

*Resona Group's Challenge to  
Maximization of Corporate Value*



RESONA

**September 2006**



**Resona Holdings, Inc.**

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**Resona Group at Glance**

**Business Trend (Highlights for FY2005 and Outlook for FY2006)**

**Resona Group's Differentiation Strategy**

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**[Reference Material]**

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## **Resona Group at Glance**

**Business Trend (Highlights for FY2005 and Outlook for FY2006)**

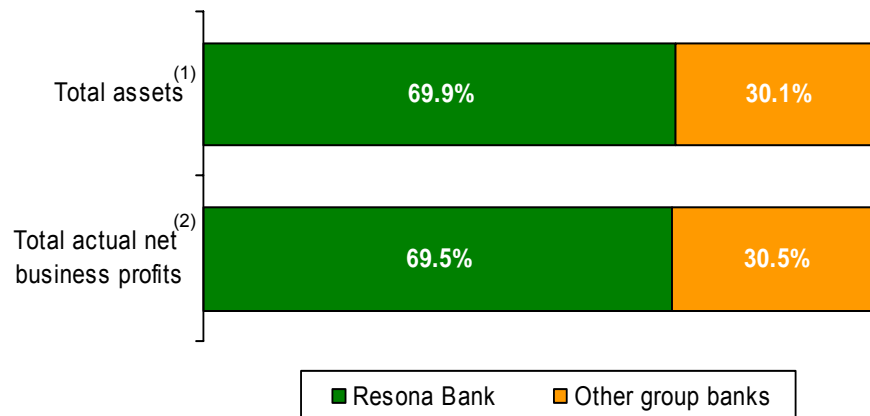
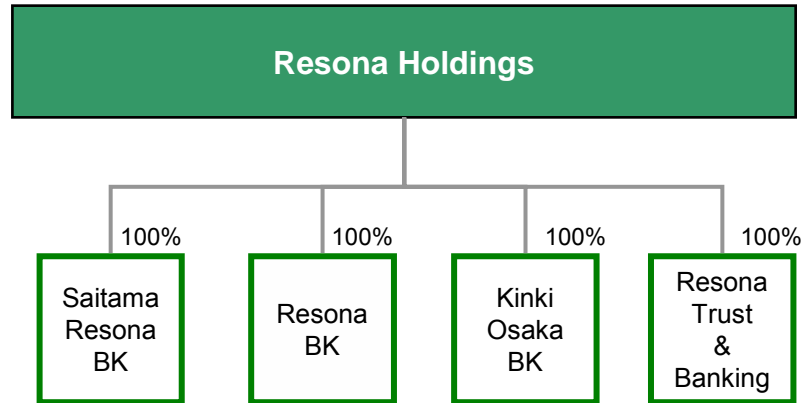
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**[Reference Material]**

# Resona Group at Glance: Overview of Resona Group

## Corporate structure



(1) Aggregate of 4 bank subsidiaries as of Mar. 06. Consolidated basis

(2) Aggregate of 4 bank subsidiaries as of Mar. 06. Non-consolidated basis

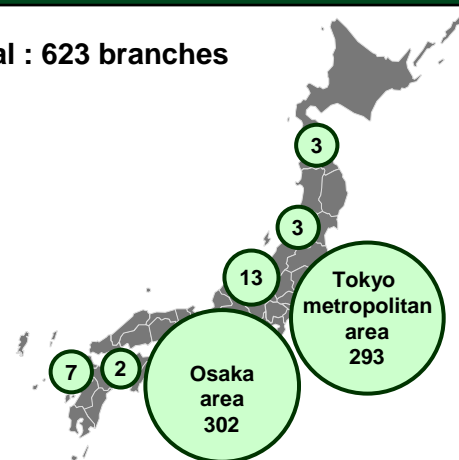
## Group overview

- 4th largest banking group in Japan
  - sizable enough to achieve economy of scale with total assets of JPY 40.3 trillion<sup>(1)</sup>
- 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: 12 areas, Saitama Resona: 4 areas)

(1) As of Mar 06

## Group network

Total : 623 branches



Note: Figures represent the number of the branches as of Mar 06

## Resona Group at Glance: Principal Markets

**Strong presence especially in Osaka, Saitama and Tokyo Metropolitan area**

### Deposits

<Deposits> (Billions of Yen)

(End of March 2006)	Tokyo Metropolis	Saitama Pref.	Kanagawa Pref.	Osaka Pref.	Nara Pref.
Resona Group	7,877	8,621	1,317	10,295	558
Resona	7,737	40	1,317	7,269	478
Saitama Resona	133	8,580			
Kinki Osaka	7			3,026	79
Share in each Pref.	5.2%	39.7%	4.3%	19.6%	10.1%
All Banks	151,395	21,718	30,714	52,644	5,506

### Loans

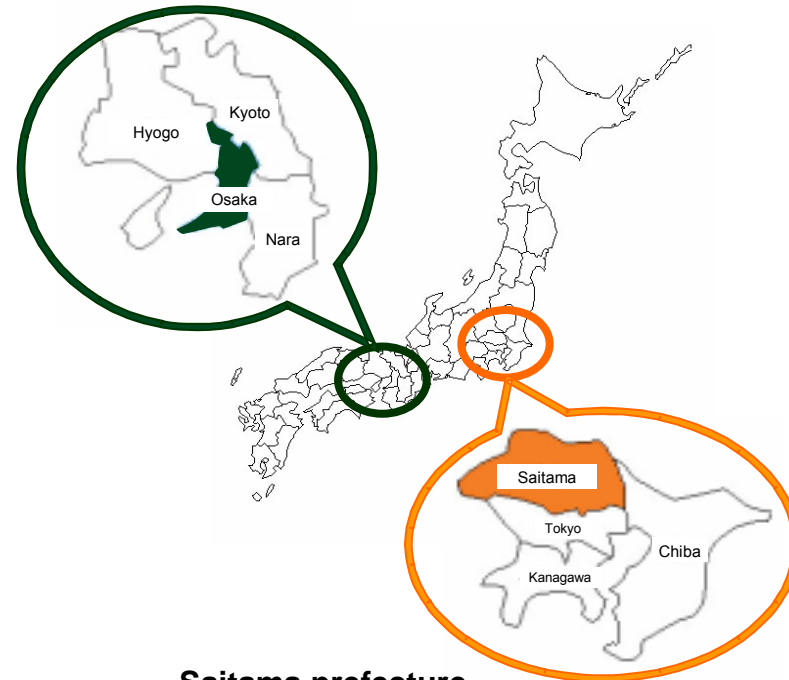
<Loans> (Billions of Yen)

(End of March 2006)	Tokyo Metropolis	Saitama Pref.	Kanagawa Pref.	Osaka Pref.	Nara Pref.
Resona Group	8,107	5,615	1,566	7,654	387
Resona	7,874	72	1,566	5,408	349
Saitama Resona	139	5,543			
Kinki Osaka	93			2,246	37
Share in each Pref.	5.3%	42.4%	8.6%	18.8%	14.4%
All Banks	151,948	13,248	18,142	40,707	2,684

### Osaka prefecture

Population: 8.8 million (#3 among 47 prefectures)

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



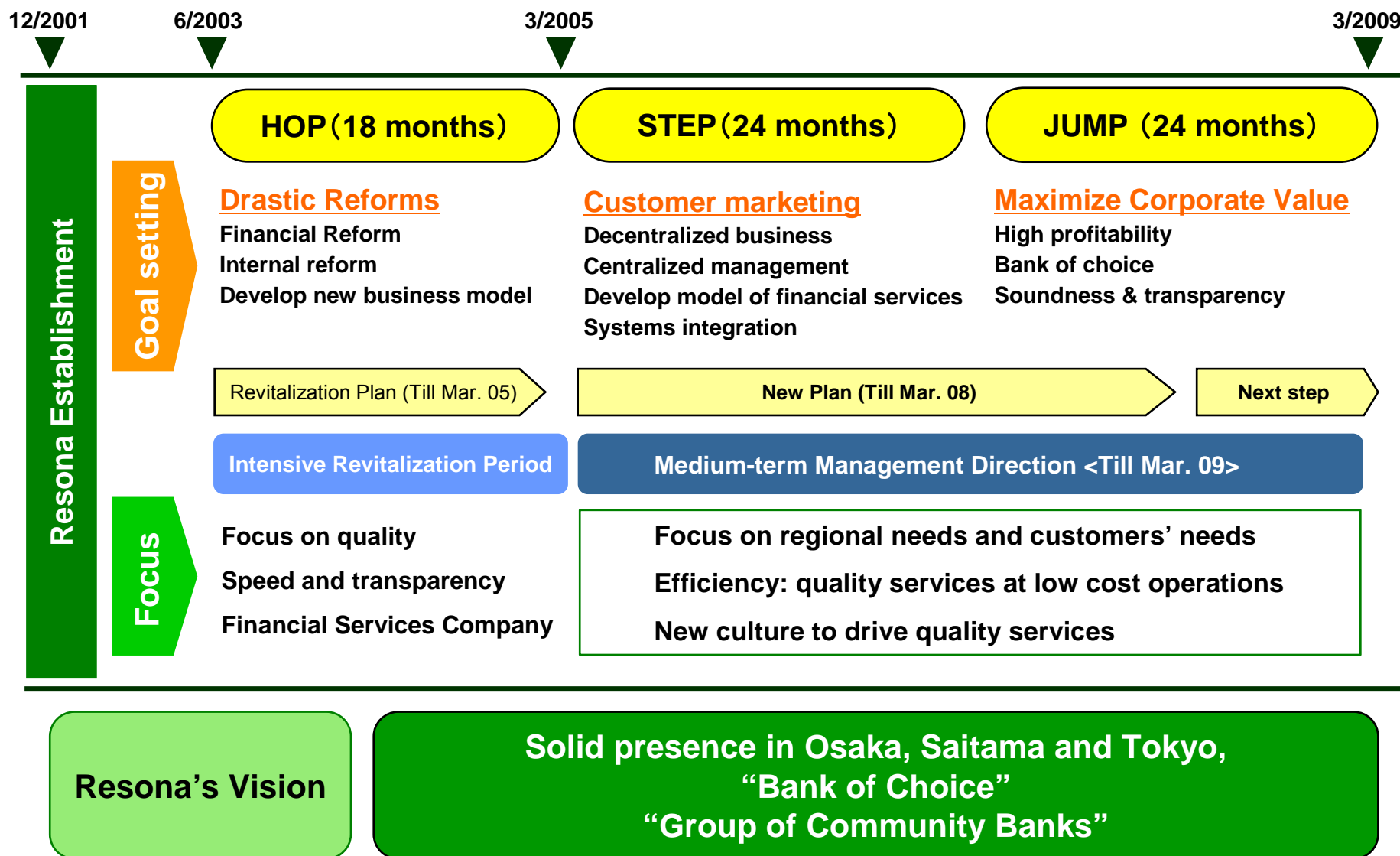
### Saitama prefecture

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



## Improved Quality of Balance Sheet and Growth of Core Business

(Total of group banks)			End March 2003 (Fiscal Year 2002)	End March 2006 (Fiscal Year 2005)
Elimination of excessive risk factors	Clean up of NPLs	NPL ratio	11.19% (End of Sep. 2003)	2.56%
		Reserve ratio (against uncovered portion)	Special attention: 27.8% Doubtful: 62.5%	Special attention: 50.7% Doubtful: 95.5%
	Diversification of loan portfolio	Housing loan ratio	28.9%	41.1%
	Deferred tax assets (DTA)	DTA dependence *1 (DTA/Tier I)	99.5%	0.2%
Growth of Core Areas	Housing loans	Housing loan balance	¥ 8.52 tn	¥ 10.86 tn
	Sale of financial products	Bal. of financial products sold to individuals *2	¥ 0.63 tn	¥ 2.64 tn
	Real estate	Income from real estate business (Resona Bank)	¥ 8.5 bn	¥ 12.1 bn
	Corporate pension	Entrusted pension assets (Resona Trust & Banking)	¥5.37 tn	¥ 6.18 tn

\*1. Resona HD consolidated basis \*2. Investment trusts, public bonds and personal annuity products sold to individuals.

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Resona Group at Glance

**Business Trend (Highlights for FY2005 and Outlook for FY2006)**

Resona Group's Differentiation Strategy

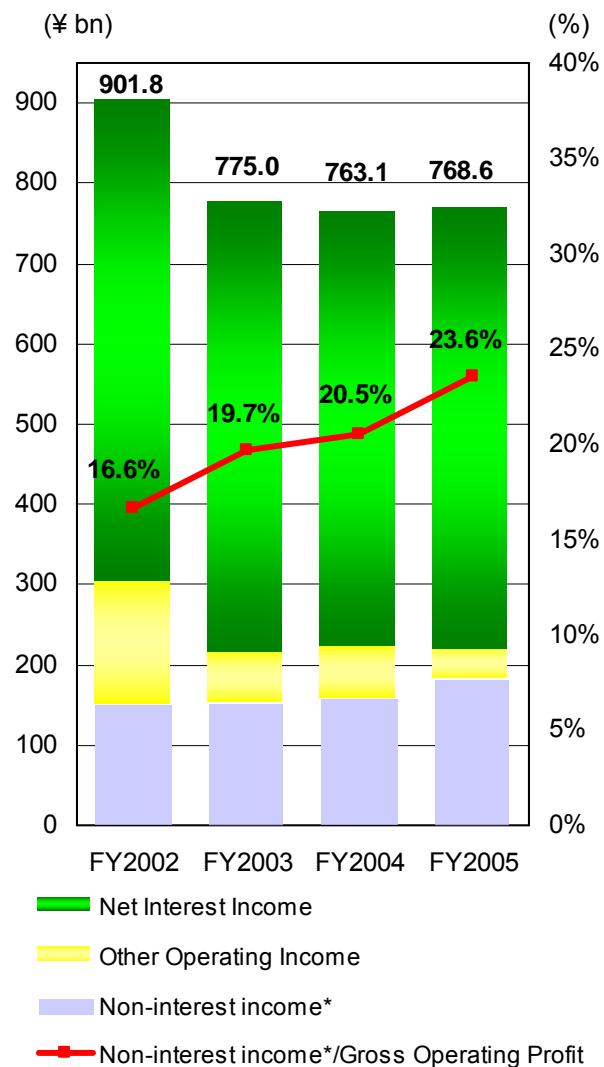
Pathway to Repayments of Public Funds

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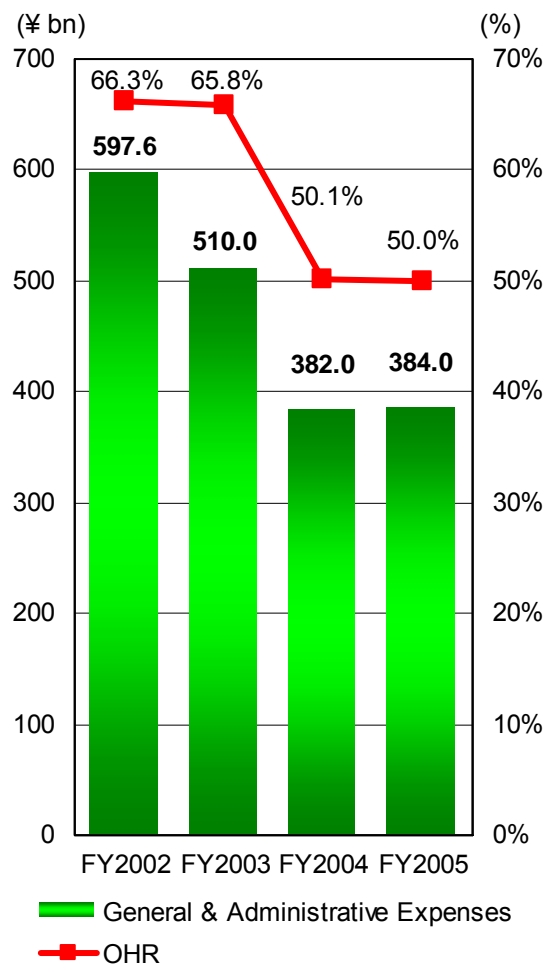


## Outline of Financial Results for Fiscal Year 2005

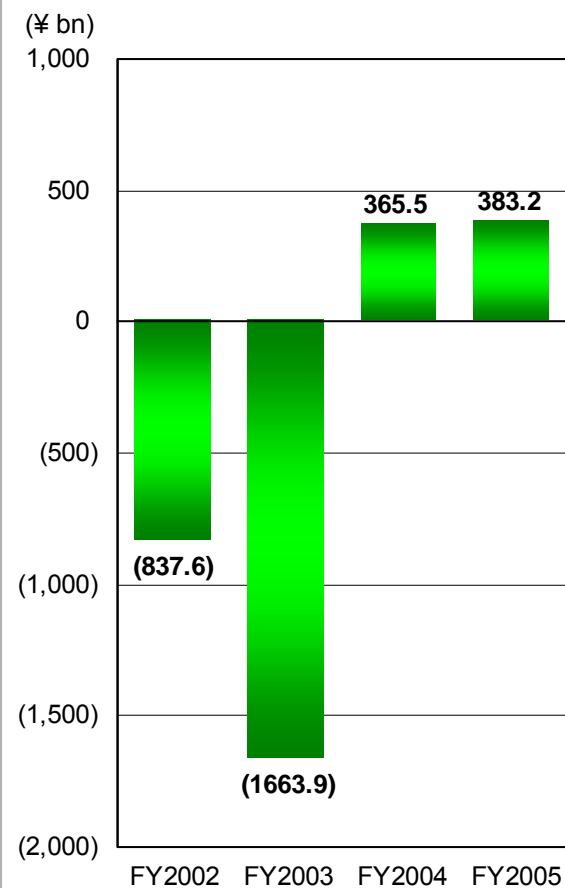
### Gross operating profit



### General & Administrative Expenses



### Net Income

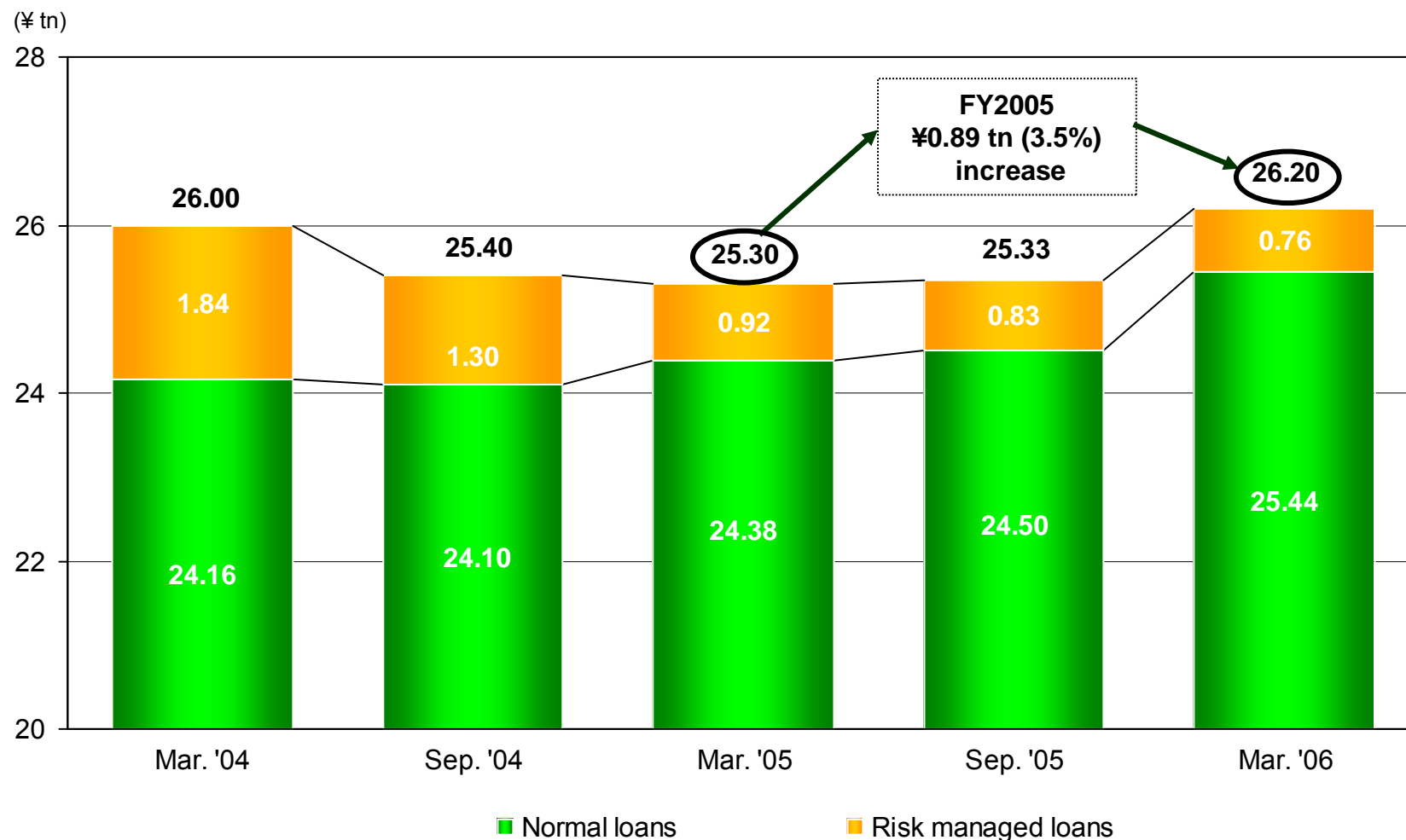


\* Includes income from Fees and Commissions and Trust Fees.  
 Resona Holdings' consolidated basis

## Resona Holdings' Consolidated Loan Balance Hit the Bottom in FY2005

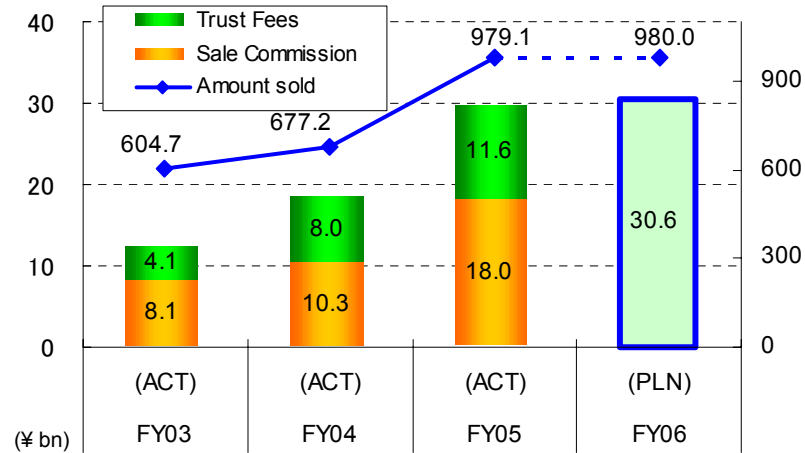
Total loan balance has turned around from recent decline trend while improving quality of loans

- ✓ We have achieved an increase in our loan balance in FY2005
- ✓ At the same time, risk managed loans have decreased, reducing our NPL ratio

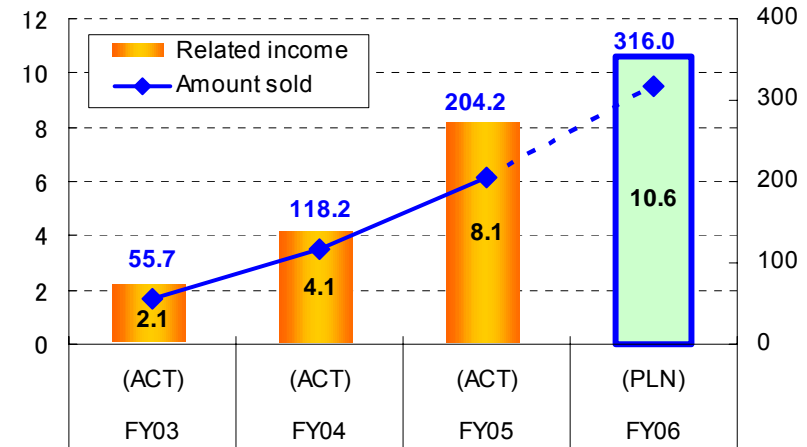


## Updates of Major Businesses: Trend of Fee Income by Sources

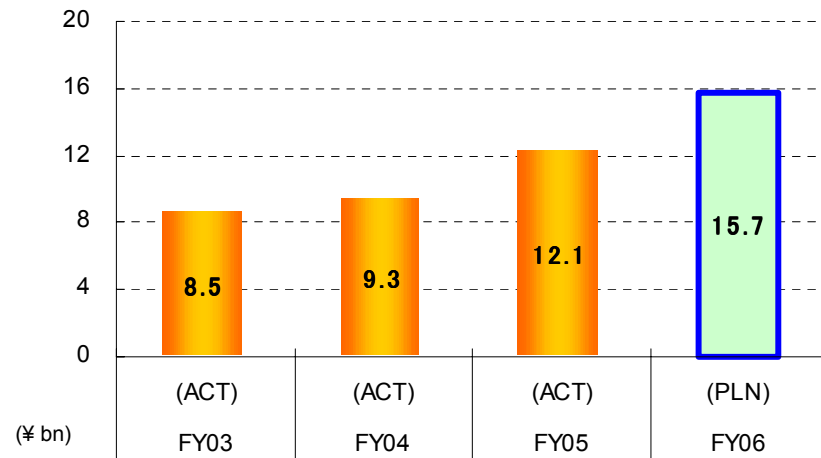
Sale of investment trusts (Total of group banks)



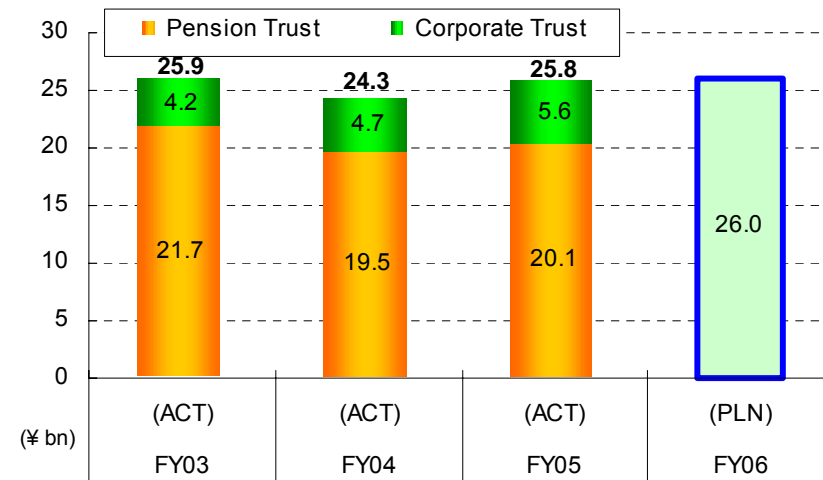
Sale of personal annuity (Total of group banks)



Income from real estate business (Resona Bank)



Income from wholesale trust business (Resona Trust & Banking)



## Earning Forecasts for Fiscal Year Ending March 2007 (FY2006)

Falling of one-time gains almost fully explains a decline of net income for this fiscal year

	FY2005 (actual)	FY2006 (forecast)	Change	
Gross operating profit	693.6	705.0	+11.4	<b>[Gross operating profits]</b> <b>Up ¥11.4bn from previous year result</b> [Net interest income] ... slight increase Average loan balance: Approx. + ¥1 trillion Interest on loans: Decline of 7bps (Zero interest rate environment continues) [Fees and commission income] ... steady increase Income from sale of annuity products: +2.5bn YoY Income from real estate business: +3.6bn YoY
(Operating expenses)	348.5	365.0	+16.5	<b>[Operating expenses]</b> <b>Up ¥16.5bn from previous year result</b> [Personnel expenses] ... increase of ¥2bn to ¥3bn Incentive salary paid to employees [Non-personnel expenses] ... rest of the increase Initiatives to strengthen marketing capabilities, Refurbishments of branch offices, IT investments, etc.
Actual net operating profit	345.2	340.0	-5.2	
(Credit-related expenses)	-14.5	43.0	+57.5	<b>[Credit-related expenses]</b> <b>Up ¥57.5bn from previous year result</b> [FY2005] Net credit-related gains of ¥14.5bn [FY2006] Net credit-related expenses of ¥43bn, or roughly 15bps as against the total claims
Others, net	31.0	3.0	-28.1	<b>[Others, net]</b> <b>Down ¥28.1bn from previous year result</b> In the previous year, the stock gains were uplifted by sales of preferred stocks Resona Bank acquired through DE swaps in the past years. In comparison with such uplifted number, this year's stock gains are expected to decline.
Net income	390.7	300.0	-90.7	

## Operating Results for the 1Q of FY2006 (Total of Group Banks)

(non-consolidated basis)

	1Q FY2005	1Q FY2006	Year on Year Change	Comments
<b>Gross operating profits</b>	167.2 bn	154.5 bn	<u>(12.7) bn</u>	<p>Significant drop in net gains on bonds accounts for the drop in top-line income.</p> <p>Both net interest income and fees &amp; commission income showing a steady growth trend</p> <p>Core net operating profit, which is a best indicator of profits from core banking operations, has grown 25% from the same period previous year.</p>
Net interest income	126.8 bn	132.6 bn	+ 5.8 bn	
Fees & commission	17.9 bn	¥23.9 bn	+ 5.9 bn	
Net gains on bonds	14.1 bn	(16.5) bn	<u>(30.7) bn</u>	
<b>Operating expenses</b>	80.4 bn	80.2 bn	(0.2) bn	
<b>Core net operating profit *1</b>	72.6 bn	91.0 bn	<u>+18.3 bn</u>	
<b>Net gains on stocks</b>	0.0 bn	(12.7) bn	(12.8) bn	
<b>Credit related expenses, net</b>	(38.2) bn	22.3 bn	<u>+ 60.5 bn</u>	Decrease in stock gains and increase in credit expenses almost fully explain a drop in net income.
<b>Net income</b>	121.7 bn	45.8 bn	<u>(75.8) bn</u>	
<b>Cost-to-income ratio</b>	48.1%	51.9%	+ 3.9%	OHR deteriorated due to a temporary drop in top line income
<b>NPL balance (FRL criteria)</b>	865.8 bn	710.2 bn	(155.6) bn	Balance on end-Mar. 2006: 710.8 bn

\*1. Net operating profits before transfer to general reserve, expenses for NPL disposal in the trust account and net gains/(losses) on bonds

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Business Trend (Highlights for FY2005 and Outlook for FY2006)

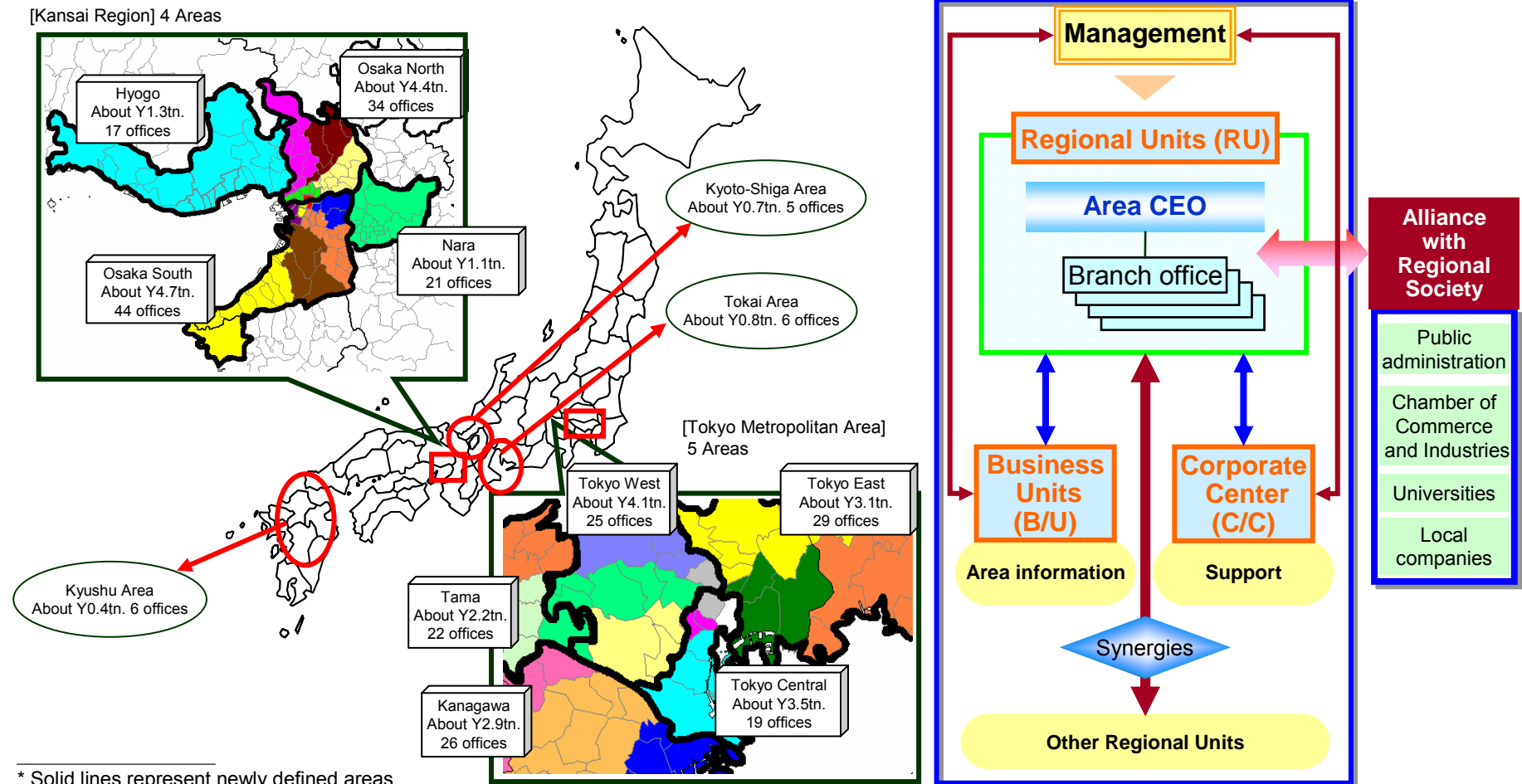
**Resona Group's Differentiation Strategy**

Pathway to Repayments of Public Funds

[Reference Material]

# Our Differentiation Strategy: Area Management System (Resona Bank)

## Structure of Area Management System



\* Solid lines represent newly defined areas

\* Amounts shown are sum of total deposits and total loans (average bal. in Sep. 2005)

\* Number of offices include those of Nara Bank Amounts include Nara Bank's loans and deposits at the end of Sep.'05

\* Amount of other banks shown are sum of total deposits and total loans (As of the end of Sep.'05)

## Our Differentiation Strategy: Branch Reform (Resona Bank)

### Business Processing Reformation (BPR)<sup>(1)</sup> 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>

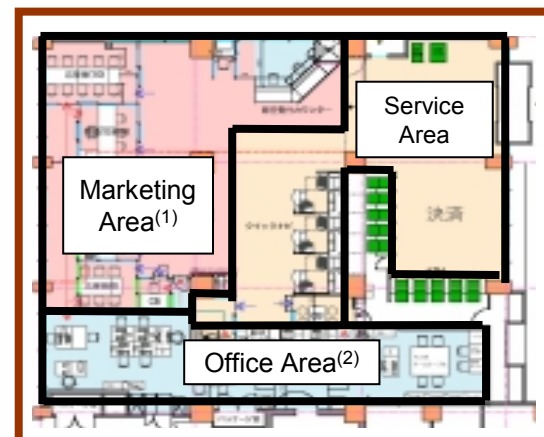
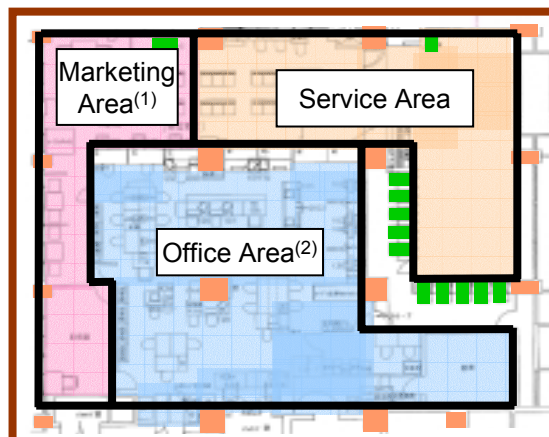
50%  
reduction of  
clerical  
work costs

50%  
reduction  
of Office  
Area<sup>(2)</sup>

50%  
reduction  
of 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)



## Maximize Top-line Income Through Optimal Reallocation of Management Resources

### Measures to enhance per head productivity

- ✓ **Infiltrate sales culture (accelerate introduction of next generation branch offices)**
- ✓ **Appoint more designated sellers**
  - Branch offices that have adopted a model for financial assets management services tripled sales of financial products (investment trusts + personal annuity)



- ✓ **Sophistication in customer segmentation**
  - Classify customers into 6 categories depending on their risk tolerance level and financial literacy
- ✓ **Effective utilization of Customer Relationship Management (CRM) system**



### Create and shift surplus manpower to sales divisions

- ✓ **Create surplus manpower via operational reform and shift them to sales divisions**
  - Additional 1,200 staffs to be relocated to sales division (within FY2007)
    - Staffs to sell financial products + 700
    - Liaison staffs for corporate customers + 500



## Maximization of top-line income

\*Data shown are compiled with reference to the designated sellers at 42 branch offices in Tokyo and adjacent areas which have completed refurbishments

## Our Differentiation Strategy: Layout of Next Generation Branch Offices



## Our Differentiation Strategy: Selection and Focus through Alliance

Focus on Core Strength	Alliance			
<div>Transactions with SMEs</div> <div>Sale of Financial Products</div> <div>Housing Loans</div> <div>Real Estate</div> <div>Corporate Pension</div>	Examples of Business Alliances		Local Organizations	
	<div>Securities Intermediary</div> <div><div>■ Nomura</div><div>■ Nikko Cordial</div><div>■ Goldman Sachs</div></div>	<div>Housing Loans</div> <div><div>■ All Japan Real Estate Federation</div><div>■ Art Corporation</div></div>	<div>Personal Annuity</div> <div><div>■ Alico Japan</div><div>■ The Dai-ichi Mutual Life</div></div>	<div>Local Governments</div>
	<div>M&amp;A</div> <div><div>■ Mizuho Securities</div></div>	<div>Credit Cards</div> <div><div>■ Credit Saison</div></div>	<div>Investment Trusts</div> <div><div>■ Credit Agricole</div></div>	<div>Local Shopping Streets</div>
	<div>Royalty Point Exchange</div> <div><div>■ IY Card Service</div><div>■ NTT DoCoMo</div><div>■ T Card &amp; Marketing</div></div>	<div>Branch Network</div> <div><div>■ Seven Bank</div><div>■ Lawson ATM</div><div>■ JR East</div></div>	<div>International Banking</div> <div><div>■ Bank of East Asia</div><div>■ Bangkok Bank</div><div>■ Bank of Tokyo Mitsubishi-UFJ</div></div>	<div>Universities</div> <div>etc.</div>

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**[Reference Material]**

## Pathway to Repayment: Capital Policy Towards Early Repayments of Public Funds

### Progress in FY'05

- ✓ **Retained earnings well above the target in the Business Revitalization Plan**
  - Combined retained earnings as of the end of Mar. '06: ¥756.8bn  
(+¥305.5bn higher than the target in BRP)
- ✓ **Strengthened regulatory capital through issuance of capital securities**
  - Amount raised in FY05: Approx. ¥420bn
- ✓ **Active control of capital costs**
  - Refinancing of extant securities...pricing reflecting improvements in credit ratings  
(Repaid ¥200bn of public fund subordinated loans, ¥264.2bn of extant preferred securities)

### FY2006: A year to move into high gear for repayments of public funds

**Resona Group intends to act in accordance with the following guiding principles in repaying public funds:**

- ✓ **To secure the retained earnings necessary for repayments as early as possible**
- ✓ **To manage the capital adequacy ratio in an appropriate manner, and**
- ✓ **To prevent, to the extent possible, the dilution for common shareholders**

## Pathway to Repayment: List of Public Funds Received and Approaches for Repayment

**FY2006 as a year to move into high gear for repayments of public funds**

	Time of Issuance	Mandatory Conversion (1st call date)	Balance Sep. 30, '05 (1)	Balance Mar. 31, '06 (2)	Repaid (2) - (1)	
Public Funds Received			<b>3,128.0</b>	<b>2,925.2</b>	<b>(202.8)</b>	
Preferred Stocks			<b>2,531.5</b>	<b>2,531.5</b>	-	
Early Strengthening Law			868.0	868.0	-	
Class B, No.1	1999/03	2009/04	408.0	408.0	-	
Class C, No.1	2001/04	2015/04	60.0	60.0	-	Repurchase of up to Y250bn is planned in fiscal 2006 after a resolution by the AGM
Class E, No.1	1999/03	2009/12	300.0	300.0	-	
Class F, No.1	1999/03	2014/12	100.0	100.0	-	
Deposit Insurance Law			1,663.5	1,663.5	-	
Class One, No.1	2003/07	Not attached	550.0	550.0	-	
Class Two, No.1	2003/07	Not attached	563.5	563.5	-	
Class Three, No.1	2003/07	Not attached	550.0	550.0	-	
Subordinated Loans			<b>300.0</b>	<b>100.0</b>	<b>(200.0)</b>	
Stabilization Law			200.0	-	(200.0)	
Former Daiwa BK	1998/03	Repaid	100.0	-	(100.0)	Already fully repaid
Former Asahi BK	1998/03	Repaid	100.0	-	(100.0)	
Early Strengthening Law	1999/03	2009/03	100.0	100.0	-	
Common Stock	2003/07	Not attached	<b>296.4</b>	<b>293.7</b>	<b>(2.7)</b>	

### Subordinated loans

Entire amount to be repaid by end of March 2009 (the call date).

### Common stocks held by DIC

Consultation with competent authorities with respect to the timing and specific scheme will take place after necessary conditions are met.

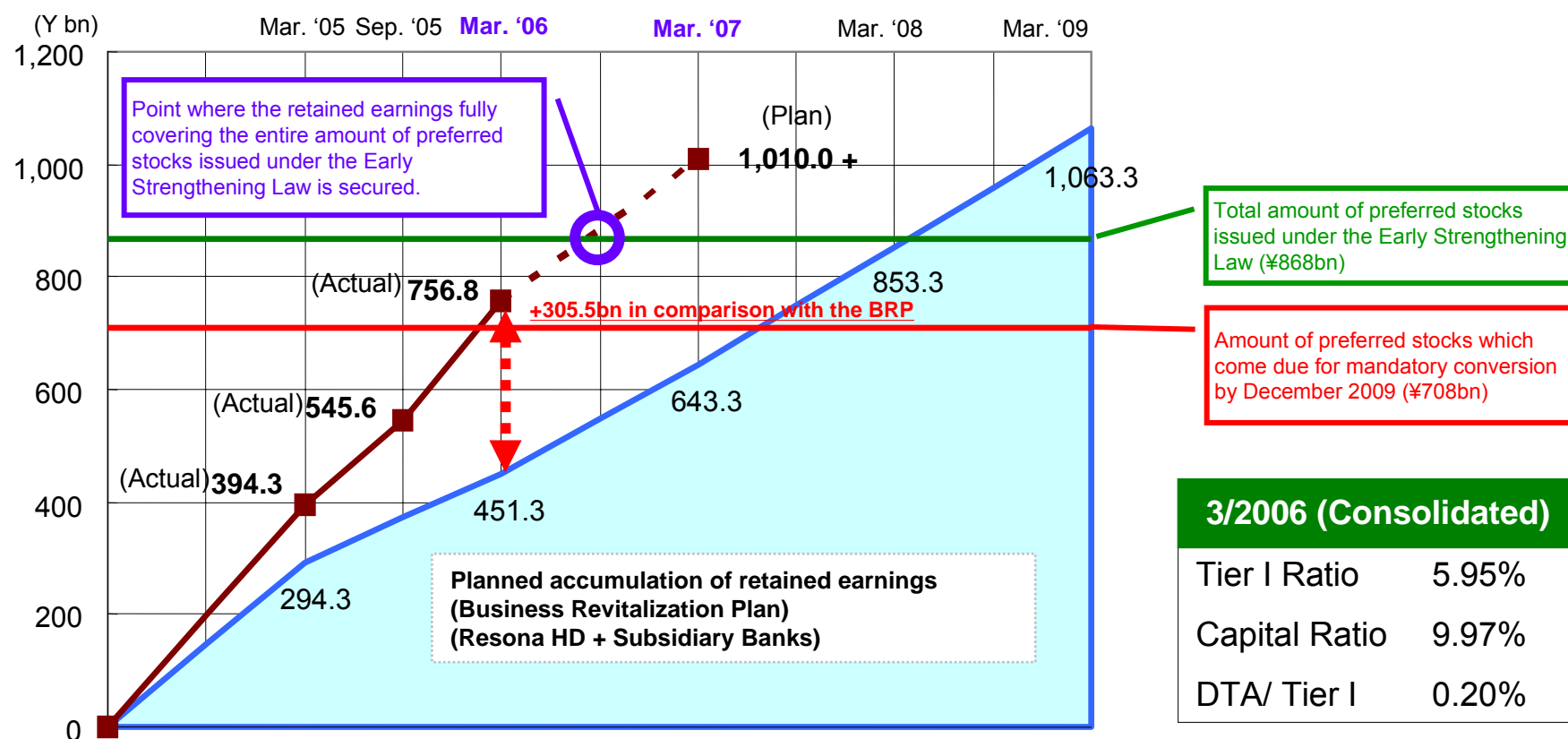
### Preferred stocks

- ✓ Resona Holdings and its operating banks combined can accumulate sufficient retained earnings to fully cover the entire amount of preferred stocks issued under the Early Strengthening Law by the end of March 2007 (Further info on page 22)
- ✓ Basic approach for repayments is repurchase and cancellation of these securities utilizing the retained earnings plus the proceeds (or "other capital surplus") from the issuance of new preferred stocks
- ✓ The following related agenda was passed in the fifth Annual General Meeting of Shareholders:
  - Agenda to set up an upper limit of Y250bn for repurchase of public funds preferred stocks in fiscal year 2006
  - Agenda to amend the Articles of Incorporation to enable the issuance of new preferred stocks (Further info on page 23)

## Pathway to Repayment: Progress in Accumulation of Combined Retained Earnings

### Accumulation of retained earnings faster than the targets in the Business Revitalization Plan

- ✓ **Combined retained earnings as of the end of March 2006: Y756.8bn**  
(+305.5bn in comparison with the target in the BRP)
- ✓ **Based on the projected earnings for this fiscal year the combined retained earnings would reach Y1,010bn, the amount fully covering the entire amount of preferred stocks issued under the Early Strengthening Law by the end of March 2007**



## Pathway to Repayment: Amendments to the Articles of Incorporation Relating to Capital Policy

### Board of directors to be given decision making authorities for dividends payments and repurchase of own stocks

- ✓ Dividends payments to be determined by the board of directors (same as before)
- ✓ Board of directors to be given authority to make a decision on repurchase of own stocks

### Amendments to enable the board of directors the issuance of new preferred stocks

- ✓ Authorization to be given to the board of directors for the issuance of new preferred stocks

	Type	Number of shares (Upper limit)	Issue price per share (Upper limit)	Voting rights	Right to request conversion	Mandatory conversion	Issure's right to acquire the shares	Features
Class 4 Class 5 Class 6 Class 7 Class 8	Non-convertible preferred stock	Up to 100,000 shares per each class	3,500,000 yen	Only when dividends are not paid	No	No	Yes (with cash)	Holders not having any rights to request conversion into common shares
Class 9	Convertible Preferred Stock	Up to 100,000 shares	3,500,000 yen	No	Yes	No	Yes (with cash and common shares)	Holders having a right to request conversion into common shares. However, issuer is allowed to exercise a right to redeem the shares with cash (up to par value, or issue price) and common shares (premium, or over par portion).
Total		600,000 shares	-	-	-	-	-	-



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# Financial Highlights for Fiscal Year 2005

## Registered a consolidated net income of Y383.2bn

- Achieved year on year increase both in gross operating income and net income on a consolidated basis
- Steady growth in non-interest income  
(weight to total gross operating income: 23.6% for FY2005)

## Combined retained earnings reached Y756.8bn at the end of FY2005

- Accumulated amount is Y305.5bn higher than the targeted amount in the Business Revitalization Plan
- Retained earnings is expected to exceed Y1tn by the end of Fiscal Year 2006  
(Possible outflows due to repurchase of stocks and others are not taken into account.)

## Steady growth trend is continuing for principal businesses

- Consolidated loan balance hit the bottom and began to increase  
Year on year increase in term-end balance: +0.89tn
- Housing loans: Housing loan ratio exceeded 40% (Total of group banks)
- Financial products: Cumulative balance sold to individuals Y2.64tn  
Ratio to domestic deposits held by individuals: above 12%

## Resumed common dividends (Dividend amount per common share: Y1,000)

- The first common dividends since the interim dividends paid for 1H of FY2000.

## FY2006 as a year to move into high gear for repayments of public funds

- Formulated basic policies for repayments of public funds

### Resona Holdings (Consolidated)

Billions of yen	FY2004	FY2005	Change
Gross operating profit	763.1	768.6	5.5
Ordinary profit	396.4	368.3	(28.1)
Net income	365.5	383.2	17.6

### Resona Holdings (Non-consolidated)

Billions of yen	FY2004	FY2005	Change
Operating income	74.5	317.5	242.9
Net income	44.5	299.0	254.5

## [Assets]

### Loans

Loans outstanding (Group consolidated) 26.20 tn.	Increase of 0.89 tn. from Mar. '05
NPL ratio (Group banks total) 2.56%	Decrease of 0.83% from Mar. '05
Housing loans (Group banks total) 10.86 tn.	Effective increase of 0.80 tn. from Mar. '05

### Net unrealized gains on other securities (Group consolidated)

Stocks: +459.9 bn.	Increase of 226.1 bn. from Mar. '05
Bonds: -75.3 bn.	Reduction of 90.5 bn. from Mar. '05

### Deferred tax assets (Group consolidated)

Net DTA: 3.5 bn. (1year)	Decrease of 42.0 bn. from Mar. '05
Ratio to Tier I: 0.2%	Decrease of 3.5% from Mar. '05

## [Liabilities]

### Deposits and investment products for individuals

Outstanding of investment products sold: 2.64 tn. Ratio of investment products sold 12.2%	Increase of 0.92 tn. from Mar. '05 +3.2%
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### Subordinated loans (public funds)

Repayment Sep. 2005: 100 bn.	Repayment Oct. 2005: 100 bn.
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### Stockholders' equity and other

Preferred securities (Group consolidated)	
July 2005 Procured US\$1.15 bn.	November 2005 Redeemed 264.2 bn.

### Capital adequacy ratio (Group consolidated)

[Preliminary] 9.97%	+0.23% from Mar. '05
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### Resumed common dividends

Y1,000 per common share (The first common dividends since 1H FY '00)
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### Basic policies for repayments of public funds

Presented basic policies and approaches for repayments
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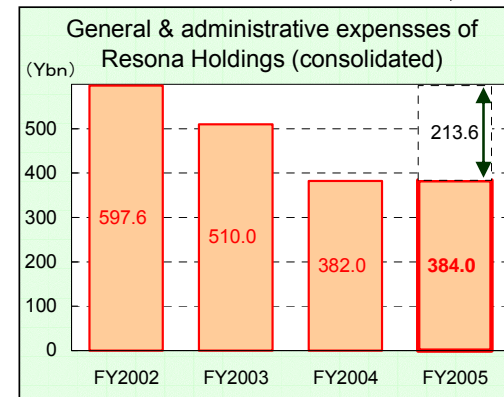
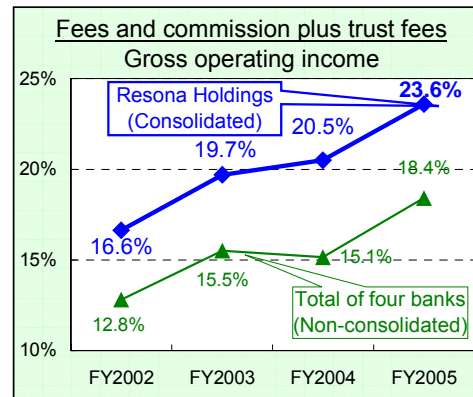
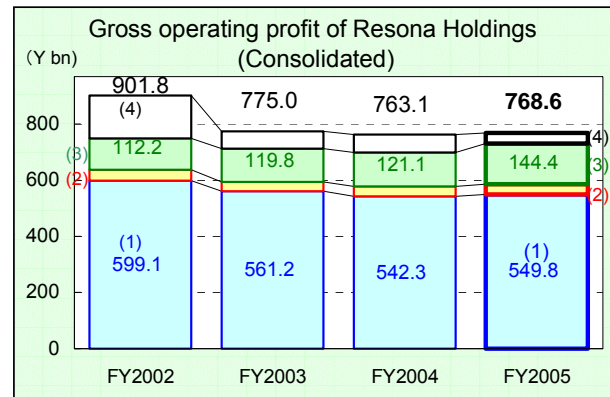
BIS qualifying capital

Billions of yen	Total of group banks FY 2005	change from FY2004	Resona	Saitama Resona	Kinki Osaka	Resona Trust
Actual net operating profit	345.2	(20.0)	239.4	66.6	23.6	14.9
Cost-to-income ratio (OHR) (after disposal of NPLs in the trust account)	50.2%	+ 1.6%	48.4%	50.9%	63.3%	41.7%
Income before income taxes	401.4	9.2	300.2	57.7	28.7	15.0

# Outline of Financial Results for Fiscal Year 2005

(Billions of yen)	Resona Holdings (consolidated)		Difference (a) - (b)	Total of four 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 FY 2004		(b)	change from FY 2004					
Gross operating profit	768.6	5.5	74.9	693.6	(16.0)	464.7	135.8	64.5	25.7	
excluding net gains on bonds	780.9	35.1	74.9	705.9	13.5	472.4	138.8	66.2	25.7	
(1) Net interest income	549.8	7.4	21.9	527.8	(10.2)	350.5	115.6	59.2	(0.0)	RC 10.0 bn, cancellation of interest payments for capital securities and other
(2) Trust fees	36.6	1.4	-	36.6	1.4	7.5	-	-	29.1	
(3) Fees and commissions income	144.4	23.3	53.3	91.0	18.7	66.4	21.2	6.3	(3.3)	RG 28.0 bn, RC 14.0 bn, RKS 2.0 bn and other
(4) Other operating income	37.7	(26.7)	(0.3)	38.0	(26.0)	40.2	(1.1)	(1.0)	-	
Actual net operating profit				345.2	(20.0)	239.4	66.6	23.6	14.9	(Net operating profit before transfer to general reserve for possible loan losses and expenses related to problem loan disposal in the trust account.)
Core net operating profit				357.4	9.5	247.1	69.6	25.3	14.9	(Actual net operating profit less bond-related income)
General & administrative expenses	384.0	1.9	24.3	359.7	(0.8)	234.3	70.6	41.7	10.7	RC 15.0 bn, RG and RKS 4.5 bn, and other
Gain/(loss) on stocks	58.5	(32.5)	4.6	53.9	8.7	53.2	0.6	0.0	-	RCP 2.0 bn, RC 2.0 bn and other
Credit related expenses	6.9	(34.6)	21.4	(14.5)	24.8	(16.0)	7.0	(6.2)	-	RG 15.0 bn, RC 6.0 bn, and other
Other gain/(loss), net	(33.7)	7.3	(32.7)	(0.9)	40.5	0.4	(1.0)	(0.3)	0.0	Loss on redemption of preferred securities 19.1 bn, amortization of consolidation differences 6.8bn, and other
Income before income taxes	402.5	13.0	1.0	401.4	9.2	300.2	57.7	28.7	15.0	
Income taxes, current and deferred	19.2	(4.6)	8.5	10.6	4.8	(17.0)	24.7	(3.1)	6.1	Minority interests in net income 12.6 bn, income taxes received by Resona HD 3.7 bn, and other
Net income	383.2	17.6	(7.4)	390.7	4.4	317.3	33.0	31.8	8.9	

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



## Improvements in Operational Efficiency and PH Productivity (Resona HD consolidated basis)

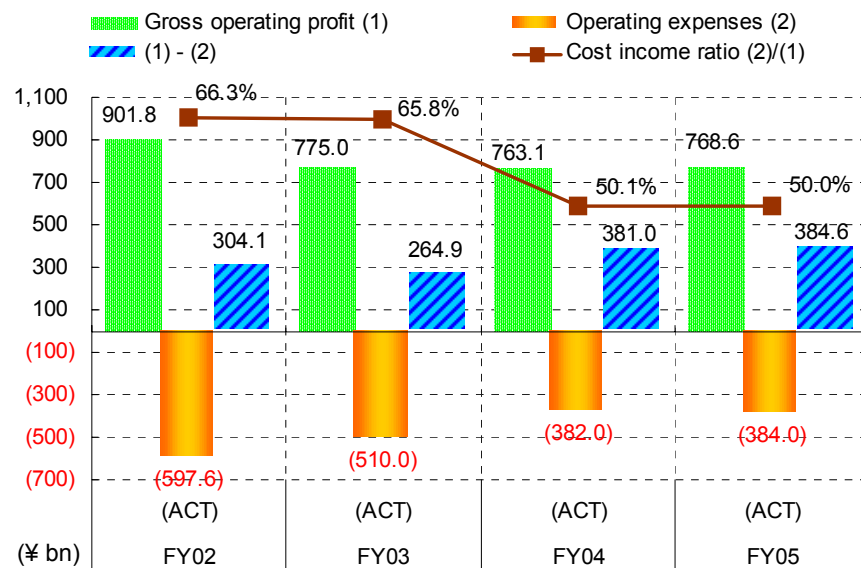
### ✓ Cost income ratio on a consolidated basis declined to 50%

- Consolidated operating expenses for FY05: ¥384.0bn (YoY increase of ¥1.9bn, decline of ¥213.6bn from FY02)  
Successful completion of systems integration project resulted in savings of initial budget for the project
- Cost income ratio on a consolidated basis continues to be on a steady declining trend  
66.3% for FY'02 → 65.8% for FY'03 → 50.1% for FY'04 → 50.0% for FY'05

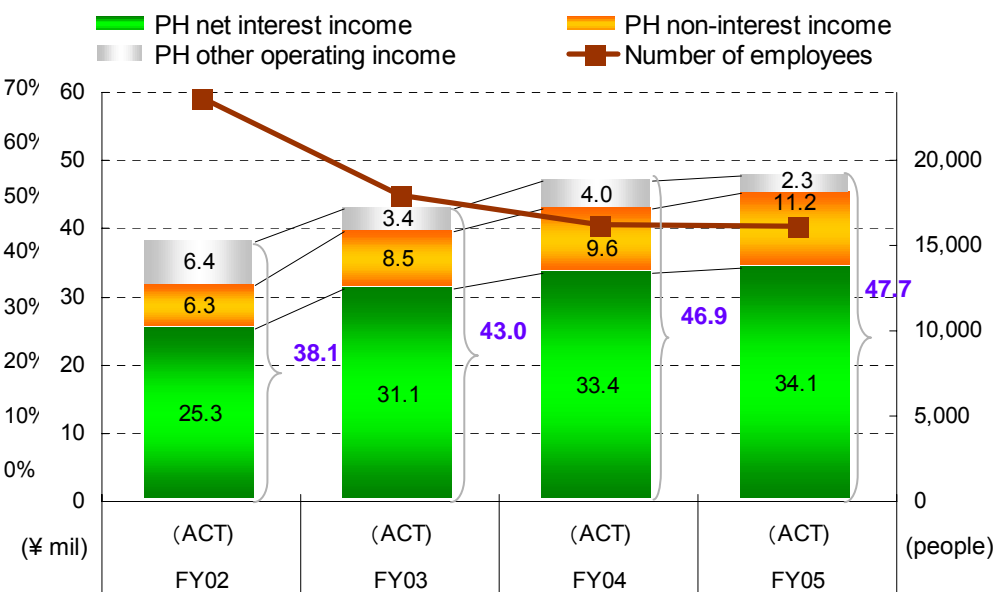
### ✓ Consolidated per head gross operating profits rose to ¥47.7million

- [PH net interest income] FY05 ¥34.1mil. (increase of ¥8.8mil., or 34.8%, in comparison with FY02)
- [PH non-interest income] FY05 ¥11.2mil. (increase of ¥4.9mil., or 77.4%, in comparison with FY02)

**Trend of cost income ratio**  
(Resona HD consolidated)



**Trend of PH gross operating profits**  
(Resona HD consolidated)

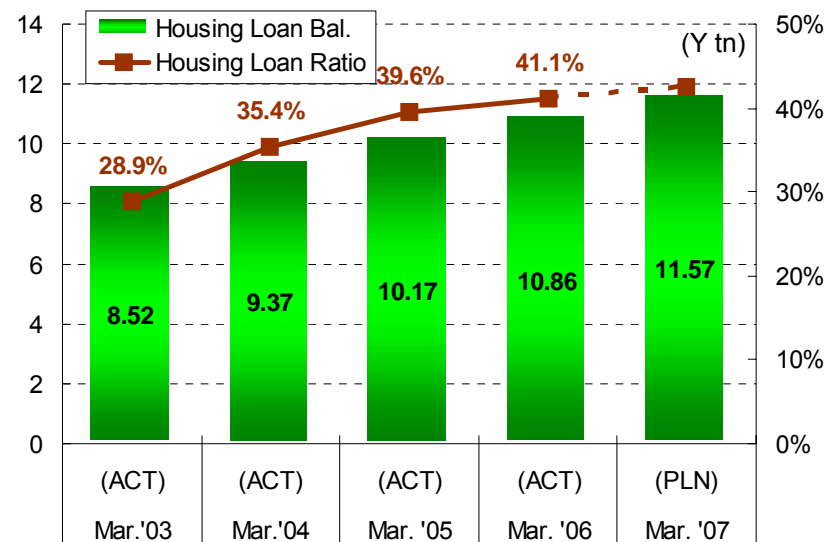


\* Non-interest income = Trust fees + Fees and commissions income

# Updates of Major Businesses: Housing Loan Business

## Maintained strong growth momentum

- ✓ **Housing Loan bal. reached ¥10.86tn (41.1%)**
  - New loans extended in FY2005: ¥1.8tn,
  - YoY increase in term-end bal. ¥807bn.
  - Extended approx. ¥60bn of HLC “Flat 35” in FY’05



- ✓ **Favorable market environment likely to continue**
  - New housing starts staying at a stable level of 1.2 mil. units a year
  - 110 thousand units of condos provided in the Tokyo and Kansai metropolitan areas alone
  - Housing loan demands strengthened by a prospect of rising interest rate
- ✓ **Private HL market continues to expand**
  - HLC stop extending new loans
  - New business opportunity through HLC “Flat 35”

## Outline of HL strategy in FY2006

- ✓ **Extend 2 trillion yen of new housing loans in a year**  
[Bank loans] Approx. ¥1.8tn (Term-end balance: +¥710bn)
  - Originations at the same level as the previous year
  - [HLC Flat 35] ¥260bn
  - Planned significant increase from previous year
  - Earnings base not depending too much on asset growth

### Major actions for fulfillment of the goal

- ✓ **Strengthen marketing and expand business areas**
  - Promotion through effective use of area marketing
  - LC as a business promotion channel and LSO as a business support channel.
  - Expand business area coverage utilizing bank business agents
- ✓ **Raise service quality to customers**
  - Capture new loan applications through collaboration with home builders and condo developers
  - Diversify products and services
  - Enhance the utility of end-user channel
- ✓ **Develop products of high competitiveness**
  - Continue to introduce differentiated products
  - Increase fee income (HLC Flat 35 and others)

## Updates of Major Businesses: Sales of Financial Products

### Investment trusts

- ✓ **Related income has grown to Y30bn**  
[FY'05] (Act) Amount sold: ¥979.1bn, income: ¥29.6bn  
[FY'06] (Pln) Amount to be sold: ¥980bn, income: ¥30.6bn
- ✓ **Timely introduction of new products that respond to customer needs**
  - Close-end risk diversified funds introduced every month  
13 funds introduced in FY2005
  - 6 open-end funds and each contributed greatly to an increase in sales  
ex) *Bunsan* (Introduced in Oct. '05, sold ¥120bn by the end of March 2006)
- ✓ **Increased the number of designated sellers and upgraded training program**

### Personal annuity products

- ✓ **Becoming another “Y10bn business”**  
[FY'05] Amount sold: ¥204.2bn, income: ¥8.1bn  
[FY'06] Amount to be sold: ¥316bn, income: ¥10.6bn
- ✓ **Broadened product line-up**
  - New variable annuity product with regular cash distribution
  - Single payment endowment insurance, etc.
- ✓ **On-site training program at branch offices**

### Securities intermediaries / sales of public bonds

- ✓ **Measures to strengthen securities intermediary business**
  - Expanding sale of structured products designed for large corporate customers
  - Expanded product line-up through business tie-ups  
Nikko Cordial Securities (securities intermediary business)  
Goldman Sachs (introduction of customers)
  - Increase the number of offices handling securities intermediary services (from Jul. '06)
- ✓ **Steady increase in sale of public bonds**
  - Amount sold to individuals  
¥22.4bn for FY'03, ¥184.2bn for FY'04, ¥226.6bn for FY'05

### Consumer finance products

- ✓ **ATM card loan as example of a new business model**  
[Mar. '06] Cumulative user contracts: 26 thousands (RB+SR)  
[Mar. '07] The number to reach 89 thousands (RB+SR+KO)  
Kinki Osaka Bank plans to start the service from July 2006
- ✓ **Credit card business**  
Number of “Saison+S” cards issued in FY05: 214 thousands, 240 thousands planned in FY06  
[Profitability of active credit card users]

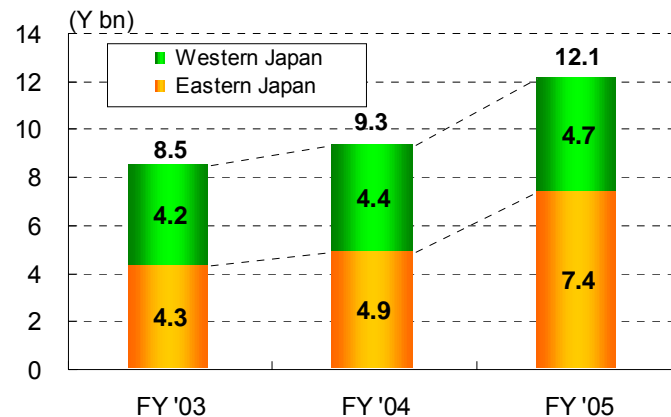
	(October 2005 Data)	Annual GOP *1	Payroll Account	Time Deposits	Breakaway ratio
With housing loans	Credit card active	315	26.3%	16.7%	0.2%
	Credit card non-active	292	17.5%	8.2%	2.8%
Without housing loans	Credit card active	26	19.4%	15.7%	0.9%
	Credit card non-active	11	7.6%	10.9%	10.5%

\*1. Annual gross operating profits in thousands of yen.

# Updates of Major Businesses: Real Estate and Wholesale Trust Businesses

## Real estate business (Resona Bank)

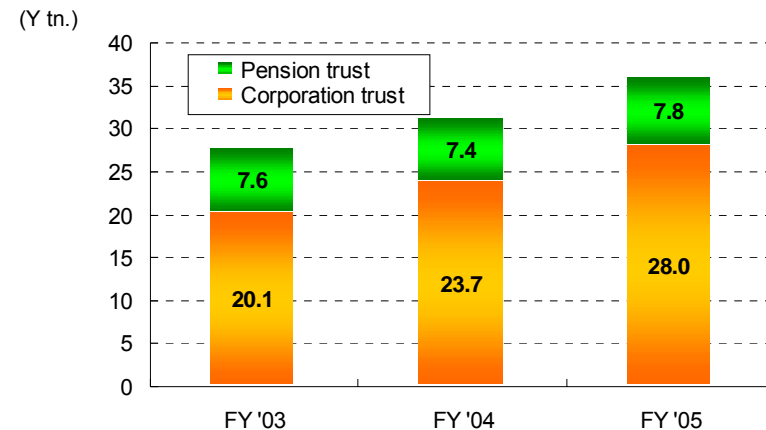
- ✓ **Related income in FY'05: ¥12.1bn (+¥2.7bn YoY)**
  - Highest profits in the past 10 years and, real estate business has grown to be a ¥10bn business
  - Target income for FY'06: ¥15.7bn
- ✓ **Shift of licensed offices to Tokyo area has greatly contributed to the growth**
  - Shifted 30 licensed offices to Tokyo area  
[Licensed offices]: Eastern Japan 57 (of which 56 in Tokyo metropolis), Western Japan 47
  - Eastern Japan increased income by 50% YoY  
Explored the former Asahi Bank's market



- ✓ **Strengthened staff members of RE business division**
  - Added 30+ staffs in FY '05 (mostly mid-career recruitment)
  - Plan to increase 20+ staffs additionally in FY'06
- ✓ **Expanded business opportunities**
  - Securitization business
  - Equity investments in RE funds

## Wholesale trust businesses (Resona Trust)

- ✓ **FY '05 income from trust operations increased ¥1.5bn**
  - Income from pension business ¥20.1bn (+¥0.5bn YoY)
  - Income from corporate trust business ¥5.6bn (+¥0.9bn YoY)



- ✓ **FY '06 → Accelerated shift from tax-qualified pension plan to other new plans**

### [Pension trust]

- Established designated promotion unit within RB and increased staff numbers
- Operation reforms in the field of pension plan administration

### [Corporate trust]

- New active funds entrusted from public sector clients
- New entrustments through collaboration among group banks

### [Fund management capabilities]

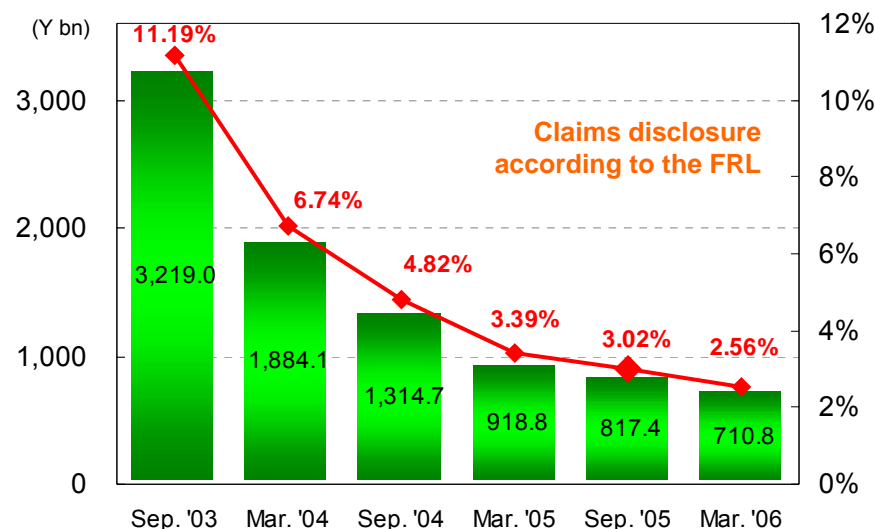
- Distinctive line-up of active funds, passive funds of industry top-class performance



# Loans and Bills Discounted

## NPL balance and NPL ratio (group banks total)

- ✓ NPL ratio has declined to 2.56%
- ✓ Expected NPL ratio at the end of FY2006: lower 2%



Billions of Yen		Total of 3 banks	Resona	Saitama Resona	Kinki Osaka
	Unrecoverable or valueless claims	63.4	35.8	11.2	16.3
	Risk claims	292.6	200.2	41.8	50.4
	Special attention loans	354.7	283.4	33.5	37.7
	<b>Total classified claims (NPL)</b>	<b>710.8</b>	<b>519.5</b>	<b>86.7</b>	<b>104.5</b>
	change from Mar. 31, '05 *1	(208.0)	(117.3)	(19.5)	(63.7)
	<b>NPL ratio *2</b>	<b>2.56%</b>	<b>2.68%</b>	<b>1.50%</b>	<b>3.98%</b>
	change from Mar. 31, '05	-0.83%	-0.67%	-0.46%	-2.64%

\*1 Resona Bank's total classified claims as of the end of March 2005 do not include the amount for the former Nara Bank

\*2 Total classified claims/Financial Reconstruction Law total (banking and trust accounts)

## Credit-related expenses (group banks total)

- ✓ Credit related expenses for FY2005

Billions of yen		Total of 3 banks*	Resona	Saitama Resona	Kinki Osaka
	Disposal in the trust account	0.0	0.0	-	-
	Net addition to general reserve	(17.8)	0.3	(4.1)	(14.1)
	Net addition to specific reserve	20.7	9.8	8.0	2.7
	Write-off of loans and others	(17.5)	(26.1)	3.1	5.1
	<b>Total credit-related expenses</b>	<b>(14.5)</b>	<b>(16.0)</b>	<b>7.0</b>	<b>(6.2)</b>
	change from Mar. 31, '05	24.8	30.6	(6.9)	0.4
(a)	Deterioration in borrower categories	<b>90.7</b>	61.0	17.4	11.6
(b)	Off-balancing and other	(84.5)	(70.8)	(6.3)	(7.4)
(c)	Provision of general reserve, etc	(20.7)	(6.2)	(4.1)	(10.4)

\*Numbers in the "total of 3 banks" are inclusive of ¥0.7bn of credit expenses incurred by the former Nara Bank. The above breakdown of credit expenses are computed based on the actual results for the 1st half and 2nd half in accordance with the following criteria

- (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.

- ✓ Credit related expenses for FY2006

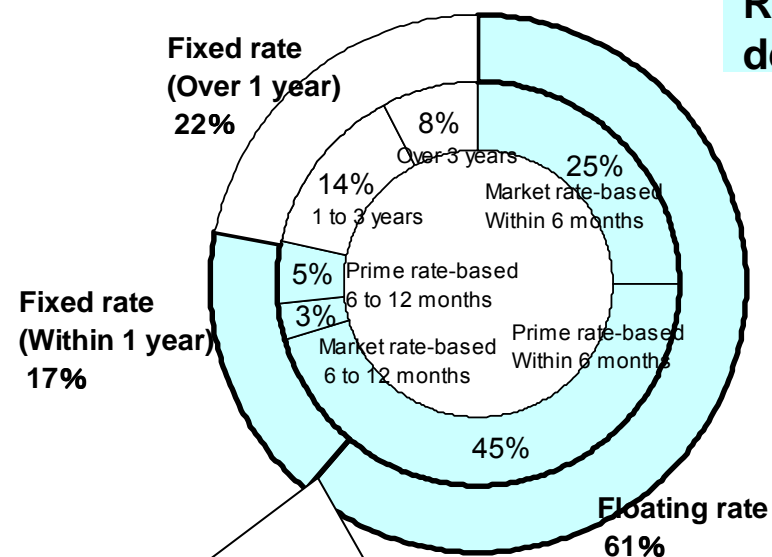
- Projected credit expenses for FY'06: ¥43bn
- NPL ratio has already declined to 2% range and thus reversal gains from "off-balancing and other" factor might have already peaked out during FY'05
- Around 10bps reversal gains mostly from upward migration are reflected in the earnings projection for this fiscal year



## Maturity Ladder of Deposit and Loans (Resona Bank, Domestic Operations)

High sensitivity on the lending side combined with low sensitivity on the deposit side would likely result in additional net interest income when market interest rate is rising.

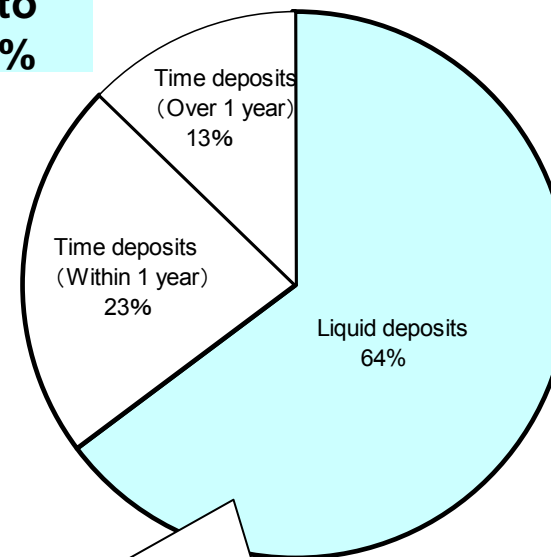
### Loans and bills discounted



78% of entire loan book is considered to be sensitive to a rise in market interest rate.

Ratio of Loans to deposits : 83%

### Deposits



Liquid deposits, which are considered to be less sensitive to a rise in market interest rate, account for 64% of entire deposits.

# Capital Adequacy Ratio

(Billions of yen)	Mar. 31, '05	Sep. 30, '05	Mar. 31, '06	[Provisional]
	(1)	(2)	(3)	(3) - (1)
Resona HD's consolidated Tier I (a)	1,192.8	1,239.6	<b>1,425.7</b>	232.8
Capital stock and capital surplus	590.6	590.6	590.7	0.0
Preferred stock	2,537.8	2,537.8	2,531.8	(6.0)
Retained earnings	364.8	540.1	717.7	352.9
Other qualifying Tier I capital	237.3	108.7	117.3	(120.0)
Preferred securities	264.2	130.1	135.0	(129.1)
[Reference] Deferred tax assets (b)	45.5	5.9	3.5	(42.0)
Resona HD's consolidated Tier II	1,021.4	1,086.3	<b>971.1</b>	50.2
45% of unrealized gains on other securities	Not applicable to domestic standard banks			
45% of the land revaluation gains *1	49.0	48.2	48.2	(0.7)
General reserve for possible loan losses *2	141.3	142.5	149.5	8.2
Subordinated debts	831.0	895.5	773.3	(57.7)
Public funds	300.0	200.0	100.0	(200.0)
Amount to be deducted	(10.8)	(10.9)	(10.9)	(0.0)
Resona HD's consolidated total qualifying capital	2,203.4	2,315.0	<b>2,386.0</b>	182.5
Resona HD's consolidated risk-adjusted assets	22,614.0	22,815.9	23,930.7	1,316.7
Resona HD's consolidated capital adequacy ratio (provisional)	9.74%	10.14%	<b>9.97%</b>	0.23%
Tier I ratio	5.27%	5.43%	5.95%	0.68%
Ratio of DTA to qualifying Tier I (b)/(a)	3.81%	0.47%	0.24%	-3.57%

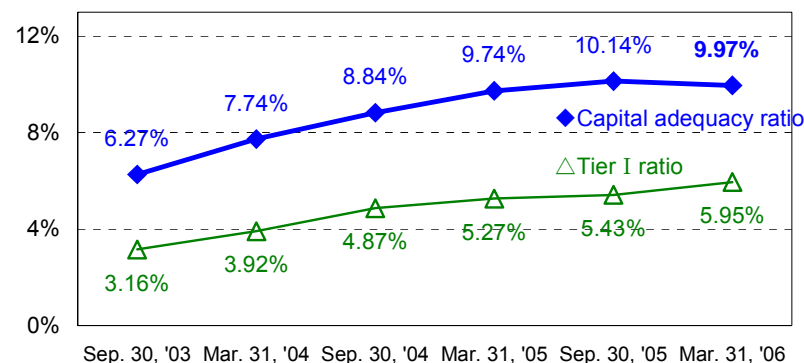
\*1 45% of the difference between land after revaluation and the book value immediately before revaluation

\*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	Saitama Resona	Kinki Osaka	Resona Trust
	(Consolidated)	(Non-consolidated)	(Consolidated)	(Non-consolidated)
Capital adequacy ratio (provisional)	9.08%	8.20%	8.17%	124.81%
Change from Mar. 31 '05	0.25%	-0.09%	0.02%	-3.13%
Total qualifying capital	1,579.7	368.7	171.2	28.8
Change from Mar. 31 '05	(44.9)	11.0	9.1	0.4
Qualifying Tier I capital (a)	921.6	203.9	108.1	28.8
Qualifying Tier II capital	774.0	164.7	63.0	-
Risk Assets	17,393.6	4,496.9	2,095.6	23.0
Change from Mar. 31 '05	(1,005.5)	182.9	108.1	0.9
Ratio of DTA to Tier I capital*	0.03%	-	3.51%	2.10%
Change from Mar. 31 '05	-3.53%	-1.78%	-6.16%	-0.05%
Deferred tax assets (DTA) (b)	0.2	-	3.8	0.6

\*Gross DTA stated on the asset side of the balance sheet (b)/Qualifying Tier1 capital (a)

[Reference] Capital adequacy ratio of Resona Holdings (Consolidated)



## Our Differentiation Strategy: Operational Reforms (Resona Bank)

### Reducing operational costs and creating manpower to be shifted to sales division

Next generation branch office

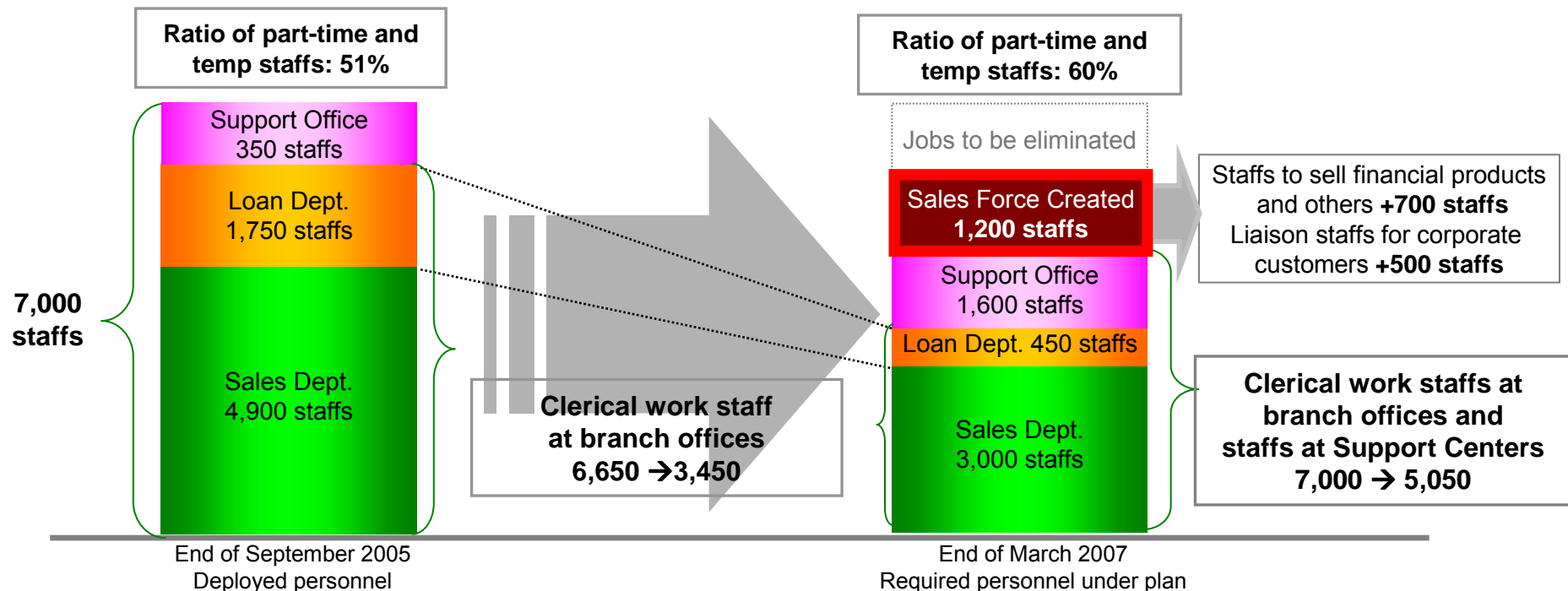
Business Process  
Reengineering

Center Reform

Loan Business Workflow

- > Refurbished 58 offices by the end of Mar. '05  
Increase the number to 200 by the end of the 1H of FY2007
- > Clear separation of front/back offices to infiltrate sales culture
- > Business process reengineering to enable paperless and cashless workflow
- > Shift to direct channels (ATM, EB, TB, etc) and outsourcing of cash handling
- > Clerical works concentrated to Support Office (integrated back office) to create surplus manpower

### Reduce clerical work costs by Y10bn, additional 1,200 staffs to be relocated to sales division



## 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
- ✓ Tie-up with Sekisui House for new type of loan products designed for the elderly

Objective	Alliance area	Partners
Solution	Securities	Nomura Securities Nikko Cordial Securities, and others
	M&A	Mizuho Securities
	International banking	Bank of East Asia, Bangkok Bank, Bank of Tokyo-Mitsubishi UFJ, etc.
	Insurance	Alico Japan, The Dai-ichi Mutual Life Co, etc.
	Real estate auction	<u>IDU</u>
Convenience	Credit card Network	Credit Saison Seven Bank, Lawson ATM, <u>JR East</u>
	Royalty points exchange, etc.	<u>IY Card Service, NTT Docomo, T Card &amp; Marketing, JTB, Joshin, Cecile, Takashimaya, JAL International, JR East, Yodobashi Camera, Rakuten</u>
Products & services line-up	Investment trust	Credit Agricole, etc.
	Private banking	Shinwa Art Auction, etc.
	Housing loan	Art Corporation, <u>All Japan Real Estate Federation, Sekisui House</u>
Channel	Other	Yoshinoya D&C, etc.

## Earnings Plan (Business Revitalization Plan)

(Total of Five Banks)

	FY2003	FY2004	FY2005	FY2005	FY2006	FY2007
(Billions of Yen)	(Actual)	(Actual)	(Plan)	(Actual)	(Plan)	(Plan)
Gross operating profit	672.7	709.7	666.0	693.6	692.0	718.0
Trust fees	32.7	35.1	35.0	36.6	34.0	34.0
NPL disposal in trust account	4.4	1.1	0.0	0.0	0.0	0.0
Interest income	629.4	613.0	597.0	604.4	608.0	629.0
Interest expense	85.2	74.9	73.0	76.6	66.0	63.0
Net fees & commissions	71.5	72.3	69.0	91.0	73.0	78.0
Net trading income	21.8	21.9	22.0	3.0	24.0	24.0
Other operating income	2.3	42.1	16.0	35.0	19.0	16.0
Gains/(losses) on bonds	(6.6)	17.3	0.0	(12.2)	0.0	0.0
Actual net operating profit *	260.3	365.2	292.0	345.1	328.0	354.0
Net operating profit	275.3	366.5	292.0	348.7	328.0	354.0
Provision to general reserve	(19.4)	(2.4)	0.0	(3.6)	0.0	0.0
Expenses	416.8	345.6	374.0	348.5	364.0	364.0
Personnel expense	123.7	111.1	122.0	117.2	121.0	121.0
Non-personnel expenses	267.3	213.5	230.0	210.2	221.0	221.0
Disposal of NPL	1,343.4	85.2	76.0	57.6	74.0	74.0
Net gain/(loss) on stocks	(19.9)	45.1	0.0	53.9	0.0	0.0
Ordinary profit/(loss)	(1,152.5)	317.2	196.0	336.6	236.0	262.0
Extraordinary gains	36.4	130.6	0.0	69.2	0.0	0.0
Extraordinary losses	215.5	55.6	2.0	4.5	7.0	1.0
Income taxes - current	6.5	6.7				
Income taxes - deferred	354.5	(0.9)	10.0	10.6	10.0	24.0
Net income/(loss)	(1,692.7)	386.3	184.0	390.7	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	FY2005	FY2006	FY2007
(Billions of Yen)	(Actual)	(Actual)	(Plan)	(Actual)	(Plan)	(Plan)
Total assets (Note.1)	43,354.2	41,565.6	41,180.0	41,653.9	40,800.0	40,640.0
Loans and bills discounted	27,261.4	25,532.7	26,620.0	25,247.2	27,490.0	28,500.0
Securities	7,031.1	7,549.9	7,370.0	7,598.5	6,680.0	6,000.0
Trading assets	534.6	774.0	980.0	828.4	980.0	980.0
DTA (term-end bal.)	51.1	46.8	40.8	4.4	37.8	21.9
Total liabilities (Note.1)	41,485.2	40,566.0	40,060.0	40,657.9	39,710.0	39,540.0
Deposits and NCDs	33,074.1	32,939.6	32,630.0	33,153.4	32,720.0	33,000.0
Trading liabilities	11.0	9.0	12.0	15.0	12.0	12.0
DTL for land revaluation (term-end bal.)	45.7	46.2	45.5	46.2	45.5	45.5
Total shareholders' equity	1,130.2	1,509.2	1,328.6	1,698.0	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)	349.8	184.8	432.5	220.2	238.2
Land revaluation excess	66.8	64.3	66.6	64.2	66.6	66.6
Net unrealized gains/(losses) on other securities	140.9	147.6	130.1	253.8	130.1	130.1

(Management Indicators) (Note.3)

Yield on interest earning assets (A)	1.66	1.67	1.62	1.66	1.66	1.73
Interest earned on loans and bills discounted	2.06	2.04	1.98	1.93	1.96	1.97
Interest on securities	0.79	0.94	0.77	1.05	0.85	0.94
Total cost of funding (B)	1.24	1.06	1.15	1.07	1.12	1.11
Interest paid on deposits and NCDs (D)	0.11	0.10	0.09	0.08	0.08	0.07
Overall interest spread (A) - (B)	0.41	0.61	0.47	0.58	0.54	0.61
Cost-to-income ratio (OHR)	61.56	48.61	56.15	50.24	52.60	50.69

## Public Fund Preferred Stocks (Issued under the Early Strengthening Law)

(As of August 1, 2006)

	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 369,914)	JPY 381,600	JPY 360,400	JPY 360,400
Current conversion rate	1.622	(1.310)	(3.468)	(3.468)
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 in 2003

(As of August 1, 2006)

	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	JPY348,100	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	Upward/Downward
Floor conversion price	JPY 28,000	JPY 20,000	JPY 17,000

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*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.*