

*From "Recovery" to "Leap Forward"*  
*- Resona's New Challenge -*



**RESONA**

**September 7, 2005**



**Resona Holdings, Inc.**

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**Attainment of sustainable profitability and accelerated earnings momentum**

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**<Reference Materials>**

# What we have achieved in the IRP: Financial reforms for sustainable profitability

Improved Quality of Balance Sheet			March '03	March '05
Loans	NPL clean-up	NPL ratio	11.19% (Sep '03)	3.39%
		Reserve ratio <sup>(1)</sup>	In need of special attention 27.8% Doubtful 62.5%	In need of special attention 56.3% Doubtful 94.8%
	Portfolio diversification/ dispersal	Exposures to ¥10bn and higher borrowers <sup>(2)</sup>	65 companies ¥2.54 tn.	21 companies ¥0.45 tn
		Housing loan ratio	28.9%	39.9%
Securities	Reduction of stocks	Cross shareholdings <sup>(3)</sup>	¥1,397.0 bn	¥397.8 bn
		Break even Nikkei Avg.	Abt. ¥8,700 <sup>(4)</sup>	Abt. ¥6,600
	Bonds portfolio	Interest rate sensitivity <sup>(5)</sup> (BPV)	¥(1.57) bn	¥(1.02) bn
DTA	Conservative approach	Dependence on DTA (DTA/Tier I )	99.5%	3.8%
Pension Liabilities	Restoring soundness	Pension liabilities	¥ 800.0 bn	¥345.9 bn
		Unfunded obligation	¥(456.4) bn	¥(89.2) bn
Capital	Capital Improvement	BIS Ratio	3.78%	9.74%

(1) Reserve ratio for unsecured portion

(2) Exposures to "other watch" and lower categories of borrowers (Resona Bank)

(3) Include trust account

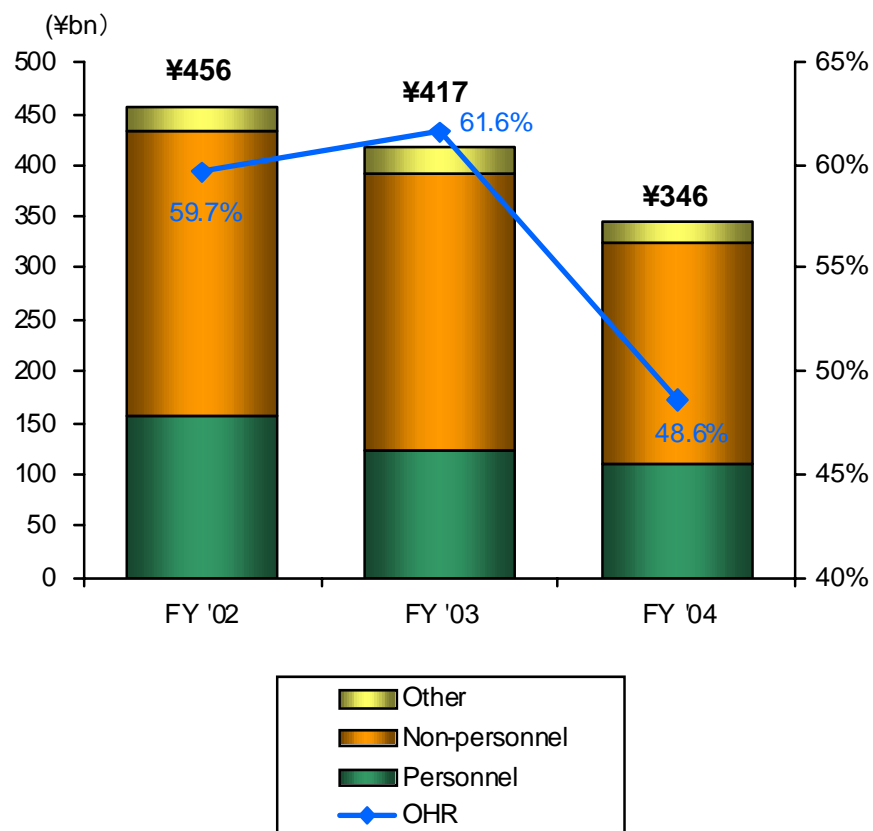
(4) After write-down

(5) BPV for domestic bonds

# What we have achieved in the IRP: Financial Reforms for sustainable profitability

## Improvement in cost structure

Reduced expenses by approx. ¥110 bn (24%) in 2 years and OHR went down to less than 50%



### Measures taken to gain cost-competitiveness

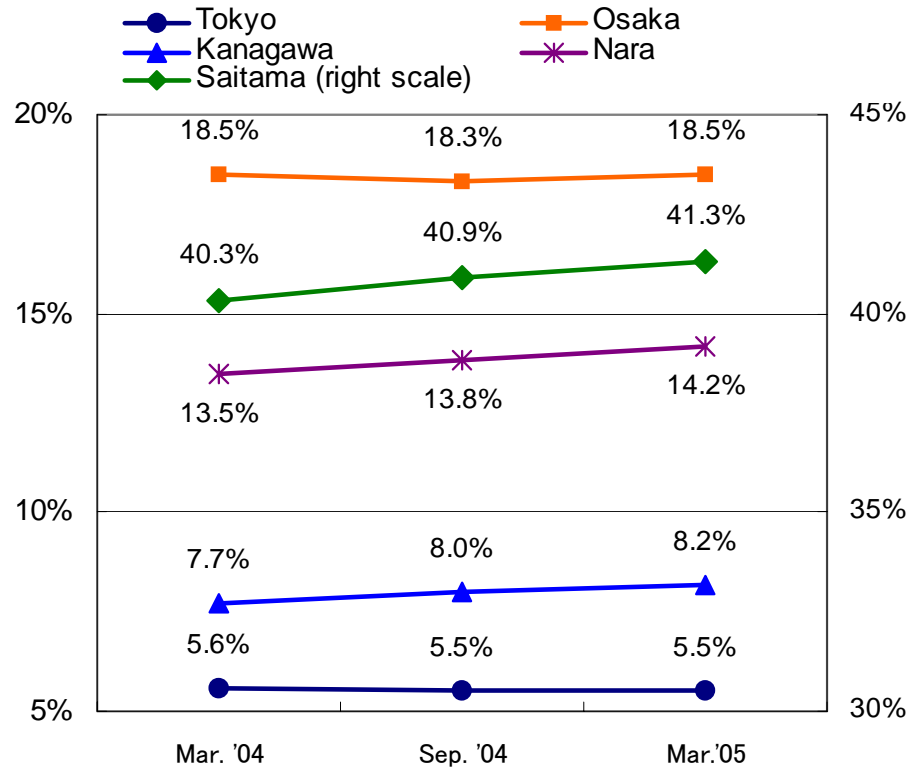
- **Reduced employees and personnel costs**
  - Reduced 4,607 employees in two years  
\* Employees as of March 2005: 14,700
  - Implementation of early retirement policy and review of employees' salary
- **Implemented pension system reform**
  - Returned the proxy portion of employees' pension plan
  - Lump-sum amortization of unfunded obligations
  - Reduced pension benefit for former employees
- **Reduced non-personnel expenses**
  - Reviewed businesses subcontracted to affiliated companies
- **Reduced systems costs**
  - Off-balanced IT assets
  - Outsourced systems development and maintenance functions of the former Asahi Bank to a third party, etc.

(1) Total of five banks

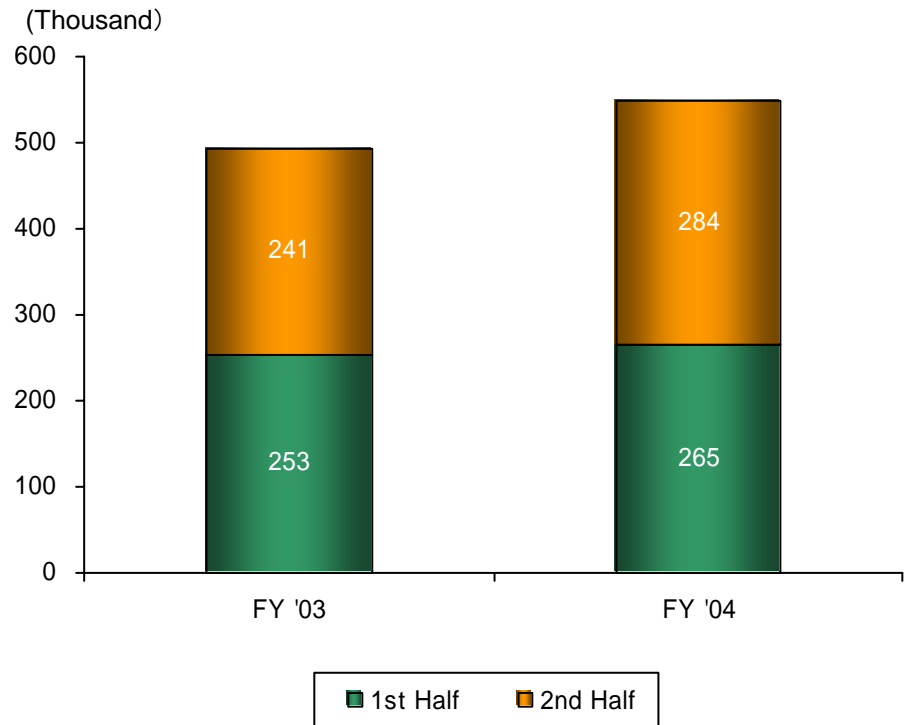
# What we have achieved in the IRP: Reestablishment of customer base

*We have regained customer confidence through successful transformation*

Trend of loan market share in principal markets (Loans)<sup>(1)</sup>



Number of new accounts opened<sup>(2)</sup>



(1) Total of four group banks (Resona Bank + Saitama Resona Bank + Kinki Osaka Bank + Nara Bank)

(2) Resona Bank only

# What we have achieved in the IRP: Transform into a “distributor model”

*Intensive allocation of management resources on retail business and alliances with leading players in various industries*

## Alliance strategy

- Domestic subsidiaries and affiliates narrowed down to core areas
  - Number of domestic subs and affiliates [Mar.'03] 50 → [Mar.'05] 11
- Tie-up with industry top players to provide best service and products

## Channel reform

- Introduced “Area Management”
  - “Area CEOs”: delegation of decision-making authority and profit responsibilities
- Launched pilot testing branch
  - Enabled strengthening of marketing and low-cost operations simultaneously
- Expansion of service channels by introducing low-cost manned branches (Resona Personal Stations)

## Marketing know-how and business infrastructure

- Identify and share success patterns and best practices
  - Sales of investment products by “fund management consultants” who are ex-securities brokers
  - Origination of housing loans through well established relationship with house developers and sales agents
  - Expansion of real estate functions in the Tokyo metropolitan area (Exploration of new markets)

## Examples of accomplishments

- Joint brand credit cards launched with Credit Saison
- Issuance of new cards in the 2<sup>nd</sup> half of fiscal 2004: 184 thousand

- Pilot-testing implemented at Resona Bank’s 2 branch offices
- Sale volume of foreign currency deposits and investment trusts more than tripled

- Investment trust sold in FY04  
Group total: Abt. ¥680 bn
- Increase of housing loans in FY 04 (Term-end balance)  
Group total: Abt. ¥800 bn

# Major challenges in operation reforms

## *Branch office redefined as a place for marketing*

Fields	Objectives	Measures
1. Next generation branch office	<ul style="list-style-type: none"> <li>• Clearly separating clerical work and sales promotion activities (Renovation of branch offices)</li> <li>• Reducing clerical works</li> <li>• Enhance convenience, corporate image</li> </ul>	<ul style="list-style-type: none"> <li>• Expanding next generation branch offices</li> <li>• Guiding customers to direct channels, making best use of ATMs (EB, IB, TEL)</li> <li>• Accumulating marketing know-how with CRM</li> </ul>
2. Business process reengineering	<ul style="list-style-type: none"> <li>• Paperless, cashless workflow</li> <li>• Actively utilizing direct channels</li> <li>• Detaching back-office from branches</li> </ul>	<ul style="list-style-type: none"> <li>• Expanding functions of Quick Navi terminals</li> <li>• Expanding functions of direct channels</li> <li>• Upgrading operating system of back-office centers</li> </ul>
3. Reform of back-office centers	<ul style="list-style-type: none"> <li>• Concentrating clerical work thoroughly</li> <li>• Merging overlapping centers</li> </ul>	<ul style="list-style-type: none"> <li>• Area back-office center</li> <li>• Call centers capable of paperwork</li> <li>• Merger and abolition of back-office centers and outsourcing to third parties</li> </ul>
4. Innovation in loan back office	<ul style="list-style-type: none"> <li>• Certain loan screening and credit administration functions transferred to Loan Middle Office</li> <li>• Detaching decision makings on small loans from branch offices</li> </ul>	<ul style="list-style-type: none"> <li>• Concentrating loan back-office work</li> <li>• Concentrating NPL and collateral administration</li> <li>• Computerized workflow (Asset quality assessment, internal memo system)</li> <li>• Decisions on small loans made by loan middle office</li> </ul>



# Reform of branch offices

## Business Processing Reformation (BPR)<sup>(1)</sup> in branch offices

- Zero waiting time
- No transaction slips and seal impression
- No back-office staff

Storefront	Introduction of "module box"
Cash Handling	Cash transactions handled by ATMs
Back Office	No back-office staff



### <Objectives>

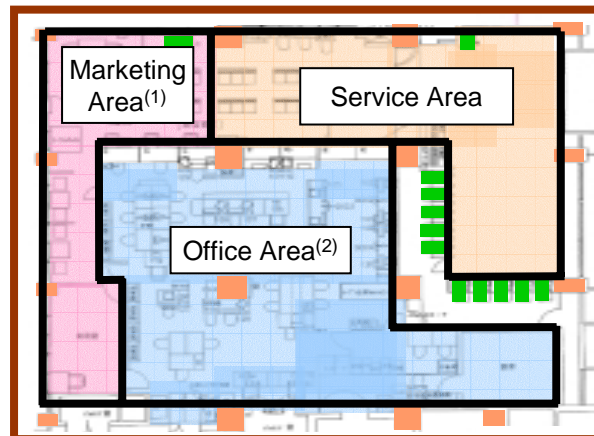
1/2 clerical work costs

1/2 Office Area<sup>(2)</sup>

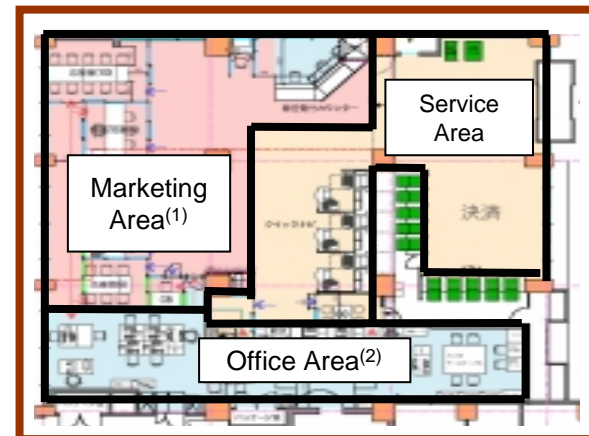
1/2 clerical staff

## Comparison of office layouts before and after the modification

[BEFORE]



[AFTER]



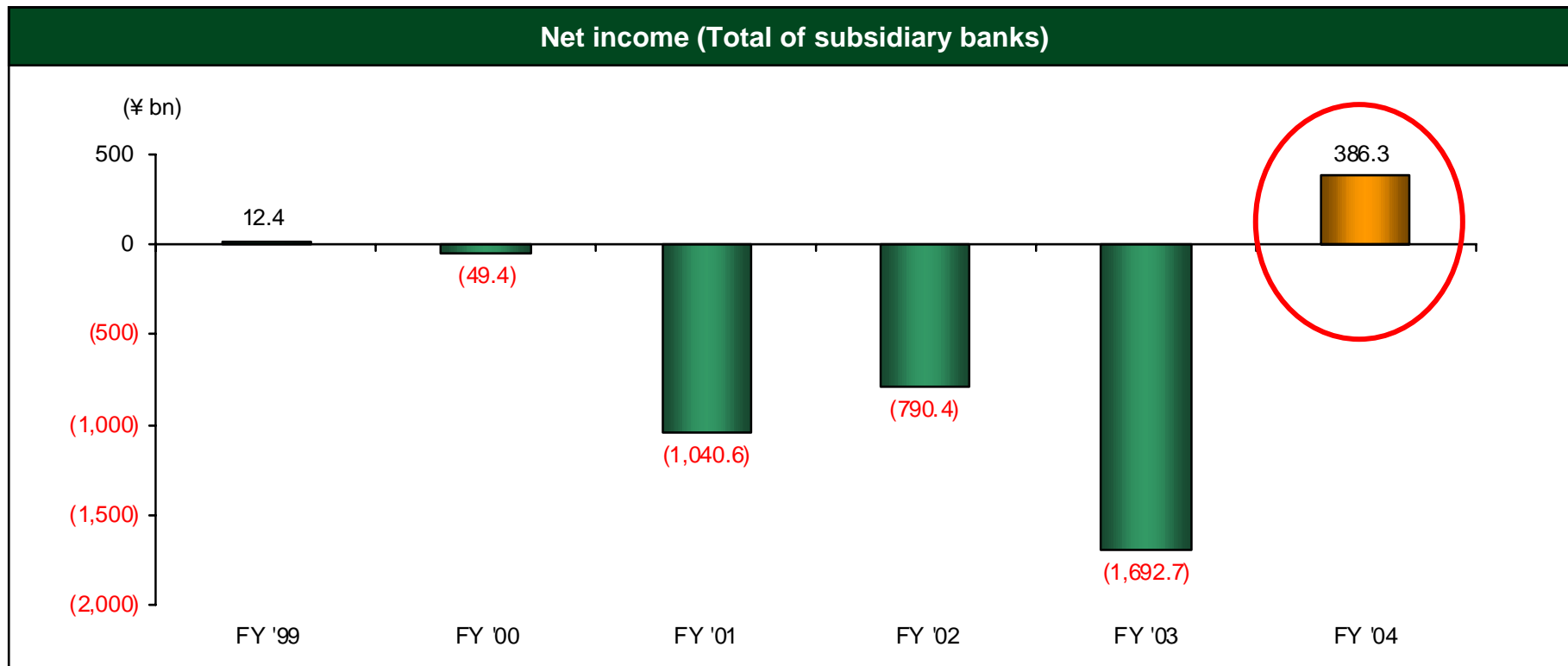
(1) Enlargement of marketing area: Approx. 66 square meters → Approx. 132 square meters (Doubled)

(2) Cutback in office space: Approx. 132 square meters → Approx. 66 meters (Halved)

# What we have achieved in the IRP: V-shape recovery of profits

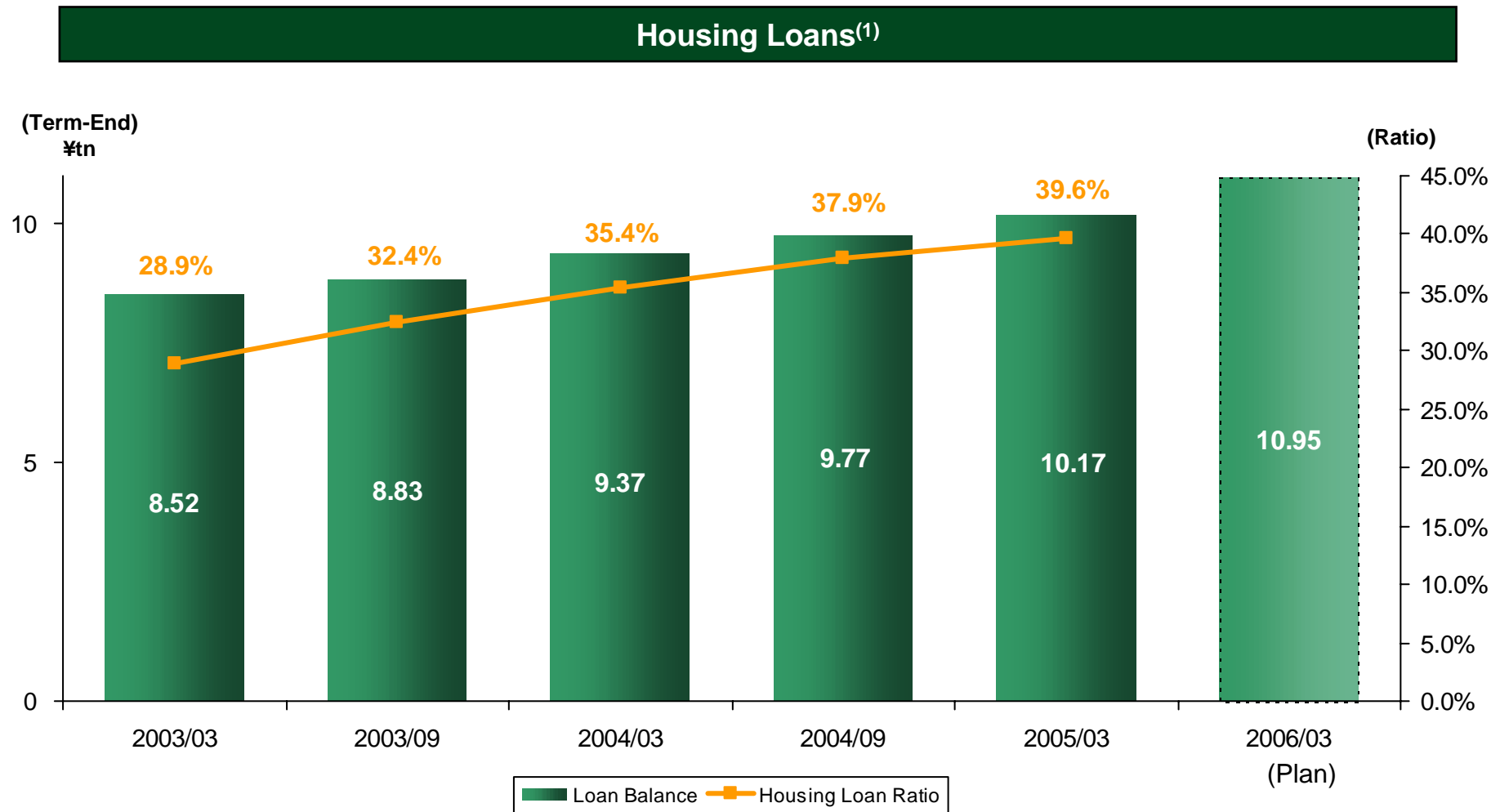
Successful transformation into a structure capable of producing stable profits

- Recorded net income significantly greater than original plan
- Highest profits ever achieved by the Group



# Resona's Focus Business: Retail Loans

## Housing Loans Increasing

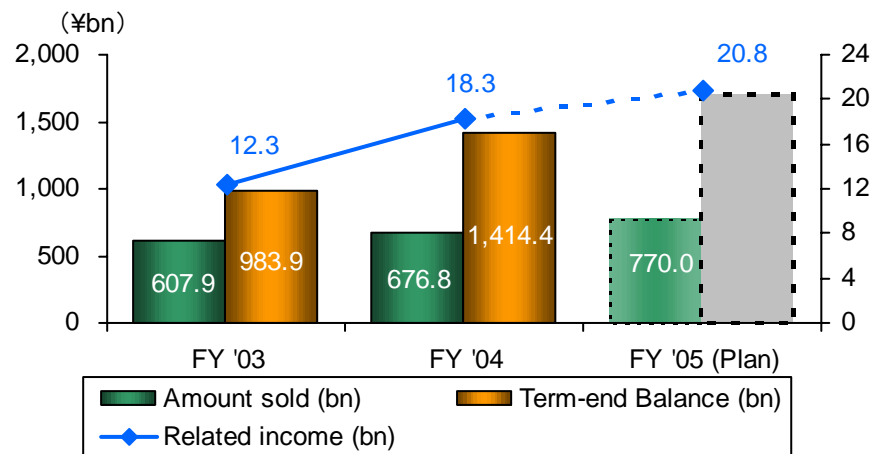


(1) Total of four banks

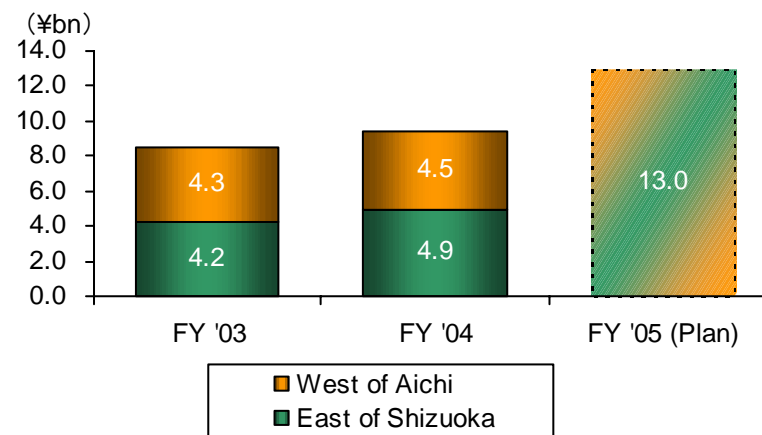
# Resona's Focus Business: Fee Business

*Fee business steadily growing and achieving highest records*

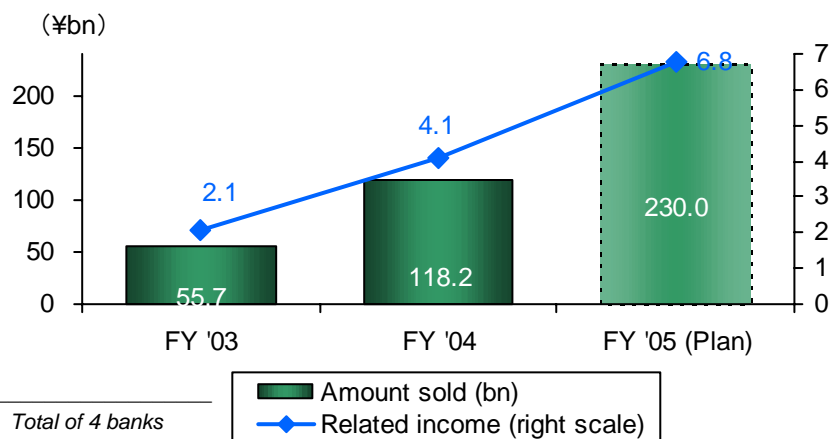
Sales of investment trusts<sup>(1)</sup>



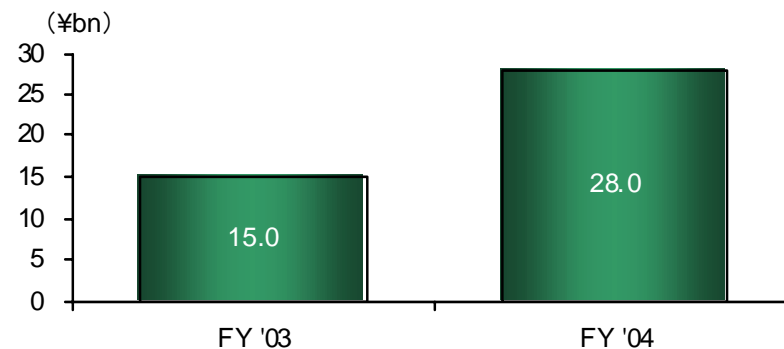
Income from real estate business<sup>(2)</sup>



Sales of personal annuity<sup>(1)</sup>



Income from derivatives transactions<sup>(2)</sup>



(1) Total of 4 banks  
(2) Resona Bank only

# Operating results for the First Quarter of Fiscal Year 2005

Performance continues to be strong in 1Q-FY2005

(Total of four group banks)

		1Q-FY2005	FY2005 full-year forecasts		Progress up to present and outlook going forward
				1Q progress	
<b>Operating Results</b>	Gross operating profits	¥167.2 bn.	¥673.0 bn.	24.8%	1Q progress in line with the full-year forecast (Faster pace if seasonality of trust fee is adjusted)
	Operating expenses	¥80.4 bn.	¥374.0 bn.	21.5%	Systems integration and other one-time expenses expected in 2Q and subsequent periods (Such expenses already reflected in full-year forecasts)
	Actual net operating profits	¥86.8 bn.	¥300.0 bn.	28.9%	Good pace given the positive trends both in top-line income and expenses
	Credit-related expenses	¥(38.2) bn.	¥71.0 bn.	—	Reversal mostly attributable to a decline in the balance of loans to "other watch" and "special attention" borrowers
	Net income	¥121.7 bn.	¥205.0 bn.	59.4%	Net income for the 1Q already exceeded the forecast for the first half period (full year and interim forecasts remain the same)
<b>Other Indicators</b>	NPL ratio	3.25%	Upper 2% range	—	NPL decreased by ¥53 bn in 1Q (Bring down the ratio to "Upper 2% range" by March 2006)
	Cost-to-income ratio	48.1%	55.6%	—	Systems integration and other one-time expenses expected in 2Q and subsequent periods
	Financial products sold to individuals*	¥1.94 tn.	¥2.70 tn.	—	Target increase for current fiscal year: ¥0.98 tn (Increase in 1Q: ¥0.22 tn)

\* Investment trust, personal annuity, and public bonds sold to individual customers

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Attainment of sustainable profitability and accelerated earnings momentum

Exit policy on public funds

<Reference Materials>

# Exit policy on public funds

## Clear exit policy for the public funds injected under the Early Strengthening Law

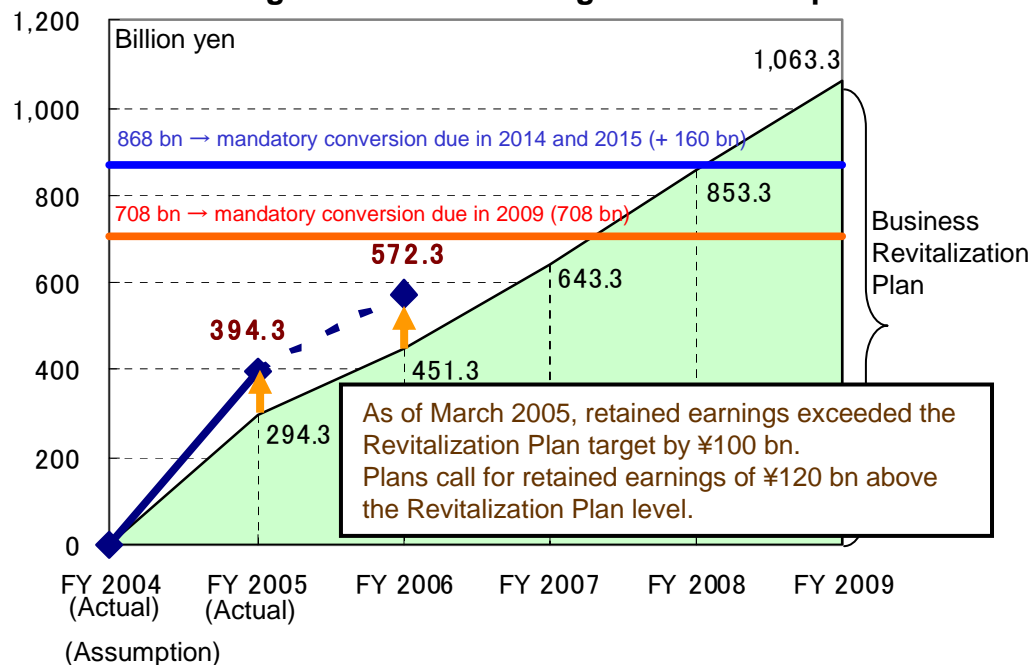
### <Preferred stocks issued under the Early Strengthening Law>

	Class B, #1	Class E, #1	Class F, #1	Class C, #1
Issue amount (bn)	408	300	100	60
Conversion date	Apr. 2009	Dec. 2009	Dec. 2014	Apr. 2015
Deadline for Retained earnings	Mar. 2008	Mar. 2009	Mar. 2014	Mar. 2014

Mandatory conversion  
due in 2009

Mandatory conversion  
due in 2014 and 2015

### <Retained Earnings of Resona Holdings and Its Group Banks>



■ Profits assumed to remain at FY2007 level from FY2008

### Basic approach towards repayments

Of the ¥2,528 billion of preferred stocks issued to receive public funds, our first priority is to redeem the ¥868 billion with a mandatory conversion feature. (Prevention of dilution from large-scale conversion)

Recorded the highest profits ever achieved by the Group in fiscal 2004. Retained earnings are piling up faster than planned in the Business Revitalization Plan. By maintaining and further strengthening the profit momentum, we will further accelerate the pace of accumulation.

Of the ¥868 billion of mandatorily convertible preferred stocks, ¥708 billion will be due for mandatory conversion in 2009. If we attain the earnings forecast for the current full-year period, we will be able to secure the retained earnings equivalent to approximately 80% of the amount by the end of this fiscal year.

We will also give considerations to redeeming ¥300 billion of subordinated loans while carefully managing capital ratio and exploring refinancing opportunities.

Basically a similar approach with respect to the ¥1.96 trillion of common and preferred stocks issued in 2003 under the Deposit Insurance Law. By implementing the reform measures one by one, we will transform ourselves into a highly profitable bank and accelerate the accumulation of retained earnings further so that we could foresee early redemptions of the remaining public funds.

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# What we have achieved in the IRP: Strategic Alliances

## *Alliance strategy of the Group*

Objective	Alliance area	Partners
Solution	Securities	Nomura Securities Matsui Securities D-Brain Securities, IPO Securities
	M&A	Mizuho Securities
	International banking	Bank of East Asia, Bangkok Bank, Bank of Tokyo-Mitsubishi, etc.
	Insurance	Alico Japan, etc
Convenience	Credit card	Credit Saison
	Network	IY Bank, Lawson
	Other	Japan Travel Bureau (JTB)
Product line-up	Investment trust	Credit Agricole, etc
	Private banking	Shinwa Art Auction, etc
	Housing loan	Art Corporation
Channel	Other	Yoshinoya D&C Tully's Coffee

# Resona's Focus Business: Peer Comparison

## Increase of Housing Loans and Investment Trusts leads the Mega Banks

### Housing loans

FY '04: Increase in term-end balance

(Billions of yen)	Balance at end of March 2005	Year on year increase	Rate of increase
SMBC	13,240.4	515.4	4.1%
Mizuho Bank	10,499.4	(604.5)	-5.4%
UFJ Bank	9,482.6	428.4	4.7%
<b>Resona + Saitama Resona</b>	<b>9,093.9</b>	<b>736.9</b>	<b>8.8%</b>
BOTM	7,565.0	201.5	2.7%
Chuo Mitsui Trust & Banking	1,834.7	(31.1)	-1.7%
Sumitomo Trust & Banking	1,028.2	141.9	16.0%
UFJ Trust & Banking	586.7	(78.6)	-11.8%
Mitsubishi Trust & Banking	567.8	50.2	9.7%
Mizuho Trust & Banking	382.0	(15.2)	-3.8%
Shinsei Bank	289.2	120.6	71.6%
Aozora Bank	16.1	(0.5)	-3.1%

Source of other banks: Company disclosure

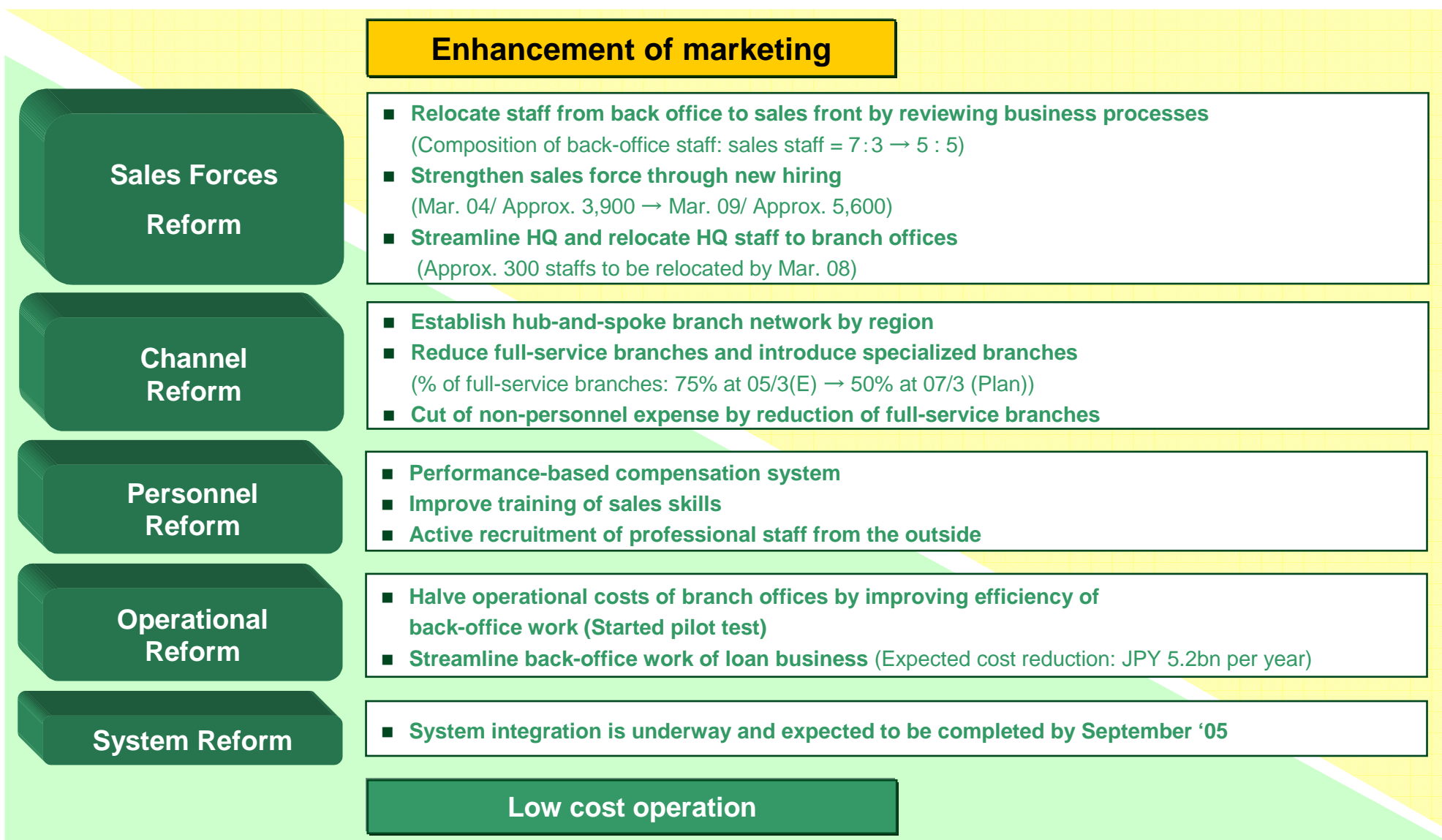
### Investment trusts

FY '04: Increase in term-end balance

(Billions of yen)	Balance at end of March 2005	Year on year increase	Rate of increase
SMBC	2,348.2	342.5	17.1%
BOTM	1,341.0	441.0	49.0%
<b>Resona + Saitama Resona</b>	<b>1,155.5</b>	<b>350.4</b>	<b>43.5%</b>
Mizuho Bank	1,102.0	104.0	10.4%
UFJ Bank	874.1	146.1	20.1%
Chuo Mitsui Trust & Banking	692.2	198.2	40.1%
Mitsubishi Trust & Banking	685.3	213.1	45.1%
Sumitomo Trust & Banking	593.3	99.5	20.1%
UFJ Trust & Banking	313.0	24.6	8.5%
Mizuho Trust & Banking	283.2	87.7	44.9%
Shinsei Bank	176.0	7.5	4.5%
Aozora Bank	60.0	15.5	34.8%

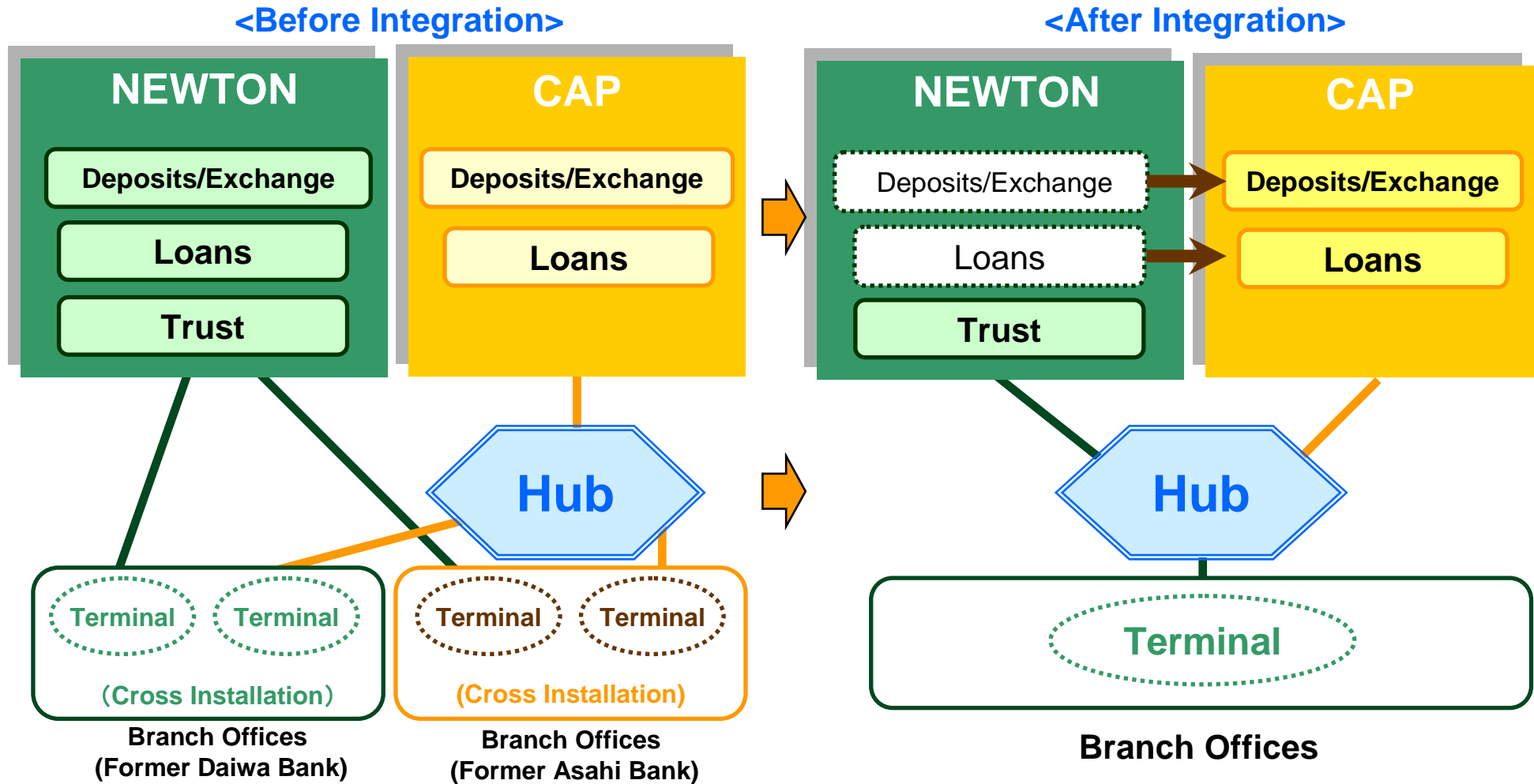
Source of other banks: "Nikken" edition of Apr 29

# Continued efforts to strengthen marketing and enhance low cost operations



# Planned systems integration at Resona Bank

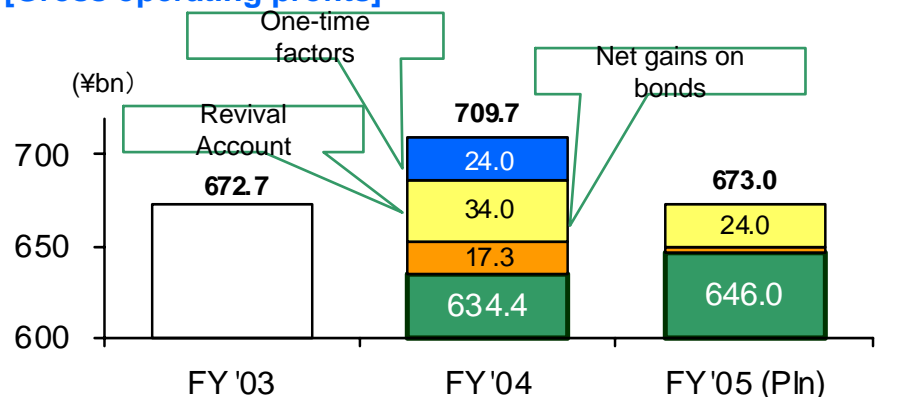
*System integration is underway and expected to be completed by September '05*



# Outline of the earnings plan for FY 2005 (Group banks total)

Despite a drop of one-time gains, base profits continue to grow

## [Gross operating profits]

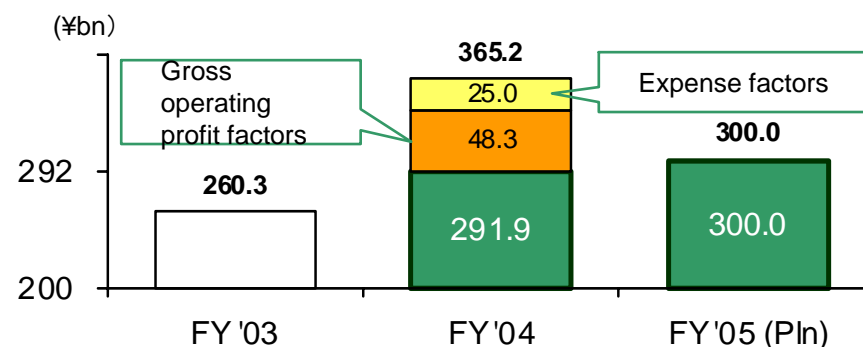


Gross operating profits for FY 05 projected to be ¥673 bn, up ¥7bn in comparison with Business Revitalization Plan.

Base profits, after the adjustments of 1) a drop in one-time gains registered for FY 04, 2) decrease of profits from the Revival account and 3) a decline in net gains on bonds (¥17.3bn for FY 04 and ¥3.0bn for FY 05), will continue to grow in FY 2005.

Increase of loans planned in FY '05  
Loans to SMEs: +¥450 bn., Housing loans: +¥780 bn.

## [Actual net operating profits]

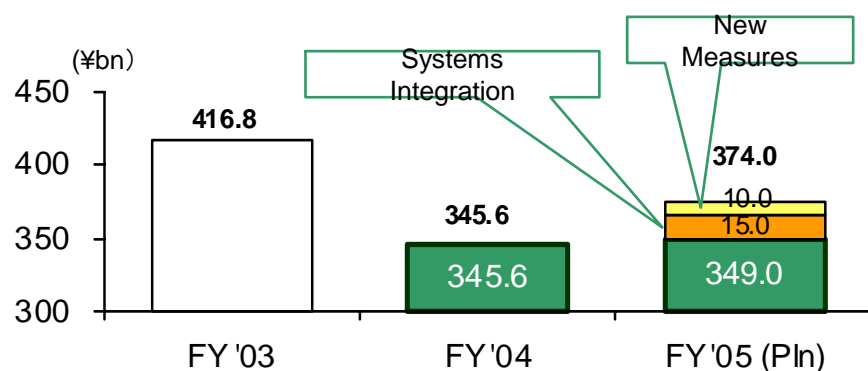


Expenses for FY 05 projected to be ¥374bn as were originally planned in Business Revitalization Plan.

Due to such non-base expenses as strategic measures to strengthen marketing, incentive salaries, and also for planned systems integration, expenses will rise temporarily in FY 05.

Group banks continue efforts to reduce their base expenses, which excludes the aforementioned non-base expenses, to the level of the previous year.

## [General & administrative expenses]



# Earnings plan (Business Revitalization Plan)

(Total of Five Banks)

	FY2003	FY2004	FY2004	FY2005	FY2006	FY2007
	(Actual)	(Plan)	(Actual)	(Plan)	(Plan)	(Plan)
Gross operating profit	672.7	690.0	709.7	666.0	692.0	718.0
Trust fees	32.7	34.0	35.1	35.0	34.0	34.0
NPL disposal in trust account	4.4	1.0	1.1	0.0	0.0	0.0
Interest income	629.4	609.0	613.0	597.0	608.0	629.0
Interest expense	85.2	75.0	74.9	73.0	66.0	63.0
Net fees & commissions	71.5	70.0	72.3	69.0	73.0	78.0
Net trading income	21.8	18.0	21.9	22.0	24.0	24.0
Other operating income	2.3	34.0	42.1	16.0	19.0	16.0
Gains/(losses) on bonds	(6.6)	9.0	17.3	0.0	0.0	0.0
Actual net operating profit *	260.3	338.0	365.2	292.0	328.0	354.0
Net operating profit	275.3	341.0	366.5	292.0	328.0	354.0
Provision to general reserve	(19.4)	(4.0)	(2.4)	0.0	0.0	0.0
Expenses	416.8	353.0	345.6	374.0	364.0	364.0
Personnel expense	123.7	109.0	111.1	122.0	121.0	121.0
Non-personnel expenses	267.3	222.0	213.5	230.0	221.0	221.0
Disposal of NPL	1,343.4	15.0	53.6	76.0	74.0	74.0
Net gain/(loss) on stocks	(19.9)	29.0	45.1	0.0	0.0	0.0
Ordinary profit/(loss)	(1,152.5)	352.0	317.2	196.0	236.0	262.0
Extraordinary gains	36.4	29.0	130.6	0.0	0.0	0.0
Extraordinary losses	215.5	76.0	55.6	2.0	7.0	1.0
Income taxes - current	6.5	5.0	6.7	10.0	10.0	24.0
Income taxes - deferred	354.5	12.0	(0.9)			
Net income/(loss)	(1,692.7)	288.0	386.3	184.0	219.0	237.0

\* Actual net operating profit = Net operating profit before provision to general reserve and NPL disposal in the trust account

\*1. Assets and liabilities are stated in average balance. Stockholders' equity is reported in term-end balance.

\*2. Earned surplus excluding earned surplus reserve

\*3. Management indicators other than OHR, ROE and ROA are based on the total figures of four subsidiary banks excluding Resona Trust & Banking.

	FY2003	FY2004	FY2004	FY2005	FY2006	FY2007
	(Actual)	(Forecast)	(Actual)	(Plan)	(Plan)	(Plan)
Total assets (Note.1)	43,354.2	41,560.0	41,565.6	41,180.0	40,800.0	40,640.0
Loans and bills discounted	27,261.4	25,720.0	25,532.7	26,620.0	27,490.0	28,500.0
Securities	7,031.1	7,580.0	7,549.9	7,370.0	6,680.0	6,000.0
Trading assets	534.6	890.0	774.0	980.0	980.0	980.0
DTA (term-end bal.)	51.1	46.6	46.8	40.8	37.8	21.9
Total liabilities (Note.1)	41,485.2	40,470.0	40,566.0	40,060.0	39,710.0	39,540.0
Deposits and NCDs	33,074.1	32,740.0	32,939.6	32,630.0	32,720.0	33,000.0
Trading liabilities	11.0	10.0	9.0	12.0	12.0	12.0
DTL for land revaluation (term-end bal.)	45.7	45.5	46.2	45.5	45.5	45.5
Total shareholders' equity	1,130.2	1,394.1	1,509.2	1,328.6	1,364.0	1,382.0
Capital stock	384.7	404.7	404.7	404.7	404.7	404.7
Capital reserve	416.3	433.8	433.8	433.8	433.8	433.8
Other capital surplus	1,777.0	88.7	88.7	88.7	88.7	88.7
Earned surplus reserve	20.0	20.0	20.0	20.0	20.0	20.0
Retained earnings (Note 2)	(1,675.6)	250.3	349.8	184.8	220.2	238.2
Land revaluation excess	66.8	66.6	64.3	66.6	66.6	66.6
Net unrealized gains/(losses) on other securities	140.9	130.1	147.6	130.1	130.1	130.1

(Management Indicators) (Note.3)

Yield on interest earning assets (A)	1.66	1.66	1.67	1.62	1.66	1.73
Interest earned on loans and bills discounted	2.06	2.04	2.04	1.98	1.96	1.97
Interest on securities	0.79	0.89	0.94	0.77	0.85	0.94
Total cost of funding (B)	1.24	1.08	1.06	1.15	1.12	1.11
Interest paid on deposits and NCDs (D)	0.11	0.10	0.10	0.09	0.08	0.07
Overall interest spread (A) - (B)	0.41	0.57	0.61	0.47	0.54	0.61
Cost-to-income ratio (OHR)	61.56	51.08	48.61	56.15	52.60	50.69

# Dividend policy and reverse split of stocks

## Dividend Policy

*Given the large amount of public funds injected, Resona HD's basic policy is to prevent outflows of profits as much as it can so as to stabilize its financial structure through the accumulation of retained earnings*

### <Dividend for FY '04>

- Dividends on preferred stocks will be paid
- Dividends on common stock will not be paid

### <Dividend for FY '05>

Exert effort to resume dividends on its common stock

Resona Group prioritizes the repayments of public funds and will resume dividends on common stock only when its retained earnings exceed its target in the Business Revitalization Plan.

## Outline of the reverse split of stocks

### Reverse split of stocks

**Abolishment of current unit system\***

**Introduction of fractional share system\***

**Reduce the number of shares to an appropriate level**

**Enhance convenience of shareholders by making one share a unit of investment**

**Ensure certain shareholder rights including a right to claim distribution of dividends, etc.**

\* Subject to the amendments to the Articles of Incorporation

# Preferred stocks issued in 1990's

	Class A Preferred Stock	Class B Preferred Stock	Class C Preferred Stock	Class D Preferred Stock	Class E Preferred Stock	Class F Preferred Stock
Original issuer and name of securities	Daiwa Bank Class A Series 1	Daiwa Bank Class B Series 1	Kinki Osaka Bank Series 1	Asahi Bank Series 1	Asahi Bank Series 1 Class 2	Asahi Bank Series 2 Class 2
Original issue date	7/27/1995	3/31/1999	4/26/2001	8/8/1997	3/31/1999	3/31/1999
Current number of shares	5.97 million	680.00 Million	120.00 Million	0.146 Million	240.00 Million	80.00 Million
Issue price	JPY 1,000	JPY 600	JPY 500	JPY 2,000	JPY 1,250	JPY 1,250
Original number of shares issued	50.00 Million	680.00 Million	120.00 Million	50.00 Million	240.00 Million	80.00 Million
Original total amount of financing	JPY 50 Billion	JPY 408 Billion	JPY 60 Billion	JPY 100 Billion	JPY 300 Billion	JPY 100 Billion
Shareholders	Shimano	RCC	RCC	Trust	RCC	RCC
Preferred dividend						
Dividend per share	JPY 24.75 (Note 1)	JPY 6.36	JPY 6.80	JPY 10.00	JPY 14.38	JPY 18.50
Yield	2.475% (Note 1)	1.06%	1.36%	0.50%	1.1504%	1.48%
Conversion rate						
Convertible period	7/26/1998 7/25/2025	6/30/1999 3/31/2009	1/1/2002 3/31/2015	10/1/1997 7/31/2007	7/1/2002 11/30/2009	7/1/2003 11/30/2014
Determination of conversion	Rate	Rate	Price	Price	Price	Price
Current conversion price	(JPY 250.0)	(JPY 210.01)	JPY 180.90	JPY 496.30	JPY 359.70	JPY 359.70
Current conversion rate	4.0	2.857	(2.764)	(4.030)	(3.475)	(3.475)
Adjustment of conversion rate						
Adjustment date	7/26	6/30	1/1	10/1	7/1	7/1
Adjustment direction	Upward/Downward	Upward/Downward	Upward/Downward	Downward only	Upward/Downward	Upward/Downward
Cap rate	4.0	3.429	(2.999)	(4.029)	(3.475)	(3.475)
Floor rate	0.2	-	-	-	-	-
Cap price	(JPY 5,000.00)	-	-	-	-	-
Floor price	(JPY 250.00)	(JPY 174.98)	JPY 166.70	JPY 496.30	JPY 359.70	JPY 359.70
Start of market price calculation	50 trading days before	45 trading days before	45 trading days before	45 trading days before	45 trading days before	45 trading days before
Calculation period	30 trading days	30 trading days	30 trading days	30 trading days	30 trading days	30 trading days
Mandatory conversion						
Mandatory conversion date	7/26/2025	4/1/2009	4/1/2015	8/1/2007	12/1/2009	12/1/2014
Conversion rate	JPY 1,000/Market Price	JPY 600/Market Price	JPY 500/Market Price	JPY 2,000/Market Price	JPY 1,250/Market Price	JPY 1,250/Market Price
Start of market price calculation	45 trading days before	45 trading days before	45 trading days before	45 trading days before	45 trading days before	45 trading days before
Calculation period	30 trading days	30 trading days	30 trading days	30 trading days	30 trading days	30 trading days
Floor price	JPY 250.00	JPY 100.00	JPY 166.70	JPY 500.00	JPY 359.80	JPY 359.80

(Note 1) Information up to March 2005. After April 2005, dividend rate: "(5-yr Yen-Yen Swap + 1.0%) X 0.6" (however, cap dividend of JPY75), rate of increase of conversion rate: none

(Note 2) For all common and preferred stocks, every 1,000 shares were merged into one share on August 2, 2005.

(Information provided in the above table is as of the end of June 2005. Therefore, the number of shares, conversion price (ratio) and other information provided are before the reverse split of stocks.)



# Preferred stocks issued under the Deposit Insurance Law in 2003

	Class 1 Series 1 Preferred Stock	Class 2 Series 1 Preferred Stock	Class 3 Series 1 Preferred Stock
Voting right	Granted	Granted	Granted
Total amount	JPY 550,000,000,000	JPY 563,561,572,200	JPY 550,000,000,000
Actual issue price per share based on exchange ratio	JPY 200	JPY 200	JPY 200
Number of shares	2,750,000,000	2,817,807,861	2,750,000,000
Preferred dividend yield	Libor (1y) + 50bp	Libor (1y) + 50bp	Libor (1y) + 50bp
Convertible period	After July 1, 2006	After July 1, 2008	After July 1, 2010
Initial conversion price	Market price of Common Stock at beginning of conversion period	Market price of Common Stock at beginning of conversion period	Market price of Common Stock at beginning of conversion period
Reset of conversion price	Aug. 1 every year after beginning of conversion period	Nov. 1 every year after beginning of conversion period	May. 1 every year after beginning of conversion period
Terms of reset	Upward/Downward	Upward/Downward Reset	Upward/Downward Reset
Floor conversion price	JPY 28	JPY 20	JPY 17

(Note)

For all common and preferred stocks, every 1,000 shares were merged into one share on August 2, 2005.

(Information provided in the above table is before the reverse split of stocks.)

# Upgrades of credit ratings and recent procurements of funds with capital securities

## Upgrades of credit ratings

Rating Agencies	Mar. 31, 2003		Mar. 31, 2004		Present (Aug. 31, 2005)
Moody's	Ba1	Infusion of public funds Financial reforms	Baa2	New Business Revitalization Plan	A3
JCR	BBB-		BBB		A-
S&P	BB+		BBB-		BBB+
R&I	BBB-		BBB		BBB+

\* Resona Bank's long-term senior debt ratings

## Recent procurement of funds with capital securities

Resona Bank	[LT2] Dated Subordinated Bonds (Domestic) JPY 20.0 bn.	September 2004
Resona Bank	[LT2] perpetual Subordinated Bonds (Overseas) EUR 1.0 bn.	February 2005
Resona Bank (Overseas SPC)	[Tier I] Preferred securities (Overseas) USD 1.15 bn.	July 2005

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*The forward-looking statements contained in this presentation may be subject to material change due to the following factors.*

*These factors may include changes in the level of stock price in Japan, any development and change related to the government's policies, laws, business practices and their interpretation, emergence of new corporate bankruptcies, changes in the economic environment in Japan and abroad and any other factors which are beyond control of the Resona Group.*

*These forward-looking statements are not intended to provide any guarantees of the Group's future performance. Please also note that the actual performance may differ from these statements.*