

Revisions of the Earnings Forecasts for the 1st Half of Fiscal Year 2010

Resona Holdings, Inc. revised its earnings forecasts for the 1st half of fiscal year 2010 which it announced on May 14, 2010 as detailed in the following based upon its recent business trend.

1. Revision of the Consolidated Earnings Forecasts

(1) First Half of Fiscal Year 2010 (From April 1 to September 30, 2010)

(Billions of Yen)	Ordinary income	Ordinary profit	Net interim income	Net interim income per share
Previous forecast (A) (Announced on May 14, 2010)	415.0	83.0	60.0	52.14 yen
Revised forecast (B)	460.0	114.0	81.0	57.32 yen
Change (B – A)	+45.0	+31.0	+21.0	---
Rate of change (%)	+10.8	+37.3	+35.0	---
(Reference) First half of fiscal year 2009 (same period previous year)	461.3	75.7	85.5	78.87 yen

(2) Reason for Revising the Consolidated Earnings Forecasts

The previous forecasts of ordinary income, ordinary profit and net interim income are revised upward since subsidiary banks are steadily generating actual net operating profit while net credit expenses for the interim period turned out to be lower than the previously forecasted. No revision is made to the previous non-consolidated earnings forecasts.

2. Consolidated Earning Forecasts for Fiscal Year 2010 (Full Year)

No revision is made to the previously announced consolidated earnings forecasts for fiscal year 2010 (full year forecasts) at this point in time.

Further details will be announced when Resona Holdings announces its interim business results.

[REFERENCE INFORMATION]

(1) Earnings Forecasts of Subsidiary Banks for First Half of Fiscal Year 2010

- Forecast of actual net operating profit for a total of subsidiary banks is revised upward by ¥16.0 billion to ¥141.0 billion, primarily due to 1) stronger-than-expected net gains on bonds and 2) stringent control of operating expenses.
- Forecast of ordinary profit for a total of subsidiary banks is revised upward by ¥23.0 billion to ¥106.0 billion, primarily due to a reduction in net credit expenses (a decline of ¥16.5 billion from the level previously forecasted).
- Income before income taxes for a total of subsidiary banks will be ¥121.0 billion (an increase of ¥33.0 billion from the previous forecast). With an expected increase^{*1} in income taxes, net interim income for a total of subsidiary banks will likely be ¥76.5 billion (an increase of ¥18.5 billion from the previous forecast).

1. Amortization of deferred tax assets in relation to tax loss carry forwards is accelerated due to stronger-than-forecasted earnings for the interim period.

(Billions of Yen)	(Approx)					
	Resona	Saitama Resona	Kinki Osaka	Subsidiary Banks Total	Change from Previous Forecast	Year-on-year change
Gross operating profit	208.0	74.5	30.5	313.5	+15.5	(1.6)
Operating expenses	(113.5)	(38.0)	(21.0)	(172.5)	+0.5	+3.2
Actual net operating profit ^{*1}	94.5	36.5	9.5	141.0	+16.0	+1.6
Ordinary profit	72.5	32.0	1.5	106.0	+23.0	+29.1
Income before income taxes	85.5	33.0	2.5	121.0	+33.0	+30.9
Net interim income	(Consolidated tax filing applicable)			76.5	+18.5	(4.8)
Net gains on stocks	(6.6)	(0.1)	0.0	(6.7)	(8.7)	(8.9)
Credit expenses, net	(8.5)	(4.0)	(6.0)	(18.5)	+16.5	+32.8

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

(Billions of Yen)

[Banking and trust accounts]	Sep. 30, 2010	Mar. 31, 2010	Change
Classified claims under FRL criteria (A)	693.0	658.9	+34.0
Unrecoverable or valueless claims	83.5	94.5	(11.0)
Risk claims	422.4	409.5	+12.8
Special attention loans	187.0	154.8	+32.2
Normal claims	25,917.6	26,470.8	(553.2)
Total claims (B)	26,610.6	27,129.7	(519.1)
NPL ratio (A)/(B)	2.60%	2.42%	+0.17%

(3) Estimated Unrealized Gain/(Loss) on Available-for-Sale Securities (Total of Subsidiary Banks)

(Billions of Yen)

	Sep. 30, 2010		Mar. 31, 2010		Change	
	Cost	Net unrealized gain/(loss)	Cost	Net unrealized gain/(loss)	Cost	Net unrealized gain/(loss)
Available-for-sale securities ^{*1}	7,881.9	94.8	7,846.2	119.8	+35.6	(24.9)
Bonds	7,177.9	14.4	7,045.8	(9.1)	+132.0	+23.5
Stocks	438.4	82.0	473.7	129.8	(35.2)	(47.8)
Other	265.5	(1.5)	326.6	(0.8)	(61.1)	(0.6)

1. In addition to "Securities," NCDs in "cash and due from banks," certain items included in "monetary claims bought" are also included. Fair values of securities are based on market prices. Resona Group did not change the method of measuring fair values of securities in accordance with the ASBJ Practical Issue Task Force No. 25, and the carrying purpose of bonds in accordance with the ASBJ Practical Issue Task Force No. 26.

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.