

From "Recovery" to "Leap Forward"
- Resona's New Challenge -



RESONA

June 2005



Resona Holdings, Inc.

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Resona Group at glance

What we have achieved in the Intensive Revitalization Period (IRP)

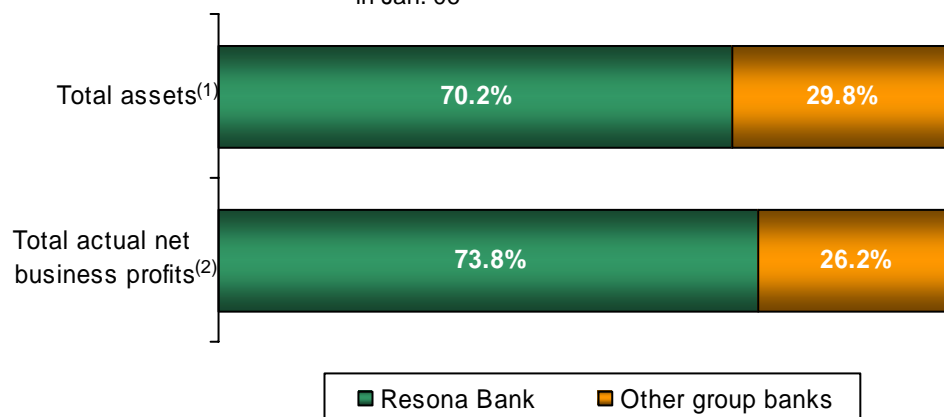
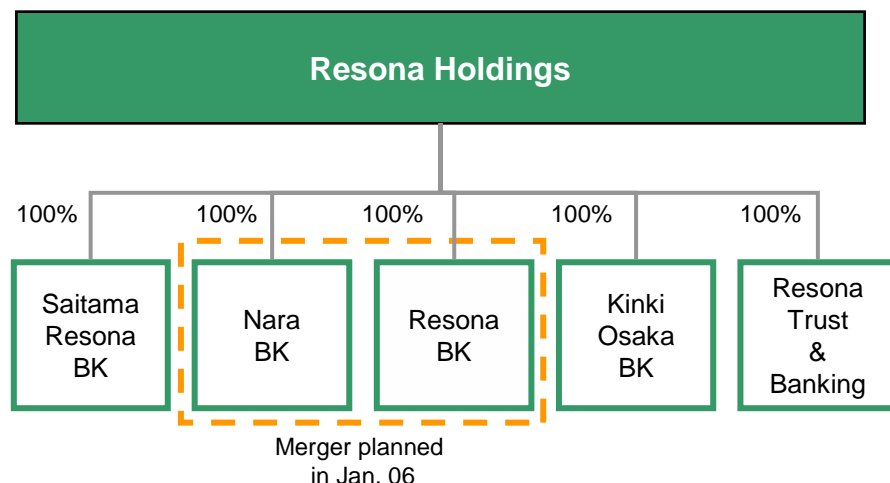
Outline of the New Business Revitalization Plan

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Resona Group at glance: Overview of Resona Group

Corporate structure



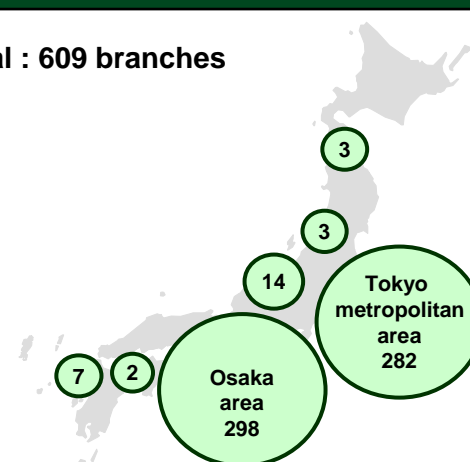
Group overview

- 5th largest banking group in Japan
 - sizable enough to achieve economy of scale with total assets of JPY 39.5 trillion⁽¹⁾
- Community banking group focusing on Osaka, Saitama and Tokyo area
 - strong presence in SME and retail business
 - implementation of Area Management System to meet the local customer needs (Resona: 30 areas, Saitama Resona: 4 areas)

(1) As of Mar 05

Group network

Total : 609 branches



(1) Aggregate of 5 bank subsidiaries as of Mar. 05. Consolidated basis
 (2) Aggregate of 5 bank subsidiaries as of Mar. 05. Non-consolidated basis

Note: Figures represent the number of the branches as of Mar 05

Resona Group at glance: Principal markets

Strong presence especially in Osaka, Saitama and Tokyo Metropolitan area

Deposits

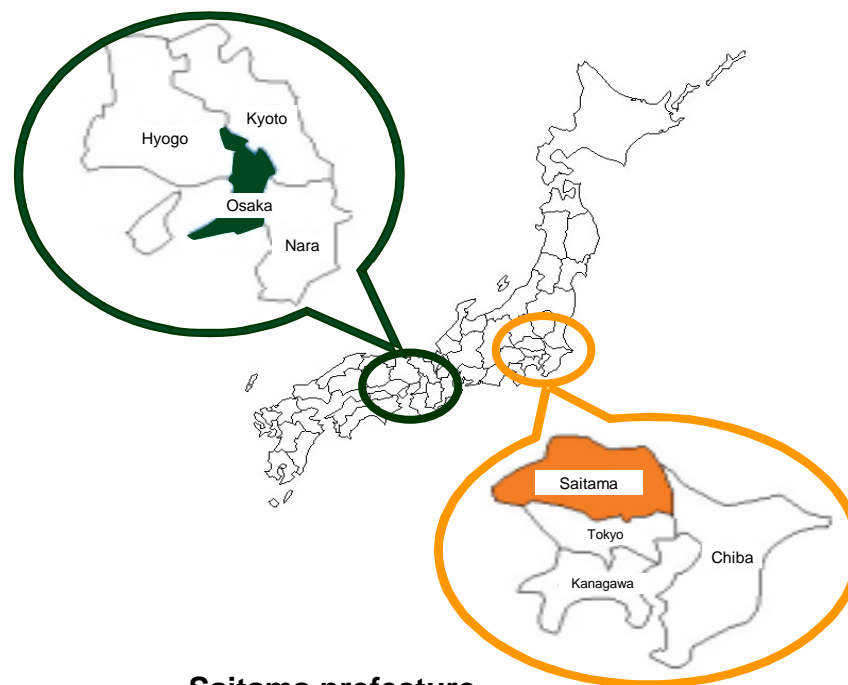
(Billions of Yen)

(End of March 2005)	Tokyo Metropolis	Saitama Pref.	Osaka Pref.	Nara Pref.
Resona Group	8,187	8,577	10,369	569
Resona	8,046	40	7,324	330
Saitama Resona	132	8,537		
Kinki Osaka	8		3,040	85
Nara			3	153
Share in each Pref.	5.6%	39.9%	20.1%	10.5%
All Banks	146,741	21,476	51,684	5,452

Osaka prefecture

Population: 8.8 million (#2 among 47 prefectures)

GDP: JPY 39.5 trillion (#2 among 47 prefectures)



Loans

(Billions of Yen)

(End of March 2005)	Tokyo Metropolis	Saitama Pref.	Osaka Pref.	Nara Pref.
Resona Group	8,053	5,208	7,648	379
Resona	7,821	41	5,442	202
Saitama Resona	155	5,166		
Kinki Osaka	76		2,202	40
Nara			3	136
Share in each Pref.	5.5%	41.3%	18.5%	14.2%
All Banks	147,471	12,612	41,291	2,682

Saitama prefecture

Population: 7.0 million (#5 among 47 prefectures)

GDP: JPY 19.8 trillion (#6 among 47 prefectures)

Resona Group at glance: “New” Resona Group

Implemented financial reforms to achieve the sustainable profitability

Public fund infusion	<ul style="list-style-type: none">◆ Total JPY1,960 bn infused by the Government in June 03<ul style="list-style-type: none">– voting preference shares (JPY 1,664 bn)– common shares (JPY 296 bn)
Management renewal	<ul style="list-style-type: none">◆ Appointment of new Chairman and Representative Executive Officer of Resona Holdings◆ New 6 outside directors to the board<ul style="list-style-type: none">– invited from the top Japanese companies (Toyota, Kao, Credit Saison etc)
New corporate governance	<ul style="list-style-type: none">◆ Government’s shareholdings over 70% of the voting rights◆ However, authorities delegated to the board from shareholders as a result of adoption of “Company with Committees System”◆ Reinforcement of the internal control system
Establishment of the "Revival Account"	<ul style="list-style-type: none">◆ Established the “Revival Account” on the management accounting basis with a view to segregating the loans to “special attention” or lower borrowers and accelerating clean-up of NPLs
Challenge to the "Financial Services Company"	<ul style="list-style-type: none">◆ "Zero Waiting Time" campaign◆ Extension of operating hours◆ Expansion of interface points with customers◆ Tie-ups with various players to expand the product line-up



Resona Group at glance

What we have achieved in the Intensive Revitalization Period (IRP)

Outline of the New Business Revitalization Plan

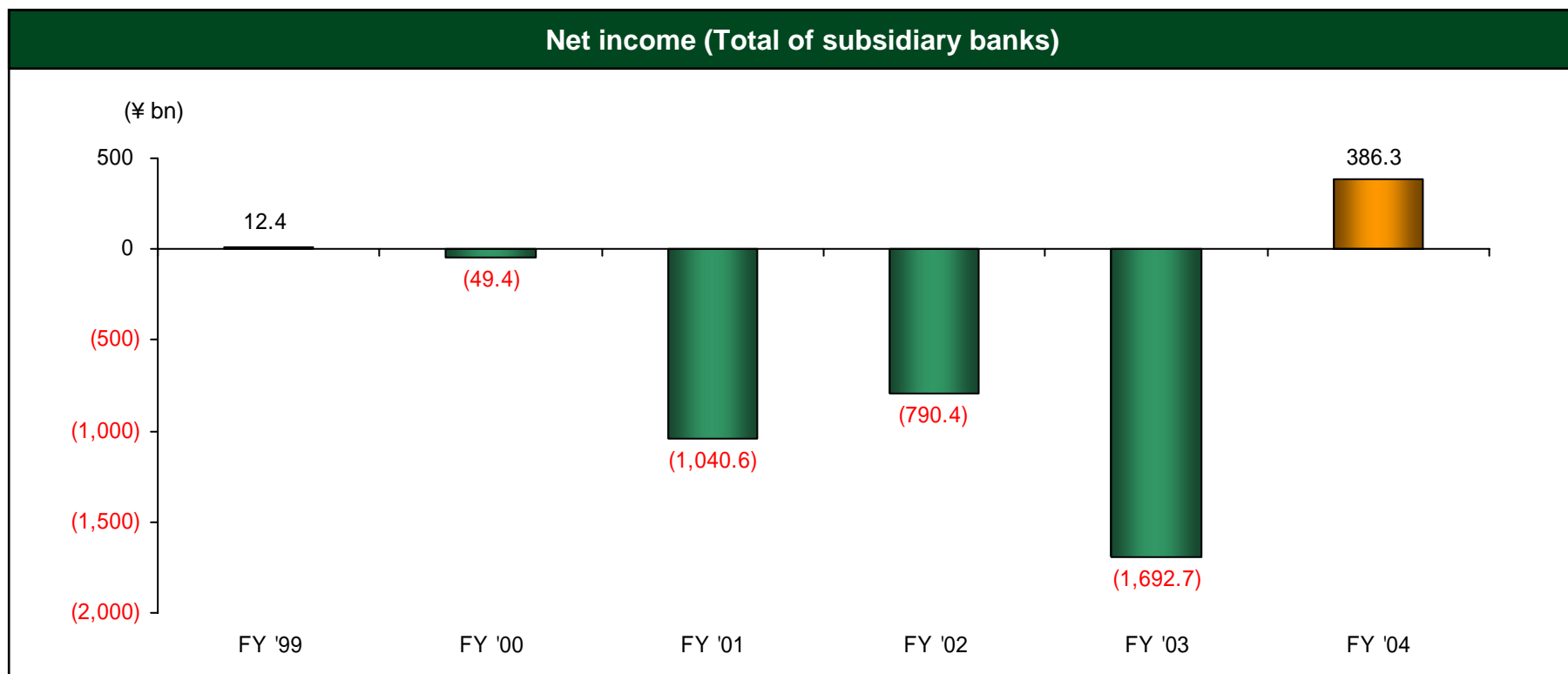
Exit policy on public funds and dividend policy

<Reference Materials>

What we have achieved in the IRP: V-shape recovery of profits

Successful transformation into a structure capable of producing stable profits

- Recorded net income significantly greater than original plan
- Highest profits ever achieved by the Group



What we have achieved in the IRP: Financial reforms for sustainable profitability

Improved Quality of Balance Sheet			March '03	March '05
Loans	NPL clean-up	NPL ratio	11.19% (Sep '03)	3.39%
		Reserve ratio ⁽¹⁾	In need of special attention 27.8% Doubtful 62.5%	In need of special attention 56.3% Doubtful 94.8%
	Portfolio diversification/ dispersal	Exposures to ¥10bn and higher borrowers ⁽²⁾	65 companies ¥2.54 tn.	21 companies ¥0.45 tn
		Housing loan ratio	28.9%	39.9%
Securities	Reduction of stocks	Cross shareholdings ⁽³⁾	¥1,397.0 bn	¥397.8 bn
		Break even Nikkei Avg.	Abt. ¥8,700 ⁽⁴⁾	Abt. ¥6,600
	Bonds portfolio	Interest rate sensitivity ⁽⁵⁾ (BPV)	¥(1.57) bn	¥(1.02) bn
DTA	Conservative approach	Dependence on DTA (DTA/Tier I)	99.5%	3.8%
Pension Liabilities	Restoring soundness	Pension liabilities	¥ 800.0 bn	¥345.9 bn
		Unfunded obligation	¥(456.4) bn	¥(89.2) bn
Capital	Capital Improvement	BIS Ratio	3.78%	9.74%

(1) Reserve ratio for unsecured portion

(2) Exposures to "other watch" and lower categories of borrowers (Resona Bank)

(3) Include trust account

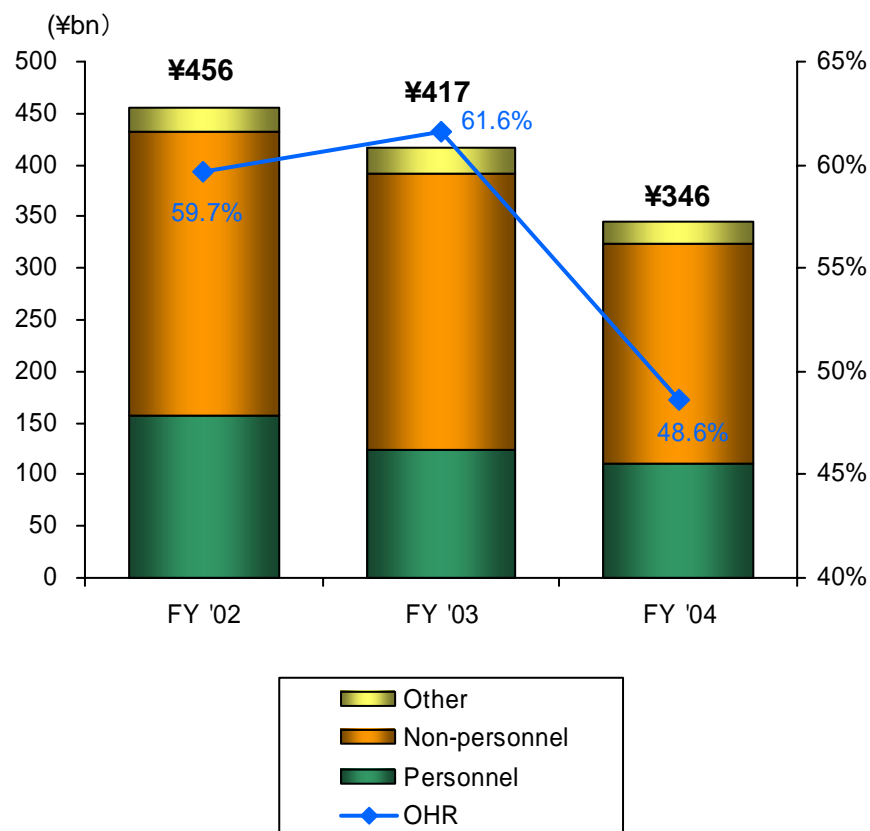
(4) After write-down

(5) BPV for domestic bonds

What we have achieved in the IRP: Financial Reforms for sustainable profitability

Improvement in cost structure

Reduced expenses by approx. ¥110 bn (24%) in 2 years and OHR went down to less than 50%



Measures taken to gain cost-competitiveness

- **Reduced employees and personnel costs**
 - Reduced 4,607 employees in two years
* Employees as of March 2005: 14,700
 - Implementation of early retirement policy and review of employees' salary
- **Implemented pension system reform**
 - Returned the proxy portion of employees' pension plan
 - Lump-sum amortization of unfunded obligations
 - Reduced pension benefit for former employees
- **Reduced non-personnel expenses**
 - Reviewed businesses subcontracted to affiliated companies
- **Reduced systems costs**
 - Off-balanced IT assets
 - Outsourced systems development and maintenance functions of the former Asahi Bank to a third party, etc.

(1) Total of five banks

What we have achieved in the IRP: Transform into a “distributor model”

Alliance strategy

- Domestic subsidiaries and affiliates narrowed down to core areas
 - Number of domestic subs and affiliates [Mar.'03] 50 → [Mar.'05] 11
- Tie-up with industry top players to provide best service and products

Channel reform

- Introduced “Area Management”
 - “Area CEOs”: delegation of decision-making authority and profit responsibilities
- Launched pilot testing branch
 - Enabled strengthening of marketing and low-cost operations simultaneously
- Expansion of service channels by introducing low-cost manned branches (Resona Personal Stations)

Marketing know-how and business infrastructure

- Identify and share success patterns and best practices
 - Sales of investment products by “fund management consultants” who are ex-securities brokers
 - Origination of housing loans through well established relationship with house developers and sales agents
 - Expansion of real estate functions in the Tokyo metropolitan area (Exploration of new markets)

Examples of accomplishments

- Joint brand credit cards launched with Credit Saison
- Issuance of new cards in the 2nd half of fiscal 2004: 184 thousand

- Pilot-testing implemented at Resona Bank’s 2 branch offices
- Sale volume of foreign currency deposits and investment trusts more than tripled

- Investment trust sold in FY04
Group total: Abt. ¥680 bn
- Increase of housing loans in FY 04 (Term-end balance)
Group total: Abt. ¥800 bn

What we have achieved in the IRP: Strategic Alliances

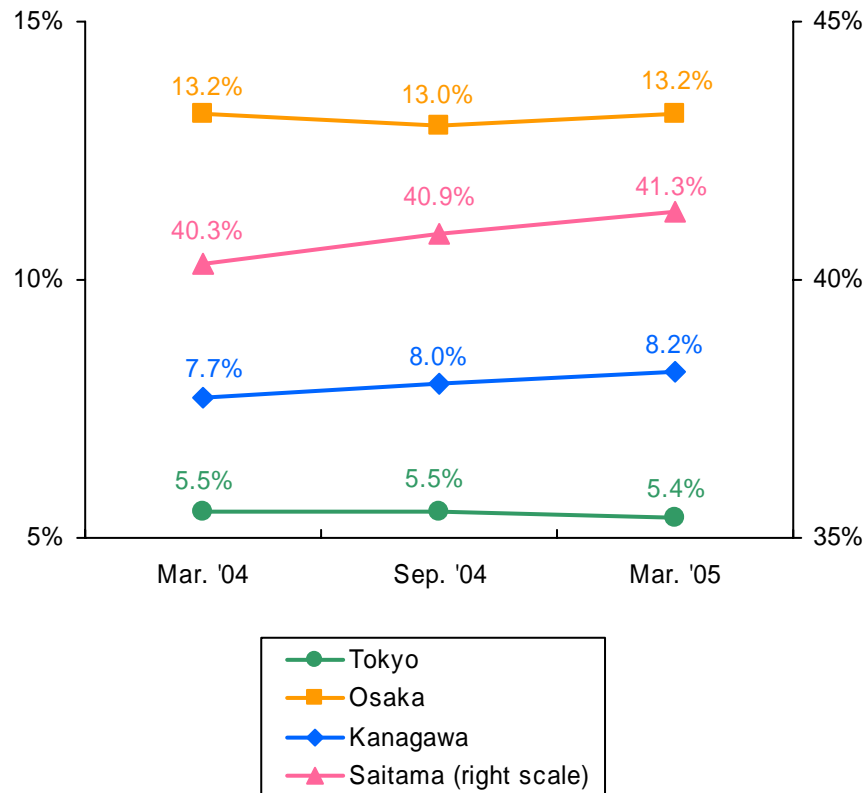
Alliance strategy of the Group

Objective	Alliance area	Partners
Solution	Securities	Nomura Securities Matsui Securities D-Brain Securities, IPO Securities
	M&A	Mizuho Securities
	International banking	Bank of East Asia, Bangkok Bank, Bank of Tokyo-Mitsubishi, etc.
	Insurance	Alico Japan, etc
Convenience	Credit card	Credit Saison
	Network	IY Bank, Lawson
	Other	Japan Travel Bureau (JTB)
Product line-up	Investment trust	Credit Agricole, etc
	Private banking	Shinwa Art Auction, etc
	Housing loan	Art Corporation
Channel	Other	Yoshinoya D&C Tully's Coffee

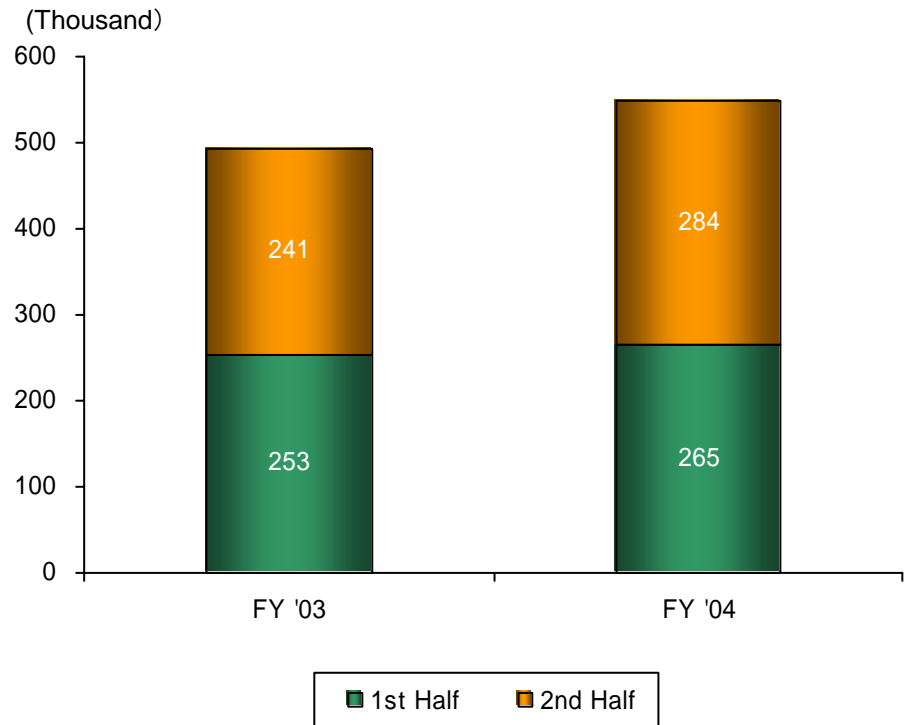
What we have achieved in the IRP: Reestablishment of customer base

We have regained customer confidence through successful transformation

Resona's four largest markets (Loans)⁽¹⁾



Number of new accounts opened⁽²⁾

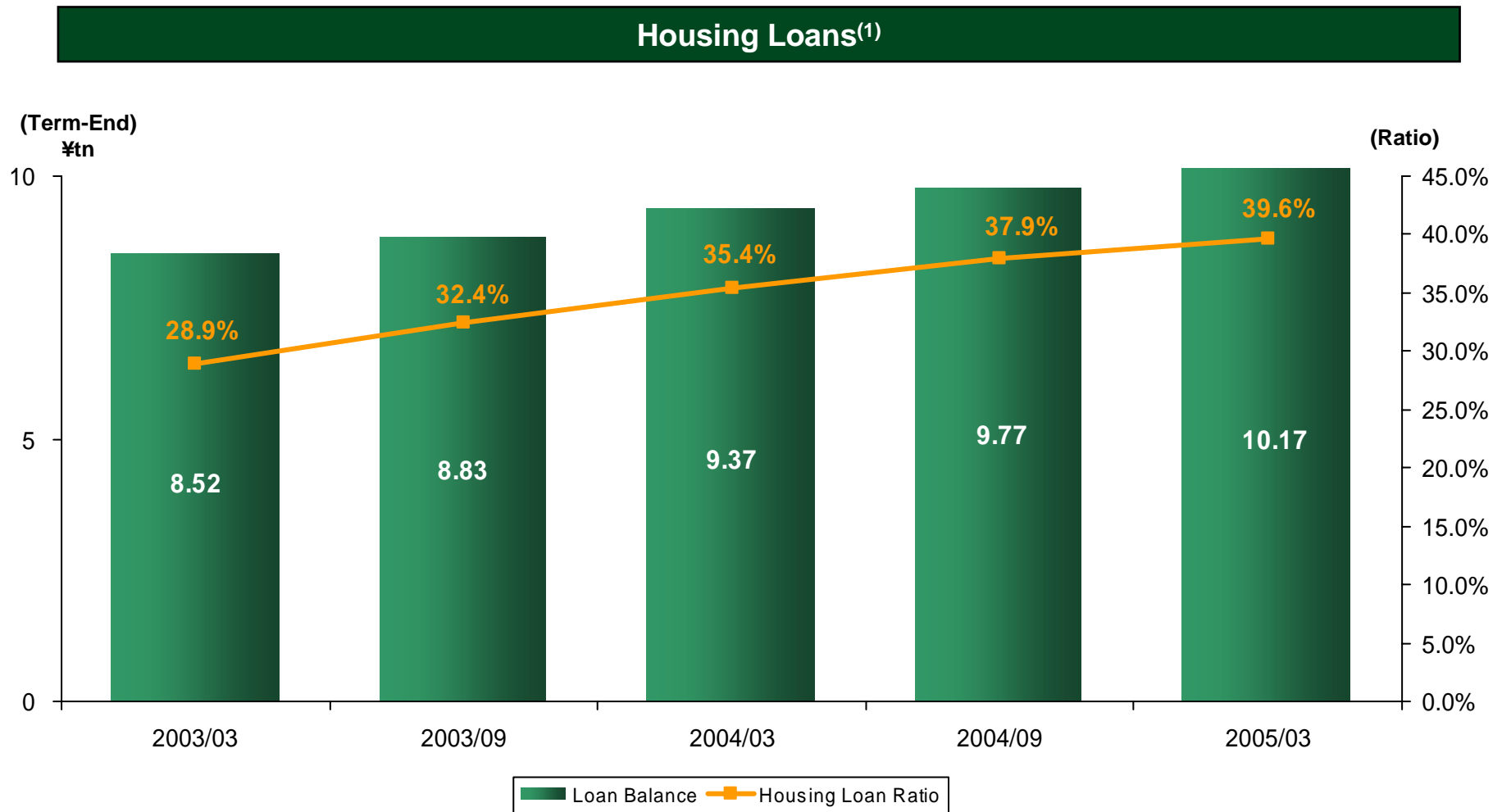


(1) Resona Bank & Saitama Resona Bank (based on BOJ figures)

(2) Resona Bank only

Resona's Focus Business: Retail Loans

Housing Loans Increasing

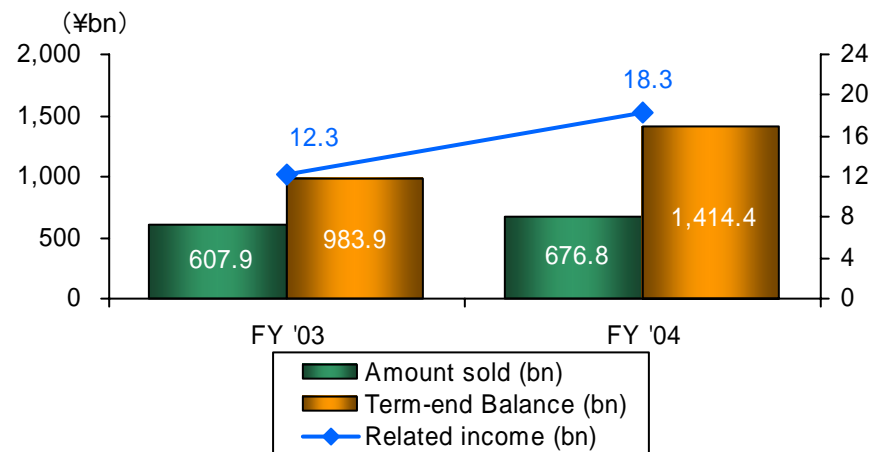


(1) Total of four banks

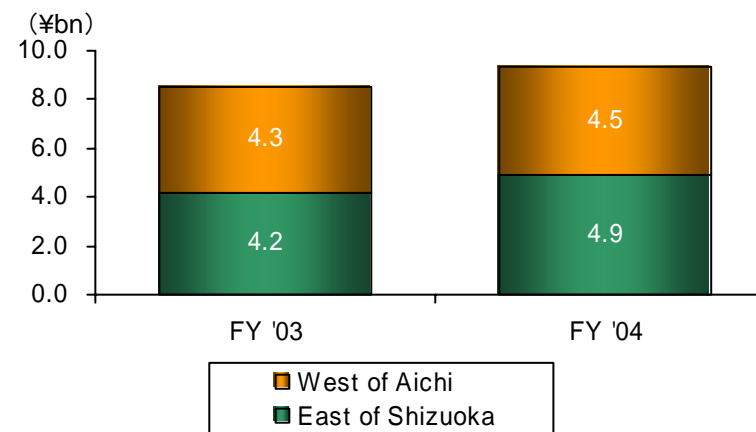
Resona's Focus Business: Fee Business

Fee business steadily growing and achieving highest records

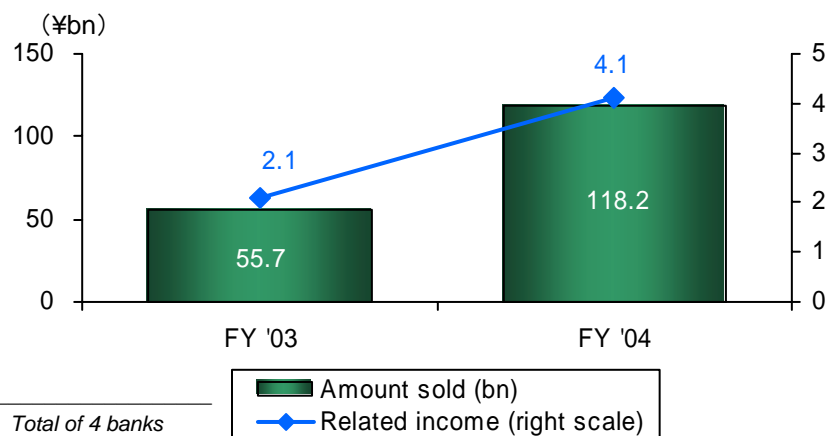
Sales of investment trusts⁽¹⁾



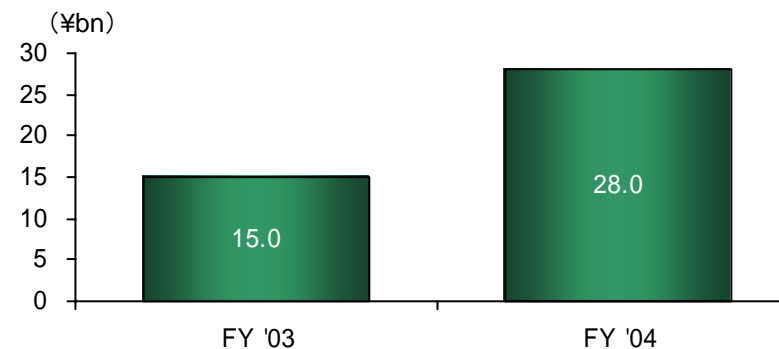
Income from real estate business⁽²⁾



Sales of personal annuity⁽¹⁾



Income from derivatives transactions⁽²⁾



(1) Total of 4 banks
(2) Resona Bank only

Resona's Focus Business: Peer Comparison

Increase of Housing Loans and Investment Trusts leads the Mega Banks

Housing loans

FY '04: Increase in term-end balance

(Billions of yen)	Balance at end of March 2005	Year on year increase	Rate of increase
SMBC	13,240.4	515.4	4.1%
Mizuho Bank	10,499.4	(604.5)	-5.4%
UFJ Bank	9,482.6	428.4	4.7%
Resona + Saitama Resona	9,093.9	736.9	8.8%
BOTM	7,565.0	201.5	2.7%
Chuo Mitsui Trust & Banking	1,834.7	(31.1)	-1.7%
Sumitomo Trust & Banking	1,028.2	141.9	16.0%
UFJ Trust & Banking	586.7	(78.6)	-11.8%
Mitsubishi Trust & Banking	567.8	50.2	9.7%
Mizuho Trust & Banking	382.0	(15.2)	-3.8%
Shinsei Bank	289.2	120.6	71.6%
Aozora Bank	16.1	(0.5)	-3.1%

Source of other banks: Company disclosure

Investment trusts

FY '04: Increase in term-end balance

(Billions of yen)	Balance at end of March 2005	Year on year increase	Rate of increase
SMBC	2,348.2	342.5	17.1%
BOTM	1,341.0	441.0	49.0%
Resona + Saitama Resona	1,155.5	350.4	43.5%
Mizuho Bank	1,102.0	104.0	10.4%
UFJ Bank	874.1	146.1	20.1%
Chuo Mitsui Trust & Banking	692.2	198.2	40.1%
Mitsubishi Trust & Banking	685.3	213.1	45.1%
Sumitomo Trust & Banking	593.3	99.5	20.1%
UFJ Trust & Banking	313.0	24.6	8.5%
Mizuho Trust & Banking	283.2	87.7	44.9%
Shinsei Bank	176.0	7.5	4.5%
Aozora Bank	60.0	15.5	34.8%

Source of other banks: "Nikken" edition of Apr 29

Resona Group at glance

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<Reference Materials>

Overview of the new plan: Earnings Plan

Steady profits secured through an increase in gross operating profits and stabilization in credit costs

(Billions of Yen)	Intensive Revitalization Period			New Plan			Target
	FY2003 (Actual)	FY2004 (Plan)	(Actual)	FY2005 (Plan)	FY2006 (Plan)	FY2007 (Plan)	FY2008
Gross operating profits	672.7	690.0	709.7	666.0	692.0	718.0	760.0
Net interest income	544.1	534.0	538.1	524.0	542.0	566.0	
Trust fees	32.7	34.0	35.1	35.0	34.0	34.0	
Fees and commissions*	71.5	70.0	72.3	69.0	73.0	78.0	
Operating expenses	416.8	353.0	345.6	374.0	364.0	364.0	360.0
Actual net operating profits	260.3	338.0	365.2	292.0	328.0	354.0	400.0
Credit-related expenses	1,328.4	(2.0)	(39.3)	76.0	74.0	74.0	
Income before income taxes	(1,331.6)	305.0	392.1	194.0	229.0	261.0	300.0
Net Income	(1,692.7)	288.0	386.3	184.0	219.0	237.0	
*Fees and commissions (excluding housing loan-related exp.)	109.6	110.0	113.6	115.0	123.0	133.0	
Cost-to-income ratio (OHR)	61.56%	51.08%	48.62%	56.15%	52.60%	50.69%	

- Gross operating profits
(FY 2007 compared with FY2004 plan figure)

	FY 2007
Gross operating profits *1	+28.0
Net interest income	+32.0
Trust fees + fees and commissions*2	+8.0

*1. Gross operating profits of FY 2004 include approx. JPY18 bn of one-time gains (dividends and others). If these one-time gains were adjusted, gross operating profits would increase approx. JPY 46 bn during the new plan period

*2. If housing loan-related expenses were adjusted, the growth during the plan period would be approx. JPY 23 bn

Operating expenses

A temporary increase is anticipated due to such factors as planned systems integration, hiring of new staff to strengthen the sales force, and reconfigurations of branch network

Credit-related expenses

Credit cost is expected to stabilize at 30 bps or lower (approx. JPY 75 bn) level

(1) Net interest income (+ 32 bn)

<Loans to corporations and other>
Increase in term-end bal.
JPY 1 tn / 3 years
<Loans to individuals>
Increase in term-end bal.
JPY 1.7 tn / 3 years

(2) Trust fees + fees and commissions (+23 bn*)

* Comparison with the figure before a deduction of housing loan-related expenses

<Investment trusts>
Sale amount JPY 2.4 tn / 3 years
Increase in outstanding balance JPY 1.0 tn / 3 years
<Insurance>
Sale amount JPY 710 bn / 3 years
<Real estate business>
Related income JPY11 bn (FY2004)
JPY15 bn (FY2007)

Overview of the new plan: Five focus areas

Resona's focus businesses	
SME business	<ul style="list-style-type: none"> ■ Providing better solutions for clients <ul style="list-style-type: none"> - Transactions with business owners, utilization of alliance partners ■ SME Support Centers to promote small loans ■ Acquire new customers by frequent contacts, utilizing nationwide network ■ Market-oriented indirect financing
Retail loans	<ul style="list-style-type: none"> ■ Further promote housing loans <ul style="list-style-type: none"> - Collaborative relationships with house developers - Development of new products, securitizations ■ Renew business process (Sophistication in screening and back-office operations) ■ Promote consumer loans (introduction of new products, effective utilization of CRM)
Sale of financial products	<ul style="list-style-type: none"> ■ Cross selling based on CRM, multi-channels for customer access ■ Wider variety of products through alliances with industry top players ■ Develop new marketing methods based on renewed customer segmentation
Real Estate	<ul style="list-style-type: none"> ■ Only commercial bank with real estate business license <ul style="list-style-type: none"> - Broader network than designated trust banks ■ Real estate trust business , securitization, non-recourse loans, equity investments
Corporate Pension	<ul style="list-style-type: none"> ■ Group banks as marketing agents for Resona Trust & Banking ■ Promote DC and DB plans for SMEs considering an adoption of new pension plans

Continued efforts to strengthen marketing and enhance low cost operations

Enhancement of marketing

Sales Forces Reform

- Relocate staff from back office to sales front by reviewing business processes
(Composition of back-office staff: sales staff = 7 : 3 5 : 5)
- Strengthen sales force through new hiring
(Mar. 04/ Approx. 3,900 Mar. 09/ Approx. 5,600)
- Streamline HQ and relocate HQ staff to branch offices
(Approx. 300 staffs to be relocated by Mar. 08)

Channel Reform

- Establish hub-and-spoke branch network by region
- Reduce full-service branches and introduce specialized branches
(% of full-service branches: 75% at 05/3(E) 50% at 07/3 (Plan))
- Cut of non-personnel expense by reduction of full-service branches

Personnel Reform

- Performance-based compensation system
- Improve training of sales skills
- Active recruitment of professional staff from the outside

Operational Reform

- Halve operational costs of branch offices by improving efficiency of back-office work (Started pilot test)
- Streamline back-office work of loan business (Expected cost reduction: JPY 5.2bn per year)

System Reform

- System integration is underway and expected to be completed by September '05

Low cost operation

Reform of branch offices

Business Processing Reformation (BPR)⁽¹⁾ in branch offices

- Zero waiting time
- No transaction slips and seal impression
- No back-office staff

Storefront	Introduction of "module box"
Cash Handling	Cash transactions handled by ATMs
Back Office	No back-office staff



<Objectives>

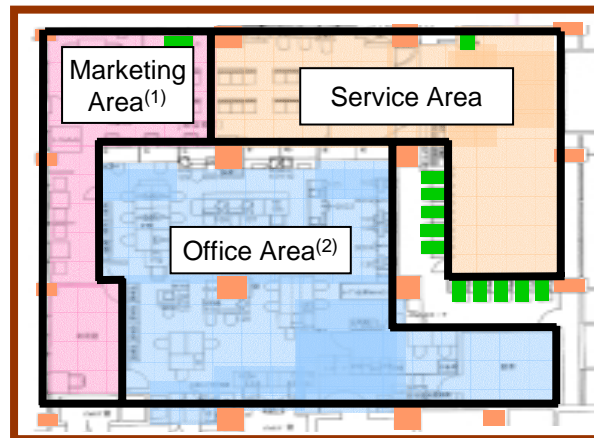
1/2 clerical work costs

1/2 Office Area⁽²⁾

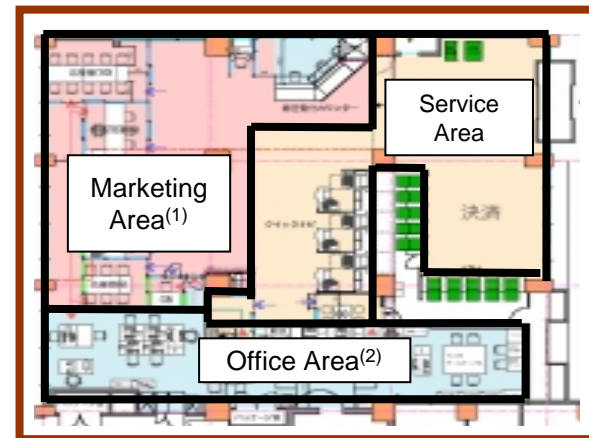
1/2 clerical staff

Comparison of office layouts before and after the modification

[BEFORE]



[AFTER]

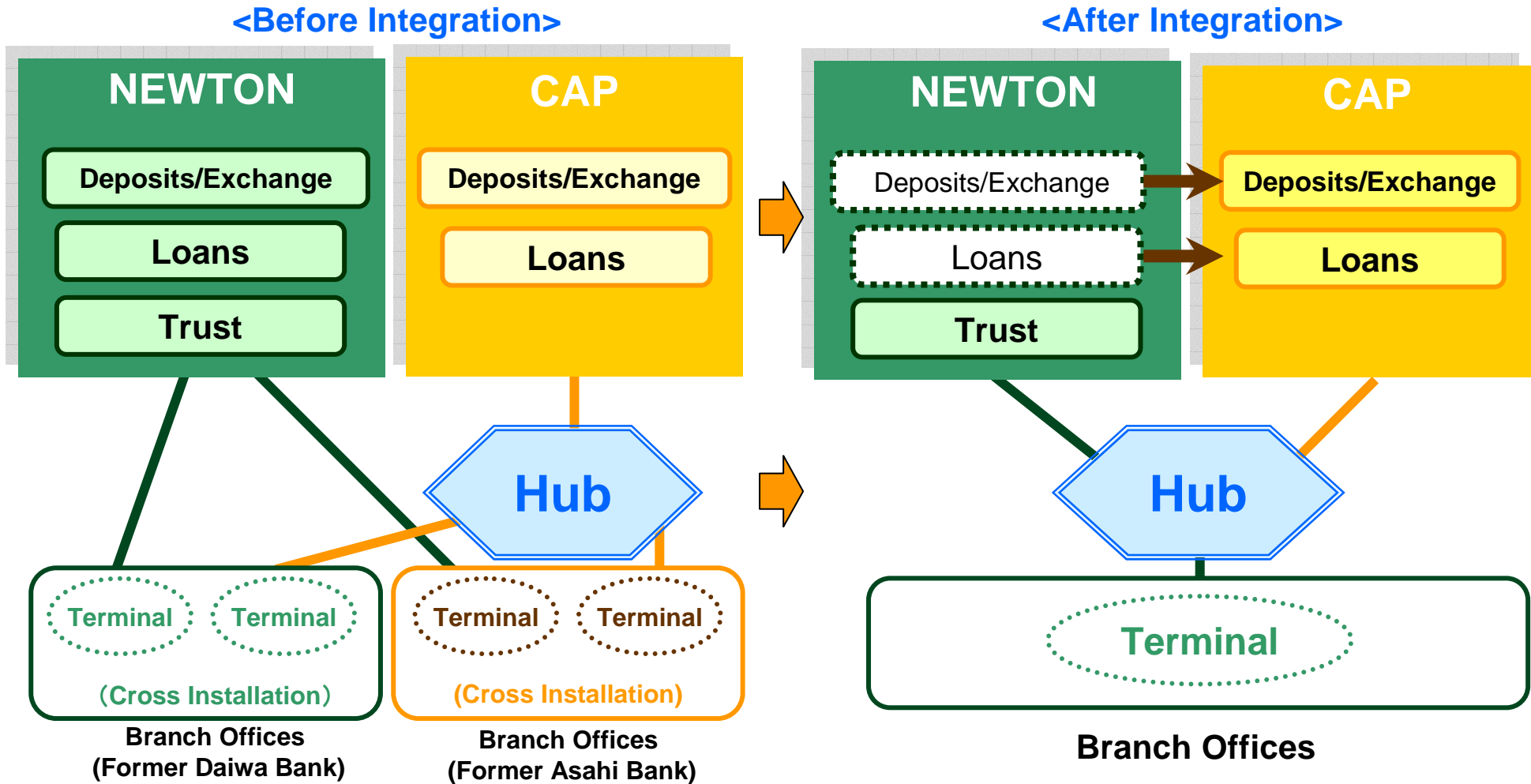


(1) Enlargement of marketing area: Approx. 66 square meters → Approx. 132 square meters (Doubled)

(2) Cutback in office space: Approx. 132 square meters → Approx. 66 meters (Halved)

Planned systems integration at Resona Bank

System integration is underway and expected to be completed by September '05



Resona Group at glance

What we have achieved in the Intensive Revitalization Period (IRP)

Outline of the New Business Revitalization Plan

Exit policy on public funds and dividend policy

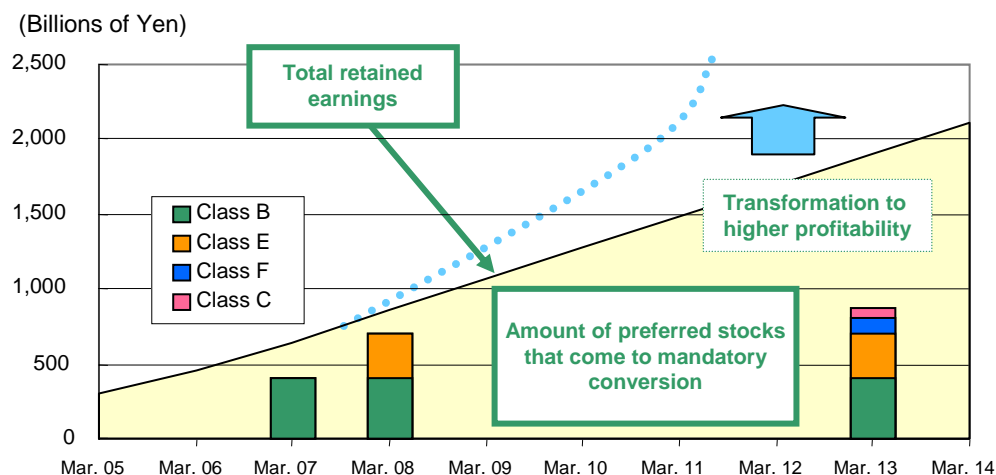
<Reference Materials>

Exit policy on public funds

Plan for repayment of public funds

<Preferred stocks issued under the Early Strengthening Law>

	Class B, #1	Class E, #1	Class F, #1	Class C, #1
Issue amount (bn)	408	300	100	60
Conversion date	Apr. 2009	Dec. 2009	Dec. 2014	Apr. 2015
Deadline for Retained earnings	Mar. 2008	Mar. 2009	Mar. 2014	Mar. 2014



<Assumptions>

- Consolidated tax filing to apply from FY2005
- Profits assumed to remain at FY2007 level from FY2008

<Exit policy>

- Maximize corporate value with accumulation of retained earnings and repay the Japanese Government for the JPY 3,128 bn public funds as soon as possible.
- Improve profitability by focusing on strengthening marketing ability.
- Give considerations to redeeming ¥300 bn subordinated loans while carefully managing capital ratio and exploring refinancing opportunities.

<Accumulation of retained earnings>

- Retain ¥1,060 bn by Mar. 09., well above the amount (¥868 bn) of preferred shares issued under the Early Strengthening Law.
- Further continue to accumulate retained earnings to foresee redemption of ¥1,960 bn of common and preferred shares issued in 2003 under the Deposit Insurance Law.

Dividend policy and reverse split of stocks

Dividend Policy

Given the large amount of public funds injected, Resona HD's basic policy is to prevent outflows of profits as much as it can so as to stabilize its financial structure through the accumulation of retained earnings

<Dividend for FY '04>

- Dividends on preferred stocks will be paid
- Dividends on common stock will not be paid

<Dividend for FY '05>

Exert effort to resume dividends on its common stock

Resona Group prioritizes the repayments of public funds and will resume dividends on common stock only when its retained earnings exceed its target in the Business Revitalization Plan.

Outline of the reverse split of stocks

Reverse split of stocks

Abolishment of current unit system*

Introduction of fractional share system*

Reduce the number of shares to an appropriate level

Enhance convenience of shareholders by making one share a unit of investment

Ensure certain shareholder rights including a right to claim distribution of dividends, etc.

* Subject to the amendments to the Articles of Incorporation

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Earnings plan (Business Revitalization Plan)

(Total of Five Banks)

	FY2003	FY2004	FY2004	FY2005	FY2006	FY2007
	(Actual)	(Plan)	(Actual)	(Plan)	(Plan)	(Plan)
Gross operating profit	672.7	690.0	709.7	666.0	692.0	718.0
Trust fees	32.7	34.0	35.1	35.0	34.0	34.0
NPL disposal in trust account	4.4	1.0	1.1	0.0	0.0	0.0
Interest income	629.4	609.0	613.0	597.0	608.0	629.0
Interest expense	85.2	75.0	74.9	73.0	66.0	63.0
Net fees & commissions	71.5	70.0	72.3	69.0	73.0	78.0
Net trading income	21.8	18.0	21.9	22.0	24.0	24.0
Other operating income	2.3	34.0	42.1	16.0	19.0	16.0
Gains/(losses) on bonds	(6.6)	9.0	17.3	0.0	0.0	0.0
Actual net operating profit *	260.3	338.0	365.2	292.0	328.0	354.0
Net operating profit	275.3	341.0	366.5	292.0	328.0	354.0
Provision to general reserve	(19.4)	(4.0)	(2.4)	0.0	0.0	0.0
Expenses	416.8	353.0	345.6	374.0	364.0	364.0
Personnel expense	123.7	109.0	111.1	122.0	121.0	121.0
Non-personnel expenses	267.3	222.0	213.5	230.0	221.0	221.0
Disposal of NPL	1,343.4	15.0	53.6	76.0	74.0	74.0
Net gain/(loss) on stocks	(19.9)	29.0	45.1	0.0	0.0	0.0
Ordinary profit/(loss)	(1,152.5)	352.0	317.2	196.0	236.0	262.0
Extraordinary gains	36.4	29.0	130.6	0.0	0.0	0.0
Extraordinary losses	215.5	76.0	55.6	2.0	7.0	1.0
Income taxes - current	6.5	5.0	6.7	10.0	10.0	24.0
Income taxes - deferred	354.5	12.0	(0.9)			
Net income/(loss)	(1,692.7)	288.0	386.3	184.0	219.0	237.0

* Actual net operating profit = Net operating profit before provision to general reserve and NPL disposal in the trust account

*1. Assets and liabilities are stated in average balance. Stockholders' equity is reported in term-end balance.

*2. Earned surplus excluding earned surplus reserve

*3. Management indicators other than OHR, ROE and ROA are based on the total figures of four subsidiary banks excluding Resona Trust & Banking.

	FY2003	FY2004	FY2004	FY2005	FY2006	FY2007
	(Actual)	(Forecast)	(Actual)	(Plan)	(Plan)	(Plan)
Total assets (Note.1)	43,354.2	41,560.0	41,565.6	41,180.0	40,800.0	40,640.0
Loans and bills discounted	27,261.4	25,720.0	25,532.7	26,620.0	27,490.0	28,500.0
Securities	7,031.1	7,580.0	7,549.9	7,370.0	6,680.0	6,000.0
Trading assets	534.6	890.0	774.0	980.0	980.0	980.0
DTA (term-end bal.)	51.1	46.6	46.8	40.8	37.8	21.9
Total liabilities (Note.1)	41,485.2	40,470.0	40,566.0	40,060.0	39,710.0	39,540.0
Deposits and NCDs	33,074.1	32,740.0	32,939.6	32,630.0	32,720.0	33,000.0
Trading liabilities	11.0	10.0	9.0	12.0	12.0	12.0
DTL for land revaluation (term-end bal.)	45.7	45.5	46.2	45.5	45.5	45.5
Total shareholders' equity	1,130.2	1,394.1	1,509.2	1,328.6	1,364.0	1,382.0
Capital stock	384.7	404.7	404.7	404.7	404.7	404.7
Capital reserve	416.3	433.8	433.8	433.8	433.8	433.8
Other capital surplus	1,777.0	88.7	88.7	88.7	88.7	88.7
Earned surplus reserve	20.0	20.0	20.0	20.0	20.0	20.0
Retained earnings (Note 2)	(1,675.6)	250.3	349.8	184.8	220.2	238.2
Land revaluation excess	66.8	66.6	64.3	66.6	66.6	66.6
Net unrealized gains/(losses) on other securities	140.9	130.1	147.6	130.1	130.1	130.1

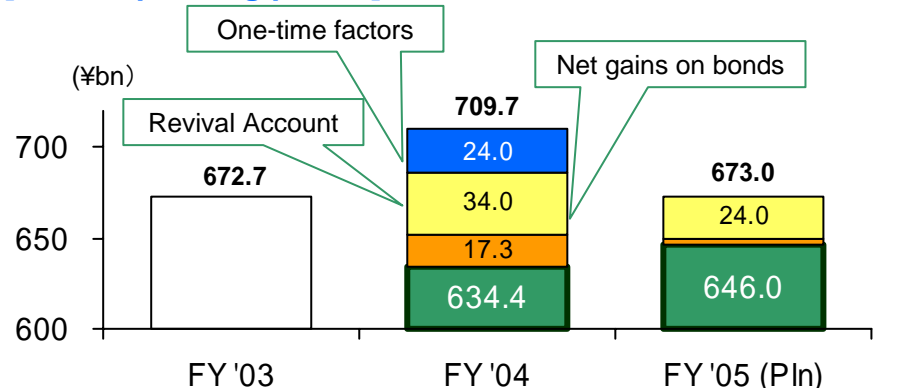
(Management Indicators) (Note.3)

Yield on interest earning assets (A)	1.66	1.66	1.67	1.62	1.66	1.73
Interest earned on loans and bills discounted	2.06	2.04	2.04	1.98	1.96	1.97
Interest on securities	0.79	0.89	0.94	0.77	0.85	0.94
Total cost of funding (B)	1.24	1.08	1.06	1.15	1.12	1.11
Interest paid on deposits and NCDs (D)	0.11	0.10	0.10	0.09	0.08	0.07
Overall interest spread (A) - (B)	0.41	0.57	0.61	0.47	0.54	0.61
Cost-to-income ratio (OHR)	61.56	51.08	48.61	56.15	52.60	50.69

Outline of the earnings plan for FY 2005 (Group banks total)

Despite a drop of one-time gains, base profits continue to grow

[Gross operating profits]

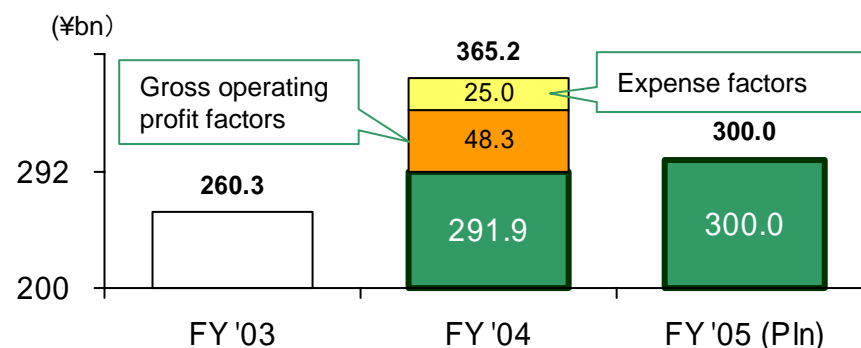


Gross operating profits for FY 05 projected to be ¥673 bn, up ¥7bn in comparison with Business Revitalization Plan.

Base profits, after the adjustments of 1) a drop in one-time gains registered for FY 04, 2) decrease of profits from the Revival account and 3) a decline in net gains on bonds (¥17.3bn for FY 04 and ¥3.0bn for FY 05), will continue to grow in FY 2005.

Increase of loans planned in FY '05
Loans to SMEs: +¥450 bn., Housing loans: +¥780 bn.

[Actual net operating profits]

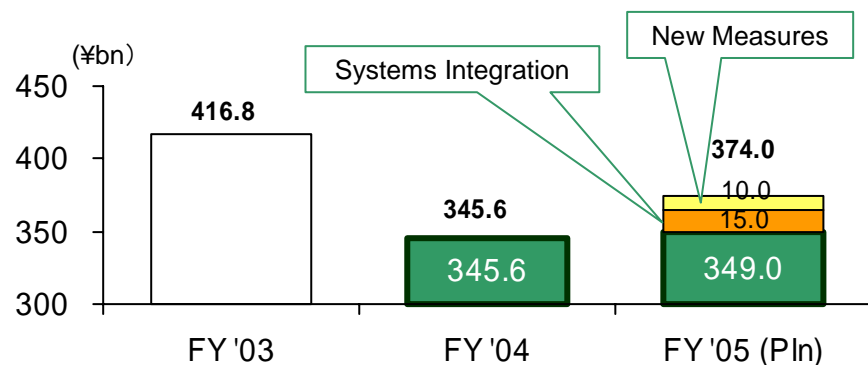


Expenses for FY 05 projected to be ¥374bn as were originally planned in Business Revitalization Plan.

Due to such non-base expenses as strategic measures to strengthen marketing, incentive salaries, and also for planned systems integration, expenses will rise temporarily in FY 05.

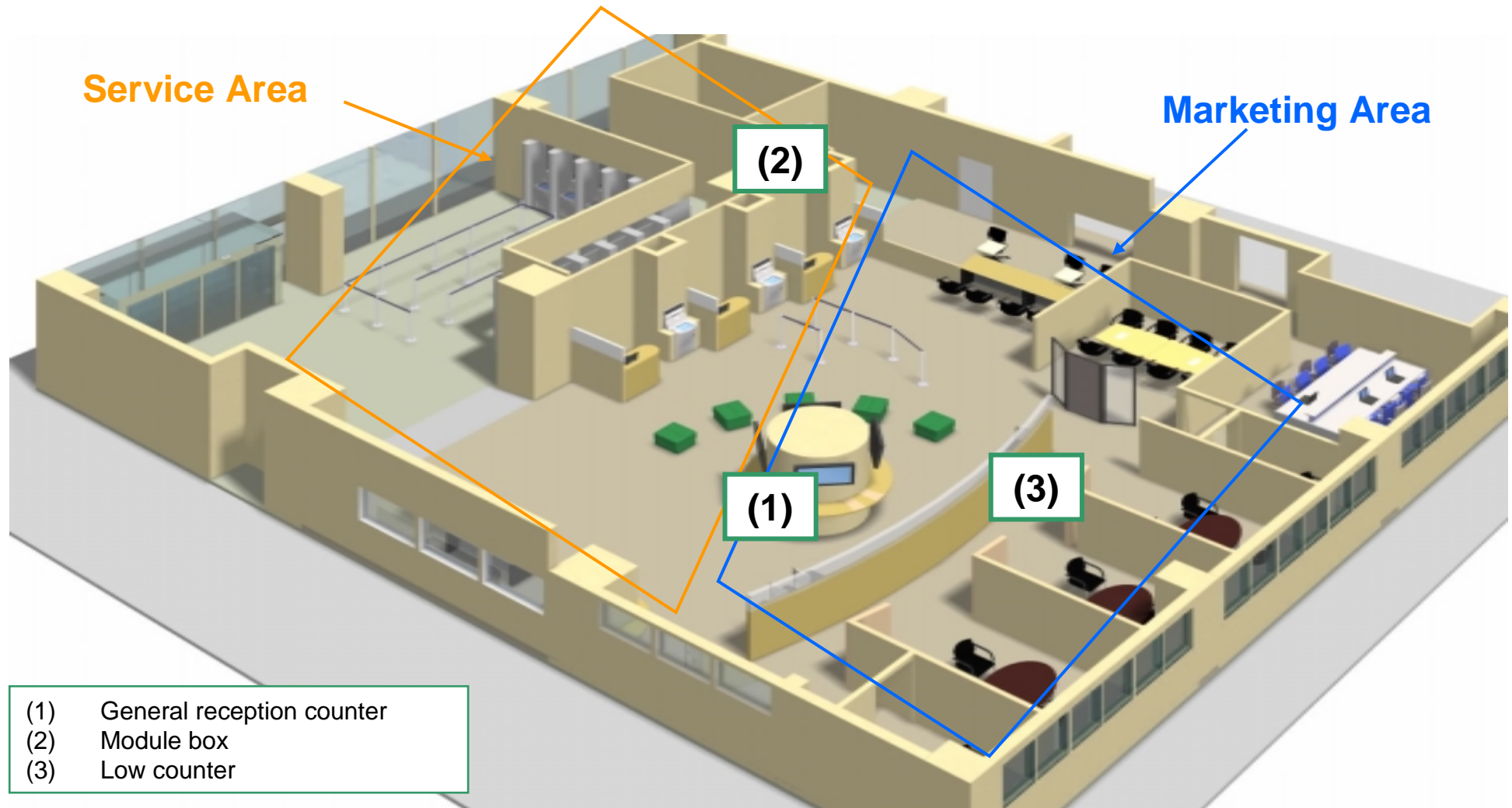
Group banks continue efforts to reduce their base expenses, which excludes the aforementioned non-base expenses, to the level of the previous year.

[General & administrative expenses]



Business process reengineering in branch offices (1)

Layout image of pilot office



Business process reengineering in branch offices (2)

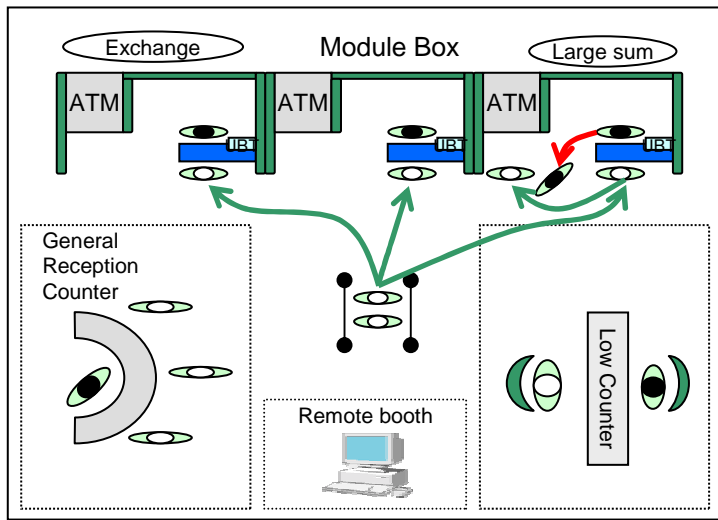
Layout image of pilot office

(1) General reception counter



(2) Module box

* Application for a business model patent submitted



(3) Low counter



Preferred stocks issued in 1990's

	Class A Preferred Stock	Class B Preferred Stock ⁽¹⁾	Class C Preferred Stock ⁽¹⁾	Class D Preferred Stock	Class E Preferred Stock ⁽¹⁾	Class F Preferred Stock ⁽¹⁾
Original issuer and name of securities	Daiwa Bank Class A Series 1	Daiwa Bank Class B Series 1	Kinki Osaka Bank Series 1	Asahi Bank Series 1	Asahi Bank Series 1 Class 2	Asahi Bank Series 2 Class 2
Original issue date	7/27/1995	3/31/1999	4/26/2001	8/8/1997	3/31/1999	3/31/1999
Current number of shares	5.97 million	680.00 Million	120.00 Million	0.146 Million	240.00 Million	80.00 Million
Issue price	JPY 1,000	JPY 600	JPY 500	JPY 2,000	JPY 1,250	JPY 1,250
Original number of shares issued	50.00 Million	680.00 Million	120.00 Million	50.00 Million	240.00 Million	80.00 Million
Original total amount of financing	JPY 50 Billion	JPY 408 Billion	JPY 60 Billion	JPY 100 Billion	JPY 300 Billion	JPY 100 Billion
Shareholders	Shimano	RCC	RCC	Trust	RCC	RCC
Preferred dividend						
Dividend per share	JPY 24.75 ⁽²⁾	JPY 6.36	JPY 6.80	JPY 10.00	JPY 14.38	JPY 18.50
Yield	2.475% ⁽²⁾	1.06%	1.36%	0.50%	1.1504%	1.48%
Conversion rate						
Convertible period	7/26/1998 7/25/2025	6/30/1999 3/31/2009	1/1/2002 3/31/2015	10/1/1997 7/31/2007	7/1/2002 11/30/2009	7/1/2003 11/30/2014
Determination of conversion	Rate	Rate	Price	Price	Price	Price
Current conversion price	(JPY 250.0)	(JPY 202.98)	JPY 180.90	JPY 496.50	JPY 359.70	JPY 359.70
Current conversion rate	4.0	2.956	(2.764)	(4.030)	(3.475)	(3.475)
Adjustment of conversion rate						
Adjustment date	7/26	6/30	1/1	10/1	7/1	7/1
Adjustment direction	Upward/Downward	Upward/Downward	Upward/Downward	Downward only	Upward/Downward	Upward/Downward
Cap rate	4.0	3.429	(2.999)	(4.029)	(3.475)	(3.475)
Floor rate	0.2	-	-	-	-	-
Cap price	(JPY 5,000.00)	-	-	-	-	-
Floor price	(JPY 250.00)	(JPY 174.98)	JPY 166.70	JPY 496.30	JPY 359.70	JPY 359.70
Start of market price calculation	50 trading days before	45 trading days before	45 trading days before	45 trading days before	45 trading days before	45 trading days before
Calculation period	30 trading days	30 trading days	30 trading days	30 trading days	30 trading days	30 trading days
Mandatory conversion						
Mandatory conversion date	7/26/2025	4/1/2009	4/1/2015	8/1/2007	12/1/2009	12/1/2014
Conversion rate	JPY 1,000/Market Price	JPY 600/Market Price	JPY 500/Market Price	JPY 2,000/Market Price	JPY 1,250/Market Price	JPY 1,250/Market Price
Start of market price calculation	45 trading days before	45 trading days before	45 trading days before	45 trading days before	45 trading days before	45 trading days before
Calculation period	30 trading days	30 trading days	30 trading days	30 trading days	30 trading days	30 trading days
Floor price	JPY 250.00	JPY 100.00	JPY 166.70	JPY 500.00	JPY 359.80	JPY 359.80

(1) Issued under the Early Strengthening Law

(2) Information up to March 2005. After April 2005, dividend rate: "(5-yr Yen-Yen Swap + 1.0%) X 0.6" (however, cap dividend of JPY75), rate of increase of conversion rate: none

Preferred stocks issued under the Deposit Insurance Law in 2003

	Class 1 Series 1 Preferred Stock	Class 2 Series 1 Preferred Stock	Class 3 Series 1 Preferred Stock
Voting right	Granted	Granted	Granted
Total amount	JPY 550,000,000,000	JPY 563,561,572,200	JPY 550,000,000,000
Actual issue price per share based on exchange ratio	JPY 200	JPY 200	JPY 200
Number of shares	2,750,000,000	2,817,807,861	2,750,000,000
Preferred dividend yield	Libor (1y) + 50bp	Libor (1y) + 50bp	Libor (1y) + 50bp
Convertible period	After July 1, 2006	After July 1, 2008	After July 1, 2010
Initial conversion price	Market price of Common Stock at beginning of conversion period	Market price of Common Stock at beginning of conversion period	Market price of Common Stock at beginning of conversion period
Reset of conversion price	Aug. 1 every year after beginning of conversion period	Nov. 1 every year after beginning of conversion period	May. 1 every year after beginning of conversion period
Terms of reset	Upward/Downward	Upward/Downward Reset	Upward/Downward Reset
Floor conversion price	JPY 28	JPY 20	JPY 17

Financial Results for FY 2004

I. Financial Highlights for Fiscal Year 2004

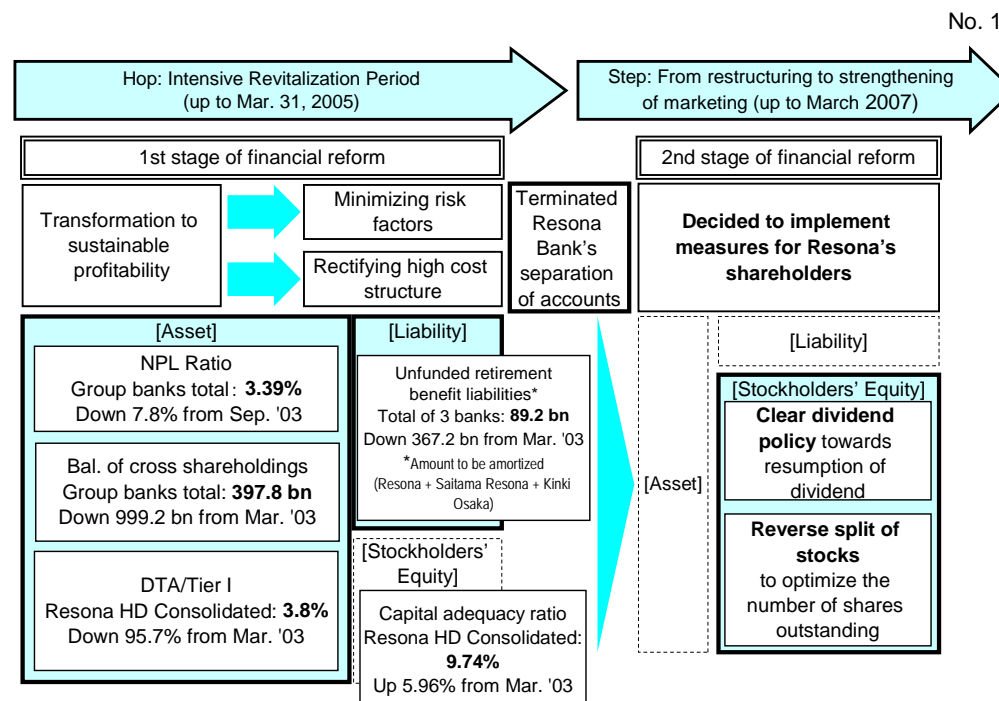
Successfully achieved transformation to sustainable profitability
Termination of the "Intensive Revitalization Period"

- Fully accomplished "minimization of risk factors"
=> Achieved the targets for NPL ratio, balance of cross shareholdings, etc.
- Thoroughly rectified high-cost structure
=> Cost-to-income ratio declined to less than 50% for the first time
=> the lowest record ever achieved
- Net income well above the plan target
=> Although certain one time gains are included, profits are registered for the 1st time since fiscal 1999. (The highest profits ever achieved)
- Total retained earnings (Resona HD + its subsidiary banks) exceeded the plan target by 100 bn. yen
=> Plans to accumulate 21.0 bn. additionally on top of the plan target for FY2005.
- Terminated the separation of accounts by Resona Bank
=> Since the objectives for the account separation were almost fully achieved, Resona Bank terminated the separation of accounts at the end of March 2005 as originally planned.
- Resona HD's consolidated capital adequacy ratio: 9.74% (End of Mar. 2004: 7.75%)

First step from "recovery" to "leap forward"

Measures to be taken for Resona's shareholders

*Please refer to the separate material titled "Measures to be implemented for FY 2005"



[Resona HD consolidated]

(Billions of yen)	FY 2002 (actual)	FY 2003 (actual)	FY 2004 (actual)
Consolidated gross operating profit (1)	901.8	775.0	763.1
General & administrative expenses (2)	(597.6)	(510.0)	(382.0)
Gain/(loss) on stocks	(300.6)	57.6	91.0
Consolidated credit related expenses	(552.1)	(1,418.3)	(41.5)
Net income/(loss)	(837.6)	(1,663.9)	365.5
[Reference] (1) + (2)	304.1	264.9	381.0

[Total of group banks]

(Billions of yen)	FY 2002 (actual)	FY 2003 (actual) [a]	FY 2004		FY 2005		
			(actual) [b]	[b] - [a]	(Target) [c]	[c] - [b]	Change from plan
Actual net operating profit	307.3	260.3	365.2	104.9	300.0	(65.2)	8.0
Cost-to-income ratio (OHR)*	59.7%	61.6%	48.6%	-13.0%	55.6%	7.0%	-0.6%
Gain/(loss) on stocks	(312.1)	(19.9)	45.1	65.0	4.0	(41.1)	4.0
Total credit-related expenses	(510.4)	(1,328.4)	39.3	1,367.7	(71.0)	(110.3)	5.0
Extraordinary profit/(loss)*	(11.0)	(179.1)	(48.3)	130.8	(7.0)	41.3	(5.0)
Net income/(loss)	(790.4)	(1,692.7)	386.3	2,079.1	205.0	(181.3)	21.0

* OHR is computed based on gross operating profits before disposal of NPLs in the trust account.

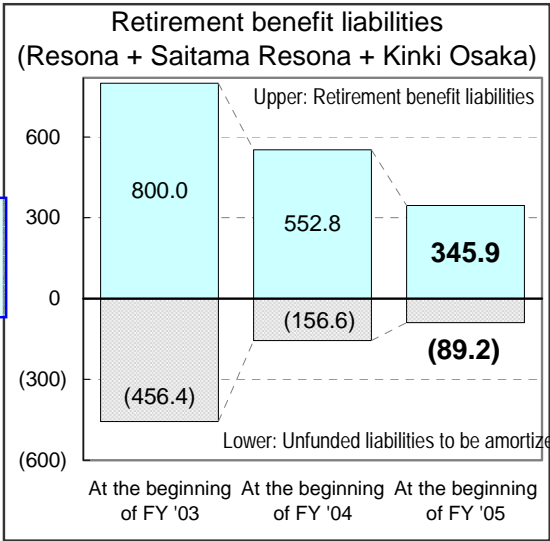
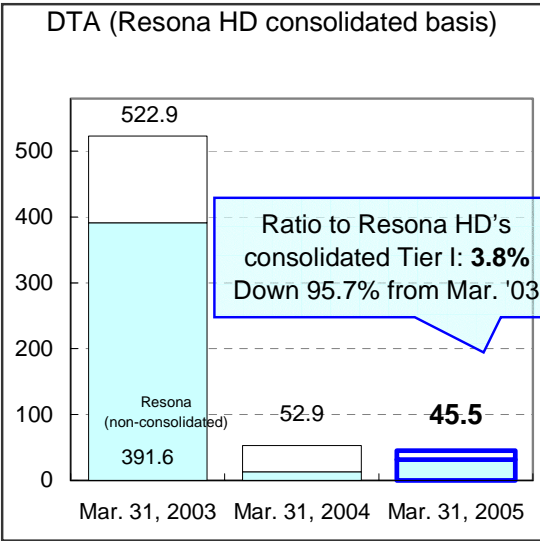
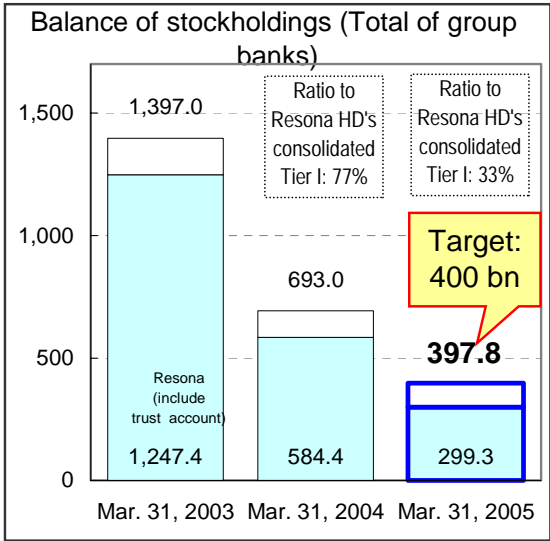
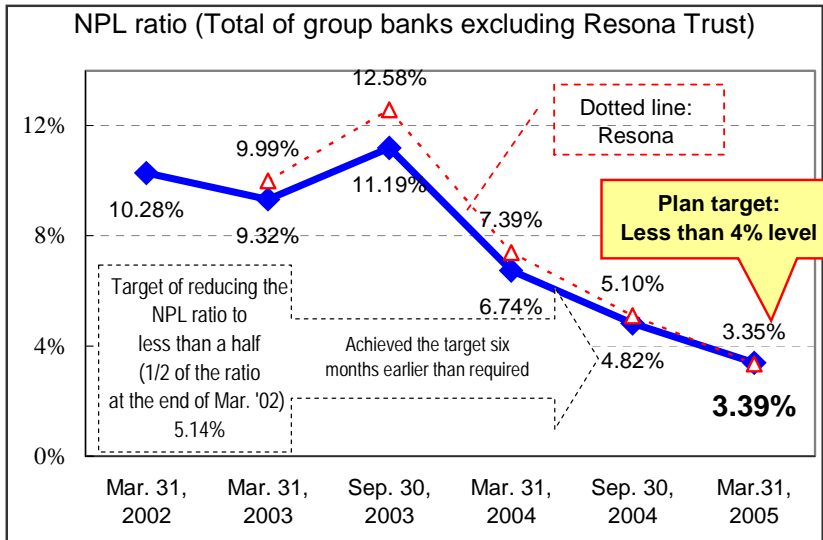
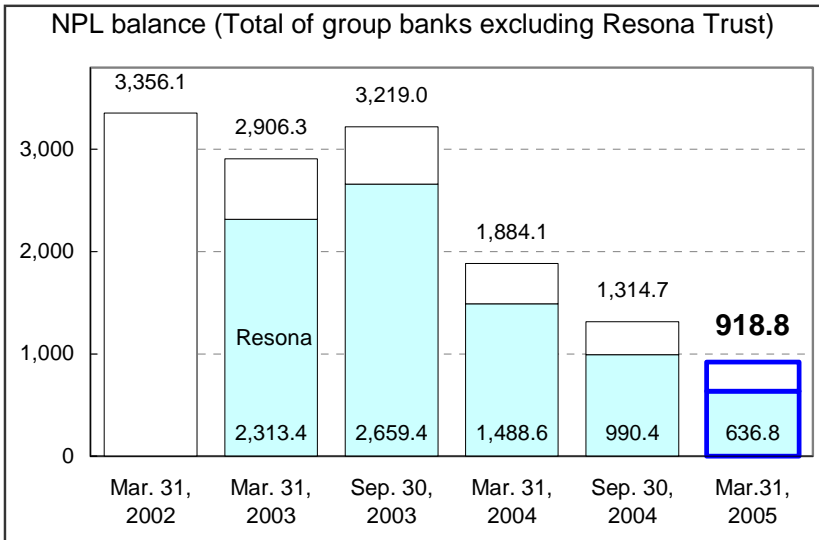
* Figure for FY 2004 does not include gains from reversal of credit-related expenses.

Financial Results for FY 2004

(Billions of yen)

No. 2

Fully accomplished "minimization of risk factors" -- Achieved the targets for NPL ratio, balance of stockholdings, etc.

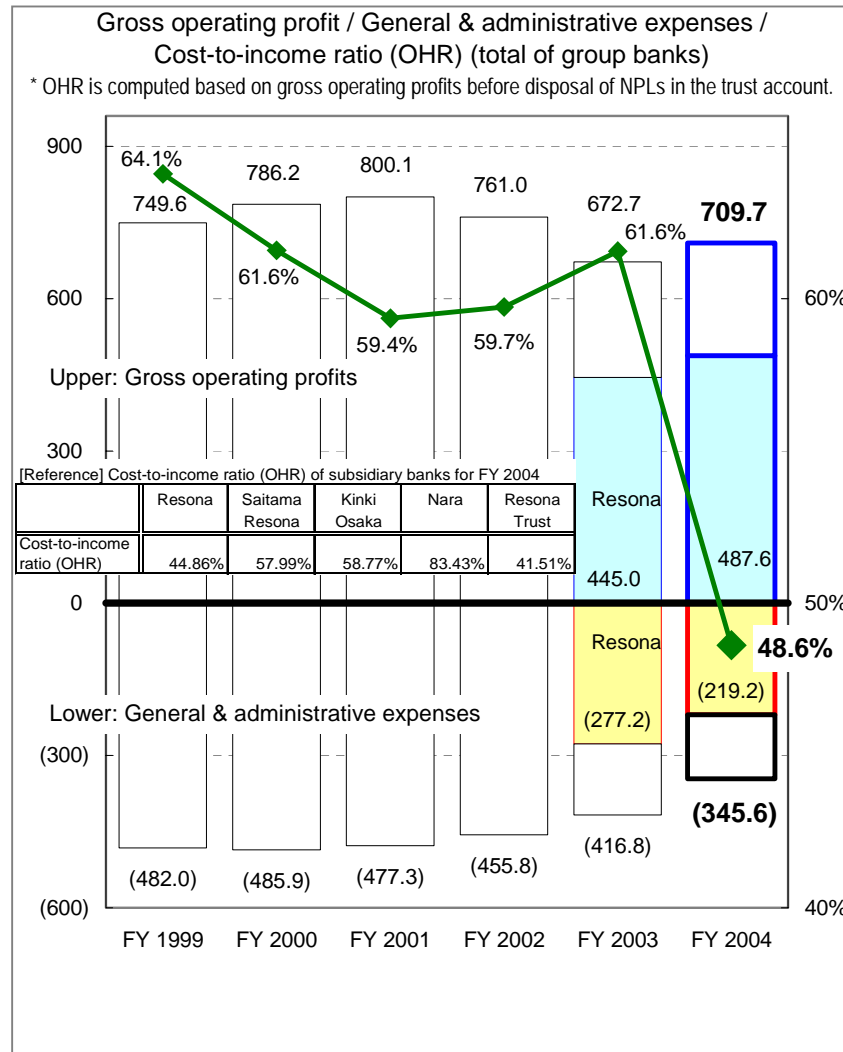


Financial Results for FY 2004

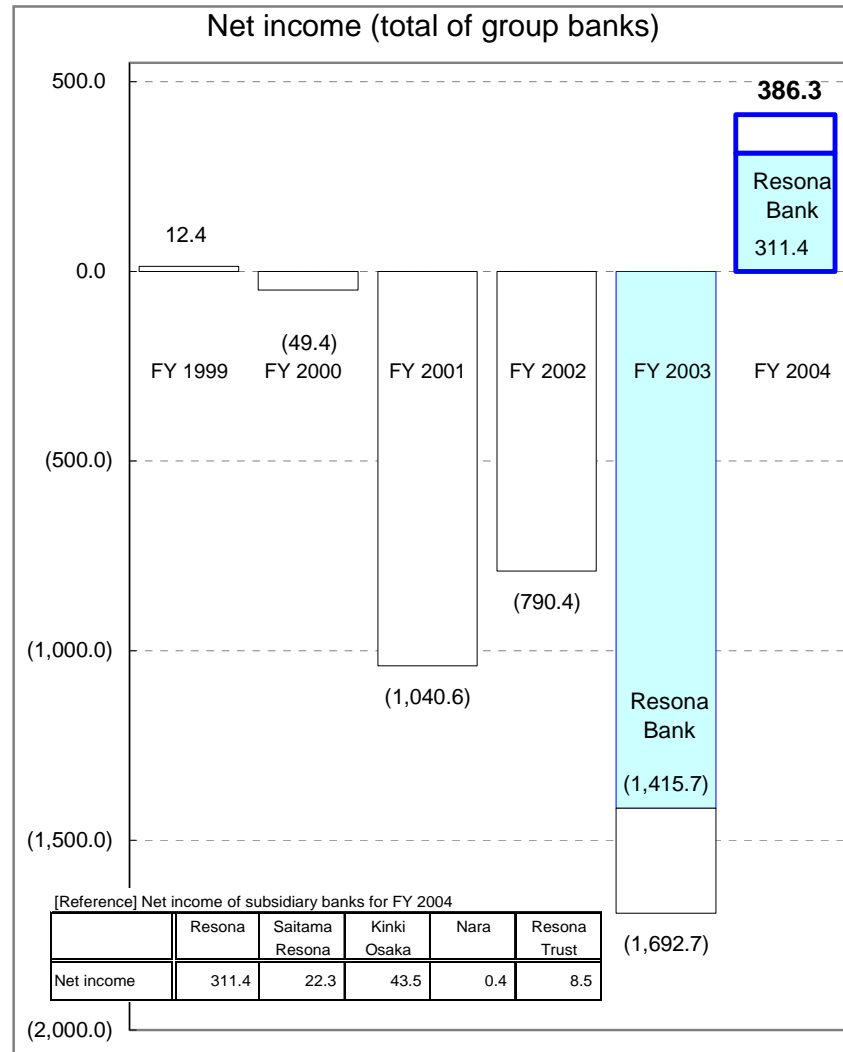
(Billions of yen)

No. 3

Rectified high-cost structure
Cost-to-income ratio (OHR) went below 50% for the first time



Posted net income significantly greater than plan target
First profits since FY 1999 and highest profits ever achieved by the Group

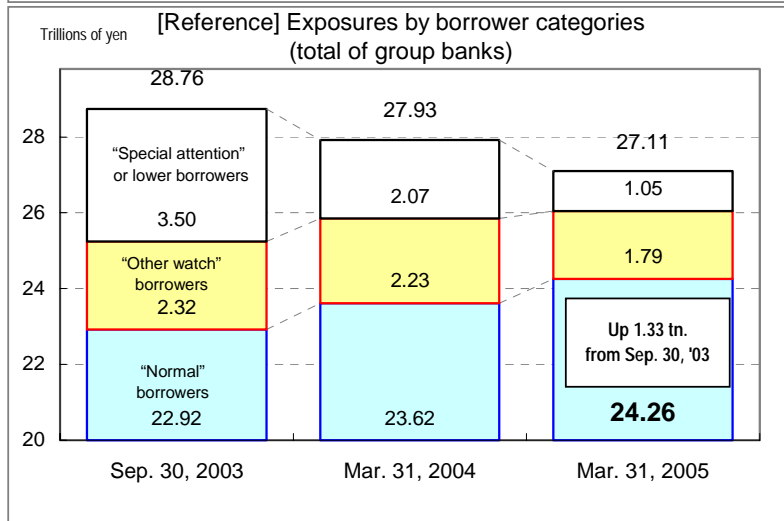
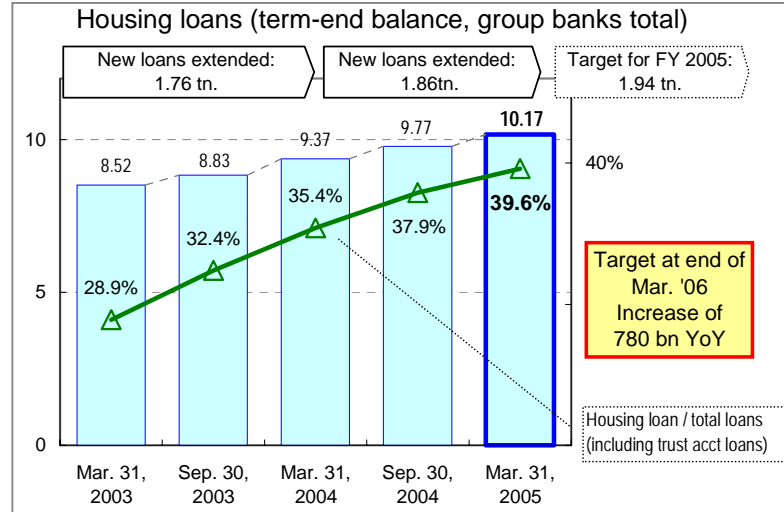
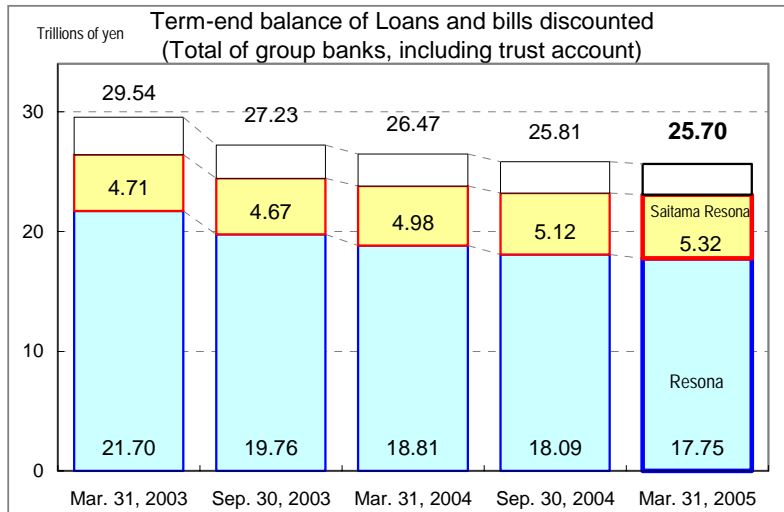


Financial Results for FY 2004

No. 4

Loans and bills discounted (including trust account)

Soundness of assets significantly improved due to intensive revitalization efforts. Housing loans increased greatly through strengthening of marketing efforts.



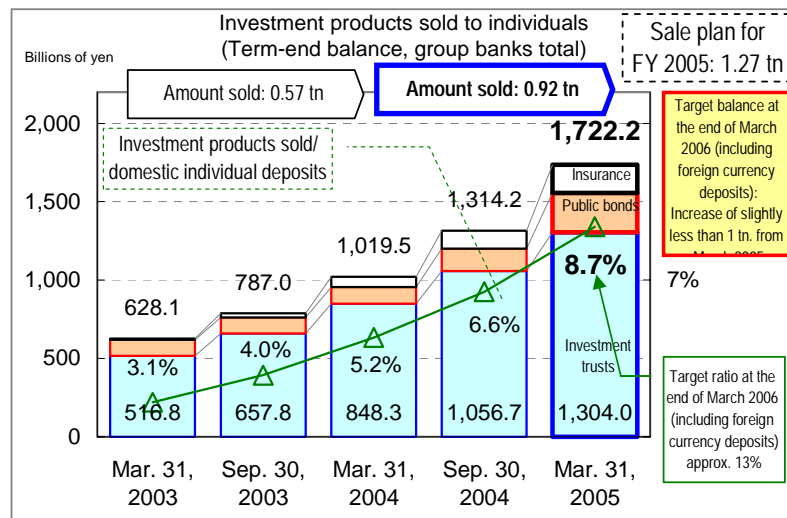
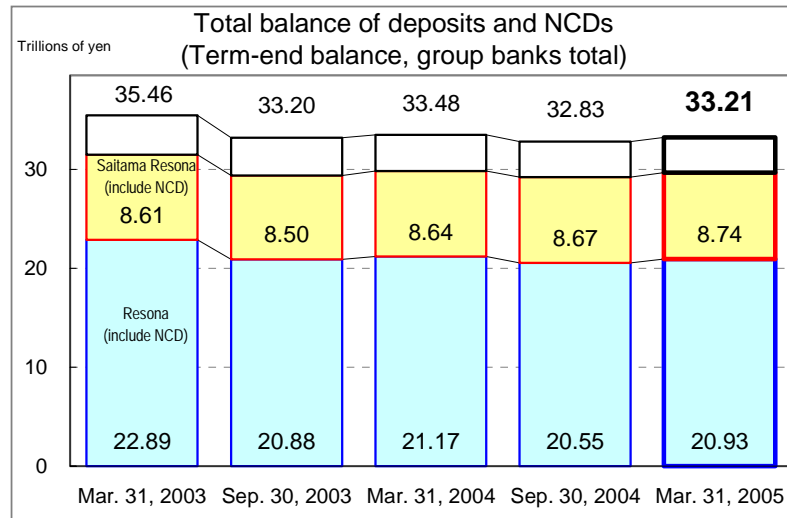
Breakdown of claims by exposure amount per borrower
(Resona Bank)

(Billions of yen)	Other watch borrowers	Special attention or lower borrowers	Total of other watch or lower borrowers	change from Sep. 30, 2003	change from Sep. 30, 2004
Y50 bil. or above	61.7	0.0	61.7	(791.5)	(122.1)
Y30 bil. to Y50 bil.	78.3	48.9	127.3	(663.3)	(115.6)
Y10 bil. to Y30 bil.	195.1	65.3	260.5	(244.9)	(101.9)
Total of Y10 bil. or above	335.2	114.3	449.6	(1,699.8)	(339.7)
	16 companies	5 companies	21 companies	(40 companies)	(10 companies)

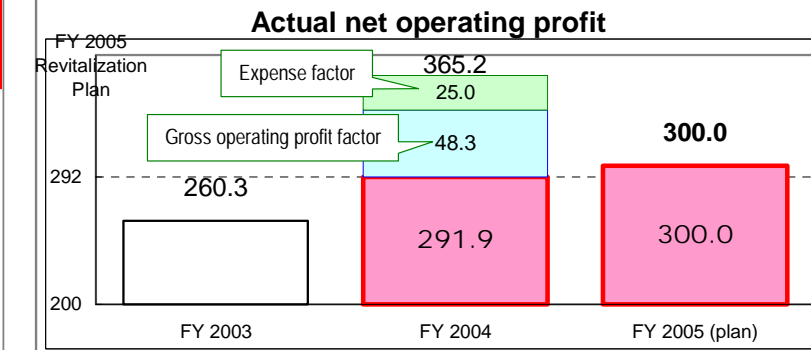
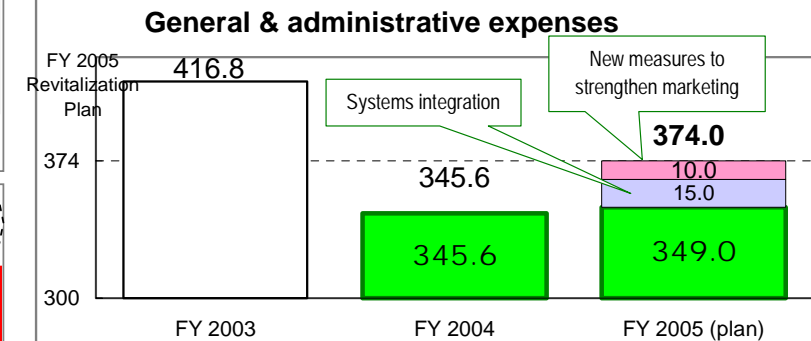
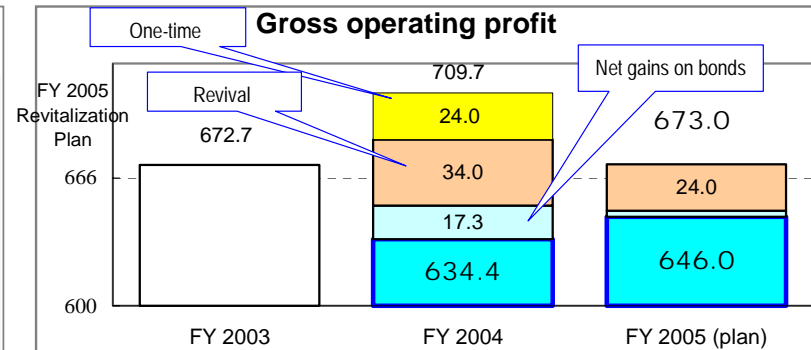
Financial Results for FY 2004

No. 5

Deposits and Financial assets Strengthen sales of investment products further



Outline of the earnings plan for fiscal 2005 Despite the falling of one-time gains, base earnings will grow



Financial Results for FY 2004

(Billions of yen)

Comparison of FY 2005 (forecasts) and FY 2004 (actual results) (Total of group banks)		
	Forecasts for FY 2005	Results for FY 2004
Net income	205.0	(181.3)
Gross operating profits	See upper graph on the right-hand side of page 5	(36.7)
General & administrative expenses	See middle graph on the right-hand side of page 5	(28.4)
Credit-related expenses	Gains of 39.3 bn. => anticipates loss of 71.0 bn.	(110.3)
Extraordinary gains, net*	Primarily decrease of loss related to retirement benefit	+41.3
Other	Primarily decrease of gains on sale of stocks	(47.2)

* (excluding gains from reversal of credit-related expenses)

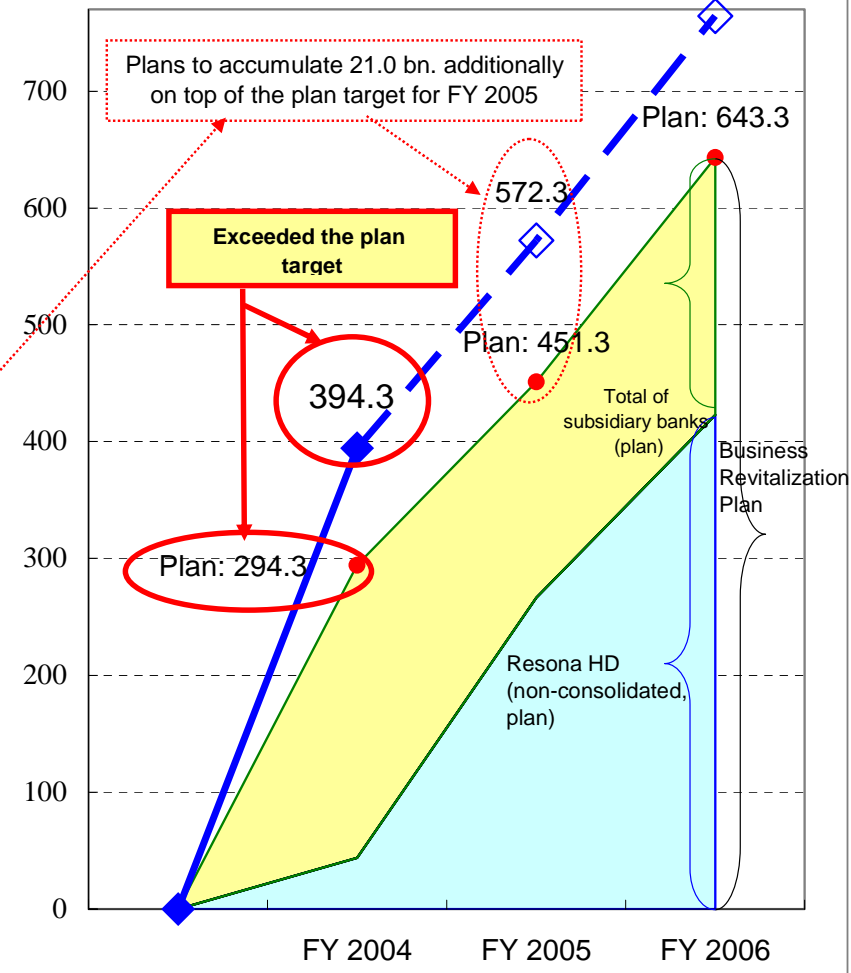
Comparison of FY 2005 (forecasts) and Business Revitalization Plan (Total of group banks)		
	Business Revitalization Plan (Group banks total)	Forecasts for FY 2005
Net income	184.0	+21.0
Gross operating profits		+7.0
General & administrative expenses		
Credit-related expenses	Revised from 76.0 bn. to 71.0 bn.	+5.0
Extraordinary gains, net*	Related to systems integration	(5.0)
Other	Due to changes in the accounting standard for retirement benefit	+14.0

* (excluding gains from reversal of credit-related expenses)

No. 6

Total earned surplus (Total of Resona HD and its subsidiary banks)

Total earned surplus at the end of Mar. 2005 exceeded the plan target by 100 bn.
=> Plans to accumulate 21.0 bn. additionally on top of the plan target for FY 2005.



Financial Results for FY 2004

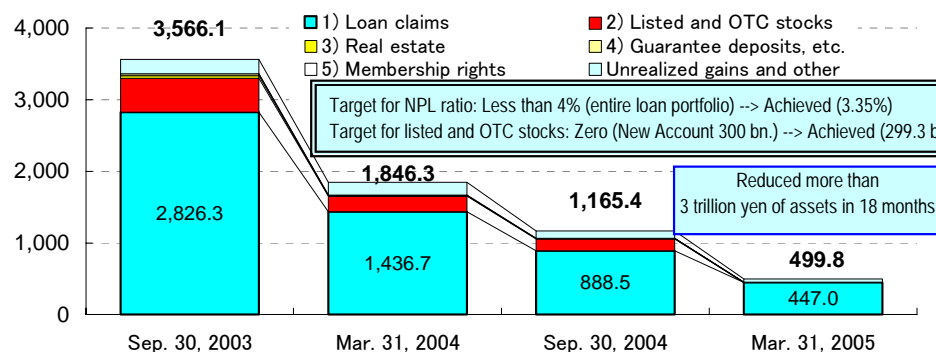
No. 7

Resona Bank's "separation of accounts on an administrative accounting basis" was terminated

With regard to the "separation of accounts on an administrative accounting basis" which Resona Bank implemented in accordance with the Financial Revitalization Program, Resona Bank regards the objectives for the separation of accounts were almost fully achieved and thus terminated the separation of accounts effective on March 31, 2005, which is the last day of the Intensive Revitalization Period.

Resona Bank is fully committed to making the best use of the know-how which it developed through the period of account separation to further strengthen its loan screening and credit exposure management and enhancing its financial soundness further. (Organizational change planned in July 2005)

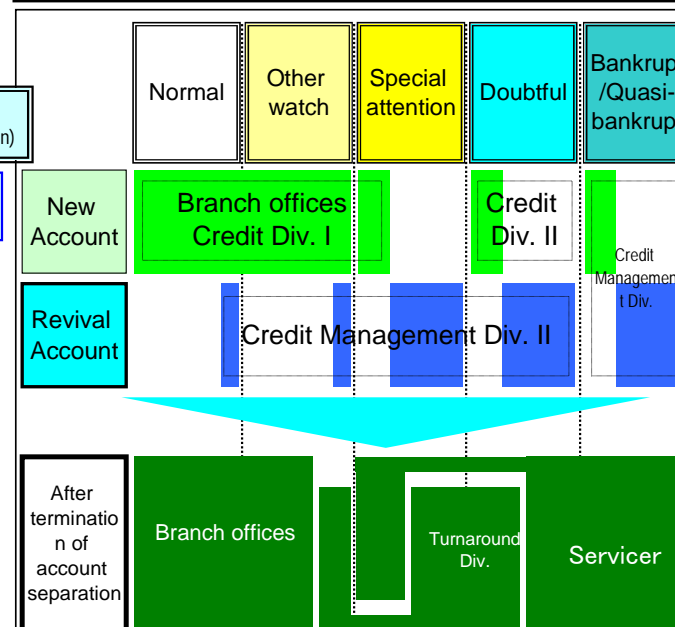
Reduction in the balance of assets in the Revival Account



1. Loan claims (398.5 bn), securities (117.8 bn) and guarantee deposits (1.2 bn), which were reclassified upward as claims to "normal" and "other watch" borrowers after the account separation date, are not included in the figures reported.
2. Listed and OTC stocks are stated in their book value
3. The balance of real estate includes idle assets and those assets that are planned to be abolished
4. Guarantee deposits include only such deposits for the items that are planned to be abolished.

(Billions of yen)	Sep. 30, 2003	Mar.31, 2004	Mar.31, 2005	Change from Sep. 30, 2003
NPLs and similar assets	2,943.6	1,533.5	448.5	(2,495.1)
Assets to be sold in near future	591.8	282.2	22.3	(569.4)
Net unrealized gain under standard method	30.6	30.5	29.0	(1.6)
Total assets in the Revival Account	3,566.1	1,846.3	499.8	(3,066.2)
1) Loan assets	2,826.3	1,436.7	447.0	(2,379.2)
2) Listed and OTC stocks	474.8	218.3	-	(474.8)
3) Real estate (idle property)	34.0	5.9	1.1	(32.8)
4) Guarantee deposits (abolition)	27.0	7.4	2.6	(24.4)
5) Membership rights	2.0	1.4	0.7	(1.2)

New organizational framework for credit screening and management



Performance of the New Account

(Billions of yen)	2H of FY '03	1H of FY '04	2H of FY '04
Actual net operating profit a)	71.3	127.3	114.2
ROA (R = Actual net operating profit) b)	0.51%	0.94%	0.83%
Adjusted core net operating profit c)	70.6	103.7	107.2

a) Net operating profits before transfer to general reserve for possible loan losses and NPL disposal in the trust account b) Denominator is total assets (average balance) c) Actual net operating profit – net gains on bonds – dividends received from subsidiaries

Financial Results for FY 2004

II. Outline of Financial Results for FY 2004

(Reported herein are the non-consolidated figures of subsidiary banks)

(Billions of yen)	Resona Holdings (Consolidated)
Consolidated gross operating profit (1)	763.1
General & administrative expenses (2)	(382.0)
Total of (1) + (2)	381.0
Provision to general reserve	-
Non-recurring profit/(loss), net	15.4
Disposal of problem loans	82.0
Gain/(loss) on stocks	91.0
Other non-recurring profit/(loss)	6.4
Ordinary profit/(loss)	396.4
Extraordinary profit/(loss), net	(6.9)
Gains from reversal of loan loss reserves	41.6
Income/(loss) before income taxes	389.5
Income taxes, current and deferred	(23.9)
Net income	365.5

(Billions of yen)	Total of five banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank	Nara Bank	Resona Trust & Banking
Gross operating profit	709.7	487.6	123.9	70.1	3.8	24.2
General & administrative expenses	345.6	219.2	71.8	41.2	3.1	10.0
Actual net operating profit *1	365.2	269.4	52.0	28.9	0.6	14.1
Provision to general reserve*3	(2.4)	-	(2.4)	-	-	-
Non-recurring profit/(loss), net	(49.3)	(31.9)	(11.5)	(5.3)	(0.4)	(0.0)
Disposal of problem loans	85.2	60.7	17.2	6.7	0.5	-
Gain/(loss) on stocks	45.1	45.9	0.4	(1.3)	(0.0)	-
Other non-recurring profit/(loss)	(9.2)	(17.1)	5.1	2.6	0.0	(0.0)
Ordinary profit/(loss)	317.2	236.4	42.9	23.5	0.1	14.1
Extraordinary profit/(loss), net	74.9	63.4	(1.7)	12.8	0.4	(0.0)
Gains from reversal of loan loss reserves	123.2	108.6	0.7	13.4	0.4	-
Income / (loss) before income taxes	392.1	299.9	41.2	36.3	0.5	14.0
Income taxes, current and deferred	(5.8)	11.5	(18.8)	7.2	(0.1)	(5.5)
Net income	386.3	311.4	22.3	43.5	0.4	8.5

*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.

Consolidated credit related expenses *2*3	41.5
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Credit related expenses *2*3	(39.3)	(46.7)	13.9	(6.7)	0.1
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*2 Total of NPL disposal expenses in the trust account (an item to be deducted from gross operating profit), transfer to general reserve for possible loan losses, expenses for disposal of problem loans (non-recurring item) and gains from reversal of loan loss reserves (extraordinary item).

*3 Negative figures indicate gains from reversal of credit-related expenses incurred in past fiscal years.

(Billions of yen)	Resona Holdings (Non-consolidated)
Operating income	74.5
Dividend received from subsidiaries	63.4
Ordinary profit/(loss)	56.5
Extraordinary profit/(loss)	(12.0)
Net income/(loss)	44.5

	Resona Holdings (Consolidated)	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank	Nara Bank	Resona Trust & Banking
Consolidated capital adequacy ratio (provisional)	9.74%	8.83%		8.15%		
Tier I ratio	5.27%	5.46%		5.52%		
Non-consolidated capital adequacy ratio (provisional)		9.62%	8.29%	8.17%	6.47%	127.94%
Tier I ratio		6.02%	4.60%	5.53%	5.17%	127.94%

Note: Amounts less than 0.1 billion yen are rounded down.

Financial Results for FY 2004

III. Actual Net Operating Profit

(Reported herein are the non-consolidated figures of subsidiary banks)

(Billions of yen)	Total of five banks		Resona		Saitama Resona		Kinki Osaka		Nara	Resona Trust
	FY '04	Change from FY '03	FY '04	Change from FY '03	FY '04	Change from FY '03	FY '04	Change from FY '03	FY '04	FY '04
Actual net operating profit *1	365.2	104.9	269.4	97.1	52.0	12.1	28.9	(2.9)	0.6	14.1

*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.

	FY '04	Change from FY '03	FY '04	Change from FY '03	FY '04	Change from FY '03	FY '04	Change from FY '03	FY '04	Change from FY '03
Gross operating profit	709.7	37.0	487.6	42.5	123.9	11.5	70.1	(15.4)	3.8	24.2
Net interest income	538.1	(6.0)	365.9	(9.0)	105.9	8.7	62.8	(5.7)	3.3	
Fees and commissions income	72.3	0.7	54.7	(0.1)	16.8	3.0	3.9	(0.7)	0.4	
Trading income and gains on foreign exchange	44.6	16.3	43.2	16.2	0.7	(0.0)	0.6	0.1	-	
Bond-related income	17.3	23.9	12.8	31.0	1.6	2.0	2.7	(9.1)	0.0	

	FY '04	Change from FY '03	FY '04	Change from FY '03	FY '04	Change from FY '03	FY '04	Change from FY '03	FY '04
Loans and bills discounted (Avg. Bal.) ²	25,532.7	(1,728.7)	17,877.5	(1,626.3)	5,078.8	382.8	2,440.0	(273.5)	136.2
Loan-to-deposit margin (domestic operation)	1.95%	0.00%	1.89%	0.02%	1.99%	-0.07%	2.31%	-0.04%	2.30%
Interest on loans and bills discounted	2.04%	-0.01%	1.97%	0.00%	2.07%	-0.10%	2.43%	-0.05%	2.40%

*2 Figures are based on totals of four group banks excluding Resona Trust & Banking. Average balance of loans and bills discounted for Resona Bank includes only its banking account. (Trust account is not included.)

	FY '04	Change from FY '03	FY '04	Change from FY '03	FY '04	Change from FY '03	FY '04	Change from FY '03	FY '04
<Reference> Balance of investment trust *3	1,290.3	441.9	639.7	186.4	402.5	178.3	233.3	71.7	14.6

*3 Balance of investment trusts sold to individual customers. Balance is shown in total of public bond investment trusts, equity investment trusts and foreign investment trusts in market prices prevailing at the end of each period.

Figures are based on totals of four group banks excluding Resona Trust & Banking.

	FY '04	Change from FY '03	FY '04	Change from FY '03	FY '04	Change from FY '03	FY '04	Change from FY '03	FY '04	FY '04
General & administrative expenses	345.6	(71.1)	219.2	(57.9)	71.8	(0.6)	41.2	(12.5)	3.1	10.0
Personnel expenses	111.1	(12.6)	67.8	(9.6)	21.7	1.5	16.2	(4.5)	1.2	3.9
Non-personnel expenses	213.5	(53.7)	138.5	(43.3)	44.9	(2.7)	22.2	(7.4)	1.7	5.9

Note: Amounts less than 0.1 billion yen are rounded down.

Financial Results for FY 2004

IV. Credit-related Costs

(Reported herein are the non-consolidated figures of subsidiary banks)

(Billions of yen)	Total of 4 banks		Resona		Saitama Resona		Kinki Osaka		Nara
	FY '04	2H of FY '04	FY '04	2H of FY '04	FY '04	2H of FY '04	FY '04	2H of FY '04	FY '04
Total credit-related expenses	(39.3)	(21.5)	(46.7)	(31.5)	13.9	9.8	(6.7)	0.3	0.1
Disposal in the trust account	1.1	0.2	1.1	0.2	-	-	-	-	-
Provision to general reserve *1	(87.3)	23.8	(77.0)	26.7	(2.4)	0.7	(7.1)	(2.9)	(0.7)
NPL disposal *2	46.9	(45.7)	29.2	(58.5)	16.4	9.1	0.4	3.3	0.8
Base credit-related expenses *3	110.1	73.9	87.0	56.2	12.4	10.0	10.5	7.8	0.1
Assistance for revitalization and upgrading of borrowers *4	(61.6)	(39.8)	(56.5)	(36.5)	(2.1)	(1.7)	(2.8)	(1.5)	(0.0)
Collection, off-balancing and other *5	(87.8)	(55.6)	(77.2)	(51.1)	3.6	1.5	(14.3)	(6.0)	0.0

*1 For the sake of comparability with the numbers for past periods, the reported figure includes an extraordinary gain from a reversal of general reserve for possible loan losses. Breakdown of such reversal of loan loss reserves is shown in page 12.

*2 In the same way with the note. 1 above, the reported figure includes NPL disposal expenses (non-recurring item) and extraordinary gains from reversals of specific reserve for possible loan losses and special reserve for certain overseas loans and also gains from recoveries of written-off claims.

*3 Reported figure includes the effects in relation to the borrowers which were reclassified downward as "special attention" or lower categories in the 1st and 2nd half of FY 2004 and also the additions (of reversals) of general reserve for possible loan losses provided for the borrowers to which the discounted cash flow method is not applied.

*4 Reported figure includes the effects in relation to the borrowers which were reclassified upward as "special attention" or higher categories in the 1st and 2nd half of FY 2004 and the effects from certain large borrowers (30 bn. yen and higher) to which group banks provided loan loss reserves with a view to providing necessary assistance for their early revitalization.

*5 The presented figure includes the amounts in relation to the loans collected, off-balancing of claims such as loans sold in bulk, changes in the appraisal values of collateral, and reversal of general reserve for possible loan losses.

V. Claims disclosure according to the Financial Reconstruction Law

<Reference> The NPL ratio as of the end of March 2002 on a total of the former Daiwa Bank and former Asahi Bank was 10.13%. (The same ratio on a total of four banks was 10.28%). The NPL ratio on a total of Resona Bank and Saitama Resona Bank declined to 3.04% as of the end of March 2005.

(Billions of yen)	Total of four banks		Resona Bank*2		Saitama Resona Bank		Kinki Osaka Bank		Nara Bank	
	Mar. 31, 2005	Change from Mar. 31, 2004	Mar. 31, 2005	Change from Mar. 31, 2004	Mar. 31, 2005	Change from Mar. 31, 2004	Mar. 31, 2005	Change from Mar. 31, 2004	Mar. 31, 2005	Change from Mar. 31, 2004
Unrecoverable or valueless claims	97.5	(106.1)	57.4	(71.1)	12.4	(6.4)	25.8	(28.2)	1.8	(0.3)
Risk claims	401.4	(397.4)	269.4	(348.2)	44.3	(16.3)	83.4	(33.1)	4.2	0.2
Special attention loans	419.8	(461.6)	309.9	(432.5)	49.3	(23.9)	59.0	(3.4)	1.4	(1.7)
Total classified claims (NPL)	918.8	(965.2)	636.8	(851.8)	106.2	(46.7)	168.3	(64.8)	7.4	(1.7)
NPL ratio *1	3.39%	-3.35%	3.35%	-4.04%	1.96%	-1.06%	6.62%	-2.32%	5.08%	-1.57%

*1 NPL ratio = Classified claims under the Financial Reconstruction Law criteria/Total claims

*2 Figures for Resona Bank are shown in total of banking and trust accounts

Projected NPL ratios (FRL criteria) at Mar. 31, 2006	upper 2% range	upper 2% range	upper 1% range	middle of 4% range
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*Nara Bank plans to merge with Resona Bank in January 2006

Note: Amounts less than 0.1 billion yen are rounded down.

Financial Results for FY 2004

VI. Reserve Ratios by Borrower Categories

(Reported herein are the non-consolidated figures of subsidiary banks)

(Billions of yen)	Total of four banks		Resona Bank *1		Saitama Resona Bank		Kinki Osaka Bank		Nara Bank	
	Mar. 31, 2005	Change from Mar. 31, 2004	Mar. 31, 2005	Change from Mar. 31, 2004	Mar. 31, 2005	Change from Mar. 31, 2004	Mar. 31, 2005	Change from Mar. 31, 2004	Mar. 31, 2005	Change from Mar. 31, 2004
Bankrupt and effectively bankrupt borrowers	100.0%	-	100.0%	-	100.0%	-	100.0%	-	100.0%	-
Outstanding exposure *2	97.5	(106.1)	57.4	(71.1)	12.4	(6.4)	25.8	(28.2)	1.8	(0.3)
Collateral and guarantees	91.1%	0.9%	88.3%	-4.8%	97.2%	4.9%	94.0%	11.2%	95.7%	10.5%
Reserve ratio *3	8.9%	-0.9%	11.7%	4.8%	2.8%	-4.9%	6.0%	-11.2%	4.3%	-10.5%
Reserve ratio against the uncovered portion	100.0%	-	100.0%	-	100.0%	-	100.0%	-	100.0%	-
Doubtful borrowers	97.2%	4.2%	97.0%	5.2%	97.9%	4.4%	97.6%	-1.4%	93.5%	1.5%
Outstanding exposure	401.4	(397.4)	269.4	(348.2)	44.3	(16.3)	83.4	(33.1)	4.2	0.2
Collateral and guarantees	45.8%	10.8%	36.2%	7.2%	68.6%	5.4%	64.1%	12.6%	61.7%	5.0%
Reserve ratio *3	51.4%	-6.6%	60.8%	-2.0%	29.3%	-1.1%	33.5%	-14.0%	31.7%	-3.5%
Reserve ratio against the uncovered portion	94.8%	5.6%	95.3%	6.8%	93.4%	10.9%	93.4%	-4.6%	82.9%	1.5%
Special attention borrowers	76.2%	5.7%	74.5%	7.3%	72.6%	-6.0%	89.7%	-6.7%	73.4%	-12.9%
Outstanding exposure	557.9	(516.4)	417.4	(473.6)	66.9	(29.4)	71.7	(11.1)	1.7	(2.3)
Collateral and guarantees	45.5%	6.1%	44.3%	8.3%	49.8%	-9.7%	48.9%	-3.0%	45.3%	-14.4%
Reserve ratio *3	30.7%	0.4%	30.2%	-0.9%	22.8%	3.7%	40.8%	-3.7%	28.1%	1.5%
Reserve ratio against the uncovered portion	56.3%	5.0%	54.2%	5.6%	45.4%	-1.8%	79.8%	-12.7%	51.3%	-14.6%
Other watch borrowers	56.6%	4.5%	52.7%	5.7%	56.8%	-3.6%	76.0%	-0.7%	66.6%	6.1%
Outstanding exposure	1,798.4	(439.7)	1,292.5	(455.2)	243.2	53.7	250.2	(36.6)	12.4	(1.6)
Collateral and guarantees	51.8%	3.7%	47.1%	4.3%	54.4%	-3.3%	72.9%	-0.9%	65.4%	6.3%
Reserve ratio *3	4.8%	0.9%	5.6%	1.4%	2.4%	-0.3%	3.0%	0.2%	1.1%	-0.2%
Normal borrowers*3	0.13%	0.0%	0.15%	0.0%	0.02%	0.0%	0.21%	0.0%	0.17%	-0.1%
Outstanding exposure	24,261.3	638.1	16,983.0	235.4	5,039.2	346.4	2,111.9	43.8	127.0	12.4
[Reference] Total Claims	27,116.7	(821.6)	19,019.9	(1,112.7)	5,406.3	347.9	2,543.2	(65.2)	147.2	8.3

*1 Reserve ratio of Resona Bank includes its banking and trust accounts.

*2 Reported amounts are after partial direct write-off.

*3 Reserve ratio = Amount of loan loss reserves provided for each borrower category / Outstanding exposure amount for each borrower category

Reserve ratio against the uncovered portion = Amount of loan loss reserves provided for each borrower category / (Outstanding exposure amount for each borrower category - Amount of the portion covered by collateral, guarantees, etc.)

Note: Amounts less than 0.1 billion yen are rounded down.

Financial Results for FY 2004

VII. Breakdown of Extraordinary Profit/(Loss)

(Reported herein are the non-consolidated figures of subsidiary banks)

(Billions of yen)	Total of 4 banks	Resona	Saitama Resona	Kinki Osaka	Nara	
Extraordinary profit /(loss), net	74.9	63.4	(1.7)	12.8	0.4	
Gains from reversal of credit related expenses	123.2	108.6	0.7	13.4	0.4	
Gains from reversal of loan loss reserves	103.0	93.3	-	9.4	0.2	If a sum of reversals of the three loan loss reserves is positive, such net reversal amount is accounted for as an extraordinary profit.
General reserve for possible loan losses	84.9	77.0	-	7.1	0.7	
Specific reserve for possible loan losses	17.6	15.7	-	2.3	(0.4)	
Special reserve for certain overseas loans	0.5	0.5	-	-	-	
Gains from recoveries of written-off claims	20.1	15.2	0.7	3.9	0.1	
Loss in relation to retirement benefit, net	(42.9)	(42.7)	(0.0)	(0.1)	-	Lump sum amortization of the unfunded retirement benefit liabilities in connection with the reduction in pension benefits. (1H of FY '04)
Other extraordinary profit/(loss), net	(5.3)	(2.3)	(2.4)	(0.4)	0.0	Gains from sales of real estate assets, impairment loss and others

VIII. Deferred Tax Assets

(Reported herein are the non-consolidated figures of subsidiary banks)

(Billions of yen)	Total of four banks		Resona Bank		Saitama Resona Bank		Kinki Osaka Bank		Nara Bank	
	Mar. 31, 2005	Change from Mar. 31, 2004	Mar. 31, 2005	Change from Mar. 31, 2004	Mar. 31, 2005	Change from Mar. 31, 2004	Mar. 31, 2005	Change from Mar. 31, 2004	Mar. 31, 2005	Change from Mar. 31, 2004
Deferred tax assets <net of DTA and DTL> [(1)+(2)]	46.1	(4.6)	32.0	18.5	3.5	(27.3)	10.6	4.2	(0.0)	(0.1)
Exemplification category No. (JICPA's guideline)	Consolidated: No.4 Exceptional (1 year)		No.4 Exceptional (1 year)		No.4 Exceptional (5 years)		No.4 (1 year)		No.4 (1 year)	

Exemplification category No.: Exemplification categories defined in the JICPA's Accounting Committee Report No.66 (November 9, 1999)

a) Total deferred tax assets	176.6	(2.2)	129.0	7.6	31.2	(17.0)	16.3	7.2	-	(0.1)
Of which, valuation allowance	(1,648.6)	141.6	(1,450.7)	123.2	(13.8)	(3.8)	(180.7)	22.1	(3.3)	0.1
b) Deferred tax liabilities (other than (2) below) *1	(29.7)	2.0	(21.6)	3.7	(8.1)	(1.6)	-	-	-	-
(1) Net deferred tax assets [(a)+(b)] *2	146.9	(0.1)	107.4	11.3	23.0	(18.7)	16.3	7.2	-	(0.1)
(2) Deferred tax liabilities (unrealized difference) *3	(100.7)	(4.4)	(75.4)	7.1	(19.5)	(8.6)	(5.7)	(3.0)	(0.0)	(0.0)

*1 Deferred tax liabilities in relation to the gains on establishment of retirement benefit trust.

*2 Net of a) total deferred tax assets and b) deferred tax liabilities

*3 Deferred tax liabilities in relation to the net gains on securities available for sale ("other securities")

Financial Results for FY 2004

IX. Earnings Estimates for Fiscal Year Ending March 2006

(Billions of yen)	Resona Holdings (Consolidated)	
	1st half estimate	Full year estimate
Ordinary income	470.0	950.0
Ordinary profit	120.0	230.0
Net (interim) income	110.0	200.0

Estimate for consolidated capital adequacy ratio of Resona HD at the end of fiscal 2005	approx. 9%
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(Billions of yen)	Resona Holdings (Non-consolidated)	
	1st half estimate	Full year estimate
Ordinary income	220.0	320.0
Ordinary profit	210.0	300.0
Net (interim) income	210.0	300.0

Forecast for term-end per share dividend on common stock	Not yet determined
Forecast for term-end per share dividend on preferred stock *	As pre-determined

*Pre-determined dividends for preferred securities will also be paid.

[Reference] Non-consolidated earnings estimates of subsidiary banks

(Billions of yen)	Total of Five Banks			Resona	Saitama Resona	Kinki Osaka	Resona Trust
	1st half estimate	Full year estimate approx. figure	Business Revitalization Plan	Full year estimate	Full year estimate	Full year estimate	Full year estimate
Gross operating profit	327.0	673.0	666.0	450.0	127.5	68.0	23.0
General & administrative expenses	(180.0)	(374.0)	(374.0)	(243.0)	(74.5)	(42.0)	(11.5)
Actual net operating profit	148.0	300.0	292.0	208.0	53.0	26.0	11.5
Ordinary profit/(loss)	120.0	227.0	196.0	160.0	39.5	16.0	11.5
Extraordinary profit/(loss), net	(3.0)	(7.0)	(2.0)	(6.0)	(1.0)	(0.0)	-
Income/(loss) before income taxes	117.0	220.0	194.0	154.0	38.5	16.0	11.5
Net (interim) income/(loss)	110.0	205.0	184.0				

Resona Group started applying consolidated tax return system from fiscal year 2005
Nara Bank plans to merge with Resona Bank in January 2006

*Total credit-related expenses	37.0	71.0	76.0	53.0	9.0	8.0
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	[Consolidated]	[Non-consolidated]	[Consolidated]	[Non-consolidated]
Estimate for capital adequacy ratios at the end of fiscal 2005	lower 8%	lower 8%	approx. 8%	approx. 120%

Note: Amounts less than 0.1 billion yen are rounded down.

The forward-looking statements contained in this presentation may be subject to material change due to the following factors.

These factors may include changes in the level of stock price in Japan, any development and change related to the government's policies, laws, business practices and their interpretation, emergence of new corporate bankruptcies, changes in the economic environment in Japan and abroad and any other factors which are beyond control of the Resona Group.

These forward-looking statements are not intended to provide any guarantees of the Group's future performance. Please also note that the actual performance may differ from these statements.