

**Revisions of Consolidated and Non-consolidated Earnings Forecasts for the First Half of Fiscal Year 2002**

Resona Holdings, Inc. ("Resona HD") revised its consolidated and non-consolidated earnings forecasts for the first half of fiscal year 2002, which had been announced on May 24, 2002, as follows.

**Non-consolidated Earnings Forecast for the First Half of Fiscal Year 2002**

(Millions of Yen, %)

	Operating Income	Ordinary Profit	Net Interim Income
Previous Forecast	4,000	550	350
<b>Revised Forecast</b>	<b>6,500</b>	<b>1,000</b>	<b>800</b>
Increase / (Decrease)	2,500	450	450
Rate of Increase	62.5	81.8	128.6

\*Previous forecast was announced on May 24, 2002.

[Reason for the Revision]

Increase in operating income is largely attributable to increase in fees and commissions received from subsidiaries. In addition, some of the expense payments planned in the first half were postponed to the second half. These factors combined led to the increase in ordinary profit and net interim income.

**Consolidated Earnings Forecast for the First Half of Fiscal Year 2002**

(Millions of Yen, %)

	Ordinary Income	Ordinary Profit	Net Interim Income
Previous Forecast	620,000	40,000	20,000
<b>Revised Forecast</b>	<b>647,000</b>	<b>18,000</b>	<b>11,000</b>
Increase / (Decrease)	27,000	(22,000)	(9,000)
Rate of Increase/ (Decrease)	4.4	(55.0)	(45.0)

\*Previous forecast was announced on May 24, 2002.

[Reason for the Revision]

Kinki Osaka Bank, one of the subsidiaries of Resona HD, disposed of significantly larger amount of problem loans than originally forecasted at the beginning of the period, so that it could drastically reduce the future credit costs and place the non-performing loans off its balance sheet. Increase of bad loan disposal by Kinki Osaka Bank primarily accounts for the downward revisions of ordinary profit and net interim income.

The full-year earnings forecasts for fiscal year 2002 will be announced when Resona HD announces its interim results.

**Attachment**

Summary of Results for the First Half of Fiscal Year 2002

(Billions of Yen)

	Resona HD			
	[Subsidiaries Combined]	Daiwa Bank	Asahi Bank	Kinki Osaka Bank
Gross Operating Profit	391.0	128.0 [133.0]	203.0 [227.9]	46.0 [43.6]
General & Admin. Exp.	226.0	73.0 [80.8]	114.0 [126.4]	32.0 [35.0]
Transfer to General Reserve	50.0	11.0 [13.3]	12.0 [4.3]	26.0 [0.3]
Net Business Profit/(Loss)	115.0	44.0 [38.8]	77.0 [97.2]	(12.0) [8.1]
Core Net Business Profit *2	166.0	57.0 [53.3]	89.0 [101.5]	14.0 [8.5]
Expenses for Problem Loan Disposal *3	148.0	43.0 [90.8]	44.0 [59.6]	61.0 [9.5]
Net Gains/(Losses) on Stocks	(2.5)	(2.0) [(306.8)]	2.0 [(101.3)]	(2.0) [0.4]
Devaluation loss	12.5	2.0 [308.0]	7.5 [90.6]	3.0 [0.1]
Net Unrealized Gains/(Losses) on Securities	(341.0)	(178.0) [(48.6)]	(159.0) [(20.3)]	(5.0) [(10.3)]
Net Gains/(Losses) on Stocks	(356.0)	(187.0) [(60.5)]	(166.0) [(30.8)]	(2.0) [(0.1)]
Gains	58.0	24.0 [34.0]	29.0 [58.9]	5.0 [5.2]
Losses	414.0	211.0 [94.6]	195.0 [89.8]	7.0 [5.3]

\*1. Figures for subsidiaries are on a non-consolidated basis.

\*2. Core net business profit: Net business profit before disposal of problem loans in the trust account (applicable only to Daiwa Bank) and transfer to general reserve for possible loan losses.

\*3. Expenses for problem loan disposal include transfer to general reserve for possible loan losses and expenses in relation to the disposal in the trust account (applicable only to Daiwa Bank).

\*4. Figures of subsidiaries shown in brackets are for the same period previous year. (The same figures for unrealized gains/(losses) on securities are as of the end of March 2002.)

[Consolidated Basis]

(Billions of Yen)

	Resona HD	Daiwa Bank	Asahi Bank	Kinki Osaka Bank
Ordinary Income	647.0	220.0 [252.8]	330.0 [391.5]	78.0 [59.2]
Ordinary Profit/(Loss)	18.0	3.0 [(280.1)]	32.0 [(73.1)]	(21.0) [2.0]
Net Interim Income/(Loss)	11.0	4.0 [(140.6)]	24.0 [(40.9)]	(21.0) [2.0]
Capital Adequacy Ratio (Japanese domestic criteria)	Latter half of 7% level	Middle of 7% level	Latter half of 7% level	Former half of 7% level

\* Figures are on a consolidated basis.

- Expenses for problem loan disposal of Daiwa Bank and Asahi Bank for the first half of fiscal 2002 were significantly lower than the actual results for the same period previous year and within the net business profit, owing to the drastic measures implemented in the previous fiscal year to reduce the latent credit risks.
- Expenses for problem loan disposal of Kinki Osaka Bank for the first half of fiscal 2002 were significantly higher than the forecast at the beginning of the term owing to the drastic measures aimed at deriving consolidation benefit as early as possible. Together with the disposal in the previous year, group banks reduced latent credit risks significantly.
- Regarding devaluation losses on stocks, group banks devalued virtually all issues whose unrealized losses were 30% or more of their acquisition costs in the previous fiscal year. Therefore, despite the further decline in stock prices, devaluation losses for the interim period were relatively small.

*This material may contain important information, defined in the Japanese Securities and Exchange Law, concerning the business of Resona Holdings, Inc. and its subsidiaries. In case that a person who receives such information by viewing this web site conducts any sale, purchase or other certain transactions designated under the Law in respect of stocks or other certain securities or instruments issued by the Company, until 12 hours pass from the time when such information was disclosed to the designated media, such conducts may be deemed to be violation of the Law.*