

**Announcement Regarding Reduction of Capital and Capital Reserves
of Resona Bank and Kinki Osaka Bank**

Resona Bank, Ltd. ("Resona Bank," President: Masaaki Nomura) and The Kinki Osaka Bank, Ltd., ("Kinki Osaka Bank," President: Hiroyuki Mizuta), both of which are subsidiaries of Resona Holdings, Inc. ("Resona HD"), passed resolutions in their board of directors' meetings held on February 10, 2004 to submit the following agenda to the extraordinary general meetings of shareholders of Resona Bank and Kinki Osaka Bank, respectively, to be held on February 16, 2004. Details are as follows:

. Agenda (Resona Bank and Kinki Osaka Bank)

Reduction of Capital and Capital Reserves

. Purpose of capital and capital reserve reduction (Resona Bank and Kinki Osaka Bank)

The capital and capital reserves will be reduced to cope with losses which each of Resona Bank and Kinki Osaka Bank expects to post for the fiscal year ending March 31, 2004 because it posted a large amount of losses for the interim period ended September 30, 2003 as the result of drastic measures taken to restore its financial soundness.

. The manner in which the capital and capital reserve reduction will be implemented

1) Amount of capital and capital reserve reduction

(Resona Bank)

The capital amount of Resona Bank at present, ¥1,051,799,569,396, will be reduced by ¥771,871,060,565 to ¥279,928,508,831. The capital reserve of ¥980,000,000,100 will be reduced by ¥700,071,491,269 to ¥279,928,508,831.

(Kinki Osaka Bank)

The capital amount of Kinki Osaka Bank at present, ¥223,105,310,994, will be reduced by ¥184,133,777,991 to ¥38,971,533,003. The capital reserve of ¥159,917,298,600 will be reduced by ¥120,945,765,597 to ¥38,971,533,003.

2) Manner of effecting capital reduction (Resona Bank and Kinki Osaka Bank)

The number of issued shares and the amount of total shareholders' equity will remain unaffected by the proposed capital reduction.

. Schedule (Resona Bank and Kinki Osaka Bank)

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| 1) Board resolution | February 10, 2004 |
| 2) Resolution by extraordinary general meeting of shareholders | February 16, 2004 (Planned) |
| 4) Deadline for creditors to lodge objections | March 26, 2004 (Planned) |