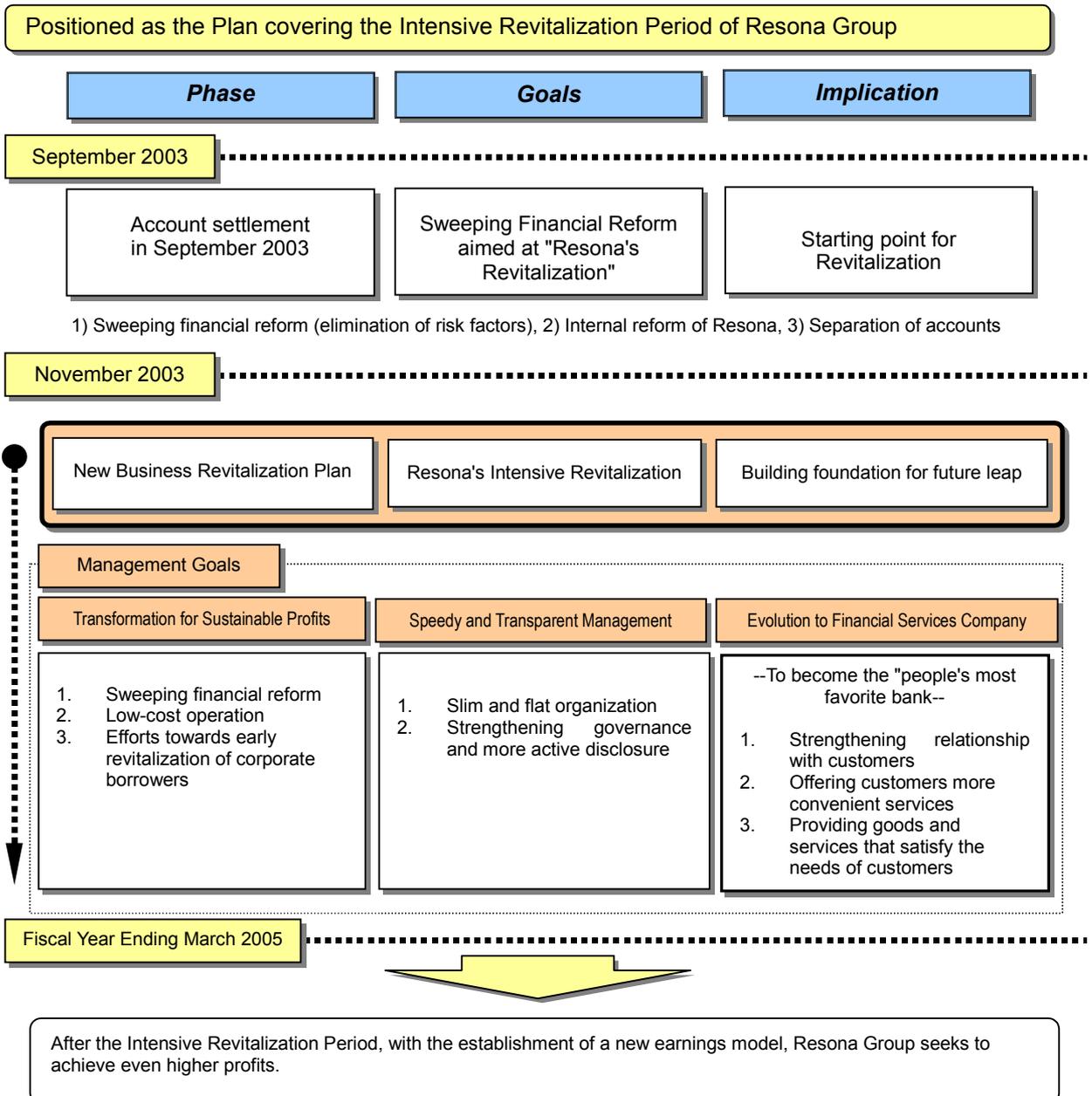


**Formulation of New "Business Revitalization Plan"**  
 -- Business Plan Covering the Intensive Revitalization Period--

Resona Holdings, Inc. ("Resona HD," President: Kenji Kawada) today submitted the Business Revitalization Plan of which the outline is explained in the following.  
 The new business plan is manifestation of commitments by the new management, covering the period of Resona's Intensive Revitalization. Resona Group will realize its management goals of attaining "transformation for sustainable profits" and "speedy and transparent management" by steadily implementing the new management plan. In addition to the basic management goals above, Resona Group will endeavor to transform itself from a conventional banking institution to a true financial services company.

**Outline of the New Plan**



\* New earnings plan is planned to be formulated when interim results for fiscal 2004 is announced.

**Path towards "Transformation for Sustainable Profits" ( Up to Fiscal Year ending March 2005)**  
 -- To earn stable profits even under severe business environment --

**Sweeping Financial Reform (Implemented in FY 2003)**

Net loss for FY 2003: Approximately ¥1.7 tril. → Elimination of immanent risk factors  
 Laid foundation for Resona's Revitalization from a financial perspective

**"Restructuring of Resona" (Reduction of future costs)**

**Strengthening of reserves for future risks**

**Raising quality of capital through reduction of DTA**

**(1) Shifting focus from "quantity" to "quality"**

**(2) Low-cost operation**

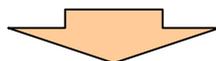
**Shifting focus from quantity to quality, scrutinizing involved risk and return**

In accordance with the basic policy of allocating more management resources on SMEs and individual customers;

1. Strengthen relationship with SMEs and individual customers
2. Charge spread appropriate to the risk involved
3. Strengthen fee income (shift focus from asset-based business), etc

**Enhancement of Cost Competitiveness  
 → Target cost reduction: ¥90.0 bil. (Note\*)**

1. Additional personnel reduction: 4,000 people
  2. Significant reduction of retirement benefit costs
  3. Off-balancing of IT assets, reduction of IT expenses
  4. Significant reduction of rent and fees paid for outsourcing of back-office operations
  5. Thorough review of affiliated companies
- Note: Target for FY 2004 compared with the result of FY 2002



**To raise the Group's combined net income for fiscal 2004 to ¥160 bil.**

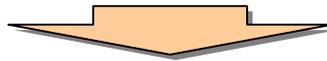
**<Target Indices for Intensive Revitalization Period>**

(Billions of Yen)		Resona Group		Resona Bank	
		Fiscal 2002	Fiscal 2004	Fiscal 2002	Fiscal 2004
Shifting focus from "quantity" to "quality" (Lean management)	ROA (Actual net business profits basis)	0.72%	0.77%	0.69%	0.81%
	Ratio of loans to SMEs and individuals	79.71%	80% and up	76.56%	78% and up
	Expense ratio (OHR)	59.73%	Approx. 52%	59.33%	Approx. 50%
Profit	Net income/(loss)	(790.4)	160.0	(739.2)	115.0
Reduction of risk factors	NPL ratio	9.32%	In the 3% range	9.98%	In the 3% range
	Balance of cross-held stocks	1,316.9	400.0	1,167.2	300.0

### (3) Measures Aimed at Early Revitalization of Corporate Borrowers

#### (A) Separation of Accounts

<b>Outline</b>	<p>Resona Bank separated its assets, on an administrative accounting basis, into the following two accounts; the "Revival Account" (¥3.6 tril.) which includes problem loans, etc. and "New Account" (¥26.7 tril.) to which all the other remaining assets belong.</p> <p>[Base date of separation] September 30, 2003          [Period of account separation] Commencing from October 1, 2003, Until the end of March 2005 (Note)</p> <p>(Note) Resona Bank aims at closing the Revival account at the end of its Intensive Revitalization Period.</p>	
<b>Assets separated into the "Revival" account</b>  (Total: ¥3.6 tril.)	Loans and other claims to "special attention" or lower borrower categories	Abt. ¥ 2.83 tril.
	Listed and OTC stocks selected for future sale, and certain other securities	Abt. ¥560 bil.
	Unused fixed property, unrealized loss on land in the New Account, etc.	Abt. ¥120 bil.
	Other (guarantee money paid, membership rights, etc.)	Abt. ¥62 bil.
<p>Note: Above figures are provisional before final settlement of accounts</p>		
<b>Performances measurement</b>	Measuring performances for each of the two accounts	



#### (B) Measures for Early Revitalization of Corporate Borrowers

<b>Basic Policy</b>	Ensuring early revitalization of borrowers and transparency in providing such assistance	
<b>Establishment of systems for providing assistance</b>	Introduction of a direct credit management by head-office divisions	<ul style="list-style-type: none"> <li>Large "special attention" borrowers and "doubtful" borrowers with high prospect of revitalization are placed under the direct management by head-office</li> <li>Providing such borrowers with specialized know-how and enabling swift revitalization</li> </ul>
	Establishment of a specialized division for assisting borrowers' revitalization	Establish a specialized division within a Group's servicer company
	Consideration given to utilization of revival funds	Consideration given to creation of proprietary funds for SMEs and tie-ups with existing third-party funds
<b>Specific measures</b>	<ul style="list-style-type: none"> <li>Completing revitalization of assisted borrowers within the time frame of the Intensive Revitalization Period</li> <li>Utilizing various available options including the use of Industrial Revitalization Corporation of Japan (IRCJ), Resolution and Collection Corporation (RCC) and other third-party revival funds</li> </ul>	

## Prevention of Increase in Risk Factors

- Re-examination of past business management
- New BIS guideline

- Strengthen integrated risk management
  - improvement in earnings monitoring system
  - Performance evaluation linked with appropriate risk management

<b>Credit Risk</b>	Reduction of risk following write-offs and provision of reserves in FY 2003	<b>Risk Management Goals</b>
	Measures to reduce credit risk <ul style="list-style-type: none"> <li>• Stricter application of credit ceiling rule</li> <li>• Sophistication of loan portfolio management</li> <li>• Various schemes for diversification of risks</li> </ul>	
	Pricing of loans appropriate to the level of risks involved <ul style="list-style-type: none"> <li>• Maximization of profits on an after-credit-cost basis</li> </ul>	
Further reduction in line with the basic goal of reducing the balance to zero (Target balance at the end of March 2005: ¥400 billion <Group banks combined> )		
<b>Market Risk</b>	Raise the level of earnings appropriate to the risks	1) Maximum loss expected  <u>To be reduced within the risk tolerance</u>
		2) Expected loss with regular probability  <u>To be reduced within the periodic earnings</u>

## Realization of Speedy and Transparent Management

-- Highly transparent and sound management for all stakeholders --

### (1) Slim and flat organization

- Integration or abolition of redundant functions within the Group.
- Creation of cross-organizational project-based teams
- Delegation of significant authority to sales front (strengthening region-based marketing)
- More decisions to be made by sales front

### (2) Reinforcement of governance and more active disclosure

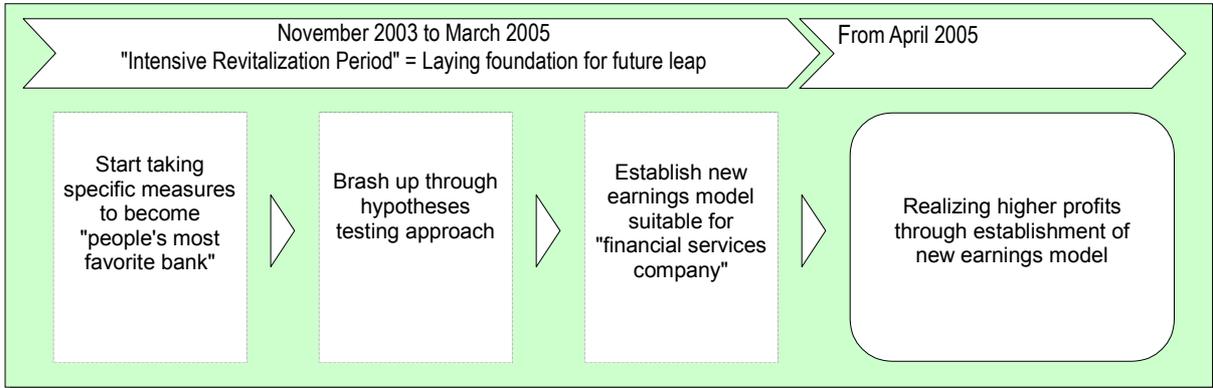
#### Governance)

- Became a "company with corporate governance committees" as the first such banking institution in Japan (June 2003)
- The same system to be adopted by other group banks
- Invited 7 independent (outside) directors including the Chairman
- Appointed young staff to posts of executive officers

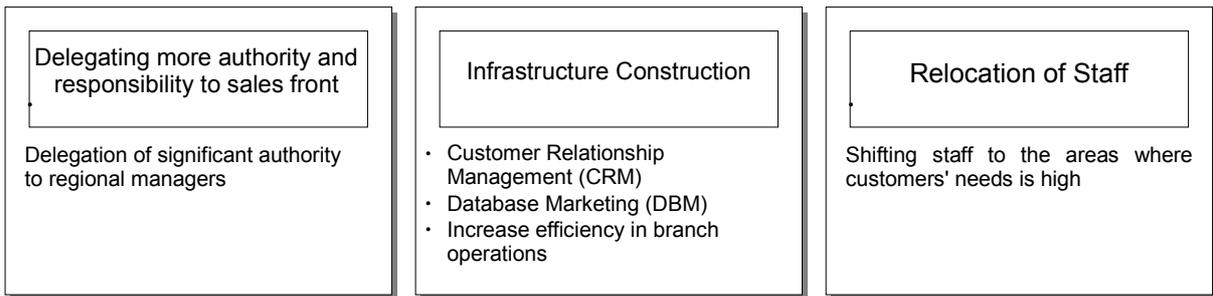
#### (Active Disclosure)

- Performance for each of the Revival Account and the New Account
- Progress schedule chart for principal revitalization measures
- Quarterly account settlements (planned to be announced from 1st quarter of FY 2004)

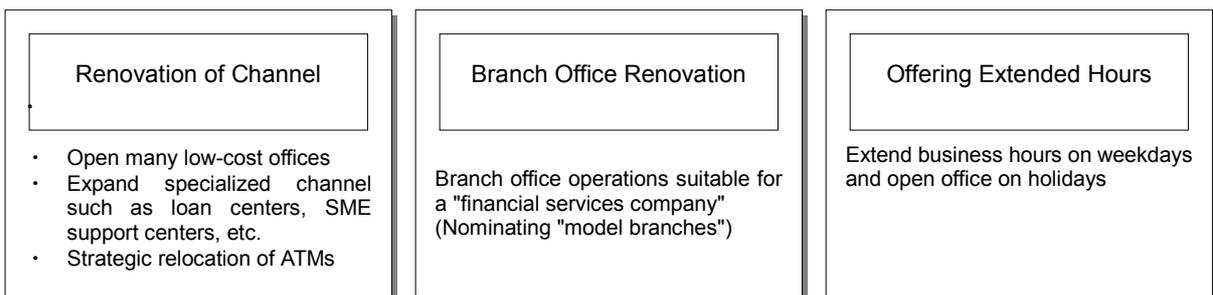
**First Challenge Towards Transformation from Banking Business  
to Financial Services Company**  
-- To become "people's most favorite bank" --



**(1) Measures to Strengthen Relationships with Customers**



**(2) Offering customers more convenient services**



**(3) Providing goods and services that satisfy the needs of customers**

