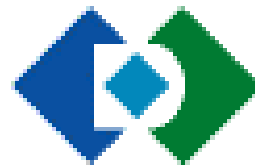


Plans for Management Revitalization

Moving toward the Creation of a “Superregional Bank”



Daiwa Bank Holdings, Inc.

May 2002

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Reasons for Revision of the “Plans for Management Revitalization”

In December 2001, three banks—the Daiwa Bank, the Kinki Osaka Bank, and the Nara Bank—established a holding company, Daiwa Bank Holdings, and consolidated the management of their operations. Thereafter, in March 2002, the Asahi Bank, which shares the management philosophy with the three banks, also consolidated its operations with Daiwa Bank Holdings.

Because this consolidation will result in major changes in their management structures, the four institutions, which are now all owned by Daiwa Bank Holdings, have made changes in the plans for management revitalization that were originally submitted by Daiwa Bank, Asahi Bank, and Kinki Osaka Bank, in line with the *Guidelines for Reviewing Management Revitalization Plans*, which were announced by the Financial Reconstruction Committee on September 30, 1999, and also in accordance with Article 1-2 of the Regulation Implementing Law Concerning Emergency Measures for the Early Strengthening of the Financial Functions, so that the Plans for Management Reinvigoration will cover the four banks consolidated under Daiwa Bank Holdings.

Please note that Daiwa Bank Holdings will report to the Financial Services Agency on the state of the implementation of this Plan for Management Revitalization in accordance with Article 5, Paragraph 4 of the Law Concerning Emergency Measures for the Early Strengthening of the Financial Functions.



Amounts Issued, Issue Conditions, and Features of Preferred Stock and Subordinated Debt

1 . Preferred Stock

- (1) Amount issued: 868.0 billion yen
 (2) Issue conditions and features

Outline of the preferred stocks and subordinated debt subscribed by the government with public funds are shown below.

The issue conditions and principal features are as follows:

Title	Class B, First issue Preferred stock	Class C, First issue Preferred stock	Class E, First issue Preferred stock	Class F, First issue Preferred stock
Amount issued	408.0 billion yen	60.0 billion yen	300.0 billion yen	100.0 billion yen
Number of shares issued	680 million	120 million	240 million	80 million
Issue price per share	600 yen	500 yen	1,250 yen	1,250 yen
(Portion included in capital)	300 yen	250 yen	625 yen	625 yen
Per share dividends (annual)	6.36 yen	6.80 yen	14.38 yen	18.50 yen
Dividend yield	1.06%	1.36%	1.15%	1.48%
Liquidation preference	600 yen	500 yen	1,250 yen	1,250 yen
Original issuer and title of issue	Daiwa Bank Class B, First Issue Preferred stock	Kinki Osaka Bank First Issue Preferred stock	Asahi Bank Class B preferred stock #1	Asahi Bank Class B preferred stock #2

2 . Subordinated Debt

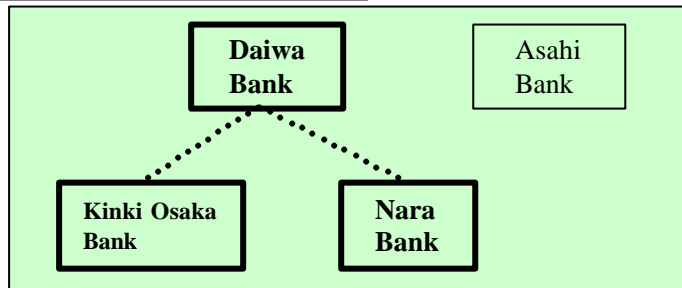
- (1) Amount issued: 100.0 billion yen
 (2) Issue conditions and features

The issue conditions and principal features are as follows:

Amount	100.0 billion yen
Interest rates	LIBOR +1.04% (first 10 years) LIBOR +2.54% (after April 2009)
Maturity	Perpetual
Call Period	After April 1, 2009
Original borrower and type	Asahi Bank Subordinated borrowing

Management Consolidation under a Holding Company, Spin-Off of Trust Business Unit and Establishment of a Joint Venture

1. Before Consolidation

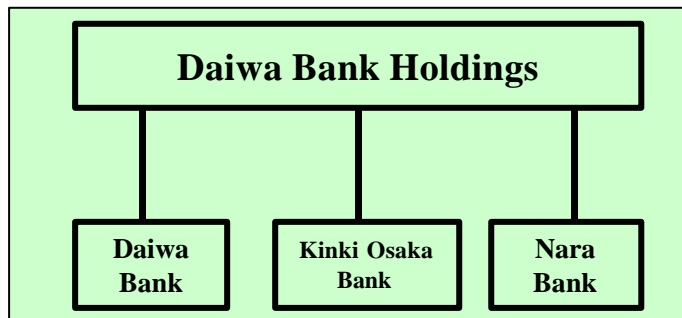


In February 1999, Daiwa Bank and Kinki Osaka Bank (Kinki Bank and Osaka Bank at that time) formed a strategic alliance, looking to the future establishment of a holding company.

In October 2000, Nara Bank joined this strategic alliance.

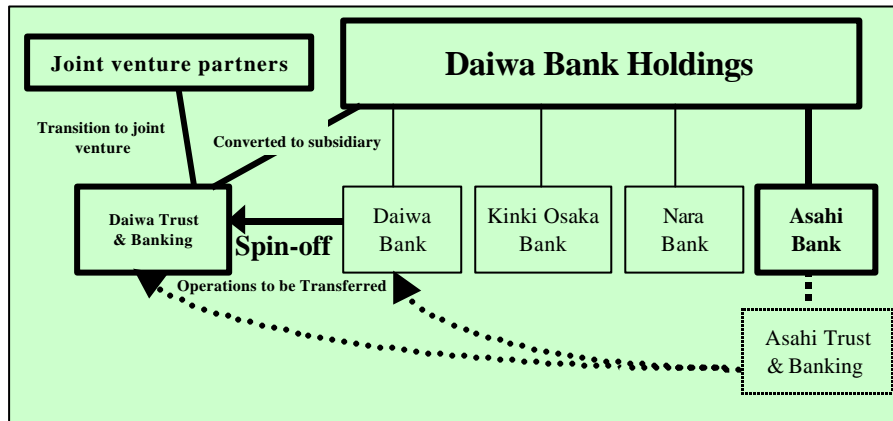


2. Consolidation of the Three Banks (December 2001)



Daiwa Bank, Kinki Osaka Bank, and Nara Bank took their strategic alliance to the next stage with the aim of creating a "Superregional Bank" as a federation of regional financial institutions. At that time, they jointly formed a holding company, Daiwa Bank Holdings, through the transfer of shares.

3. Consolidation of Asahi Bank, Spin-off of Trust Business Unit and Establishment of a Joint Venture (March 2002)



Through an exchange of shares, the Asahi Bank became a wholly owned subsidiary of and was consolidated with Daiwa Bank Holdings.

The pension and corporate trust divisions of Daiwa Bank were spun off to become a subsidiary of Daiwa Bank Holdings, Daiwa Trust & Banking. Through the sale of a portion of the shares of this new company to other financial institutions, it has become a joint venture.

Subsequently, on October 1, 2002, Asahi Trust & Banking, a trust business subsidiary of Asahi Bank, is expected to transfer its businesses to Daiwa Trust & Banking and Daiwa Bank.

New Group Name

It has been determined that the group name after the consolidation will be “Resona Group.”

“Resona” is a Latin word which has the meaning of resounding or resonance in English.

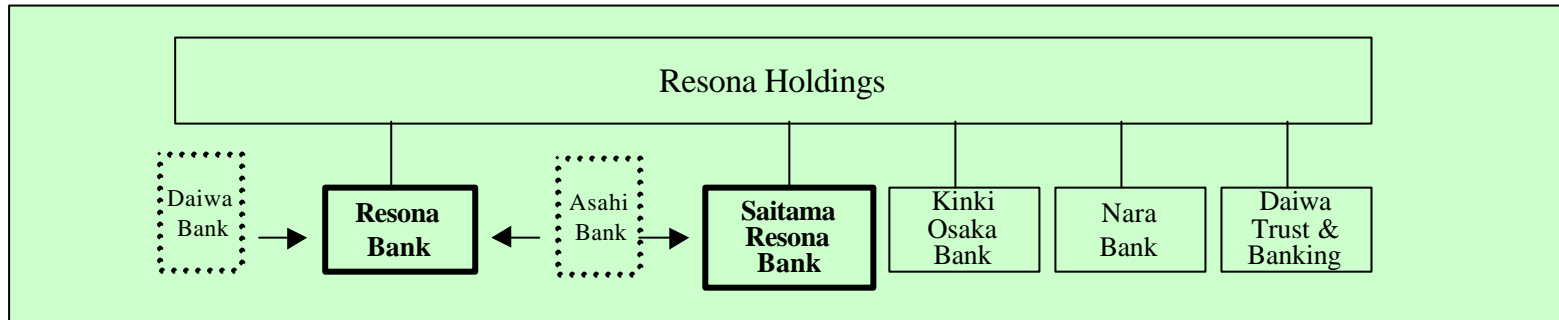
In addition, when pronounced, the word is similar in its ring to “*Risou*” a Japanese word meaning “ideal”, and to the English word “regional.”

We believe that a keystone for a financial institution is strong relationships with its customers. We aim at strengthening further such relationships based on the mutual trust that we have nurtured thus far, creating resonance with our customers. Our objective is to create a superregional bank, which could be defined as a “federation of regional financial institutions with roots in local communities.” We are determined to become financial institutions which are indispensable to the regional communities where we operate. Our determination to achieve these goals is also incorporated in our new group name.

Reorganization of Banking Business (I)

Branch offices of Daiwa Bank, Kinki Osaka Bank, Nara Bank and Asahi Bank will be reorganized by region to form several regional banks covering specific regional areas and one cross-regional bank that covers the nation and supplements the functions of the regional banks.

1. Establishment of Saitama Resona Bank and Resona Bank



Saitama Resona Bank (Regional Bank)

(Will acquire Asahi Bank's branch offices in Saitama Prefecture)

Serving all segments of customers in Saitama area with region-focused operations
Cooperation with Resona Bank and Resona Trust & Banking (current DT&B)

Providing services carefully tailored to the needs of customers
Wider variety and higher quality of products and services

Resona Bank (Cross-Regional Bank)

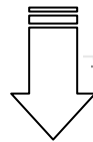
(Will acquire Daiwa Bank's branch offices and all the remaining branch offices of Asahi Bank after separation of its operations in Saitama Prefecture)

Develop region-based operations, responding to the needs of each region
(consideration given to introduction of regional company system)
Concentrate specialized services of Daiwa Bank and Asahi Bank
(derivatives, real estate, etc.)

As one of the common platforms within the group,
provide customers of group banks with sophisticated and specialized financial services.

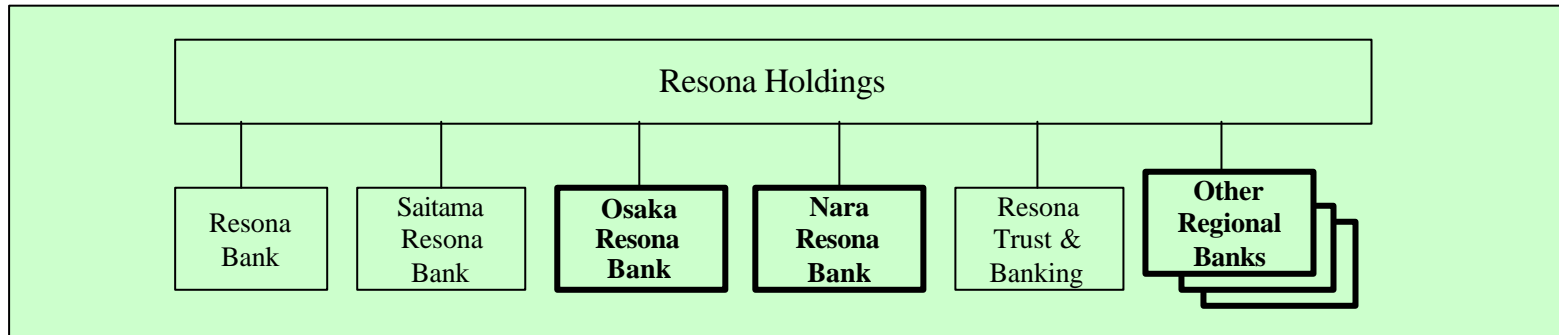
2. Reorganization Plan Thereafter

In Osaka and Nara Prefectures, operations of Resona Bank, Kinki Osaka Bank and Nara Bank will be reorganized to establish “Osaka Resona Bank” and “Nara Resona Bank.” (FY 2004 or later)



Participation of other regional financial institutions

Federation of Regional Financial Institutions



Group Deposit and Loan Balance in Major Markets (billions of yen)

	Deposits (Share)	Loans (Share)	Offices
Saitama Pref.	8,341.1 (42.7%)	5,418.9 (42.8%)	111
Osaka Pref.	10,179.1 (22.1%)	9,881.4 (18.7%)	297
Nara Pref.	617.3 (11.7%)	331.9 (12.6%)	36

Deposits and loans for Saitama and Osaka Prefectures are as of the end of March 2001. Figures for Nara Prefecture are as of the end of June 2001.

Shares are based on the total of all banks in Japan operating in each Prefecture

Numbers of offices are as of the end of June 2001.



Effects of the Consolidation, Outlook for Profits, and Other Prospects

In total 78.9 billion yen of consolidation effects are expected:
(For FY 2005)

- Beneficial effect of synergies: 29.2 billion yen
- Rationalization of operations: 49.7 billion yen

Through combining know-how and operating bases of Group institutions

Through eliminating overlapping functions, consolidating and closing offices

	Year ending March 2006	Cumulative Impact from FY 2001 to FY 2005
Synergistic effects	29.2 billion	65.1 billion
Rationalization	49.7 billion	104.9 billion
Effect of consolidation	78.9 billion	170.0 billion
Consolidation costs	(33.0) billion	(136.4) billion
Net impact of consolidation (after costs)	45.9 billion	33.6 billion

Taking account of the positive impact of consolidation, for FY 2005, group banks aim at achieving the following:

- Net business profits: 444.0 billion yen
- ROE: 28.2%
- Overhead ratio: 50.2%

Indicator of core business profitability

Indicator of how efficiently capital is being employed

Ratio of G&A expenses to gross profits, an indicator of progress in restructuring

	FY 2000 (Actual)	FY 2005 (Plan)
Net Business Profits (Group banks combined)	288.4 billion	444.0 billion
ROE (Group banks combined) (NBP before transfer to general reserve for possible loan losses and NPL disposal expenses in trust account / Average balance of stock holders' Equity)	12.46%	28.28%
Overhead Ratio (Group banks combined) (G&A expenses / gross profits)	61.80%	50.26%

Make Maximum Use of Rationalization Opportunities Resulting from the Consolidation

Thoroughgoing Management Rationalization

1. Consolidate/close overlapping branches

- Consolidate/close offices of Group banks that overlap regionally

2. Reduce personnel expenses

- Reduce number of personnel
- Review personnel system and compensation scales

3. Consolidate systems

- Consolidate systems of Group banks step by step

4. Realign associated companies

- Realign associated companies following the principle of one company per business area

Plan for Expenditures (Total for DBH and Group companies)

(Billions of yen)	FY 2000 (Actual) (A)	FY 2001 (Estimate)	FY 2003 (Planned)	FY 2005 (Planned) (B)	Change (B) - (A)
Expenses	485.8	481.5	504.0	448.7	(37.1)
Personnel exp.	185.2	175.2	158.4	141.2	(44.0)
Non-personnel exp.	276.5	278.3	321.2	283.3	6.8
Systems-related	64.2	78.8	110.4	96.2	32.0
Excluding systems	212.3	199.5	210.7	187.0	(25.3)

Restructuring/Realignment of Associated Companies (FY 2001)

Daiwa Bank	21
Asahi Bank	15
Kinki Osaka Bank	1

Further Strengthening of Trust Functions and Creating Systems for Teamwork within the Group

1. Strengthening pension and corporate trust operations

- (1) Expand customer base through use of trust business agency system, including DBH Group banks and other institutions
- (2) Strengthen capabilities through conversion of Daiwa Trust & Banking (DT&B) to a joint venture
- (3) Offer sophisticated services in response to greater diversity in customer needs
 1. Strengthen consulting capabilities in response to greater diversity in types of pensions
 2. Make best use of Japan Trustee Services Bank (JTSB)

2. Making use of retail trust functions

- (1) Establishment of system for teamwork in real estate business
 1. Identify real estate related customer needs
 2. Create systems for implementing projects
- (2) System for cooperative efforts in private banking
 1. Make use of trust capabilities in the DBH Group
 2. Establish business promotion and implementation systems

Expected Synergies in Pension and Corporate Trust Business

Expected Synergies (FY 2005)

Effect of participation by Asahi Bank	+2.5 billion
Other effects of creating joint venture	+0.8 billion
Total	+3.3 billion

Expected Synergies in Retail Trust Business

Create system for teamwork among Group banks

Create efficient promotion and implementation system making use of the Group network

Daiwa Bank

- Increase in fees

Other Group Banks

- Differentiation from other banks
- Increase income from related banking operations

Offer High Quality Financial Services Based on Close Ties with the Regions We Serve

Strengthen Retail Banking Operations through Sharing of Know-How

1. Strengthen loan operations

- (1) Improve and expand housing loan centers
- (2) Systemization of housing loan operations and enhancement of risk control
- (3) Development of direct marketing channels
- (4) Expand sales of long-term fire insurance and other products

2. Strengthen transactions with small and medium-sized companies

- (1) Improve support for small businesses
- (2) Expansion of the corporate client base
- (3) Enhancement of consulting services

3. Strengthen sales of investment trusts

- (1) Expansion of marketing channels
- (2) Implementation of Group strategy for investment trust products
- (3) Strengthen promotion systems

Number of Housing Loan Centers

	Tokyo Metropolitan Area	Kansai Region	Other Regions	Total
Asahi Bank	44	5	1	50
Daiwa Bank	4	5	0	9
Kinki Osaka Bank	0	9	0	9
Nara Bank	0	1	0	1
Total	48	20	1	69

Seminars and Other Events Held

In 2002

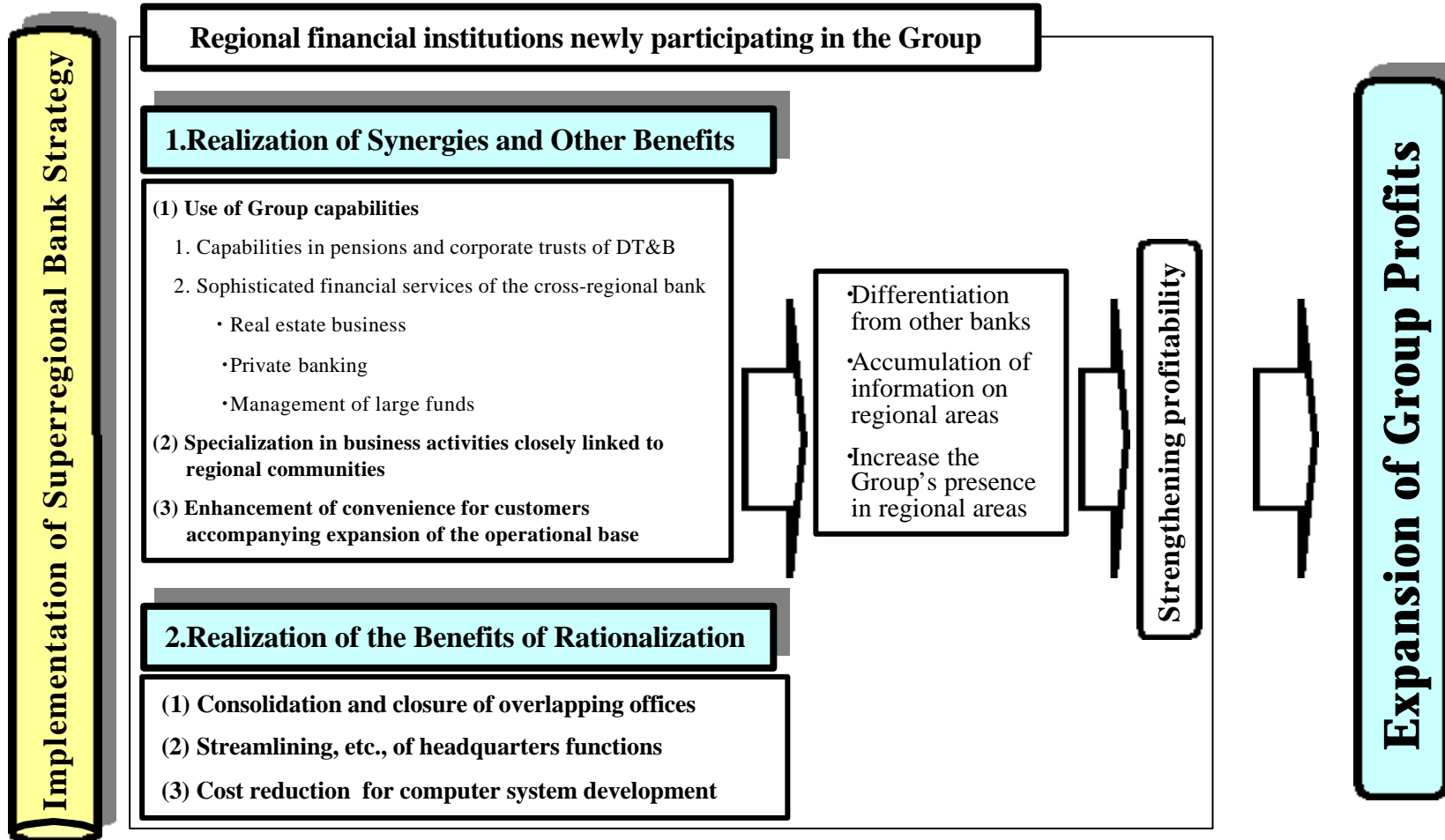
January	Study group for JASDAQ listing
February	M&A seminar
March	Seminar on Investment in China

Plans for Group Sales of Investment Trusts

(Billions of yen)

	FY '02	FY '03	FY '04	FY '05
Sales Amount	702.0	782.0	802.0	841.0
Balance outstanding	1,156.7	1,368.7	1,574.7	1,890.3
Income	8.9	11.0	13.0	15.5
(of which, synergies)	1.8	2.3	3.0	4.0

Looking toward Participation of Other Regional Financial Institutions





Thoroughgoing Management Rationalization (I)

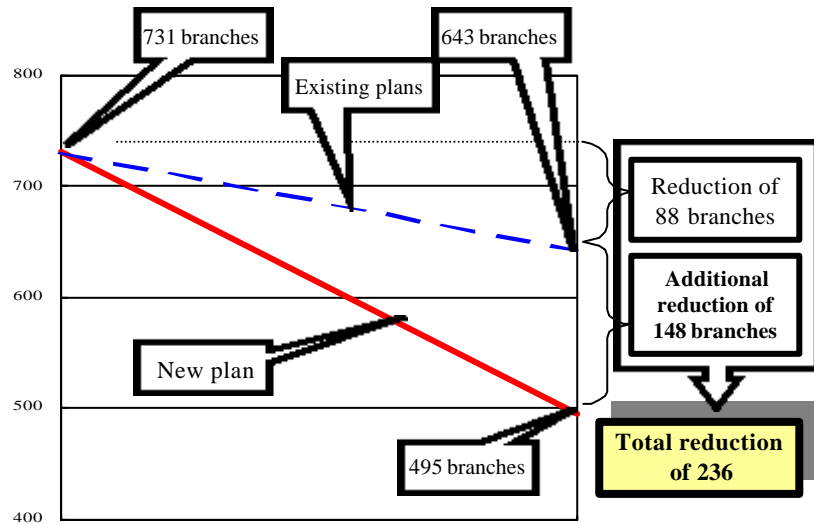
Number of Domestic Branches

Eliminate an additional 148 offices through consolidation and closure of Group branches with overlapping coverage
 (Taking two branches of DT&B into consideration, the total reduction will be 150.)

At the end of March 2006, along with existing plans of the Group banks for reduction in the number of branches, total consolidations/closures will amount to 236 in comparison with the number at the end of March 2001.

(Number of branches)

	31-Mar-01 (Actual)	31-Mar-06 (Planned)	Difference
New plan (A)	731	495	236
Existing plans (B)	731	643	88
(A) - (B)	-	148	148



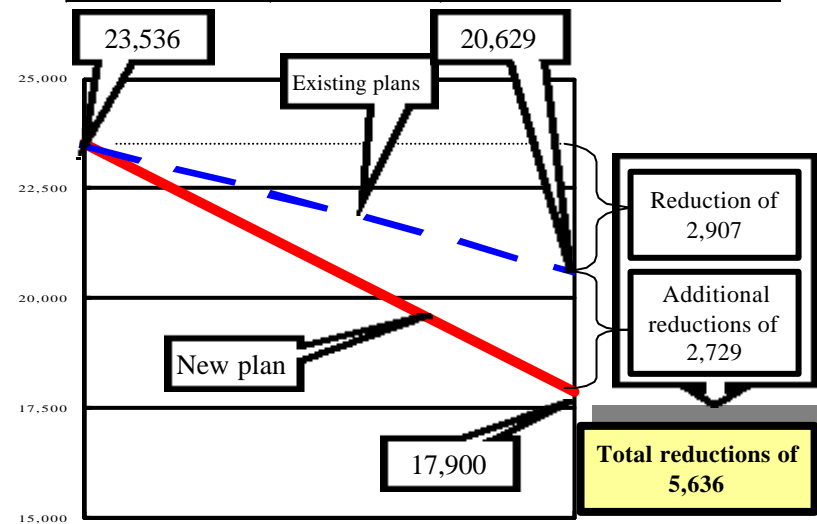
Number of Employees

Additional reductions of about 2,700 personnel will be made as positions are eliminated along with the consolidation/closure of branches with overlapping coverage and headquarters personnel are reduced through the concentration of functions in Daiwa Bank Holdings.

At the end of March 2006, combined with existing plans of Group banks for reducing personnel, a total of 5,636 employees will be eliminated in comparison with March 31, 2001.

(Number of personnel)

	31-Mar-01 (Actual)	31-Mar-06 (Planned)	Difference
New plan (A)	23,536	17,900	5,636
Existing plans (B)	23,536	20,629	2,907
(A) - (B)	-	2,729	2,729



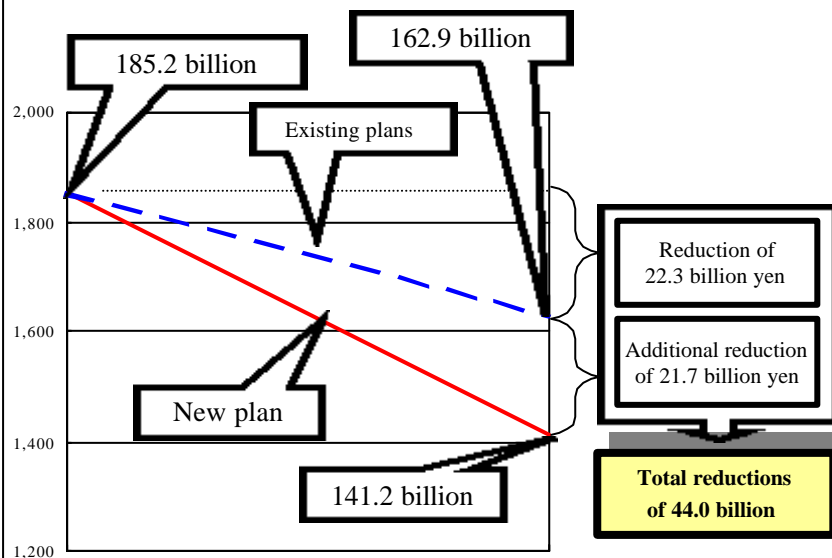
Thoroughgoing Management Rationalization (II)

Personnel Expenses

The new plan calls for additional reductions of 21.7 billion yen in annual personnel expenses, to be achieved through lowering the number of personnel, initiatives to make better use of part-time employees, and other types of personnel.

Combining these reductions with existing plans for lowering personnel costs, personnel expenses for FY 2005 will be lowered by 44.0 billion yen in comparison with FY 2000.

(Billions of yen)	FY '00 (Actual)	FY '05 (Planned)	Change
New plan (A)	185.2	141.2	(44.0)
Existing plans (B)	185.2	162.9	(22.3)
(A) - (B)	---	(21.7)	(21.7)

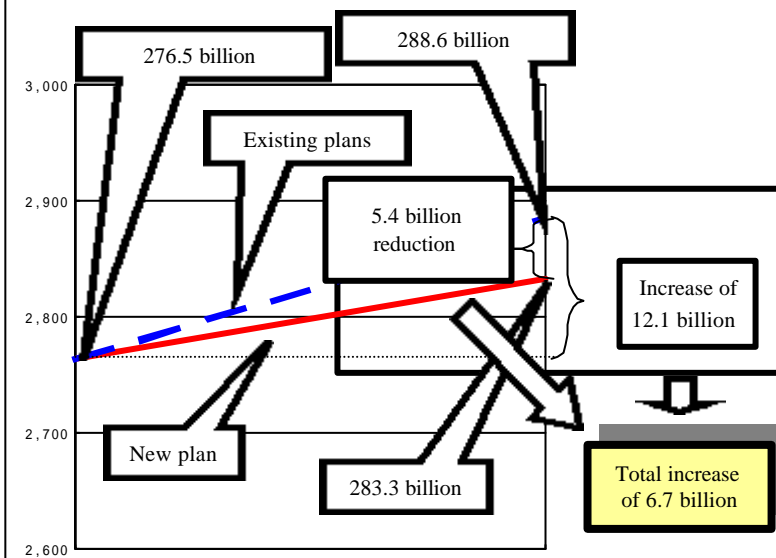


Non-Personnel Expenses

Additional reductions of 26.4 billion yen planned through consolidation/closure of branches with overlapping coverage and consolidation of systems.

Although this will represent a reduction of 5.4 billion yen in comparison with the existing cost reduction plans of Group banks, an increase of 6.7 billion yen is expected in comparison with FY 2000 from additional costs for systems integration.

(Billions of yen)	FY '00 (Actual)	FY '05 (Planned)	Change
New Plan (A)	276.5	283.3	6.8
Existing plans (B)	276.5	288.6	12.1
(A) - (B)	---	(5.3)	(5.3)





Estimated Retained Earnings

Daiwa Bank Holdings is planning to accumulate sufficient retained earnings to fully amortize the preferred shares the government purchased with public funds before the time when these shares would otherwise be mandatorily converted into ordinary shares.

In addition, total retained earnings including those that Group banks will attain, are expected to exceed the targets they are working to achieve under their management revitalization plans.

