

May 30, 2003
Resona Holdings, Inc.

Application Submitted by Resona Bank for Infusion of Public Funds and Efforts towards Revival of Resona Group

1. Application for an infusion of public funds

On May 17, 2003, Resona Bank, Ltd., a subsidiary of Resona Holdings, Inc., was designated by the Prime Minister of Japan as needing No. 1 Measures (underwriting of shares and other measures by the Deposit Insurance Corporation to expand the capital of financial institutions) under Article 102, Section 1 of the Deposit Insurance Law. In accordance with this designation, Resona Bank today submitted an application to the Deposit Insurance Corporation for an infusion of public funds. The amount of public funds which it applied for is as follows:

Total amount: ¥1.96 trillion

The above amount is determined in accordance with the opinion included in the report compiled by the Financial System Management Council that "the size of an infusion should be sufficient enough for Resona Bank to raise its capital adequacy ratio above 10% from a viewpoint of eliminating concerns prevailing among depositors, customers and in the markets."

In addition, Resona Holdings has submitted "Plan to Revitalize Management." Principal items included in the Plan is summarized in the following, "2. Restructuring of governance system" and "3. Efforts towards revitalization of management."

2. Restructuring of governance system

(1) Renewal of Management

Resignation of representative directors for Resona Holdings and Resona Bank (collectively referred to as "both companies") were already announced. In addition, new management for other subsidiary banks and affiliated companies were also determined. Each bank and group company rejuvenates the management and carry out management innovation.

	At present	After renewal	Reduction
Total of Resona Holdings and its subsidiary banks <Note1>	47	41 <Note2>	(6)
Affiliated companies	230	164	(66)

1. Directors who concurrently serve as directors for other companies are counted once to avoid double entry.
2. Presented figure includes 1 director (CEO), and 6 outside directors. (Each presented figure is the sum of directors and auditors.)

In order to clarify the management responsibility, the retiring representative directors of both companies will voluntarily return their retirement allowances. Other retiring directors will also voluntarily return their retirement allowances.

(2) Invitation of outside directors

With a view to introducing an innovative way of thinking and enhancing transparency of management, new board members, who are reputed to have considerable insight, superior knowledge and abundant experiences, will be invited from outside and appointed as 1) Chairman and Chief Executive Officer (CEO), and 2) Outside Directors.

Appointment of Director, Chairman and CEO

New management position	Name	Current position
Director, Chairman and CEO	Eiji Hosoya	Executive Vice President East Japan Railway Company

Entry into office: June 25 (Resona Bank), June 27 (Resona Holdings)

Appointment of Outside Directors

New management position	Name	Current position
Director	Yoji Arakawa	Lawyer
Director	Terukazu Inoue	Corporate Auditor Toyota Motor Corporation
Director	Shunji Koike	President Sanlit Sangyo Co., Ltd. Vice Chairman The Osaka Chamber of Commerce and Industry
Director	Noboru Yanai	President Arrow Consulting
Director	Hiroshi Rinno	President Credit Saison, Ltd.
Director	Shotaro Watanabe	Vice Chairman and President KEIZAI DOYUKAI (Japan Association of Corporate Executives)

Composition of Board of Directors

	At present	After renewal	Of which, outside directors
Resona Holdings	11	10	6
Resona Bank	10	11 <Note1>	6

1. includes one director who concurrently serve as director for Resona Holdings.

(3) Move towards "Company with Corporate Governance Committees"

In order to strengthen checking on and supervision of the management and to facilitate swift decision makings, both companies will take steps to adopt "Company with Committees" system. (For further details, please refer to the attachment.)

3. Efforts towards Revitalization of Management

(1) Improvement of asset quality

In the fiscal year ended March 2003, Resona Bank has made significant progress in restoring its financial soundness by taking such measures as 1) removing significant amount of problem loans from its balance sheet, 2) virtually eliminating latent losses on its stock portfolio, 3) reversing substantial deferred tax assets and other proactive measures. Resona Bank will further implement the measures outlined below to ensure the recovery of its financial strength.

- a) Separating accounts on an administrative accounting basis
- b) Strengthening credit risk management by improving loan portfolio management, dispersing loan portfolio into small lots
- c) Accelerating sales of stocks utilizing Bank's Shareholdings Purchase Corporation and the Bank of Japan's stock purchasing scheme

(2) Establishment of sound earnings structure

a) Reduction of personnel expenses

Employee salary and bonus will be reduced by 30% on average (in the case of general managers of branch offices, their salaries and bonuses will be halved if compared with their peak in the past). In addition, cost-cutting measures such as review of retirement allowance and pension system and reduction of employees will also be implemented.

b) Reduction of non-personnel expenses

Planned integration of systems among subsidiary banks will be reconsidered. Also, such measures as acceleration of consolidation and abolition of redundant branches, disposal of company condominiums, dormitories and other idle properties, will be implemented.

c) Strengthening of interest and other income

Interest income will be strengthened by increasing loans to small and medium-sized companies and individuals and by charging interests appropriate to borrowers' risk profile. Also, fee income from pension, real estate, will trust and other businesses will be strengthened through realization of synergies arising from cooperation among group banks.

(3) Priority on satisfaction of customers

As a "federation of regional financial institutions" Resona Group will clarify its priority on satisfaction of customers in regional communities.

4. Formulation of new management concepts and business model directed towards revival of Resona Group

Resona Group, under the new management, reviews its existing management concepts and business model. In connection with the adoption of new management concepts and business model, Resona Group will review its Plan to Revitalize Management if such review is considered necessary.

ATTACHMENT

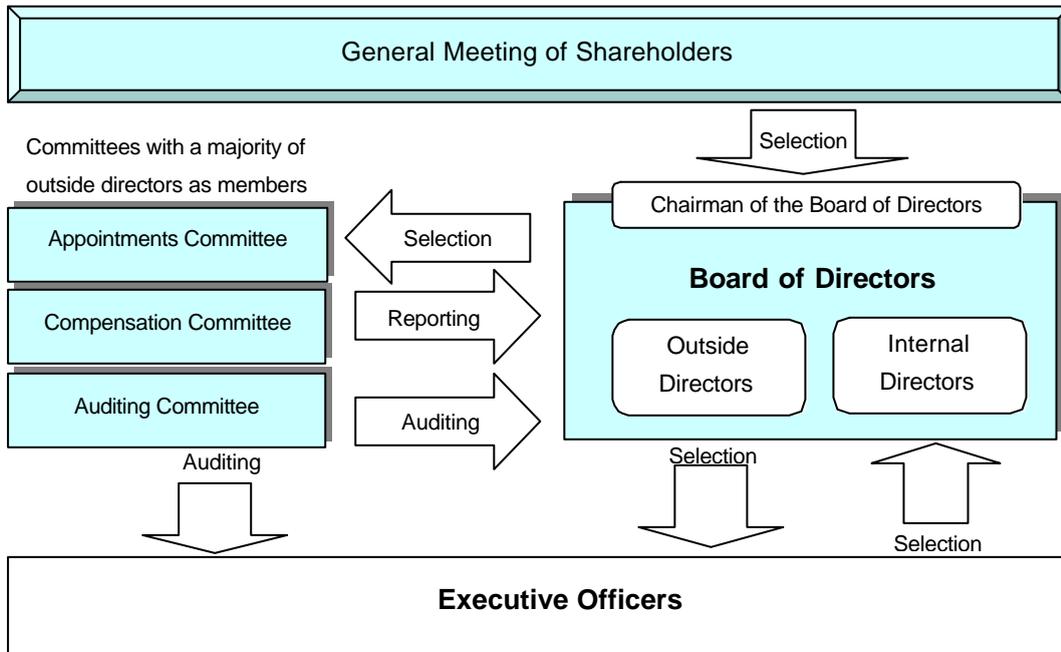
Resona to Form Corporate Governance Committees

The Board of Directors of Resona Holdings, Inc., today approved a proposal to make the transition—subject to the approval of the Regular General Meeting of Shareholders scheduled for June 27, 2003—to a “Company with Corporate Governance Committees,” as provided for under the revised Commercial Code of Japan, which became effective on April 1, 2003. As part of this transition, Resona Bank, Limited, a subsidiary of Resona Holdings, will also form corporate governance committees.

Today, Resona Bank made an application for an infusion of public funds to the Deposit Insurance Corporation under Article 105, Section 1, of the Deposit Insurance Law. The Resona Group regards this development with utmost seriousness and is committed to undertaking decisive management reforms. The establishment of corporate governance committees is one of these measures, and, along with it, the Resona Group will significantly increase the transparency of its management through the appointment of a Chairman and Chief Executive Officer from outside the Group with the powers of Representative Director and invite six Outside Directors to join the Board of Directors.

1. Objectives of Forming Corporate Governance Committees

Outline of the New Management Structure



Accompanying the transition to a company with corporate governance committees, three committees—for appointments, auditing, and compensation—will be formed, all with a majority of Outside Directors as members. The role of these committees will be to restructure corporate governance by strengthening the supervision and surveillance of management as well as increasing transparency.

2. Outline of the Corporate Governance Committees

(1) Review of the Functions of the Board of Directors and Related Matters

Accompanying the transition to a company with corporate governance committees, the Resona Group will review the roles and functions of the Board of Directors and appoint a majority of Directors from outside the Group, with the aim of substantially strengthening the supervision and surveillance of Group management.

The Group will introduce new ideas and will not be bound by traditional management methods. To achieve a higher degree of transparency in management, Resona Holdings (and Resona Bank) will appoint Mr. Eiji Hosoya from outside the Resona Group as Chairman of the Board of Directors to serve on a full-time basis as Director, Chairman, and Chief Executive Officer.

(2) Invitation of Outside Directors to Join the Board

To ensure the effectiveness of the supervision of management, six individuals with an in-depth knowledge and understanding of management, legal matters, finance, and other fields as well as extensive experience will be selected from outside the Resona Group and assume positions as Outside Directors. In addition, all such Directors will also serve as Outside Directors of Resona Bank.

(3) Formation of Appointments, Auditing, and Compensation Committees

Accompanying the transition to a company with corporate governance committees, three committees—for appointments, auditing, and compensation—will be formed.

To preserve the independence of these committees from the day-to-day conduct of operations, a majority of the members of each committee will be Outside Directors. In addition, none of the Directors serving on the Audit Committee will simultaneously hold a position as Executive Officer.

(4) Introduction of the Executive Officer System

A number of Executive Officers will be selected by the Board of Directors and given the authority to manage operations on a day-to-day basis. One Executive Officer will be selected to be Representative Executive Officer and Chairman, with powers for representing Resona Holdings. In addition, one Executive Officer will be selected to be Representative Executive Officer and

President (same title for Resona Bank) and another to be Representative Executive Officer and Deputy President (same title for Resona Bank).