

May 17, 2003

For immediate release

Resona Holdings, Inc.  
Representative Director and President: Yasuhisa Katsuta

**Business Reform Orders Issued by the Financial Services Agency  
Against Resona Holdings, Inc. and Its Subsidiary, Resona Bank, Ltd.**

Today, Resona Holdings and its subsidiary Resona Bank received Business Reform Orders from the Financial Services Agency under Article 52, Section 33-1 and Article 26, Section 1 of Japan's Banking Law. We wish to express our sincerest regret and profound apologies for this development.

The content of the Business Reform Orders is described below. We regard the receipt of these orders with the utmost seriousness and are committed to taking the steps needed for improvement in the Resona Group's activities.

**Details of the Business Reform Orders**

**I. Prompt Corrective Action Measures**

**1. Content of the Business Reform Orders**

- (1) Resona Holdings and its subsidiaries will prepare a reform plan recognized as reasonable and effective for restoring sound management (including measures related to the increase in capital) and submit it by June 2, 2003.
- (2) Resona Holdings and its subsidiaries will implement the plan described in (1) immediately.
- (3) Reports on the progress toward implementation of plan described in (1) will be submitted.

**2. Reasons for the Issuance of the Business Reform Orders**

- (1) The Business Reform Orders were issued on May 17, 2003, following the submission of a report by Resona Holdings to the Financial Services Agency based on Article 52, Section 31-1 of the Banking Law, indicating that as of March 31, 2003, the consolidated capital ratio according to domestic criteria of Resona Holdings was 3.78%. The Business Reform Order was issued in recognition of the fact that under the stipulations of Article 26, Section 2 of the Banking Law and Article 3, Section 1 of the Order (Prime Minister's Office Order 2000, Ministry of Finance Order No. 39) stipulating classifications indicated the capital condition of Resona Holdings placed it in "Classification 1."
- (2) The Business Reform Orders were issued on May 17, 2003, following the submission of a report by Resona Bank to the Financial Services Agency based on Article 24, Section 1 of the Banking Law, indicating that as of March 31, 2003, its nonconsolidated capital ratio and consolidated capital ratio according to domestic criteria were 2.27% and 2.07%, respectively. The Business Reform Order was issued in recognition of the fact that under the stipulations of Article 26, Section 2 of the Banking Law and Article 1, Section 1 and Section 2 of the Order (Prime Minister's Office Order 2000, Ministry of Finance Order No. 39) stipulating classifications indicated the capital condition of Resona Bank placed it in "Classification 1."

### **3. Subsequent Actions**

In view of the issuance of the Business Reform Orders, Resona Holdings, together with its subsidiaries will prepare a rational and specific reform plan for implementation.

## **II. Securing the Appropriate Conduct of Operations**

### **1. Content of the Business Reform Orders**

In view of the intent of Japan's Banking Law and Deposit Insurance Law, efforts must be made to secure the appropriate conduct of operations

- (1) All possible measures must be taken to avoid any disruption of transactions with depositors and other customers having transactions with Resona Bank.
- (2) Consideration must be given to the soundness of assets and financial position of Resona Holdings and Resona Bank
- (3) Appropriate compliance structures must be maintained in Resona Holdings and Resona Bank.
- (4) Reports must be made on the implementation of items (1), (2), and (3) above.

## **2. Reasons for the Issuance of Business Reform Orders**

- (1) The Business Reform Order was issued on May 17, 2003, following the submission of a report by Resona Holdings to the Financial Services Agency, based on Article 52, Section 31-1 of the Banking Law, indicating that as of March 31, 2003, the consolidated capital ratio according to domestic criteria had declined to 3.78%. The Business Reform Order was issued in recognition of the necessity of securing soundness of management through the appropriate conduct of operations
- (2) The Business Reform Orders was issued on May 17, 2003, following the submission of a report by Resona Bank to the Financial Services Agency, based on Article 24, Section 1 of the Banking Law, indicating that the nonconsolidated and consolidated capital ratios had declined to 2.27% and 2.07%, respectively. The Business Reform Orders was issued in recognition of the necessity of securing soundness of management through the appropriate conduct of operations.

## **3. Subsequent Actions**

In view of the issuance of Business Reform Orders, together with subsidiary Resona Bank, Resona Holdings will work to secure appropriate conduct of operations.