

Revisions of the Earnings Forecasts

Resona Holdings, Inc. revised its earnings forecasts for the first half of fiscal year 2008 and fiscal year 2008 (full year) which it announced on May 16, 2008 as detailed in the following based upon its recent business trend.

1. Revision of the Consolidated Earnings Forecasts**(1) First Half of Fiscal Year 2008 (From April 1 to September 30, 2008)**

(Billions of Yen)	Ordinary income	Ordinary profit	Net interim income	Net interim income per share
Previous forecast (A)	520.0	120.0	150.0	13,163.45 yen
Revised forecast (B)	510.0	35.0	85.0	7,463.36 yen
Change (B – A)	(10.0)	(85.0)	(65.0)	---
Rate of change (%)	(1.9)	(70.8)	(43.3)	---
(Reference)				
First half of fiscal year 2007 (same period previous year)	551.3	127.5	120.2	10,550.40 yen

(2) Fiscal Year 2008 (From April 1, 2008 to March 31, 2009)

	Ordinary income	Ordinary profit	Net income	Net income per share
Previous forecast (A)	1,050.0	270.0	250.0	18,417.44 yen
Revised forecast (B)	1,000.0	150.0	160.0	10,568.83 yen
Change (B – A)	(50.0)	(120.0)	(90.0)	---
Rate of change (%)	(4.8)	(44.4)	(36.0)	---
(Reference)				
Fiscal year 2007 (same period previous year)	1,114.4	233.7	302.8	23,690.06 yen

2. Reason for the Revision**(1) First Half of Fiscal Year 2008 (From April 1 to September 30, 2008)**

The previous forecasts of ordinary income, ordinary profit and net interim income are revised downward since the operating results of subsidiary banks were weaker than had originally been forecasted due to current turmoil in the financial markets and worsening of macroeconomic conditions in Japan and abroad.

(2) Fiscal Year 2008 (From April 1, 2008 to March 31, 2009)

Taking into account the cumulative business results up to the end of the second quarter and anticipated management environment including low visibility of future economic outlook as well as financial market conditions, Resona Holdings revised its previous forecasts of ordinary income, ordinary profit and net income downward as described above. Resona Holdings will provide further details on the occasion of announcing its interim business results.

[REFERNECE INFORMATION]

1. Forecasted Business Results of Subsidiary Banks

(1) First Half of Fiscal Year 2008 (From April 1 to September 30, 2008)

- Although income from investment trust sale and real estate brokerage fees weakened due to worsening market conditions, subsidiary banks reduced operating expenses to partially offset such a drop in gross operating profit items. As a result, actual net operating profit is estimated to be ¥163.0 billion, a little short of the previous forecast by ¥2.0 billion.
- Subsidiary banks incurred ¥127.0 billion of credit expenses, up ¥105.0 billion from the original forecast. This rise in credit expenses is attributable to an increase in write-offs and provision of loan loss reserves in relation to large-account borrowers belonging to certain industries.
- As a result, income before income taxes and net interim income earned by four subsidiary banks are estimated to be ¥141.0 billion (down ¥96.5 billion from the original forecast) and ¥71.0 billion (down ¥70.5 billion from the original forecast), respectively.

(Billions of Yen)					(Approx)		
	Resona	Saitama Resona	Kinki Osaka	Resona Trust & Banking	Subsidiary Banks Total	Change from Previous Forecast	Year-on-year change
Gross operating profit	216.5	79.5	30.0	14.5	341.0	(13.5)	(1.7)
Operating expenses	114.5	36.5	21.5	6.0	178.0	(11.5)	0.2
Actual net operating profit ^{*1}	102.0	43.0	8.5	8.5	163.0	(2.0)	(2.0)
Net gains on stocks	(3.0)	---	0.5	---	(2.0)	(2.0)	8.1
Credit expenses, net	105.0	18.5	3.5		127.0	105.0	113.2
Income before income taxes	106.0	24.0	1.0	8.5	141.0	(96.5)	(7.7)
Net interim income	(Consolidated tax filing applicable from FY2005)				71.0	(70.5)	(50.7)

1. Actual net operating profit: Net operating profit before transfer to general reserve for possible loan losses and expenses related to problem loan disposal in the trust account.

(2) Fiscal Year 2008 (From April 1, 2008 to March 31, 2009)

- Actual net operating profit forecast was revised downward by ¥23.0 billion to ¥315.0 billion to reflect estimated business results of the first half and anticipated business environment including macroeconomic and market conditions for the time being.
- Credit expenses forecast was revised upward by ¥92 billion to ¥152.0 billion to reflect the expenses incurred in the first half, and poor visibility with respect to corporate performance of subsidiary banks' customers.
- As a result, income before income taxes and net income to be earned by four subsidiary banks are estimated to be ¥273.0 billion (down ¥111.0 billion from the original forecast) and ¥159.0 billion (down ¥74.0 billion from the original forecast), respectively.

(Billions of Yen)	(Approx)						
	Resona	Saitama Resona	Kinki Osaka	Resona Trust & Banking	Subsidiary Banks Total	Change from Previous Forecast	Year-on-year change
Gross operating profit	430.0	159.0	65.5	29.5	684.0	(37.0)	(16.0)
Operating expenses	233.0	76.5	47.0	13.0	369.0	(14.0)	6.9
Actual net operating profit ¹	197.0	82.5	18.5	16.5	315.0	(23.0)	(22.8)
Net gains on stocks	3.0	---	1.0	---	4.0	4.0	49.8
Credit expenses, net	120.0	23.0	9.0	16.5	152.0	92.0	113.3
Income before income taxes	196.0	56.0	4.0	16.5	273.0	(111.0)	(29.1)
Net income	(Consolidated tax filing applicable from FY2005)				159.0	(74.0)	(101.1)

1. Actual net operating profit: Net operating profit before transfer to general reserve for possible loan losses and expenses related to problem loan disposal in the trust account.

2. Forecasted Business Results of Resona Holdings on a Non-consolidated Basis

Resona Holdings does not revise its non-consolidated earnings forecasts for the first half of fiscal year 2008 and fiscal year 2008 (full year) which it announced on May 16, 2008. The earnings forecasts which Resona Holdings announced previously are as in the following:

(Billions of Yen)

	First Half of Fiscal Year 2008	Fiscal Year 2008 (Full Year)
Operating income	50.0	180.0
Operating profit	40.0	170.0
Ordinary profit	40.0	170.0
Net (interim) income	50.0	190.0

3. Classified Claims under the Financial Reconstruction Law Criteria (Total of Subsidiary Banks)

(Billions of Yen)

[Banking and trust accounts]	Sep. 30, 2008	Mar. 31, 2008	Change
Classified claims under FRL criteria (A)	720.0	599.1	120.8
Unrecoverable or valueless claims	97.0	74.1	22.9
Risk claims	411.4	342.8	68.6
Special attention loans	211.5	182.2	29.2
Normal claims	26,048.8	26,662.0	(613.1)
Total claims (B)	26,768.9	27,261.1	(492.2)
NPL ratio (A)/(B)	2.68%	2.19%	0.49%

Earnings forecasts reported herein are based on the data available as of the date on which this material is announced. Please be aware that actual results may differ from the forecasts due to various factors.

4. Estimated Unrealized Gain/(Loss) on Available-for-sale Securities (Total of Subsidiary Banks)

(Billions of Yen)

	Sep. 30, 2008		Mar. 31, 2008		Change	
	Cost	Net unrealized gain/(loss)	Cost	Net unrealized gain/(loss)	Cost	Net unrealized gain/(loss)
Available-for-sale securities ^{*1}	6,779.7	101.5	5,938.5	172.2	841.1	(70.7)
Bonds	5,887.1	(59.3)	5,104.4	(29.9)	782.7	(29.4)
Stocks	377.4	179.3	382.5	204.9	(5.1)	(25.5)
Other	515.1	(18.4)	451.5	(2.7)	63.5	(15.7)

1. In addition to "Securities," NCDs in "cash and due from banks," CPs and trust beneficiary rights in "Monetary claims bought" are also included.

5. Securitized Products Held and Unrealized Gains/(Losses) (Total of Subsidiary Banks)

(Billions of Yen)

	Balance	Unrealized Gain/(Loss)
Structured abroad	---	---
Sub-prime housing loan-related	No exposure to sub-prime loan-related assets *	
Structured in Japan	285.2	(1.7)
Underlying assets: Japanese assets	285.2	(1.7)
Housing loans	235.6	(1.3)
Commercial real estate	18.5	(0.3)
Other	31.1	(0.1)
Underlying assets: Foreign assets	---	---
Total ^{*1}	285.2	(1.7)
Change from the end of March 2008	(38.6)	(0.4)

1. Includes securities defined under the Accounting Standard for Financial Instruments (revised on July 4, 2007) and all securitized products directly held (including securitized products structured based upon cash flows from certain assets, CDOs and squared CDOs.)

* Resona Group banks have no investments in securitized products linked to sub-prime mortgage loans, investments in or loans to SPEs (SIVs, ABCPs, Conduits, etc.) and credit derivatives; or any investments in or loans to the entities related to sub-prime mortgage loans, including transactions with monoline insurers.

* The ABCP Program sponsored by Resona Bank mostly invests in accounts receivable, bills and remuneration claims for medical services originally acquired by its clients in Japan and has no investments in assets linked to the sub-prime mortgage loans. Resona Bank holds the short-term corporate bonds issued by the aforementioned ABCP program as trading-purpose securities and their balance and unrealized gains are as follows.

[End of September, 2008]

Balance sheet amount: ¥38.4 billion

Unrealized gain: ¥0.03 billion

* Resona Group banks have no investments in bonds insured by the U.S. government-affiliated agencies or in bonds issued by the GSEs (government supported entities).