non-personnel Expenses (excluding systems-related expenses)]**

(Billions of yen)	FY 2007 (Actual)	FY 2008 (Plan)	FY 2009 (Plan)	FY 2010 (Plan)	FY 2011 (Plan)
Resona Group total	146.7	145.4	152.3	148.0	147.7
Resona Bank	96.0	93.7	100.6	97.5	97.2

**Subsidiaries and Affiliates' Earnings**

We aim to maximize the Group's corporate value through the contributions of subsidiaries and affiliates capitalizing on their respective strengths under Resona Holdings' governance. Basic management policies for the Group's banks during the New Plan's term are as follows.

Resona Bank is endeavoring to grow its earnings by proactively implementing Resona differentiation strategies, including area management (10 geographic areas) and expansion of next-generation branches. It will conduct consultative sales activities that help retail customers plan their financial future and operate solutions businesses that support corporate customers' business growth.

Saitama Resona Bank, the top bank in Saitama Prefecture, has achieved steady earnings growth with a business model integrally linked to the local community. It will continue to aspire to be a bank that is trusted by all Saitama residents, growing together with Saitama as a financial institution with deep roots in the local community.

Kinki Osaka Bank is pursuing earnings growth by building a sales force to differentiate itself from Resona Bank as an urban retail bank with a prominent presence in the Osaka area. It will continue to serve local customers, maintaining its distinctive, locally focused business model as the regional bank with the most extensive branch network in Osaka.

Resona Trust & Banking has continued to generate stable earnings by strengthening its ties with the Group's commercial banks as a corporate pension specialist. It will continue to upgrade its wealth of expertise in asset management and custodial services while variously capitalizing on its asset management capabilities.

The Resona Group aims to transform into a portfolio of businesses that provide solutions to corporate customers' management challenges. To further expedite this transformation, we plan to merge Resona Bank and Resona Trust & Banking during the New Plan's term, subject to regulatory approval. We intend to organically combine the affluent customer base of a commercial bank with the highly specialized expertise of a trust bank to provide solutions that incorporate trust banking services and revolve around customer relationships based on trust and confidence.

The Group's other domestic subsidiaries and affiliates will continue to endeavor to strengthen internal controls and contribute to enhancing shareholder value in close cooperation with the Group's banks.

## 2. Summary tables

### [Operating performance]

(in aggregate for Resona Bank, Saitama Resona Bank, Kinki Osaka Bank, and Resona Trust & Banking)

(Billions of yen)	FY 2007 (Actual)	FY 2008 (Plan)	FY 2009 (Plan)	FY 2010 (Plan)	FY 2011 (Plan)
Gross operating profits	700.0	684.0	690.0	721.0	760.0
Operating expenses	362.1	369.0	376.0	376.0	377.0
Actual net operating profits* <sup>1</sup>	337.8	315.0	314.0	345.0	383.0
Credit-related expenses* <sup>2</sup>	38.7	152.0	73.0	71.0	60.0
Net gain on stocks	(45.8)	4.0	3.0	4.0	6.0
Ordinary profits	212.5	173.0	249.0	286.0	340.0
After-tax net income	260.1	159.0	161.0	203.0	244.0
Cost to income ratio (OHR)	51.73	53.94	54.49	52.14	49.60

### [Operating performance] (Resona Bank)

(Billions of yen)	FY 2007 (Actual)	FY 2008 (Plan)	FY 2009 (Plan)	FY 2010 (Plan)	FY 2011 (Plan)
Gross operating profits	444.3	430.4	432.4	453.9	479.9
Operating expenses	233.3	232.9	237.0	236.5	236.0
Actual net operating profits* <sup>1</sup>	210.8	197.5	195.4	217.4	243.9
Credit-related expenses* <sup>2</sup>	21.2	120.0	50.0	50.0	40.0
Net gain on stocks	(44.6)	3.7	3.5	4.5	5.5
Ordinary profits	120.7	95.0	158.1	181.9	223.7
After-tax net income	198.7	111.1	97.9	125.9	168.4
Cost to income ratio (OHR)	52.53	54.10	54.80	52.09	49.16

1. Net operating profits before trust account NPL charge-offs and provisions to general reserve for possible loan losses

2. Credit-related expenses: provisions to general reserve for possible loan losses + loss on NPL disposal + trust account NPL charge-offs - credit cost reversals booked as extraordinary income

### **3. Measures to Promote Responsible Management**

To strengthen management oversight and supervision, enhance management transparency, and establish a responsible management structure, the corporate governance committees in place continue to play a key role in Resona Holdings' management. Such committees, together with efforts to strengthen oversight by our Board of Directors and facilitate swift decision-making through delegation of authority to executive officers, help ensure management transparency and objectivity. Resona Group banks are building organizations that operate autonomously under Resona Holdings' governance. Additionally, we at Resona Holdings and our group companies sincerely regret having had to accept substantial public funding. We are endeavoring to ensure the effectiveness of internal controls in accord with our Basic Policy Regarding Internal Group Controls to prevent recurrence of the circumstances that led to our publicly funded recapitalization.

### **4. Measures to Minimize Outflows of Profits**

We intend to continue pursuing management reform in the aim of enhancing shareholder value. We also aim to repay early the public funds with which we were recapitalized. We have accordingly adopted a basic policy of internally retaining earnings on a priority basis and minimizing outflows of profits. In FY 2009 and beyond, we aim to pay contractual dividends on preferred shares and hold dividends on common shares steady at their FY 2005 level, contingent upon future profitability.

For corporate officers' compensation, we have adopted a performance-based compensation scheme in the interest of clarifying corporate officers' accountability for operating results. We thus focus on changes in operating performance in compensating corporate officers. During the New Plan's term, however, we plan to introduce stock-purchase compensation, which will be paid in reference to our share price for the recipients to purchase Resona Holdings' shares, as a form of compensation linked to medium/long-term earnings performance in the aim of making our compensation scheme more conducive to the Group's sustained growth.

### **5. Measures to Facilitate Lending and Other Credit Extension**

We are fully cognizant of our public mission as a financial institution. Based on this recognition, we will endeavor to smoothly provide funding to sound companies. In particular, we will endeavor to proactively increase lending to retail customers, SMEs, and medium-sized corporate customers through such means as improving our loan product offerings and strengthening business promotion capabilities.

### **6. Measures to Retain Earnings Sufficient to Repurchase and Retire Shares and Repay or Redeem Borrowings**

The main source of funding for repayment of public funds is the Group's aggregate retained earnings, which stood at ¥1,165.9 billion as of the end of March 2008, ¥99.4 billion above target (¥1,066.4 billion after April 2008 revision). These retained earnings exceed the ¥335.2 billion in still-outstanding preferred shares issued pursuant to the Financial Function Early Strengthening Law ("Early Strengthening Law"). We project that retained earnings will cumulate to ¥1,577.6 billion by the end of March 2011 through diligent execution of the New Plan. Including capital raised through market issuance of preferred shares by March 2008 (such capital is now booked as "other capital surplus" on our balance sheet), we project that by the end of March 2011 we will have amassed retained earnings in excess of the ¥1,998.8 billion (at book value) of still-outstanding preferred shares issued in exchange for publicly funded recapitalization. By the end of FY 2011, the New Plan's final fiscal year, we project that retained earnings will cumulate to ¥1,763.5 billion. We will continue to endeavor to further boost our earnings power in the aim of amassing profits.

(Billions of yen)	As at March 31,				
	2008 (Actual)	2009 (Plan)	2010 (Plan)	2011 (Plan)	2012 (Plan)
Total retained earnings	1,165.9	1,314.7	1,432.7	1,577.6	1,763.5

1. The above retained earnings figures are totals for Resona Holdings and its banking subsidiaries. If we repay public funding or repurchase common shares on the open market, we intend to maintain an adequate capital adequacy ratio. Our target is to maintain a consolidated capital adequacy ratio of at least 9% and Tier-1 capital ratio (consolidated) of at least 5%, both on a Group basis, even after repaying public funds or repurchasing common shares. When adjusted by deducting from retained earnings ¥110 billion in share repurchases limit authorized but not yet fully executed and ¥335.2 billion (at book value) in still-outstanding mandatory convertible preferred shares issued pursuant to the Early Strengthening Law, the Group's consolidated shareholders' equity ratio is already above the target level. We aim to repurchase mandatory convertible preferred shares issued pursuant to the Early Strengthening Law before their respective mandatory conversion dates, subject to regulatory approval. However, we will also weigh the option of repurchasing common shares on the open market in response to changes in the market environment to accommodate the possibility of conversion of the mandatory convertible preferred shares. Additionally, if the mandatory convertible preferred shares issued pursuant to the Early Strengthening Law end up being converted into common shares, we will weigh the option of repurchasing common shares to neutralize dilution for common shareholders.

## Overview of Public Funding

### Common stock (issued pursuant to Deposit Insurance Law)

Type	Common stock
Total original issue amount	¥296.4bn
Current amount outstanding	¥279.2bn
Original number of shares issued* <sup>1,3</sup>	5,700,000
Current shares outstanding* <sup>3</sup>	5,370,000
Issue price per share* <sup>1,2,3</sup>	¥52,000

1. Outstanding common shares and all classes of preferred shares were reverse-split on a one-for-1,000 basis effective August 2, 2005.
2. Value per share was calculated by dividing Resona Bank's original issuance value by the share conversion ratio (adjusted to reflect said reverse stock split).
3. On May 16, 2008, Resona Holdings' Board of Directors passed a resolution authorizing a 100-for-one stock split of common and preferred shares effective one day before the effective date of the Law for Partial Amendments to the Law Concerning Book-Entry Transfer of Corporate Bonds and Other Securities for the Purpose of Streamlining the Settlement of Stocks and Other Securities (Law No. 88 of 2004). Shareholders approved the stock split and concomitant amendment of our Articles of Incorporation at our Seventh Annual Shareholder General Meeting on June 26, 2008. Once the pending stock split takes effect, the above issue's original share issuance will be 570,000,000 shares, its currently outstanding share count will be 537,000,000 shares, and its adjusted issue price per share will be ¥520.

### Voting preferred stock (issued pursuant to Deposit Insurance Law)

Name	Class one, No.1 preferred stock	Class two, No.1 preferred stock	Class three, No.1 preferred stock
Total issue amount	¥550.0bn	¥563.5bn	¥550.0bn
Number of shares issued	2,750,000	2,817,000	2,750,000
Issue price per share	¥200,000	¥200,000	¥200,000
Annual dividends per share	Variable	Variable	Variable
Dividend rate	1 year yen Libor +0.5%	1 year yen Libor +0.5%	1 year yen Libor +0.5%
Voting rights	No restriction	No restriction	No restriction

1. Outstanding common shares and all classes of preferred shares were reverse-split on a one-for-1,000 basis effective August 2, 2005.
2. On May 16, 2008, Resona Holdings' Board of Directors passed a resolution authorizing a 100-for-one stock split of common and preferred shares effective one day before the effective date of the Law for Partial Amendments to the Law Concerning Book-Entry Transfer of Corporate Bonds and Other Securities for the Purpose of Streamlining the Settlement of Stocks and Other Securities (Law No. 88 of 2004). Shareholders approved the stock split and

concomitant amendment of our Articles of Incorporation at our Seventh Annual Shareholder General Meeting on June 26, 2008. Once the pending stock split takes effect, the outstanding share count and adjusted issue price per share will respectively be 275,000,000 shares and ¥2,000 for the Class 1 preferred shares, 281,780,000 shares and ¥2,000 for the Class 2 preferred shares, and 275,000,000 shares and ¥2,000 for the Class 3 preferred shares.

#### Preferred stock (issued pursuant to Early Strengthening Law)

Name	Class B No.1 preferred stock	Class C No.1 preferred stock	Class E No.1 preferred stock	Class F No.1 preferred stock
Total issue amount	¥408.0bn	¥60.0bn	¥300.0bn	¥100.0bn
Current amount outstanding	¥163.3bn	¥60.0bn	¥11.9bn	¥100.0bn
Number of shares issued	680,000	120,000	240,000	80,000
Number of shares currently outstanding	272,000	120,000	9,000	80,000
Issue price per share	¥600,000	¥500,000	¥1,250,000	¥1,250,000
Annual dividends per share	¥6,360	¥6,800	¥14,380	¥18,500
Dividends rate	1.06%	1.36%	1.15%	1.48%
Mandatory conversion date	April 1, 2009	April 1, 2015	December 1, 2009	December 1, 2014
Original issuer	Daiwa Bank	Kinki Osaka Bank	Asahi Bank	Asahi Bank

1. Outstanding common shares and all classes of preferred shares were reverse-split on a one-for-1,000 basis effective August 2, 2005.

On May 16, 2008, Resona Holdings' Board of Directors passed a resolution authorizing a 100-for-one stock split of common and preferred shares effective one day before the effective date of the Law for Partial Amendments to the Law Concerning Book-Entry Transfer of Corporate Bonds and Other Securities for the Purpose of Streamlining the Settlement of Stocks and Other Securities (Law No. 88 of 2004). Shareholders approved the stock split and concomitant amendment of our Articles of Incorporation at our Seventh Annual Shareholder General Meeting on June 26, 2008. Once the pending stock split takes effect, the above preferred share issues' outstanding share count and adjusted issue price per share will be as follows.

Name	Class B No.1 preferred stock	Class C No.1 preferred stock	Class E No.1 preferred stock	Class F No.1 preferred stock
Total issue amount	¥408.0bn	¥60.0bn	¥300.0bn	¥100.0bn
Current amount outstanding	¥163.3bn	¥60.0bn	¥11.9bn	¥100.0bn
Number of shares issued	68,000,000	12,000,000	24,000,000	8,000,000
Number of shares currently outstanding	27,220,000	12,000,000	957,000	8,000,000
Issue price per share	¥6,000	¥5,000	¥12,500	¥12,500
Annual dividends per share	¥63.60	¥68	¥143.80	¥185
Dividends rate	1.06%	1.36%	1.15%	1.48%
Mandatory conversion date	April 1, 2009	April 1, 2015	December 1, 2009	December 1, 2014
Original issuer	Daiwa Bank	Kinki Osaka Bank	Asahi Bank	Asahi Bank

#### Subordinated debt (funded pursuant to Early Strengthening Law)

Type	Perpetual Subordinated Loan
Original amount borrowed	¥100.0bn
Amount outstanding	¥45.0bn
Interest rate	From issuance to March 2009: Yen Libor + 1.04% Thereafter: Yen Libor + 2.54%

Repayment date	Perpetual
Call feature	Callable after March 31, 2009
Original borrower	Asahi Bank

#### **7. Measures to Ensure a Sound Financial Condition and Sound and Appropriate Business Operations**

The Group has dramatically reduced future risk factors, mainly through decisive financial reforms carried out during the Intensive Revitalization Period.

Throughout the course of the New Plan, the Group will further strengthen its revenue and earnings structure by enhancing its ability to appropriately control loan credits, stock holdings, and other risk assets to prevent the emergence and increase of new risk factors, and by pursuing returns that are commensurate with the risks involved.