

May 30, 2003
Resona Holdings, Inc.

Announcement Regarding Reduction of Capital

Resona Holdings, Inc. (Resona HD) hereby announces that its board of directors' meeting held on May 30, 2003, passed a resolution to submit an agenda concerning reduction of capital to the general meeting of shareholders which is supposed to be held on June 27, 2003. Details are as follows:

1. Purpose of capital decrease

In the fiscal year ended March 31, 2003, Resona HD incurred a revaluation loss of ¥1,161,119 million on the stocks of its banking subsidiaries. Primarily owing to the extraordinary loss, a loss of ¥372,025 million is supposed to remain undisposed even after taking into consideration a loss disposal plan which will also be submitted for approval to the general meeting of shareholders.

Resona HD regrettably proposes a capital reduction as a measure to compensate for the carried forward loss.

We regard this development with the utmost seriousness and apologize for the disbenefits and inconveniences caused on our shareholders and creditors.

2. The way in which capital decrease will be implemented

- 1) Amount of capital decrease
Capital amount of Resona HD at present, ¥720,499,500,000, will be reduced by ¥412,025,611,582 to ¥308,473,888,418.
- 2) Way of capital reduction
The number of shares issued remain unaffected by the proposed capital reduction.
The amount of total shareholders' equity will also remain unchanged by the planned capital decrease. (so called "reduction of capital without compensation")

3. Schedule

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|--|---------------------------|
| 1) Corporate resolution | May 30, 2003 (Today) |
| 2) Resolution by general meeting of shareholders | June 27, 2003 (Planned) |
| 3) Deadline for creditors to lodge protests | August 11, 2003 (Planned) |
| 4) Date of capital decrease (entry into force) | August 12, 2003 (Planned) |

Reference Sheet

[Change in Resona HD's non-consolidated shareholders' equity account] (Planned)

Composition of Resona HD's non-consolidated shareholders' equity changes as shown below accompanying the aforementioned loss disposal.

	Mar. 31, 2003	Loss disposal	After disposal
Capital	720,499		720,499
Capital surplus	771,916	(771,916)	0
Capital reserve	731,916	(731,916)	
Other capital surplus	40,000	(40,000)	
Gain from deduction of capital reserve	40,000	(40,000)	
Earned surplus	(1,143,942)	+771,916	(372,025)
Undisposed profit for the period then ended	(1,143,942)	+771,916	(372,025)
Treasury stock	(111)		(111)
Total shareholders' equity	348,362	Remains same	348,362

Undisposed loss will remain even after the aforementioned loss disposal. As a measure to dispose of the remaining loss, Resona HD plans to reduce its capital in order to compensate for the remaining undisposed loss and to restore its capital surplus as gain from deduction from capital.

	Mar. 31, 2003	Loss disposal	After disposal
Capital	720,499	(412,025)	308,473
Capital surplus	0	+40,000	40,000
Capital reserve			
Other capital surplus		+40,000	40,000
Gain from deduction of capital reserve			
Gain from deduction of capital		+40,000	40,000
Earned surplus	(372,025)	+372,025	
Undisposed profit for the period then ended	(372,025)	+372,025	0
Treasury stock	(111)		(111)
Total shareholders' equity	348,362	Remains same	348,362

Account headings are provisional and subject to change.

1. The proposed capital reduction will neither result in reduction of total shareholders' equity nor accompany any disbursement of cash (reduction of capital without compensation).
2. The proposed reduction of capital will not accompany stock merge (such as 2-to-1 stock merge which halves the number of shares that a given shareholder has). Therefore, the rights attached to any given share such as voting right or right to receive dividends will not be affected by the proposed reduction of capital.
3. We regret that the interests of our shareholders and creditors are to be adversely affected by the proposed reduction of capital. The proposed capital reduction, we consider, is the best way for us to cope with the most important financial challenge that we face. We request your understandings on this matter.