

July 26, 2006

Resona Holdings, Inc.

Financial Information for the 1st Quarter of the Fiscal Year Ending March 31, 2007

Resona Holdings, Inc. today reported the financial information of the Company and its subsidiary banks for the 1st quarter (April 1, 2006 to June 30, 2006) of the fiscal year ending March 31, 2007. The figures reported herein are unaudited.

[Contents]

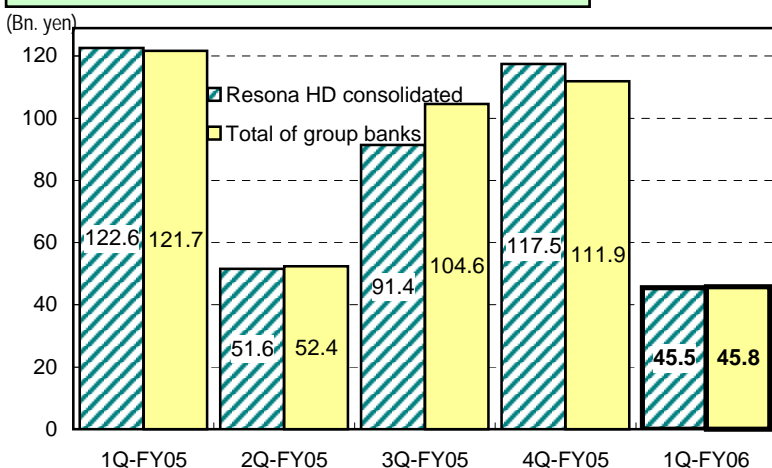
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1. Financial Highlights for the 1st Quarter of the Fiscal Year Ending March 31, 2007

- >Posted net income of Y45.5bn (Resona Holdings' consolidated basis) and Y45.8bn (total of group banks' non-consolidated numbers), respectively, for the 1Q-FY2006 period.
- >Core net operating profits (net operating profits excluding net gains on bonds and provision to general reserve for possible loan losses) for the 1Q-FY2006 period were Y91.0bn, up Y18.3bn from the same period previous year, showing a good pace of progress.
- >The factors accounting for more than Y70bn decline in quarterly net income were as follows:
 - >>Reversal gains posted in the same period previous year were diminished as expected at the beginning of the year, and registered positive credit-related expenses in the 1Q-FY2006 period.
 - >>Realized losses on bonds and implemented write-down for certain stocks with a view to raising soundness of securities portfolio.
 - >>However, these factors were all anticipated at the beginning of the current fiscal year, and Resona Holdings maintains the current earnings projections for the current year.

*Quarterly net income: 2Q = 1st half - 1st quarter, 3Q = 3rd quarter - 1st half, 4Q = Full year - 3rd quarter

Trend in quarterly net income



Quarterly net income

(Billions of yen)	1Q FY 06	YoY change
Resona HD consolidated	45.5	(77.1)
Total of group banks	45.8	(75.8)

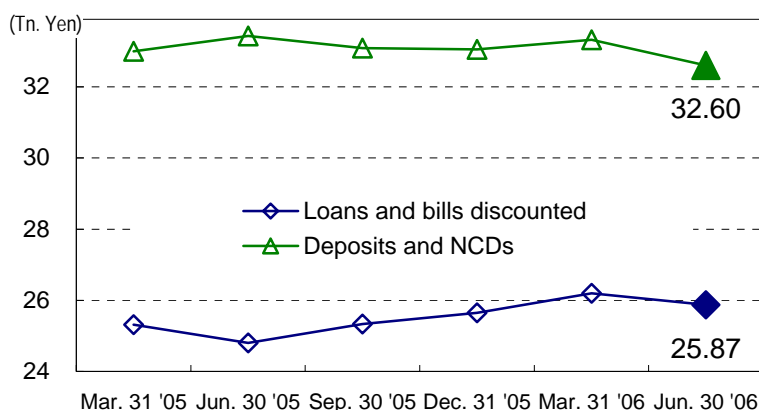
Net unrealized gains on available-for-sale securities (Total of group banks)

(Billions of yen)	Net unrealized gains (end-Jun. '06)	Change from end-Mar. '06
Available-for-sale securities	318.4	(118.4)
Stocks	378.1	(73.0)
Bonds	(66.4)	8.9
Gains	0.7	(0.4)
Losses	(67.1)	9.3

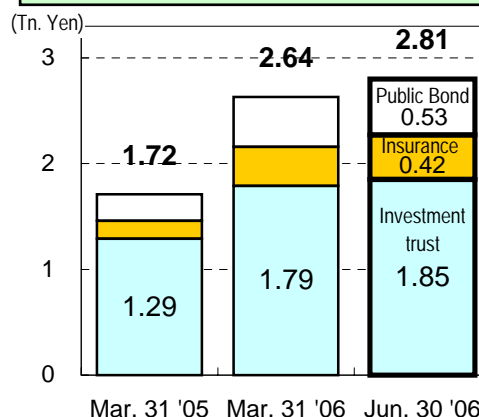
Quarterly net income (total of group banks, non-consolidated basis)

(Billions of yen)	FY 2005				FY 2006	
	1Q (1)	2Q	3Q	4Q	1Q (2)	Change (2)-(1)
Gross operating profits	167.2	176.0	164.5	185.8	154.5	(12.7)
Core gross operating profits	153.0	179.6	170.0	203.2	171.1	18.0
Net gains on bonds	14.1	(3.6)	(5.5)	(17.3)	(16.5)	(30.7)
Actual net operating profits	86.8	92.1	83.1	83.0	74.4	(12.3)
Core operating profits	72.6	95.7	88.6	100.3	91.0	18.3
Total credit related expenses, net	38.2	(50.0)	10.7	15.6	(22.3)	(60.5)
Net gains on stocks	0.0	28.9	18.5	6.4	(12.7)	(12.8)
Other gains, net	(3.3)	(18.6)	(7.7)	6.8	6.5	9.9
Net income	121.7	52.4	104.6	111.9	45.8	(75.8)

Loans and deposits (Resona HD consolidated basis)



Balance of investment products sold to individual (Total of group banks)



2. Outline of the Operating Results for the 1st Quarter of the Fiscal Year Ending March 31, 2007

Resona Holdings (Consolidated)		(Billions of yen)		
		1Q FY 2006	Change	1Q FY 2005
Ordinary income	1	243.7	(2.6)	246.3
Consolidated gross operating profit	2	172.2	(12.3)	184.5
Interest income	3	136.8	5.1	131.7
Trust fees	4	5.0	(0.2)	5.2
Fees and commissions	5	37.2	6.8	30.3
Trading income	6	7.3	6.7	0.5
Other operating income	7	(14.3)	(30.9)	16.5
Provision to general reserve for possible loan losses	8	4.8	4.8	-
General and administrative expenses	9	87.6	(1.7)	89.3
Other gains (losses), net	10	(31.9)	(49.0)	17.1
Ordinary profit	11	47.7	(64.4)	112.2
Extraordinary profit/ (loss), net	12	7.0	(24.0)	31.1
Income before income taxes and minority interests	13	54.8	(88.5)	143.4
Income taxes	14	6.6	(9.4)	16.0
Minority interests in net income	15	2.6	(2.0)	4.7
Net income	16	45.5	(77.1)	122.6

Resona Holdings (Non-consolidated)		(Billions of yen)		
		1Q FY 2006	Change	1Q FY 2005
Operating income	17	260.0	40.0	220.0
Ordinary profit	18	257.5	42.4	215.1
Net income	19	257.8	42.7	215.1

<Total of four banks, Non-consolidated results of each bank>

		Total of four banks			Resona Bank		
		1Q FY 2006	Change	1Q FY 2005	1Q FY 2006	Change	1Q FY 2005
Gross operating profit	1	154.5	(12.7)	167.2	100.3	(12.9)	113.3
Interest income	2	132.6	5.8	126.8	88.6	5.1	83.4
Trust fees (after disposal of problem loans in trust account)	3	5.0	(0.2)	5.2	1.9	(0.5)	2.4
<Disposal of problem loans in the trust account>	4	0.1	0.1	0.0	0.1	0.1	0.0
Fees and commissions	5	23.9	5.9	17.9	16.1	3.9	12.1
Trading income	6	7.0	6.5	0.4	7.0	6.5	0.4
Other operating income	7	(14.2)	(30.9)	16.6	(13.3)	(28.2)	14.8
Expenses (excluding non-recurring items)	8	80.2	(0.2)	80.4	52.3	0.0	52.3
Personnel expenses	9	25.7	0.3	25.3	15.9	0.4	15.5
Non-personnel expenses	10	49.8	(0.2)	50.0	33.4	(0.0)	33.5
Taxes	11	4.6	(0.3)	5.0	2.8	(0.3)	3.2
Provision to general reserve for possible loan losses	12	7.6	7.6	0.0	7.7	7.7	-
Actual net operating profit	13	74.4	(12.3)	86.8	48.2	(12.8)	61.1
Core operating profit	14	91.0	18.3	72.6	62.2	11.3	50.9
Net operating profit	15	66.6	(20.1)	86.7	40.2	(20.7)	61.0
Other gains or losses, net	16	(23.7)	(35.9)	12.2	(21.5)	(33.9)	12.3
Net gains/(losses) on stocks	17	(12.7)	(12.8)	0.0	(13.4)	(13.4)	0.0
Credit related expenses	18	22.4	24.8	(2.3)	20.8	22.5	(1.7)
Other	19	11.5	1.7	9.8	12.6	2.0	10.6
Ordinary profit/(loss)	20	42.9	(56.0)	99.0	18.6	(54.7)	73.4
Extraordinary profit/ (loss), net	21	7.5	(27.6)	35.2	6.3	(23.2)	29.5
Gains from reversal of credit expenses	22	7.9	(27.9)	35.8	6.5	(23.4)	30.0
Net gains/(losses) on fixed assets	23	(0.3)	0.2	(0.6)	(0.2)	0.2	(0.4)
Other	24	-	0.0	(0.0)	-	-	-
Income before income taxes	25	50.4	(83.7)	134.2	25.0	(77.9)	102.9
Income taxes	26	4.5	(7.8)	12.4	(2.9)	(8.1)	5.1
Net income	27	45.8	(75.8)	121.7	28.0	(69.8)	97.8
Credit related expense (4, 12, 18, 22)	28	22.3	60.5	(38.2)	22.2	53.9	(31.7)

(Billions of yen)

		Saitama Resona	Kinki Osaka	Resona Trust
		Bank	Bank	& Banking
		1Q FY 2006	1Q FY 2006	1Q FY 2006
Gross operating profit	29	35.2	16.4	2.4
Interest income	30	29.4	14.5	0.0
Trust fees (after disposal of problem loans in trust account)	31	-	-	3.1
<Disposal of problem loans in the trust account>	32	-	-	-
Fees and commissions	33	6.5	2.0	(0.7)
Trading income	34	-	-	-
Other operating income	35	(0.7)	(0.1)	-
Expenses (excluding non-recurring items)	36	16.0	9.3	2.5
Personnel expenses	37	5.4	3.4	0.9
Non-personnel expenses	38	9.3	5.3	1.6
Taxes	39	1.1	0.5	0.0
Provision to general reserve for possible loan losses	40	-	(0.1)	-
Actual net operating profit	41	19.2	7.1	(0.1)
Core operating profit	42	21.5	7.4	(0.1)
Net operating profit	43	19.2	7.2	(0.1)
Other gains or losses, net	44	(1.5)	(0.5)	0.0
Net gains/(losses) on stocks	45	(0.5)	1.2	-
Credit related expenses	46	0.2	1.4	-
Other	47	(0.8)	(0.3)	0.0
Ordinary profit/(loss)	48	17.6	6.6	(0.1)
Extraordinary profit/ (loss), net	49	0.5	0.6	-
Gains from reversal of credit expenses	50	0.6	0.7	-
Net gains/(losses) on fixed assets	51	(0.0)	(0.0)	-
Other	52	-	-	-
Income before income taxes	53	18.2	7.3	(0.1)
Income taxes	54	7.6	0.0	(0.0)
Net income	55	10.6	7.3	(0.0)
Credit related expense (32, 40, 46, 50)	56	(0.4)	0.5	-

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

Core operating profit: Net operating profit before provision to general reserve for possible loan losses, expenses related to problem loan disposal in the trust account and net gains on bonds.

2. As for the total of general reserve for possible loan losses, specific reserve for possible loan losses and special reserve for certain overseas loans, if the amount of reversal exceeds the amount of addition during each period, the amount of such difference is accounted for as extraordinary gains.

3. As for the gross operating profit of Resona Trust & Banking, since most of its trust fees, fees and commission income tend to be generated in September and March, its gross operating profit up to the end of the first quarter was lower than one quarter of the gross operating profit forecasted for the current full-year period.

4. Nara Bank merged with Resona Bank on January 1, 2006. The numbers for the 1Q of FY 2005 shown above are the total of five banks including the numbers of Nara Bank.

3. Capital Adequacy Ratio

		Sep. 30 '06 [Forecast]	Mar. 31 '06 [Actual]	
Resona Holdings	Capital ratio	Lower 10%	9.97%	
	Consolidated	Tier I ratio	5.95%	
	Resona Bank	Capital ratio	Approx. 9%	9.08%
	Consolidated	Tier I ratio	Lower 5%	5.29%
	Saitama Resona Bank	Capital ratio	Lower 8%	8.20%
	Non-consolidated	Tier I ratio	Middle 4%	4.53%
	Kinki Osaka Bank	Capital ratio	Approx. 8%	8.17%
	Consolidated	Tier I ratio	Approx. 5%	5.16%
	Resona Trust & Banking	Capital ratio	Approx. 170%	124.81%
	Non-consolidated	Tier I ratio	Approx. 170%	124.81%

The above estimates are subject to change depending on the changes in presupposed conditions with respect to the management environment.

4. Claims Disclosed under the Financial Reconstruction Law Criteria

(Billions of Yen)		End of June	End of June	[Reference]	
		2006	2005	End of March	
		Non-consolidated	Non-consolidated	Non-consolidated	
Total of group banks	Unrecoverable or valueless claims	58.1	88.7	63.4	
	Banking Account	57.7	88.1	62.9	
	Trust Account	0.4	0.5	0.5	
	Risk claims	324.7	405.8	292.6	
	Banking Account	321.9	402.5	290.1	
	Trust Account	2.8	3.2	2.4	
	Claims in need of special attention	327.3	371.3	354.7	
	Banking Account	306.4	348.6	333.6	
	Trust Account	20.8	22.7	21.0	
	Total	710.2	865.8	710.8	
	Banking Account	686.0	839.3	686.7	
	Trust Account	24.1	26.4	24.0	
	Resona Bank	Unrecoverable or valueless claims	34.0	51.1	35.8
		Banking Account	33.5	50.6	35.3
	Trust Account	0.4	0.5	0.5	
	Risk claims	231.3	280.7	200.2	
	Banking Account	228.5	277.4	197.8	
	Trust Account	2.8	3.2	2.4	
	Claims in need of special attention	255.9	273.6	283.4	
	Banking Account	235.0	250.8	262.3	
	Trust Account	20.8	22.7	21.0	
	Total	521.2	605.4	519.5	
	Banking Account	497.1	579.0	495.4	
	Trust Account	24.1	26.4	24.0	
Saitama Resona Bank	Unrecoverable or valueless claims	8.6	11.1	11.2	
	Risk claims	43.4	43.6	41.8	
	Claims in need of special attention	33.6	47.7	33.5	
	Total	85.7	102.4	86.7	
Kinki Osaka Bank	Unrecoverable or valueless claims	15.5	24.6	16.3	
	Risk claims	49.9	77.6	50.4	
	Claims in need of special attention	37.7	48.5	37.7	
	Total	103.2	150.7	104.5	

(Notes)

1. The presented figures as of the end of June 2006 are classified in accordance with the categories, which are defined under the provisions of the Article 4 of the Implementing Regulations for the Law Concerning Emergency Measures to Revitalize Financial System. Presented figures are based on the following criteria:

[Classification for disclosure]

Based on the Guidelines for Self-assessment of Asset Quality which was established in accordance with the FSA's Financial Inspection Manual, each of subsidiary banks implemented self-assessment of asset quality as of the end of June 2006.

Based on the results of such self-assessments, claims were classified into the following disclosure categories:

Unrecoverable or valueless claims

Risk claims

Claims in need of special attention

[Disclosed amount]

Amount reported for each disclosure category is based on the outstanding exposure amount as of the end of June 2006.

Also, those claims newly classified as "unrecoverable or valueless," the exposure amount deemed irrecoverable is deducted as an equivalent for partial direct write-offs.

2. Nara Bank merged with Resona Bank on January 1, 2006. The numbers for the end of June 2005 shown above are the total of four banks including the numbers of Nara Bank.

5. Unrealized gains/(losses) on marketable securities

(1) Unrealized gains/(losses) on other securities

(Billions of Yen)		End of June 2006					End of June 2005					[Reference] End of March 2006					
		Cost	Market Value	Unrealized gains/(losses)		Cost	Market Value	Unrealized gains/(losses)		Cost	Market Value	Unrealized gains/(losses)					
				Gain	Loss			Gain	Loss			Gain	Loss				
Total of 4 banks	Other Securities	6,584.5	6,902.9	318.4	419.6	101.2	6,935.6	7,186.2	250.5	258.7	8.1	6,662.6	7,108.1	445.4	541.7	96.2	
	Stocks	396.2	774.3	378.1	380.2	2.0	398.0	609.6	211.5	217.4	5.9	400.9	860.9	459.9	463.5	3.6	
	Bonds	4,634.8	4,568.4	(66.4)	0.7	67.1	5,598.2	5,615.9	17.6	18.9	1.2	5,019.6	4,944.3	(75.3)	1.1	76.5	
	Resona Bank	Other Securities	4,594.8	4,835.9	241.0	313.1	72.0	4,932.5	5,112.8	180.2	187.3	7.1	4,572.0	4,910.0	337.9	404.8	66.8
	Stocks	299.3	579.9	280.5	281.9	1.4	300.4	457.8	157.3	162.9	5.5	300.6	640.4	339.8	343.2	3.4	
	Bonds	3,033.6	2,992.2	(41.3)	0.3	41.7	4,024.4	4,031.3	6.9	7.7	0.7	3,347.0	3,297.8	(49.1)	0.0	49.2	
	Saitama Resona Bank	Other Securities	1,191.7	1,269.4	77.7	95.0	17.3	1,009.3	1,064.8	55.4	55.8	0.3	1,176.9	1,268.0	91.0	108.9	17.8
	Stocks	86.7	175.8	89.0	89.4	0.3	86.7	134.9	48.1	48.1	-	86.7	187.5	100.7	100.7	-	
	Bonds	995.9	980.5	(15.4)	0.2	15.6	832.9	836.9	3.9	4.3	0.3	987.3	970.7	(16.5)	0.4	17.0	
	Kinki Osaka Bank	Other Securities	777.9	777.5	(0.4)	11.4	11.8	956.2	971.0	14.7	15.4	0.6	898.9	906.7	7.7	19.3	11.6
	Stocks	10.0	18.6	8.5	8.8	0.2	10.8	16.7	5.9	6.3	0.3	10.0	20.7	10.7	10.8	0.1	
	Bonds	585.3	575.6	(9.6)	0.1	9.7	703.6	710.1	6.5	6.7	0.1	670.2	660.7	(9.5)	0.6	10.1	
	Resona Trust & Banking	Other Securities	20.0	19.9	(0.0)	-	0.0	20.0	20.0	(0.0)	0.0	0.0	15.0	15.0	(0.0)	-	0.0
	Stocks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bonds	20.0	19.9	(0.0)	-	0.0	20.0	20.0	(0.0)	0.0	0.0	15.0	15.0	(0.0)	-	0.0	

"Total of 4 banks" as of the end of June 2006 and 2005 are simple sum of the non-consolidated figures of subsidiary banks.

"Total of 4 banks" as of the end of March 2006 is Resona Holdings' consolidated figures.

Nara Bank merged with Resona Bank on January 1, 2006. The numbers for the End of June 2005 shown above are the total of five banks including the numbers of Nara Bank.

(2) Unrealized gains/(losses) on held-to-maturity bonds and stocks of subsidiaries and affiliates

(Billions of Yen)		End of June 2006					End of June 2005					[Reference] End of March 2006				
		Cost	Market Value	Unrealized gains/(losses)		Cost	Market Value	Unrealized gains/(losses)		Cost	Market Value	Unrealized gains/(losses)				
				Gain	Loss			Gain	Loss			Gain	Loss			
Saitama Resona Bank	Held-to-maturity bonds	129.5	125.8	(3.6)	-	3.6	82.4	84.7	2.2	2.2	-	107.4	104.9	(2.5)	0.0	2.5

* Resona Bank, Kinki Osaka Bank and Resona Trust & Banking have no securities of these categories.

- Above figures include securities, NCDs included in "cash and due from banks" and CPs and beneficial interest in trusts included in "monetary claims bought."
- For stocks, market values are based on the average price during the one month prior to the quarter and fiscal year-end. For other securities, market values are based on the market price prevailing on the last day of the relevant period.

6. Deposits, Loans and Bills Discounted

(Billions of Yen)		End of June		(Billions of yen)
		2006	Change	
Total of four banks	Deposits (Term-end bal.)	31,037.0	(622.4)	31,659.5
	Domestic consumer deposits	20,287.8	222.1	20,065.7
	Demand deposits	10,624.0	331.9	10,292.1
	Time deposits	9,501.9	(110.9)	9,612.9
	Domestic corporate deposits	9,508.8	(398.0)	9,906.9
	Demand deposits	6,921.4	(429.7)	7,351.1
	Time deposits	2,180.0	55.2	2,124.7
	Trust principal (Term-end bal.)	495.5	(32.6)	528.2
	Loans (Term-end bal.)	26,067.8	(338.3)	26,406.1
	Banking account	25,899.8	(332.3)	26,232.1
Trust account	168.0	(6.0)	174.0	
Resona	Deposits (Term-end bal.)	18,860.1	(755.9)	19,616.0
	Domestic consumer deposits	10,837.3	82.7	10,754.6
	Demand deposits	5,792.8	126.1	5,666.7
	Time deposits	4,916.9	(43.5)	4,960.4
	Domestic corporate deposits	7,327.2	(427.7)	7,755.0
	Demand deposits	5,206.0	(473.2)	5,679.2
	Time deposits	1,804.9	45.0	1,759.9
	Trust principal (Term-end bal.)	495.5	(32.6)	528.2
	Loans (Term-end bal.)	17,744.7	(422.7)	18,167.5
	Banking account	17,576.7	(416.7)	17,993.5
Trust account	168.0	(6.0)	174.0	
Saitama Resona	Deposits (Term-end bal.)	8,790.2	76.0	8,714.2
	Domestic consumer deposits	6,791.0	143.7	6,647.2
	Demand deposits	3,783.1	176.2	3,606.9
	Time deposits	2,978.4	(33.6)	3,012.1
	Domestic corporate deposits	1,488.1	(25.2)	1,513.3
	Demand deposits	1,221.9	(6.8)	1,228.7
	Time deposits	199.7	7.2	192.4
	Loans (Term-end bal.)	5,712.9	29.4	5,683.5
Kinki Osaka	Deposits (Term-end bal.)	3,383.5	57.4	3,326.0
	Domestic consumer deposits	2,659.5	(4.3)	2,663.8
	Demand deposits	1,047.9	29.5	1,018.4
	Time deposits	1,606.5	(33.7)	1,640.3
	Domestic corporate deposits	690.4	54.9	635.4
	Demand deposits	493.5	50.3	443.1
	Time deposits	175.3	2.9	172.3
	Loans (Term-end bal.)	2,610.1	54.9	2,555.1
Resona Trust & Banking	Deposits (Term-end bal.)	3.0	-	3.0

1. Trust account refers to Jointly Operated Designated Money Trust for which the principal is guaranteed.

2. The above figures are based on the figures reported to Bank of Japan.

(Overseas deposits and Japan Offshore Banking Account are excluded.)

Demand deposits = current deposits + ordinary deposits + savings deposits + deposits at notice

Time deposits = time deposits + installment saving accounts

Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2007

(June 30, 2006/Unaudited)

July 26, 2006
Resona Holdings, Inc.

1. Criteria for Presentation of Quarterly Financial Information

- 1) Adoption of simplified accounting methods
As specified in the attached sheet
- 2) Changes in the accounting methods from the ones applied in the previous fiscal year.
None
- 3) Changes in the scope of consolidation and application of the equity method
Consolidation: Newly consolidated 0 Excluded 1
Equity method: Newly applied 0 Excluded 0
For further details, refer to the attached sheet.

2. Financial Highlights (April 1, 2006 - June 30, 2006)

1) Consolidated Operating Results

*Amounts less than 1 million yen are rounded down

	Ordinary income		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%
1st Quarter of FY 2006	243,707	-1.1	47,795	-57.4	45,585	-62.8
1st Quarter of FY 2005	246,349	-3.0	112,283	-2.8	122,689	-11.9
(Ref.) FY 2005 (full year)	1,047,056		368,341		383,288	

	Net income per share	Net income per share (potential equity adjusted)
	Yen	Yen
1st Quarter of FY 2006	3,999.77	2,420.26
1st Quarter of FY 2005	10,786.08	5,458.41
(Ref.) FY 2005 (full year)	31,943.14	17,053.00

*1. Percentage figures represent rate of increase or decrease in comparison with the same period previous year

*2. For details of per share information, please refer to the attached sheet on the next page.

[Reference]
Total amount of preferred stocks not deducted

2) Consolidated Financial Position

	Total Assets	Net assets	Net assets ratio	Net assets per share	Net assets per share
	Million yen	Million yen	%	Yen	
June 30, 2006	39,827,563	1,731,108	4.0	(70,254.50)	151,891.01
June 30, 2005	40,674,243	1,286,998	3.2	(109,965.61)	113,145.77
(Ref.) FY 2005 (full year)	40,399,547	1,657,084	4.1	(78,499.52)	143,643.64

*1. Net assets ratio= (Net assets at fiscal period end - share warrants at fiscal period end - Minority interests at fiscal period end) / Total assets at fiscal period end

Net assets ratio differs from the consolidated capital adequacy ratio which is calculated in accordance with the Public Ministerial Announcement No.55 issued by the former Ministry of Finance on March 31, 1993.

*2. For details of per share information, please refer to the attached sheet on the next page.

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2007 (April 1, 2006 - March 31, 2007)

Earnings results up to the end of the 1st quarter of FY 2006 are in good condition and the earnings forecasts for the 1st half and the full-year period of FY2006, which were announced on May 23, 2006, remain unchanged.

(Reference)

	Ordinary income	Ordinary profit	Net income
	Million yen	Million yen	Million yen
Half of FY 2006	470,000	175,000	165,000
FY 2006 (full year)	950,000	315,000	300,000

Forecasted net income per share (full year): 24,571.49 yen

Aforementioned forecasts are based on the information available at present and thus are subject to changes due to various factors

Criteria for Preparation of Quarterly Financial Information

The following consolidated quarterly financial statements are prepared basically in accordance with the regulations of interim financial statements with the exception of the applications of the certain simplified methods as specified below. The following quarterly financial statements have not been audited.

1) Simplified methods of accounting applied are primarily as follows.

1. Criteria for providing loan loss reserve

For a part of loan exposures, the loan loss rate of the previous fiscal period is applied for computing loan loss reserves.

2. Criteria for computing income taxes

DTA amount is computed in accordance with a simplified method which tests the collectability of stated DTA based on the same future income outlook as used in the previous full-year settlement of account in March 2006.

2) Change in the scope of consolidation and application of the equity method

Asahi Bank Retail Finance Co., Ltd. was liquidated and thus excluded from consolidation.

Progress in Consolidated Operating Results and Information on Consolidated Financial Position

1) Qualitative information on the progress of consolidated operating results

Consolidated ordinary income, ordinary profits and net income for the 1Q of FY2006 were Y243.7bn (down Y2.6bn from the same period previous year), Y47.7bn (down Y64.4bn) and Y45.5bn (down Y77.1bn), respectively. Although the income from invested funds increased Y10.3bn from the same period previous year, a drop in net gains on bonds and also a falling of reversal gains resulted in the decline in quarterly profits. Since group banks are endeavoring to generate as much net operating profits as they can, Resona Holdings regards the earnings projections for the current fiscal year are attainable.

(2) Qualitative information on the change in consolidated financial position

The balance of consolidated total assets as of the end of the 1Q of fiscal 2006 was Y39,827.5bn, which is Y846.6bn lower than the balance as of the end of the same period previous year. Of this total, loans and bills discounted increased by Y1,064.3bn to Y25,873.9bn while securities declined by Y191.5 bn to Y7,842.1bn during the same period. Total funds, a total of deposits and negotiable certificates of deposits, declined by Y826.4bn to Y32,609.0bn during the same period.

[Note]

Net assets per share

= (Term-end balance of net assets - term-end number of preferred shares outstanding
x issue price per share) / (Term-end number of common shares outstanding (consolidated basis))

*Net assets per share (preferred shares not adjusted)

= (Term-end balance of net assets) / (Term-end number of common shares outstanding (consolidated basis))

Resona Holdings implemented the reverse split of stocks in August 2005 and every 1,000 share was merged into one share. Per share information is based on the number of shares after the reverse split.

Consolidated Balance Sheets (As of the End of the First Quarter of Fiscal 2006)

(Millions of Yen)

Items	June 30, 2006	June 30, 2005	Change	[Reference] March 31, 2006
(Assets)				
Cash and due from banks	1,304,678	3,857,947	(2,553,269)	1,691,016
Call loans and bills bought	1,284,183	361,942	922,241	986,886
Deposits paid for bonds borrowing transactions	42,526	12,645	29,880	47,565
Monetary claims bought	134,757	116,493	18,263	141,616
Trading assets	474,305	989,351	(515,046)	678,848
Securities	7,842,116	8,033,689	(191,572)	8,021,995
Loans and bills discounted	25,873,971	24,809,580	1,064,391	26,209,603
Foreign exchange assets	73,116	85,214	(12,097)	89,512
Other assets	1,167,044	803,559	363,485	889,620
Tangible fixed assets	410,642	-	-	-
Intangible fixed assets	46,991	-	-	-
Premises and equipment	-	450,799	-	442,422
Deferred tax assets	41,417	34,511	6,906	3,509
Consolidation difference	-	34,037	-	28,804
Customers' liabilities for acceptances and guarantees	1,700,329	1,684,110	16,219	1,721,237
Reserve for possible loan losses	(553,903)	(585,445)	31,541	(538,454)
Reserve for possible losses on investments	(14,614)	(14,195)	(419)	(14,636)
Total assets	39,827,563	40,674,243	(846,679)	40,399,547
(Liabilities)				
Deposits	30,975,761	31,290,314	(314,553)	31,597,248
Negotiable certificates of deposit	1,633,250	2,145,190	(511,940)	1,723,740
Call money and bills sold	1,186,181	907,989	278,191	923,125
Bills sold under repurchase agreement	91,990	537,996	(446,006)	240,480
Deposits received for bonds lending transactions	290,092	220,111	69,980	154,458
Trading liabilities	66,486	44,476	22,010	71,090
Borrowed money	243,617	471,400	(227,782)	241,907
Foreign exchange liabilities	6,402	8,503	(2,100)	5,485
Bonds	758,854	532,403	226,451	763,438
Due to trust account	398,879	327,625	71,253	426,112
Other liabilities	692,393	868,604	(176,210)	641,039
Reserve for employees' retirement benefits	3,743	5,251	(1,507)	3,437
Reserve for possible losses on business restructuring	118	231	(112)	171
Reserve for reorganization of branch office channel	2,525	2,932	(407)	2,731
Other reserve	0	0	0	0
Deferred tax liabilities	983	3,362	(2,379)	25,083
Deferred tax liabilities on land revaluation	44,844	45,438	(593)	44,844
Acceptance and guarantees	1,700,329	1,684,110	16,219	1,721,237
Total liabilities	38,096,455	39,095,941	(999,486)	38,585,634
(Net Assets)				
Capital	327,201			
Capital surplus	263,507			
Earned surplus	763,352			
Treasury stock	(640)			
Total shareholders' equity	1,353,420			
Net unrealized gains on available-for-sale securities	184,971			
Deferred hedge gains (losses)	(24,695)			
Revaluation reserve for land, net of taxes	62,396			
Foreign currency translation adjustments, net of taxes	(1,688)			
Unrealized gains translation adjustments total	220,984			
Minority interests	156,702			
(Total net assets)	1,731,108			
(Total liabilities and net assets)	39,827,563			
(Minority interests)				
Minority interests in consolidated subsidiaries		291,302		156,829
(Shareholders' equity)				
Capital		327,201		327,201
Capital surplus		263,492		263,505
Earned surplus		487,651		749,118
Revaluation reserve for land		63,264		62,396
Net unrealized gains/(losses) on available-for-sale securities		147,931		257,388
Foreign currency translation adjustments		(2,455)		(1,946)
Treasury stock		(87)		(579)
Total shareholders' equity		1,286,998		1,657,084
Total liabilities, minority interests and shareholders' equity		40,674,243		40,399,547

*Amount less than 1 million yen are rounded down.

Consolidated Statements of Operations (First Quarter of Fiscal 2006)

(Millions of Yen)

Items	1st Quarter of FY 2006	1st Quarter of FY 2005	Increase/ (Decrease)	[Reference] FY 2005
Ordinary income	243,707	246,349	(2,641)	1,047,056
Interest income	154,105	143,802	10,303	609,931
Interest on loans and bills discounted	121,822	125,787	(3,965)	495,591
Interest and dividends on securities	21,135	14,640	6,495	79,881
Trust fees	5,097	5,297	(199)	36,684
Fees and commissions	45,296	42,516	2,780	211,351
Trading income	7,555	613	6,942	5,177
Other operating income	6,835	24,340	(17,505)	75,688
Other ordinary income	24,817	29,779	(4,961)	108,222
Ordinary expenses	195,912	134,065	61,846	678,714
Interest expenses	17,224	12,051	5,172	60,128
Interest on deposits	7,979	7,491	487	29,077
Fees and commissions	8,021	12,140	(4,119)	66,914
Trading expenses	236	42	194	202
Other operating expenses	21,191	7,794	13,397	42,925
General and administrative expenses	87,627	89,379	(1,751)	384,049
Other ordinary expenses	61,610	12,657	48,952	124,495
Ordinary profit	47,795	112,283	(64,488)	368,341
Extraordinary profits	7,473	31,962	(24,488)	57,960
Extraordinary losses	380	798	(417)	23,769
Income before income taxes and minority interests	54,888	143,447	(88,558)	402,531
Income taxes - current	2,168	2,481	(313)	15,676
Income taxes - deferred	4,463	13,551	(9,087)	(9,103)
Minority interests in net income	2,670	4,725	(2,055)	12,670
Net income	45,585	122,689	(77,103)	383,288

*Amount less than 1 million yen are rounded down.

Summary statement for changes in shareholders equity account in the 1Q-FY2006 period

(Millions of Yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of the previous year	327,201	263,505	749,118	(579)	1,339,245
Change in the 1Q-FY2006 period					
Distribution of retained earnings			(31,351)		(31,351)
Net income			45,585		45,585
Acquisition of own stock				(70)	(70)
Disposal of own stock		1		9	11
Change in items other than those in the "shareholders' equity"					
Total change in the 1Q-FY2006 period	-	1	14,233	(61)	14,174
Balance at the end of the 1Q-FY2006	327,201	263,507	763,352	(640)	1,353,420

(Millions of Yen)

	Unrealized gains (losses), translation adjustments					Minority interests	Total net assets
	Net unrealized gains on available-for-sale securities	Net gains on deferred hedge	Revaluation reserve for land	Foreign currency translation adjustments	Total		
Balance at the end of the previous year	257,388	-	62,396	(1,946)	317,838	156,829	1,813,913
Change in the 1Q-FY2006 period							
Distribution of retained earnings							(31,351)
Net income							45,585
Acquisition of own stock							(70)
Disposal of own stock							11
Change in items other than those in the "shareholders' equity"	(72,416)	(24,695)	-	258	(96,853)	(126)	(96,980)
Total change in the 1Q-FY2006 period	(72,416)	(24,695)	-	258	(96,853)	(126)	(82,805)
Balance at the end of the 1Q-FY2006	184,971	(24,695)	62,396	(1,688)	220,984	156,702	1,731,108

Consolidated Statements of Surplus (As of the End of the First Quarter of Fiscal 2006)

(Millions of Yen)

Items	June 30, 2005 1st Quarter of FY 2005	[Reference] March 31, 2006 FY 2005
(Capital surplus)		
Balance at beginning of the period	263,492	263,492
Increase:	-	12
Profits on sales of treasury stock	-	12
Decrease:	0	-
Loss on sales of treasury stock	0	-
Balance at end of the period	263,492	263,505
(Earned surplus)		
Balance at beginning of the period	384,839	384,839
Increase:	122,831	384,298
Net income of the period	122,689	383,288
Reversal of land revaluation differences	142	1,009
Decrease:	20,019	20,019
Dividends	20,019	20,019
Balance at end of the period	487,651	749,118

*Amount less than 1 million yen are rounded down.

Statements of Trust Assets and Liabilities (As of the End of the 1st Quarter of Fiscal 2006)

(Millions of Yen)

Items	June 30, 2006	June 30, 2005	Increase/ (Decrease)	[Reference] March 31, 2006
Assets				
Loans and bills discounted	168,361	199,639	(31,277)	174,418
Securities	6,567,160	4,898,811	1,668,348	5,471,344
Trust beneficiary certificate	24,273,480	21,420,450	2,853,030	23,064,583
Securities held in custody account	2	28	(26)	2
Monetary claims	374,144	447,582	(73,438)	405,248
Premises and equipment	479,645	365,899	113,745	442,651
Real estate lease rights	4,782	-	4,782	-
Land lease rights	-	2,084	(2,084)	4,467
Other claims	12,104	10,781	1,323	16,339
Due from banking account	398,879	327,625	71,253	426,112
Cash and due from banks	40,921	39,060	1,860	36,143
Total assets	32,319,482	27,711,963	4,607,519	30,041,312
Liabilities				
Money trusts	13,175,761	10,791,774	2,383,986	11,617,351
Pension trusts	4,832,693	4,503,879	328,814	4,309,607
Asset formation benefit trusts	1,918	2,041	(123)	1,979
Securities investment trusts	12,396,484	10,713,813	1,682,671	12,274,419
Pecuniary trusts other than money trusts	174,896	122,284	52,612	155,070
Securities trusts	404,752	307,973	96,778	376,746
Monetary claims trusts	397,148	467,114	(69,966)	430,037
Real estates trusts	155,471	169,365	(13,894)	160,694
Land and fixture lease trusts	4,705	-	4,705	-
Land leases trusts	-	4,958	(4,958)	4,685
Composite trusts	775,651	628,757	146,893	710,720
Total liabilities	32,319,482	27,711,963	4,607,519	30,041,312

*Amount less than 1 million yen are rounded down.