RESONA

RESONA HOLDINGS, INC. Interim Financial Report 2003-2004

Six months ended September 30, 2003

Corporate Mission

The Resona Group aims at becoming a true “financial services company full of creativity.”
Towards this goal, the Resona Group will:

1) live up to customers’ expectations,
2) renovate its organization,
3) implement transparent management, and
4) develop further with regional societies.

RESONA HOLDINGS

Resona Way (Resona Group Corporate Promises)

Customers and “Resona”

Resona cherishes relationships with customers.

- The Resona Group offers its customers services with integrity for their joy and happiness, placing highest priority on winning their confidence in Resona.
- The Resona Group makes every effort to respond fully to the needs of customers by offering high-quality services.
- The Resona Group always welcomes customers with gratitude.

Shareholders and “Resona”

Resona cherishes relationships with shareholders.

- The Resona Group aims at maximizing its corporate value by implementing sound management based on a long-term perspective.
- The Resona Group returns an appropriate amount of sound profits to its shareholders.
- The Resona Group seeks to offer timely solutions to customer needs in all situations, endeavors for transparent management, and actively upgrades its disclosure.

Society and “Resona”

Resona places importance on its ties with society.

- The Resona Group makes every effort for an extensive number of citizens to acknowledge the significance of Resona’s existence.
- The Resona Group observes every rule of society.
- The Resona Group contributes to regional societies as a good corporate citizen.

Employees and “Resona”

Resona highly regards employees’ dignity and personality.

- The Resona Group creates a workplace where employees can take pride in being a member of Resona.
- The Resona Group thinks highly of its employees’ mind-set and endeavors to make the Group’s business atmosphere challenging and creative.
- The Resona Group cherishes each employee’s dignity and personality and evaluates ability and achievement in a fair manner.

CONTENTS

Concerning Forward-Looking Statements: This material contains forward-looking statements regarding the Group’s operations. These statements are not intended to provide any guarantees of the Group’s future performance, which will be subject to risks and uncertainties. Please note that future performance may differ from targets and plans because of changes in the operating environment and other factors.

Message from the Chairman

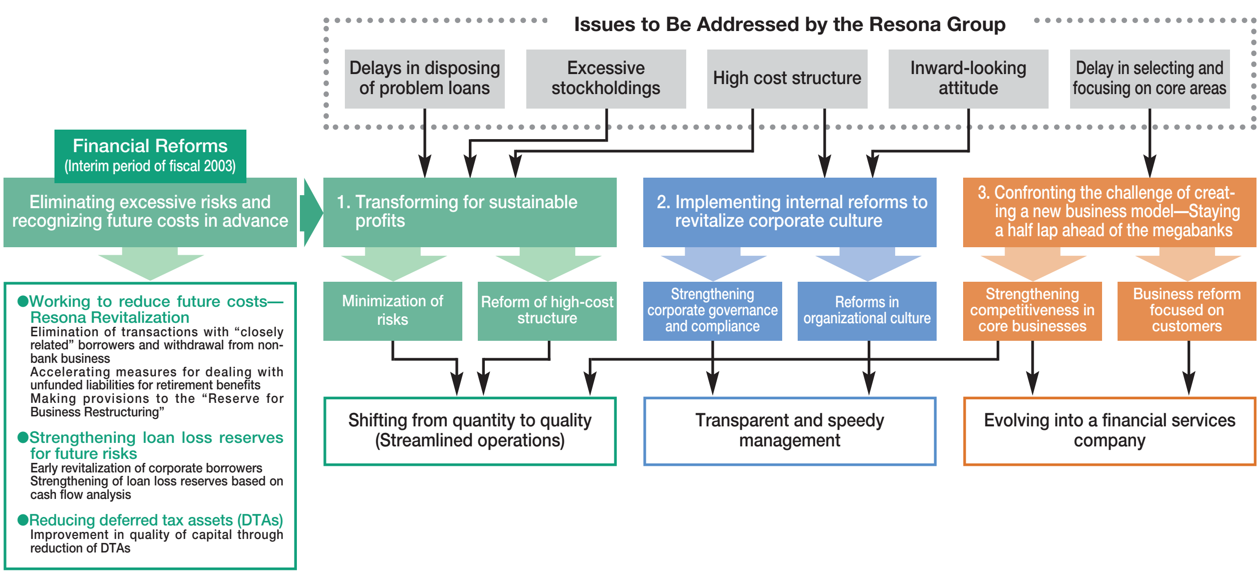
Eiji Hosoya
Director, Chairman, and Representative Executive Officer of Resona Holdings, Inc.

I would like to thank you very much for your continuing patronage of the Resona Group.

Since becoming Chairman, I have made a careful analysis of all the problems that must be addressed by the Resona Group to maximize its corporate value. I have identified three major issues—namely "transforming for sustainable profits," "implementing internal reforms," and "confronting the challenge of creating a new business model"—and have instituted management-directed reform measures.

After I assumed the office of Chairman, my first tasks, as the leader of the new management team, were to take intensive measures to eliminate risk and remove the obstacles impairing recovery. As a consequence, we reported a major loss for the interim period ended September 30, 2003, but as a result of drastic financial reforms, I believe we took the first major, strong steps toward "transforming for sustainable profits." Moreover, one of the things I have been most concerned about since I became Chairman is reforming the hearts and minds of our staff members. To evolve from a bank to a financial services company in the truest sense of the word, returning to the basics of "providing service" is of the utmost importance. Along with the implementation of policies to strengthen our corporate governance systems and other measures, we have placed a high priority on internal reforms that will change the awareness of our employees.

These two reforms—taking intensive measures to eliminate risk and changing the hearts and minds of our staff members—will be indispensable for putting the revitalization of the Resona Group on a stable track. Along with "confronting the challenge of creating a new business model," these two reforms will be needed to build the foundation for recovery. During the Intensive Revitalization Period, which will extend through March 2005, we plan to strongly emphasize implementing the first two reforms I mentioned and work toward "shifting from quantity to quality" and achieving "transparent and speedy management." Along with these activities, to reach our goals of "evolving into a financial services company," we will be "confronting the challenge of creating a new business model."



1. Transforming for Sustainable Profits

The first challenge we must confront is carrying out the transformation to sustainable profitability. To meet this challenge, we are aiming to create a stable earnings base that can generate profits on a continuing basis by minimizing risk factors—including problem loan exposure and excessive stockholdings—and creating a low-cost structure appropriate for retail financial services operations.

The Resona Group reported a consolidated net loss of ¥1,769.6 billion for the interim period of fiscal 2003, ended September 30, 2003. These financial results reflect the accelerated recognition of potential future costs, which we believe was indispensable to minimize risk factors and make possible the transformation to sustainable profitability. We have positioned this early recognition of future costs as an integral part of our activities to implement financial reforms and maximize corporate value. The objectives of these financial reforms were to aggressively minimize or eliminate risk factors. However, the point of these reforms was not simply to increase reserves for problem loans but to create a stable earnings base through proactive measures to reduce future burdens in advance.

As a result of measures taken for the interim period, the reported balance of problem loans of the Resona Bank increased temporarily, but for the fiscal year ending March 31, 2004, we are planning to bring down the ratio of problem exposure to the lower 7% range. In addition, by March 31, 2005, which will mark the end of the Intensive Revitalization Period, we are aiming to lower the ratio of problem loans to the 3%–4% level.

In addition, although we initially planned to halve our stockholdings in two years, we will accelerate our efforts to attain this goal in one year. Our objective will be to reduce our stock portfolio by ¥600 billion during the current fiscal year, but as of September 30, 2003, we had already sold off about ¥400 billion in equity holdings. In the next fiscal year and in subsequent years, we will continue to adopt a zero-based approach to further reduce risk.

To attain the objective of a low-cost structure, we are moving forward with specific measures, including reviewing employee compensation and benefits, returning the proxy portion of the employees' pension funds currently managed by Group companies to the government, and taking steps to consolidate affiliated companies and review their business activities. Moreover, to create a low-cost operational structure appropriate for retail financial services, we established the Resona Competitiveness Enhancement Committee in August 2003, with the mission of addressing competitiveness issues on a cross-organizational basis.

1. Transforming for Sustainable Profits

Issues		Policies	Accomplishments during the Interim Period of FY2003
Minimizing risk factors	Accelerating disposal of problem loans	▶Early disposal of negative legacies ▶Adoption of zero-based approach to relationships with "closely related borrowers" and withdrawal from nonbank business	▶Carried out due diligence, separated assets into "Revival" and "New" accounts ▶Reexamined "closely related borrowers" and nonbank businesses through due diligence ▶Upgraded systems aimed at providing corporate rehabilitation assistance
Minimizing risk factors	Reducing excessive stockholdings	▶Zero-based approach for reducing stockholdings Accelerated reduction (cut in half during the current fiscal year) and further reductions	▶Toward the goal of reducing stockholdings by ¥600 billion during the current fiscal year, sold about ¥400 billion from April 2003 through September 2003
Reforming high-cost structure		▶Full review of the cost structure through establishment of a cross-organizational committee ▶Review of affiliated companies Phase out the 50 companies to one-fourth of that number ▶Reductions in personnel costs ▶Cutbacks in retirement benefit costs ▶Improve efficiency of administrative divisions	▶Established Resona Competitiveness Enhancement Committee (August 2003) ▶Consolidated affiliated companies, reviewed their business operations ▶Reviewed employee compensation and benefits ▶Returned the proxy portion of the employees' pension funds formerly managed by Group companies to the government and also amortized a part of the transition differences arising from the change in accounting standards in the past Expect cost reduction of about ¥33.5 billion annually beginning in fiscal 2004 ▶Renovated head office organizations for greater efficiency

2. Implementing Internal Reforms to Revitalize Corporate Culture

The second major issue we are addressing is implementing internal reforms to revitalize our corporate culture. We are conducting activities to address this issue in two principal areas. The first is strengthening our corporate governance and compliance systems to provide for the proper supervision of management and internal checking functions. The second is renovating our organizational culture.

To bolster our governance and compliance systems, we have carefully reviewed the failures that culminated in the most recent injection of public funds into Resona and have strengthened our management and internal checking framework to ensure that we will not repeat the errors of the past. In June 2003, Resona Holdings, Inc., became the first major financial group to form corporate governance committees. As a result, we now have a strong framework for the surveillance of management, but to ensure that this framework does its job properly, on October 1, 2003, we renovated our organization and replaced a significant number of the Group's executive officers with younger management personnel. The objective of appointing new management was to bring personnel capable of leading effectively in times of change to the forefront and improving corporate morale. As a result of this policy, we broke away from the former system that based promotions and authority on seniority and created a slimmer, flatter organization.

To renovate our organizational culture, we are focusing on changing the inward-looking mind-set of our staff. We are paying particular attention to revitalizing our organization by encouraging staff to think of our Company not as a "bank" but as an "enterprise."

As part of our efforts to change the inward-looking mind-set of our personnel, we have begun to listen carefully to the ideas of knowledgeable people outside the Group; this has included the appointment of external personnel to the position of general manager of our personnel department and the engagement of outside advisers to assist in cutting costs. We have also formed new organizational units with special missions that cut across our Group organization, such as the previously mentioned Resona Competitiveness Enhancement Committee and the so-called Kitchen Cabinet, my own brain group made up of executive officers and managers at key posts. These newly formed units are already working to address the issues we confront and are bringing new ideas, unfettered by the old ways of doing things.

2. Implementing Internal Reforms to Revitalize Corporate Culture

Issues	Policies	Accomplishments during the Interim Period of FY2003
Strengthen corporate governance and compliance systems	▶Rejuvenation of management team ▶Provide for proper surveillance of management and internal checking functions	▶Appointed young staff to posts of executive officer positions 13 former executive officers retired and 16 were newly appointed ▶Introduced an evaluation system for directors ▶Strengthened and expanded internal checking functions along with the shift to the corporate governance committee system Formed the Internal Audit Office and other units, strengthened middle-office functions Created the in-house investigation committee to be responsible for analysis of the factors leading to deterioration in management policies in the past
Renovate our corporate culture	▶Reform the inward-looking mind-set of staff members ▶Formed the Resona Revitalization Project Team ▶Created the Kitchen Cabinet ▶Strong emphasis on profitability and cost-consciousness ▶Proactive appointment of younger personnel ▶Reforms in personnel policy	▶Created a slimmer, flatter organization ▶Introduced a system that enables Resona Bank staff to fulfill the same roles within the holding company ▶Proposals from the Resona Revitalization Project Team ▶Formed the Kitchen Cabinet ▶Created the Resona Competitiveness Enhancement Committee Invited former managers of Kao Corporation as advisers ▶Solicited candidates for positions of president and directors of a subsidiary from among younger personnel ▶Employed outside personnel as general manager of the personnel department and changed the name of the personnel department to the Human Resources Service Division

3. Confronting the Challenges of Creating a New Business Model

The third major issue we are working to address is "confronting the challenge of creating a new business model." In our core businesses of providing services for individuals and small and medium-sized enterprises (SMEs), we are working to improve all aspects of our capabilities, including offering greater convenience as well as better, speedier service for customers. In parallel with these activities, we have adopted the basic principle of creating low-cost operating systems. We are carrying out reforms to reach these objectives, with the determination of creating a new bank. We are focusing especially on three points to convince our customers that Resona has really changed for the better. These are to implement truly customer-centric operating reforms that will (1) enhance convenience for customers, (2) enable us to offer top-quality products and services, and (3) speed up the delivery of our products and services. To enhance the convenience of our services, we have begun to take steps to extend business hours at our offices and broaden our service delivery channels for specific markets, including the expansion of housing loan centers and SME support centers. We have also begun to offer business loans that do not require the personal guarantees of company representative directors and are working to introduce top-quality products and services. In addition to these activities, we have increased the credit approval authority of branch managers and taken other active measures to delegate authority to the working level, with the aim of speeding up the delivery of the Group's products and services.

Although it is too early to discuss the future management of Resona, I believe that by effectively addressing the three issues I have mentioned, we are following the correct road map to make the shift from quantity to quality, enhance the transparency and speed of management, and evolve into a financial services company.

Fully Committed to Being a Winner

During the second half of the current fiscal year, our number one priority should be the creation of a new Resona brand, and it will be important for us to implement internal reforms with the energy and determination of creating a new bank.

The revitalization of Resona has the aspects of a race with time. Emerging as a winner in this enterprise is an imperative for all Resona management and staff, and we will be measured by new, external criteria set by our customers, financial markets, and outstanding examples of successful revitalization in other companies. If we do not change our culture to one that is bent on competing and overcoming challenges, then returning to stable profitability will be difficult.

If we compare the tasks before us to a track and field event, we have just made it around the first corner and are heading toward the second bend in the track. However, the speed expected by the market is increasing rapidly, so I am gritting my teeth and picking up the pace. Even if only a few more of our management and staff can match this pace, I believe they may hold the key to successful revitalization. Therefore, I have reaffirmed my conviction that the second half of this fiscal year and next year will be the real moment of truth for Resona and will require our utmost effort and commitment.

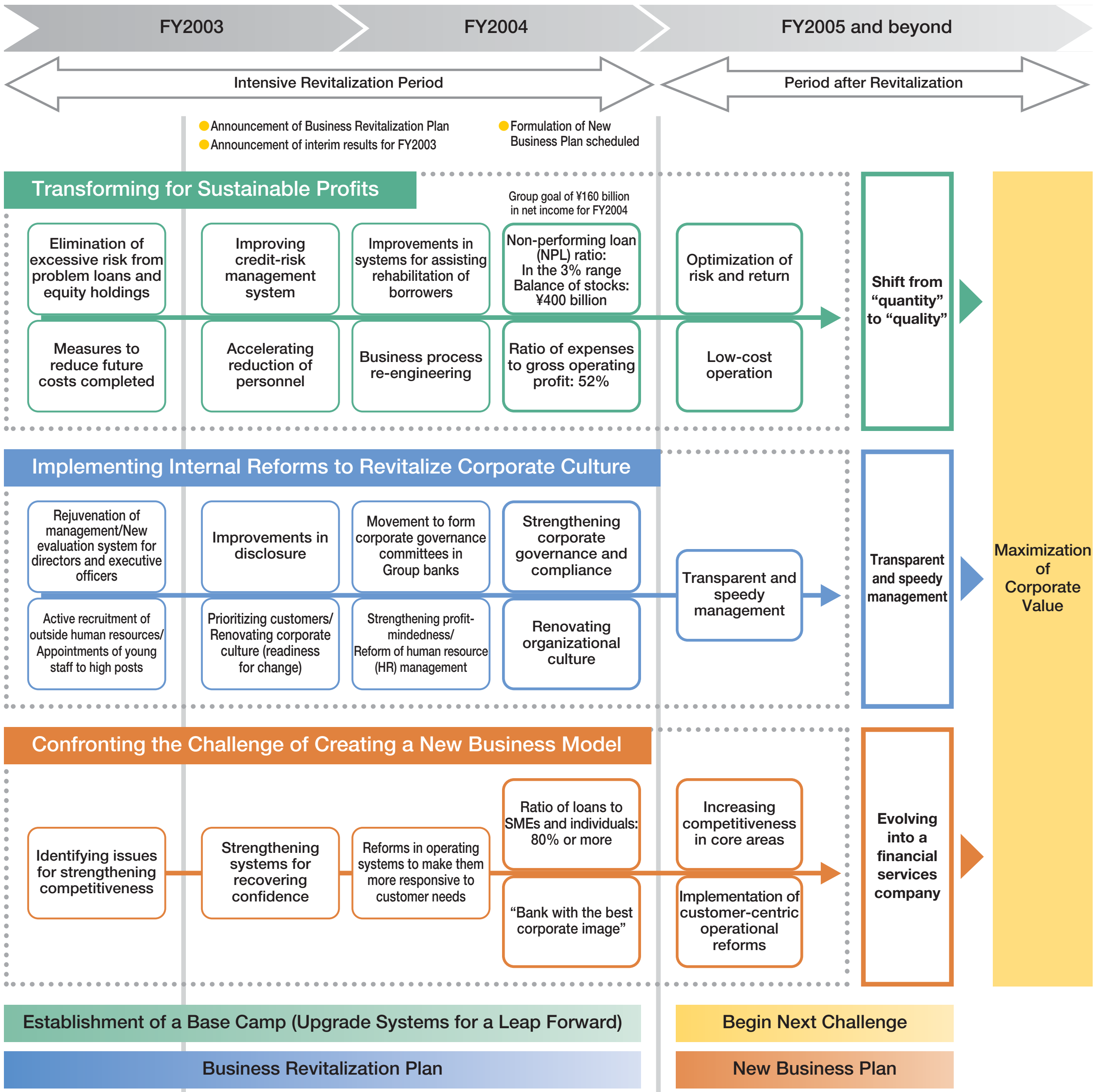
I ask every one of you to watch our revitalization efforts as we implement them and ask for your continued support and encouragement.

January 2004

Eiji Hosoya

Eiji Hosoya
Director, Chairman, and Representative Executive Officer of Resona Holdings, Inc.

Road Map for Resona's Revitalization—Committed to being a self-innovating group



Quantitative Objectives of Intensive Revitalization Period

		Resona Group		Resona Bank	
		FY2002 (March 31, 2003) Actual	FY2004 (March 31, 2005) Planned	FY2002 (March 31, 2003) Actual	FY2004 (March 31, 2005) Planned
Reduce risk factors	NPL ratio	9.32%	In the 3% range	9.98%	In the 3% range
	Balance of stockholdings	¥1,316.9 billion	¥400.0 billion	¥1,167.2 billion	¥300.0 billion
Shift from quantity to quality/ management structure	ROA based on actual net operating profits	0.72%	0.77%	0.69%	0.81%
	Ratio of loans to SMEs and individuals	79.71%	80% or more	76.56%	78% or more
	Ratio of expenses to gross operating profit	59.73%	About 52%	59.33%	About 50%
Profit goal	Net income (loss)	(¥790.4 billion)	¥160.0 billion	(¥739.2 billion)	¥115.0 billion

Note: ROA based on actual net business profits, ratio of expenses to gross operating profit and net income (loss) for the Resona Bank for FY2002 are computed in such a way to include the figures of the former Asahi Bank for the 11 months prior to the merger.

Principal Initiatives Aimed at Revitalization

Transforming for Sustainable Profits

●Implementation of Due Diligence

To confirm the condition of the Group's assets objectively, Tohmatsu & Co., a certified public accounting firm not responsible for auditing the accounts of the Resona Group, was engaged to perform due diligence on the status of the Group's assets. (July 2003)

●Sorting Out and Realigning Affiliated Companies, Etc.

- Withdrew from the nonbanking business conducted by affiliated companies and think-tank activities conducted by Resona Research Institute, Inc. (July 2003)
- Sold the Group's holdings in The Asahi Retail Securities Co., Ltd., to third parties (October 2003)
- Decided to sell the shares of Asahigin Leasing Co., Ltd., to Central Leasing Co., Ltd. (December 2003)
- Decided to sell the shares of The Daiwa Factor and Leasing Co., Ltd., to Diamond Lease Co., Ltd. (December 2003)
- Decided to sell the shares of Kinki Osaka Leasing Co., Ltd., to Mitsui Leasing and Development, Ltd. (December 2003)
- Sold the claims to and equity held in the Showa Jisho Group companies to Cerberus (December 2003)

●Initiatives to Reduce Stockholdings

Resona Bank has stepped up its activities, undertaken principally by the Bank's Stock Committee, to reduce its stockholdings. During the first half of fiscal 2003, the Bank sold more than ¥400 billion in stock on a book-value basis.

●Reducing Retirement Severance Costs

In addition to making a lump-sum amortization of the unfunded liabilities accompanying the return of the proxy portion of the employees' pension funds (formerly managed by Group companies) to the government, the Group has also disposed of a part of remaining unfunded liabilities that originate in the change in accounting standards adopted in the past, with the objective of substantially reducing the burden of future amortization.

●Implementation of Financial Reform

To attain the goal of making a transformation for sustainable profits, the Group implemented financial reform measures to aggressively eliminate or minimize future risk factors during the first half of fiscal 2003 (ended September 30, 2003). In addition, as part of these financial reforms, the Group made additional investments in The Kinki Osaka Bank, Ltd., and The Nara Bank, Ltd., in November 2003 to increase their capital to meet regulatory criteria.

●Separation of Accounts

Resona Bank implemented a separation of accounts—placing problem and certain other assets in the Revival Account and other assets in the New Account. (October 2003)

●Establishing Revitalization Support Units

To reinforce the Group's initiatives to assist customers in their corporate revitalization efforts, Resona Bank established the Corporate Credit Office in Osaka and Tokyo, Saitama Resona Bank, Ltd., formed the Management Support Office in Saitama Prefecture, and The Nara Bank established the Corporate Support Office in Nara Prefecture. (October 2003)

●Implementing a Voluntary Retirement Program

The Group is scheduled to reduce staff by a total of approximately 2,700 by March 31, 2004. As a specific measure to implement this headcount reduction, the Group decided to institute a program calling for voluntary retirement of about 1,500 employees. (November 2003)

●Creating Funds for Revitalization of SMEs

- Saitama Resona Bank established the first regional revitalization fund in Japan—the Saitama Corporate Revival Fund—targeted by region (focusing on small and medium-sized enterprises (SMEs) principally in Saitama Prefecture). (July 2003)
- To provide active support for its corporate customers undergoing restructuring, Resona Bank joined with its enterprise partners, headed by Nomura Securities Co., Ltd., to form the Corporate Revival Fund for SMEs. (December 2003)

●Improving Integrated Risk Management and Credit Risk Management

The Group is placing strong emphasis on the integrated risk management concept, which requires that financial institutions maintain risk volume with the limits of their risk tolerance. Under this concept, the Group issues risk limits on a semiannual basis. To strengthen credit risk management, Resona Bank upgraded its credit ceiling system.

Implementing Internal Reforms to Revitalize Our Corporate Culture

●Establishing Corporate Governance Committees

Resona Bank is working to strengthen the monitoring and surveillance functions of management and improve transparency. Accordingly, to re-establish and reinforce its corporate governance structure, the Bank established corporate governance committees. (June 2003)

●Resona "Plus One" Campaign

With the goal of placing strong emphasis on customer orientation, the Group has begun its Resona "Plus One" Campaign, which aims to have the branches and head offices of Group banks plan and implement activities on a voluntary basis that respond effectively to customer needs. (June 2003)

●Formation of the Resona Revitalization Project Teams

The Group formed the Resona Revitalization Project Teams, with the objective of moving forward with internal reforms that will contribute to revitalization. Members of the teams were solicited broadly from the Group, mainly from among younger staff members with flexible ideas. The teams have the mission of conducting intensive discussions on Groupwide management issues. (July 2003)

●Establishing the Resona Competitiveness Enhancement Committee

The Resona Competitiveness Enhancement Committee was established to consider and provide a driving force for measures related to Groupwide competitiveness, including improving customer services and increasing cost-competitiveness. (August 2003)

●Engagement of Outside Specialists

The Group has begun to introduce knowledgeable outsiders to accelerate management reforms. For example, an outside expert has been appointed as the general manager of the personnel department of Resona Holdings, and other personnel recruited from outside the Group are now acting as members and advisers to the Resona Competitiveness Enhancement Committee. (September 2003)

●In-House Investigation Committee

The Group has established an in-house investigation committee, which is chaired by an independent member of the legal profession, with the aim of examining past management activities that require reconsideration and distilling lessons from this past experience for future management. The committee is focusing, in particular, on whether there were problems in the decision-making processes for determining management strategy, financial management, credit management, and other areas. (September 2003)

●Task Force for Implementation of Reforms

The Task Force for Implementation of Reforms, consisting mainly of younger general managers from Resona Holdings and Resona Bank, has been created as a kind of brain trust to speed up the implementation of reforms (September 2003)

●Introduction of Evaluation System for Directors and Executive Officers

With the objective of increasing the transparency and objectivity of the selection process for directors and executive officers of Resona Holdings and other Group companies, an evaluation system has been introduced that takes into account both the results of their initiatives to address issues related to management reforms and the processes they follow. (October 2003)

●Streamlining of Head Office Organizations

The Group has implemented measures to reform the head office organizations of Resona Holdings and Group banks to restructure them as flatter organizations that emphasize action on the working level. To speed up decision making and the conduct of operations, Resona Holdings and the Resona Bank have shifted to a system that enables Resona Bank staff to fulfill the same roles within the holding companies. (October 2003)

●Appointment of Younger Staff as Executive Officers

Resona Holdings and Resona Bank appointed younger general managers to executive officer positions. (October 2003)

●Selection of Branch General Managers through Internal Application and Screening Process

Resona Bank and Saitama Resona Bank have instituted a system for appointing younger branch general managers through a process of internal application and screening. Each of these two banks has selected four branch general managers under this system, for a total of eight appointees. (October 2003)

●Appointment of the President of the Group's Venture Capital Arm through Internal Application and Screening

The Group has selected the president and other management of Resona Capital Co., Ltd., through an internal application and screening system, thus resulting in the rejuvenation of its management. (October 2003)

●Preparation of the Group's New "Corporate Mission" and "Corporate Promises"

To provide new basic guidelines for the actions of directors and staff, the Group has prepared the Corporate Mission. In addition, Resona Group Corporate Promises, entitled "The Resona Way," have been issued to clarify the Group's stance with regard to each of its stakeholder groups. (November 2003)

●Expansion of the Compliance Hot Line System

With the aims of gathering information and ideas from staff more proactively and taking steps in advance to prevent unethical and improper activities, the Group has expanded its Compliance Hot Line System. Related measures have included the creation of the Resona Legal Counsel Hot Line, which provides access to outside lawyers for Group personnel. (December 2003)

Confronting the Challenge of Creating a New Business Model

●Establishment of the New Business Support Unit

Saitama Resona Bank formed a Business Innovation Support Office to contribute to the development of the economy and industries in Saitama Prefecture through providing assistance to SMEs entering new businesses and shifting the focus of their business portfolios. (July 2003)

●Extending Weekday Operating Hours and Beginning Operations on Holidays

To provide services that more closely meet customer needs and are more convenient, Resona Bank has begun to extend the business hours of certain of its branches and housing loan centers, offering longer hours on weekdays and remaining open on holidays. (October 2003)

(Notes:
1. Saitama Resona Bank began to offer longer business hours on Fridays and services on holidays at certain of its branches commencing in January 2004.
2. The Kinki Osaka Bank extended the business hours of certain of its SME support centers and housing loan centers beginning in November 2003, staying open for longer hours on weekdays and offering services on holidays. In addition, starting in January 2004, certain branches are now open on Saturdays.

●Increasing the Number of Fund Management Consultants

Resona Bank and Saitama Resona Bank have begun to employ professionals with experience in the securities industry and other sectors who have extensive backgrounds and know-how in fund management as consultants in this area. (October 2003)

●Priority Negotiation Rights Granted for Alliances with Group Credit Card Companies

To strengthen the business operations of credit card companies within the Resona Group, priority negotiation rights for alliances have been granted to Credit Saison Co., Ltd., and the decision was made to proceed with negotiations aimed at concluding strategic capital and operating tie-ups. (November 2003)

●Increased Credit Approval Authority of Branch General Managers

Resona Bank (as of November 2003), Saitama Resona Bank (December 2003), and the Kinki Osaka Bank (January 2004) have increased the credit authorization limits for branch general managers. The objectives of this expansion in branch general manager authority are to respond more proactively and quickly to the funding needs of SMEs and expand the balance of loans to these enterprises.

●Introducing Corporate Loans Not Requiring Guarantees of Company Representatives

Resona Bank has begun to provide business loans that do not require the personal guarantee of company representatives, provided certain conditions are met. (November 2003)

●Extension of Operating Hours on Fridays

In addition to extending business hours on weekdays and offering services on holidays, Resona Bank branches have also begun to extend business hours bankwide on Fridays of their asset management, housing loan, and other advisory services. (December 2003)

●Resona Bank Begins to Offer Management Consulting Introduction Services

To respond to a broad range of needs from corporate customers for business reforms, Resona Bank has concluded contractual arrangements with the Japan Productivity Center for Socio-Economic Development and the Kansai Productivity Center and has begun to offer its Management Consulting Introduction Service. (December 2003)

●Commencement of Customer Service Adviser Training System

Resona Bank has instituted a training program that allows its staff members to experience working in other service industries to experience firsthand what other business sectors think of customer service. The objective of this program is to encourage staff members to provide customer service going beyond banking. (December 2003)

●Elimination of Maintenance Fees for Public Bond Accounts

To respond to customer asset management requirements, Resona Bank and Saitama Resona Bank have eliminated maintenance fees for public-sector bond accounts, with the objective of encouraging a broader range of customers to purchase Japanese national and local government bonds. (December 2003)

●Commenced Hiring of College Students for Part-Time Work on a Trial Basis

Along with the extension of business hours on weekdays and the provision of services on holidays, Resona Bank has begun to hire college students on a part-time basis to secure the necessary personnel and make its operations more cost effective. (January 2004)

●Initiatives Begin to Cut Customer Waiting Time to Zero

In response to many requests from customers to shorten waiting time and as part of efforts to improve services, Resona Bank, Saitama Resona Bank, and the Kinki Osaka Bank have commenced initiatives at all their branches to reduce customer waiting time to zero. (January 2004)

Note: The Nara Bank has also begun activities at all of its branches to "develop teller window services that do not keep customers waiting."

●Expand the Number of SME Support Centers

Resona Bank has added seven new SME Support Centers to respond quickly to the funding needs of SMEs and to offer flexible services tailored to the needs of customers. This brings the total number of such centers to 15 nationwide. (January 2004)

New Business Revitalization Plan

The new business plan entails the manifestation of commitments by the new management, covering the period of Resona's intensive revitalization. The Resona Group will realize its management goals of attaining "transforming for sustainable profits" and "transparent and speedy management" by steadily implementing the new management plan. In addition to the basic management goals above, the Resona Group will endeavor to transform itself from a conventional banking institution to a true financial services company.

Outline of the New Plan

Positioned as the plan covering the Intensive Revitalization Period of the Resona Group

	Phase	Goals	Implication
●September 2003	Results of interim period ended September 2003	Sweeping financial reform aimed at "Resona Revitalization"	Starting point for revitalization
	■ Sweeping financial reforms (elimination of risk factors)	■ Internal reforms of Resona	■ Separation of accounts
●November 2003	New Business Revitalization Plan	Resona's Intensive Revitalization	Building Foundation for Future Leap

Management Goals

Transforming for Sustainable Profits	Transparent and Speedy Management	Evolution into a Financial Services Company
1) Shifting focus from "quantity" to "quality" 2) Low-cost operation 3) Efforts towards early rehabilitation of corporate borrowers	1) Slim and flat organization 2) Strengthening governance and more active disclosure	—To become the "bank with the best corporate image"— 1) Strengthening relationships with customers 2) Offering customers more convenient services 3) Providing goods and services that satisfy the needs of customers

●March 2005

After the Intensive Revitalization Period, with the establishment of a new earnings model*, the Resona Group seeks to achieve even higher profits.

* The new earnings plan is planned to be formulated when interim results for fiscal 2004 are announced.

Policies for Business Revitalization

1. Management Strategies

The Resona Group understands that its receipt of a major infusion of public funds is a matter of the utmost seriousness and, in order to recommence its operations as a new financial group, has positioned the period through March 2005 as a "period of intensive revitalization," while asserting its commitment to attaining the following objectives.

Create an operating position for sustained profitability	• As the first step toward maximizing corporate value, create an operating base that will be sure to generate net income even in an unstable operating environment. • Initiatives to achieve this goal will include undertaking thorough measures to reduce risk factors, making a transition from management that focuses on "expanding volume" to emphasis on "increasing quality," and aiming for the realization of low-cost operations.
Transparent and speedy management	• Eliminate the inward-looking, often complacent management of the past and aim for transparent and sound management that looks to customers and shareholders while strengthening corporate governance and disclosure.
Evolve into a financial services company	• Return to the basics in our services businesses and create systems that will offer customers services of real value while aiming to be the "bank with the best corporate image."

Target Indices for the Intensive Revitalization Period

(Billions of Yen)

		Resona Group		Resona Bank	
		Fiscal 2002	Fiscal 2004	Fiscal 2002	Fiscal 2004
Reduce risk factors	NPL ratio	9.32%	In 3% range	9.98%	In 3% range
	Balance of cross-held stocks	1,316.9	400.0	1,167.2	300.0
Shift emphasis from quantity to quality	ROA (Actual net operating profit basis)	0.72%	0.77%	0.69%	0.81%
	Ratio of loans to SMEs and individuals	79.71%	80% or more	76.56%	78% or more
	Expense ratio (OHR)	59.73%	About 52%	59.33%	About 50%
Earnings goal	Net income (loss)	(790.4)	160.0	(739.2)	115.0

Note: ROA based on actual net operating profit, the overhead ratio, and net income (loss) are sums based on data for the former Asahi Bank for the 11 months prior to the merger.

Resona Group (Pro forma sum of financial data for Resona Bank, Saitama Resona Bank, Kinki Osaka Bank, Nara Bank, and Resona Trust & Banking)

(Billions of Yen)

	Fiscal 2002 Actual	1st Half of Fiscal 2003 Actual	Fiscal 2003 Planned	Fiscal 2004 Planned
Gross operating profit	761.0	331.5	666.4	About 690.0
Expenses	455.8	212.2	428.3	About 360.0
Actual net operating profit (Note 1)	307.3	123.0	242.0	About 330.0
Credit cost (Note 2)	510.3	1,308.6	1,371.5	About 115.0
Stock-related profit (loss)	(312.1)	(26.1)	(6.2)	0
Ordinary profit (loss)	(506.3)	(1,254.9)	(1,196.6)	About 170.0
Net income (loss)	(790.4)	(1,784.5)	(1,731.8)	About 160.0
OHR	59.73%	63.29%	63.90%	About 52%

Notes: 1. Actual net operating profit is net operating profit before the transfer to the general reserve for possible loan losses and before the disposal of non-performing loans in the trust account.
2. Credit cost is the sum of the transfer to the general reserve for possible loan losses, the amount of disposal of non-performing loans, and the amount of disposal of non-performing loans in the trust account.

Resona Bank

(Billions of Yen)

	Fiscal 2002 (Note 3) Actual	1st Half of Fiscal 2003 Actual	Fiscal 2003 Planned	Fiscal 2004 Planned
Gross operating profit	263.1	212.3	438.0	About 470.0
Expenses	162.6	140.3	285.7	About 230.0
Actual net operating profit (Note 1)	102.7	75.7	156.0	About 230.0
Credit cost (Note 2)	208.4	1,064.7	1,114.8	About 90.0
Stock-related profit (loss)	(201.0)	(14.9)	5.1	0
Ordinary profit (loss)	(316.4)	(1,035.6)	(999.9)	About 110.0
Net income (loss)	(583.0)	(1,476.1)	(1,438.5)	About 115.0
OHR	61.27%	64.94%	64.68%	About 50%

Notes: 1. Actual net operating profit is net operating profit before the transfer to the general reserve for possible loan losses and before the disposal of non-performing loans in the trust account.
2. Credit cost is the sum of the transfer to the general reserve for possible loan losses, the amount of disposal of non-performing loans, and the amount of disposal of non-performing loans in the trust account.
3. Figures for fiscal 2002 are on a closing of accounts basis (and do not include the figures for the former Asahi Bank for the 11 months prior to the merger).

2. Four Pillars of Management Reform

To realize the previously mentioned goals for management, the Resona Group will conduct reforms in four areas: (1) services, (2) earnings structure, (3) asset composition, and (4) corporate culture.

(1) Reforms in services

Enhancing convenience for customers

- Expanding the network of streamlined manned branches, with a view to increasing interface points with customers
- Making operational reforms at the branch level to increase customer satisfaction
- Extending business hours to increase convenience for customers

Offering high-quality products and services

- Developing customer relationship management (CRM) and database marketing (DBM) systems to grasp increasingly diverse and sophisticated customer needs accurately
- Creating frameworks for reflecting customer requests in the Bank's products and services
- Strengthening cooperation with external organizations to expand products and services

Speeding up the offering of products and services

- Expanding the branch general managers' authority to allow quick decision making
- Eliminating the deputy general manager position to create a flatter organization
- Improving the efficiency of branch offices to contribute to the upgrading of customer services

(2) Reforms in the earnings structure

Shifting focus from "quantity" to "quality"

- Placing priority on lending to SMEs and individual loans
- Setting loan spreads appropriately to reflect credit risk and cost
- Improving capabilities for generating fee income to make the transition away from dependence on the stock of assets

Achieving low-cost operations

- Accelerating headcount reductions (Plan for March 2005: reduction of about 4,000 in comparison with March 2003)
- Reducing employee severance costs
- Reducing systems expenditures, real estate costs, and subcontracting expenses
- Implementing comprehensive reviews of subsidiaries and affiliated companies

(3) Reforms in asset composition

Separation of accounts in Resona Bank

- Implementing the separation of accounts (Balance of assets in the "Revival Account": approximately ¥3.6 trillion)
- Promoting initiatives to revitalize the borrowers classified in the "Revival Account"
- Carrying out performance evaluations

Financial reforms to reduce future burdens

- Working to reduce future burdens under "Resona Restructuring" (Dealing with closely related borrowers and affiliated nonbanks)
- Strengthening reserves to deal with future risk in corporate revitalizations
- Improving the quality of capital through a reduction in deferred tax assets
- Reducing holdings of stocks for relationship reasons

Preventing increases in future risk factors

- Improving integrated risk management (Strict adherence to the rule of maintaining maximum losses within tolerance limits and keeping the expected losses within the limits of profitability)
- Strengthening credit risk management systems (Establishing ceilings for maximum amounts by industry and by credit rating)

(4) Reforms in corporate culture

Strengthening compliance

- Structuring a compliance framework based on well-defined management values
- Infusing an awareness of compliance among employees through training/enlightenment activities

Renovating mind-set of employees

- Placing thoroughgoing emphasis on a customer orientation to provide customers with services of true value
- Increasing employee consciousness of profitability with the aim of achieving sustainable growth
- Establishing a corporate culture that accepts the challenges of reform

Speeding up the conduct of Group operations

- Establishing cross-divisional organizational units, such as the Resona Competitiveness Enhancement Committee
- Pursuing a major overhaul and simplification of the head office organization
- Improving the Group's management systems

Realigning of Group operations

- During the period of intensive revitalization, maximum priority will be placed on improving the operating and financial positions of Resona Group banks. Realignments of Group operations will, therefore, be suspended temporarily.

3. Outline of the Management Rationalization Plan

The major financial reforms implemented decisively during the interim period ended September 30, 2003, will lead to a major reduction in risk factors, and the outlook is for a movement toward a smoother operating pace as the burden of credit cost is reduced over the next few fiscal years.

As the basis for these financial reforms, we are taking decisive measures to lower the Group's high-cost structure, which will be a major prerequisite for achieving the objective of "making the transition to an operating position that can yield sustained profitability." We expect to be able to cut the Group's expenses about ¥93 billion from the level during the year ended March 31, 2003, by the year ending March 2005 through the implementation of the following policies and other measures.

(a) Accelerate reductions in headcount

- Reductions in staff under the previous plan which were scheduled for implementation by March 31, 2007, will be moved forward to March 31, 2005. (A reduction of about 4,000 personnel in comparison with March 31, 2003)

Number of Employees

	Mar. 2003 Actual	Sept. 2003 Actual	Mar. 2004 Planned	Mar. 2005 Planned
Group	19,307	18,906	16,607	15,279
Resona Bank	12,467	12,261	10,644	9,669

(b) Reduce employee severance costs

- In addition to making a lump-sum amortization of the unfunded liabilities accompanying the return of the proxy portion of the employees' pension funds (formerly managed by Group companies) to the government, the Group has also disposed of a part of remaining unfunded liabilities that originate in the change in accounting standards adopted in the past.

(c) Lower systems-related expenses

- Existing plans for the integration of systems of Group banks will be reviewed and steps taken to place IT assets off the balance sheets and outsource certain functions.

(d) Reduce real estate related costs and subcontracting expenses

- To lower real estate related costs, the Group's head office and other functions, which are currently dispersed in a number of locations, will be concentrated into head offices in eastern and western Japan. Measures will also be taken to liquidate certain affiliated companies, eliminate employee dormitories and other housing, and dispose of unutilized real estate as quickly as possible.
- Regarding outsourcing, operating processes will be reviewed and decisive measures taken to reduce costs, including changes in outsourcing vendors.

(e) Policies for subsidiaries and affiliates

As of March 31, 2003, the Group has 50 subsidiaries and affiliates in Japan.

To attain the goals of the "Resona Revitalization," the Group's subsidiaries and affiliates will be examined from a "zero base" perspective, with the aim of completely eliminating risk factors and abandoning the approach of performing all tasks in-house or within the Group. The Group has now shifted to a policy of disposing of or realigning these companies.

Under this basic policy, by March 31, 2005, the Group is scheduled to reduce the number of subsidiaries and affiliates to about one-fourth of the number at March 31, 2003.

Financial Data Section

CONTENTS

CONSOLIDATED INTERIM FINANCIAL SUMMARY

Resona Holdings, Inc.
Six months ended September 30, 2003 and 2002, and year ended March 31, 2003

	Millions of yen			Millions of U.S. dollars
	Six months ended September 30, 2003	Six months ended September 30, 2002	Year ended March 31, 2003	**Six months ended September 30, 2003**
Income statement data				
Income				
Interest income	**¥ 320,633**	¥ 349,776	¥ 688,267	**$ 2,883**
Trust fees	**12,933**	15,855	37,721	**116**
Fees and commissions	**84,942**	85,608	175,701	**763**
Trading income	**12,471**	13,049	23,592	**112**
Other operating income	**66,169**	100,614	161,021	**595**
Other income	**149,298**	78,270	181,332	**1,342**
Total Income	**646,448**	643,175	1,267,638	**5,813**
Expenses				
Interest expenses	**37,025**	46,948	89,110	**332**
Fees and commissions	**25,639**	29,646	63,464	**230**
Trading expenses	**0**	14	60	**0**
Other operating expenses	**38,661**	48,347	31,832	**347**
General and administrative expenses	**277,817**	267,207	597,675	**2,498**
Other expenses	**1,677,108**	235,678	1,009,681	**15,081**
Total Expenses	**2,056,253**	627,842	1,791,824	**18,491**
Income (loss) before income taxes and minority interests	**(1,409,805)**	15,333	(524,186)	**(12,678)**
Net income (loss)	**¥(1,769,641)**	¥ 13,518	¥ (837,633)	**$ (15,914)**
Balance sheet data				
Total assets	**¥39,944,814**	¥41,786,684	¥42,891,933	**$359,215**
Total liabilities	**39,000,616**	40,586,137	42,280,240	**350,724**
Minority interests in consolidated subsidiaries	**302,114**	173,632	300,849	**2,716**
Total shareholders' equity	**642,083**	1,026,915	310,842	**5,774**
Deposits and negotiable certificates of deposit	**33,111,945**	33,889,833	35,310,658	**297,769**
Loans and bills discounted	**27,036,254**	28,441,647	29,170,585	**243,131**
Securities	**6,393,581**	6,397,796	6,469,988	**57,496**
Per share data (in yen)				
Net income (loss) per share	**¥ (247.61)**	¥ 2.49	¥ (154.66)	**$ (2.22)**
Net income per share (potential equity adjusted)	**—**	1.49	—	**—**
Cash dividends declared per share:				
Common stock	**—**	—	—	**—**
Preferred stock	**—**	—	—	**—**

Consolidated Risk-Adjusted Capital Ratio (Japanese Domestic Standard)

(Billions of yen, %)

September 30, 2003	Resona Holdings	Resona Bank	Saitama Resona Bank*	Kinki Osaka Bank	Nara Bank*	Resona Trust & Banking*
Risk-adjusted capital ratio	6.27%	7.78%	7.65%	(10.96)%	3.20%	171.08%
Tier I ratio	3.16%	4.08%	3.82%	(10.96)%	1.85%	171.08%
Total qualifying capital	¥ 1,509.4	¥ 1,563.8	¥ 291.6	¥ (218.9)	¥ 3.2	¥29.1
Tier I	761.7	821.0	145.8	(218.8)	1.8	29.1
Preferred securities	264.2	249.2	—	—	—	—
Revaluation loss on other securities	—	—	—	—	(0.0)	—
Tier II	761.7	756.6	145.8	—	1.3	—
Amount to be deducted	13.9	13.8	—	0	—	—
Total risk-adjusted assets	¥24,045.6	¥20,094.6	¥3,810.8	¥1,996.4	¥100.6	¥17.0

*Figures for Saitama Resona Bank, Nara Bank, and Resona Trust & Banking are reported on a non-consolidated basis.

Notes: 1. Although the consolidated capital ratio of The Kinki Osaka Bank was negative at the end of September 2003, the figure at the end of March 2004 is expected to be about 7% via a ¥300 billion capital increase because of a new stock issuance to the shareholder on November 20, 2003.
2. Although the non-consolidated capital ratio of the Nara Bank was 3.20% at the end of September 2003, the figure at the end of March 2004 is expected to be in the upper 6% range because of a ¥4 billion capital increase via a new stock issuance to the shareholder on November 20, 2003.

Resona Holdings, Inc.
Years ended March 31, 2004 and 2003

Outline of Performance

As a consequence of financial reforms conducted to create a strong financial base, the Resona Group reported a consolidated financial and operating performance as described in the following paragraphs.

Consolidated total assets declined ¥2,947.1 billion from the end of the previous fiscal year and amounted to ¥39,944.8 billion at the end of the interim period.

On the fund uses side, consolidated loans and bills discounted amounted to ¥27,036.2 billion at the end of the interim period, representing a decline of ¥2,134.3 billion from the end of the previous fiscal year. Securities also declined by ¥76.4 billion, to ¥6,393.5 billion.

On the funding side, consolidated deposits and negotiable certificates of deposit amounted to ¥33,111.9 billion, ¥2,198.7 billion lower than at the end of the previous fiscal year. This was accounted for by a decline in deposits of ¥2,280.9 billion from the end of the previous fiscal year. Time deposits showed a decline of ¥206.5 billion from the end of the previous fiscal year and amounted to ¥13,628.0 billion at the end of the interim period.

Consolidated shareholders' equity increased ¥331.2 billion, to ¥642.0 billion. This was due to an infusion of public funds into subsidiary Resona Bank and an increase in the value of equity holdings accompanying a recovery in stock market conditions. Net assets per share amounted to minus ¥170.30.

Turning to the consolidated interim statements of operations, ordinary income declined ¥22.8 billion from the interim period of the previous fiscal year, to ¥616.4 billion. By source, interest income, principally from loans and bills discounted, amounted to ¥320.6 billion, and fees and commissions totaled ¥84.9 billion.

Among expense items, ordinary expenses amounted to ¥1,852.2 billion, a substantial increase of ¥1,235.3 billion from the interim period of the previous fiscal year. This rise was primarily due to decisive measures to dispose of non-performing loans. The Group conducted a strict self-assessment of its assets and increased its reserves positions. Additional provisions to reserves for possible loan losses amounted to ¥755.2 billion, and loan write-offs amounted to ¥503.2 billion. Moreover, each of the Group banks actively sold and wrote off portions of their equity holdings, thus resulting in gross gains from the sale of securities of ¥79.7 billion, total write-offs of ¥19.5 billion, and losses on the sale of securities amounting to ¥12.7 billion.

In addition, provisions to reserve for business restructuring of ¥104.1 billion were made to cover business restructuring costs, including expenses associated with a transition to outsourcing certain systems functions, costs of merging or closing certain branches, and retirement severance benefits under the Group's voluntary retirement program. The Group also amortized a part of the transition difference in pension liabilities arising from changes in accounting standards and reported a one-time extraordinary loss of ¥64.9 billion. These measures were adopted as part of financial reforms needed to attain the early revitalization of the Group's operations. The Group also conducted a significantly stricter assessment of deferred tax assets, and, as a result, substantial portions of such assets previously reported by Resona Bank and the Kinki Osaka Bank were reversed, leading to the reporting of income tax deferred of ¥354.5 billion.

Examining ordinary profit (loss) by operating segment, a loss of ¥1,189.0 billion for Banking and Trust Banking and a loss of ¥144.8 billion for Other Financial Services were reported. However, an ordinary profit of ¥1.3 billion was reported for Securities. By geographical area, Japan accounted for almost all the portion.

As a result of these developments, the Resona Group on a consolidated basis reported an ordinary loss of ¥1,235.8 billion and a net loss of ¥1,769.6 billion for the interim period. The net loss per share was ¥247.61.

Regarding the non-consolidated accounts of Resona Holdings, the Company reported operating income of ¥25.8 billion and ordinary net profit of ¥18.0 billion. However, as a result of the reporting of a loss of ¥1,278.7 billion in devaluation losses on stock of subsidiaries and a provision for losses incurred in connection with the revitalization of subsidiaries amounting to ¥220.0 billion, the Company reported a net loss of ¥1,480.7 billion for the interim period.

Cash Flows

Cash flows from operating activities amounted to a net outflow of ¥1,623.1 billion. Although a cash inflow of ¥2,134.3 billion was reported because of the decline in loans and bills discounted, funds raised from deposits and market sources declined substantially. As a consequence, cash flows from operating activities were ¥605.0 billion lower than for the interim period of the previous fiscal year. Cash flows from investing activities rose ¥160.8 billion from the interim period of the previous fiscal year and amounted to an inflow of ¥290.1 billion. This increase was due to the sale of stocks, the decline in holdings of Japanese government bonds, and other factors. Cash flows from financing activities amounted to an inflow of ¥1,914.3 billion, representing an increase of ¥2,057.6 billion from the interim period of the previous year, owing to the infusion of ¥1,960.0 billion in public funds.

As a result, the balance of cash and cash equivalents on a consolidated basis at the end of the interim period rose ¥581.6 billion from the previous interim period and amounted to ¥2,932.1 billion.

CONSOLIDATED INTERIM BALANCE SHEETS (UNAUDITED)

Resona Holdings, Inc.
September 30, 2003 and 2002, and March 31, 2003

	Millions of yen			Millions of U.S. dollars (Note 1)
	September 30, 2003	September 30, 2002	March 31, 2003	**September 30, 2003**
Assets				
Cash and due from banks (Notes 2 (r), 5 and 13)	**¥ 3,076,145**	¥ 2,017,015	¥ 2,445,016	**$ 27,663**
Call loans and bills bought (Note 5)	**154,581**	150,749	110,500	**1,390**
Deposits paid for bonds borrowing transactions	**7,576**	12,391	6,349	**68**
Monetary claims bought	**4,106**	3,491	14,307	**36**
Trading assets (Notes 2 (b) and 5)	**610,203**	691,254	512,733	**5,487**
Money held in trust (Note 15)	**51,025**	66,677	70,450	**458**
Securities (Notes 2 (d), 3, 5 and 15)	**6,393,581**	6,397,796	6,469,988	**57,496**
Loans and bills discounted (Notes 4, 5 and 6)	**27,036,254**	28,441,647	29,170,585	**243,131**
Foreign exchange assets	**116,276**	159,378	181,473	**1,045**
Other assets (Note 5)	**1,052,255**	1,204,436	1,129,269	**9,462**
Premises and equipment (Notes 2 (f), 5, 8 and 9)	**771,969**	818,330	784,413	**6,942**
Deferred tax assets	**96,765**	836,198	522,986	**870**
Consolidation differences	**—**	2,568	1,840	**—**
Customers' liabilities for acceptances and guarantees	**2,128,735**	1,910,909	2,273,330	**19,143**
Reserve for possible loan losses (Note 2 (g))	**(1,539,590)**	(919,047)	(801,312)	**(13,845)**
Reserve for possible losses on investments (Note 2 (h))	**(15,070)**	(7,115)	—	**(135)**
Total Assets	**¥39,944,814**	¥41,786,684	¥42,891,933	**$359,215**
Liabilities				
Deposits (Note 5)	**¥32,601,049**	¥33,412,016	¥34,881,992	**$293,174**
Negotiable certificates of deposit	**510,896**	477,817	428,666	**4,594**
Call money and bills sold (Note 5)	**763,666**	1,620,718	2,037,096	**6,867**
Bills sold under repurchase agreements (Note 5)	**304,479**	326,996	283,991	**2,738**
Deposits received for bonds lending transactions (Note 5)	**236,429**	185,815	31,963	**2,126**
Commercial paper	**—**	20,000	6,000	**—**
Trading liabilities (Note 2 (b))	**38,842**	221,277	44,053	**349**
Borrowed money (Notes 5 and 10)	**705,885**	882,650	720,646	**6,347**
Foreign exchange liabilities	**7,489**	9,243	7,666	**67**
Bonds (Note 11)	**363,991**	492,433	381,550	**3,273**
Due to trust account	**352,271**	202,434	267,600	**3,167**
Other liabilities (Notes 5 and 7)	**715,443**	716,163	828,379	**6,433**
Reserve for employees' bonuses	**—**	8,563	8,108	**—**
Reserve for employees' retirement benefits (Note 2 (i))	**23,341**	14,009	12,622	**209**
Reserve for possible losses on loans sold (Note 2 (j))	**5,976**	12,412	10,115	**53**
Reserve for specific borrowers under support (Note 2 (k))	**82,932**	—	—	**745**
Reserve for possible losses on business restructuring (Note 2 (l))	**104,102**	—	—	**936**
Other reserve (Note 2 (m))	**157**	187	12	**1**
Deferred tax liabilities	**649**	0	600	**5**
Deferred tax liabilities on land revaluation (Note 8)	**52,999**	72,487	55,842	**476**
Consolidation differences	**1,275**	—	—	**11**
Acceptances and guarantees	**2,128,735**	1,910,909	2,273,330	**19,143**
Total Liabilities	**39,000,616**	40,586,137	42,280,240	**350,724**
Minority Interests				
Minority interests in consolidated subsidiaries	**302,114**	173,632	300,849	**2,716**
Shareholders' Equity				
Capital	**1,288,473**	720,000	720,499	**11,586**
Capital surplus	**1,020,000**	481,629	322,713	**9,172**
Earned surplus (deficit)	**(1,825,543)**	84,277	(754,826)	**(16,416)**
Revaluation reserve for land, net of taxes (Note 8)	**78,025**	110,654	82,211	**701**
Net unrealized gains/(losses) on securities available for sale, net of taxes (Note 15)	**104,356**	(338,109)	(28,234)	**938**
Foreign currency translation adjustments, net of taxes	**(1,207)**	(9,569)	(9,531)	**(10)**
Treasury stock	**(22,021)**	(21,966)	(21,989)	**(198)**
Total Shareholders' Equity	**642,083**	1,026,915	310,842	**5,774**
Total Liabilities, Minority Interests and Shareholders' Equity	**¥39,944,814**	¥41,786,684	¥42,891,933	**$359,215**

See accompanying notes to consolidated financial statements.

CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS (UNAUDITED)

Resona Holdings, Inc.
Six months ended September 30, 2003 and 2002, and year ended March 31, 2003

	Millions of yen			Millions of U.S. dollars (Note 1)
	Six months ended September 30, 2003	Six months ended September 30, 2002	Year ended March 31, 2003	**Six months ended September 30, 2003**
Income				
Interest income	**¥ 320,633**	¥349,776	¥ 688,267	**$ 2,883**
Interest on loans and bills discounted	**290,015**	313,053	614,409	**2,608**
Interest and dividends on securities	**25,600**	29,820	58,883	**230**
Trust fees	**12,933**	15,855	37,721	**116**
Fees and commissions	**84,942**	85,608	175,701	**763**
Trading income (Note 2 (c))	**12,471**	13,049	23,592	**112**
Other operating income	**66,169**	100,614	161,021	**595**
Other income (Note 12)	**149,298**	78,270	181,332	**1,342**
Total Income	**646,448**	643,175	1,267,638	**5,813**
Expenses				
Interest expenses	**37,025**	46,948	89,110	**332**
Interest on deposits	**19,663**	22,979	45,099	**176**
Fees and commissions	**25,639**	29,646	63,464	**230**
Trading expenses (Note 2 (c))	**0**	14	60	**0**
Other operating expenses	**38,661**	48,347	31,832	**347**
General and administrative expenses	**277,817**	267,207	597,675	**2,498**
Other expenses (Note 12)	**1,677,108**	235,678	1,009,681	**15,081**
Total Expenses	**2,056,253**	627,842	1,791,824	**18,491**
Income (loss) before income taxes and minority interests	**(1,409,805)**	15,333	(524,186)	**(12,678)**
Income taxes—current	**4,422**	5,454	10,767	**39**
Income taxes—deferred	**354,518**	(4,227)	300,788	**3,188**
Minority interests in net income (loss)	**895**	587	1,891	**8**
Net income (loss)	**¥(1,769,641)**	¥ 13,518	¥ (837,633)	**$(15,914)**

	Yen			U.S. dollars (Note 1)
Net income (loss) per share	**¥(247.61)**	¥2.49	¥(154.66)	**$(2.22)**
Net income per share (potential equity adjusted)	**—**	1.49	—	**—**
Cash dividends declared per share:				
Common stock	**—**	—	—	**—**
Preferred stock:				
Class A No. 1 preferred stock	**—**	—	—	**—**
Class B No. 1 preferred stock	**—**	—	—	**—**
Class C No. 1 preferred stock	**—**	—	—	**—**
Class D No. 1 preferred stock	**—**	—	—	**—**
Class E No. 1 preferred stock	**—**	—	—	**—**
Class F No. 1 preferred stock	**—**	—	—	**—**
Class 1, Series 1 preferred stock	**—**	—	—	**—**
Class 2, Series 1 preferred stock	**—**	—	—	**—**
Class 3, Series 1 preferred stock	**—**	—	—	**—**

See accompanying notes to consolidated financial statements.

CONSOLIDATED INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)

Resona Holdings, Inc.
Six months ended September 30, 2003 and 2002, and year ended March 31, 2003

	Millions of yen			Millions of U.S. dollars (Note 1)
	Six months ended September 30, 2003	Six months ended September 30, 2002	Year ended March 31, 2003	**Six months ended September 30, 2003**
Capital surplus				
Balance at the beginning of the year	**¥ 322,713**	¥1,417,089	¥1,417,089	**$ 2,902**
Increase	**1,020,000**	—	499	**9,172**
Increase in capital surplus due to increase of capital	**980,000**	—	499	**8,812**
Transfer from capital to cover deficit	**40,000**	—	—	**359**
Profits on sales of treasury stock	**0**	—	—	**0**
Decrease	**(322,713)**	(935,460)	(1,094,875)	**(2,902)**
Transfer of capital reserve to cover deficit	**(282,713)**	(935,460)	(935,460)	**(2,542)**
Transfer of other capital surplus to cover deficit	**(40,000)**	—	—	**(359)**
Decrease in capital surplus due to merger	**—**	—	(159,415)	**—**
Balance at the end of the period	**1,020,000**	481,629	322,713	**9,172**
Earned surplus (deficit)				
Balance at the beginning of the year	**(754,826)**	(857,181)	(857,181)	**(6,788)**
Increase	**698,924**	951,626	950,156	**6,285**
Net income	**—**	13,518	—	**—**
Transfer from capital to cover deficit	**372,025**	—	—	**3,345**
Transfer from capital reserve to cover deficit	**282,713**	935,460	935,460	**2,542**
Transfer from other capital surplus to cover deficit	**40,000**	—	—	**359**
Reversal of revaluation reserve for land	**4,185**	2,647	14,696	**37**
Decrease	**(1,769,641)**	(10,167)	(847,801)	**(15,914)**
Net loss	**(1,769,641)**	—	(837,633)	**(15,914)**
Dividends paid	**—**	(10,167)	(10,167)	**—**
Balance at the end of the period	**¥(1,825,543)**	¥ 84,277	¥ (754,826)	**$(16,416)**

See accompanying notes to consolidated financial statements.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)

Resona Holdings, Inc.
Six months ended September 30, 2003 and 2002, and year ended March 31, 2003

	Millions of yen			Millions of U.S. dollars (Note 1)
	Six months ended September 30, 2003	Six months ended September 30, 2002	Year ended March 31, 2003	**Six months ended September 30, 2003**
Cash flows from operating activities:				
Income (loss) before income taxes and minority interests	**¥(1,409,805)**	¥ 15,333	¥ (524,186)	**$(12,678)**
Depreciation of premises and equipment	**52,526**	52,955	117,446	**472**
Amortization of consolidation differences	**3,453**	1,041	1,402	**31**
Equity in net losses from investments in affiliated companies	**843**	473	4,518	**7**
Increase (decrease) in reserve for possible loan losses	**738,277**	(139,991)	(249,294)	**6,639**
Increase (decrease) in reserve for possible losses on investments	**15,070**	7,070	(45)	**135**
Decrease in reserve for possible losses on loans sold	**(4,139)**	(7,600)	(9,897)	**(37)**
Increase in reserve for specific borrowers under support	**82,932**	—	—	**745**
Increase in reserve for possible losses on business restructuring	**104,102**	—	—	**936**
Decrease in reserve for employees' bonuses	**(8,112)**	(229)	(706)	**(72)**
Increase (decrease) in reserve for employees' retirement benefits	**10,713**	(3,009)	(4,640)	**96**
Interest income	**(320,633)**	(349,776)	(688,267)	**(2,883)**
Interest expenses	**37,025**	46,948	89,110	**332**
Net losses (gains) on securities	**(60,569)**	(19,127)	259,345	**(544)**
Net losses (gains) on money held in trust	**(396)**	49	237	**(3)**
Net foreign exchange losses (gains)	**7,898**	(5,428)	(2,630)	**71**
Net losses on sales of premises and equipment	**8,176**	8,980	19,772	**73**
Loss relating to securities claim	**—**	1,788	—	**—**
Net decrease (increase) in trading assets	**(98,571)**	(45,636)	136,059	**(886)**
Net increase (decrease) in trading liabilities	**12,949**	858	(172,872)	**116**
Net decrease in loans and bills discounted	**2,134,331**	1,601,937	683,133	**19,193**
Net increase (decrease) in deposits	**(2,280,943)**	(409,700)	1,074,881	**(20,512)**
Net increase (decrease) in negotiable certificates of deposit	**82,229**	(378,331)	(427,482)	**739**
Net increase (decrease) in borrowed money (excluding subordinated borrowed money)	**12,226**	(22,249)	(111,051)	**109**
Net decrease (increase) in due from banks (excluding those deposited at BOJ)	**(49,552)**	117,535	296,152	**(445)**
Net increase in call loans and other	**(33,879)**	(47,513)	(18,151)	**(304)**
Net decrease (increase) in deposits paid for bonds borrowing transactions	**(1,227)**	(3,264)	2,777	**(11)**
Net decrease in call money and other	**(1,252,942)**	(881,150)	(507,777)	**(11,267)**
Net decrease in commercial paper	**(6,000)**	—	(14,000)	**(53)**
Net increase (decrease) in deposits received for bonds lending transactions	**204,466**	21,681	(677,857)	**1,838**
Net decrease (increase) in foreign exchange assets	**65,196**	(524,005)	(438)	**586**
Net increase (decrease) in foreign exchange liabilities	**(176)**	284	9,368	**(1)**
Net decrease on bonds issued	**—**	(7,100)	(8,800)	**—**
Net increase (decrease) in due to trust account	**84,671**	(10,907)	54,258	**761**
Interest receipts	**328,872**	365,982	710,370	**2,957**
Interest payments	**(37,768)**	(45,396)	(90,145)	**(339)**
Other	**(32,369)**	(341,630)	(95,177)	**(291)**
Total	**(1,611,125)**	(999,131)	(144,586)	**(14,488)**
Income taxes paid	**(11,985)**	(18,895)	(21,050)	**(107)**
Net cash used in operating activities	**(1,623,110)**	(1,018,026)	(165,637)	**(14,596)**
Cash flows from investing activities:				
Purchases of securities	**(7,475,235)**	(10,090,785)	(18,274,495)	**(67,223)**
Proceeds from sales of securities	**7,459,700**	9,906,942	17,727,030	**67,083**
Proceeds from maturity of securities	**327,454**	371,440	640,339	**2,944**
Payments associated with increase in money held in trust	**(61,986)**	(28,000)	(32,000)	**(557)**
Proceeds from decrease in money held in trust	**81,409**	5,007	5,082	**732**
Purchases of premises and equipment	**(51,336)**	(41,942)	(118,672)	**(461)**
Proceeds from sales of premises and equipment	**10,102**	6,619	26,485	**90**
Payments for purchases of equity investments in subsidiaries	**—**	—	(9,969)	**—**
Net cash provided by (used in) investing activities	**290,107**	129,281	(36,199)	**2,608**
Cash flows from financing activities:				
Proceeds from subordinated borrowed money	**—**	14,000	58,000	**—**
Repayment of subordinated borrowed money	**(27,000)**	(127,500)	(284,500)	**(242)**
Repayment of subordinated bonds	**(16,200)**	(88,200)	(202,939)	**(145)**
Proceeds from issuance of stocks	**1,960,000**	—	999	**17,625**
Proceeds from issuance of common stock to minority shareholders	**—**	800	800	**—**
Proceeds from issuance of preferred securities	**—**	67,900	193,600	**—**
Dividends paid	**—**	(9,886)	(10,189)	**—**
Dividends paid to minority shareholders	**(2,380)**	(318)	(423)	**(21)**
Payments related to acquisition of treasury stock	**(31)**	(34)	(91)	**(0)**
Proceeds from sales of treasury stock	**1**	—	—	**0**
Net cash provided by (used in) financing activities	**1,914,390**	(143,239)	(244,744)	**17,215**
Effect of exchange rate changes on cash and cash equivalents	**226**	331	913	**2**
Increase (decrease) in cash and cash equivalents	**581,614**	(1,031,653)	(445,667)	**5,230**
Cash and cash equivalents at beginning of period (year)	**2,350,512**	2,796,180	2,796,180	**21,137**
Increase in cash and cash equivalents due to merger of subsidiaries	**0**	—	—	**0**
Increase in cash and cash equivalents due to addition of new subsidiaries to consolidation	**—**	0	—	**—**
Cash and cash equivalents at end of period (year) (Note 13)	**¥ 2,932,127**	¥ 1,764,528	¥ 2,350,512	**$ 26,368**

See accompanying notes to consolidated financial statements.

NOTE 1. BASIS OF PRESENTATION

The accompanying consolidated financial statements have been prepared from the accounts maintained by Resona Holdings, Inc. (the "Company") in accordance with the provisions set forth in the Commercial Code of Japan and in conformity with accounting principles and practices generally accepted and applied in Japan, which may differ in certain material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan, and are compiled from the consolidated financial statements prepared by the Company as required by the Securities and Exchange Law of Japan.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥111.20= U.S.$1.00, the approximate rate of exchange in effect on September 30, 2003, has been used. The inclusion of such amounts is not intended to imply that yen amounts have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate. As a result, the totals in U.S. dollars do not necessarily agree with the sum of the individual amounts.

Amounts of less than one million yen have been rounded down in the presentation of the accompanying consolidated financial statements. As a result, the totals in yen do not necessarily agree with the sum of the individual amounts.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of consolidation

Consolidated subsidiaries

1) Number of consolidated subsidiaries: 60

The principal consolidated subsidiaries for the six months ended September 30, 2003 were Resona Bank, Ltd., Saitama Resona Bank, Ltd., The Kinki Osaka Bank, Ltd., The Nara Bank, Ltd. and Resona Trust & Banking Co., Ltd.

The Daiwa Mortgage Co., Ltd. was merged with Kyodo Mortgage Acceptance Co., Ltd., a consolidated subsidiary.

The Daiwa Business Investment Co., Ltd. and Asahi Bank Investment Co., Ltd., both consolidated subsidiaries, merged and changed the new company's name to Resona Capital Co., Ltd.

Kinki Osaka Chusho Kigyo Kenkyujo Co., Ltd., which used to be an affiliate that applied the equity method, merged with Daiwa Research Institute, Inc. and Asahi Bank Research Institute, Inc., both consolidated subsidiaries, and changed its name to Resona Research Institute, Inc.

WSR Servicing Company, Inc. was excluded from the consolidated subsidiaries due to liquidation.

2) Non-consolidated subsidiaries

The principal non-consolidated subsidiary was Asahi Servicos e Representacoes Ltda.

Non-consolidated subsidiaries were immaterial with respect to assets, ordinary income, net income/loss (based on the owned interest) and earned surplus (based on the owned interest), etc. They were excluded from consolidation as reasonable judgement on the Group's financial conditions and operating results can still be expected even if they were not consolidated.

Affiliated companies accounted for by the equity method

1) The equity method was not applied to any of the non-consolidated subsidiaries.
2) Number of affiliated companies accounted for by the equity method: 6

The principal affiliated companies accounted for by the equity method were Japan Trustee Services Bank, Ltd., and The Asahi Retail Securities Co., Ltd.

3) The principal non-consolidated subsidiary not accounted for by the equity method was Asahi Servicos e Representacoes Ltda.
4) The affiliated company not accounted for by the equity method was Triangle Asset Management Limited.

The affiliates not applied by the equity method were not material to the consolidated interim financial statements with respect to net income/loss (based on the owned interest) and earned surplus (based on the owned interest), etc., and, accordingly, the equity method is not applied to them.

Interim balance sheet dates of consolidated subsidiaries

1) Interim balance sheet dates of the consolidated subsidiaries were as follows:

End of June: 7 subsidiaries

End of September: 53 subsidiaries

2) All subsidiaries have been consolidated based on their accounts at their respective interim balance sheet dates. Appropriate adjustments have been made for significant transactions during the period from the respective interim balance sheet dates of the above subsidiaries to the date of the parent's interim balance sheet date.

Business combinations

The pooling of interest method was applied to Resona Bank, Ltd. (formerly The Daiwa Bank, Ltd. and The Asahi Bank, Ltd.) and The Kinki Osaka Bank, Ltd., when a holding company was established by the exchange of shares and the transfer of shares. The purchase method was applied to The Nara Bank, Ltd.

(b) Trading assets and trading liabilities

Transactions whose purpose is to earn a profit by taking advantage of short-term fluctuations in the market or discrepancies between interest rates, currency exchange rates, share prices or other indices (hereinafter, referred to as "transactions for trading purposes") on different markets are included in "Trading assets" or "Trading liabilities" in the consolidated interim balance sheet on a trade-date basis.

"Trading assets" and "Trading liabilities" in the case of securities and monetary claims, etc. are stated at market value as of the consolidated interim balance sheet date and, in the case of derivatives, including swaps, futures and options, etc. at the settlement amount assuming settlement on the consolidated interim balance sheet date.

(c) Trading income and trading expenses

Profits and losses on transactions for trading purposes are included in "Trading income" or "Trading expenses" in the consolidated interim statement of operations on a trade-date basis.

"Trading income" and "Trading expenses" include amounts of interest received or paid during the period plus the amount of the difference between the unrealized gain or loss of securities, monetary claims, etc. as at the end of the preceding year and those as at the end of the current interim period, and the profits or losses on derivatives as if the settlement has been made as at the end of the preceding year and those as at the end of the current interim period.

(d) Securities

Bonds held to maturity are stated at amortized cost (straight-line method) by the moving average method. Investments in the unconsolidated subsidiaries and affiliates for which the equity method of accounting is not applied are stated at cost determined by the moving average method. Equity securities included in other securities with market value are stated at fair value based on the average market price for the month prior to the consolidated interim balance sheet date. Securities available for sale, except equity securities, are stated at fair value based on their respective market value, etc. and the cost of sales of such securities is determined by the moving average method. Securities available for sale without market value are stated at cost determined by the moving average method or at their respective amortized cost. Net unrealized gain/loss of securities available for sale is reported as a component of shareholders' equity.

Securities held as assets in individually managed money trusts whose principal objective is portfolio management are stated at market value.

(e) Derivatives

Derivative transactions (excluding "transactions for trading purposes") are stated at market value.

(f) Depreciation

Premises and equipment

Depreciation is calculated mainly by the straight-line method for buildings and by the declining-balance method for equipment. Then, it is charged to operations, and is allocated the estimated annual depreciation costs through the year. The useful lives adopted for major premises and equipment are as follows:

- Buildings: 2~50 years
- Equipment: 2~20 years

Software

Software used by the Company and the consolidated subsidiaries is amortized by the straight-line method based on estimated useful lives (mainly 5 years), which is determined by the Company and the consolidated subsidiaries.

(g) Reserve for possible loan losses

The principal consolidated subsidiaries have made provisions for the reserve for possible loan losses as follows:

For loans to insolvent customers who are undergoing bankruptcy or special liquidation, etc. (hereinafter, "borrowers under bankruptcy proceedings") or who are in a similar financial condition although not yet in bankruptcy (hereinafter, "borrowers substantially in bankruptcy"), the reserve for possible loan losses is provided at the full amount of the book value of such loans after deducting the amount of direct write-offs (as defined below), and excluding the amounts deemed collectible from the sales of the collateral pledged and the guarantees that are deemed recoverable.

For loans to customers not presently in the above circumstances, but in a high probability of becoming insolvent (hereinafter, "customers with high probability of becoming insolvent") or loans to customers with a rescheduled or reconditioned plan, which exceeds a certain threshold, the Discounted Cash Flows (DCF) Method was applied to provide the allowance for doubtful accounts, if cash flows on collection of principals and receipts of interest can be reasonably estimated. The DCF Method means that the difference between the cash flows discounted by the original interest rate and the carrying value of the loan would be provided as a reserve for possible loan losses.

For loans to customers with high probability of becoming insolvent and whose future cash flows cannot be reasonably estimated, the reserve for possible loan losses is provided at the estimated unrecoverable amounts determined based on a valuation of the collateral, recovery from the guarantees and the customer's overall financial condition.

For other loans, the reserve for possible loan losses is provided at an amount based on the loss rates calculated from the historical loss experience for a certain period and others.

The allowance for loans to specific foreign borrowers is provided based on the amount of expected losses due to the political and economic situation of their respective countries.

Regarding each loan, the Credit Review Office, which is controlled separately from the operating divisions, reviews the operating divisions' asset valuation of each loan for collectibility based on self-assessment standards. The provision for possible loan losses is based on the results of these reviews.

Regarding the loans with collateral pledged or the guarantees, etc. to the borrowers under bankruptcy proceedings and borrowers substantially in bankruptcy, which some of the consolidated subsidiaries held, the unrecoverable amount of loans is directly deducted from loan balances and the estimated unrecoverable amounts determined after a valuation of the collateral pledged and guarantees, of ¥1,526,411 million ($13,726 million).

Other consolidated subsidiaries mainly provide the reserve for possible loan losses at amounts deemed necessary judged by the past write-off experience ratios for general loans and individually determined uncollectible amounts for specific loans, such as those to borrowers under bankruptcy proceedings.

(h) Reserve for possible losses on investments

The reserve for possible losses on investments is provided for the possible losses from investments, considering the financial conditions and others of the issuer of such securities.

(i) Reserve for employees' retirement benefits

To provide for employees' retirement benefits, consolidated subsidiaries have recorded a reserve for severance payments and pension plans to be accrued, based on the projected benefit obligation and the plan assets on the consolidated balance sheet date.

Past service cost is charged to operations by the straight-line method over a certain period (1~10 years) within the average remaining years of service for the eligible employees. The actuarial differences are charged to operations effective the next fiscal year by the straight-line method over a certain period (5~15 years) within the average remaining years of service for the eligible employees.

Certain consolidated subsidiaries amortized the transition difference at the accounting change over 9 years, and 6/12 of the annual amortization is charged to operations.

The transition difference of the accounting change of certain consolidated banking subsidiaries was formerly amortized over mainly 10 years and charged to operations at half the amount of the annual amortization. However, due to decreases in the number of employees and salaries, the components of retirement benefits obligations were changed significantly from those at the time of initial application of the accounting and the amount of the transition difference at this interim consolidated balance sheet date did not represent substance of the obligations. Accordingly, the unrecognized transition difference at the accounting change was charged to operations in this interim period. As a result, "Other assets" decreased ¥51,059 million ($459 million), and "Reserve for employees' retirement benefits" and "Loss before income taxes and minority interests" increased ¥13,863 million ($124 million) and ¥64,923 million ($583 million), respectively.

Regarding the entrusted government's portion of the social welfare pension fund, with the enactment of the Contributed Pension Benefit Plan Law, certain consolidated banking subsidiaries had obtained approvals from the Minister of Health, Labor and Welfare on August 29, 2003 for exemption from future obligation to pay benefits for future employee services.

Certain consolidated banking subsidiaries applied the transitional measure as prescribed in paragraph 47-2 of the JICPA Accounting Committee Report No. 13, "Practical Guideline for Retirement Benefits Accounting (Interim Report)," and the retirement benefits obligation and the pension assets in relation to the entrusted government's portion were recognized on the date of authorization for the dissolution of such future obligation. As a result of the exemption, "Loss before income taxes and minority interests" increased ¥23,850 million ($214 million), and the equivalent amount of return assets (Minimum Responsible Reserve Fund), measured as of the end of the interim period, is ¥142,989 million ($1,285 million).

(j) Reserve for possible losses on loans sold

The reserve for possible losses on loans sold is provided based on the estimated liability for further losses on loans collateralized by real estate sold to the Cooperative Credit Purchasing Company, Limited.

(k) Reserve for specific borrowers under support

The reserve for specific borrowers under support is provided based on the amount considered necessary, taking into account the reasonably estimated cost to support the specified borrowers, and along with the certain consolidated banking subsidiaries' support.

(l) Reserve for possible losses on business restructuring

The reserve for possible losses on business restructuring is provided based on an amount considered reasonable, taking into account estimated expenses and losses arising from the disposal of information systems due to outsourcing, the integration of branch offices, the implementation of a voluntary early retirement program, and the disposal of an unrealized loss on securities in jointly operated designated money in trusts for the structural reorganization of assets and profit during the intensive revitalization period.

(m) Other reserve

Reserve for contingent liabilities from the brokering of securities transactions: ¥157 million ($1 million). For certain consolidated banking subsidiaries, this reserve is provided in accordance with Article 51 of the Securities and Exchange Law and Article 65-2-7 thereof, and Article 32 of the Cabinet Ordinance relating to securities business of financial institutions. For domestic consolidated securities dealers subsidiaries, it is based on Article 51 of the Securities and Exchange Law and Article 35 of the Cabinet Ordinance relating to securities companies.

(n) Translation of foreign currency

Foreign-currency-denominated assets and liabilities of domestic consolidated banking subsidiaries (the "Banks") are translated into yen equivalents, primarily at the exchange rates on the consolidated interim balance sheet date.

In prior years, the Banks have adopted the transitional measure of the "Treatment in Accounting and Auditing Concerning the Accounting Treatment of Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee, Report No. 25) regarding the accounting for foreign currency transactions. However, from this interim period, the Banks have applied hedge accounting for "currency swap transactions", "cross currency swap transactions", etc., according to the principle regulations in Report No. 25, which is carried out to hedge risks of borrowing and lending in different currencies by swapping the borrowing currency for the lending currency. Description of the hedge accounting applied to these transactions is described in note 2 (p).

As a result of the application, since the Banks have recorded "currency swap transactions", "cross currency swap transactions", etc. at their market value and the gross amount of assets and liabilities on the consolidated interim balance sheet were accounted for on an accrual basis. "Trading assets", "Other assets" and "Trading Liabilities" increased ¥3,149 million ($28 million), ¥3,868 million ($34 million) and ¥9,503 million ($85 million), respectively, and "Other liabilities" decreased ¥2,485 million ($22 million), as compared to the corresponding amount under the previous method. There is no impact on profit from this change.

Currency translation differences relating to other future foreign currency exchange transactions, etc. are stated at the gross amount in accordance with the JICPA Industry Audit Committee, Report No. 25, as "Other Assets—Derivatives" and "Other Liabilities—Derivatives", but were previously stated at the net amount as "Other assets—other asset" or "Other Liabilities—other liability". As a result of this change, "Other assets" and "Other liabilities" increased ¥12,016 million ($108 million) and ¥12,016 million ($108 million), respectively, compared to the corresponding amounts under the previous method.

Foreign-currency-denominated assets and liabilities of the other consolidated subsidiaries are translated into yen equivalents at the exchange rate on the respective interim balance sheet date.

(o) Leases

Noncancelable lease transactions of the domestic consolidated subsidiaries are accounted for as operating leases regardless of whether such leases are classified as operating leases or finance leases except for lease agreements that stipulate the transfer of ownership of the leased property to the lessee, and are accounted for as finance leases.

(p) Hedge accounting

Certain consolidated banking subsidiaries apply deferred hedge accounting to the interest risk caused from its financial assets and liabilities. In the prior fiscal years, the technique of "macro-hedging" was applied, which utilizes derivatives to comprehensively control the interest risk from its numerous financial assets and liabilities, such as loans and deposits, in accordance with the transitional measure stipulated in the "Accounting and Auditing Treatments on the Application of Accounting Standards for Financial Instruments in the Banking Industry" (JICPA Industry Audit Committee, Report No. 24). However from this interim period, the principle regulations in the JICPA Industry Audit Committee Report No. 24 were adopted. Regarding the method of evaluating the effectiveness of the hedge, for the hedging to net the market's fluctuation, the item targeted for hedging such as loans and deposits and hedge instruments such as interest swaps are specified by certain remaining terms and evaluated. Regarding the hedging approach to fix the cash flow, effectiveness of the hedging approach is evaluated by verifying the correlation of the interest fluctuation factor of the hedge item and the hedge instrument.

Among the deferred hedge gains/losses recorded on the consolidated interim balance sheet at this interim period, deferred hedge gains/losses based on prior macro-hedging is allocated periodically to interest income and interest expenses based on the specified remaining terms and the notional amount of hedge instruments, from fiscal 2003. Deferred hedge losses and deferred hedge gains in the interim period base on the macro-hedge are ¥58,776 million ($528 million) and ¥78,028 million ($701 million), respectively.

Certain consolidated banking subsidiaries use deferred hedge accounting against the foreign currency risk that arises from its foreign-currency-dominated financial assets and liabilities. For the prior fiscal years, the transitional measure stipulated in the JICPA Industry Audit Committee Report No. 25 was applied; however from this interim period, based on the principle provision in the same report, hedge accounting is applied to currency swaps, foreign exchange swaps, etc. intended to hedge risks of borrowing and lending in different currencies by swapping the borrowing currency for the lending currency.

Hedge accounting is to use currency swaps, foreign exchange swaps, etc. as a hedge instrument to net the currency fluctuation risk of foreign-currency-denominated debts and credits, to evaluate the effectiveness by verifying the existence of equivalent foreign currency positions of the hedge instrument, against foreign-currency-denominated debts and credits, which is the hedge item.

In addition, in order to hedge the risk of foreign exchange rate fluctuations on foreign-currency-denominated securities, excluding bonds, at the inception of each hedge, the names of foreign-currency-denominated securities, which is the hedge item, is specified subject to the fact that spot and forward foreign exchange liabilities exceed the acquisition costs in the related foreign currency of the securities, then, a deferred hedge, as a portfolio hedge, is applied with fair-value hedge accounting to such foreign-currency-denominated securities.

Regarding the derivative transactions of certain consolidated banking subsidiaries (the “Banks”) among consolidated subsidiaries, trading accounts and other accounts, or internal transactions between internal divisions, related to interest swaps, currency swaps, etc. which are specified as hedge instruments, as the Banks are executing the operation which can be admitted as strict hedging operations that exclude arbitrariness, in compliance with the rule which permits the external covering transaction, according to JICPA Industry Audit Committee, Report No. 24 and No. 25, income and expense from interest swaps and currency swaps, etc. are not eliminated, and are recognized as profit or deferral.

The hedging of certain assets and liabilities are accounted for by deferred hedge accounting, fair value hedge accounting and the special treatment of interest rate swaps.

Certain consolidated subsidiaries have adopted deferred hedge accounting.

(q) Accounting for consumption tax

The Company and domestic consolidated subsidiaries mainly account for consumption tax and local consumption tax with the tax-exclusion method.

(r) Cash and cash equivalents in the consolidated statement of cash flows

In the consolidated interim statement of cash flows, cash represents cash and due from The Bank of Japan in “Cash and due from banks” in the consolidated interim balance sheet.

(s) Differences between accounting principles and practices adopted in the accompanying consolidated financial statements and International Accounting Standards

The accompanying consolidated financial statements have been prepared in conformity with accounting principles and practices generally accepted and applied in Japan. Such principles and practices differ from International Accounting Standards in several respects, such as accounting for leases and accounting for the impairment of assets.

NOTE 3. SECURITIES

As of September 30, 2003, securities included ¥19,109 million ($171 million) of unconsolidated subsidiaries and affiliates and ¥234 million ($2 million) of investment money.

Loaned securities under consumption agreements, totaling ¥9,890 million ($88 million) in stocks have been included in banks in “Securities”. Loaned securities totaling ¥13,808 million ($124 million) under lease agreements have been included in the stocks in “Securities”.

Securities loaned to certain consolidated banking subsidiaries under unsecured loan agreements and securities loaned to banks under bills added/purchased with repurchase/resell agreements or bond loan transactions collateralized with cash, etc. included ¥3,300 million ($29 million) of securities collateralized, and ¥969 million ($8 million) of securities held by the Company that existed at the end of the interim period was not disposed of.

NOTE 4. LOANS AND BILLS DISCOUNTED

As of September 30, 2003, in loans and bills discounted, the following loans were included.

	Millions of yen	Millions of U.S. dollars
Loans to borrowers in legal bankruptcy	**¥ 152,782**	**$ 1,373**
Past due loans	**1,586,129**	**14,263**
Loans past due three months or more	**55,903**	**502**
Restructured loans	**1,350,244**	**12,142**
Total	**¥3,145,059**	**$28,282**

Bills discounted are recorded as cash lending/borrowing transactions in accordance with the "Accounting and Auditing Treatments on the Application of Accounting Standards for Financial Instruments in the Banking Industry" (JICPA Industry Audit Committee, Report No. 24). Consolidated banking subsidiaries have a right to sell or collateralize such bills at their discretion. The total face value of bank acceptance bills, commercial bills and documentary bills obtained as a result of discounting and foreign exchange purchased was ¥495,481 million ($4,455 million).

NOTE 5. ASSETS PLEDGED AS COLLATERAL

Assets pledged as collateral and debts collateralized as of September 30, 2003 were as follows:

	Millions of yen	Millions of U.S. dollars
Assets pledged as collateral:		
Call loans and bills bought	**¥ 30,000**	**$ 269**
Trading assets	**308,845**	**2,777**
Securities	**3,143,617**	**28,269**
Loans and bills discounted	**623,078**	**5,603**
Other assets	**37,114**	**333**
Debts collateralized:		
Deposits	**30,634**	**275**
Call money and bills sold	**692,600**	**6,228**
Bills sold under repurchase agreements	**304,479**	**2,738**
Deposits received for bonds lending transactions	**236,131**	**2,123**
Borrowed money	**72,331**	**650**
Other liabilities	**26,735**	**240**

Other than the above, "Cash and due from banks", "Trading assets", "Securities", and "Other assets" which were worth ¥16,177 million ($145 million), ¥379 million ($3 million), ¥801,557 million ($7,208 million) and ¥28,071 million ($252 million), respectively, were pledged as collateral for settlement of foreign exchange, derivatives transactions or for dealing in futures and others.

"Premises and equipment" included the guarantee deposits of ¥120,765 million ($1,086 million). Other assets included the deposits for futures transactions of ¥538 million ($4 million).

NOTE 6. COMMITMENT LINE AGREEMENTS

Commitment line agreements related to overdrafts and loans represent agreements to loan customers up to the amount of the customers' request as long as no violation of the condition of the agreement occurs.

As of September 30, 2003, the amount of unexercised loans related to such agreements amounted to ¥9,067,261 million ($81,540 million). Of the above, the amounts for which the original agreement period was within a year or agreements for which consolidated subsidiaries could cancel at any time without penalty totaled ¥9,054,544 million ($81,425 million).

The unused commitment line does not necessarily affect the future cash flows of consolidated subsidiaries because most of these agreements have been terminated without being exercised. In addition, most agreements contain provisions, which stipulated that consolidated subsidiaries may deny making loans or decrease the line of credit, if there are changes in the financial condition, the security of the loans or for other reasons.

When extending loans to customers, consolidated subsidiaries request collateral, such as premises or securities, if necessary. After entering into loans, consolidated subsidiaries periodically check the financial condition of the customers based on its internal rules and, if necessary, takes certain measures to ensure the security of the loans.

NOTE 7. DEFERRED HEDGE ACCOUNTING

Unrealized gains or losses on hedging were included in "Other liabilities" as a deferred hedge gain at the net amount. As of September 30, 2003, prior to this offsetting, gross deferred hedge losses and gains amounted to ¥62,580 million ($562 million) and ¥67,416 million ($606 million), respectively.

NOTE 8. REVALUATION RESERVE FOR LAND, NET OF TAX

Certain consolidated domestic subsidiaries revalued land used for business purposes based on the Law Concerning Land Revaluation (Law 34, announced on March 31, 1998). "Deferred tax liabilities on land revaluation" has been recorded in liabilities, and "Revaluation reserve for land, net of taxes" has been recorded in shareholders' equity.

Revaluation date: March 31, 1998

The revaluation method as stated in Article 3-3 of the Law Concerning Land Revaluation is as follows:

The value of land was based on the official notice prices stated in the Law of Public Notice of Land Prices (assessed date, January 1, 1998) as stipulated in Article 2-1 of the Ordinance for the Law Concerning Land Revaluation (Government Ordinance No. 119, announced on March 31, 1998) after making reasonable adjustments for the location, quality, etc. of the sites.

NOTE 9. PREMISES AND EQUIPMENT

As of September 30, 2003, accumulated depreciation of premises and equipment was ¥642,524 million ($5,778 million).

NOTE 10. BORROWED MONEY

As of September 30, 2003, borrowed money included subordinated borrowed money of ¥457,000 million ($4,109 million) that is subordinated to other debt in repayment.

NOTE 11. BONDS

As of September 30, 2003, bonds included subordinated bonds of ¥295,291 million ($2,655 million).

NOTE 12. OTHER INCOME AND EXPENSES

Other income and expenses for the six months ended September 30, 2003 included:

	Millions of yen	Millions of U.S. dollars
Other income:		
Gains on sales of stocks and other securities	**¥ 79,779**	**$ 717**
Refund and interest on paid enterprise tax based on Tokyo tax base through reconciliation	**13,326**	**119**
Reversal of reserve for employees' bonus	**7,357**	**66**
Recoveries of written-off claims	**6,587**	**59**
Other expenses:		
Provision for reserve for possible loan losses	**755,238**	**6,791**
Write-off of loans	**503,254**	**4,525**
Provision for reserve for specific borrowers under support	**82,932**	**745**
Provision for reserve for possible losses on investments	**15,070**	**135**
Losses on devaluation of stocks, bonds and others	**19,513**	**175**
Losses on sales of stocks, bonds and others	**12,719**	**114**
Provision for reserve for possible losses on business restructuring	**104,102**	**936**
Amortized cost of the transition difference at accounting change upon application of employees' retirement benefit accounting	**64,923**	**583**
Loss on return of the entrusted government's portion of social welfare pension fund	**23,850**	**214**

NOTE 13. CASH AND CASH EQUIVALENTS

The relationship between cash and cash equivalents and cash and due from banks in the consolidated balance sheet as of September 30, 2003 was as follows:

	Millions of yen	Millions of U.S. dollars
Cash and due from banks	**¥3,076,145**	**$27,663**
Due from banks except for The Bank of Japan	**(144,017)**	**(1,295)**
Cash and cash equivalents	**¥2,932,127**	**$26,368**

NOTE 14. LEASES

(Lessee Side)

(1) Finance Leases

Finance leases as of September 30, 2003, except for lease agreements which stipulate the transfer of ownership of the leased property to the lessee, were as follows:

Amounts corresponding to the term-end acquisition costs and accumulated depreciation of the leased items:

	Millions of yen			Millions of U.S. dollars		
	Equipment	Other	Total	Equipment	Other	Total
Acquisition costs	**¥24,969**	**¥765**	**¥25,734**	**$224**	**$6**	**$231**
Accumulated depreciation	**18,214**	**362**	**18,576**	**163**	**3**	**167**
Net book value	**¥ 6,755**	**¥403**	**¥ 7,158**	**$ 60**	**$3**	**$ 64**

Future minimum lease payments, exclusive of interest expenses:

	Millions of yen	Millions of U.S. dollars
Due within one year	**¥4,171**	**$37**
Due after one year	**3,202**	**28**
Total	**¥7,373**	**$66**

Lease fees and the amounts corresponding to depreciation and interest expenses:

	Millions of yen	Millions of U.S. dollars
Lease fees	**¥2,581**	**$23**
Depreciation	**2,472**	**22**
Interest expenses	**77**	**0**

Computation of amounts corresponding to depreciation:

The duration of the lease term is taken as equivalent to the useful lives of the equipment, and the straight-line method is applied to fully depreciate the assets.

Computation of amounts corresponding to interest expenses:

The difference between the total amount of the lease payments and the purchase value of the assets is taken as the amount corresponding to interest expenses and the interest method is used to allocate this amount to the appropriate consolidated accounting years.

(2) Operating Leases

As of September 30, 2003, future minimum lease payments inclusive of interest expenses under non-cancelable operating leases were as follows:

	Millions of yen	Millions of U.S. dollars
Due within one year	**¥38**	**$0**
Due after one year	**36**	**0**
Total	**¥74**	**$0**

(Lessor Side)

(1) Finance Leases

Finance leases as of September 30, 2003, except for lease agreements which stipulate the transfer of ownership of the leased property to the lessee, were as follows:

Amounts of acquisition costs and accumulated depreciation of the leased items:

	Millions of yen			Millions of U.S. dollars		
	Equipment	Other	Total	Equipment	Other	Total
Acquisition costs	**¥354,185**	**¥114,800**	**¥468,986**	**$3,185**	**$1,032**	**$4,217**
Accumulated depreciation	**196,210**	**74,068**	**270,279**	**1,764**	**666**	**2,430**
Net book value	**¥157,974**	**¥ 40,731**	**¥198,706**	**$1,420**	**$ 366**	**$1,786**

Future minimum lease receipts, exclusive of interest income:

	Millions of yen	Millions of U.S. dollars
Due within one year	**¥ 67,854**	**$ 610**
Due after one year	**130,580**	**1,174**
Total	**¥198,435**	**$1,784**

Lease fees received, depreciation and the amount corresponding to interest income:

	Millions of yen	Millions of U.S. dollars
Lease fees received	**¥42,376**	**$381**
Depreciation	**37,608**	**338**
Interest income	**4,259**	**38**

Computation of amounts corresponding to interest income:

The difference between the total amount of the lease payments and the purchase value of the assets is taken as the amount corresponding to interest expense, and the interest method is used to allocate this amount to the appropriate consolidated accounting years.

(2) Operating Leases

As of September 30, 2003, future minimum lease receipts inclusive of interest expenses under noncancelable operating leases were as follows:

	Millions of yen	Millions of U.S. dollars
Due within one year	**¥1,297**	**$11**
Due after one year	**2,504**	**22**
Total	**¥3,801**	**$34**

Of the future minimum lease receipts contained in (1) and (2) above, ¥106,510 million ($957 million) was pledged.

NOTE 15. MARKET VALUE OF SECURITIES AND MONEY HELD IN TRUST

1. Securities

As of September 30, 2003, "Securities" in the consolidated interim balance sheet, negotiable certificates of deposit in "Cash and due from banks", commercial paper in "Monetary claims bought" were as follows:

(1) Marketable bonds held to maturity

	Millions of yen					Millions of U.S. dollars				
	Consolidated interim balance sheet amount (X)	Market value (Y)	Unrealized gain/(loss) (Y – X)	Gain	(Loss)	Consolidated interim balance sheet amount (X)	Market value (Y)	Unrealized gain/(loss) (Y – X)	Gain	(Loss)
National government bonds	**¥ 9**	**¥ 9**	**¥ 0**	**¥ 0**	**¥(—)**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$(—)**
Corporate bonds	**500**	**492**	**(7)**	**—**	**(7)**	**4**	**4**	**(0)**	**—**	**(0)**
Other	**1,898**	**1,870**	**(28)**	**21**	**(49)**	**17**	**16**	**(0)**	**0**	**(0)**
Total	**¥2,408**	**¥2,372**	**¥(36)**	**¥21**	**¥(57)**	**$21**	**$21**	**$(0)**	**$ 0**	**$ (0)**

Note: Market values were based on the market prices on September 30, 2003.

(2) Other securities for which market values can be calculated

	Millions of yen				
	Acquisition costs (X)	Consolidated interim balance sheet amount (Y)	Unrealized gain/(loss) (Y – X)	Gain	(Loss)
Stocks	**¥ 911,462**	**¥1,111,053**	**¥199,591**	**¥221,138**	**¥(21,547)**
Bonds	**4,443,207**	**4,417,745**	**(25,462)**	**8,692**	**(34,154)**
National government bonds	**3,655,921**	**3,630,501**	**(25,419)**	**4,344**	**(29,764)**
Local government bonds	**200,276**	**199,632**	**(643)**	**2,161**	**(2,804)**
Corporate bonds	**587,009**	**587,611**	**601**	**2,186**	**(1,584)**
Other	**290,768**	**292,479**	**1,710**	**6,510**	**(4,800)**
Total	**¥5,645,439**	**¥5,821,278**	**¥175,839**	**¥236,341**	**¥(60,501)**

	Millions of U.S. dollars				
	Acquisition costs (X)	Consolidated interim balance sheet amount (Y)	Unrealized gain/(loss) (Y – X)	Gain	(Loss)
Stocks	**$ 8,196**	**$ 9,991**	**$1,794**	**$1,988**	**$(193)**
Bonds	**39,956**	**39,727**	**(228)**	**78**	**(307)**
National government bonds	**32,876**	**32,648**	**(228)**	**39**	**(267)**
Local government bonds	**1,801**	**1,795**	**(5)**	**19**	**(25)**
Corporate bonds	**5,278**	**5,284**	**5**	**19**	**(14)**
Other	**2,614**	**2,630**	**15**	**58**	**(43)**
Total	**$50,768**	**$52,349**	**$1,581**	**$2,125**	**$(544)**

Notes: 1. The market value of stocks was based on the average market prices of the last month of the six months ended September 30, 2003
The market value of others was based on the market prices on September 30, 2003.

2. In other securities with market value, these securities, of which market values significantly declined, were recorded with the market value on the consolidated interim balance sheet as there is no possibility to restore their market value to the acquisition costs. Such valuation differences are recorded as a loss ("Impairment loss") for the consolidated interim period. The amount of the impairment loss for this consolidated interim period was ¥1,894 million ($17 million).

The criteria to judge the substantial decline in fair value are as follows:

- If the fair value declined 30% or more compared to the acquisition cost, it is judged as a substantial decline and determines the recoverability, together with the classification of borrowers by self-assessment.
- If the fair value declined 50% or more, the valuation losses are recognized assuming no possibility of recovery.

(3) The major components of securities whose market value was not available and their respective interim balance sheet amounts:

	Millions of yen	Millions of U.S. dollars
Bonds held to maturity		
Unlisted domestic bonds	**¥ 7,064**	**$ 63**
Negotiable certificates of deposit	**4,754**	**42**
Other securities		
Unlisted internal bonds	**310,015**	**2,787**
Unlisted stocks (excluding over-the-counter securities)	**176,621**	**1,588**
Unlisted foreign bonds	**20,957**	**188**

2. Money held in trust

(1) As of September 30, 2003, there was no held-to-maturity money held in trust.

(2) As of September 30, 2003, there was no other money held in trust with market value (excluding investment or held-to-maturity securities).

Other money held in trust without market value is stated at the acquisition cost of ¥51,025 million ($458 million).

3. Net unrealized gains on securities available for sale, net of taxes

	Millions of yen	Millions of U.S. dollars
Difference (market value—balance sheet amount)	**¥175,839**	**$1,581**
Other securities	**175,839**	**1,581**
Other money held in trust	**—**	**—**
Amount equivalent to fair-value hedge (gain) loss charged to operations	**772**	**6**
Amount equivalent to deferred tax liabilities	**(70,942)**	**(637)**
Amount equivalent to unrealized differences of other securities (before adjustment of amount equivalent to interest)	**105,669**	**950**
Amount equivalent to minority interests	**(1,396)**	**(12)**
Amount equivalent to parent company interest of amount equivalent to unrealized gains (net) of other securities owned by the companies accounted for the equity method	**84**	**0**
Net unrealized gains on securities available for sale, net of taxes	**¥104,356**	**$ 938**

NOTE 16. DERIVATIVES

As of September 30, 2003, contract values, market values or estimated market value and unrealized gains/losses on derivative financial instruments were as follows:

(a) Interest rate related transactions

		Millions of yen		
		Contract value	Market value	Unrealized gain/(loss)
Listed	Futures	¥ **210,364**	¥ **80**	¥ **80**
	Options	**—**	**—**	**—**
Over-the-counter				
	Forwards	**—**	**—**	**—**
	Swaps	**9,504,804**	**14,428**	**22,305**
	Options	**—**	**—**	**—**
	Caps	**573,394**	**(84)**	**1,176**
	Floors	**24,145**	**106**	**51**
	Swaptions	**11,229**	**9**	**91**
Total		¥ **—**	**¥14,540**	**¥23,705**

		Millions of U.S. dollars		
		Contract value	Market value	Unrealized gain/(loss)
Listed	Futures	$ **1,891**	$ **0**	$ **0**
	Options	**—**	**—**	**—**
Over-the-counter				
	Forwards	**—**	**—**	**—**
	Swaps	**85,474**	**129**	**200**
	Options	**—**	**—**	**—**
	Caps	**5,156**	**(0)**	**10**
	Floors	**217**	**0**	**0**
	Swaptions	**100**	**0**	**0**
Total		$ **—**	**$130**	**$213**

Note: The above transactions are stated on a marked-to-market basis and unrealized gains/losses are charged to income/expenses in the consolidated interim statement of operations. Derivative transactions used for hedge accounting have been excluded from the above table.

(b) Currency-related transactions

		Millions of yen		
		Contract value	Market value	Unrealized gain/(loss)
Over-the-counter	Currency swaps	¥ **850,080**	**¥(1,591)**	¥ **4,762**
	Forward contracts	**669,556**	**(1,160)**	**(1,160)**
	Currency options	**2,654,855**	**(21)**	**7,817**
	Other	**—**	**—**	**—**
Total		¥ **—**	**¥(2,772)**	**¥11,420**

		Millions of U.S. dollars		
		Contract value	Market value	Unrealized gain/(loss)
Over-the-counter	Currency swaps	$ **7,644**	**$(14)**	$ **42**
	Forward contracts	**6,021**	**(10)**	**(10)**
	Currency options	**23,874**	**(0)**	**70**
	Other	**—**	**—**	**—**
Total		$ **—**	**$(24)**	**$102**

Notes: 1. The above transactions are stated on a marked-to-market basis and unrealized gains/losses are charged to income/expenses in the consolidated interim statement of operations. Derivative transactions used for hedges, transactions involving financial assets and liabilities denominated in foreign currencies and recognized in the consolidated interim balance sheet and transactions denominated in foreign currencies that have been eliminated in the consolidation process have been excluded from the above table.

2. Forward exchange contracts, currency options and other transactions, which were previously marked-to-market and on which unrealized gain/loss is charged to operations have been included in the above table. Currency swap transactions, etc. used for hedges in accordance with the "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee, Report No. 25) have been excluded from the above tables.

(c) Stock-related transactions

		Millions of yen		
		Contract value	Market value	Unrealized gain/(loss)
Listed	Index futures	**¥596**	**¥33**	**¥33**
	Index options	**—**	**—**	**—**
Total		**¥ —**	**¥33**	**¥33**

		Millions of U.S. dollars		
		Contract value	Market value	Unrealized gain/(loss)
Listed	Index futures	**$ 5**	**$ 0**	**$ 0**
	Index options	**—**	**—**	**—**
Total		**$—**	**$ 0**	**$ 0**

Note: The above transactions are stated on a marked-to-market basis and unrealized gains/losses are charged to income/expenses in the consolidated interim statement of operations. Derivative transactions used for hedge accounting have been excluded from the above table.

(d) Bond-related transactions

		Millions of yen		
		Contract value	Market value	Unrealized gain/(loss)
Listed	Futures	**¥12,932**	**¥47**	**¥47**
	Futures options	**—**	**—**	**—**
Total		**¥ —**	**¥47**	**¥47**

		Millions of U.S. dollars		
		Contract value	Market value	Unrealized gain/(loss)
Listed	Futures	**$116**	**$0**	**$0**
	Futures options	**—**	**—**	**—**
Total		**$ —**	**$0**	**$0**

Note: The above transactions are stated on a marked-to-market basis and unrealized gains/losses are charged to income/expenses in the consolidated interim statement of operations. Derivative transactions used for hedge accounting have been excluded from the above table.

(e) As of September 30, 2003, there were no commodity-related transactions.

(f) As of September 30, 2003, there were no credit derivative transactions.

NOTE 17. SEGMENT INFORMATION

(a) Business segment information

For six months ended September 30, 2003

	Millions of yen					
	Banking and Trust Banking	Securities	Other financial service	Total	Elimination & General corporate	Consolidated total
Ordinary income						
Ordinary income to outside customers	¥ 530,723	¥9,727	¥ 75,974	¥ 616,425	¥ —	¥ 616,425
Inter-segment ordinary income	5,206	35	5,353	10,595	(10,595)	—
Total	535,929	9,763	81,327	627,020	(10,595)	616,425
Ordinary expenses	1,724,950	8,375	226,194	1,959,520	(107,272)	1,852,247
Ordinary profits (losses)	¥(1,189,020)	¥1,387	¥(144,866)	¥(1,332,499)	¥ 96,677	¥(1,235,821)

	Millions of U.S. dollars					
	Banking and Trust Banking	Securities	Other financial service	Total	Elimination & General corporate	Consolidated total
Ordinary income						
Ordinary income to outside customers	$ 4,772	$87	$ 683	$ 5,543	$ —	$ 5,543
Inter-segment ordinary income	46	0	48	95	(95)	—
Total	4,819	87	731	5,638	(95)	5,543
Ordinary expenses	15,512	75	2,034	17,621	(964)	16,656
Ordinary profits (losses)	$(10,692)	$12	$(1,302)	$(11,982)	$ 869	$(11,113)

Notes: 1. Major operational segments are as follows.

(1) Banking and Trust Banking: Banking business, Trust Banking business, Loan guarantee service and Banking system engineering

(2) Securities: Securities

(3) Other financial service: Credit card administration, General leasing, Financing and Venture capital

2. Ordinary income and ordinary profits are shown in lieu of sales and operating profit of business enterprises.

(b) Geographic segment information

Since the ordinary income and employed assets of the "Japan" segment make up more than 90% of all that of the other segments combined, geographical segment information for this interim period is not shown here.

(c) Overseas ordinary income

Since overseas ordinary income of the Company and consolidated subsidiaries is less than 10% of the total, overseas ordinary income for this interim period is not shown here.

SUPPLEMENTARY FINANCIAL INFORMATION OF THE GROUP (UNAUDITED)

CONTENTS

NON-PERFORMING EXPOSURE IN THE INTERIM PERIOD

Breakdown of disposal of problem loans (Consolidated)

(Billions of yen)

	Six months ended September 30, 2003	Six months ended September 30, 2002
Disposal of problem loans	**¥1,300.2**	¥112.0
Write-off of loans	**503.2**	74.8
Provision to specific reserve for possible loan losses	**696.9**	24.5
Provision to reserve for possible losses on loans sold	**0.7**	(0.0)
Losses on sales of claims to CCPC*	**0.0**	0.5
Provision to reserve for the specific borrowers under support	**82.9**	—
Provision to special reserve for certain overseas loans	**(0.1)**	0.0
Losses on sales of other claims	**10.9**	4.5
Other credit-related expenses	**5.4**	7.3

* Cooperative Credit Purchasing Company

Claims disclosure according to the Financial Reconstruction Law (Total of the four banks)

(Includes Jointly Operated Designated Money Trusts, of which the principal is guaranteed by a Group bank.
Figures are after partial direct write-offs.)

(Billions of yen)

	Six months ended September 30, 2003	Six months ended September 30, 2002
Unrecoverable or valueless claims	**¥ 643.4**	¥ 432.5
Risk claims	**1,216.5**	1,257.5
Claims in need of special attention	**1,358.9**	1,458.3
Financial Reconstruction Law subtotal	**3,219.0**	3,148.4
Nonclassified claims	**25,547.0**	27,604.1
Financial Reconstruction Law total	**¥28,766.1**	¥30,752.6

Risk management loans (Consolidated)

(Includes Jointly Operated Designated Money Trusts, of which the principal is guaranteed by a Group bank.
Figures are after partial direct write-offs.)

(Billions of yen)

	Risk management loans		Ratio to total loans	
	Six months ended September 30, 2003	Six months ended September 30, 2002	**Six months ended September 30, 2003**	Six months ended September 30, 2002
Loans to borrowers in legal bankruptcy	**¥ 154.4**	¥ 183.4	**0.56%**	0.63%
Past due loans	**1,598.5**	1,556.8	**5.85%**	5.39%
Loans past due three months or more	**56.6**	133.0	**0.20%**	0.46%
Restructured loans	**1,358.4**	1,403.9	**4.97%**	4.86%
Total	**¥3,168.0**	¥3,277.2	**11.60%**	11.35%
Partial direct write-offs	**¥1,464.4**	¥ 985.0		

Reserve for possible loan losses (Consolidated)

(Billions of yen)

	Six months ended September 30, 2003	Six months ended September 30, 2002
General reserve for possible loan losses	**¥ 548.3**	¥385.5
Specific reserve for possible loan losses	**990.8**	532.0
Special reserve for certain overseas loans	**0.3**	1.3
Total reserve for possible loan losses	**¥1,539.5**	¥919.0
Reserve for the specific borrowers under support	**¥ 82.9**	¥ —
Reserve for possible losses on loans sold	**5.9**	12.4
Reserve provided in preparation for write-offs in trust account	**0.7**	1.0

Percentage of reserves to total risk management loans (Consolidated)

(%)

	Six months ended September 30, 2003	Six months ended September 30, 2002
Before partial direct write-off	**66.65**	44.70
After partial direct write-off	**51.23**	28.07

Percentage of reserves = (Total reserve for possible loan losses + Reserve for the specific borrowers under support + Reserve provided in preparation for write-offs in trust account) / Total risk management loans

Risk management loans (Total of the four banks)

(Includes Jointly Operated Designated Money Trusts, of which the principal is guaranteed by a Group bank. Figures are after partial direct write-offs.)

(Billions of yen)

	Six months ended September 30, 2003	Six months ended September 30, 2002
Loans to borrowers in legal bankruptcy	**¥ 146.9**	¥ 171.8
Past due loans	**1,652.6**	1,475.5
Loans past due three months or more	**39.5**	113.2
Restructured loans	**1,319.4**	1,345.1
Total	**¥3,158.5**	¥3,105.7
Partial direct write-offs	**¥1,488.1**	¥ 905.9

Ratio to balance of loans (Total of the four banks)

(%)

	Six months ended September 30, 2003	Six months ended September 30, 2002
Loans to borrowers in legal bankruptcy	**0.53**	0.59
Past due loans	**6.06**	5.12
Loans past due three months	**0.14**	0.39
Restructured loans	**4.84**	4.67
Total	**11.59**	10.78

Reserve for possible loan losses (Total of the four banks)

(Billions of yen)

	Six months ended September 30, 2003	Six months ended September 30, 2002
General reserve for possible loan losses	**¥ 526.6**	¥375.6
Specific reserve for possible loan losses	**802.9**	462.8
Special reserve for certain overseas loans	**0.7**	1.9
Total reserve for possible loan losses	**¥1,330.3**	¥840.4
Reserve for the specific borrowers under support	**¥ 90.5**	¥ —
Reserve for possible losses on loans sold	**5.9**	12.4
Reserve provided in preparation for write-offs in trust account	**0.7**	1.0

Percentage of reserves to total risk management loans

(%)

	Six months ended September 30, 2003	Six months ended September 30, 2002
Before partial direct write-off	**62.62**	43.55
After partial direct write-off	**45.01**	27.09

Percentage of reserves = (Total reserve for possible loan losses + Reserve for the specific borrowers under support + Reserve provided in preparation for write-off in trust account) / Total risk management loans

Problem exposures cleared from the balance sheets
Claims to obligors classified as “doubtful” or lower obligor categories in the self-assessment of asset quality (Total of the four banks)

(Includes Jointly Operated Designated Money Trusts, of which the principal is guaranteed by a Group bank. Figures are after partial direct write-offs.)

(Billions of yen)

	End of September 2003		End of March 2003	End of September 2002	End of March 2002	End of September 2001	End of March 2001	End of September 2000
	Amount	**Clearance ratios**						
Portion in or prior to the first half of fiscal 2000 (existing portion)	**¥ 193.5**	**87.5%**	¥ 258.4	¥ 528.0	¥ 610.1	¥ 868.7	¥1,096.7	¥1,554.9
Unrecoverable or valueless claims	**129.4**	—	144.0	199.3	238.3	292.9	373.0	419.6
Risk claims	**64.1**	—	114.4	328.6	371.7	575.8	723.7	1,135.3
Portion in the latter half of fiscal 2000 (existing portion)	**86.0**	**81.2%**	121.9	172.8	311.5	372.1	459.7	
Unrecoverable or valueless claims	**17.9**	—	38.2	51.0	38.0	34.1	57.9	
Risk claims	**68.1**	—	83.6	121.8	273.5	337.9	401.8	
Portion in the first half of fiscal 2001 (existing portion)	**42.4**	**79.0%**	62.7	91.2	120.6	202.7		
Unrecoverable or valueless claims	**19.0**	—	25.4	31.8	38.0	54.2		
Risk claims	**23.4**	—	37.3	59.3	82.5	148.4		
Portion in the latter half of fiscal 2001 (existing portion)	**188.5**	**81.1%**	321.3	710.6	998.3			
Unrecoverable or valueless claims	**92.5**	—	94.9	103.5	128.0			
Risk claims	**96.0**	—	226.3	607.1	870.3			
Portion in the first half of fiscal 2002 (existing portion)	**82.2**	**56.1%**	130.7	187.3				
Unrecoverable or valueless claims	**29.7**	—	34.3	46.7				
Risk claims	**52.5**	—	96.4	140.5				
Portion in the latter half of fiscal 2002 (existing portion)	**142.6**	**42.1%**	246.3					
Unrecoverable or valueless claims	**46.9**	—	51.7					
Risk claims	**95.6**	—	194.5					
Additional portion in the first half of fiscal 2003 (newly reported)	**1,124.5**	—						
Unrecoverable or valueless claims	**307.8**	—						
Risk claims	**816.6**	—						
Total	**¥1,860.0**	—	¥1,141.7	¥1,690.1	¥2,040.7	¥1,443.6	¥1,556.5	¥1,554.9

Note: Clearance ratios are the percentages of problem exposures outstanding as of the end of September 2003 compared with the balance at the end of the period when such exposures were newly classified.

Statement of self-assessment of asset quality (Total of the four banks)

(Billions of yen)

Obligor Classification / Categories of Claims		Disclosure Categories under the Financial Reconstruction Law	Disclosure Categories under Self-Assessment of Asset Quality: Normal Claims	Category II Claims	Category III Claims	Category IV Claims	Coverage	Coverage Ratio under Financial Reconstruction Law Criteria
Bankrupt and Effectively Bankrupt (Total 643.4)		Unrecoverable or Valueless Claims 643.4	155.2	488.2	Reserve Ratio 100%	Direct Write-Offs	Reserves (85.6) Collateral/Guarantees (557.7)	Unrecoverable or Valueless Claims 100%
Doubtful (Total 1,216.5)		Risk Claims 1,216.5	823.9	306.9	85.7 Reserve Ratio 89.0%		Reserves (695.9) Collateral/Guarantees (434.8)	Risk Claims 92.9%
Watch	Special Attention (Total 1,649.6)	Claims in Need of Special Attention 1,358.9 Subtotal 3,219.0	145.7	1,503.9			Reserves (400.6) Collateral/Guarantees (512.6)	Claims in Need of Special Attention 67.2%
	Other Watch (Total 2,328.4)	Nonclassified Claims 25,547.0	477.1	1,851.3				
Normal (Total 22,927.9)			22,927.9					Coverage Ratio against Total Claims 83.4%
Total 28,766.1		Total 28,766.1	Normal Claims 24,529.9	Category II Claims 4,150.4	Category III Claims 85.7	Category IV Claims —		

Note: Includes the Jointly Operated Designated Money Trust, of which the principal is guaranteed by a Group bank.

Non-consolidated Balance Sheets (Unaudited)

Resona Holdings, Inc.

September 30, 2003 and 2002, and March 31, 2003	Millions of yen			Millions of U.S. dollars
	September 30, 2003	September 30, 2002	March 31, 2003	**September 30, 2003**
Assets				
Current assets	**¥ 20,444**	¥ 5,774	¥ 5,883	**$ 183**
Cash and due from banks	**17,002**	5,074	4,850	**152**
Prepaid expenses	**286**	41	291	**2**
Deferred tax assets	**—**	51	—	**—**
Accrued income	**1,307**	556	552	**11**
Other	**1,849**	50	188	**16**
Non-current assets	**1,225,786**	1,826,572	694,727	**11,023**
Tangible fixed assets	**18**	23	22	**0**
Intangible fixed assets	**110**	102	104	**0**
Investments and other assets	**1,225,657**	1,826,446	694,600	**11,022**
Deferred charges	**285**	399	342	**2**
Organization costs	**285**	399	342	**2**
Total Assets	**¥ 1,246,515**	¥1,832,745	¥ 700,952	**$ 11,209**
Liabilities				
Current liabilities	**¥ 221,590**	¥ 30,963	¥ 5,070	**$ 1,992**
Short-term debt	**—**	30,100	4,100	**—**
Accounts payable	**—**	0	0	**—**
Accrued expenses	**1,454**	713	813	**13**
Income tax payable	**4**	5	5	**0**
Consumption tax payable	**64**	136	132	**0**
Reserve for possible losses on restructuring subsidiaries	**220,056**	—	—	**1,978**
Other	**10**	8	18	**0**
Non-current liabilities	**347,520**	300,000	347,520	**3,125**
Bonds	**15,020**	—	15,020	**135**
Long-term debt	**332,500**	300,000	332,500	**2,990**
Total Liabilities	**569,110**	330,963	352,590	**5,117**
Shareholders' Equity				
Capital	**1,288,473**	720,000	720,499	**11,586**
Capital surplus	**869,829**	771,417	771,916	**7,822**
Earned surplus (deficit)	**(1,480,757)**	10,418	(1,143,942)	**(13,316)**
Treasury stock	**(141)**	(53)	(111)	**(1)**
Total Shareholders' Equity	**677,405**	1,501,781	348,362	**6,091**
Total Liabilities and Shareholders' Equity	**¥ 1,246,515**	¥1,832,745	¥ 700,952	**$ 11,209**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥111.20=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2003, has been used.

Non-consolidated Statements of Operations (Unaudited)

Resona Holdings, Inc.

Six months ended September 30, 2003 and 2002, and year ended March 31, 2003	Millions of yen			Millions of U.S. dollars
	Six months ended September 30, 2003	Six months ended September 30, 2002	Year ended March 31, 2003	**Six months ended September 30, 2003**
Operating income	**¥ 25,842**	¥6,631	¥ 13,078	**$ 232**
Dividends from subsidiaries	**19,119**	541	941	**171**
Fees from subsidiaries	**3,451**	3,543	7,087	**31**
Interest on loans to subsidiaries	**3,271**	2,547	5,050	**29**
Operating expenses	**5,475**	5,472	10,871	**49**
Interest expenses	**3,271**	2,547	5,050	**29**
General and administrative expenses	**2,204**	2,924	5,821	**19**
Operating profit	**20,367**	1,159	2,206	**183**
Non-operating profit	**34**	18	27	**0**
Non-operating expenses	**2,340**	117	447	**21**
Ordinary net profit	**18,061**	1,059	1,787	**162**
Extraordinary profit	**—**	—	6,782	**—**
Gains on sales of investment in subsidiaries	**—**	—	6,782	**—**
Extraordinary losses	**1,498,815**	—	1,161,119	**13,478**
Devaluation of investment in subsidiaries	**1,278,758**	—	751,263	**11,499**
Provision for reserve for possible losses on restructuring subsidiaries	**220,056**	—	—	**1,978**
Provision for reserve for possible losses on investments	**—**	—	409,856	**—**
Income (loss) before income taxes	**(1,480,753)**	1,059	(1,152,550)	**(13,316)**
Income taxes—current	**3**	4	8	**0**
Income taxes—deferred	**—**	247	993	**—**
Net income (loss)	**¥(1,480,757)**	¥ 808	¥(1,153,552)	**$(13,316)**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥111.20=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2003, has been used.

Statements of Trust Assets and Liabilities (Unaudited)

Resona Holdings, Inc.

September 30, 2003 and 2002, and March 31, 2003	Millions of yen			Millions of U.S. dollars
	September 30, 2003	September 30, 2002	March 31, 2003	**September 30, 2003**
Assets				
Loans and bills discounted	**¥ 287,447**	¥ 391,363	¥ 326,028	**$ 2,584**
Securities	**2,870,613**	1,677,823	2,406,393	**25,814**
Trust beneficiary certificates	**19,937,258**	20,579,691	21,135,947	**179,291**
Securities held in custody account	**28**	385	255	**0**
Monetary claims	**489,406**	726,903	689,591	**4,401**
Premises and equipment	**280,625**	246,382	256,970	**2,523**
Land lease rights	**1,977**	1,857	1,977	**17**
Other claims	**4,805**	5,489	5,361	**43**
Due from banking account	**352,271**	202,434	267,600	**3,167**
Cash and due from banks	**21,123**	49,748	64,701	**189**
Total assets	**¥24,245,559**	¥23,882,079	¥25,154,826	**$218,035**
Liabilities				
Money trusts	**¥ 8,818,738**	¥ 8,607,810	¥ 9,911,367	**$ 79,305**
Pension trusts	**5,165,242**	5,950,696	5,887,645	**46,450**
Asset formation benefit trusts	**2,213**	2,451	2,422	**19**
Securities investment trusts	**8,448,563**	7,487,532	7,447,570	**75,976**
Pecuniary trusts other than money trusts	**383,919**	288,043	267,349	**3,452**
Securities trusts	**222,680**	230,321	231,979	**2,002**
Monetary claim trusts	**400,933**	641,690	602,184	**3,605**
Real estate trusts	**232,054**	212,681	213,685	**2,086**
Land lease trusts	**4,935**	4,940	4,913	**44**
Composite trusts	**566,277**	455,910	585,708	**5,092**
Total liabilities	**¥24,245,559**	¥23,882,079	¥25,154,826	**$218,035**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥111.20=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2003, has been used.
3. The trusts which were re-entrusted for operations were excluded.
4. Trust beneficiary certificates worth ¥19,933,261 million ($179,255 million) were re-entrusted for asset administration purposes.
5. Co-managed trust funds under other trust banks' administration amounted to ¥5,241,511 million ($47,135 million).
6. Loans and bills discounted funded by Jointly Operated Designated Money Trust account funds guarantee the principal amounting to ¥254,962 million ($2,292 million) included the following:

	Millions of of yen	Millions of U.S. dollars
Loans to borrowers in legal bankruptcy	**¥ 1,627**	**$ 14**
Past due loans	**12,451**	**111**
Loans past due three months or more	**763**	**6**
Restructured loans	**8,182**	**73**
Total	**¥23,025**	**$207**

Jointly Operated Designated Money Trusts (JOMT)

Resona Holdings, Inc.

	Millions of yen	Millions of U.S. dollars
	September 30, 2003	**September 30, 2003**
Assets		
Loans and bills discounted	**¥254,962**	**$2,292**
Securities	**125,605**	**1,129**
Other	**219,511**	**1,974**
Total assets	**¥600,079**	**$5,396**
Liabilities		
Principal	**¥598,919**	**$5,385**
Special loan loss reserve	**770**	**6**
Other	**390**	**3**
Total liabilities	**¥600,079**	**$5,396**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥111.20=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2003, has been used.

Non-consolidated Balance Sheets (Unaudited)

Resona Bank, Ltd.	Millions of yen		Millions of U.S. dollars
September 30, 2003 and March 31, 2003	**September 30, 2003**	March 31, 2003	**September 30, 2003**
Assets			
Cash and due from banks	**¥ 2,444,471**	¥ 1,682,444	**$ 21,982**
Call loans and bills bought	**101,431**	104,934	**912**
Deposits paid for bonds borrowing transactions	**2,101**	—	**18**
Trading assets	**603,340**	504,214	**5,425**
Money held in trust	**25**	70,449	**0**
Securities	**4,940,272**	5,267,210	**44,426**
Loans and bills discounted	**19,510,385**	21,412,766	**175,453**
Foreign exchange assets	**94,124**	162,924	**846**
Other assets	**641,758**	725,847	**5,771**
Premises and equipment	**441,915**	450,668	**3,974**
Deferred tax assets	**35,981**	391,643	**323**
Customers' liabilities for acceptances and guarantees	**1,490,832**	1,581,136	**13,406**
Reserve for possible loan losses	**(1,104,124)**	(603,533)	**(9,929)**
Reserve for possible losses on investments	**(14,743)**	—	**(132)**
Total Assets	**¥29,187,771**	¥31,750,707	**$262,479**
Liabilities			
Deposits	**¥20,336,944**	¥22,356,118	**$182,886**
Negotiable certificates of deposit	**545,296**	535,926	**4,903**
Call money and bills sold	**3,721,727**	5,025,209	**33,468**
Bills sold under repurchase agreements	**304,479**	283,991	**2,738**
Deposits received for bonds lending transactions	**96,133**	—	**864**
Commercial paper	**—**	6,000	**—**
Trading liabilities	**38,260**	43,815	**344**
Borrowed money	**607,256**	652,785	**5,460**
Foreign exchange liabilities	**12,822**	25,047	**115**
Bonds	**394,060**	394,060	**3,543**
Due to trust account	**352,271**	267,600	**3,167**
Other liabilities	**320,731**	396,780	**2,884**
Reserve for employees' bonuses	**—**	4,044	**—**
Reserve for employees' retirement benefits	**6,532**	—	**58**
Reserve for possible losses on loans sold	**777**	4,201	**6**
Reserve for specific borrowers under support	**82,932**	—	**745**
Reserve for possible losses on business restructuring	**88,232**	—	**793**
Other reserves	**0**	0	**0**
Deferred tax liabilities on land revaluation	**52,999**	55,842	**476**
Acceptances and guarantees	**1,490,832**	1,581,136	**13,406**
Total Liabilities	**28,452,289**	31,632,560	**255,865**
Shareholders' Equity			
Capital	**1,051,799**	443,158	**9,458**
Capital surplus	**980,000**	154,316	**8,812**
Earned surplus (deficit)	**(1,471,942)**	(525,676)	**(13,236)**
Revaluation reserve for land, net of taxes	**78,025**	82,211	**701**
Net unrealized gains/(losses) on securities available for sale, net of taxes	**97,599**	(35,864)	**877**
Total Shareholders' Equity	**735,482**	118,146	**6,614**
Total Liabilities and Shareholders' Equity	**¥29,187,771**	¥31,750,707	**$262,479**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥111.20=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2003, has been used.

Non-consolidated Statements of Operations (Unaudited)

Resona Bank, Ltd.

Six months ended September 30, 2003 and year ended March 31, 2003	Millions of yen		Millions of U.S. dollars
	Six months ended September 30, 2003	Year ended March 31, 2003	**Six months ended September 30, 2003**
Income			
Interest income	**¥ 226,129**	¥228,147	**$ 2,033**
Interest on loans and bills discounted	**196,788**	197,838	**1,769**
Interest and dividends on securities	**25,610**	24,015	**230**
Trust fees	**1,458**	7,809	**13**
Fees and commissions	**50,053**	66,484	**450**
Trading income	**10,358**	13,550	**93**
Other operating income	**13,587**	23,613	**122**
Other income	**103,786**	36,357	**933**
Total Income	**405,373**	375,963	**3,645**
Expenses			
Interest expenses	**33,588**	38,743	**302**
Interest on deposits	**11,705**	19,645	**105**
Fees and commissions	**23,371**	34,008	**210**
Trading expenses	**—**	13	**—**
Other operating expenses	**32,335**	3,752	**290**
General and administrative expenses	**162,968**	181,335	**1,465**
Other expenses	**1,342,572**	431,675	**12,073**
Total Expenses	**1,594,836**	689,528	**14,342**
Loss before income taxes	**1,189,462**	313,565	**10,696**
Income taxes—current	**142**	636	**1**
Income taxes—deferred	**286,523**	268,867	**2,576**
Net loss	**¥1,476,128**	¥583,069	**$13,274**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥111.20=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2003, has been used.

Statements of Trust Assets and Liabilities (Unaudited)

Resona Bank, Ltd.

September 30, 2003 and March 31, 2003

	Millions of yen		Millions of U.S. dollars
	September 30, 2003	March 31, 2003	**September 30, 2003**
Assets			
Loans and bills discounted	**¥ 287,447**	¥ 326,028	**$ 2,584**
Securities	**126,724**	127,309	**1,139**
Trust beneficiary certificates	**3,996**	4,657	**35**
Securities held in custody account	**28**	255	**0**
Monetary claims	**489,406**	689,591	**4,401**
Premises and equipment	**280,625**	256,970	**2,523**
Land lease rights	**1,977**	1,977	**17**
Other claims	**4,445**	5,228	**39**
Due from banking account	**352,271**	267,600	**3,167**
Cash and due from banks	**18,444**	49,747	**165**
Total assets	**¥1,565,369**	¥1,729,365	**$14,077**
Liabilities			
Money trusts	**¥ 750,277**	¥ 709,600	**$ 6,747**
Asset formation benefit trusts	**2,213**	2,422	**19**
Pecuniary trusts other than money trusts	**0**	0	**0**
Securities trusts	**28**	255	**0**
Monetary claim trusts	**400,933**	602,184	**3,605**
Real estate trusts	**232,054**	213,685	**2,086**
Land lease trusts	**4,935**	4,913	**44**
Composite trusts	**174,926**	196,304	**1,573**
Total liabilities	**¥1,565,369**	¥1,729,365	**$14,077**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥111.20=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2003, has been used.
3. The trusts which were re-entrusted for operations were excluded.
4. Co-managed trust funds under other trust banks' administration amounted to ¥75,836 million ($681 million).
5. Loans and bills discounted funded by JOMT account funds that the Bank guarantees the principal amounted to ¥254,962 million ($2,292 million) includes the following:

	Millions of yen	Millions of U.S. dollars
Loans to borrowers in legal bankruptcy	**¥ 1,627**	**$ 14**
Past due loans	**12,451**	**111**
Loans past due three months or more	**763**	**6**
Restructured loans	**8,182**	**73**
Total	**¥23,025**	**$207**

Jointly Operated Designated Money Trusts (JOMT)

	Millions of yen	Millions of U.S. dollars
	September 30, 2003	**September 30, 2003**
Assets		
Loans and bills discounted	**¥254,962**	**$2,292**
Securities	**125,605**	**1,129**
Other	**219,511**	**1,974**
Total assets	**¥600,079**	**$5,396**
Liabilities		
Principal	**¥598,919**	**$5,385**
Special loan loss reserve	**770**	**6**
Other	**390**	**3**
Total liabilities	**¥600,079**	**$5,396**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥111.20 =U.S.$1.00, the approximate rate of exchange in effect on September 30, 2003, has been used.

Non-consolidated Balance Sheets (Unaudited)

Saitama Resona Bank, Ltd.

September 30, 2003 and March 31, 2003	Millions of yen		Millions of U.S. dollars
	September 30, 2003	March 31, 2003	**September 30, 2003**
Assets			
Cash and due from banks	**¥ 243,180**	¥ 601,874	**$ 2,186**
Call loans and bills bought	**3,081,186**	3,024,040	**27,708**
Trading assets	**232**	452	**2**
Securities	**863,740**	544,828	**7,767**
Loans and bills discounted	**4,674,524**	4,710,361	**42,037**
Foreign exchange assets	**15,084**	15,419	**135**
Other assets	**43,971**	43,667	**395**
Premises and equipment	**72,257**	74,921	**649**
Deferred tax assets	**41,412**	43,771	**372**
Customers' liabilities for acceptances and guarantees	**45,675**	39,817	**410**
Reserve for possible loan losses	**(43,872)**	(35,126)	**(394)**
Total Assets	**¥9,037,392**	¥9,064,029	**$81,271**
Liabilities			
Deposits	**¥8,496,572**	¥8,600,948	**$76,408**
Negotiable certificates of deposit	**12,600**	13,740	**113**
Call money and bills sold	**83,717**	36,612	**752**
Deposits received for bonds lending transactions	**80,880**	—	**727**
Borrowed money	**125,004**	125,011	**1,124**
Foreign exchange liabilities	**215**	225	**1**
Other liabilities	**37,423**	92,040	**336**
Reserve for employees' bonuses	**—**	1,164	**—**
Acceptances and guarantees	**45,675**	39,817	**410**
Total Liabilities	**8,882,090**	8,909,561	**79,874**
Shareholders' Equity			
Capital	**50,000**	50,000	**449**
Capital surplus	**80,000**	80,000	**719**
Earned surplus	**15,849**	22,484	**142**
Net unrealized gains on securities available for sale, net of taxes	**9,452**	1,982	**85**
Total Shareholders' Equity	**155,302**	154,467	**1,396**
Total Liabilities and Shareholders' Equity	**¥9,037,392**	¥9,064,029	**$81,271**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥111.20=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2003, has been used.

Non-consolidated Statements of Operations (Unaudited)

Saitama Resona Bank, Ltd.

Six months ended September 30, 2003 and year ended March 31, 2003	Millions of yen		Millions of U.S. dollars
	Six months ended September 30, 2003	Year ended March 31, 2003	**Six months ended September 30, 2003**
Income			
Interest income	**¥53,813**	¥ 9,652	**$483**
Interest on loans and bills discounted	**50,644**	8,856	**455**
Interest and dividends on securities	**2,069**	677	**18**
Fees and commissions	**14,720**	2,670	**132**
Other operating income	**2,628**	295	**23**
Other income	**2,669**	119	**24**
Total Income	**73,832**	12,738	**663**
Expenses			
Interest expenses	**6,085**	950	**54**
Interest on deposits	**5,044**	843	**45**
Fees and commissions	**8,143**	1,226	**73**
Other operating expenses	**1,315**	21	**11**
General and administrative expenses	**38,306**	5,416	**344**
Other expenses	**27,512**	1,845	**247**
Total Expenses	**81,364**	9,460	**731**
Income (loss) before income taxes	**(7,531)**	3,277	**(67)**
Income taxes—current	**103**	1,415	**0**
Income taxes—deferred	**(2,680)**	(610)	**(24)**
Net income (loss)	**¥(4,955)**	¥ 2,472	**$(44)**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥111.20=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2003, has been used.

Non-consolidated Balance Sheets (Unaudited)

The Kinki Osaka Bank, Ltd.

September 30, 2003 and 2002, and March 31, 2003	Millions of yen			Millions of U.S. dollars
	September 30, 2003	September 30, 2002	March 31, 2003	**September 30, 2003**
Assets				
Cash and due from banks	**¥ 366,204**	¥ 129,213	¥ 126,053	**$ 3,293**
Monetary claims bought	**1,885**	2,159	2,024	**16**
Trading assets	**738**	970	871	**6**
Securities	**645,876**	833,231	790,925	**5,808**
Loans and bills discounted	**2,670,843**	2,955,968	3,000,969	**24,018**
Foreign exchange assets	**7,900**	8,602	8,594	**71**
Other assets	**23,206**	79,944	23,971	**208**
Premises and equipment	**55,991**	60,915	57,784	**503**
Deferred tax assets	**5,854**	77,373	74,866	**52**
Customers' liabilities for acceptances and guarantees	**56,567**	77,894	64,404	**508**
Reserve for possible loan losses	**(174,858)**	(85,490)	(86,782)	**(1,572)**
Total Assets	**¥3,660,210**	¥4,140,783	¥4,063,684	**$32,915**
Liabilities				
Deposits	**¥3,637,242**	¥3,740,693	¥3,778,701	**$32,709**
Negotiable certificates of deposit	**—**	1,000	—	**—**
Call money and bills sold	**723**	16,097	1,923	**6**
Deposits received for bonds lending transactions	**59,117**	111,748	31,963	**531**
Borrowed money	**75,218**	75,274	75,189	**676**
Foreign exchange liabilities	**181**	130	147	**1**
Other liabilities	**10,615**	10,487	12,640	**95**
Reserve for employees' bonuses	**—**	1,143	1,001	**—**
Reserve for employees' retirement benefits	**12,774**	10,256	8,751	**114**
Reserve for possible losses on loans sold	**5,047**	5,673	5,759	**45**
Reserve for specific borrowers under support	**7,604**	—	—	**68**
Reserve for losses on business restructuring	**15,174**	—	—	**136**
Acceptances and guarantees	**56,567**	77,894	64,404	**508**
Total Liabilities	**3,880,267**	4,050,400	3,980,484	**34,894**
Shareholders' Equity				
Capital	**73,105**	111,539	111,539	**657**
Additional payment for unissued share	**—**	—	19,834	**—**
Capital surplus	**9,917**	12,246	12,246	**89**
Earned surplus (deficit)	**(305,079)**	(28,578)	(60,597)	**(2,743)**
Net unrealized gains/(losses) on securities available for sale, net of taxes	**2,000**	(4,823)	177	**17**
Total Shareholders' Equity	**(220,056)**	90,383	83,199	**(1,978)**
Total Liabilities and Shareholders' Equity	**¥3,660,210**	¥4,140,783	¥4,063,684	**$32,915**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥111.20=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2003, has been used.

Non-consolidated Statements of Operations (Unaudited)

The Kinki Osaka Bank, Ltd.

Six months ended September 30, 2003 and 2002, and year ended March 31, 2003	Millions of yen			Millions of U.S. dollars
	Six months ended September 30, 2003	Six months ended September 30, 2002	Year ended March 31, 2003	**Six months ended September 30, 2003**
Income				
Interest income	**¥ 39,479**	¥ 45,126	¥ 88,078	**$ 355**
Interest on loans and bills discounted	**35,380**	38,186	74,919	**318**
Interest and dividends on securities	**3,860**	6,307	11,806	**34**
Fees and commissions	**6,464**	5,697	11,126	**58**
Other operating income	**12,376**	2,715	8,553	**111**
Other income	**9,222**	25,056	26,974	**82**
Total Income	**67,543**	78,595	134,733	**607**
Expenses				
Interest expenses	**3,566**	3,627	7,238	**32**
Interest on deposits	**2,629**	2,586	5,276	**23**
Fees and commissions	**3,713**	3,270	7,214	**33**
Other operating expenses	**328**	138	435	**2**
General and administrative expenses	**28,147**	32,385	67,891	**253**
Other expenses	**269,068**	67,701	110,081	**2,419**
Total Expenses	**304,823**	107,122	192,861	**2,741**
Loss before income taxes	**237,280**	28,526	58,127	**2,133**
Income taxes—current	**35**	52	83	**0**
Income taxes—deferred	**67,763**	—	2,386	**609**
Net loss	**¥305,079**	¥ 28,578	¥ 60,597	**$2,743**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥111.20=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2003, has been used.

Non-consolidated Balance Sheets (Unaudited)

The Nara Bank, Ltd.

September 30, 2003 and 2002, and March 31, 2003	Millions of yen			Millions of U.S. dollars
	September 30, 2003	September 30, 2002	March 31, 2003	**September 30, 2003**
Assets				
Cash and due from banks	**¥ 7,080**	¥ 7,947	¥ 6,963	**$ 63**
Call loans and bills bought	**14,500**	7,200	5,000	**130**
Monetary claims bought	**2,214**	1,332	2,276	**19**
Securities	**28,878**	36,632	36,773	**259**
Loans and bills discounted	**127,240**	128,790	129,613	**1,144**
Other assets	**585**	863	978	**5**
Premises and equipment	**3,372**	3,412	3,390	**30**
Deferred tax assets	**152**	1,692	568	**1**
Customers' liabilities for acceptances and guarantees	**5,413**	6,016	5,745	**48**
Reserve for possible loan losses	**(7,536)**	(6,554)	(6,913)	**(67)**
Total Assets	**¥181,900**	¥187,333	¥184,395	**$1,635**
Liabilities				
Deposits	**¥171,333**	¥171,161	¥171,284	**$1,540**
Other liabilities	**726**	471	480	**6**
Reserve for employees' bonuses	**—**	122	118	**—**
Reserve for employees' retirement benefits	**694**	479	507	**6**
Reserve for possible losses on loans sold	**151**	138	154	**1**
Reserve for losses on business restructuring	**100**	—	—	**0**
Deferred tax liabilities on land revaluation	**652**	676	676	**5**
Acceptances and guarantees	**5,413**	6,016	5,745	**48**
Total Liabilities	**179,071**	179,064	178,967	**1,610**
Shareholders' Equity				
Capital	**3,862**	3,862	3,862	**34**
Capital surplus	**446**	1,847	1,847	**4**
Earned surplus (deficit)	**(2,427)**	1,436	(1,401)	**(21)**
Revaluation reserve for land, net of taxes	**958**	934	934	**8**
Net unrealized gains/(losses) on securities available for sale, net of taxes	**(11)**	187	184	**(0)**
Total Shareholders' Equity	**2,828**	8,268	5,427	**25**
Total Liabilities and Shareholders' Equity	**¥181,900**	¥187,333	¥184,395	**$1,635**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥111.20=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2003, has been used.

Non-consolidated Statements of Operations (Unaudited)

The Nara Bank, Ltd.

Six months ended September 30, 2003 and 2002, and year ended March 31, 2003	Millions of yen			Millions of U.S. dollars
	Six months ended September 30, 2003	Six months ended September 30, 2002	Year ended March 31, 2003	**Six months ended September 30, 2003**
Income				
Interest income	**¥ 1,703**	¥1,813	¥ 3,590	**$ 15**
Interest on loans and bills discounted	**1,565**	1,613	3,209	**14**
Interest and dividends on securities	**127**	186	356	**1**
Fees and commissions	**271**	246	495	**2**
Other operating income	**137**	176	217	**1**
Other income	**46**	119	65	**0**
Total Income	**2,158**	2,356	4,368	**19**
Expenses				
Interest expenses	**77**	64	136	**0**
Interest on deposits	**77**	64	136	**0**
Fees and commissions	**113**	106	213	**1**
Other operating expenses	**134**	—	77	**1**
General and administrative expenses	**1,917**	1,695	3,433	**17**
Other expenses	**1,806**	276	1,945	**16**
Total Expenses	**4,050**	2,142	5,805	**36**
Income (loss) before income taxes	**(1,891)**	213	(1,437)	**(17)**
Income taxes—current	**4**	2	9	**0**
Income taxes—deferred	**531**	87	1,268	**4**
Net income (loss)	**¥(2,427)**	¥ 123	¥(2,715)	**$(21)**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥111.20=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2003, has been used.

Non-consolidated Balance Sheets (Unaudited)

Resona Trust & Banking Co., Ltd.

September 30, 2003 and 2002, and March 31, 2003	Millions of yen **September 30, 2003**	Millions of yen September 30, 2002	Millions of yen March 31, 2003	Millions of U.S. dollars **September 30, 2003**
Assets				
Cash and due from banks	**¥ 4,952**	¥ 2,957	¥ 9,414	**$ 44**
Securities	**20,008**	15,010	15,010	**179**
Other assets	**15,791**	15,793	22,582	**142**
Premises and equipment	**3,614**	3,539	3,514	**32**
Deferred tax assets	**153**	251	447	**1**
Total Assets	**¥44,520**	¥37,552	¥50,970	**$400**
Liabilities				
Deposits	**¥ 3,428**	¥ 3,095	¥ 3,334	**$ 30**
Call money and bills sold	**3,500**	—	—	**31**
Other liabilities	**8,330**	5,940	12,955	**74**
Total Liabilities	**15,258**	9,035	16,290	**137**
Shareholders' Equity				
Capital	**10,000**	10,000	10,000	**89**
Capital surplus	**14,969**	14,969	14,969	**134**
Earned surplus	**4,293**	3,548	9,711	**38**
Net unrealized losses on securities available for sale, net of taxes	**(1)**	(0)	(0)	**(0)**
Total Shareholders' Equity	**29,262**	28,517	34,680	**263**
Total Liabilities and Shareholders' Equity	**¥44,520**	¥37,552	¥50,970	**$400**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥111.20=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2003, has been used.

Non-consolidated Statements of Income (Unaudited)

Resona Trust & Banking Co., Ltd.

Six months ended September 30, 2003 and 2002, and year ended March 31, 2003	Millions of yen			Millions of U.S. dollars
	Six months ended September 30, 2003	Six months ended September 30, 2002	Year ended March 31, 2003	**Six months ended September 30, 2003**
Income				
Interest income	**¥ 1**	¥ 1	¥ 1	**$ 0**
Trust fees	**11,475**	11,539	29,588	**103**
Fees and commissions	**2,437**	2,289	4,937	**21**
Other operating income	**—**	—	0	**—**
Other income	**418**	1	2	**3**
Total Income	**14,331**	13,831	34,529	**128**
Expenses				
Interest expenses	**1**	1	2	**0**
Fees and commissions	**2,821**	2,977	8,548	**25**
General and administrative expenses	**4,750**	4,887	9,750	**42**
Other expenses	**242**	212	535	**2**
Total Expenses	**7,815**	8,078	18,838	**70**
Income before income taxes	**6,516**	5,752	15,691	**58**
Income taxes—current	**2,138**	2,434	6,406	**19**
Income taxes—deferred	**295**	(223)	(420)	**2**
Net income	**¥ 4,082**	¥ 3,542	¥ 9,705	**$ 36**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥111.20=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2003, has been used.

Statements of Trust Assets and Liabilities (Unaudited)

Resona Trust & Banking Co., Ltd.

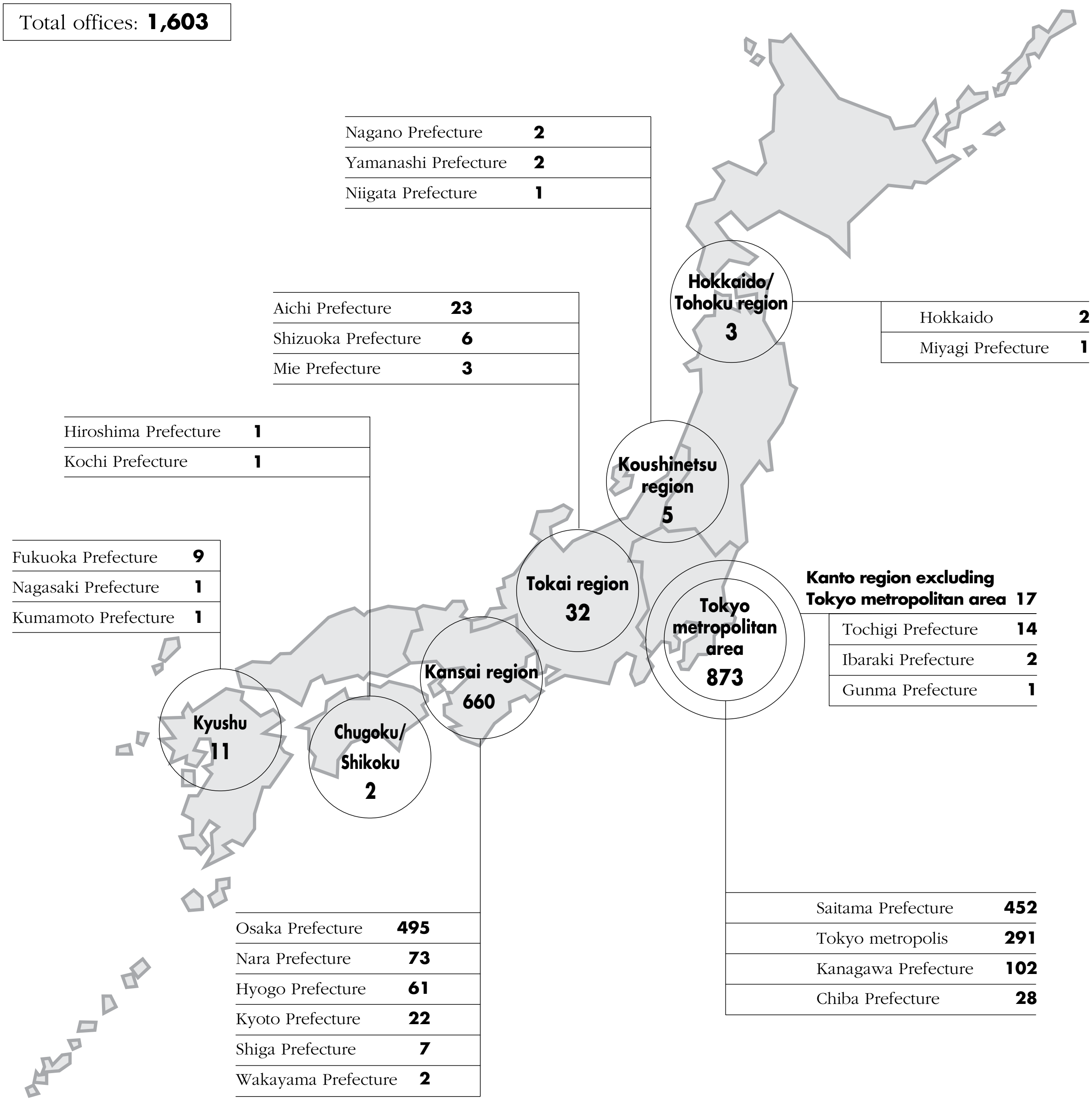
September 30, 2003 and 2002, and March 31, 2003	Millions of yen			Millions of U.S. dollars
	September 30, 2003	September 30, 2002	March 31, 2003	**September 30, 2003**
Assets				
Securities	**¥ 2,743,888**	¥ 1,520,429	¥ 2,279,083	**$ 24,675**
Trust beneficiary certificates	**19,933,261**	20,574,805	21,131,290	**179,255**
Other claims	**360**	20,060	132	**3**
Cash and due from banks	**2,678**	—	14,953	**24**
Total Assets	**¥22,680,189**	¥22,115,295	¥23,425,461	**$230,958**
Liabilities				
Money trusts	**¥ 8,068,461**	¥ 7,861,563	¥ 9,201,766	**$ 72,558**
Pension trusts	**5,165,242**	5,950,696	5,887,645	**46,450**
Securities investment trusts	**8,448,563**	7,487,532	7,447,570	**75,976**
Pecuniary trusts other than money trusts	**383,919**	288,043	267,348	**3,452**
Securities trusts	**222,651**	229,936	231,724	**2,002**
Composite trusts	**391,351**	297,523	389,404	**3,519**
Total Liabilities	**¥22,680,189**	¥22,115,295	¥23,425,461	**$203,958**

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥111.20=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2003, has been used.
3. Trust beneficiary certificates worth of ¥19,933,261 million ($179,255 million) were re-entrusted for asset administration purposes.
4. Co-managed trust funds under other trust banks' administration amounted to ¥5,165,675 million ($46,453 million).

RESONA GROUP NETWORK

As of September 30, 2003

Total offices: **1,603**



Domestic Branches

(As of September 30, 2003)

	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank	Nara Bank	Resona Trust & Banking	Total of the five banks	Tokyo metropolitan area	Kansai region
Manned offices	357	113	154	25	4	653	287	330
Nonmanned offices	545	340	36	29	0	950	586	330
Total offices	902	453	190	54	4	1,603	873	660

Overseas Network

	Resona Bank	Total
Representative offices	6	6

INTERNATIONAL NETWORK

As of February 1, 2004

Resona Bank, Ltd.

■ EUROPE

Resona Bank (Capital Management) Plc
Level 18, City Tower,
40 Basinghall Street,
London EC2V 5DE,
United Kingdom
Phone: 44-20-7256-5661
Telex: 8956907
Fax: 44-20-7256-5662

■ NORTH AMERICA

New York Representative Office
546 Fifth Avenue, 19th Floor,
New York, NY 10036,
U.S.A.
Phone: 1-212-997-7830
Fax: 1-212-997-7835

■ ASIA

Hong Kong Representative Office
Room 1103A, 11th Floor,
Far East Finance Centre,
16 Harcourt Road,
Hong Kong, S.A.R.,
The People's Republic of China
Phone: 852-2532-0500
Fax: 852-2522-5378

Singapore Representative Office
3 Temasek Avenue,
#20-05 Centennial Tower,
Singapore 039190,
Republic of Singapore
Phone: 65-6333-0378
Fax: 65-6333-0797

Shanghai Representative Office
Room No. 2709,
Shanghai International
Trade Centre,
2201 Yan An Xi Lu, Shanghai,
The People's Republic of China
Phone: 86-21-6275-5198
Fax: 86-21-6275-5229

Bangkok Representative Office
31st Floor, Abdulrahim Place,
990 Rama 4 Road,
Silom, Bangrak,
Bangkok 10500,
Thailand
Phone: 66-2-636-2311
Fax: 66-2-636-2316

PT. Bank Resona Perdania

Head Office
JL. Jend. Sudirman Kav. 40-41,
Jakarta, Indonesia
Phone: 62-21-5701958
Telex: 65658, 65195
Fax: 62-21-5701936
Cable: JOINT BANK, JAKARTA
SWIFT: BPIAIDJA

Surabaya Branch
JL. Raya Darmo No. 31,
Surabaya, East Java, Indonesia
Phone: 62-31-5671700
Fax: 62-31-5674840

Bandung Branch
JL. Wastu Kencana No. 87,
Bandung, West Java, Indonesia
Phone: 62-22-4241742
Fax: 62-22-4241207

Cikarang Sub-Branch
JL. Jababeka Raya Block B
No. 14-15, Cikarang Industrial
Estate, Bekasi, West Java,
Indonesia
Phone: 62-21-8934347
Fax: 62-21-8934346

Makassar Branch
4th Floor, BII Building,
JL. Kajaolalido No. 6, Makassar,
South Sulawesi, Indonesia
Phone: 62-411-330570
Fax: 62-411-330574

PT. Resona Indonesia Finance
5th Floor,
Bank Resona Perdania Building,
JL. Jend. Sudirman Kav. 40-41,
Jakarta, Indonesia
Phone: 62-21-5701956
Fax: 62-21-5701961

■ JAPAN

Osaka Head Office
2-1, Bingomachi 2-chome,
Chuo-ku, Osaka 540-8610, Japan
Phone: 81-6-6271-1221
Telex: J64051 DAIBANK
Cable: DAIBANK
SWIFT: DIWAJPJS

Tokyo Head Office
1-2, Otemachi 1-chome,
Chiyoda-ku, Tokyo 100-8106,
Japan
Phone: 81-3-3287-2111
Telex: J64052 DAIBANK
Cable: DAIBANK
SWIFT: DIWAJPJT

Internet Address
http://www.resona-gr.co.jp/
resonabank/index.htm

The Kinki Osaka Bank, Ltd.

■ JAPAN

Head Office
4-27, Shiromi 1-chome,
Chuo-ku, Osaka 540-8560, Japan

Phone: 81-6-6945-2063
Telex: 63936 kinkibk j
SWIFT: OSAB JP JS

Internet Address
http://www.kinkiosakabank.co.jp/

Saitama Resona Bank, Ltd.

■ JAPAN

Head Office
4-1, Tokiwa 7-chome,
Urawa-ku, Saitama 330-0061, Japan

Tokyo Office
1-2, Otemachi 1-chome,
Chiyoda-ku, Tokyo 100-8106, Japan

Phone: 81-48-824-2411
Telex: 24233 SAITAMAR
SWIFT: SAIBJPJT

Internet Address
http://www.resona-gr.co.jp/saitamaresona/

INVESTOR INFORMATION

As of September 30, 2003

Osaka Head Office
2-1, Bingomachi 2-chome,
Chuo-ku, Osaka 540-8608, Japan
Tel: 81-6-6268-7400

Tokyo Head Office
1-2, Otemachi 1-chome,
Chiyoda-ku, Tokyo 108-8107, Japan
Tel: 81-3-3287-2131

Paid-in Capital
¥1,288,473 million

Common Stock (Thousands)
Authorized: 73,000,000 shares
Issued: 11,354,336 shares

Preferred Stock (Thousands)
Authorized: 9,449,117 shares
Issued: 9,449,115 shares

Class A	No. 1	10,970 shares
Class B	No. 1	680,000 shares
Class C	No. 1	120,000 shares
Class D	No. 1	338 shares
Class E	No. 1	240,000 shares
Class F	No. 1	80,000 shares
Class One	No. 1	2,750,000 shares
Class Two	No. 1	2,817,807 shares
Class Three	No. 1	2,750,000 shares

Stock Exchange Listings
Tokyo, Osaka

Transfer Agent and Registrar
Daiko Clearing Services Corporation
4-6, Kitahama 2-chome, Chuo-ku,
Osaka 541-8583, Japan

Independent Accountants
Shin Nihon & Co.

Number of Employees
23,199 (Consolidated)
285 (Non-consolidated)

Stock Price Range on the Tokyo Stock Exchange (First section)

	2003								
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
High	¥61	¥74	¥89	¥105	¥102	¥183	¥191	¥167	¥141
Low	54	47	64	83	78	97	151	115	119

Major Shareholders (Common Stock)

	Number of shares held (Thousands)	Percentage of total shares issued
Deposit Insurance Corporation of Japan	5,700,739	50.20
Japan Trustee Services Bank, Ltd.	223,210	1.96
Resona Bank, Ltd.	184,435	1.62
The Master Trust Bank of Japan, Ltd.	101,053	0.89
The Dai-ichi Mutual Life Insurance Company	93,896	0.82
Resona Holdings Employee Stock Ownership Association	78,638	0.69
The Nomura Securities Co., Ltd.	70,322	0.61
Daido Life Insurance Company	70,000	0.61
The Fuji Fire and Marine Insurance Co., Ltd.	64,589	0.56
The Nichido Fire and Marine Insurance Co., Ltd.	62,875	0.55
Total	6,649,760	58.56

RESONA HOLDINGS, INC. HOME PAGE

http://www.resona-hd.co.jp

You can also access the latest information on Resona Holdings via the Internet.

Contact:

IR Office, Planning Division
Resona Holdings, Inc.
1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8107, Japan
Tel: 81-3-3287-2131
http://www.resona-hd.co.jp

RESONA

Resona Holdings

Printed on recycled paper in Japan