

**Issuance of New Shares by Subsidiary through Allotment to Its Existing Shareholder**

The Kinki Osaka Bank, Ltd. ("Kinki Osaka Bank"), one of the banking subsidiaries of Resona Holdings, Inc. ("Resona HD"), passed a corporate resolution on March 11, 2003 concerning the issuance of new shares through allotment to its existing shareholder. The details of the issuance outlined below will be duly determined only after the notification required under the Securities and Exchange Law of Japan takes effect.

**1. Outline of the New Issue**

|    |   |                           |
|----|---|---------------------------|
| 1. | Number of shares to be issued (Common Stock)                            | 396,691,944 shares        |
| 2. | Ratio of the new shares to total number of shares issued (Common Stock) | 1 : 0.42                  |
| 3. | Issue price per share   | 50 yen                    |
| 4. | Aggregate issue price   | 19,834,597,200 yen        |
| 5. | Amount not to be capitalized (per share)                                | 25 yen                    |
| 6. | Date of allotment   | March 27, 2003 (Thursday) |
| 7. | Date of payment   | March 31, 2003 (Monday)   |

**2. The Number of Shares Issued and Capital Amounts Before and After the New Issue**

|                         | Before the new issue | After the new issue  |
|-------------------------|----------------------|----------------------|
| Number of shares Issued |                      |                      |
| Common stock            | 944,504,630 shares   | 1,341,196,574 shares |
| Preferred stock         | 120,000,000 shares   | 120,000,000 shares   |
| Capital amount          | 111,539,168,170 yen  | 121,456,466,770 yen  |

**3. Reason for the Capital Increase and Utilization of Raised Fund, etc**

|  |  |
|--|--|
| Reason for increasing capital                  | Kinki Osaka Bank intends to strengthen its capital by raising new capital through allotment of new shares to its existing shareholder. |
| Utilization of raised fund                     | To be utilized as operating fund.  |
| Impact of the new issue on forecasted earnings | The new issue will not affect the consolidated earnings forecast of Resona HD for the fiscal year ending March 31, 2003.               |

**[Reference]**

**Estimated Risk-adjusted Capital Ratios of Kinki Osaka Bank at the End of March, 2003**

|  | Before the New Issue    | After the New Issue     |
|--|-------------------------|-------------------------|
| Non-consolidated risk-adjusted capital ratio | Former half of 5% level | Latter half of 6% level |
| Consolidated risk-adjusted capital ratio     | Latter half of 4% level | Former half of 6% level |