

Resona Holdings, Inc.
October 10, 2003

Business Reform Order and Prompt Corrective Action Orders Issued by the Financial Services Agency to Resona Holdings, Inc. and its subsidiary banks

Today, Resona Holdings, Inc. ("Resona HD") received Business Reform Order from the Financial Service Agency under Article 52, Section 33-1 of Japanese Banking Law. In addition, its banking subsidiaries, The Kinki Osaka Bank, Ltd. ("Kinki Osaka Bank," President: Kunitsugu Hara) and The Nara Bank, Ltd. ("Nara Bank," President: Masao Nomura), also received Prompt Corrective Action Orders, respectively, under Article 26, Section 1 of Japanese Banking Law.

To these orders, Resona HD and its two banking subsidiaries submitted the plans for capital increase and management reforms of the two banks to the FSA immediately on the same date.

The content of the Business Reform Orders is summarized 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.

1. Content of Business Reform Order and Prompt Corrective Action Orders

- (1) Resona HD must prepare a reform plan recognized as reasonable and effective for restoring sound management (including measures related to the increase in capital) of its subsidiaries and submit such plans by October 24, 2003.
- (2) The plans described in (1) must be implemented immediately.
- (3) Reports regarding the progress in the plan described in (1) must be submitted.

2. Reasons for the Issuance of Business Reform Order and Prompt Corrective Action Orders

- (1) Owing to the revision by Kinki Osaka Bank of its earnings estimates which was reported to the FSA on October 10, 2003 by Resona HD and Kinki Osaka Bank based on Article 52 Section 31-1, and Article 24 Section 1 of the Banking Law of Japan, the capital adequacy ratio of Kinki Osaka Bank in accordance with the domestic criteria as of the end of September 2003 declined to below the minimum requirement.
- (2) Owing to the revision by Nara Bank of its earnings estimates which was reported to the FSA on October 10, 2003 by Resona HD and Nara Bank based on Article 52 Section 31-1, and Article 24 Section 1 of the Banking Law of Japan, the capital adequacy ratio of Nara Bank in accordance with the domestic criteria as of the end of September 2003 declined to below the minimum requirement.

3. Content of the Plans presented to the Financial Services Agency

- (1) Kinki Osaka Bank and Nara Bank will issue and allocate their new shares to Resona HD.
(Capital increase through allotment to existing shareholders)
- (2) Kinki Osaka Bank and Nara Bank formulated their plans for business reforms, respectively.