

Resona Group's New Challenge
- For Sustainable Growth -



RESONA

February 2006



Resona Holdings, Inc.

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Steadily Strengthening Earnings Momentum

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Capital Policy for Early Repayments of Public Funds

[Reference Material]

Resona Group at Glance

Steadily Strengthening Earnings Momentum

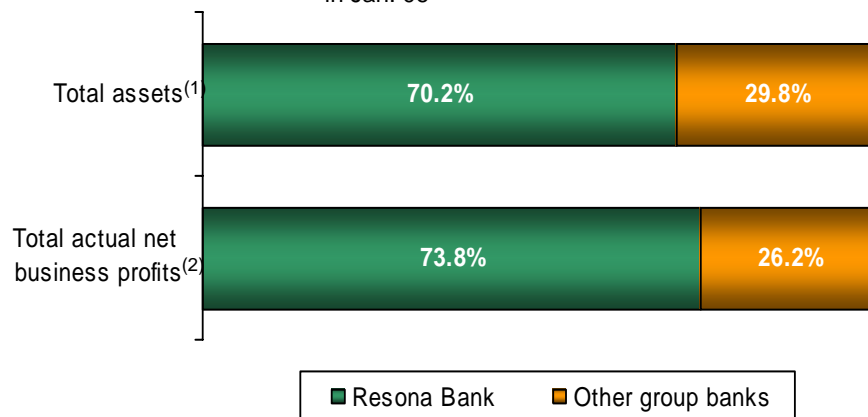
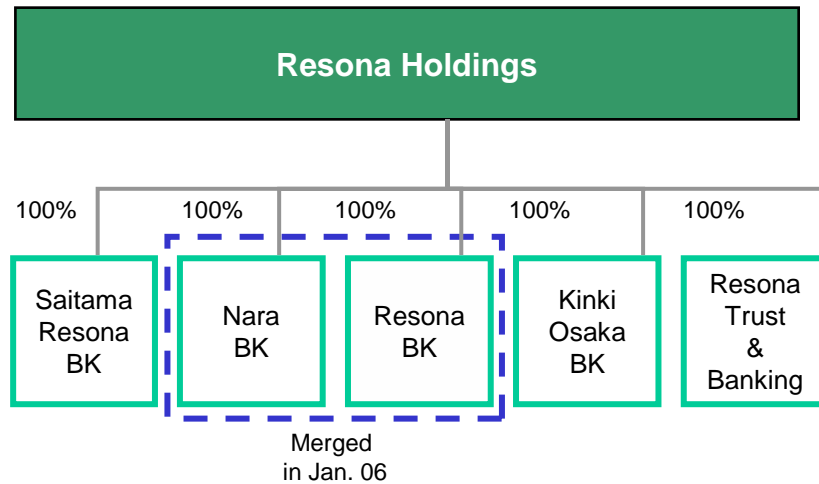
Business Infrastructure Developments for Further Growth

Capital Policy for Early Repayments of Public Funds

[Reference Material]

Resona Group at glance: Overview of Resona Group

Corporate structure



(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

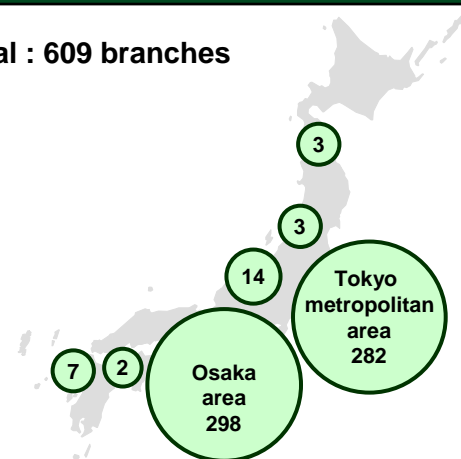
Group overview

- 4th 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



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

<Deposits> (Billions of Yen)
(End of September 2005)

	Tokyo Metropolis	Saitama Pref.	Osaka Pref.	Nara Pref.
Resona Group	8,116	8,376	9,999	568
Resona	8,012	40	6,944	334
Saitama Resona	96	8,335		
Kinki Osaka	7		3,051	82
Nara			3	152
Share in each Pref.	5.4%	38.9%	19.3%	10.3%
All Banks	149,416	21,533	51,751	5,506

Loans

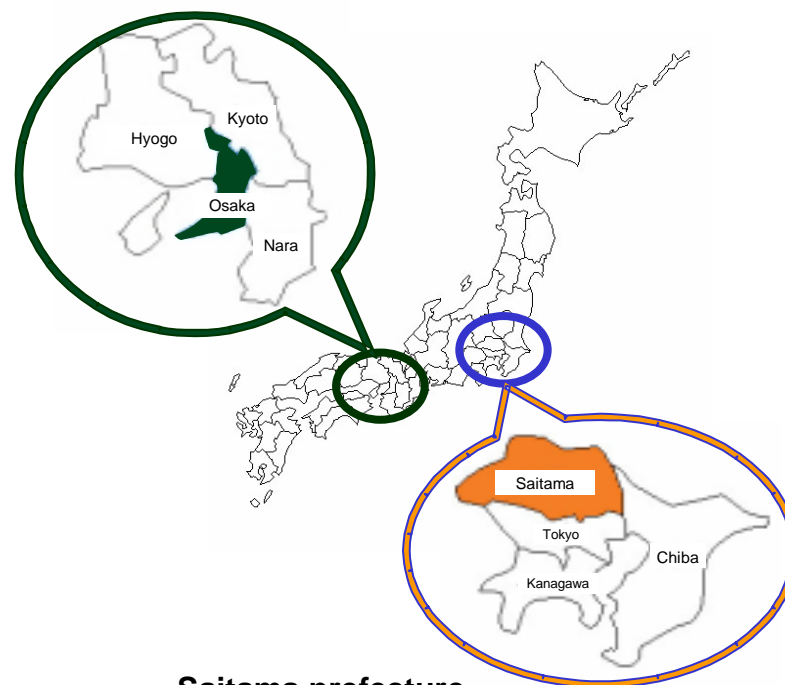
<Loans> (Billions of Yen)
(End of September 2005)

	Tokyo Metropolis	Saitama Pref.	Osaka Pref.	Nara Pref.
Resona Group	7,941	5,368	7,447	387
Resona	7,701	53	5,250	209
Saitama Resona	150	5,314		
Kinki Osaka	89		2,194	39
Nara			2	138
Share in each Pref.	5.4%	41.7%	18.2%	14.7%
All Banks	148,246	12,867	40,868	2,639

Osaka prefecture

Population: 8.8 million (#2 among 47 prefectures)

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



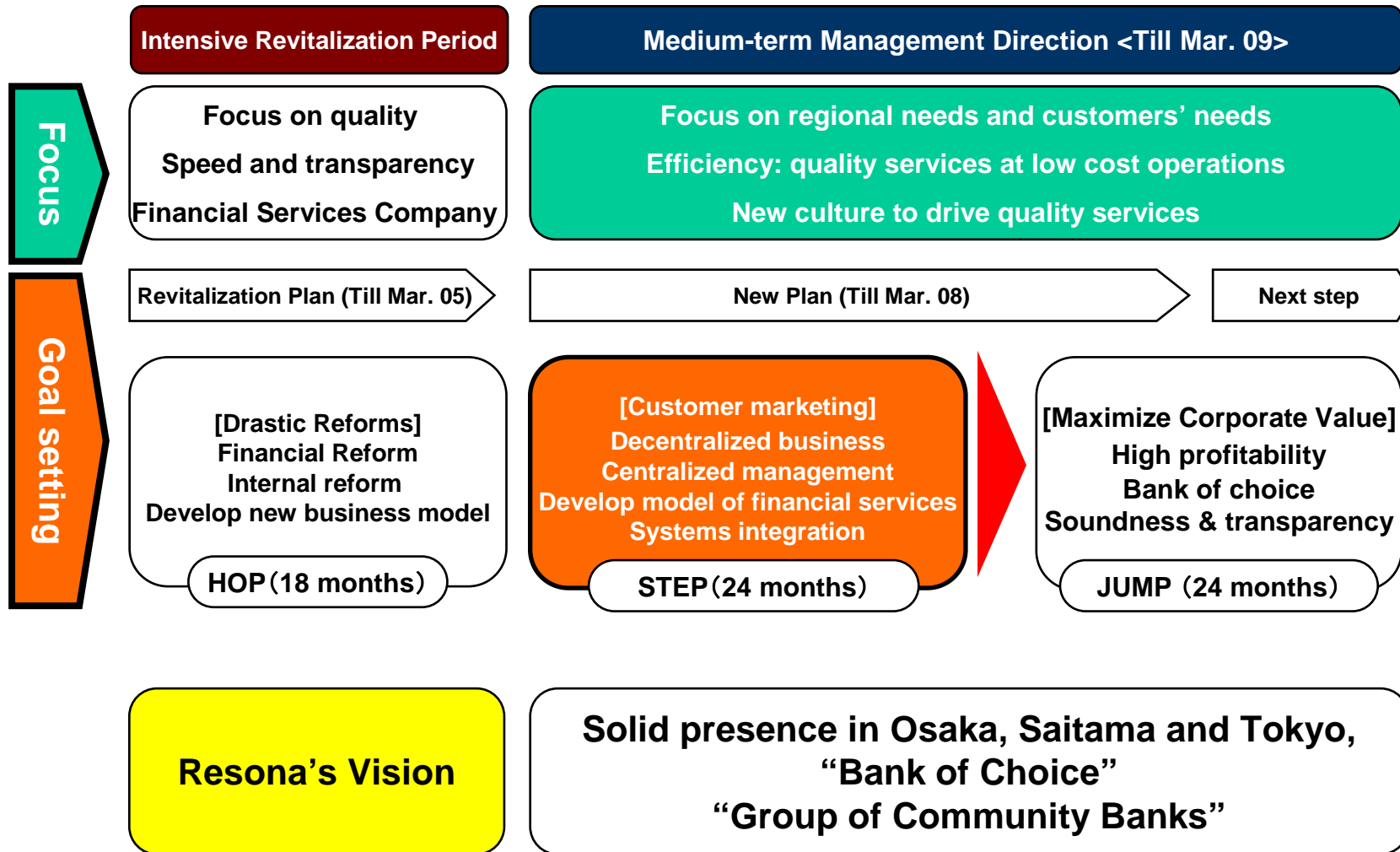
Saitama prefecture

Population: 7.0 million (#5 among 47 prefectures)

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

Data source: Bank of Japan

Resona's Management Direction



Continued improvements in the quality of balance sheet

Eliminated any down-side risks inherent in the balance sheet

(Total of group banks)			March '03	→	September '05
Loans	Farewell to NPL problem	NPL ratio	11.19% (Sep '03)	→	3.02 %
	Dispersal of loan Portfolio	Housing loan ratio	28.9%	→	40.4%
Securities	Stock portfolio	Stockholdings *1	¥1,397.0 bn	→	¥398.2 bn
		Break even Nikkei Avg.	Abt. ¥8,700	→	Abt. ¥6,300
	Bond portfolio *2	Interest rate sensitivity (BPV)	¥(1.57) bn	→	¥(1.38) bn
DTA	Conservative approach	DTA Dependence (DTA/Tier *3)	99.5%	→	0.47%

(1) Marketable stocks included in "other securities" (HD consolidated basis)

(2) For domestic bonds

(3) HD consolidated DTA / HD consolidated Tier 1 capital

Progress of the Business Revitalization Plan

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

	Intensive Revitalization Period			Current Business Revitalization Plan				Target
	FY2003	FY2004		FY2005	FY2006	FY2007	FY2008	
(Billions of Yen)	(Actual)	(Plan)	(Actual)	(Plan)	(Estimate*1)	(Plan)	(Plan)	
Gross operating profits	672.7	690.0	709.7	666.0	685.0	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	365.0	364.0	364.0	360.0
Actual net operating profits	260.3	338.0	365.2	292.0	320.0	328.0	354.0	400.0
Credit-related expenses	1,328.4	(2.0)	(39.3)	76.0	30.0	74.0	74.0	/
Income before income taxes	(1,331.6)	305.0	392.1	194.0	305.0	229.0	261.0	300.0
Net Income	(1,692.7)	288.0	386.3	184.0	280.0	219.0	237.0	
*Fees and commissions (excluding housing loan-related exp.)	109.6	110.0	113.6	115.0	/	123.0	133.0	
Expense ratio (OHR) *2	61.6%	51.1%	48.6%	56.2%	53.3%	52.6%	50.7%	

*1. Upward revision announced in November 2005

*2. Operating expenses/gross operating profits before NPL disposal in the trust account (Estimate for FY2005: Operating expenses/Gross operating profits)

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Operating results for the 3Q of FY2005

Performance continues to be strong in 3Q-FY2005

(Total of group banks)

		1Q to 3Q FY2005	FY2005 full-year forecasts*1		Progress up to present and outlook going forward
				3Q progress	
Operating Results	Gross operating profits	¥507.8 bn	¥685.0 bn	74.1%	Progress up to 3Q almost in line with the full-year forecast (Faster pace if seasonality of trust fee is adjusted)
	Operating expenses	¥245.7 bn	¥365.0 bn	67.3%	Certain expenditures were postponed to 4Q. Expense relating to incentive salary is expected in 4Q
	Actual net operating profits	¥262.1 bn	¥320.0 bn	81.9%	Good pace given the positive trends both in top-line income and expenses
	Credit-related expenses	¥1.1 bn	¥30.0 bn	3.7%	Credit expenses up to 2Q was 11.8 bn. Due to additional reversal in 3Q, credit costs up to 3Q is 1.1 bn.
	Net income	¥278.8 bn	¥280.0 bn	99.6%	Net income up to 3Q almost matches full-year forecast
Other Indicators	NPL ratio	2.79%	Upper 2% range	—	NPL ratio further declined from 3.02% to 2.79% in 3 months to December 2005
	Cost-to-income ratio	48.4%	53.3%	—	Certain expenses are either postponed to or expected in 4Q. Cost-to-income ratio up to 3Q is below 50%.
	Financial products sold to individuals*2	¥2.41 tn	¥2.70 tn	—	Increase in 9 months up to 3Q is +0.7 tn.

*1. Announced in November 2005 (May 2005 forecast was revised upward)

*2. Investment trust, individual annuity, and public bonds sold to individual customers

Financial highlights in the 1st. Half of FY 2005

Sustained profitability achieved through continued enhancement of financial soundness

- ✓ **Resona HD posted ¥174.3bn of net income on a consolidated basis**
 - Consolidated net income declined from the same period previous year, but exceeded the initial guidance (announced in May 2005) by ¥64.3bn
 - Steady growth in non-interest income (trust fees + fees and commission income)
1H FY2005: ¥84.9bn (¥10.3bn, or 10.4%, higher than 1H FY2004)

Consolidated loan balance hit the bottom and started increasing

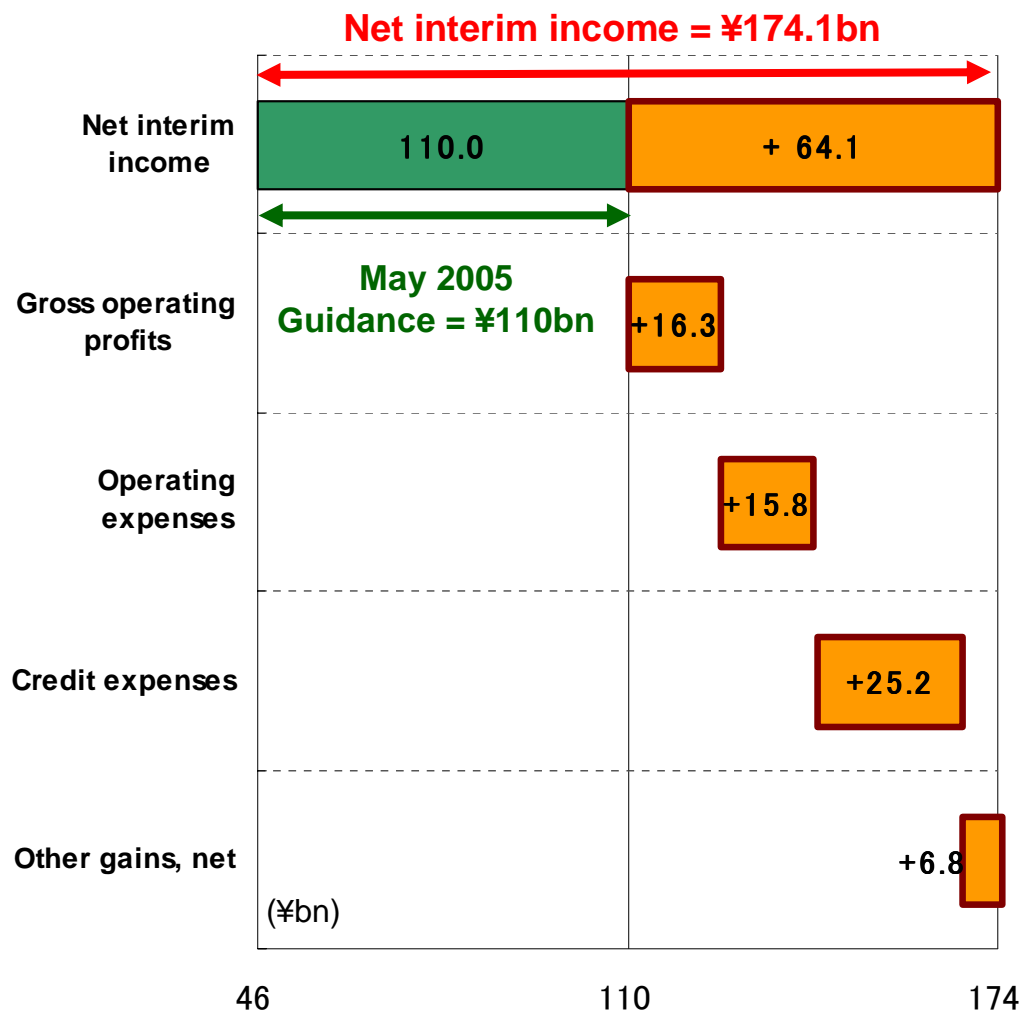
- ✓ **Resona HD's consolidated loan balance hit the bottom and increased ¥23.6bn in the 1H**
 - Clear trend of increase for Saitama Resona (+ ¥143.2bn) and Kinki Osaka (+ ¥9.2bn)
 - Resona Bank's loan balance declined (- ¥205bn). However, if a decrease in the former "revival" account and other factor are adjusted, Resona Bank's loan balance has also hit the bottom

Actions taken for early repayments of public funds

- ✓ **Commenced financing in the capital markets and repayments of public funds**
 - September 2005: Issuance of perpetual subordinated loans (Euros 0.8bn. and US\$ 1.3bn)
→ Up to Oct. 3, repaid ¥200bn of subordinated loans borrowed from the government
 - July 2005: Issuance of preferred securities (US\$ 1.15bn)
→ On November, 18, redeemed ¥264.2bn of extant preferred securities before their maturities
- ✓ **Combined earned surplus (Resona HD + its subsidiary banks) at end of March 2006 is expected to be ¥180bn higher than the target in the Business Revitalization Plan**

Summary of income in 1H FY2005 (Total of group banks)

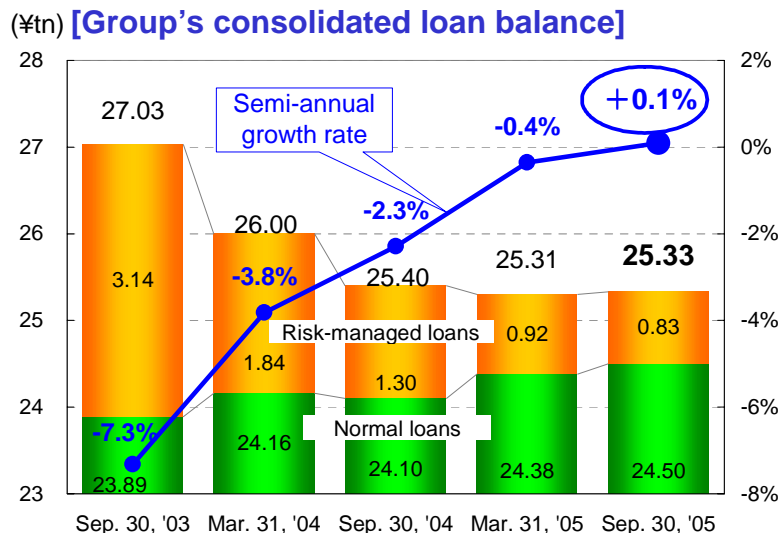
Net interim income increased ¥64.1bn (58%) from the initial guidance announced in May 2005



- ✓ Combined net interim income increased ¥64.1bn (58%) from May 2005 guidance
- ✓ Gross operating profits increased around 5% from May 2005 guidance primarily due to sustained strong growth of fees and commission income and market-related income
- ✓ Successful completion of systems integration led to cutback of expenses included in May 2005 guidance, and continued efforts to reduce other operating expenses resulted in savings of ¥15.8bn from May 2005 guidance
- ✓ Credit costs for the 1st half were ¥11.8bn, down ¥25.2bn from May 2005 guidance. Continued improvements in asset quality and gains from recoveries of written-off claims are the main factors accounting for the decrease
- ✓ Resona Bank posted gains from disposal of preferred stocks it acquired through DE swap. Such stock gains and net of profits and losses from other sources account for the increase of ¥6.8bn from May 2005 guidance

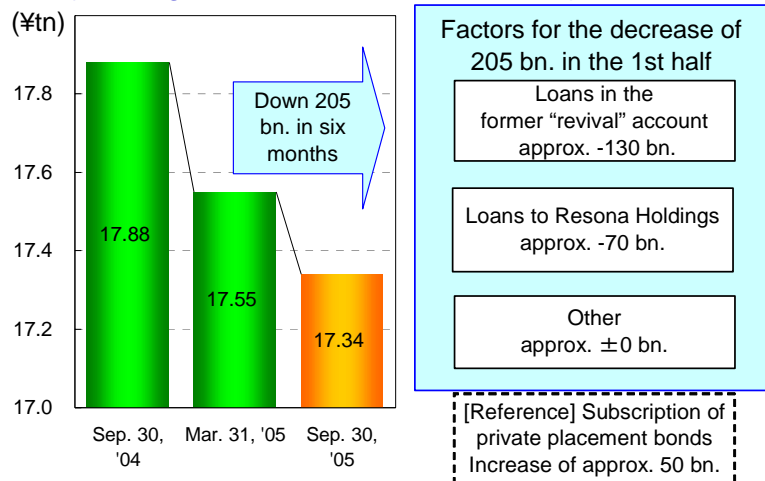
Loan business: (1) Overall trend

Group's consolidated loan balance hit the bottom in the 1st half of FY2005

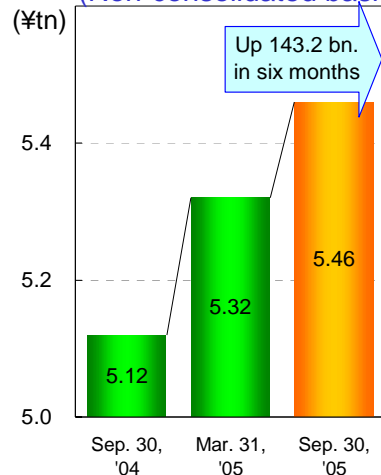


- ✓ **Group's consolidated loan balance hit the bottom in the 1H of FY2005**
(Normal loan portion already hit the bottom in the 1H of FY2004)
- ✓ **Clear trend of increase for Saitama Resona Bank and Kinki Osaka Bank**
- ✓ **If a reduction of loans in the former "revival" account (- ¥130bn) and collection of loans to Resona Holdings (- ¥70bn) are excluded, Resona Bank also maintained the balance at the previous fiscal year-end**
→ balance increased if subscription of private placement bonds are taken into account

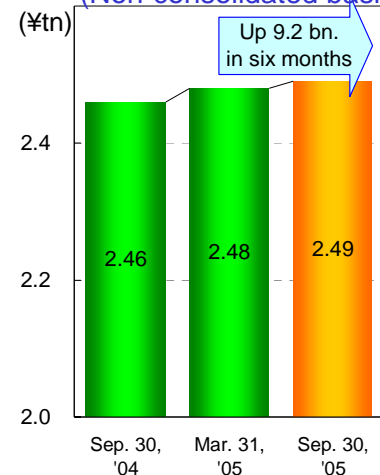
[Resona Bank's loan balance]
(Banking Acct. Non-consolidated basis)



[Saitama Resona Bank]
(Non-consolidated basis)



[Kinki Osaka Bank]
(Non-consolidated basis)

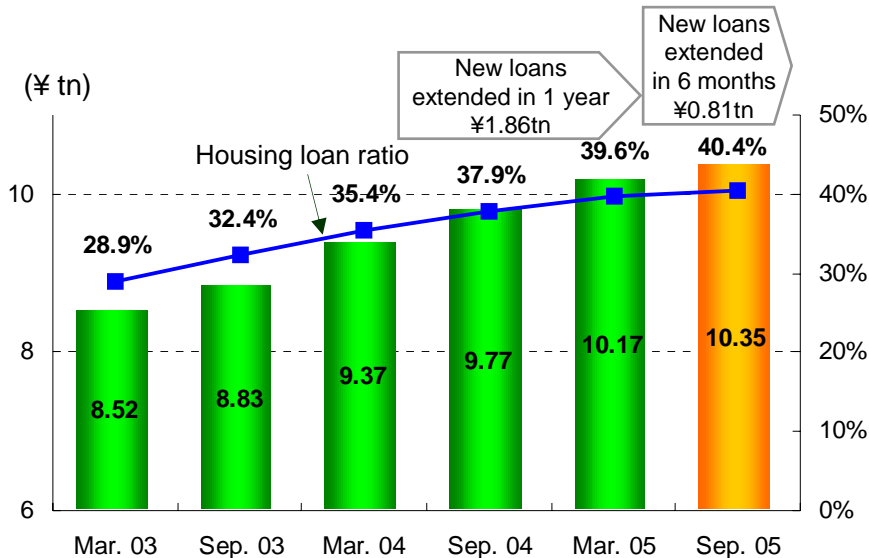


Loan business: (2) Housing loan

Housing loan ratio rose to 40%

✓ **Housing loan balance ¥10.35tn** (+ 0.18tn in 6 months*)

* After adjustments to exclude effects from systems integration +0.3tn



Trend in housing loan market

✓ **Robust housing supply**

- About 0.3 million households will be newly added between 2005 and 2010 (Adverse effects from population decrease offset by shrinking size of household)
- Housing starts stay at 1.1 to 1.2 million per year
- Supply of over 80 thousands condominiums per year will be sustained in the Tokyo Metropolitan area

✓ **Expanding market for private sector**

- HLC stop extending new loans
- Actively promote "Flat 35" (new opportunities)

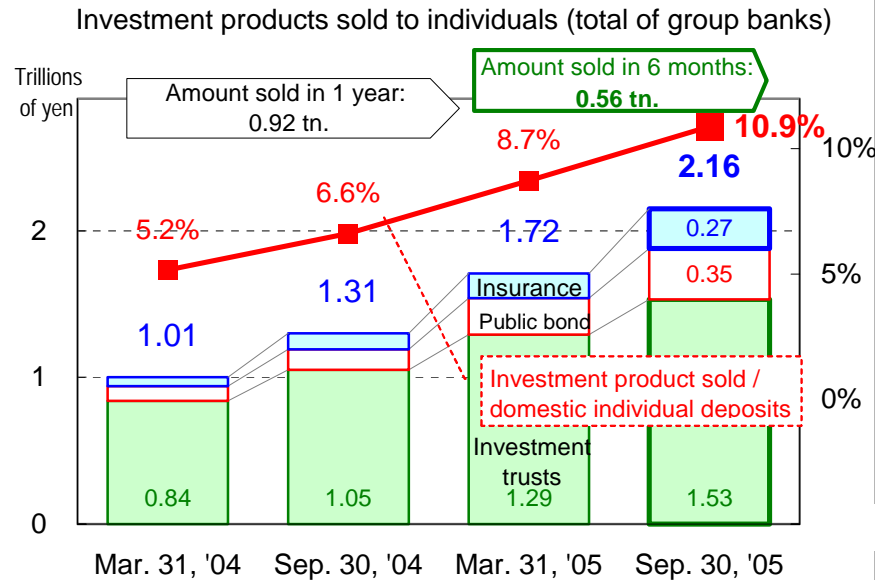
Comprehensive approach to maximize profitability

✓ **Efforts towards maximizing income and minimizing operating expenses and credit costs**

	Objectives	Action plan
Income	<ul style="list-style-type: none"> Improve profitability Increase the number of loan application 	<ul style="list-style-type: none"> ✓ More marketing staff ✓ Strengthen relationships with housing developers and agents ✓ Profitable differential products
Expenses	<ul style="list-style-type: none"> Reduce costs and improve customer satisfaction simultaneously 	<ul style="list-style-type: none"> ✓ Concentration of back-office work and instantaneous front processing ✓ Strengthening of consulting-based marketing through utilization of web TVs
Credit Costs	<ul style="list-style-type: none"> Sophistication in risk management Strengthen credit management Improve collection rate 	<ul style="list-style-type: none"> ✓ Fine-tuning of screening model (Well-maintained vast database) ✓ Expand the scope of business subcontracted to servicers ✓ Voluntary sale of collateral (Internet-based auction system)

Fee business: (1) Sale of financial products

Financial products sold to individual customers



Growth potential of investment products market

✓ Vast unexplored market

Total household financial assets ¥1,400tn
50% of such assets held in the form of deposits
Investment trust portion significantly lower than other countries (Japan 9%, U.S. 46%, U.K. 18%, Germany 26%)

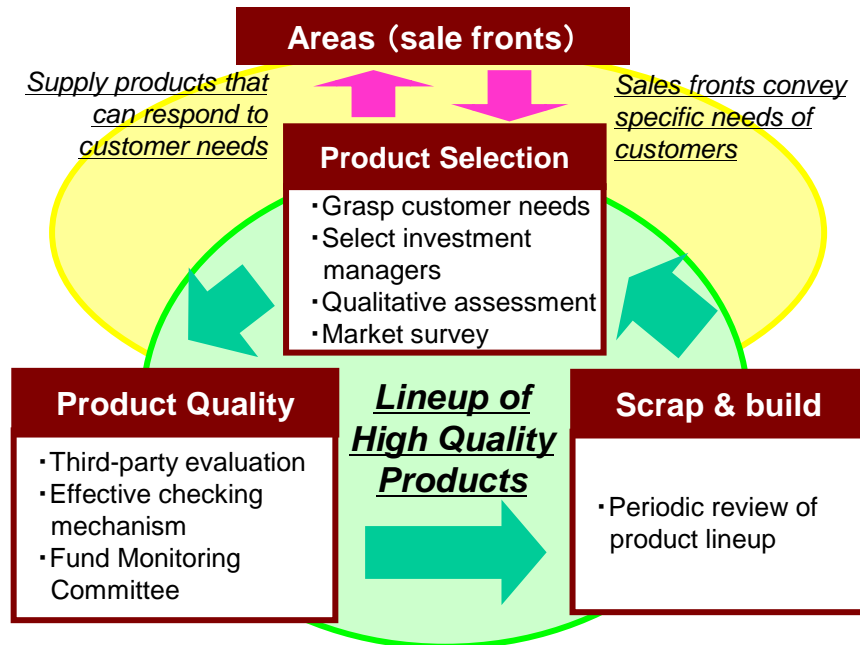
✓ First baby boomers soon to retire

First baby boomers (born between 1947 and 1949, employed population around 3 million) will start retiring in 2007 and subsequent years at the age of 60
Retirement pay alone is said to reach ¥50tn
→ First baby boomers transacting with Resona Bank 0.73 million (share to total first baby boomers 13.8%)

Measures to strengthen sales capability

✓ Distributor model

Procure best products from outside the Group regardless of any Keiretsu



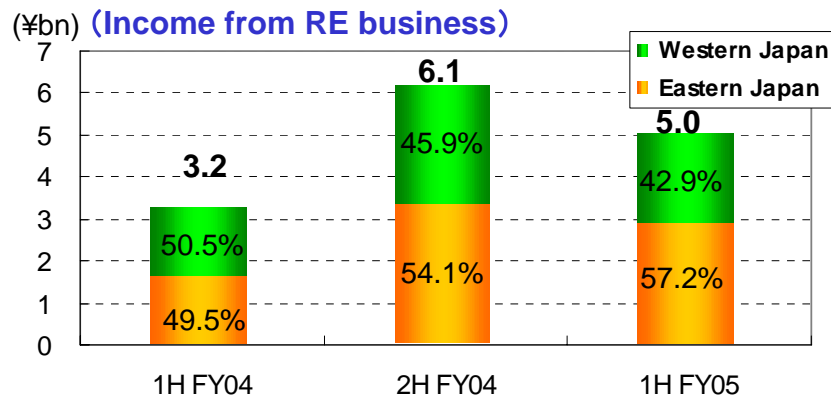
✓ Personnel for consulting-based marketing

- Fund management consultants (Those having experience in securities and insurance companies) 212 staffs (Sep 04) → 345 staffs (Sep 05)
- Counter consultants (in-house qualification) 145 staffs (Sep 04) → 594 staffs (Sep 05)
- Development of education program to raise professional staff OJT program, etc.

Fee business: (2) Real estate business, corporate pension business

Real estate business

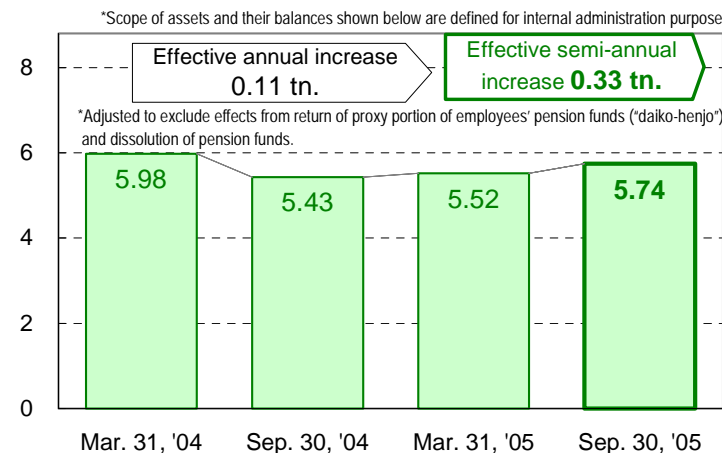
- ✓ **1H FY2005 Income from RE business ¥5.0bn**
(Up ¥1.0bn from plan target, Up ¥1.8bn from 1H FY2004)
Highest profits achieved in the past 10 years
- ✓ **Shifted office licenses to Tokyo Metropolitan Area**
 - (2H FY2003) 30 office licenses are shifted to TMA [Licensed office]
Eastern Japan 57 (of which TMA 56), Western Japan 47
 - Capturing more transactions in Eastern Japan market
(Exploring the former Asahi Bank's market)



- ✓ **Strengthened staff members of RE business division**
 - Added 25 staffs (sale promotion) in 2H FY04 and 1H FY05
 - Of which, 13 members are recruited from real estate sector
- ✓ **Diversifying income source**
 - Securitization business
 - Equity investments in real estate fund
 - Expand the size of own real estate fund

Corporate pension business

[Corporate pension entrusted to Resona Trust]



- ✓ **Daiko-henjo is ending, and fund dissolution declining**
[Number of *Daiko-henjo*] (Employees' pension fund)
FY2003 203 cases, FY2004 438 cases, 1H FY2005 95 cases
[Fund dissolution] (Employees' pension fund)
FY2003 92 cases, FY2004 81 cases, 1H FY2005 19 cases
- ✓ **Share of lead manager positions for Jointly established multi-company funds (JEMF) : 24%**
 - Maintained No.1 share among trust banks and insurance companies

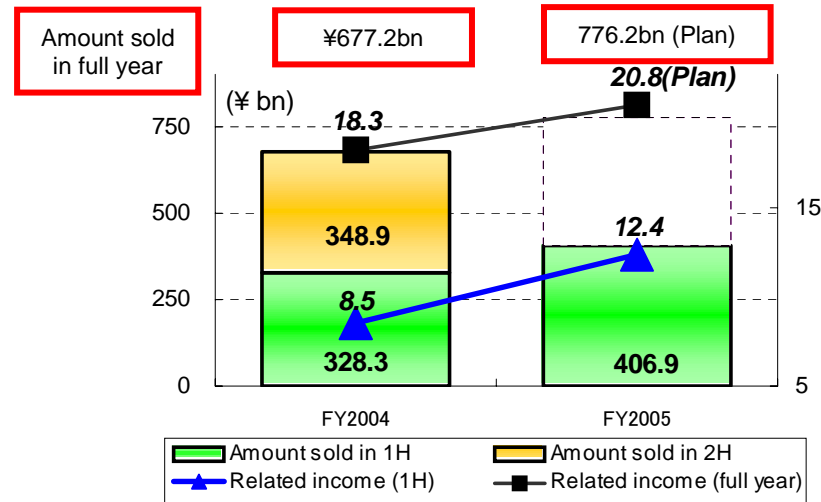
[Future strategy]

- ✓ **Abolition of tax-qualified pension fund (2012) and shift to new defined benefit plan**
 - Retain customers by giving advice on transition to new plan
 - Actively promote new DB-type plan

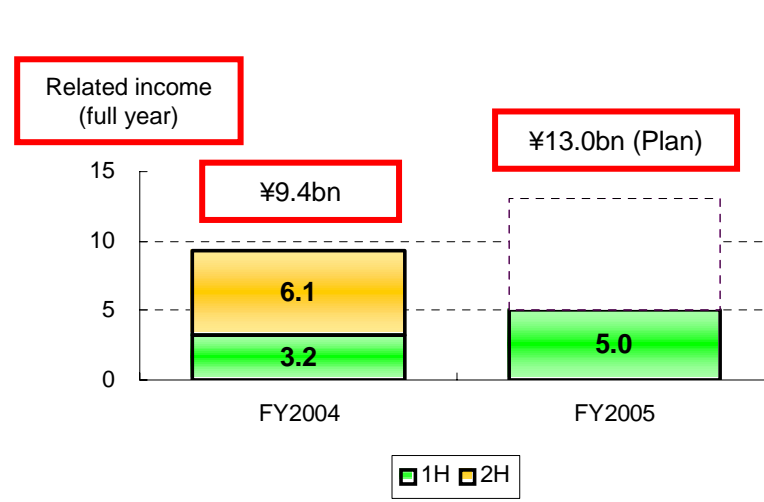
Trend of fee income

Each business maintained growth momentum

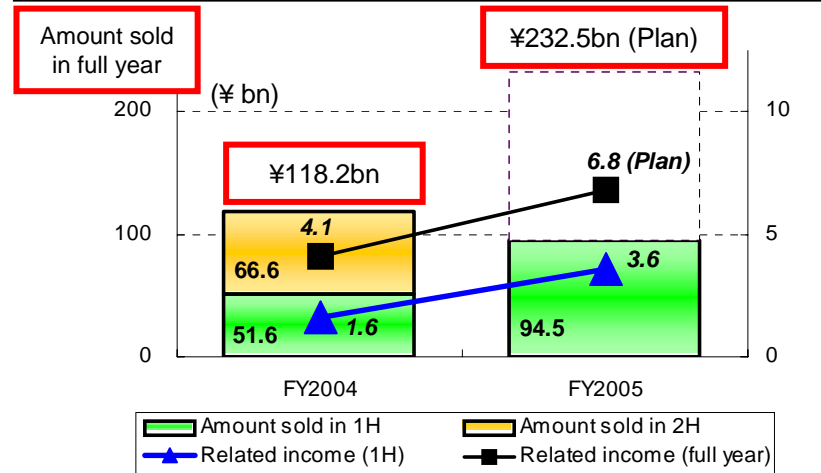
Sales of investment trust (Total of group banks)



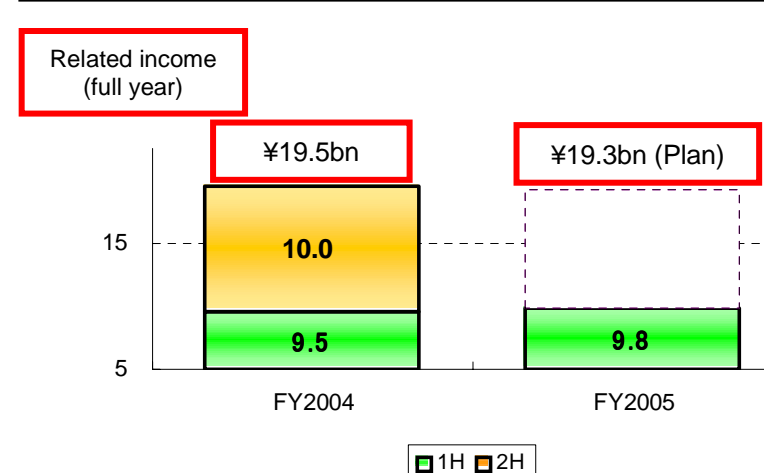
Real estate business (Resona Bank)



Sales of personal annuity (Total of group banks)

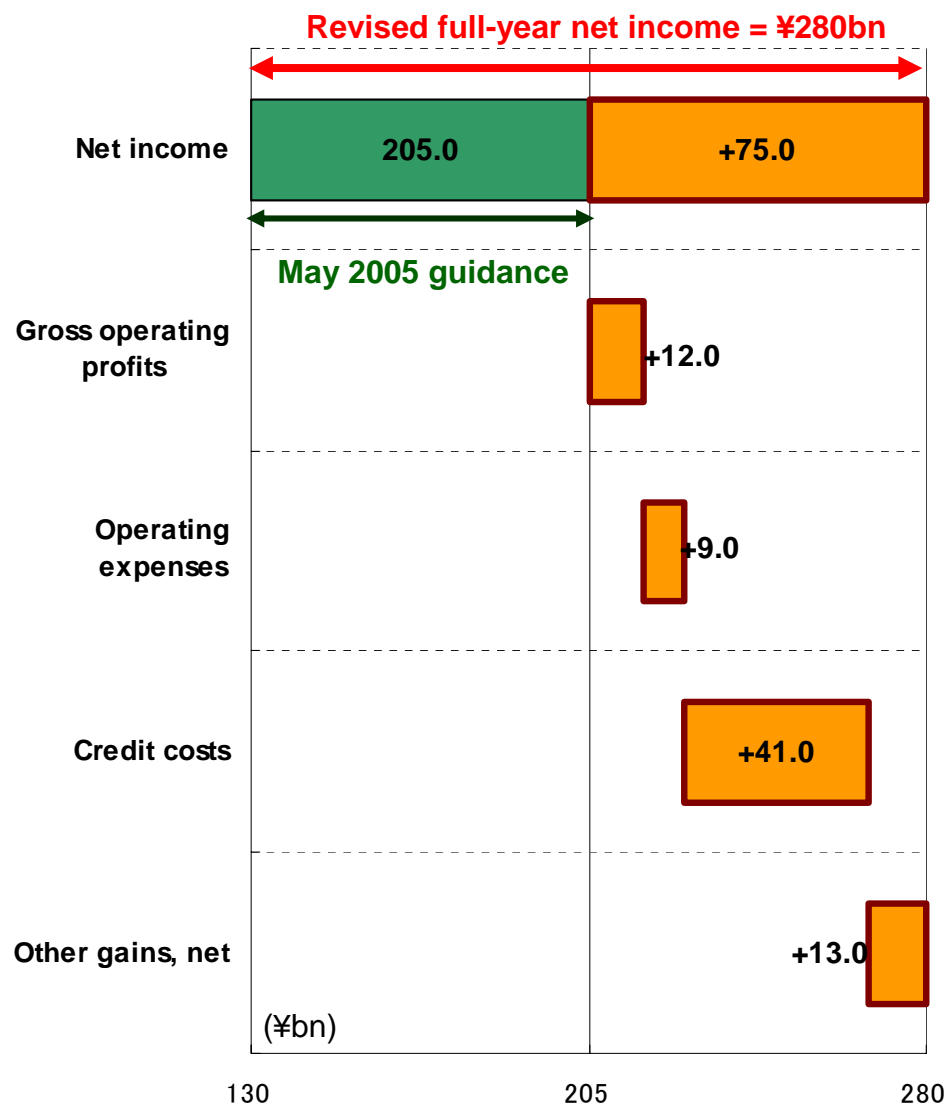


Corporate pension business (Resona Trust)



New full-year forecasts for FY2005 (Total of group banks)

Projection of full-year net income for FY2005 was revised upward from ¥205bn to ¥280bn



✓ [Gross operating profits]

Up ¥12.0bn from May 2005 guidance

Non-interest income from sale of investment trusts and other sources are in good shape and make up for the decline in interest income. Also, bond income in the 1H was strong. Due to these factors, full-year forecast is revised upward by ¥12.0bn

✓ [Operating expenses]

Down ¥9.0bn from May 2005 guidance

Operating expenses in 1H was ¥15.8bn lower than the initial guidance. Certain expenses for strengthening marketing capabilities reflected in the initial guidance were postponed to the 2nd half. All of these factors included, operating expenses are projected to be ¥9.0bn lower than the May2005 guidance

✓ [Credit costs]

Down ¥41bn from May 2005 guidance

Initial full-year guidance of ¥71bn was revised to ¥30bn.
 [1H] Initial projection ¥37.0bn, Actual ¥11.8bn
 [2H] Initial projection ¥34.0bn, New projection ¥18.0bn

✓ [Other gains, net]

Up ¥13.0bn from May 2005 guidance

Resona Bank posted gains of ¥28.5bn from the sale of preferred stocks it acquired through DE swaps in the past and other transactions. Gains from other sources combined account for the increase of ¥13.0bn

Resona Group at Glance

Steadily Strengthening Earnings Momentum

Business Infrastructure Developments for Further Growth

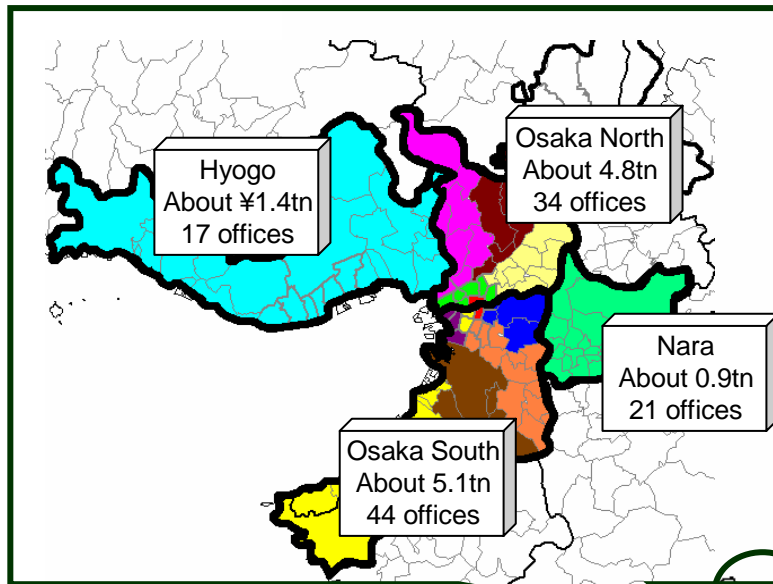
Capital Policy for Early Repayments of Public Funds

[Reference Material]

Optimization of Area Management System (Resona Bank)

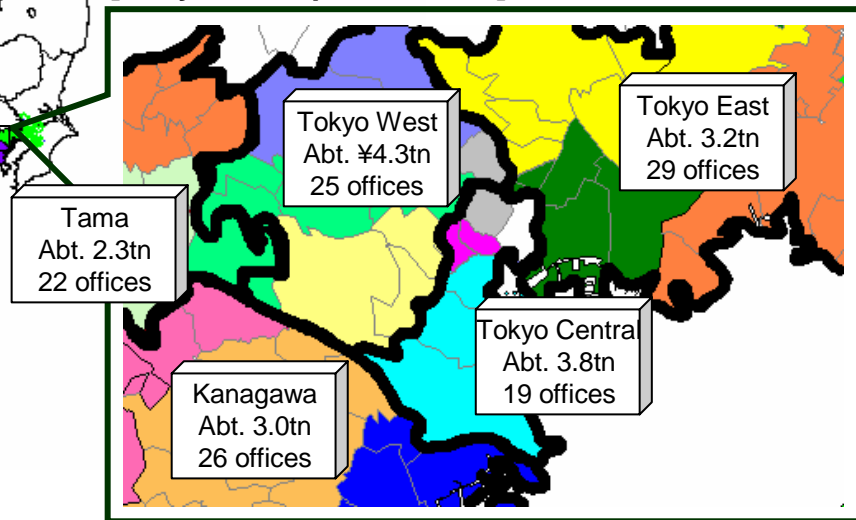
Resona Bank concentrates its area marketing units into 9 areas and 3 regional HQs from Apr. 2006

[Kansai Region] 12 Areas → 4 Areas



- * Solid lines represent newly defined areas (Different colors show present areas)
- * Kyoto-Shiga, Tokai and Kyushu areas will become regional HQs from April 2006
- * Amounts shown are sum of total deposits and total loans (average bal. in Mar. 2005)
- * Number of offices include those of Nara Bank

[Tokyo Metropolitan Area] 15 Areas → 5 Areas

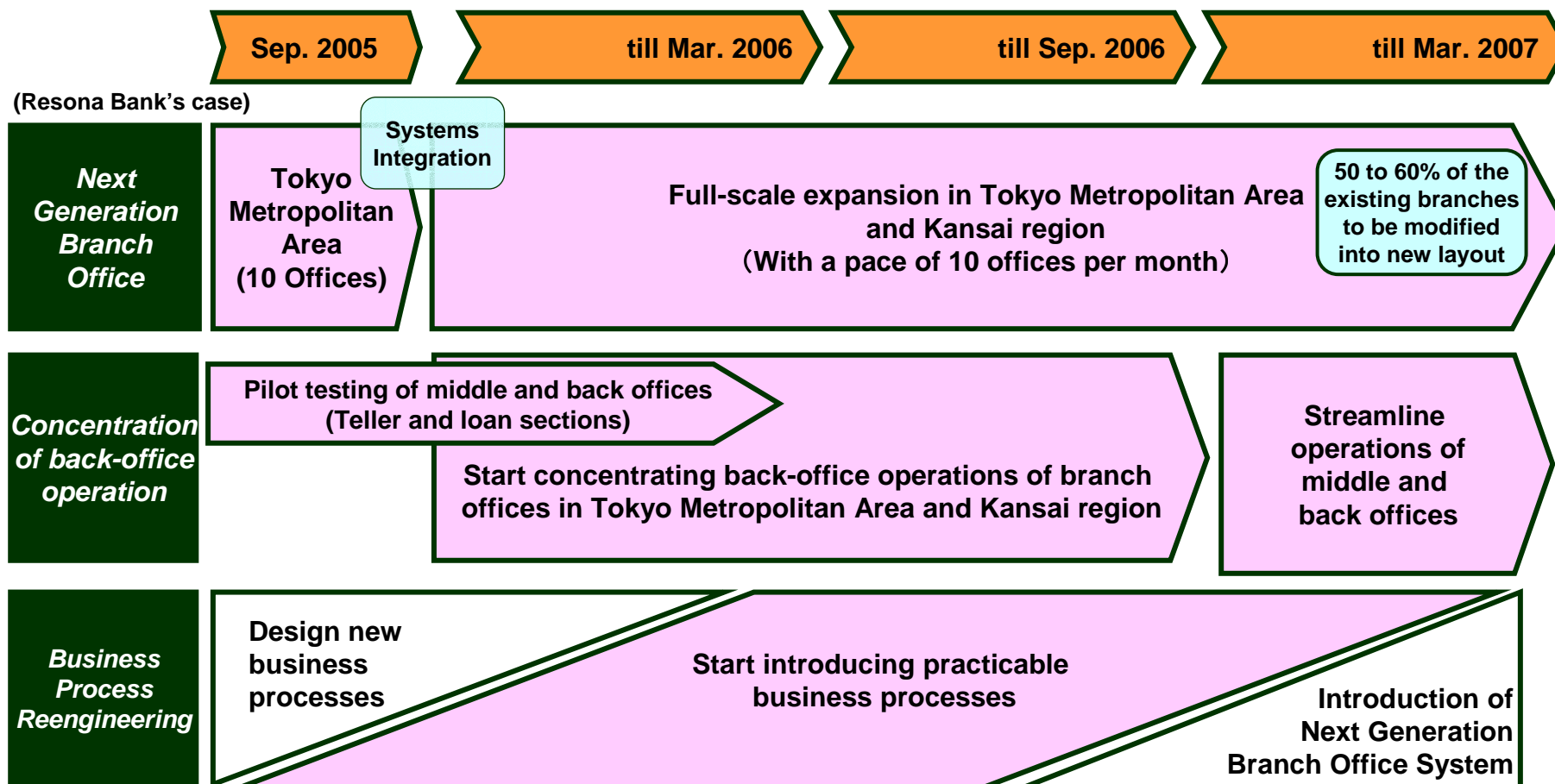


Business infrastructure developments:

(1) Accelerating introduction of next-generation branch offices

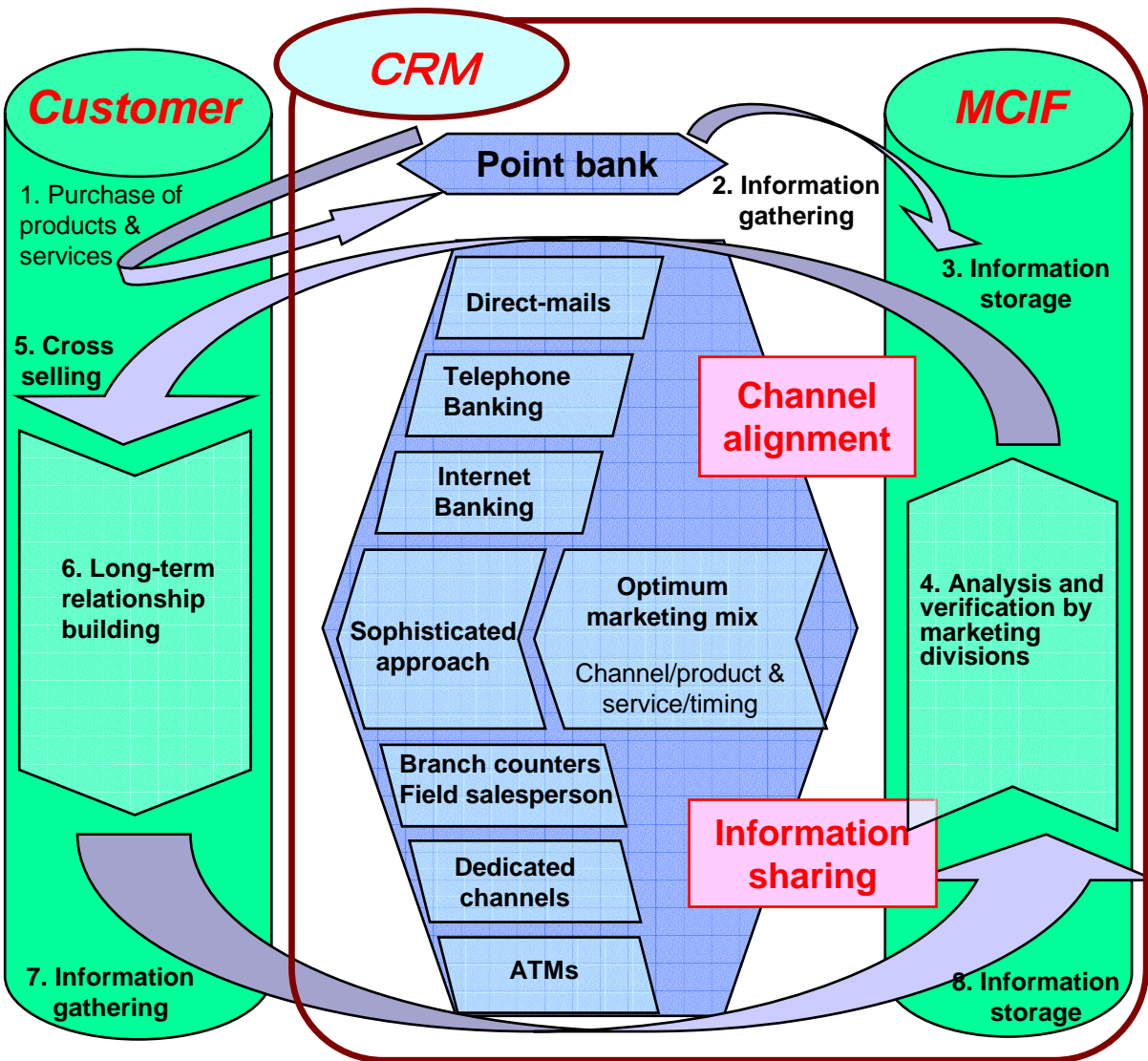
Start full-scale introduction of next-generation branch offices to bring down operation costs

- ✓ Start full-scale introduction in the Tokyo Metropolitan Area and Kansai region
- ✓ Integrating back-office operations of branch offices one by one starting from the offices where layout changes are completed



Business infrastructure developments: (2) Introduction of CRM system

Outline of CRM System



Major Functions

- ✓ **Information sharing**
 - Displaying customer information
 - Storing and viewing transaction history
- ✓ **Channel alignments**
 - Above information and functions accessible from branch offices and call centers
- ✓ **Assistance to sales activities**
 - Displaying recommended products
 - Management of in-process transaction

Schedule

- [Introduction to branch offices]**
- ✓ **Progress up to September 2005**
 - Resona Bank: 20 branches
 - Saitama Resona Bank: 30 branches
 - ✓ **Following completion of systems integration, new CRM system will have been introduced to every branch by the end March 2006.**
- [Channel alignment]**
- ✓ **As of September 2005, branches and call centers can access to new CRM system**
 - ✓ **Accessibility will be expanded to ATMs and internet banking system**

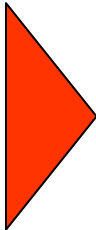
Business infrastructure developments: (3) Service reform

Reforming services to become a bank that makes the best impression on customers

To become a leading bank in the age of service quality competition

Concerning every interface points with customers (staff, products and services)

1. Prioritize customers' point of view
2. Staff at sales fronts initiate reforms
3. Act with a sense of speed



Best Impression Bank



Maximization of profits and corporate value

Services Improvement Division
(April 2005)

Sharing and effective utilization of VOC
Infiltration of hospitality

Resona VOC
(Voice of Customer)

Originally developed HR development programs

- Sharing voices of customers and sales people
- Service Reform Committee implements specific measures to respond to such voices
- Customer satisfaction improved greatly in the past two years

- Hospitality training program (CS advisers visit branch offices)
- Training program for lobby concierge
- Service master awards
- GMs workshop

Business infrastructure developments: (4) Business alliances

[New Alliances in FY 2005] (*Underlined Italics parts*)

- ✓ Tie-up with IDU for internet-based auction for collection of delinquent housing loans
- ✓ Tie-up with JR East for mutual open-of ATMs, royalty points exchange and new multi-function cards
- ✓ Royalty points exchange program with 12 well-known companies (Start in April 2006)

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, The Dai-ichi Mutual Life Co.
	Real estate auction	<u>IDU</u>
Convenience	Credit card Network	Credit Saison IY Bank, Lawson, <u>JR East</u>
	Royalty points exchange, etc.	<u>IY Card Service, NTT Docomo, CCC, JTB, Joshin, Cecile, Takashimaya, JR East, JAL International, Yodobashi Camera, Rakuten</u>
Products & services 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, etc.

Business infrastructure developments:

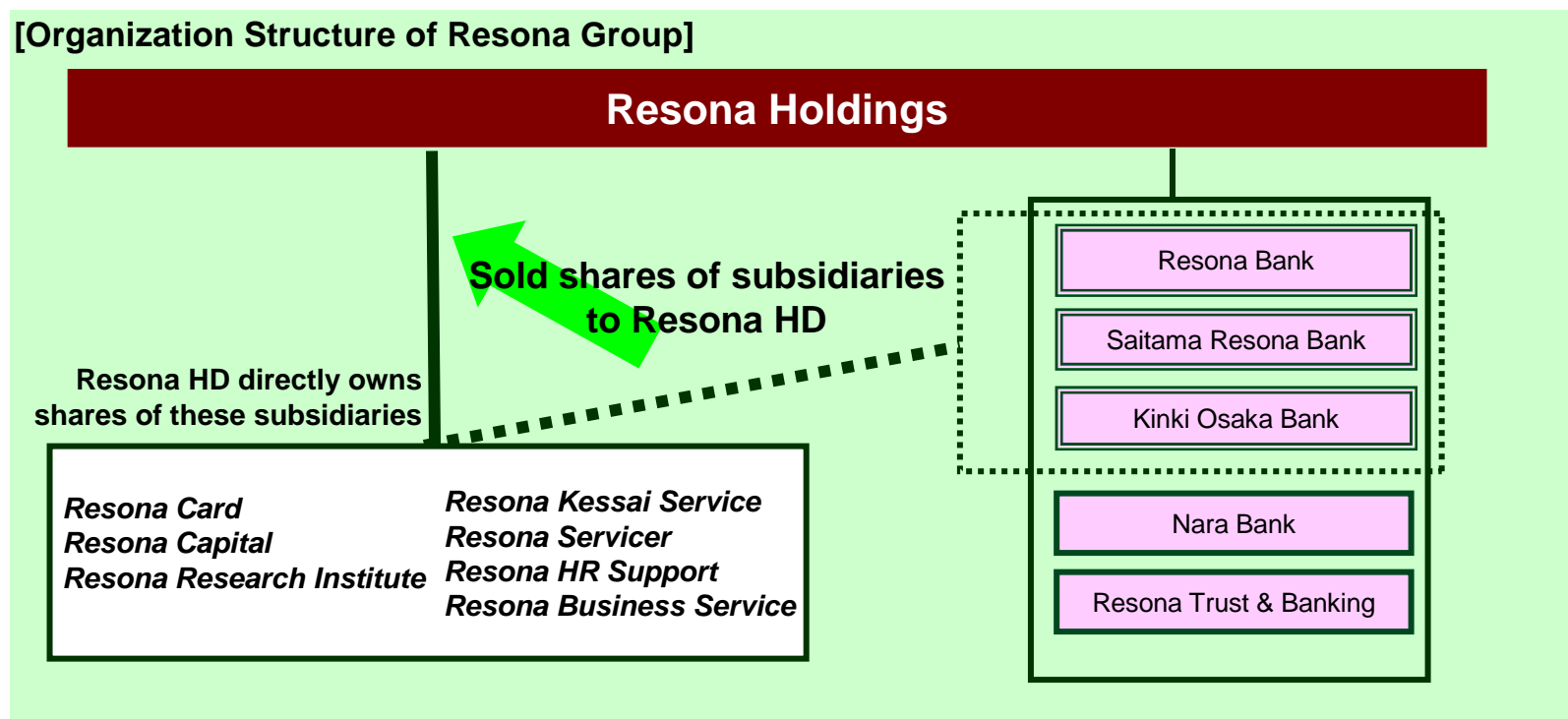
(5) Optimization of corporate structure

Planned merger between subsidiary banks

- ✓ Resona Bank and Nara Bank plan to merge in January 2006
- ✓ Both banks will integrate their systems at the same time with the merger
- ✓ Nara bank's operation will be integrated into the Nara regional HQ of Resona Bank

Strategic subsidiaries repositioned as direct subsidiaries of Resona Holdings

- ✓ Strategic subsidiaries clearly repositioned as common platform for the entire group by making them direct subsidiaries under the holding company



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Restart of financing in capital markets expanded available options

Significant improvements in credits enabled restart of large-scale financing in capital markets

- ✓ Financing via capital securities in 9 months to September 2005 **ranked top level globally**
- ✓ **The first T1 qualifying securities** ever issued by Japanese banks under new regulation



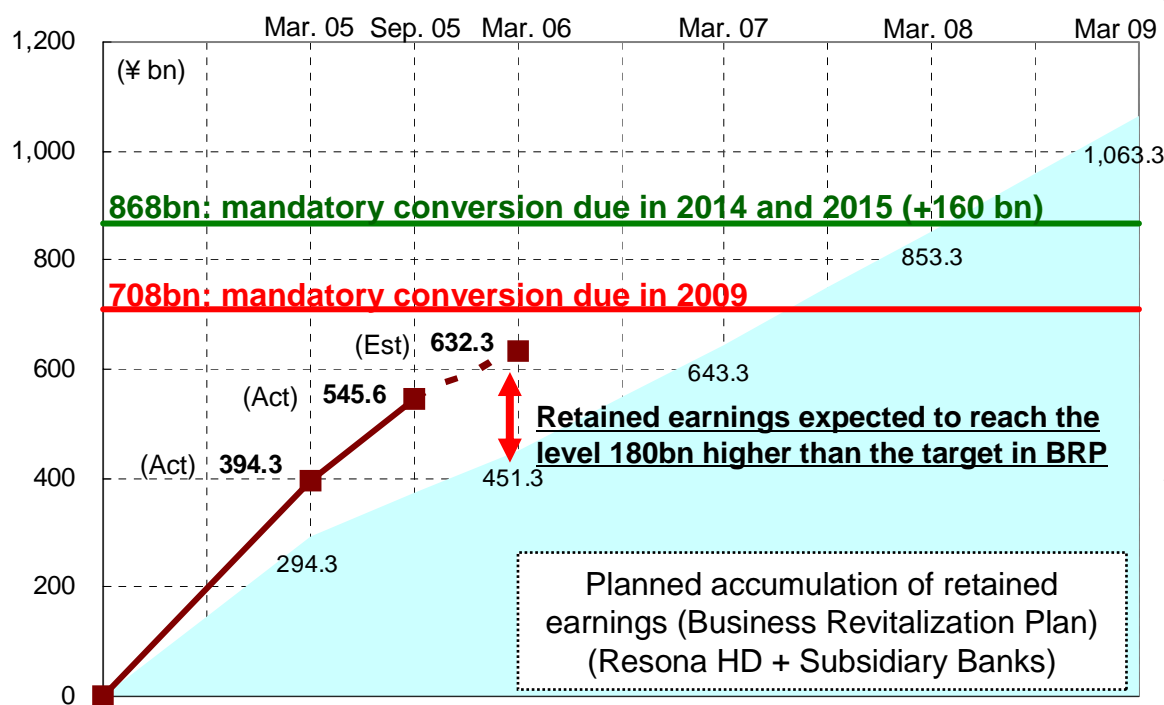
Expanded capital policy options including start of large-scale repayments of public funds

- ✓ **Active control of capital costs**
Redeemed extant T1 preferred securities utilizing the proceeds from new T1 financing and strengthened retained earnings due to stronger earnings momentum
- ✓ **Commenced large-scale repayments of public funds**
Repaid ¥200bn of subordinated loans utilizing the proceeds from new UT2 financing

Exit policy on public funds

(Billions of Yen)	Date of Mandatory Conversion	Sep.30, 2005 (A)	Oct.31, 2005 (B)	Amount Repaid (B) - (A)	Governing Law
Preferred stock		2,531.5	2,531.5	0.0	
Class B No.1	Apr. 1, 2009	408.0	408.0	0.0	Early Strengthening Law
Class C No.1	Apr. 1, 2015	60.0	60.0	0.0	
Class E No.1	Dec. 1, 2009	300.0	300.0	0.0	
Class F No.1	Dec. 1, 2014	100.0	100.0	0.0	
Class one No.1	Not attached	550.0	550.0	0.0	Deposit Insurance Law
Class two No.1	Not attached	563.5	563.5	0.0	
Class three No.	Not attached	550.0	550.0	0.0	
Common stock	Not attached	296.4	293.7	(2.7)	
Subordinated loans	Perpetual @100bn X 3	300.0	100.0	(200.0)	Stabilization Law Early Strengthening Law
Total		3,128.0	2,925.2	(202.7)	

- ✓ Resumed large-scale financing in capital markets and repaid ¥200bn of subordinated loans utilizing the proceeds from the new UT2 financing
- ✓ First priority is to redeem the ¥868bn with a mandatory conversion feature (issued under the Early Strengthening Law) by accumulating sufficient retained earnings so as not to cause dilution from large-scale conversion



- ✓ Based on the revised full-year earnings estimate, retained earnings is expected to reach the level more than ¥180bn higher than the target in the BRP
→ Accumulation almost 1 year ahead of BRP

If we attain the forecasted earnings for this full-year period, we'll be able to secure the level of retained earnings equivalent to 90% of the ¥708bn, which comes due for mandatory conversion in 2009, by the end of March 2006.

- ✓ Basically a similar approach with respect to the ¥1,663.5bn of preferred stocks issued under the Deposit Insurance Law. We will further accelerate the pace of accumulation by implementing such measures that enhance profitability further

Resona Group at Glance

Steadily Strengthening Earnings Momentum

Business Infrastructure Developments for Further Growth

Capital Policy for Early Repayments of Public Funds

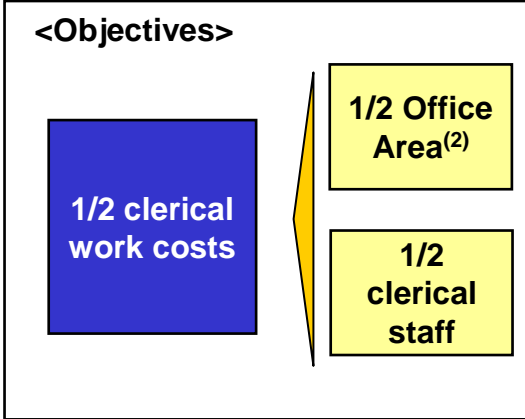
[Reference Material]

Reform of branch offices

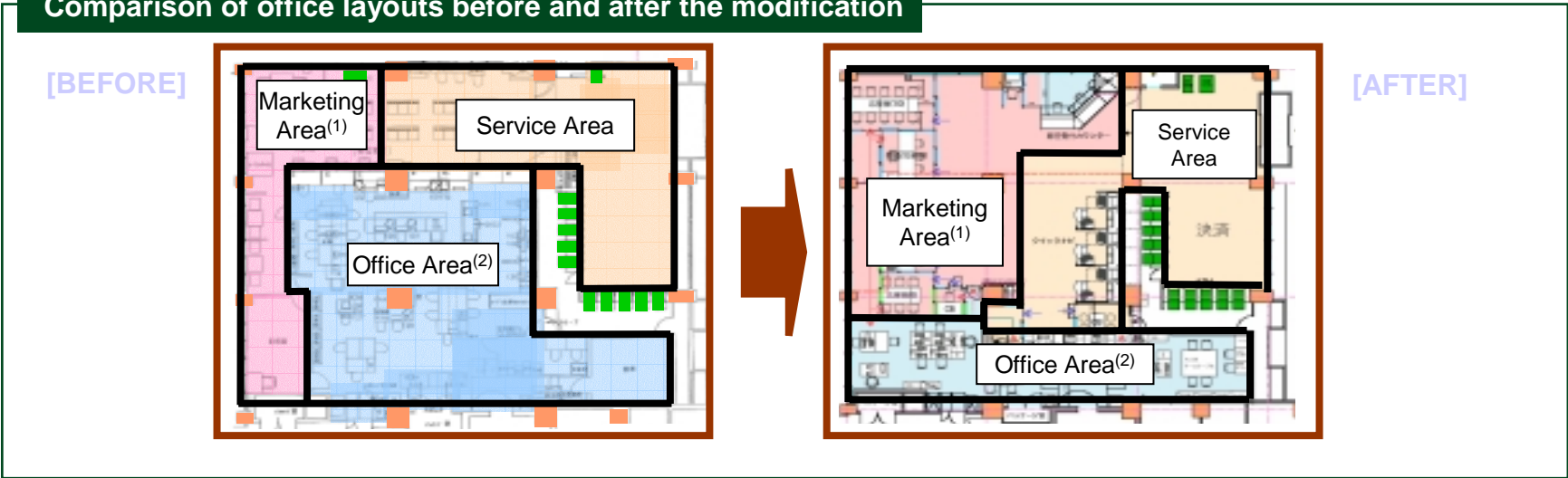
Business Processing Reformation (BPR)⁽¹⁾ in branch offices

- 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



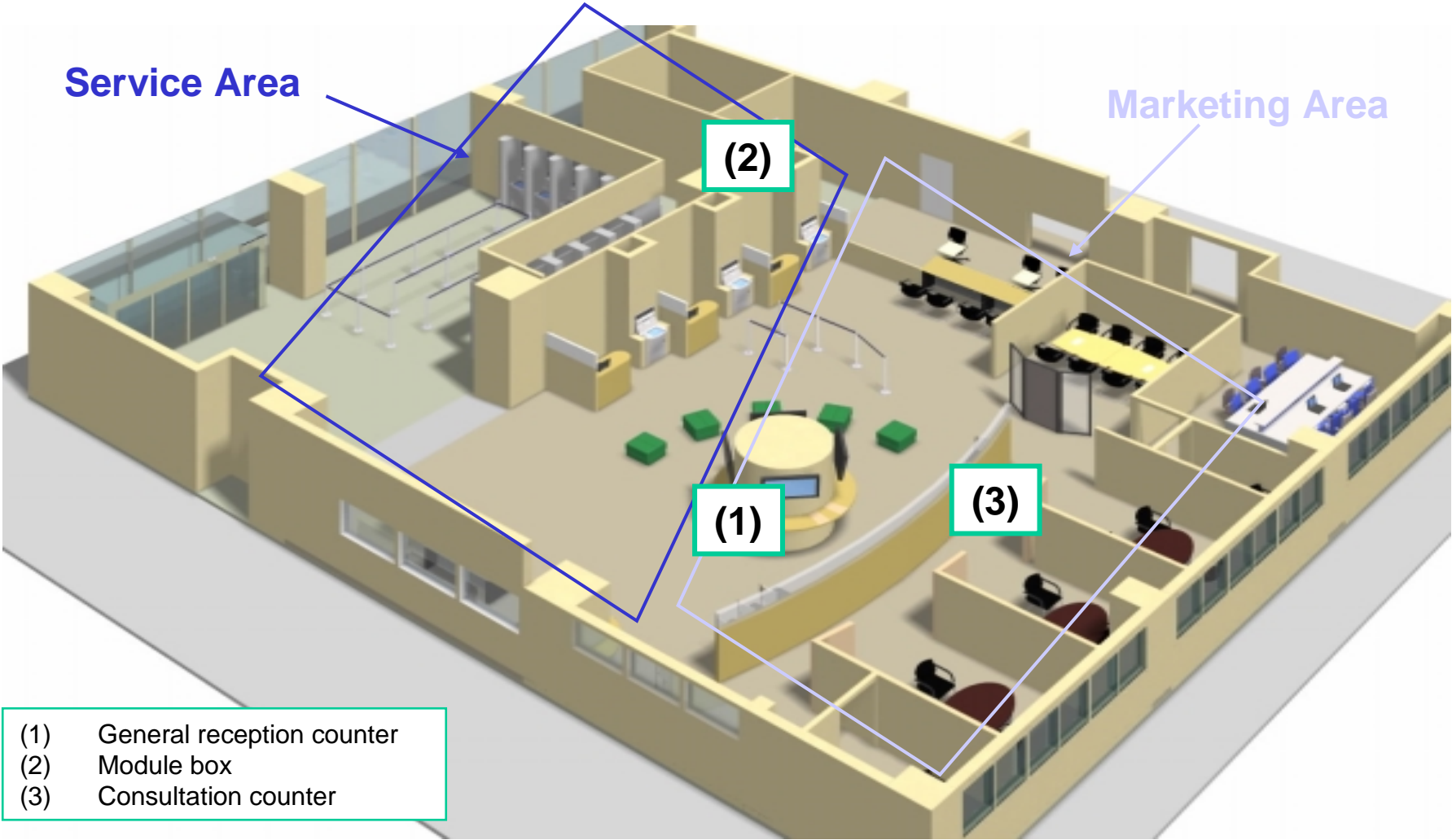
Comparison of office layouts before and after the modification



(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)

Business process reengineering in branch offices (1)

Layout image of pilot office



Business process reengineering in branch offices (2)

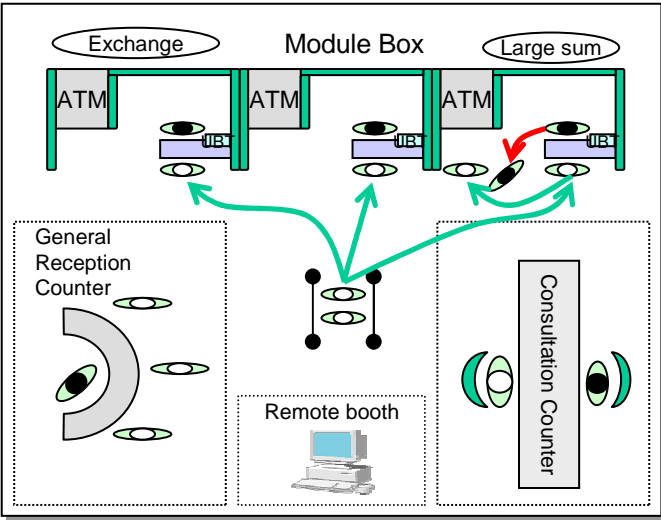
Layout image of pilot office

(1) General reception counter



(2) Module box

* Application for a business model patent submitted



(3) Consultation counter



Earnings plan (Business Revitalization Plan)

(Total of Five Banks)

	FY2003	FY2004	FY2005	FY2006	FY2007
(Billions of Yen)	(Actual)	(Actual)	(Plan)	(Plan)	(Plan)
Gross operating profit	672.7	709.7	666.0	692.0	718.0
Trust fees	32.7	35.1	35.0	34.0	34.0
NPL disposal in trust account	4.4	1.1	0.0	0.0	0.0
Interest income	629.4	613.0	597.0	608.0	629.0
Interest expense	85.2	74.9	73.0	66.0	63.0
Net fees & commissions	71.5	72.3	69.0	73.0	78.0
Net trading income	21.8	21.9	22.0	24.0	24.0
Other operating income	2.3	42.1	16.0	19.0	16.0
Gains/(losses) on bonds	(6.6)	17.3	0.0	0.0	0.0
Actual net operating profit *	260.3	365.2	292.0	328.0	354.0
Net operating profit	275.3	366.5	292.0	328.0	354.0
Provision to general reserve	(19.4)	(2.4)	0.0	0.0	0.0
Expenses	416.8	345.6	374.0	364.0	364.0
Personnel expense	123.7	111.1	122.0	121.0	121.0
Non-personnel expenses	267.3	213.5	230.0	221.0	221.0
Disposal of NPL	1,343.4	53.6	76.0	74.0	74.0
Net gain/(loss) on stocks	(19.9)	45.1	0.0	0.0	0.0
Ordinary profit/(loss)	(1,152.7)	317.2	196.0	236.0	262.0
Extraordinary gains	36.4	130.6	0.0	0.0	0.0
Extraordinary losses	215.5	55.6	2.0	7.0	1.0
Income taxes - current	6.5	6.7	10.0	10.0	24.0
Income taxes - deferred	354.5	(0.9)			
Net income/(loss)	(1,692.7)	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	FY2005	FY2006	FY2007
(Billions of Yen)	(Actual)	(Actual)	(Plan)	(Plan)	(Plan)
Total assets (Note.1)	43,354.2	41,565.6	41,180.0	40,800.0	40,640.0
Loans and bills discounted	27,261.4	25,532.7	26,620.0	27,490.0	28,500.0
Securities	7,031.1	7,549.9	7,370.0	6,680.0	6,000.0
Trading assets	534.6	774.0	980.0	980.0	980.0
DTA (term-end bal.)	51.1	46.8	40.8	37.8	21.9
Total liabilities (Note.1)	41,485.2	40,566.0	40,060.0	39,710.0	39,540.0
Deposits and NCDs	33,074.1	32,939.6	32,630.0	32,720.0	33,000.0
Trading liabilities	11.0	9.0	12.0	12.0	12.0
DTL for land revaluation (term-end bal.)	45.7	46.2	45.5	45.5	45.5
Total shareholders' equity	1,130.2	1,509.2	1,328.6	1,364.0	1,382.0
Capital stock	384.7	404.7	404.7	404.7	404.7
Capital reserve	416.3	433.8	433.8	433.8	433.8
Other capital surplus	1,777.0	88.7	88.7	88.7	88.7
Earned surplus reserve	20.0	20.0	20.0	20.0	20.0
Retained earnings (Note 2)	(1,675.6)	349.8	184.8	220.2	238.2
Land revaluation excess	66.8	64.3	66.6	66.6	66.6
Net unrealized gains/(losses) on other securities	140.9	147.6	130.1	130.1	130.1
(Management Indicators) (Note.3)					
Yield on interest earning assets (A)	1.66	1.67	1.62	1.66	1.73
Interest earned on loans and bills discounted	2.06	2.04	1.98	1.96	1.97
Interest on securities	0.79	0.94	0.77	0.85	0.94
Total cost of funding (B)	1.24	1.06	1.15	1.12	1.11
Interest paid on deposits and NCDs (D)	0.11	0.10	0.09	0.08	0.07
Overall interest spread (A) - (B)	0.41	0.61	0.47	0.54	0.61
Cost-to-income ratio (OHR)	61.56	48.61	56.15	52.60	50.69

Preferred stocks issued under the Early Strengthening Law

	Class B Preferred Stock	Class C Preferred Stock	Class E Preferred Stock	Class F Preferred Stock
Original issuer and name of securities	Daiwa Bank Class B Series 1	Kinki Osaka Bank Series 1	Asahi Bank Series 1 Class 2	Asahi Bank Series 2 Class 2
Original issue date	3/31/1999	4/26/2001	3/31/1999	3/31/1999
Current number of shares	680,000 shares	120,000 shares	240,000 shares	80,000 shares
Issue price per share	JPY 600,000	JPY 500,000	JPY 1,250,000	JPY 1,250,000
Original total amount of financing	JPY 408 Billion	JPY 60 Billion	JPY 300 Billion	JPY 100 Billion
Shareholders	RCC	RCC	RCC	RCC
Preferred dividend				
Dividend per share	JPY 6,360	JPY 6,800	JPY 14,380	JPY 18,500
Yield	1.06%	1.36%	1.1504%	1.48%
Conversion rate				
Convertible period	6/30/1999 3/31/2009	1/1/2002 3/31/2015	7/1/2002 11/30/2009	7/1/2003 11/30/2014
Determination of conversion	Rate	Price	Price	Price
Current conversion price	(JPY 210,011)	JPY 381,600	JPY 359,700	JPY 359,700
Current conversion rate	2.857	(1.310)	(3.475)	(3.475)
Adjustment of conversion rate				
Adjustment date	6/30	1/1	7/1	7/1
Adjustment direction	Upward/Downward	Upward/Downward	Upward/Downward	Upward/Downward
Cap rate	3.429	(2.999)	(3.475)	(3.475)
Floor rate	-	-	-	-
Cap price	-	-	-	-
Floor price	(JPY 174,978)	JPY 166,700	JPY 359,700	JPY 359,700
Start of market price calculation	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
Mandatory conversion				
Mandatory conversion date	4/1/2009	4/1/2015	12/1/2009	12/1/2014
Conversion rate	JPY 600,000/Market Price	JPY 500,000/Market Price	JPY 1,250,000/Market Price	JPY 1,250,000/Market Price
Start of market price calculation	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
Floor price	JPY 100,000	JPY 166,700	JPY 359,800	JPY 359,800

Preferred stocks issued under the Deposit Insurance Law

	Class 1 Series 1 Preferred Stock	Class 2 Series 1 Preferred Stock	Class 3 Series 1 Preferred Stock
Voting right	Granted	Granted	Granted
Original total amount of financing	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 200,000	JPY 200,000	JPY 200,000
Current number of shares	2,750,000 shares	2,817,808 shares	2,750,000 shares
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 28,000	JPY 20,000	JPY 17,000

Royalty point exchange service: “Resona Club” and “Saitama Resona Club”

Tied-up with various companies and announced a new royalty points exchange services

- ✓ Resona Bank and Saitama Resona Bank commence new royalty point exchange services, “Resona Club” and “Saitama Resona Club” from April 2006
- ✓ Resona Bank and Saitama Resona Bank tied up with 12 and 6 companies, respectively, to start the service

Royal customers utilizing multiple Resona’s products and services such as deposits, loans, transfers, credit card, etc. will be upgraded to higher stage in the Resona Point Bank

Certain Resona Club and Saitama Resona Club points will be added every month depending on the stage in Resona Point Bank

Accumulated points are transferable to other partners’ royalty point program



Financial Results for the First Half of FY 2005

I. Financial Highlights for the 1st Half of Fiscal Year 2005

Net interim income was 174.3 billion yen.

- Net interim income declined from the same period previous year, but exceeded the initial guidance (announced in May 2005) by 64.3 bn.
- Steady growth in non-interest income (trust fees + fees and commission income)
- First half of fiscal 2005: 84.9 bn. (10.3 bn. higher than first half of fiscal 2004)

Combined earned surplus (Resona HD + its subsidiary banks) at end of March 2006 is expected to be 180 bn. higher than the target in the Business Revitalization Plan (BRP).

- Combined earned surplus at end of March 2005 (actual) was 100 bn. higher than the target in the BRP.
- It is expected that Resona HD and its subsidiary bank can add up additional 80bn. on top of the target amount in the BRP for this fiscal year.

Commenced financing in the capital markets and repayments of public funds.

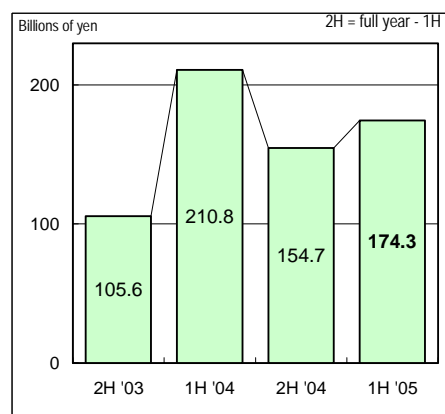
- September 2005: issuance of perpetual subordinated bonds (Euros 0.8 bn. and U.S.\$ 1.3 billion)
- => Up to present, repaid 200 bn. of subordinated loans borrowed from the government
- July 2005: issuance of preferred securities (US\$ 1.15 bn.)
- => Redeemed 264.2 bn. of the extant preferred securities before their maturities

Loan balance on a group consolidated basis hit the bottom and increased 23.6 bn. in the first half of fiscal 2005.

- Saitama Resona Bank + 143.2 bn., Kinki Osaka Bank +9.2 bn.
- Resona Bank -205.0 bn. (loans in the former "Revival" account: -130.0 bn., loans to Resona Holdings: -70.0 bn.)

[Assets]		[Liabilities]	
Loans		Deposits and investment products for individuals	
Loans outstanding (Group consolidated) 25.33 tn.	Increase of 0.02 tn. in six months refer to page 6	Outstanding of investment products sold: 2.16 tn.	Increase of 0.44 tn. in six months +2.2%
Housing loans (Group banks total) 10.35 tn.	Increase of 0.30 tn. in six months refer to page 7	Ratio of investment products sold to balance of deposits: 10.9% refer to page 7	
NPL ratio (Group banks total) 3.02%	Decrease of 0.37% in six months refer to page 5	Subordinated loans (public funds)	
Net unrealized gains on other securities (Group consolidated)		Repayment on Sep. 30: 100 bn.	Repayment on Oct. 3: 100 bn.
		Stockholders' equity and other	
Stocks: +294.1 bn.	Increase of 60.3 bn. in six months.	Preferred securities (Group consolidated)	
Bonds: -18.4 bn.	Reduction of 33.5 bn. in six months.	July 25: Procured US\$1.15 bn.	November 18: Redeemed 264.2 bn.
Deferred tax assets (Group consolidated)		Capital adequacy ratio (Group consolidated)	
Net DTA: 5.9 bn.	Decrease of 39.6 bn. in six months.	10.14%	+0.40% in six months
Ratio to Tier I: 0.4%	Decrease of 3.3% in six months.		

Net interim income of Resona Holdings (Consolidated)



Billions of yen	Resona Holdings (Consolidated)			Billions of yen	Resona Holdings (Non-consolidated)		
	1H FY '05 (actual)	change from 1H FY '04	change from initial projection*		1H FY '05 (actual)	change from 1H FY '04	change from initial projection*
Ordinary income	506.7	(26.2)	36.7	Ordinary income	222.8	196.6	2.8
Ordinary profit	179.8	(68.6)	59.8	Dividends received	217.2	196.6	
Net interim income	174.3	(36.5)	64.3	Net interim income	213.4	208.3	3.4

*As announced in May 2005

*As announced in May 2005

Billions of yen	Total of group banks		Resona Bank	Saitama	Kinki Osaka	Nara	Resona Trust
	1H FY '05 (actual)	change from 1H FY '04					
Actual net operating profit	179.0	(11.7)	121.7	34.8	16.4	0.3	5.6
Cost-to-income ratio (OHR) (after disposal of NPLs in the trust account)	47.8%	1.2%	46.5%	48.4%	53.5%	78.8%	46.6%
Income before income taxes	195.7	(16.5)	140.5	30.2	19.5	(0.2)	5.7

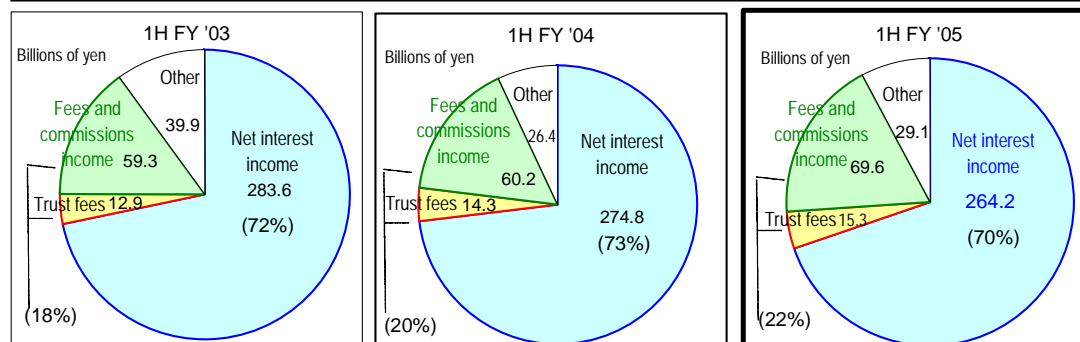
Financial Results for the First Half of FY 2005

II. Outline of Financial Results for the 1st Half of Fiscal Year 2005

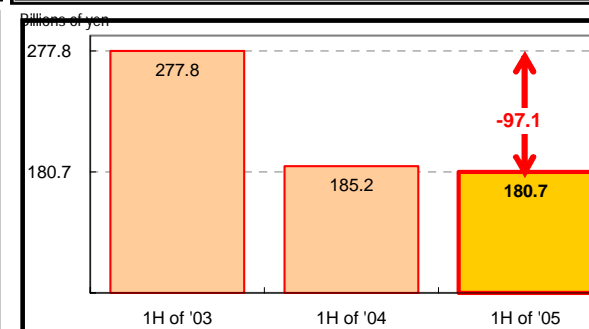
(Billions of yen)	Resona Holdings (consolidated)		Difference (a) - (b)	Total of five banks (non-consolidated basis)		Resona Bank	Saitama Resona Bank	Kinki Osaka Bank	Resona Trust & Banking	Factors accounting for difference (a) - (b) (Approx. figures)
	(a)	change from 1H FY '04		(b)	change from 1H FY '04					
Gross operating profit	378.3	2.4	35.0	343.3	(13.3)	227.8	67.6	35.3	10.6	
Net interest income	264.2	(10.5)	9.6	254.5	(25.4)	166.7	56.2	29.9	(0.0)	RC 5.0 bn, cancellation of interest payments for capital securities and other
Trust fees	15.3	0.9	-	15.3	0.9	3.9	-	-	11.4	
Fees and commissions income	69.6	9.4	25.2	44.4	8.4	31.5	10.5	3.0	(0.8)	RG 15.0 bn, RC 7.0 bn, RKS 1.0 bn and other
Other operating profit	29.1	2.6	0.1	28.9	2.6	25.6	0.8	2.3	-	
General & administrative expenses	180.7	(4.4)	10.9	169.7	(4.6)	110.5	33.4	19.3	4.9	RC 7.5 bn, RG and RKS 2.0 bn, and other
Gain/(loss) on stocks	25.8	(13.4)	(3.1)	28.9	(0.4)	28.5	0.3	0.0	-	Cancellation of sale profits -6.0 bn, RCP 1.5 bn, and other
Credit related expenses	21.9	28.1	10.0	11.8	29.6	9.8	4.8	(3.5)	-	RG 7.0 bn, RC 3.0 bn, and other
Other gain/(loss), net	2.1	16.9	(3.0)	5.1	22.1	4.4	0.4	0.0	0.0	Amortization of consolidation difference -3.5 bn, and other
Interim income/(loss) before income taxes	203.6	(17.7)	7.8	195.7	(16.5)	140.5	30.2	19.5	5.7	
Income taxes, current and deferred	29.3	18.7	7.7	21.6	14.1	4.8	14.9	(0.5)	2.3	Minority interests in net income 7.8 bn, and other
Net interim income	174.3	(36.5)	0.1	174.1	(30.7)	135.6	15.2	20.1	3.3	

RC: Resona Card, RG: Resona Guarantee, RKS: Resona Kessai Service, RCP: Resona Capital

Gross operating profit of Resona Holdings (consolidated)

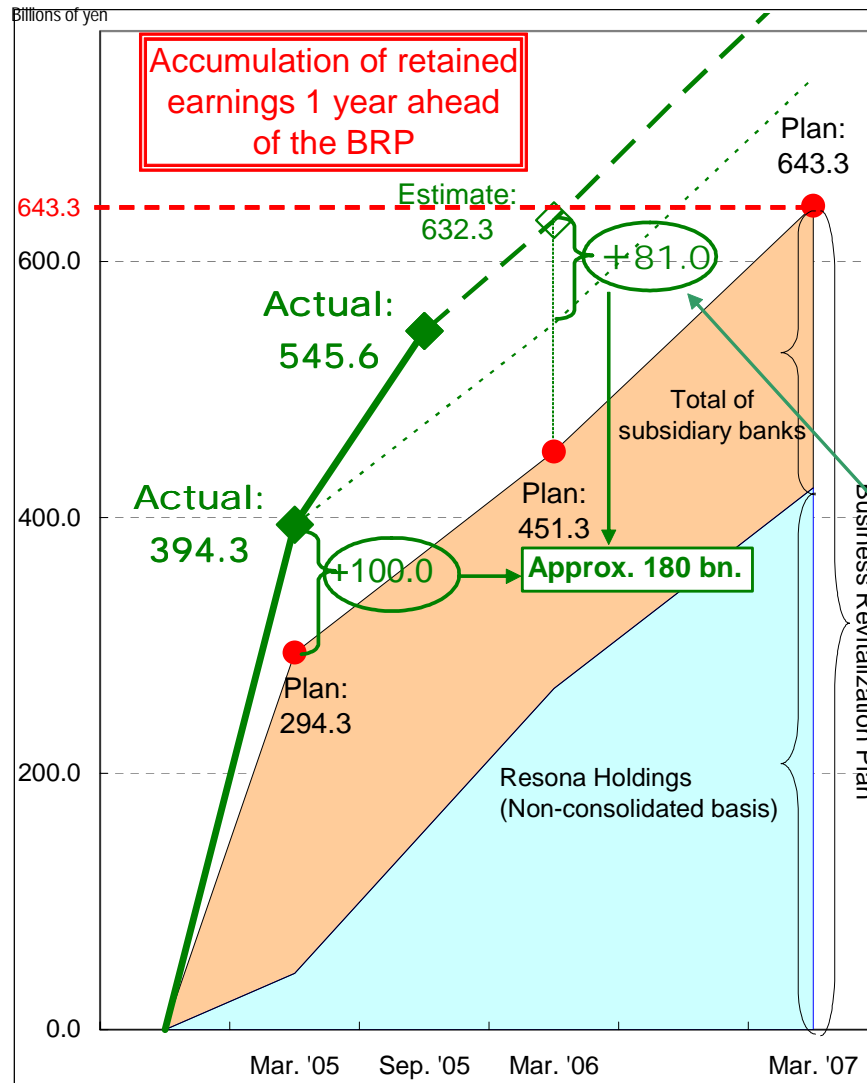


General & administrative expenses of Resona Holdings (consolidated)



Financial Results for the First Half of FY 2005

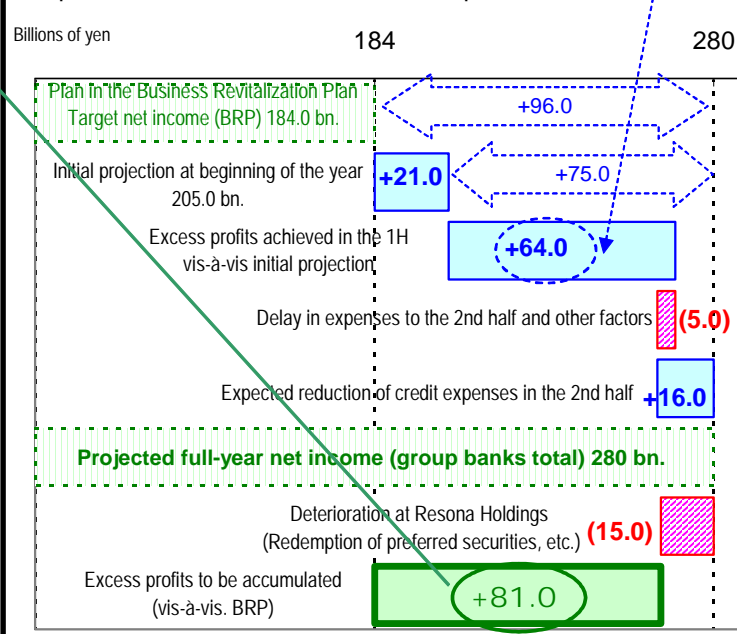
III. Total earned surplus (Total of Resona HD and its subsidiary banks)



Comparison of net interim income (actual result) and projection at beginning of the year

Billions of yen	Initial projection 110.0	Actual result 174.1
Net interim income	110.0	+64.1
Gross operating profit		+16.3
Operating expenses		+15.8
Credit expenses		+25.2
Others, net		+6.8

Expected level of combined earned surplus at the end of FY 2005



Financial Results for the First Half of FY 2005

IV. Capital Adequacy Ratio

(Billions of yen)	Mar. 31, '05 (1)	Sep. 30, '05 (2)	(2) - (1)
Resona HD's consolidated Tier I (a)	1,192.8	1,239.6	46.7
Capital stock and capital surplus	590.6	590.6	-
Preferred stock	2,537.8	2,537.8	(0.0)
Retained earnings	364.8	540.1	175.3
Other qualifying Tier I capital	237.3	108.7	(128.5)
Preferred securities	264.2	130.1	(134.0)
[Reference] Deferred tax assets (b)	45.5	5.9	(39.6)
Resona HD's consolidated Tier II	1,021.4	1,086.3	64.9
45% of unrealized gains on other securities	This item not applicable to domestic standard banks		
45% of the land revaluation gains *1	49.0	48.2	(0.7)
General reserve for possible loan losses *2	141.3	142.5	1.2
Subordinated debts	831.0	895.5	64.4
Public funds	300.0	* 200.0	(100.0)
Amount to be deducted	(10.8)	(10.9)	(0.0)
Resona HD's consolidated total qualifying capital	2,203.4	2,315.0	111.6
Resona HD's consolidated risk-adjusted assets	22,614.0	22,815.9	201.9
Resona HD's consolidated capital adequacy ratio	9.74%	10.14%	0.40%
Tier I ratio	5.27%	5.43%	0.16%
Ratio of DTA to qualifying Tier I (b)/(a)	3.81%	0.47%	-3.34%

* Repaid 100 bn. on October 3, 2005. (Remaining balance at present is 100 bn.)

*1 45% of the difference between land after revaluation and the book value immediately before revaluation

*2 Since the Japanese domestic capital adequacy standard is applicable to Resona group, maximum rate is 0.625% of the risk-adjusted assets.

(%, Billions of yen)	Resona (Consolidated)	Saitama Resona (Non-consolidated)	Kinki Osaka (Consolidated)	Nara (Non-consolidated)	Resona Trust (Non-consolidated)
Capital adequacy ratio	9.09%	8.38%	8.52%	6.42%	180.43%
Change from Mar. 31 '05	0.26%	+0.09%	+0.37%	-0.05%	+52.49%
Total qualifying capital	1,661.1	366.9	168.9	6.5	28.7
Qualifying Tier I capital	947.5	207.8	116.5	5.2	28.7
Ratio of DTA to Tier I capital*	0.37%	-	3.50%	-	0.76%
Deferred tax assets (DTA)	3.5	-	4.0	-	0.2

*DTA stated on the balance sheet / Qualifying Tier I capital

[Reference] Outline of the public funds

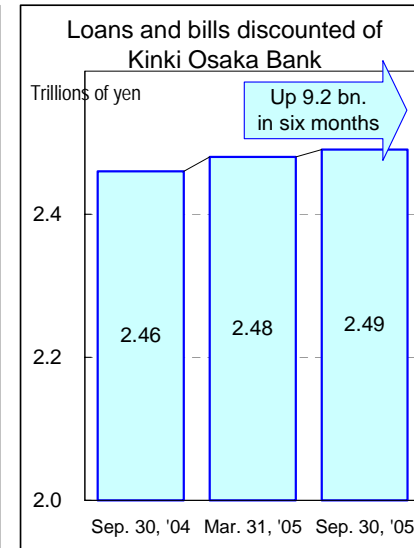
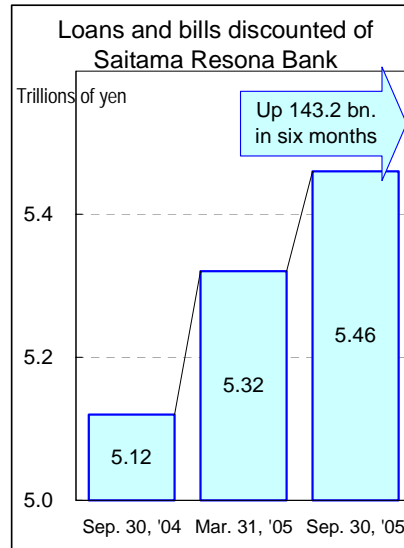
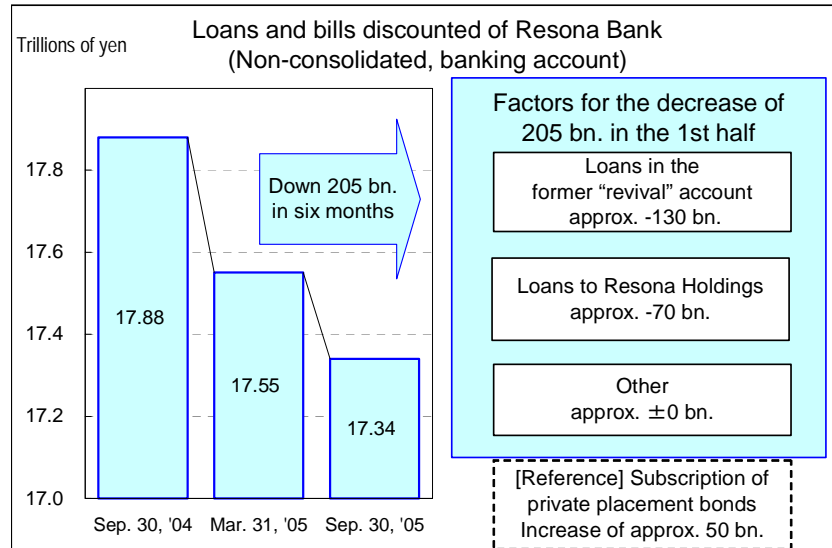
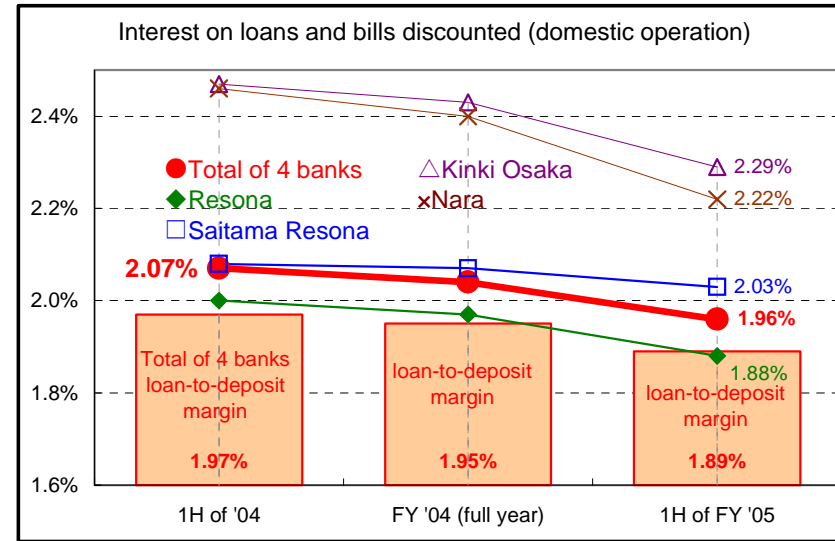
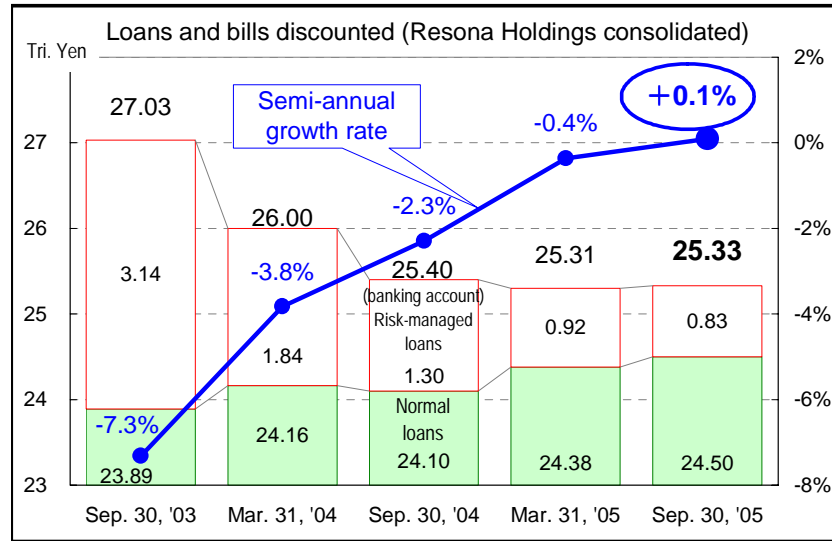
(Billions of yen)	Issue price per share *1	Mandatory conversion date	Sep. 30, '03	Oct. 30, '05	Change
Common stock	52,000 yen	-	296.4	293.7	(2.7)
Preferred stock			2,531.5	2,531.5	-
Class B No.1	600,000 yen	Apr. 1, 2009	408.0	408.0	-
Class C No.1	500,000 yen	Apr. 1, 2015	60.0	60.0	-
Class E No.1	1,250,000 yen	Dec. 1, 2009	300.0	300.0	-
Class F No.1	1,250,000 yen	Dec. 1, 2014	100.0	100.0	-
Class one No.1 *2	200,000 yen	-	550.0	550.0	-
Class two No.1 *2	200,000 yen	-	563.5	563.5	-
Class three No.1 *2	200,000 yen	-	550.0	550.0	-
Subordinated loans	initially 100 bn X 3 trances (perpetual)		300.0	100.0	(200.0)
Total			3,128.0	2,925.2	(202.7)

1. Adjusted to reflect the reverse split of stocks (every 1000 share merged to 1 share).

2. Class one No. 1, class two No. 1, and class three No.1 preferred shares are attached with voting rights in the general meeting of shareholders.

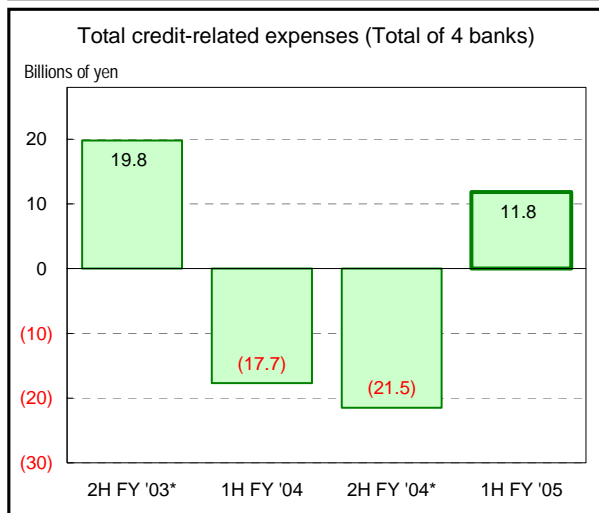
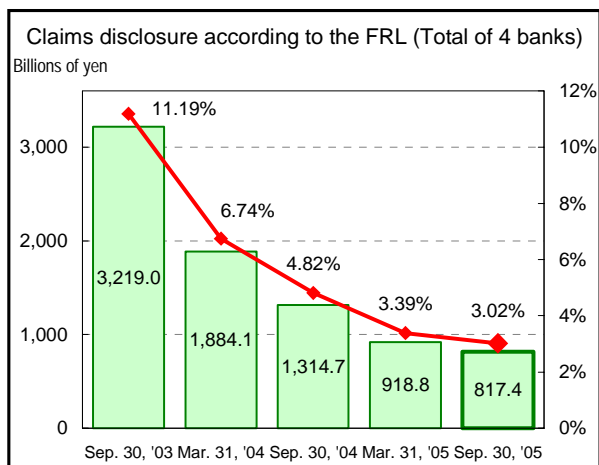
Financial Results for the First Half of FY 2005

V. Loans and Bills Discounted



Financial Results for the First Half of FY 2005

VI. Classified claims (NPL) and Credit Related Expenses



*2H = full year - 1H

Billions of yen	Total of 4 banks	Resona	Saitama Resona	Kinki Osaka	Nara
Unrecoverable or valueless claims	70.8	39.0	8.8	21.4	1.5
Risk claims	365.7	246.7	48.0	66.8	4.0
Special attention loans	380.9	295.5	46.7	36.9	1.6
Total classified claims (NPL)	817.4	581.3	103.6	125.2	7.2
change from Mar. 31, '05	(101.4)	(55.4)	(2.6)	(43.1)	(0.2)
NPL ratio *	3.02%	3.09%	1.86%	4.90%	4.90%
change from Mar. 31, '05	-0.37%	-0.26%	-0.09%	-1.72%	-0.18%

* Total classified claims (NPL)/total claims disclosure according to the FRL

Billions of yen	Total of 4 banks	Resona	Saitama Resona	Kinki Osaka	Nara
Total credit-related expenses	11.8	9.8	4.8	(3.5)	0.7
Disposal in the trust account	(0.0)	(0.0)	-	-	-
Provision to general reserve	(2.7)	9.2	0.1	(12.2)	0.2
NPL disposal	14.5	0.6	4.6	8.7	0.5
(a) Deterioration in borrower categories (downward migration)	48.6	33.6	8.3	6.1	0.7
(b) Off-balancing and other	(36.8)	(30.8)	(3.7)	(2.1)	(0.2)
(c) Provision of general reserve, etc.	(0.2)	7.0	0.1	(7.5)	0.2

(a) Total of loss from new bankruptcies and downward migration and gains from reversals of loan loss reserves resulting from upward migration, etc.

(b) Gains from collection of claims to "doubtful" and lower category borrowers and gains from reversals of loan loss reserves or recoveries of written-off claims to such borrowers

(c) Net gains/(losses) from addition to or reversal of general reserve and other factors.

Resona Bank and Saitama Resona Bank expanded the application of DCF method to include large "other watch" obligors.

[Reference] Reserve ratio of "other watch" borrowers

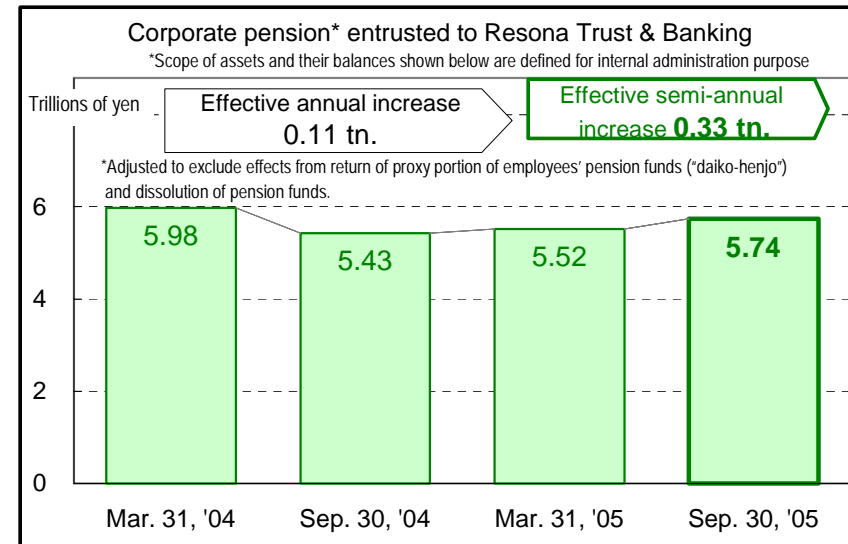
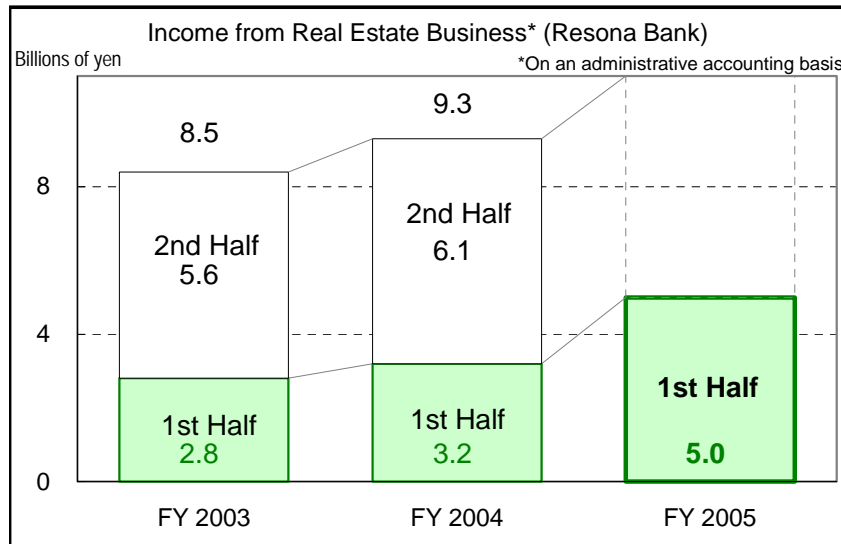
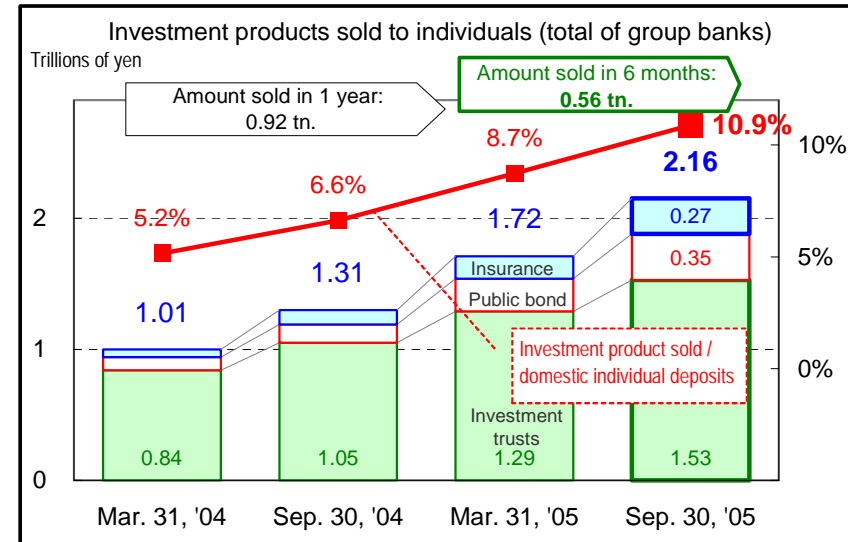
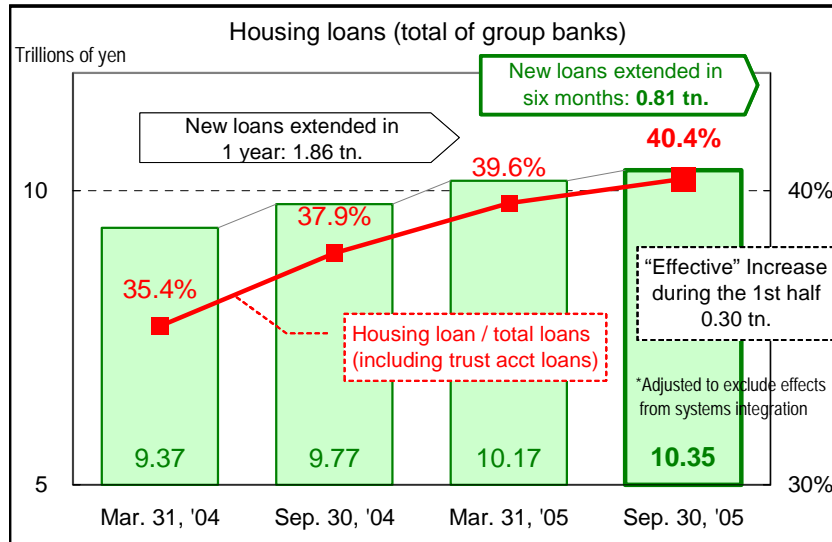
	Total of 4 banks	Resona	Saitama Resona	Kinki Osaka	Nara
Reserve ratio *	5.82%	6.68%	3.40%	3.87%	3.07%
change from Mar. 31, '05	+ 1.04%	+ 1.07%	+ 1.05%	+ 0.84%	+ 1.95%
Outstanding exposure	1,578.1	1,128.2	198.1	240.1	11.6

(Including trust accounts)

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

Financial Results for the First Half of FY 2005

VII. Resona's core areas of strength



Financial Results for the First Half of FY 2005

VIII. Earnings Estimates for Fiscal Year Ending March 2006

(*As announced in May '05)

(Billions of yen)	Resona Holdings (Consolidated)		
	1H FY 2005	Full year estimate	Change from initial projection*
Ordinary income	506.7	930.0	(20.0)
Ordinary profit	179.8	270.0	40.0
Net (interim) income	174.3	270.0	70.0

Estimate for consolidated capital adequacy ratio of Resona HD at the end of fiscal 2005

In the middle of 9%

(*As announced in May '05)

(Billions of yen)	Resona Holdings (Non-consolidated)		
	1H FY 2005	Full year estimate	Change from initial projection*
Operating income	222.8	315.0	(5.0)
Ordinary profit	213.3	300.0	-
Net (interim) income	213.4	285.0	(15.0)

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

(*As announced in May '05)

(Billions of yen)	Total of Five Banks (approx. figure)				Resona		Saitama Resona	Kinki Osaka	Resona Trust & Banking
	1H FY 2005	Full year estimate	Change from initial projection*	Business Revitalization Plan	Full year estimate	Business Revitalization Plan	Full year estimate	Full year estimate	Full year estimate
Gross operating profit	343.3	685.0	12.0	666.0	458.0	449.0	133.0	68.0	23.5
General & administrative expenses	164.2	365.0	(9.0)	374.0	238.0	244.0	72.5	42.0	11.0
Actual net operating profit	179.0	320.0	20.0	292.0	220.0	205.0	60.5	26.0	12.5
Ordinary profit	165.9	265.0	38.0	196.0	190.0	131.5	47.0	16.5	12.5
Extraordinary profit/(loss), net	29.8	40.0	47.0	(2.0)	30.0	(0.5)	1.0	7.5	-
Income before income taxes	195.7	305.0	85.0	194.0	220.0	131.0	48.0	24.0	12.5
Net (interim) income	174.1	280.0	75.0	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	11.8	30.0	(41.0)	76.0	20.0	58.0	9.5	0.5
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Estimate for capital adequacy ratios at the end of fiscal 2005

	[Consolidated]	[Non-consolidated]	[Consolidated]	[Non-consolidated]
Estimate for capital adequacy ratios at the end of fiscal 2005	lower 8%	lower 8%	approx. 8%	approx. 125%

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.