

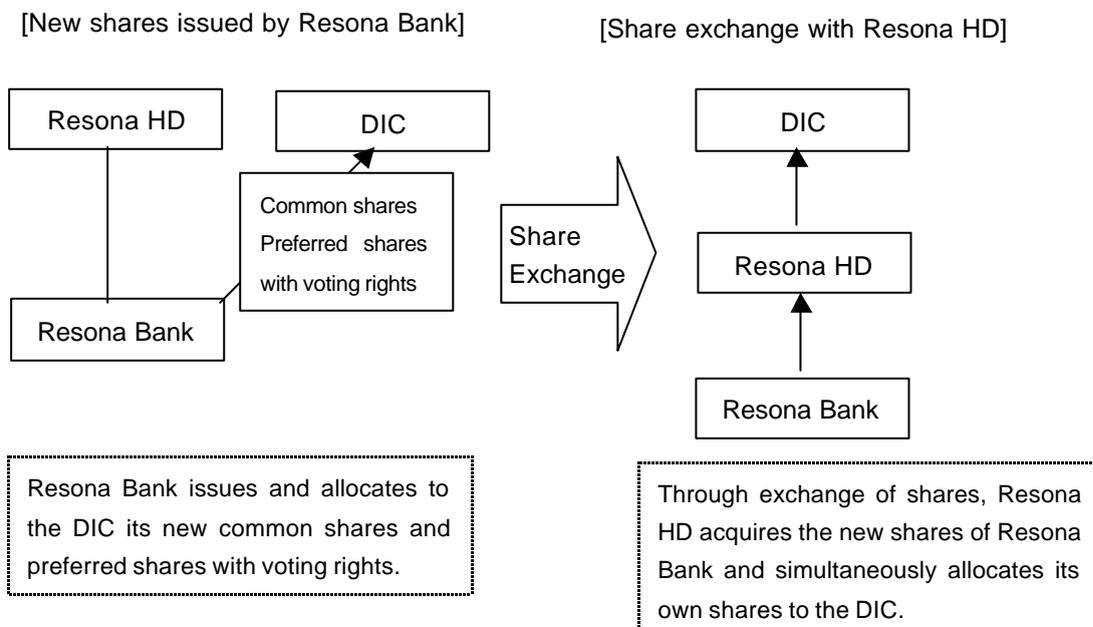
**Resolution to Issue New Shares and Conclusion of Share Exchange Contract in Relation to Application by Resona Bank for Infusion of Public Funds**

With respect to the application submitted by Resona Bank, Ltd. (Resona Bank) on May 30, 2003, for an infusion of public funds based on Article 105, Section 1 of the Deposit Insurance Law of Japan, the Prime Minister of Japan decided today to implement the measures stipulated in Article 102, Section 1, Paragraph 1 of the Deposit Insurance Law.

Accompanying the decision, Resona Bank passed a resolution to issue new common shares and preferred shares with voting rights totaling ¥1,960,000,000,200 and allocate them to the Deposit Insurance Corporation (DIC). In addition, Resona Holdings, Inc. (Resona HD) and Resona Bank concluded a share exchange contract regarding the exchange of the above new shares of Resona Bank and shares to be issued by Resona HD.

Resona Bank plans to issue the aforementioned new shares on July 1, 2003 and the share exchange will be implemented on August 7, 2003, contingent on the approvals in the general meetings of shareholders to be held by Resona HD and Resona Bank, respectively.

Outline of the Business Revitalization Plan which Resona HD submitted together with an application for an infusion of public funds on May 30, 2003 is shown in the separate attachment. (Please see Attachment B)



## 1. Outline of the new shares to be issued by Resona Bank

Outline of the new shares to be issued by Resona Bank is as follows. Detailed information is provided in the separate attachment. (Please see attachment A)

	Type of stock	Number of shares to be issued	Total issue amount
Common stock	Common stock	25,912,450,000 shares	¥296,438,428,000
Class one, series one	Preferred stock with voting right	12,500,000,000 shares	¥550,000,000,000
Class two, series one	Preferred stock with voting right	12,808,217,550 shares	¥563,561,572,200
Class three, series one	Preferred stock with voting right	12,500,000,000 shares	¥550,000,000,000

## 2. Outline of the share exchange contract between Resona HD and Resona Bank

Resona HD and Resona Bank today concluded a share exchange contract. Resona HD acquires the new shares which Resona Bank issues and allocates to the DIC. In exchange for these shares, Resona HD will issue and allocate to the DIC its own shares so that the DIC could become a direct shareholder of Resona HD. The intended exchange of shares will thus help Resona Group strengthen its corporate governance and compliance functions. Outline of the share exchange contract is as follows:

(1) Date of share exchange

August 7, 2003

(2) Increase of Resona HD's capital and capital reserve in relation to the share exchange

Resona HD's capital will be increased by ¥980 billion accompanying the share exchange. Amount of increase in Resona HD's capital reserve will be equivalent to the amount obtained by the following formula:

$$\begin{array}{r}
 \text{Net assets of Resona} \\
 \text{Bank on the date of share} \\
 \text{exchange}
 \end{array}
 \times
 \frac{\begin{array}{r}
 \text{Number of Resona} \\
 \text{Bank's shares acquired by} \\
 \text{Resona HD by way of the} \\
 \text{share exchange}
 \end{array}}{\begin{array}{r}
 \text{Total number of shares} \\
 \text{issued by Resona Bank}
 \end{array}}
 -
 \begin{array}{r}
 \text{Amount of Resona HD's} \\
 \text{capital increase in relation to} \\
 \text{the share exchange}
 \end{array}$$

(3) Share exchange ratio

Outline of the shares to be issued by Resona HD in relation to the share exchange is shown as follows. (For further details, please refer to the separate attachment)

Resona HD allocates its own shares to the shareholders of Resona Bank registered as of the previous day of the share exchange as specified below.

Resona HD received the opinion from Merrill Lynch Japan Securities that the intended transactions are fair judging from a financial viewpoint.

Types and total number of shares to be issued by Resona HD

	Total number of shares
Common stock	5,700,739,000 shares
Class one, series one preferred stock	2,750,000,000 shares
Class two, series one preferred stock	2,817,807,861 shares
Class three, series one preferred stock	2,750,000,000 shares

Share exchange ratio

Types of Stocks Resona Bank	Number of Resona HD's shares to be allocated
Common stock 1 share	Common stock 0.22 shares
Class one, series one preferred stock 1 share	Class one, series one preferred stock 0.22 shares
Class two, series one preferred stock 1 share	Class two, series one preferred stock 0.22 shares
Class three, series one preferred stock 1 share	Class three, series one preferred stock 0.22 shares

(4) Schedule for the share exchange

June 27, 2003	General meeting of shareholders to be held by Resona HD
July 1, 2003	General meeting of shareholders to be held by Resona Bank
August 6, 2003	Deadline for submission of share certificates
August 7, 2003	Date of share exchange

1. New shares to be issued by Resona Bank, Ltd.

(1) Common stock

Total issue amount	296,438,428,000 yen
Issue price	11.44 yen per share
Number of shares to be issued	25,912,450,000 shares

(2) Class one, series one preferred stock

Total issue amount	550,000,000,000 yen
Issue price	44 yen per share
Number of shares to be issued	12,500,000,000 shares
Voting right	Same as the one attached to common share
Preferred dividend	For one share, the following amount shall be paid as dividend: Issue price per share X preferred dividend rate (one-year yen LIBOR + 0.50%) Preferred dividend rate shall be reset every year on April 1.
Preferred interim dividend	Preferred interim dividend shall be half of the amount of preferred dividend.
Terms for conversion	The class one, series one preferred shares shall be convertible to common shares of Resona Bank from and including July 1, 2006 on the terms and conditions specified below: Initial conversion price shall be as follows: Average market price of a Resona HD's common share on July 1, 2006 X 0.22 (conversion ratio) Such conversion price shall be rounded to the nearest 0.01 yen (0.005 yen being rounded up) Provided however that if such amount falls short of 6.16 yen (floor conversion price), initial conversion price shall be the floor conversion price. Reset of conversion price: The initial conversion price shall be reset on August 1, 2006 and thereafter on August 1 in each year (each, a "reset date") to the average market price of a Resona HD's common share as of such date multiplied by the conversion ratio. (Such conversion price shall be rounded to the nearest 0.01 yen (0.005 yen being rounded upwards)). Provided however that if such conversion price after reset falls short of the floor conversion price, conversion price after reset shall be the floor conversion price. "Average market price" for this purpose means the average of the closing prices (or the closing bid or offered prices) (regular way) of a Resona HD's common share on the Tokyo Stock Exchange on each of the 30 consecutive trading days commencing on the 45th trading day immediately preceding the relevant reset date (such average will be rounded to the nearest 0.1 yen (0.05 yen being rounded upwards))

(3) Class two, series one preferred stock

Total issue amount	563,561,572,200 yen
Issue price	44 yen per share
Number of shares to be issued	12,808,217,550 shares
Voting right	Same as the one attached to common share

Preferred dividend	For one share, the following amount shall be paid as dividend: Issue price per share X preferred dividend rate (one-year yen LIBOR + 0.50%) Preferred dividend rate shall be reset every year on April 1.
Preferred interim dividend	Preferred interim dividend shall be half of the amount of preferred dividend.
Terms for conversion	The class two, series one preferred shares shall be convertible to common shares of Resona Bank from and including July 1, 2008 on the terms and conditions specified below: Initial conversion price shall be as follows: Average market price of a Resona HD's common share on July 1, 2008 X 0.22 (conversion ratio) Such conversion price shall be rounded to the nearest 0.01 yen (0.005 yen being rounded up) Provided however that if such amount falls short of 4.40 yen (floor conversion price), initial conversion price shall be the floor conversion price. Reset of conversion price: The initial conversion price shall be reset on November 1, 2008 and thereafter on November 1 in each year (each, a "reset date") to the average market price of a Resona HD's common share as of such date multiplied by the conversion ratio. (Such conversion price shall be rounded to the nearest 0.01 yen (0.005 yen being rounded upwards)). Provided however that if such conversion price after reset falls short of the floor conversion price, conversion price after reset shall be the floor conversion price. "Average market price" for this purpose means the average of the closing prices (or the closing bid or offered prices) (regular way) of a Resona HD's common share on the Tokyo Stock Exchange on each of the 30 consecutive trading days commencing on the 45th trading day immediately preceding the relevant reset date (such average will be rounded to the nearest 0.1 yen (0.05 yen being rounded upwards))

(4) Class three, series one preferred stock

Total issue amount	550,000,000,000 yen
Issue price	44 yen per share
Number of shares to be issued	12,500,000,000 shares
Voting right	Same as the one attached to common share
Preferred dividend	For one share, the following amount shall be paid as dividend: Issue price per share X preferred dividend rate (one-year yen LIBOR + 0.50%) Preferred dividend rate shall be reset every year on April 1.
Preferred interim dividend	Preferred interim dividend shall be half of the amount of preferred dividend.
Terms for conversion	The class three, series one preferred shares shall be convertible to common shares of Resona Bank from and including July 1, 2010 on the terms and conditions specified below: Initial conversion price shall be as follows: Average market price of a Resona HD's common share on July 1, 2010 X 0.22 (conversion ratio) Such conversion price shall be rounded to the nearest 0.01 yen (0.005 yen being rounded up) Provided however that if such amount falls short of 3.74 yen (floor conversion price), initial conversion price shall be the floor conversion price. Reset of conversion price: The initial conversion price shall be reset on May 1, 2011 and thereafter on May 1 in each year (each, a "reset date") to the average market price of a Resona HD's common share as of such date multiplied by the conversion ratio. (Such conversion price shall be rounded to the nearest 0.01 yen (0.005 yen being rounded upwards)).

Provided however that if such conversion price after reset falls short of the floor conversion price, conversion price after reset shall be the floor conversion price.

“Average market price” for this purpose means the average of the closing prices (or the closing bid or offered prices) (regular way) of a Resona HD's common share on the Tokyo Stock Exchange on each of the 30 consecutive trading days commencing on the 45th trading day immediately preceding the relevant reset date (such average will be rounded to the nearest 0.1 yen (0.05 yen being rounded upwards))

## 2. Shares to be allocated by Resona HD in relation to the share exchange

### (1) Common stock

Total number of shares to be allocated	5,700,739,000 shares
Issue price per share	Issue price per share is estimated as follows: Issue price per common share of Resona Bank (11.44 yen) / the conversion ratio = 52 yen

### (2) Class one, series one preferred stock

Total number of shares to be allocated	2,750,000,000 yen
Issue price per share	Issue price per share is estimated as follows: Issue price per class one, series one preferred share of Resona Bank (44 yen) / the conversion ratio = 200 yen
Voting right	Same as the one attached to common share
Preferred dividend	For one share, the following amount shall be paid as dividend: Issue price per share X preferred dividend rate (one-year yen LIBOR + 0.50%) Preferred dividend rate shall be reset every year on April 1.
Preferred interim dividend	Preferred interim dividend shall be half of the amount of preferred dividend.
Terms for conversion	The class one, series one preferred shares shall be convertible to common shares of Resona HD from and including July 1, 2006 on the terms and conditions specified below: Initial conversion price shall be as follows: Average market price of a Resona HD's common share on July 1, 2006 Provided however that if such amount falls short of 28 yen (floor conversion price), initial conversion price shall be the floor conversion price. “Average market price” for this purpose means the average of the closing prices (or the closing bid or offered prices) (regular way) of a Resona HD's common share on the Tokyo Stock Exchange on each of the 30 consecutive trading days commencing on the 45th trading day immediately preceding the conversion commencement date (such average will be rounded to the nearest 0.1 yen (0.05 yen being rounded upwards)) Reset of conversion price: The initial conversion price shall be reset on August 1, 2006 and thereafter on August 1 in each year (each, a “reset date”) to the average market price of Resona HD's common shares as of such date. (Such conversion price shall be rounded to the nearest 0.01 yen (0.005 yen being rounded upwards)). Provided however that if such conversion price after reset falls short of the floor conversion price, conversion price after reset shall be the floor conversion price. “Average market price” for this purpose means the average of the closing prices (or the closing bid or offered prices) (regular way) of a Resona HD's common share on the Tokyo Stock Exchange on each of the 30 consecutive

trading days commencing on the 45th trading day immediately preceding the relevant reset date (such average will be rounded to the nearest 0.1 yen (0.05 yen being rounded upwards))

(3) Class two, series one preferred stock

Total number of shares to be allocated	2,817,807,861 yen
Issue price per share	Issue price per share is estimated as follows: Issue price per class two, series one preferred share of Resona Bank (44 yen) / the conversion ratio = 200 yen
Voting right	Same as the one attached to common share
Preferred dividend	For one share, the following amount shall be paid as dividend: Issue price per share X preferred dividend rate (one-year yen LIBOR + 0.50%) Preferred dividend rate shall be reset every year on April 1.
Preferred interim dividend	Preferred interim dividend shall be half of the amount of preferred dividend.
Terms for conversion	The class two, series one preferred shares shall be convertible to common shares of Resona HD from and including July 1, 2008 on the terms and conditions specified below: Initial conversion price shall be as follows: Average market price of Resona HD's common share on July 1, 2008 Provided however that if such amount falls short of 20 yen (floor conversion price), initial conversion price shall be the floor conversion price. "Average market price" for this purpose means the average of the closing prices (or the closing bid or offered prices) (regular way) of a Resona HD's common share on the Tokyo Stock Exchange on each of the 30 consecutive trading days commencing on the 45th trading day immediately preceding the conversion commencement date (such average will be rounded to the nearest 0.1 yen (0.05 yen being rounded upwards)) Reset of conversion price: The initial conversion price shall be reset on November 1, 2008 and thereafter on November 1 in each year (each, a "reset date") to the average market price of Resona HD's common shares as of such date. (Such conversion price shall be rounded to the nearest 0.01 yen (0.005 yen being rounded upwards)). Provided however that if such conversion price after reset falls short of the floor conversion price, conversion price after reset shall be the floor conversion price. "Average market price" for this purpose means the average of the closing prices (or the closing bid or offered prices) (regular way) of a Resona HD's common share on the Tokyo Stock Exchange on each of the 30 consecutive trading days commencing on the 45th trading day immediately preceding the relevant reset date (such average will be rounded to the nearest 0.1 yen (0.05 yen being rounded upwards))

(4) Class three, series one preferred stock

Total number of shares to be allocated	2,750,000,000 yen
Issue price per share	Issue price per share is estimated as follows: Issue price per class three, series one preferred share of Resona Bank (44 yen) / the conversion ratio = 200 yen
Voting right	Same as the one attached to common share
Preferred dividend	For one share, the following amount shall be paid as dividend: Issue price per share X preferred dividend rate (one-year yen LIBOR + 0.50%) Preferred dividend rate shall be reset every year on April 1.
Preferred interim dividend	Preferred interim dividend shall be half of the amount of preferred dividend.

dividend

The class three, series one preferred shares shall be convertible to common shares of Resona HD from and including July 1, 2010 on the terms and conditions specified below:

Initial conversion price shall be as follows:

Average market price of Resona HD's common share on July 1, 2010

Provided however that if such amount falls short of 17 yen (floor conversion price), initial conversion price shall be the floor conversion price.

"Average market price" for this purpose means the average of the closing prices (or the closing bid or offered prices) (regular way) of a Resona HD's common share on the Tokyo Stock Exchange on each of the 30 consecutive trading days commencing on the 45th trading day immediately preceding the conversion commencement date (such average will be rounded to the nearest 0.1 yen (0.05 yen being rounded upwards))

Terms for conversion

Reset of conversion price:

The initial conversion price shall be reset on May 1, 2011 and thereafter on May 1 in each year (each, a "reset date") to the average market price of Resona HD's common shares as of such date. (Such conversion price shall be rounded to the nearest 0.01 yen (0.005 yen being rounded upwards)).

Provided however that if such conversion price after reset falls short of the floor conversion price, conversion price after reset shall be the floor conversion price.

"Average market price" for this purpose means the average of the closing prices (or the closing bid or offered prices) (regular way) of a Resona HD's common share on the Tokyo Stock Exchange on each of the 30 consecutive trading days commencing on the 45th trading day immediately preceding the relevant reset date (such average will be rounded to the nearest 0.1 yen (0.05 yen being rounded upwards))

**Attachment B**

**Outline of the "Business Revitalization Plan"**

**June 2003**

**Resona Holdings, Inc.**

**Resona Bank, Ltd.**

## I. Restructuring of Governance System

(1) Renewing management by inviting directors from outside the Group

Resona Holdings, Inc. (Resona HD) and Resona Bank, Ltd. (Resona Bank) invite a chairman and CEO and six directors from outside the group.

These outside directors concurrently serve as directors of Resona HD and Resona Bank to ensure effective management and supervision.

<Composition of board of directors>

	Present		After renewal	Of which, outside directors
Resona HD	11	⇒	10	7
Resona Bank	10		11	7

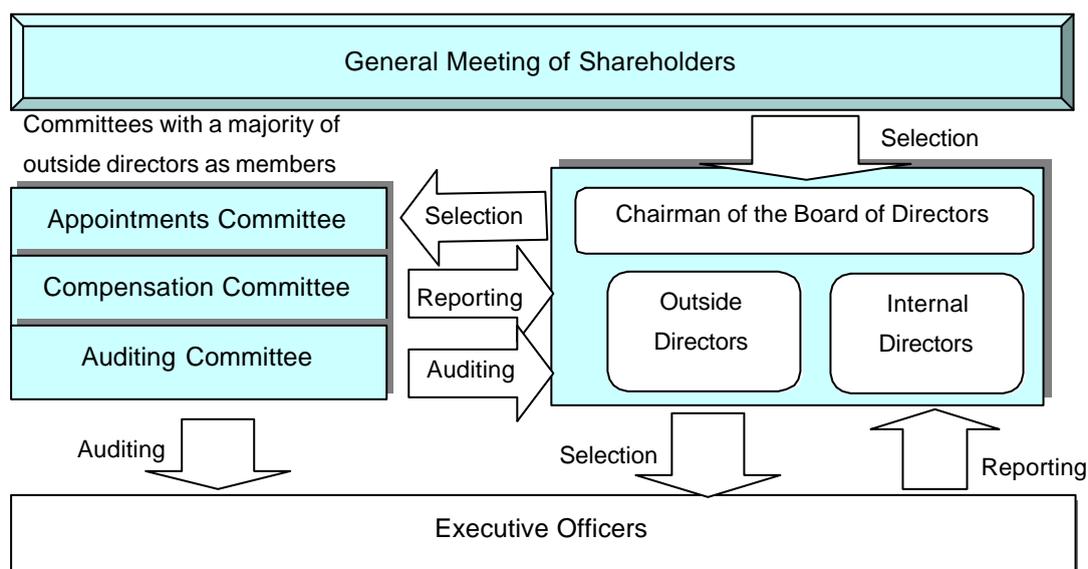
In addition to the aforementioned management renewal, other banking subsidiaries and affiliated companies will also innovate and rejuvenate their management.

<Number of directors>

	At present		After renewal	Reduction
Resona HD and subsidiary banks	47	⇒	41	(6)
Affiliates	230		164	(66)

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

<Outline of the New Management Structure>



In order to strengthen checking on and supervision of the management and to facilitate swift decision makings, Resona HD and Resona Bank will take steps to adopt "Company with

Corporate Governance Committees" system. [

### (3) Strengthening of Compliance Function

An internal auditing division, which is independent of the business execution divisions, will be placed directly under the "Auditing Committee" with a view to establishing an effective checking mechanism. In addition, divisions in charge of risk management and compliance will be strengthened further.

Measures will be taken to raise awareness of employees for compliance, risk management, profit goals and priority on satisfaction of customers. Also, a sense of unity is encouraged upon employees, eliminating distinction prevailing among employees regarding who used to belong which institution before realignment.

### (4) Past management responsibility

Retirement allowances will not be paid to retiring directors of Resona HD and Resona Bank. Other retiring directors including those of affiliated companies will voluntarily return their retirement allowances.

Salary for newly appointed directors (excluding those invited from outside the Group) will be reduced by approximately 40%.

## **II. Efforts by Resona Bank towards Its Revival**

Resona Bank regards the former two year-period of the Business Revitalization Plan (covering the period up to the end of March 2005) as "intensive period for revival" and steps up its efforts towards this goal.

<Objectives in the revival plan of Resona Bank>

Target indices	End of March 2003 (FY 2002: Actual)	End of March 2005 (FY 2004: Planned)
Improvement in asset quality		
Ratio of problem loans to total loans	9.98%	In the 5% range
Outstanding balance of stocks held	Approx. Y1.17 tril.	Below Y600 bil.
Improvement in earnings structure		
Expense ratio (OHR)	61.3%	Approx. 50%*
Ratio of Loans to SMEs to total loans	76.6%	80% and up
Target profit		
Actual net operating profit	Y200.2 bil.	Over Y250 bil.

\* Resona Bank, under the new management, seeks to further reduce the ratio by reviewing the planned systems integration of group banks and other measures

(1) Improving asset quality

a) Separating accounts on an administrative accounting basis

Problem loans and other assets will be segregated and put into a "revival account" and the rest will be put into a "new account" which will be established for the purpose of clarifying management responsibilities for each of these accounts. In particular, Resona Bank intends to reduce its problem loans administered in the "revival account" by taking such measures as providing necessary assistance for borrowers to rehabilitate themselves and other measures considered appropriate to this end. (New management give considerations to specific measures to be implemented.)

b) Strengthening credit risk management

Reflecting on the recognition that concentration of credit risks to certain large borrowers was one contributing factor that accounts for increases in credit costs, new management will apply more strict credit ceilings than before and endeavors to prevent credit costs from rising again by strengthening monitoring vis-à-vis large borrowers and dispersing its loan portfolio into small lots.

c) Accelerating sales of stock holding

Reflecting the recognition that large stockholdings amplified the adverse impact of stock price fall, Resona Bank intends to halve its stockholdings by the end of March 2005 at the latest. (Resona Bank seeks to achieve this objective as early as it can regardless of the above target.)

(2) Earnings structure and business operations

a) Reformation of cost structure

<Reduction of personnel expenses>

	FY 2002 (X)	FY 2004 (Y)	Change (Y) - (X)	(Billions of yen, people)	
				FY 2006 (Z)	Change (Z) - (X)
Personnel expenses	99.4	74.8	(24.6)	67.4	(32.0)
Salary and bonus	68.0	38.5	(29.5)	32.8	(35.2)
Term-end employees	12,467	10,644	(1,823)	9,694	(2,773)

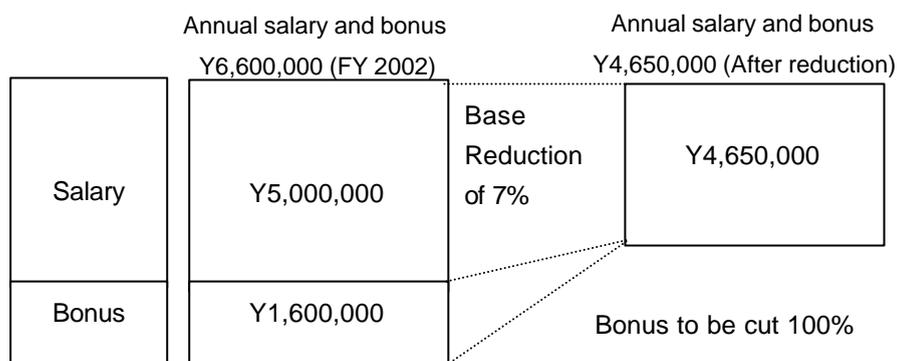
Figures of personnel expenses and others for fiscal 2002 are estimates based on the assumption that Resona Bank would have been existing from the beginning of the fiscal year.

Taking an infusion of significant amount of public funds with utmost seriousness, Resona Bank intends to reduce its employees' annual salary and bonus by approximately 30% on average. (In the case of branch managers, their annual salary and bonus will be halved compared with the peak in the past.) Combined with the effect from reduction of personnel, total employees' salary and bonus for fiscal 2004 will be reduced by 43% compared with the same expense for fiscal 2002.

The number of employees will be reduced, by around 15%, to approximately 10,600.

A new retirement allowance and pension system, which includes a reduction of pension payment, was just introduced in March this year. However, considerations will be given to putting such retirement benefit system under further review.

[Image: Reduction of employees' salary and bonus]



\*1. Amounts for fiscal 2002 are weighted average of former Daiwa Bank and former Asahi Bank

\*2. Above illustration is just a general image of salary reduction. Details of base reduction and bonus cut will be determined hereafter.

<Reduction of non-personnel expenses>

	FY 2002 (X)	FY 2004 (Y)	Change (Y) - (X)	(Billions of yen, people)	FY 2006 (Z)	Change (Z) - (X)
Non-personnel expenses	200.5	187.8	(12.7)		154.1	(46.4)
Excluding consolidation costs	196.4	164.2	(32.2)		136.2	(60.2)
Number of branches (term-end)	317	27.4	(4.3)		265	(52)

Figures of non-personnel expenses and others for fiscal 2002 are estimates based on the assumption that Resona Bank would have been existing from the beginning of the fiscal year.

Non-personnel expenses will be reduced through such measures as accelerating integration or abolition of overlapping branches and disposing of company dormitories and condominiums.

Planned integration of systems among subsidiary banks will be reconsidered with a view to further reducing non-personnel expenses.

b) Integration and abolition of subsidiaries and affiliates

Thoroughly reassessing the existence value of each subsidiary and affiliate from a viewpoint of economic rationality, Resona Bank intends to implement restructuring of subsidiaries and affiliates. Resona Bank intends to retreat from mortgage securities business and significantly diminishes non-bank business.

c) Strengthening of gross operating profits (increasing loans to SMEs, etc)

Resona Bank will increase loans to SMEs and individuals by taking such measures as establishing offices specializing in exploring transaction opportunities with new corporate customers and housing loan centers as well as introducing certain loan products that enables loan application screenings based on scoring model.

To facilitate efficient use of funds, Resona Bank will charge interests appropriate to the level of credit risk it takes and simultaneously reduce high-cost funding.

Resona Bank will also strengthen its fee income by realizing group synergies in such fields as pension, real estate, will trusts and others and strengthening sales of investment trusts and insurance products.

### **III. Restraint on Profit Outflow**

Reflecting an infusion of significant amount of public funds, distribution of profits will be restrained for the time being in order to ensure swift recovery of financial soundness. To this end, Resona HD suspends dividends on its common shares for fiscal 2003. (With respect to dividends for fiscal 2004 and after, the new management will determine specific levels of dividends according to actual results of operations.)

Directors' bonuses will not be paid including newly appointed directors.

### **IV. Formulation by the New Management of New Business Model**

(1) Formulation of new business model, etc.

(a) Formulation of new business model

For its revival, Resona Group, under the new management, reviews its existing management concepts and business model (including policies for disposal of problem loans based on a separation of accounts). In connection with the adoption of new management concepts and business model, Resona Group reviews its Business Revitalization Plan if such review is considered necessary. Taking these steps, Resona Group will step up its efforts directed towards its revival by strengthening its earnings, and accumulating internal reserves.

Considerations will also be given to what strategies should be followed by subsidiary banks and what roles are to be played by the holding company (including the roles of its subsidiary banks). In addition, the planned integration of systems among subsidiary banks will also be reviewed.

(b) Formulation of action plans and management numerical targets

Following determination of new business model, Resona Group will formulate action plans for each principal measure. Furthermore, management numerical targets, aimed at maximization of earnings and further cost reduction, will also be formulated.

(c) Incentives for management and employees

To raise incentives of management and employees for achieving higher business results, compensation for Chairman who is invited from outside the Group will be interlocked with business performance. Furthermore, consideration will be given to introducing a stock option program to chairman and other directors.

With regard to the incentives for employees, consideration is being given to the adoption of more performance-based salary system. The level of employees' bonus will be determined in accordance with the degree of progress in recoveries of earnings.

(d) Drastic restructuring of subsidiaries and affiliates based on new business model

In connection with the adoption of new business model, Resona Group will review the existence value of each subsidiary and affiliate.

(2) Voluntary and active disclosure

Taking into consideration the application of "Special Support" framework, Resona Group will commit itself to timely and appropriate disclosure.

Earnings plan of Resona Bank, Ltd.

	Intensive period for revival			(Billions of yen)
	FY 2002 (Actual)	FY 2003 (Plan)	FY 2004 (Plan)	FY 2006 (Plan)
Gross operating profit	515.5	501.9	555.7	603.4
Core gross operating profit	479.6	499.5	550.7	598.4
General and administrative expenses	315.3	285.9	281.6	240.0
Actual net operating profit	200.2	216.0	274.1	363.4
Credit-related expenses	395.4	107.9	71.9	64.2
Net gains on stocks	(305.2)	(10.0)	(5.0)	---
Ordinary profit	(499.8)	35.8	138.6	250.6
Net income	(766.3)	36.9	134.2	255.6

1. Figures for fiscal 2002 are estimates based on the assumption that Resona Bank existed from the beginning of the fiscal year.
2. Figures for gross operating profit are before disposal of problem loans in the trust account. Core gross operating profit is defined as gross operating profit less net gains on bonds. Actual net operating profit is defined as net operating profit before provision to general reserve for possible loan losses and disposal of problem loans in the trust account.
3. Core gross operating profit for fiscal 2003 are conservative estimate which takes into account the adverse impacts from the decline in capital adequacy ratio. Decline in gross operating profit for fiscal 2003 is primarily due to a drop in net gains on bonds (Y35.9 billion for fiscal 2002 and Y2.4 billion for fiscal 2003.)

Earnings plan of Resona Group

				(Billions of yen)
	FY 2002 (Actual)	FY 2003 (Plan)	FY 2004 (Plan)	FY 2006 (Plan)
Gross operating profit	763.2	731.4	793.1	854.2
General and administrative expenses	455.8	431.5	421.6	374.6
Actual net operating profit	307.3	299.9	371.5	479.6
Credit-related expenses	510.4	147.2	107.2	97.2
Net gains on stocks	(312.1)	(10.0)	(5.0)	---
Ordinary profit	(506.3)	70.7	193.0	326.0
Net income	(790.4)	58.9	168.4	302.4

Accumulation of internal reserve for redemption of public funds

With regard to the previously injected public funds based on the Law Concerning Emergency Measures for the Early Strengthening of the Financial Functions, Resona HD expects it can accumulate sufficient retained earnings for redemption by their mandatory conversion date.

With regard to the public funds injected this time, Resona HD estimates, even based on conservative scenario, that it can accumulate sufficient retained earnings for redemption in 15 years.