



**Merrill Lynch “The 5th Global Financial Conference”
Path to Revitalization of Resona
100-Day Efforts and Challenges Going Forward**

October 9, 2003

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Director, Chairman and Representative Executive Officer

Resona Holdings, Inc.

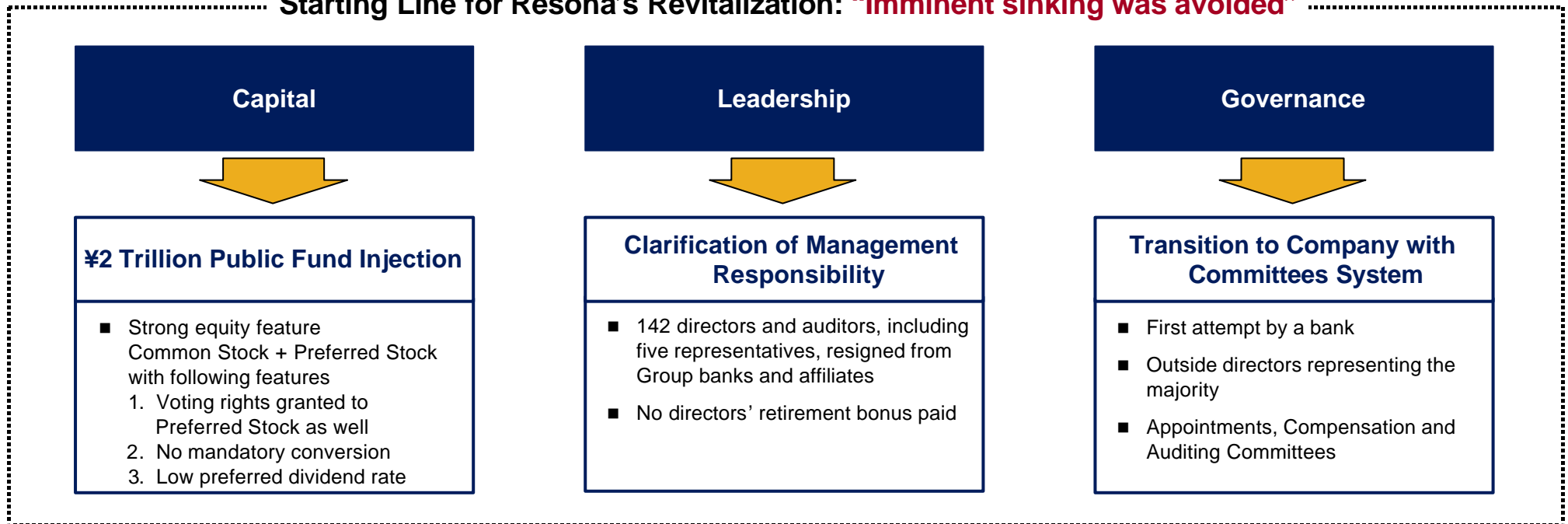
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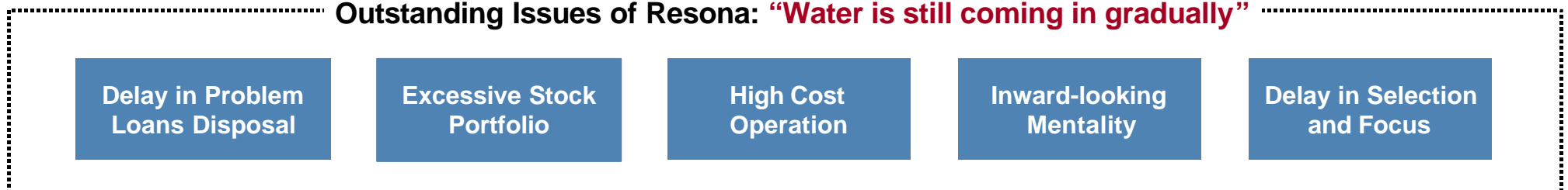
Starting Line for Revitalization

Public Fund Does Not Mean Revitalization

Starting Line for Resona's Revitalization: **"Imminent sinking was avoided"**



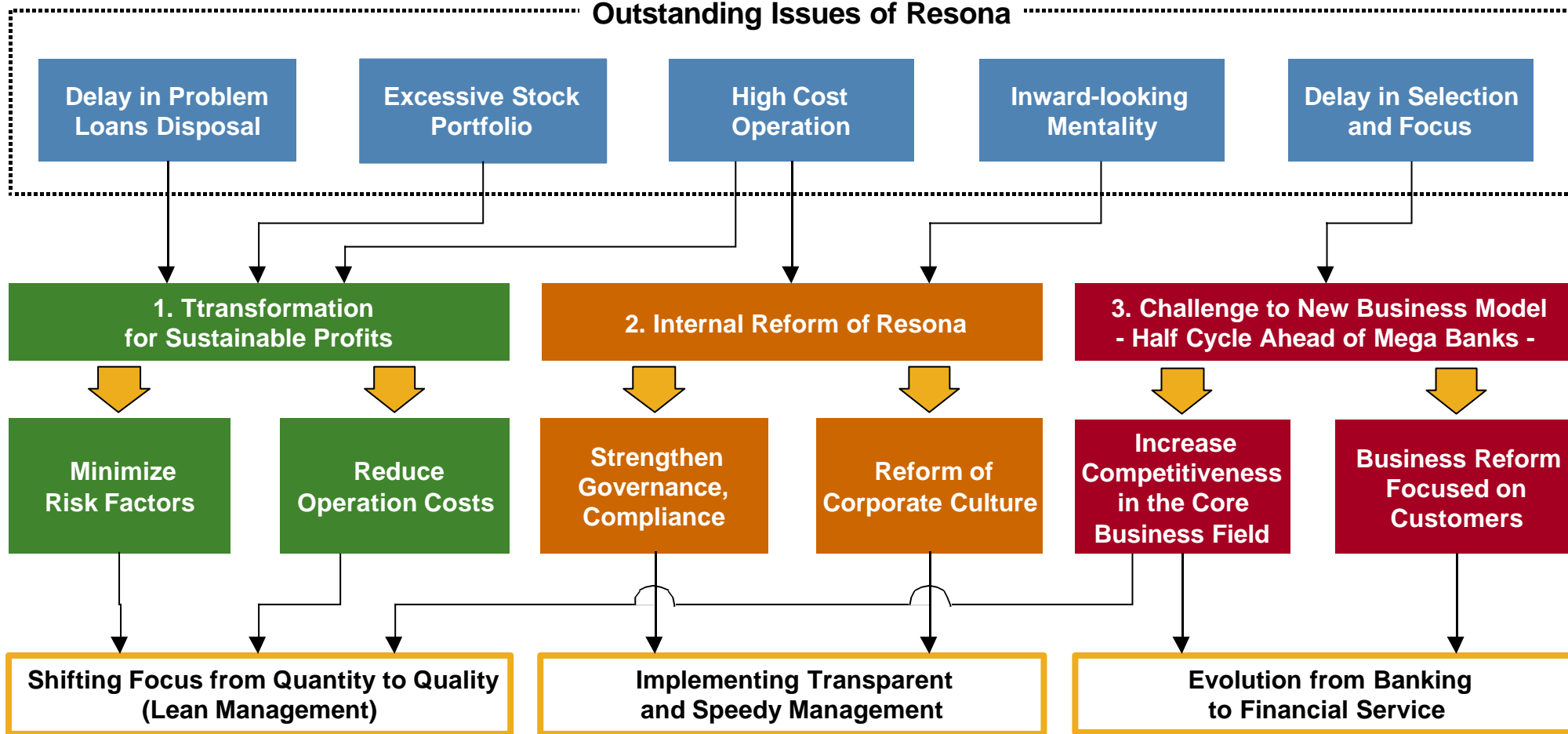
Outstanding Issues of Resona: **"Water is still coming in gradually"**



Process toward Revitalization

Seeking Maximization of Corporate Value

Outstanding Issues of Resona



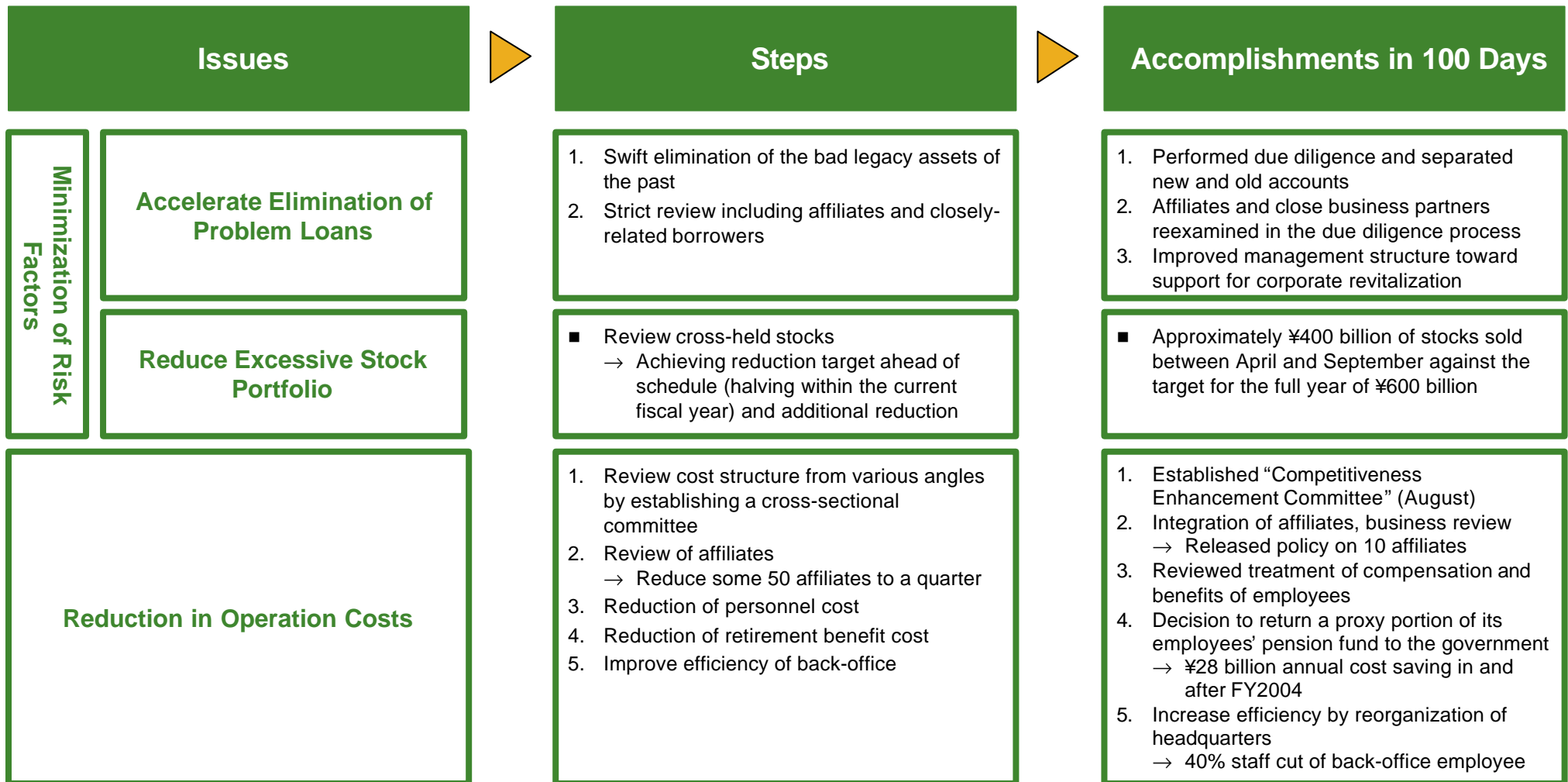
Basic Management Policies (Five Guiding Principles)

Basic Management Policy (Five Guiding Principles)

1. **The goal for Revitalization of Resona is the maximization of corporate value. To achieve this goal, we will instill profit-focused mindset and heighten cost consciousness within the firm.**
2. **Swift elimination of the bad legacy assets is an absolute necessity for the survival of Resona. We will strictly review and assess our assets, strengthen loan loss reserves and execute off-balancing.**
3. **Resona will be free from the past constraints and aggressively strive for business innovation and construction of a new business model to create customer value. In order to achieve this, we will provide opportunities for our young and talented employees to promote revitalization and recruit talented people from outside the group when necessary.**
4. **In a time when customers choose banks, we aim to be “the people’s most favorite bank”. We always base our judgement on customers, and strive to evolve into a true “financial service business” with competitiveness in product quality, services, cost and speed.**
5. **The success of the Revitalization of Resona will be ultimately judged by the market. We will brake away from self-centered, closed-minded management style of the past. We will become more open to customers and shareholders, and will act with a sense of speed.**

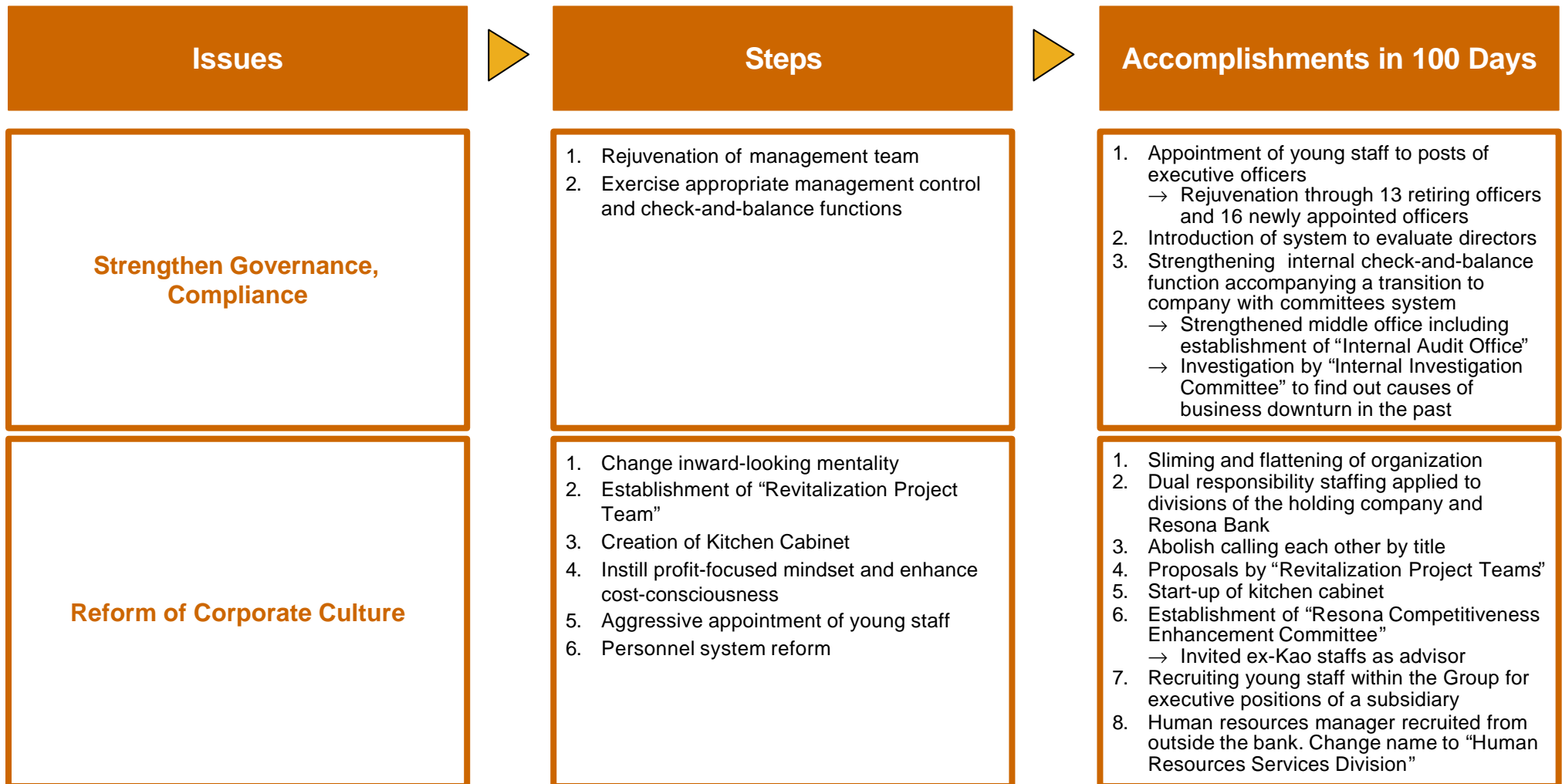
100-Day Efforts (1)

1. Transformation for Sustainable Profits



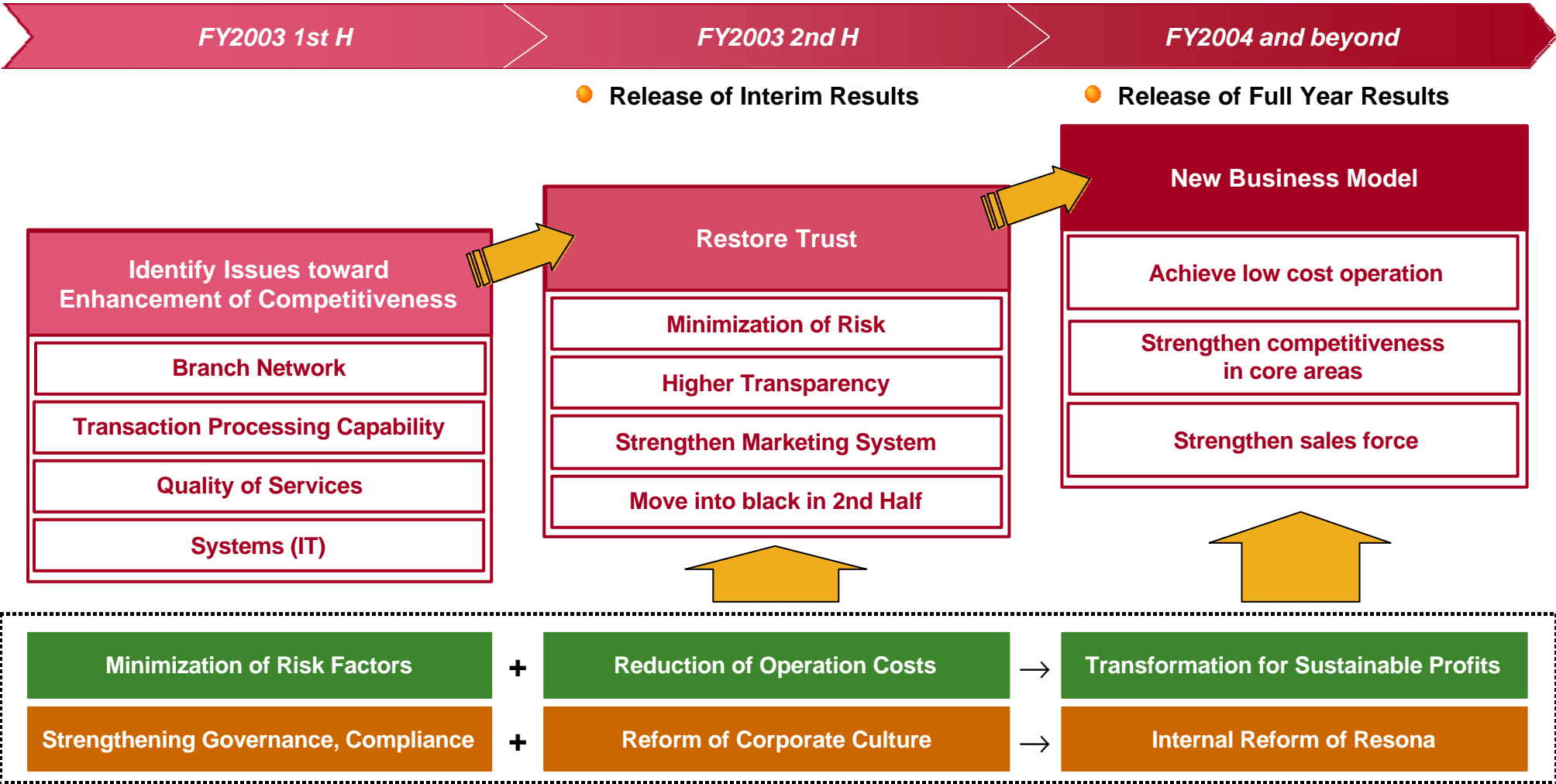
100-Day Efforts (2)

2. Internal Reform of Resona



Evolving into a Financial Services Company

3. Challenge to New Business Model





RESONA

(Appendix) Related Information and Data

Detail of Management Renewal and Enhanced Governance (at Injection of Public Fund)

Overview of Management Renewal by Inviting Directors from Outside the Group

Retiring Directors

- Chairman, President and Deputy President of Resona HD
- President and 2 Deputy Presidents of Resona Bank
- 29 directors retired in total from Resona Holdings and Group banks and 113 directors retired from affiliates

Inviting directors from outside the group

- Director, Chairman and Representative Executive Officer
 - Eiji Hosoya (Executive Vice President, East Japan Railway Company)
- Outside Directors (Part-time)
 - Yoji Arakawa (Lawyer)
 - Terukazu Inoue (Corporate Adviser of Toyota Motor Corporation)
 - Shunji Koike (President of Sunlit Sangyo Co., Ltd.)
 - Noboru Yanai (President of Arrow Consulting)
 - Hiroshi Rinno (President of Credit Saison, Ltd.)
 - Shotaro Watanabe (Vice Chairman and President of KEIZAI DOYUKAI)

Transition to “Company with Committees System”

Establishment of “Appointments Committee”

- Decides details of proposals presented to a general meeting of shareholders regarding appointment and removal of directors
- Composition:
(Chairman) Hiroshi Rinno, (Members) Shotaro Watanabe, Eiji Hosoya

Establishment of “Auditing Committee”

- Audits assignments performed by directors and executive officers
- Decides details of proposals presented to a general meeting of shareholders regarding appointment and removal of independent auditors as well as no reappointment of independent auditors
- Composition:
(Chairman) Noboru Yanai, (Members) Yoji Arakawa, Terukazu Inoue, Masao Ishibashi

Establishment of “Compensation Committee”

- Decides details of individual compensation paid to directors and executive officers
- Composition:
(Chairman) Shunji Koike, (Members) Shotaro Watanabe, Eiji Hosoya

Recruitment of External Manpower and Use of Task Force

Aggressive Recruitment of External Manpower

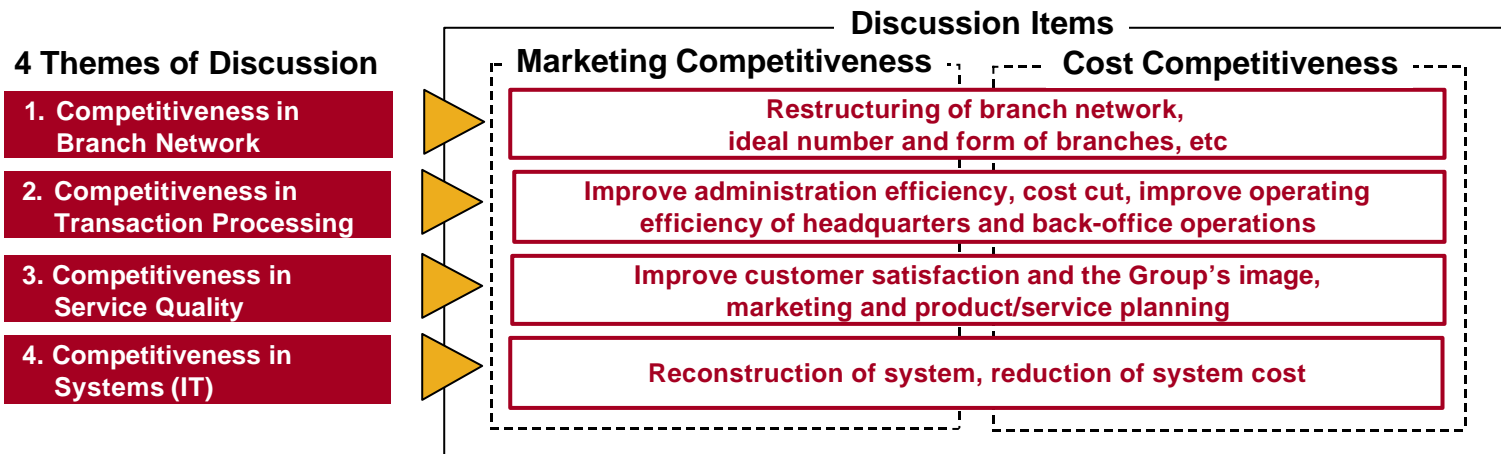
- Aggressive use of external advisors for finance, risk management and human resources
- Hired a person from outside the group for the post of human resources manager
- Appointment of former members of Kao Cost Reduction Team as advisor

Kitchen Cabinet

- Directly advising to top management
- Examination of the level of penetration of instructions from top management
- Engine for Revitalization of Resona

Resona Competitiveness Enhancement Committee

- Established in August as a subordinate organization of HD's Executive Committee to discuss service improvement and cost saving across the organization
- The Committee took over cross-sectional themes among those discussed by "Resona Revitalization Project Teams"



Details of Public Fund Injected in June This Year

Resona Holdings

	Common Stock	Class 1 Series 1 Preferred	Class 2 Series 1 Preferred	Class 3 Series 1 Preferred
Voting right	Granted	Granted	Granted	Granted
Total amount	296,438,428,000	550,000,000,000	563,561,572,200	550,000,000,000
Actual issue price per share based on exchange ratio	52	200	200	200
Number of shares	5,700,739,000	2,750,000,000	2,817,807,861	2,750,000,000
Preferred dividend yield	N/A	Libor(1y)+50bp	Libor(1y)+50bp	Libor(1y)+50bp
Conversion period	N/A	After July 1, 2006	After July 1, 2008	After July 1, 2010
Initial conversion price	N/A	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	N/A	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 for reset	N/A	Upward/Downward	Upward/Downward Reset	Upward/Downward Reset
Floor conversion price	N/A	28	20	17

Resona Bank

	Common Stock	Class 1 Series 1 Preferred	Class 2 Series 1 Preferred	Class 3 Series 1 Preferred
Voting right	Granted	Granted	Granted	Granted
Total amount	296,438,428,000	550,000,000,000	563,561,572,200	550,000,000,000
Issue price per share	11.44	44.00	44.00	44.00
Number of shares	25,912,450,000	12,500,000,000	12,808,217,550	12,500,000,000
Preferred dividend yield	N/A	Libor(1y)+50bp	Libor(1y)+50bp	Libor(1y)+50bp
Conversion period	N/A	After July 1, 2006	After July 1, 2008	After July 1, 2010
Initial conversion price	N/A	Market price of HD Common Stock multiplied by exchange ratio	Market price of HD Common Stock multiplied by exchange ratio	Market price of HD Common Stock multiplied by exchange ratio
Reset of conversion price	N/A	Aug. 1 every year after beginning of conversion	Nov. 1 every year after beginning of conversion	May 1 every year after beginning of conversion
Terms for reset	N/A	Upward/Downward Reset	Upward/Downward Reset	Upward/Downward Reset
Floor conversion price	N/A	6.16	4.40	3.74



Note: Conversion price after "reset of conversion price" will be the simple average of the closing prices of Common Stock on each of the 30 consecutive trading days commencing on the 45th trading day immediately preceding the relevant reset date.
 Stock-for-Stock Exchange Ratio (for both Common and Preferred Stocks) HD : Bank = 11.44 : 52 = 1 : 4.55 = 0.22 : 1

The forward-looking statements contained in this presentation, including plans (objectives) of capital adequacy ratio, 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.

