

March 11, 2003
Resona Holdings, Inc.

Establishment of Subsidiaries for Issuance of Preferred Securities

Resona Holdings, Inc. ("Resona HD," President: Yasuhisa Katsuta) and its banking subsidiary, Resona Bank, Limited ("Resona Bank") announced that their board of directors meetings held on March 11, 2003 passed resolutions to establish wholly owned subsidiaries in Cayman Islands as special purpose companies for issuance of preferred securities. (Five companies will be established as subsidiaries of Resona HD and the other two as subsidiaries of Resona Bank. These subsidiaries collectively referred to as "Cayman SPCs" hereafter.) Details were announced as follows:

The issuance of preferred securities, non-cumulative perpetual preferred securities denominated in yen to be issued by Cayman SPCs (by the three companies specified below) will strengthen the capital adequacy of Resona HD through increasing the Resona HD's Tier I capital as minority interest in its consolidated subsidiaries. In addition, since the proceeds from the issuance of the preferred securities will be provided to Resona Bank and The Kinki Osaka Bank, Ltd. ("Kinki Osaka Bank"), these banking subsidiaries of Resona HD can also strengthen their capital through increase in their Tier I capital.

This issuance of preferred securities is in line with the measure to be taken for strengthening the capital base which was mentioned in the Resona HD's announcement dated on February 12, 2003, titled "Formulation of Super Regional Strategy." As a result of this capital increase, the financial position of the Resona Group as a whole will be reinforced.

The preferred securities are not convertible to Resona HD's common shares. The issuance is scheduled in March 2003, in form of nonpublic offering, after notification to the Financial Services Agency (FSA) of the establishment of the Cayman SPCs and acceptance of such notification by the FSA.

[Reference]

Outline of the Forthcoming Preferred Securities

Issuer	1) Resona Preferred Capital (Cayman) 4 Limited, 2) Resona Preferred Securities (Cayman) 4 Limited 3) Resona Preferred Finance (Cayman) Limited (SPCs to be established as fully owned subsidiaries of Resona HD in Cayman Islands)
Aggregate issue price	Approximately 120 billion yen (Total of 3 SPCs)
Type of securities	Non-cumulative perpetual preferred securities denominated in yen
Use of proceeds	To be utilized ultimately to strengthen the capital of Resona Bank and Kinki Osaka Bank, which are wholly owned banking subsidiaries of Resona HD
Order of priority	Preferred securities are designed in such a way to provide holders with liquidation preference substantially similar to that of the preferred stocks directly issued by Resona HD
Form of offering	Private placement

In addition to the above SPCs, Resona HD and Resona Bank will each establish two SPCs, respectively, in relation to the issuance of these forthcoming preferred securities.

This company announcement is for the purpose of providing information only and does not constitute any invitation to any person to take any action.