

Maximizing Corporate Value through Sustained Growth



RESONA

September 2007



Resona Holdings, Inc.

CONTENTS

Resona Group at a Glance

**Business Trend
(Results of FY2006 and Plan for FY2007)**

Pathway to Early Repayment of Public Funds

<Reference Material>

Resona Group at a Glance

Business Trend
(Results of FY2006 and Plan for FY2007)

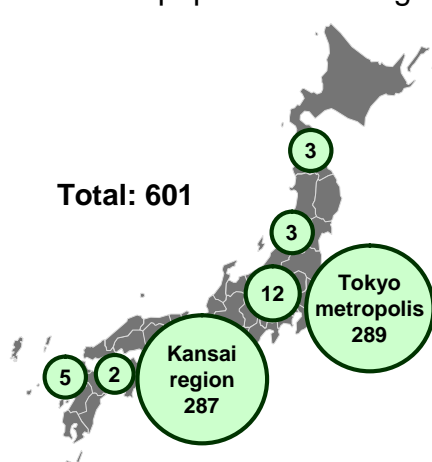
Pathway to Early Repayment of Public Funds

<Reference Material>

Resona's Strengths

Franchise value

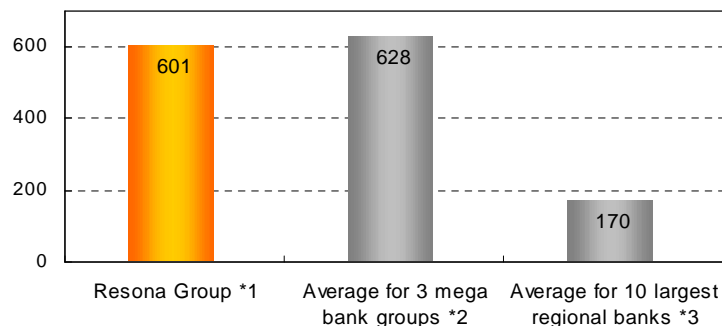
- Solid presence in the Tokyo Metropolitan Area and the Kansai region where economic activities, industries and population are highly concentrated



	Deposit Share	Loan Share
Tokyo metropolis	5.1%	5.1%
Saitama Pref.	39.9%	43.0%
Kanagawa Pref.	4.1%	8.8%
Osaka Pref.	19.6%	19.2%
Nara Pref.	9.9%	15.1%

- Branch network comparable in size to mega banks

<Number of Manned Offices>



*1. Total of 4 group banks (RB, SR, KO, and RTB)

*2. MUFG (BTMU+ MUTB), Mizuho FG (Mizuho BK, Mizuho CBK), SMFG (SMBC)

*3. 10 largest regional banks in terms of non-consolidated total assets (Yokohama, Chiba, Shizuoka, Fukuoka, Joyo, Nishinohon City, Kyoto, Hiroshima, 82th, and Gunma)

Scale merit

- 4th largest banking group in Japan, with ¥40 trillion assets

<Total Assets> (Trillion yen)

Resona Group	Average for 3 mega bank groups	Average for 10 largest regional banks
40.86	128.12	7.59

- Operational efficiency comparable to mega banks

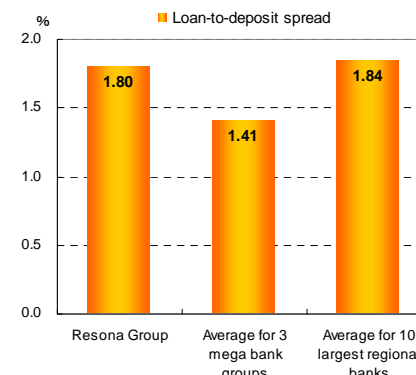
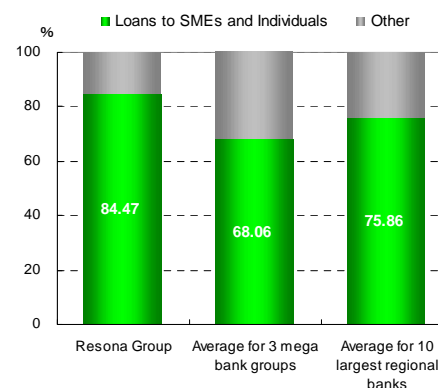
- Assets and operations sizeable enough to pursue economies of scale

<Cost Income Ratio> (%)

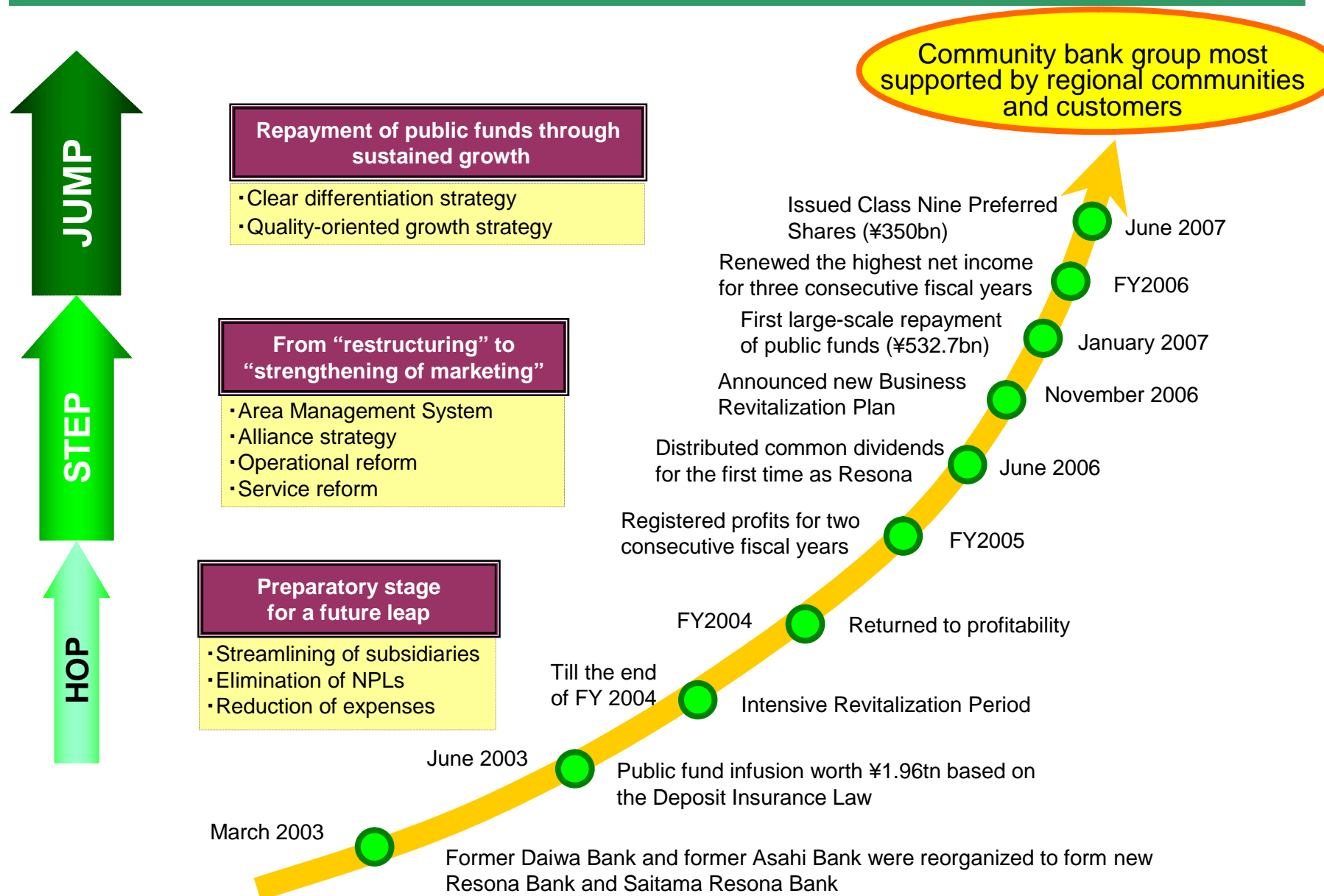
Resona Group	Average for 3 mega bank groups	Average for 10 largest regional banks
48.14	48.96	54.59

Focus on retail banking business

- Lending to SMEs and individuals accounts for more than 80% of the entire loan portfolio
- Credit risk control and favorable loan-to-deposit spread realized through the loan portfolio diversified into small lots



Resona Group's Management Direction



What We Have Achieved (1): Sustainable Profitability

(Total of Group Banks)		FY2002	FY2004	FY2006	
Profitability	Actual net operating profit	307.3bn	365.2bn	382.0bn	<ul style="list-style-type: none"> ➢ Improved core business profitability driven by growth in fee business and bottoming out of loan balance ➢ Emphasis on return on assets for higher profitability
	Actual net operating profit ROA	0.72%	0.90%	0.97%	
Efficiency	Per head actual net operating profit	15.8mn	24.8mn	26.1mn	<ul style="list-style-type: none"> ➢ Thoroughly streamlined operations. ➢ Cost income ratio stabilizing at below 50% level.
	Cost income ratio	59.7%	48.6%	48.1%	
Soundness	Balance of cross-shareholdings	1,316.6bn	397.9bn	387.3bn	<ul style="list-style-type: none"> ➢ Eliminated downside risks for profits by raising the quality of balance sheet ➢ Diversification of loan portfolio into small lots
	NPL ratio	11.19% (Sep. 2003)	3.39%	2.47%	
	Housing loan ratio	28.9%	39.6%	42.9%	

What We Have Achieved (2): Growth of Five Core Businesses

Sustained Growth of Five Core Businesses							
(Total of Group Banks)		FY2002		FY2004		FY2006	
Transaction with SMEs	Loans to SMEs	10.5tn (Mar. 2004)	➡	9.8tn	➡	10.0tn	➤ Loans to SMEs already bottomed out in the 2nd half of fiscal 2005
Housing loans	Housing loans	8.4tn	➡	10.1tn	➡	11.4tn	➤ Raised housing loan balance and ratio steadily, making the best use of the advantage in business infrastructure.
	Market share for Housing Loans	10.5%	➡	11.4%	➡	11.8%	
Financial product sale	Financial products sold to individuals	0.79tn	➡	1.96tn	➡	3.79tn	➤ Balance increased fivefold ➤ Ratio of investment products exceeded 15%.
	Ratio of investment products *	3.7%	➡	9.0%	➡	15.6%	
Real estate	Income from real estate business	6.0bn	➡	9.4bn	➡	19.9bn	➤ Pursuing the group synergies ➤ Real estate business renewed the highest profits ➤ Entrusted pension funds have been rising continuously
Corporate pension	Balance of entrusted pension funds	5.4tn	➡	5.5tn	➡	6.3tn	

* Ratio of investment products to total financial assets including deposits held by individuals

Further Exploring Differentiating Business Strategies

3 Key strategies implemented to further enhance Resona's "Metro Community Banking" strategy

Area Management System

- **Divided Resona Bank's operations into 12 regional units and assigned an Area CEO to each regional unit**
 - Relationship banking
 - Provide solutions that can respond to the different needs of regional customers
 - Delegation of significant decision-making authorities and clear responsibilities and targets for profitability

Operational Reform

- **Branch office redefined as a place for selling products and services**
 - Renovation of branch offices: 177 offices completed by March 2007
200 offices in total to be renovated by the end of fiscal 2007
 - Number of specialized sales personnel as of March 2007: 332
Add another 180 specialized sales personnel by the end of fiscal 2007
 - Successfully reduced clerical work volume by 30% by March 2007
50% reduction by the end of fiscal 2007 (in comparison with the volume as of Oct. 2005)

Alliance Strategy

- **Alliance strategies: focus on core competencies and responses to customer needs**
 - Alliance in the field of insurance products sale (tie-up with Dai-ichi Mutual Life)
 - Product line-up, supports to strengthen sales capabilities
 - Issued approximately 561 thousands joint brand cards launched with Credit Saison
 - Seek to forge Resona Group-led alliances, making the best use of Resona's non-Zaibatsu, independent status

Resona Group at a Glance

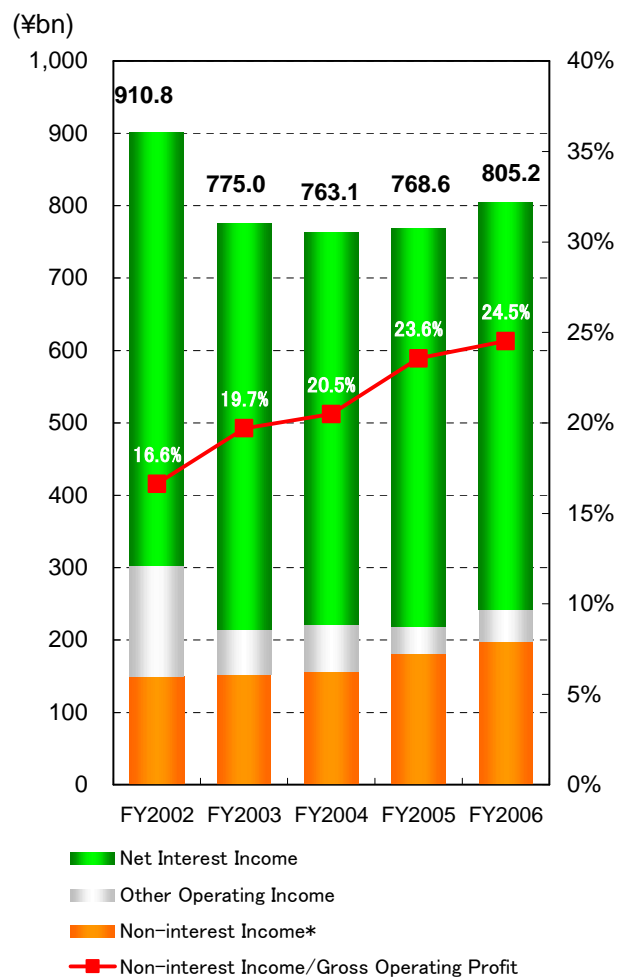
Business Trend
(Results of FY2006 and Plan for FY2007)

Pathway to Early Repayment of Public Funds

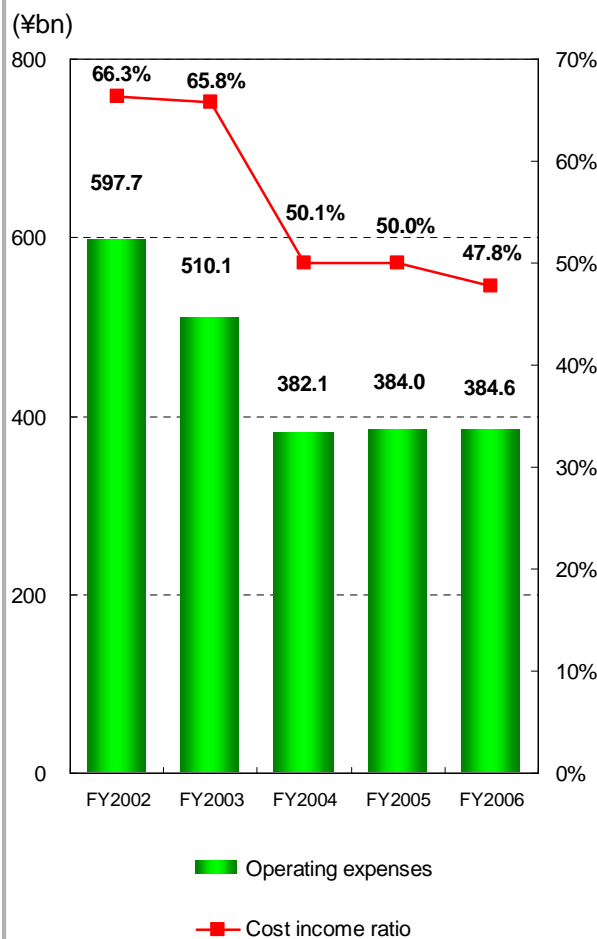
<Reference Material>

Consolidated Business Results (5 Year Trend)

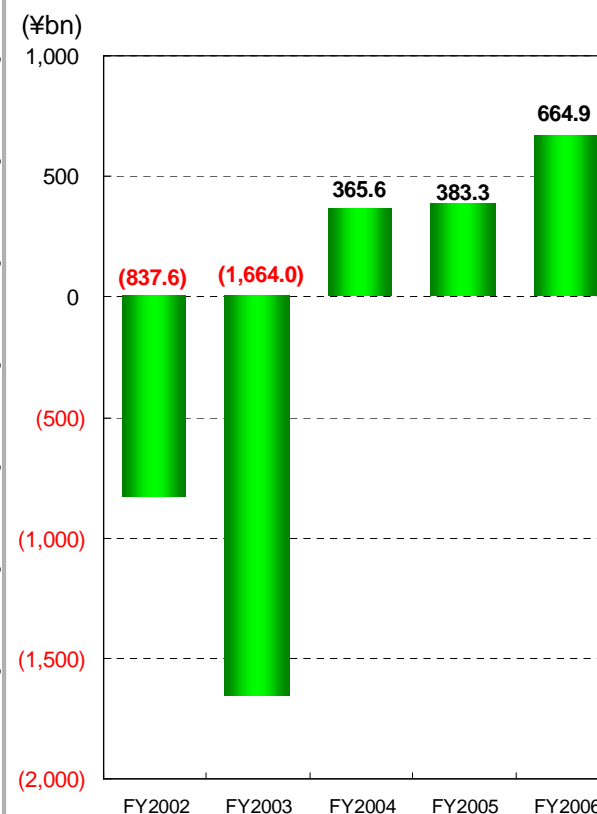
Top-line income



Operating expenses



Net income



* Fee income include fees and commission income and trust fees

Earnings Forecasts for Fiscal Year Ending March 2008

(Billions of Yen)	Resona Holdings (Consolidated)		
	1st half forecast	Full year forecast	Change from FY 2006
Ordinary income	510.0	1030.0	(123.3)
Ordinary profit	140.0	280.0	(129.8)
Net (interim) income	100.0	210.0	(454.8)

consolidated capital adequacy ratio of Resona HD at the end of fiscal 2007

Lower 12%

(Billions of Yen)	Resona Holdings (Non-consolidated)		
	1st half forecast	Full year forecast	Change from FY 2006
Operating income	261.5	600.0	204.2
Ordinary profit	256.0	590.0	205.6
Net (interim) income	287.5	590.0	170.9

Forecast for term-end per share dividend on ordinary share	1,000yen
Forecast for term-end per share dividend on preferred share	As pre-determined

<Note> The issuance of the Class Nine Preferred Shares in June 2007 (¥350bn and having an effect of lifting the CAR by 1.4%) is reflected in the above estimate of consolidated capital adequacy ratio at the end of fiscal 2007. Possible issuances of new shares other than the Class Nine Preferred Shares and repurchase of existing shares are not taken into consideration.

	Total of four banks (approx. figure)				Resona		Saitama Resona	Kinki Osaka	Resona Trust & Banking
	1st half forecast	Full year forecast	Change from FY 2006	Business Revitalization Plan	Full year forecast	Business Revitalization Plan	Full year forecast	Full year forecast	Full- year forecast
Gross operating profit	360.0	736.0	0.1	727.0	485.0	483.4	153.0	68.0	30.5
General & administrative expenses	190.0	376.0	21.7	380.0	242.0	246.3	76.0	45.0	12.0
Actual net operating profit	170.0	360.0	(22.0)	347.0	243.0	237.7	77.0	23.0	18.5
Non-recurring and extraordinary profit/(loss)	(30.0)	(75.0)	(100.9)	(67.0)	(49.0)	(44.1)	(13.5)	(11.5)	—
Gain/(loss) from stocks	2.0	5.0	(64.1)	8.0	5.0	8.2	—	—	—
Credit related expenses	28.0	60.0	13.2	61.0	45.0	44.4	80.0	7.3	—
Income before income taxes	140.0	285.0	(122.9)	280.0	194.0	193.6	63.5	11.5	18.5
Net (interim) income	105.0	220.0	(394.6)	205.0	Resona Group started applying consolidated tax return system from fiscal year 2005				

Forecast for capital adequacy ratios at the end of fiscal 2007

Consolidated

Upper 8%

Non-consolidated

Consolidated

Non-consolidated

Lower 9%

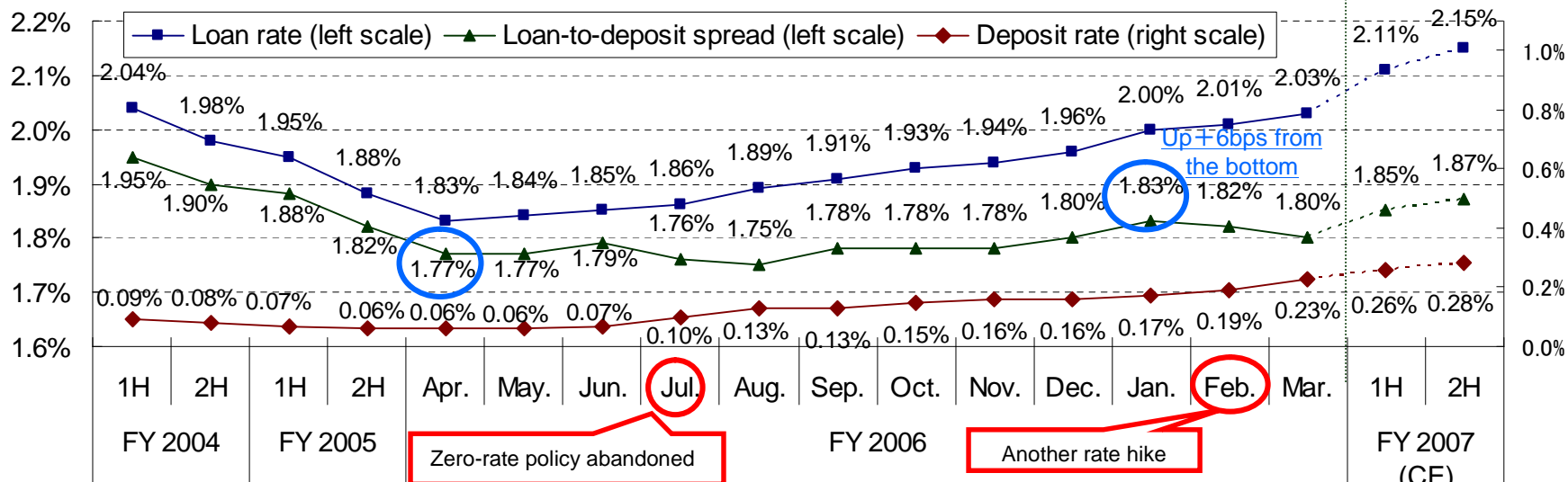
Middle 8%

Approx. 40%

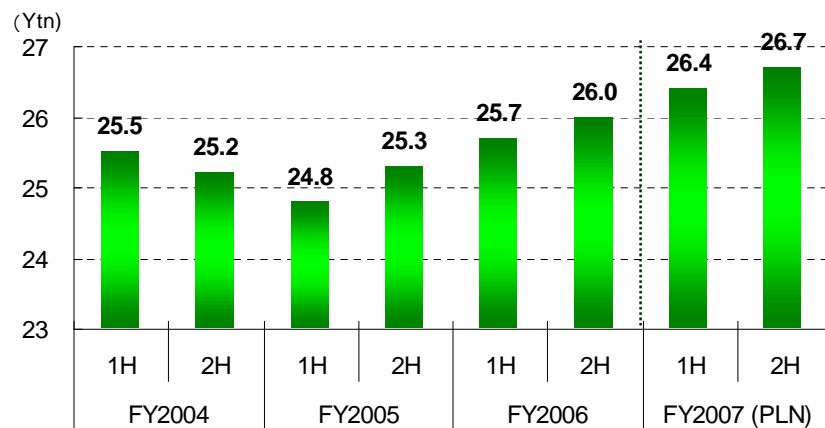
Trend of Loan Business

Trend of loan and deposit rates and loan-to-deposit spread

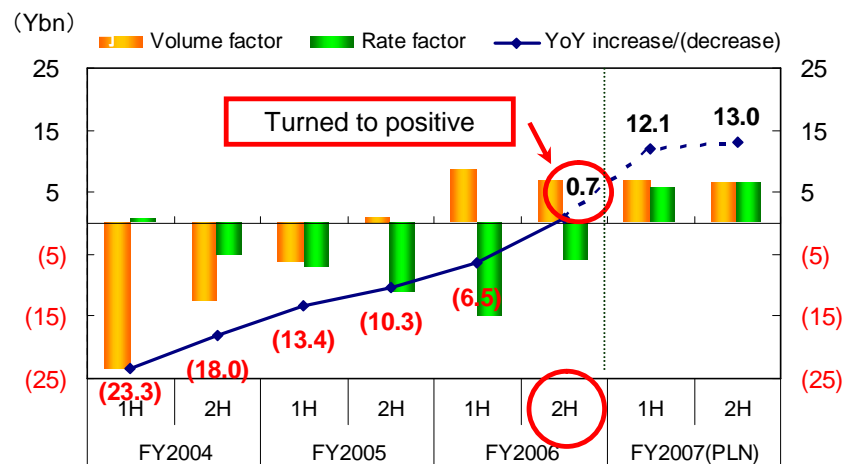
*Based on management accounting



Trend of loan balance (average balance)



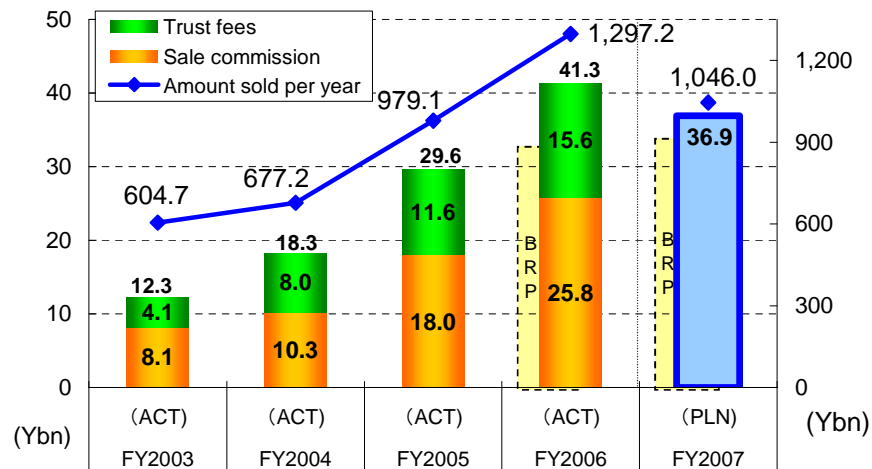
Trend of net income on loans and deposits (YoY change)



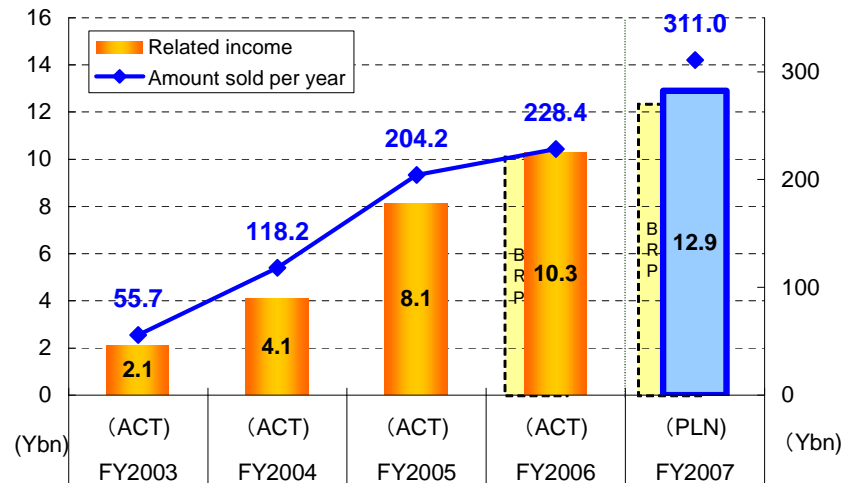
* Loans in the domestic yen account (management accounting basis)

Trend of Fee Business

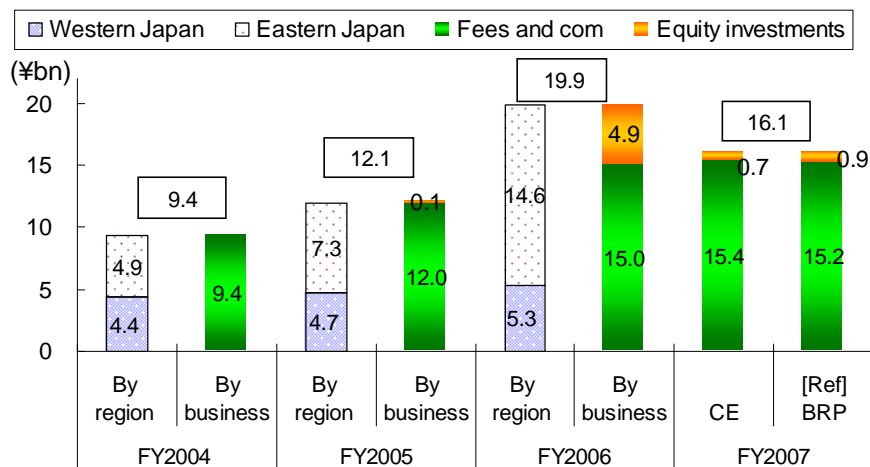
Investment trusts



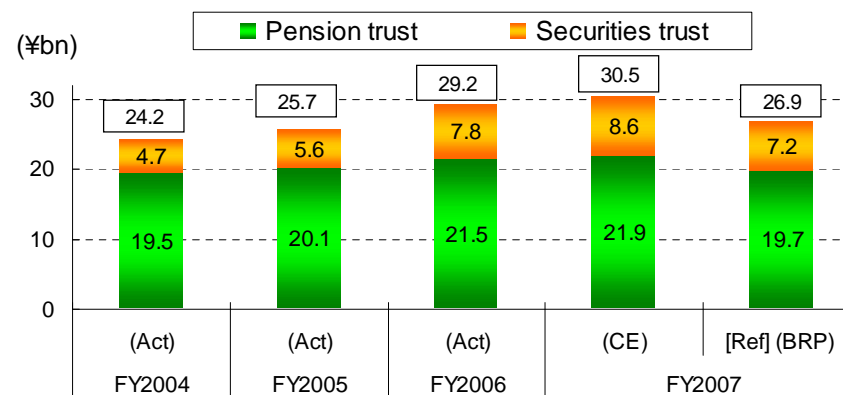
Personal annuity products



Real estate business (Resona Bank)



Pension and securities trust businesses (Resona Trust & Banking)



Operating Results for the 1Q of FY2007 (Total of Group Banks)

(non-consolidated basis)

	1Q FY2006	1Q FY2007	Year on Year Change	Comments
Gross operating profits	154.5 bn	178.9 bn	+24.4 bn	<ul style="list-style-type: none"> ■ Gross operating profits increased ¥24.4bn, or 15%, YoY. ■ Net interest income as a whole remained almost flat YoY <ul style="list-style-type: none"> ➢ Net interest income on loans and deposits increased ¥2.4bn YoY ➢ Absence of one-time gains posted in 1Q last year ■ Fees and commission income kept a steady growth trend.
Net interest income	132.6 bn	132.7bn	+ 0.1 bn	
Fees income ¹	28.9 bn	32.4bn	+ 3.5 bn	
Net gains on bonds	(16.5) bn	3.5 bn	+20.1 bn	
Operating expenses	80.2 bn	87.2 bn	+6.9 bn	<ul style="list-style-type: none"> ■ Increase in operating expenses is primarily due to a change in accounting treatment for incentive salaries.
Actual net operating profit²	74.4 bn	91.6 bn	17.2 bn	<ul style="list-style-type: none"> ■ Actual net operating profit increased ¥17.2bn, or 23%, YoY.
Net gains on stocks³	(3.0) bn	2.2 bn	+5.2 bn	<ul style="list-style-type: none"> ■ Net gains on stocks and stock futures for 1Q were ¥2.2bn.
Credit expenses, net	22.3 bn	32.7 bn	+ 10.3 bn	<ul style="list-style-type: none"> ■ Net credit expenses increased ¥10.3bn owing to proactive provisions of loan loss reserves against certain borrowers.
Net income	45.8 bn	45.6 bn	(0.2) bn	
Cost income ratio	51.9%	48.7%	+ 3.1%	<ul style="list-style-type: none"> ■ Steady top-line growth resulted in a 3.1% decline in cost income ratio
ROA (Annualized)⁴	0.71%	0.89%	+0.18%	<ul style="list-style-type: none"> ■ ROA improved by 0.18% YoY on an annualized basis
NPL balance (FRL criteria)	710.2 bn	711.5 bn	1.3 bn	<ul style="list-style-type: none"> ■ NPL balance as of the end of June 2007: JPY711.5Bn (NPL ratio: 2.6%)

1. Fees and commission income plus trust fees
2. Net operating profit before transfer to general reserve for possible loan losses and expenses related to NPL disposal in the trust account.
3. Include net gains on stock futures
4. ROA (Annualized) = Actual net operating profit / Total assets of group banks (average of total assets at the beginning and at the end of respective periods)

Resona Group at a Glance


Business Trend (Results of FY2006 and Plan for FY2007)

Pathway to Early Repayment of Public Funds

<Reference Material>

Capital Policy Directed toward Early Repayment of Public Funds

[Progress in the past 1 year] Steadily accumulated surplus and accelerated pace of repayments



May 23, 2006	Announced “Basic Policy toward Repayment of Public Funds” (1) To secure a source of funds for repayment as soon as possible (2) To maintain an appropriate capital adequacy ratio; and (3) To avoid dilution of ordinary shares as much as possible
June 28, 2006	Approval of creation of the terms for new preferred shares (Classes 4 through 9) at the General Meeting of Shareholders • Classes 4 through 8 ... Non-convertible (bond-type) preferred shares • Class 9 ... Convertible (“restrictive” conversion) preferred shares
August 31, 2006	Issue of the Class 4 Preferred Shares (Total issue amount ¥63bn)
November 2, 2006	Partial repayment of the public fund perpetual subordinated loan (Amount ¥20bn)
January 26, 2007	Repurchase and cancellation of the public funds preferred shares (Total issue amount ¥532.7bn)
March 30, 2007	Requested for sale in the market of the public fund ordinary shares
June 5, 2007	Issue of the Class 9 Preferred Shares (Total issue amount ¥350bn)
June 13, 2007	Partial repayment of the public fund perpetual subordinated loan (Amount ¥35bn)
August 28, 2007	Issue of the Class 5 Preferred Shares (Total issue amount ¥100bn)

List of Public Funds

List of remaining public funds and approaches for repayments

(Billions of Yen)	Time of Issue	Mandatory Conversion (First Call)	Amount	Amount	Amount repaid	
			Sep. 30, '03 (1)	Jun. 30, '07 (2)	(2) - (1)	
Total public funds received			3,128.0	2,337.5	(790.5)	
Preferred Shares			2,531.5	1,998.8	(532.7)	
Early Strengthening Law			868.0	335.2	(532.7)	
Class B No.1	Mar. 1999	Apr. 2009	408.0	163.3	(244.6)	
Class C No.1	Apr. 2001	Apr. 2015	60.0	60.0	---	Repurchase and cancellation worth 532.7bn on an infusion amount basis (January 2007)
Class E No.1	Mar. 1999	Dec. 2009	300.0	11.9	(288.0)	
Class F No.1	Mar. 1999	Dec. 2014	100.0	100.0	---	
Deposit Insurance Law			1,663.5	1,663.5	---	
Class One No.1	Jul. 2003	N.A.	550.0	550.0	---	
Class Two No.1	Jul. 2003	N.A.	563.5	563.5	---	
Class Three No.1	Jul. 2003	N.A.	550.0	550.0	---	
Subordinated Loans			300.0	45.0	(255.0)	
Financial Function Early Stabilization Law	Mar. 1998	Fully repaid	200.0	---	(200.0)	Fully repaid
Early Strengthening Law	Mar. 1999	Mar. 2009	100.0	45.0	(55.0)	
Common Shares	Jul. 2003	N.A.	296.4	293.7	(2.7)	

Subordinated Loans

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

Common Shares

Plan to discuss further details including methods and timing with the relevant authorities as soon as circumstances permit

Preferred Shares

- Repurchase and cancellation utilizing the retained earnings and proceeds from the issuances of new preferred shares
- As of the end of August 2007, procured the funds for repayments covering 67% of the remaining public fund preferred shares on an infusion amount basis (After taking into account the issuance of Class Five Preferred Shares)

Public fund preferred shares Remaining amount: ¥1,998.8bn (infusion amount basis)

Other capital surplus (New PS)
(¥350bn) (¥100bn)

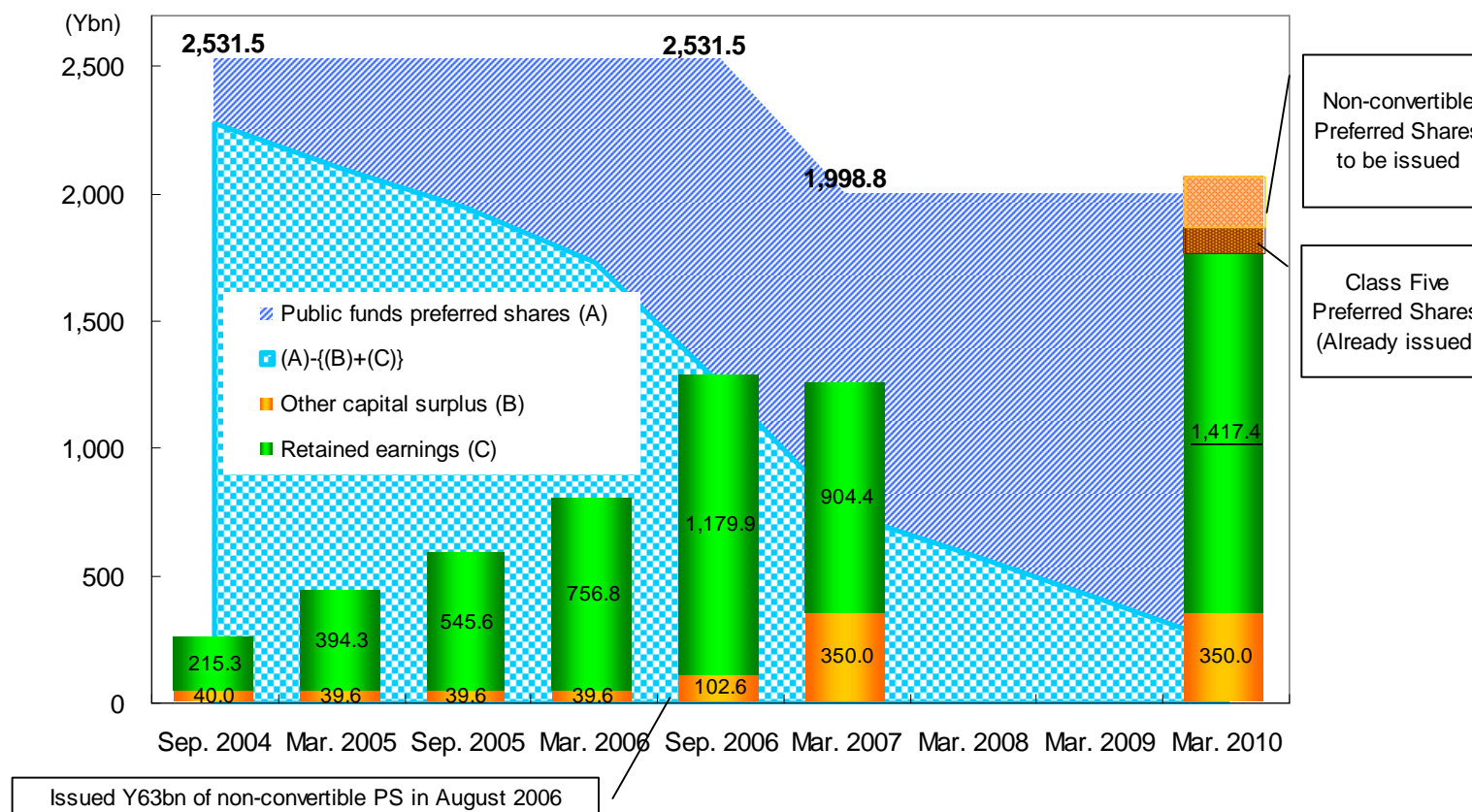
Retained earnings (End of March 2007)
(¥904.4bn)

Total available funds for repayments ¥1,354.4bn (67% of above)

Accumulation of Funds Available for Repayments (Image)

Secure funds available for repayments at an early date

- Secure funds for repayments exceeding the infusion amount of remaining public funds preferred shares through accumulation of retained earnings and issuances of non-convertible preferred shares



- The issue proceeds of the Class 9 preferred shares are included in the surplus funds available as of the end of March 2007.
- Retained earnings as of the end of March 2010 are based on the Management Revitalization Plan.
(After adjustments to reflect their use for repurchase and cancellation of the public funds preferred shares in January 2007 and excess profits for FY2006)
- The amount necessary for actual repayment of public funds may differ from the balance of the public funds preferred shares on the basis of the issue prices described above.

Resona Group at a Glance

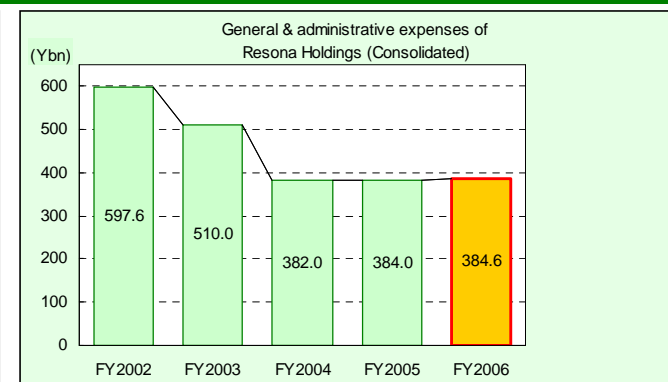
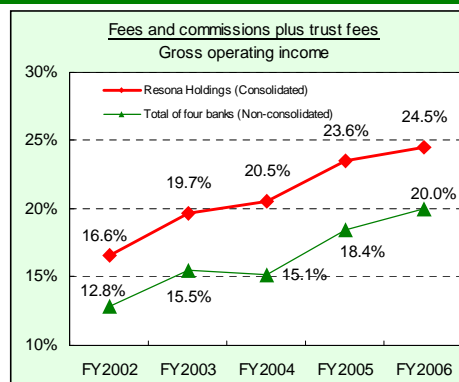
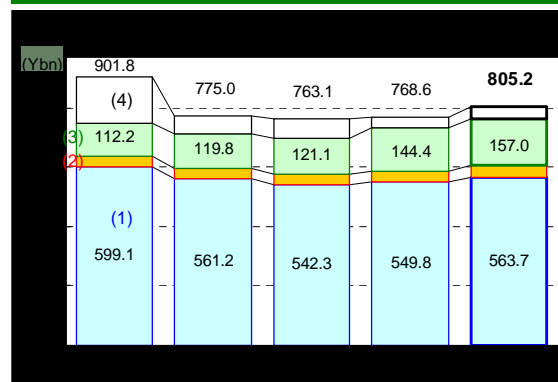
Business Trend (Results of FY2006 and Plan for FY2007)

Pathway to Early Repayment of Public Funds

<Reference Material>

Outline of Financial Results for Fiscal Year 2006

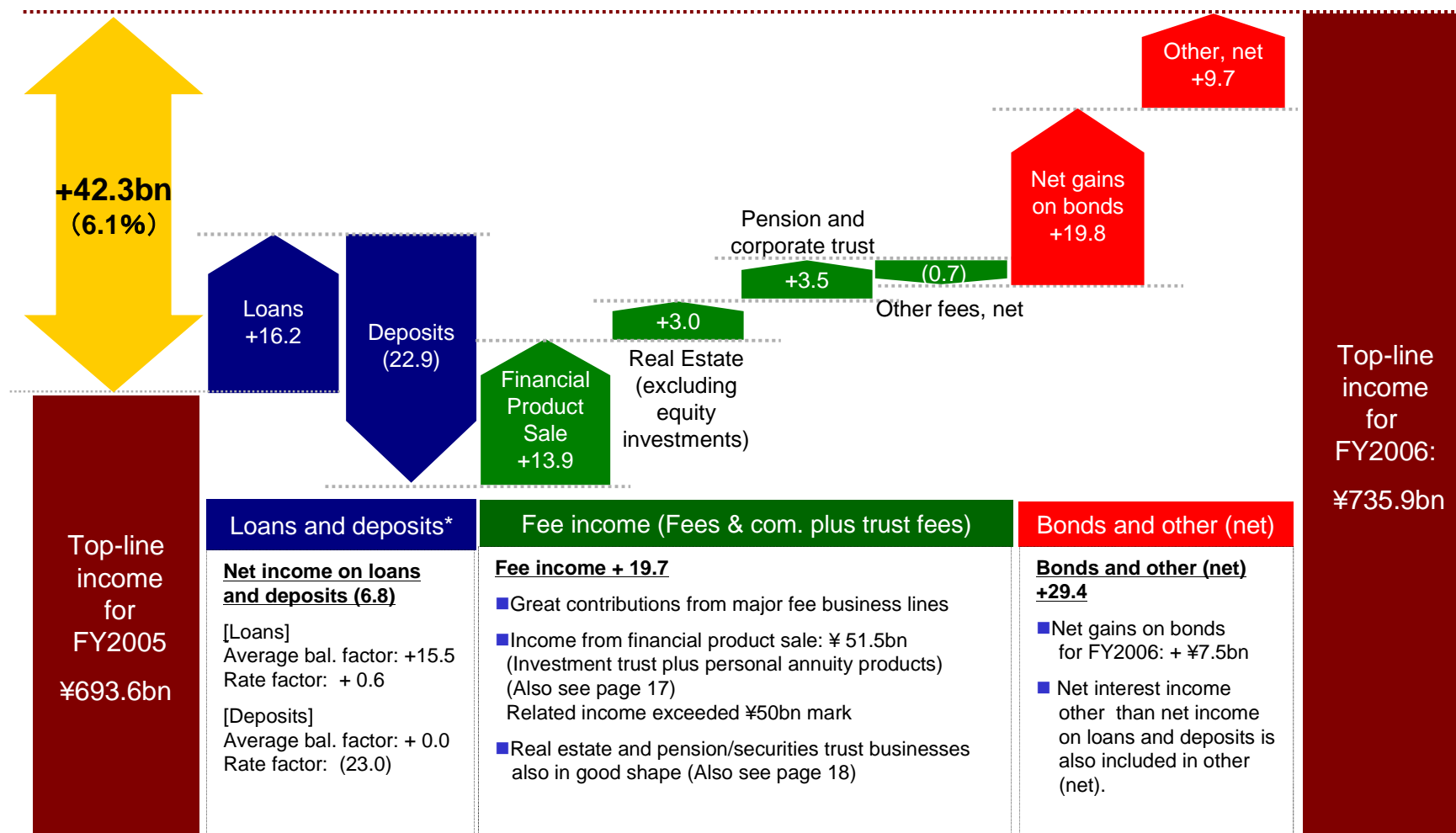
(Billions of Yen)	Resona Holdings (Consolidated)		Difference (a) - (b)	Total four banks (Non-consolidated)		Resona Bank	Saitama Resona	Kinki Osaka	Resona Trust &	Factors accounting for difference (a) - (b) (Approx. figures) RC: Resona Card, RG: Resona Guarantee, RKS: Resona Kessai Service, RCP: Resona Capital
	(A)	YoY change		(B)	YoY change	(Non-consolidated)		(Non-consolidated)		
Gross operating profit	805.2	36.5	69.2	735.9	42.3	492.6	147.2	66.8	29.2	
Excluding gain/loss on bonds	797.7	16.8	69.2	728.5	22.5	484.2	148.1	66.8	29.2	
(1) Net interest income	563.7	13.8	19.0	544.6	16.8	362.1	124.3	58.1	0.0	RC 10.0bn., cancellation of interest payments for capital securities 9.5 bn. and other
(2) Trust fees	40.4	3.7	—	40.4	3.7	8.2	—	—	32.2	
(3) Fee and commission income	157.0	12.6	50.0	107.0	15.9	76.6	25.2	8.0	(3.0)	RG 30.0 bn., RC 13.5 bil., RKS 2.0 bn. and other
(4) Other operating profit	44.0	6.3	0.1	43.8	5.7	45.6	(2.4)	0.6	—	
Actual net operating profit				382.0	36.8	263.1	76.3	24.5	17.9	(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				374.5	17.0	254.7	77.2	24.5	17.9	(Actual net operating profit less bond-related income)
General & administrative expenses	384.6	0.5	30.8	353.7	(5.9)	227.3	72.0	43.0	11.3	RC 16.0 bn., RG 3.5 bn., and other
Gain on stocks	72.4	13.8	3.3	69.1	15.1	65.7	1.2	2.1	—	RCP 3.0 bn. and other
Credit related expenses	69.7	62.8	22.8	46.8	61.3	42.2	8.3	(3.7)	—	RG 15.0 bn., RC 5.5 bn., and other
Other gain/(loss), net	2.7	36.5	(0.6)	3.4	4.3	12.1	(3.4)	(5.2)	(0.0)	
Income before income taxes	426.0	23.5	18.1	407.9	6.5	300.9	64.6	24.4	17.9	
Income taxes, current and deferred	(238.8)	(258.0)	(32.1)	(206.6)	(217.3)	(245.8)	28.9	2.9	7.3	Minority interests in net income 12.3 bn., income taxes received by Resona HD (34.6) bn., and other
Net income	664.8	281.6	50.2	614.6	223.8	546.8	35.6	21.4	10.6	



Analysis on Top-line Income Growth (Total of Group Banks)

Group banks' combined top-line income increased ¥42.3bn (+6.1%) from previous year

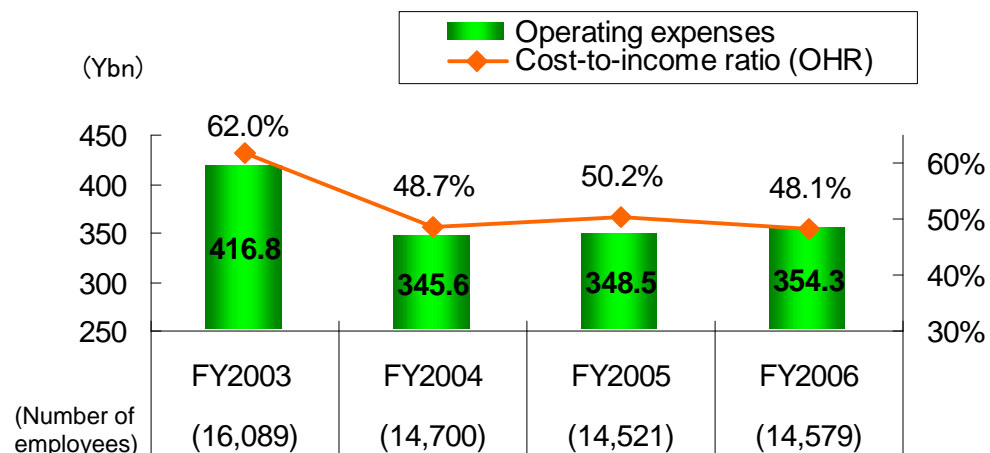
- Despite a contribution from increase in average loan balance, net income on loans and deposits declined by ¥6.8bn due to a hike in deposit rate.
- Fee businesses such as financial product sale contributed a lot to top-line income growth



*Domestic operations (Deposits include NCDs.)

Trend of operating expenses and cost-to-income ratio (total of group banks)

Trend in operating expenses and cost-to-income ratio (OHR)

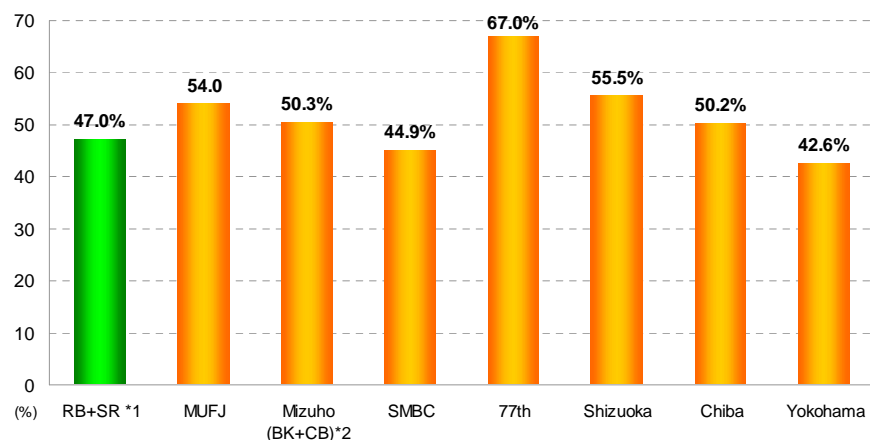


Primary factors accounting for YoY change

■ Combined operating expenses ¥354.3bn (Up ¥5.7bn from previous year)

- Personnel expenses ¥120.7bn (Up ¥3.5bn from previous year)
Primarily due to increase in incentive salaries
- Non-personnel expenses ¥212.7bn (Up ¥2.5bn from previous year)
Primarily due to increase in systems-related expenses

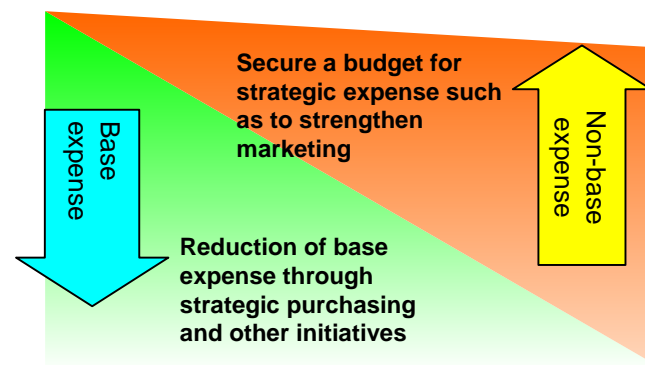
OHR: Comparison with other major banks in Japan



*1. Resona Bank + Saitama Resona Bank *2. Mizuho Bank + Mizuho Corporate Bank
Data source: company disclosure. FY2006 data are used for the comparison.

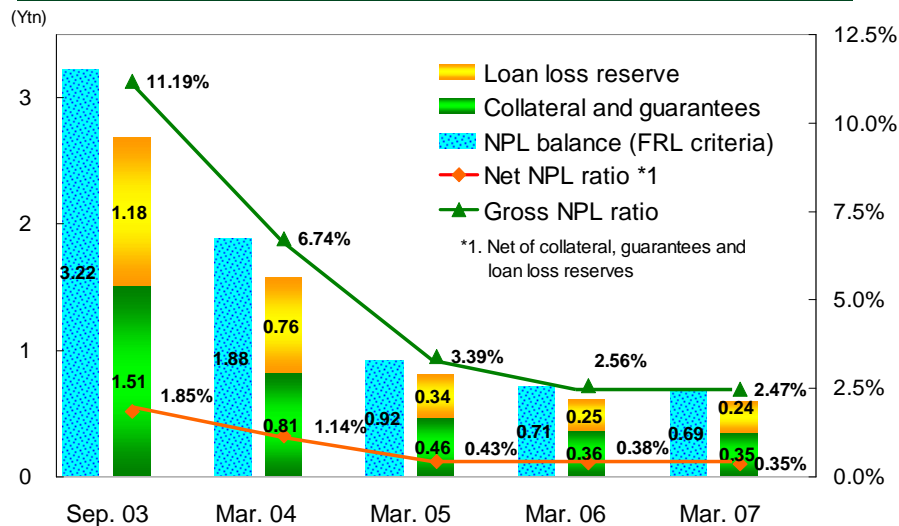
Actively controlling operating expenses

- Create a room for strategic expenses through constant efforts to reduce base expenses
- OHR to be maintained at 50% level

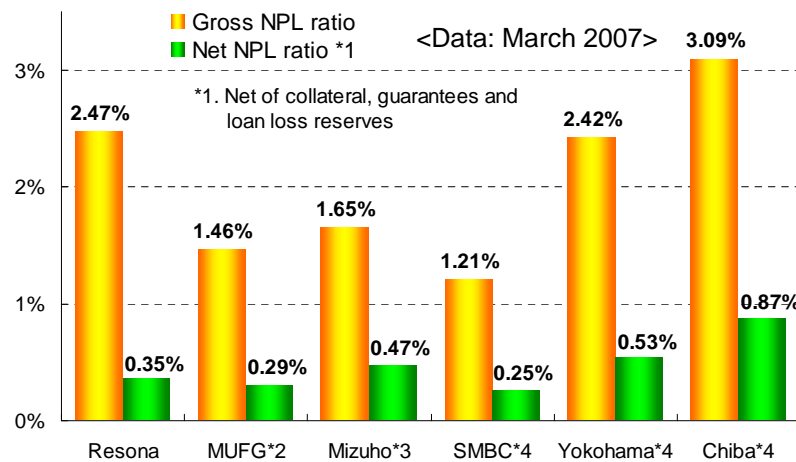


Continued Improvements in Financial Soundness

NPL balance and NPL ratio (group banks total)



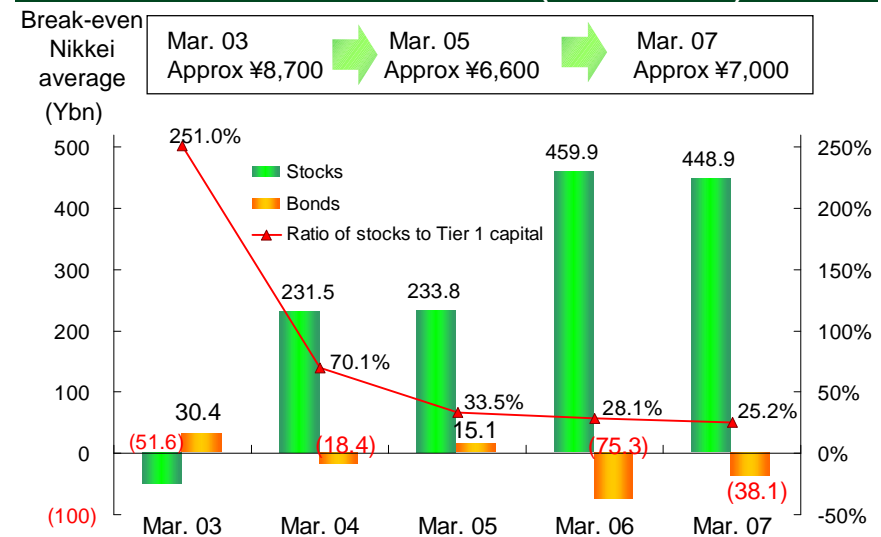
Comparative advantage in net NPL ratio



*2. 2 group banks including trust account loans

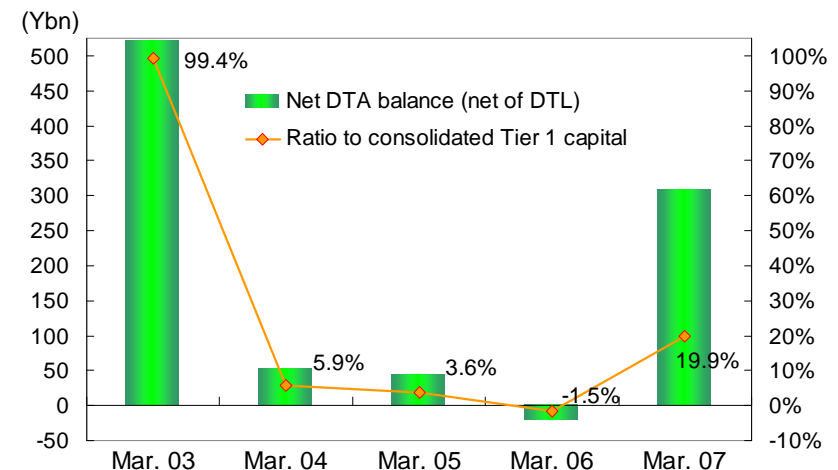
*3. 3 group banks including trust account loans *4. non-consolidated basis

Net unrealized gains/(losses) on available-for-sale securities (Consolidated)



Net DTA balance and ratio to Tier I capital

✓ Even after restoration of DTA, cleared the 20% Tier 1 cap guideline



Capital Adequacy Ratio (RHD Consolidated Basis)

■ RHD's consolidated CAR [Mar. 31 2006] 9.97%(Basel 1) → [Mar. 31 2007] 10.56% (Basel 2, SA)

YoY change based on the Basel I Std.

[RHD Consolidated]	Mar. 31, 2007		(Ybn, %)
	[Basel 1]	YoY change	[Basel 1]
Capital adequacy ratio	10.31	+0.34	9.97
Tier I ratio	6.30	+0.35	5.95
Total qualifying capital	2,561.8	175.8	2,386.0
Tier I capital	1,564.5	138.8	1,425.7
Tier II capital	1,008.1	36.9	971.1
Deduction	10.8	(0.0)	10.9
Risk-weighted assets	24,831.2	900.5	23,930.7

(Primary factors for the difference)

[Qualifying Capital]

➤ Tier 1

▪ Retained earnings (+122.2bn)

⇒ Class 4 Preferred Shares (PS) (+63.0bn)

⇒ Repurchase of public funds PS (-570.0bn)

⇒ Net income and other, net (+629.2bn)

➤ Tier 2

▪ T2 finance and other, net (+32.7bn)

[Risk-weighted Assets]

➤ Change in risk-weighted assets (+ 0.9tn)

▪ Increase in loans

▪ Change in calculation of RWA

Change due to a shift from Basel I to Basel II (Mar. 31, 2007)

[RHD Consolidated]	Mar. 31, 2007		(Ybn, %)
	[Basel 2 (SA)]	Change	[Basel 1]
Capital adequacy ratio	10.56	+0.25	10.31
Tier I ratio	6.51	+0.21	6.30
Total qualifying capital	2,515.8	(45.9)	2,561.8
Tier I capital	1,551.7	(12.8)	1,564.5
Tier II capital	1,001.7	(6.4)	1,008.1
Deduction	37.5	26.7	10.8
Risk-weighted assets	23,803.3	(1,027.8)	24,831.2

(Primary factors for the difference)

[Qualifying Capital]

➤ Tier 1

▪ Gains on sale of securitized housing loan claims, etc. (-12.8bn)

➤ Tier 2

▪ Reduction of loan loss reserve due to a reduction in risk-weighted assets (-6.4bn)

➤ Deduction

▪ Securitization exposure to be deducted (- 26.7bn)

[Risk-weighted assets]

➤ Change in risk-weighted assets

▪ Inclusion of operational risk (+1.4tn)

▪ Change in calculation of RWA (approx. -2.4tn)

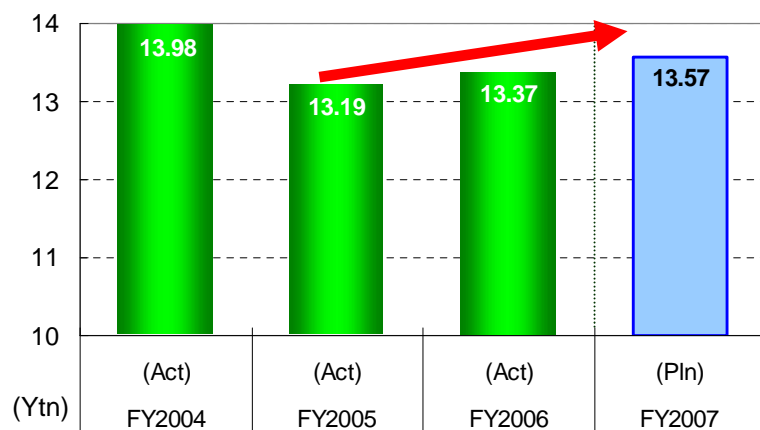
⇒ Housing Loan (RW50%⇒35%)

⇒ Loans to SMEs and individuals (RW100%⇒75%)

Loan Plan for FY2007 (1): Loans to Corporations

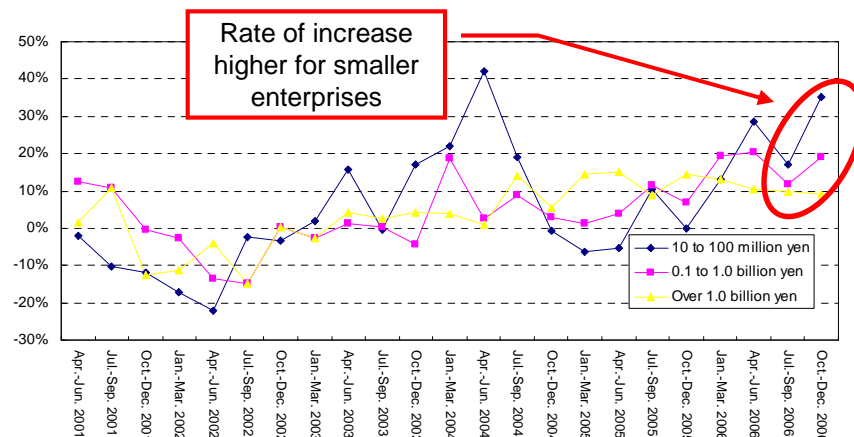
Term-end balance of loans to Corporations (results / plan)

- Avg. balance increased ¥174.2bn in FY2006
- Ave. balance to increase ¥201.6bn in FY2007 (Plan)



* Loans in the domestic banking account, management accounting basis

[Reference] CAPEX Trend by Enterprise Size (YoY Change)



Measures to increase high-quality loan assets

- Strengthen relationships and capability to offer financial solutions
 - > Best use of real estate and corporate pension functions (Pursue group synergies)
 - > Community-based relationship banking
- Reforming liaison activities for corporate clients through active use of CRM
 - > Improving per-head productivity
 - > Monitoring profitability of individual client
- Tactics adopted by group banks

RB

- ◆ Targeting core corporate clients (annual business of ¥0.5bn to ¥5.0bn)
- ◆ Expanding application of “owner business model”
- ◆ Strengthen support from head office

SR

- ◆ Supporting local enterprises in all phases of their developments (from initiation to rehabilitation)
- ◆ Expanding transactions with small enterprises

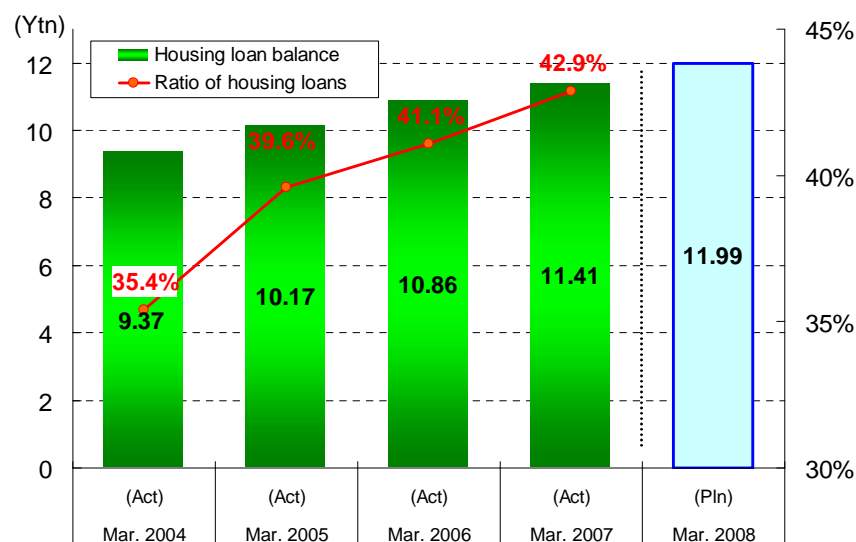
KO

- ◆ Strengthen sales division dedicated to new customers
- ◆ Promoting loans secured by credit guarantee corporations

Loan Plan for FY2007 (2): Loans to Individuals

Housing Loan

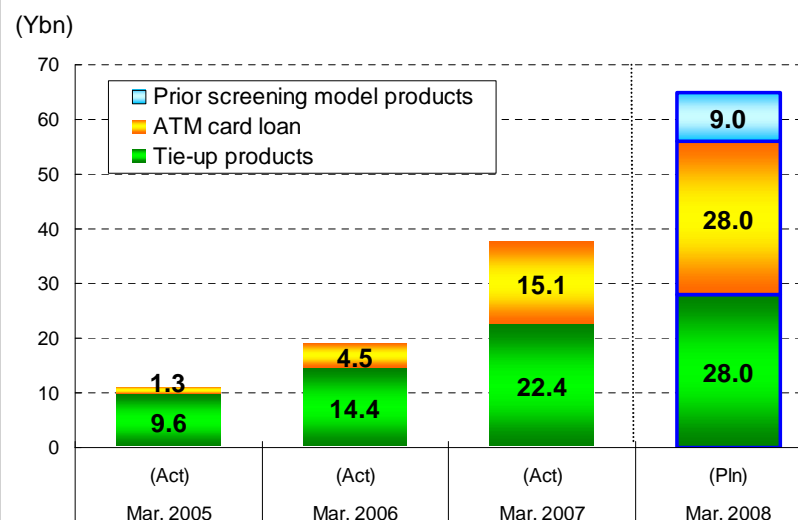
- **HL balance (End Mar. 2007): ¥11.41tn (HL ratio 42.9%)**
 - > Increased +¥555.4bn (+5.1%) during FY2006
 - => Well above the average for Japanese banks (+2.5%)
 - > New loans extended in FY2006: ¥1.66tn
 - Of which, "HLC Flat 35" accounts for ¥95.4bn (+¥38.2bn)
 - => RB ranked #1 in the number of applications received during 2nd half of the year



- **Favorable market condition likely to continue**
 - > Strong housing demand from baby boomer juniors
 - > Market potential remains unchanged despite postponing of sales by certain condo developers
- **Comparative advantage in business infrastructure**
 - > Fast loan application screening, cost competitiveness, product development capability
 - > Establishing nationwide coverage in housing loan business

Other consumer loans

- **Strategic consumer loan products**
 - > Tie-up products: End Mar. 2007 ¥22.4bn (+¥8.0bn)
 - > ATM card loan: End Mar. 2007 ¥15.1bn (+¥10.6bn)
 - > Introduced Quick Card Loan (prior screening model)



Outline of strategic consumer loan products

Product name	Applicable loan rate	Guarantees from external source
My Plan (<i>Jibun Keikaku</i>)	9.0 to 14.5%	Yes
ATM card loan	18%	N.A.
Quick card loan	10.125 to 12.625%	N.A.

- **From preparatory stage to a pillar of profit**
 - > Effective use of low-cost remote channel (ATM, TB and IB)
 - > Utilizing know-how stored through precedent products

Measures Taken for Upgrading the Business Management

Build up a solid business management system that can support sustained business growth

Compliance on Sale of Financial Products

- **Level up of sales staff**
 - > Expand in-house training in terms of their contents and frequencies
 - > Create in-house qualifications to sell financial products
- **Sales activities based on the “principle of suitability”**
 - > Mapping of clients based on “willingness to take risks” and “financial literacy”
 - > Feedback of such analysis via newly introduced CRM system
- **Implement thorough explanation to a customer**
- **Strengthen compliance**
 - > Created Financial Products Compliance Office
 - > Increased the number of compliance advisers

Integrated Risk Management System

- **Implement a plan to upgrade the risk management system**
 - **Evaluations of capital adequacy in the context of integrated risk management**
 - > Primary risks to be managed within Tier 1 limit
 - > Risk buffers provided by excess Tier 1 and Tier 2
 - **Basel II**
 - > Strengthen business management framework in view of a shift from SA to F-IRB*
- *Subject to approvals from competent authorities

Sophistication of Management Accounting System

- **A new framework that places importance on efficient use of capital**
 - > Upgrading to “RAROC” and “RVA” (Resona Value Added)
 - > Commenced computation of RAROC and RVA for each business line and regional unit
- **Management accounting fitted with area management business strategies**
 - > Establishing risk-cost-return management for each regional unit
 - > Management information available for formulation of area business strategies

Development of Business Infrastructure Aimed at Sustainable Growth

Restructuring of business infrastructures aimed at enhancing profitability of mass retail business

Improve customer conveniences through strengthened line-up of products

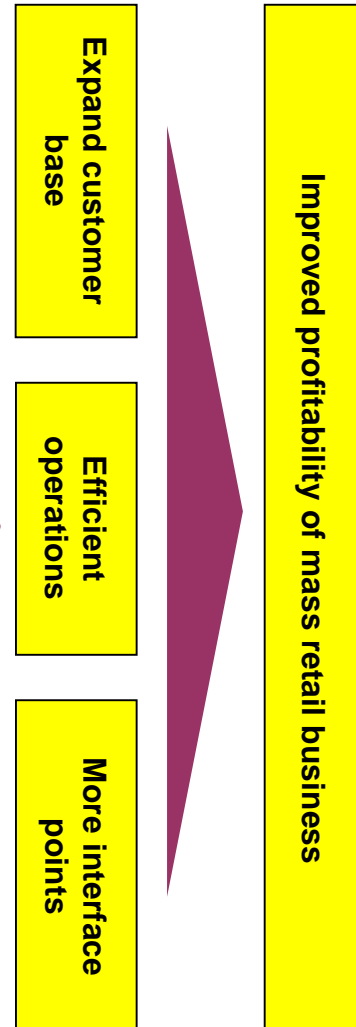
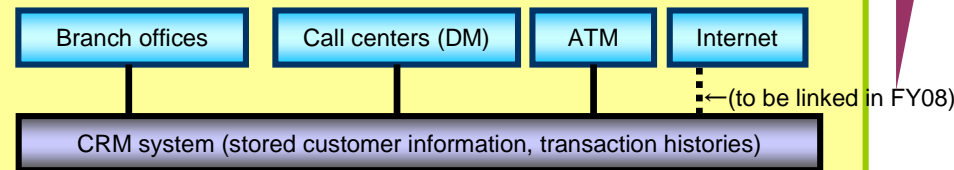
- **Full-fledged revision of internet banking (IB) services (to be completed in FY08)**
 - >Level up in functionality, seamlessness (financial products, housing loans, card loans)
 - >Link with CRM system
- **Review customer royalty point services (planned in FY07)**
 - >Expand affiliated partners (12 at present to be expanded to 20)
- **Strengthened functionality of cash card**
 - >Introduce a dual-function card (cash and credit card) (planned in June 07)

Low-cost operation

- **Concentrated back-yard operations to the Shimane customer center**
 - >Back-yard operations for IB, TB and mail order services
- **Reduce routine transactions carried out at branch office counters**
 - >Expanding transaction share of IB and TB
(Share of IB: 30% for FY2006 to be raised to 50% for FY2012)

Effective utilization of CRM system by Multiple Channels

- **Effective marketing tool**
- **Induce customer visits**



Reform of HR management Autonomous HR management by each area

Diversity management

- **Recruiting talented staffs**
 - > Recruitment in FY2006
 - New graduates: 850 people
 - Mid-career: 270 people
 - > Mid-career hiring for branch GM posts planned in FY07
- **Appointment of female staffs to administrative positions**
 - Female staff appointed to admin. positions
 - > Senior manager: 0.7% → 2%
 - > Manager: 8% → 15%
- **Promotion of temporary/ part-time staffs to regular employees**
 - > FY2006: 86 people

HR Management centered on each area

- **Realized flexible posting by delegating more authorities on HR management to regional units**
- **Improve management and communication skills of people in administrative positions**
 - > Training programs designed to develop management and coaching capability

Bring up autonomous personnel

- **Resona business school to bring up professional personnel in finance field**
 - > Number of people who took the courses: 8,600
 - > Courses to help acquire such qualifications as FP, registered real estate transaction manager, DC planner, etc. (Pursuing group synergies in five primary business areas)
- **Free Agent and Post Challenge systems**
 - > Post challenge for branch GM positions planned in FY07 (RB)

Resona's Differentiation Strategy: Area Management System (Resona Bank)

Maximizing corporate value with the improved Area Management System

What's Area Management?

- > Resona Bank's operation is divided into 12 regional units
- > Area CEO is appointed to each regional unit

Concepts

Relationship Banking

Offering solutions tailored to each regional unit

Delegation of significant authorities and clear profit responsibility

Specific Measures Taken

Presented a clear mission to each regional unit

- Formulation of area strategy based on market condition, potential, and positioning
 - > Clear focus on corporate / retail banking

Selection and focus in resource allocation

- Future strategy on branch network
 - > Half of the total branch offices to become retail outlets
- Optimum allocation of human resources
 - > Clarify job responsibility assigned to a post

Sophistication of management accounting

- Management indicators that will put in place a discipline of capital

Positive synergies among regional units

- Sharing of best practices

Objectives

Raise area market share
(Expand customer base)

×

Enhance profitability

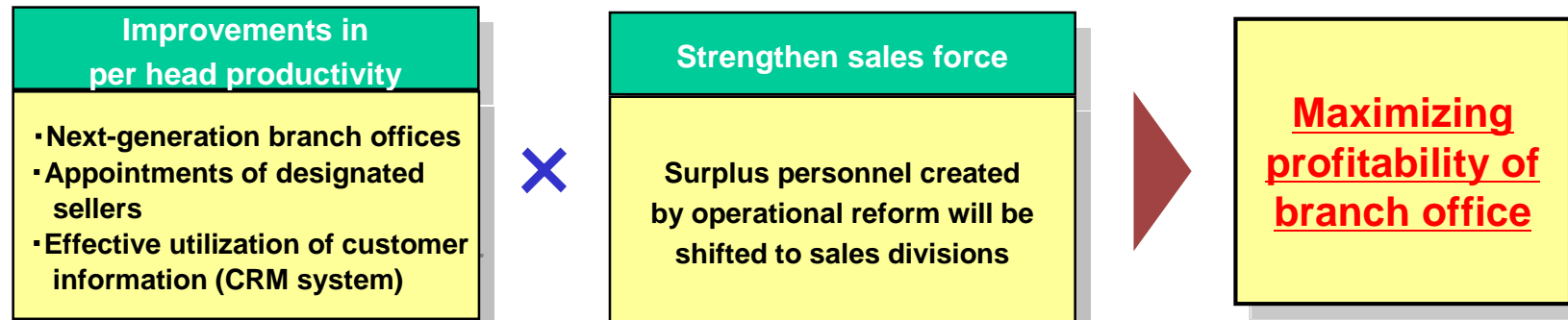
||

Maximize corporate value

Resona's Differentiation Strategy: Operational Reform (Resona Bank)

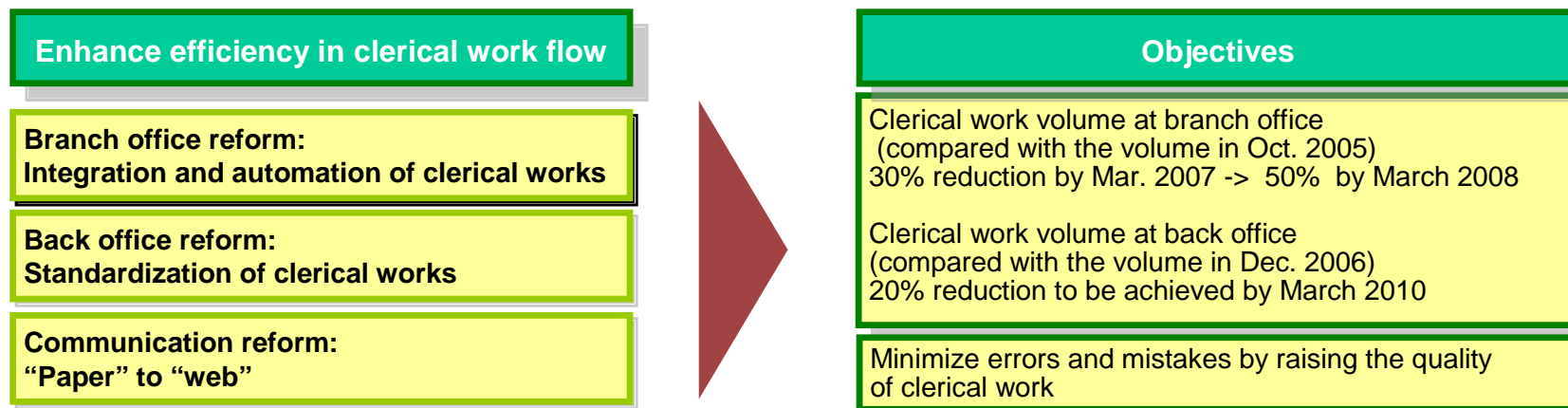
Maximize profitability of branch office through operational reform

✓ Redefine branch office as a place for sales by detaching the back-office functions



- 177 offices have already been renovated to next-generation branch offices. (March '07)
Renovation of 200 offices, in total, to be completed by the end of December 2007
- Number of designated sellers: 332 (March '07). Another 180 people to be added by the end of March 2008.

Break away from high-cost structure inherent in retail banking business



Resona's Differentiation Strategy: Branch Reform (Resona Bank)

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	Reorganize branch back office operations into area clusters



<Objectives>

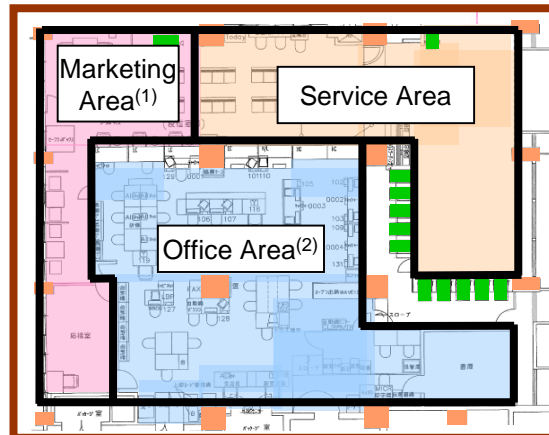
50%
reduction of
clerical
work costs

50%
reduction
of Office
Area⁽²⁾

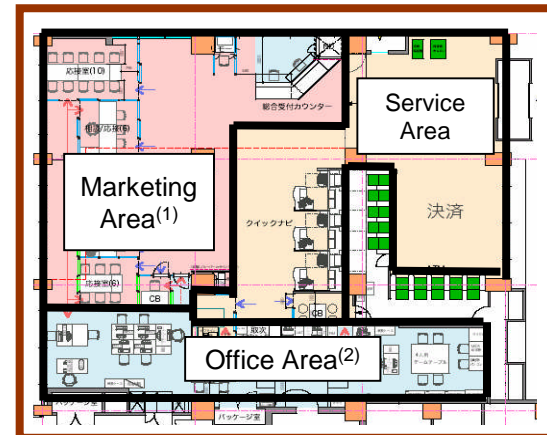
50%
reduction
of clerical
staff

Comparison of office layouts before and after the modification

[BEFORE]



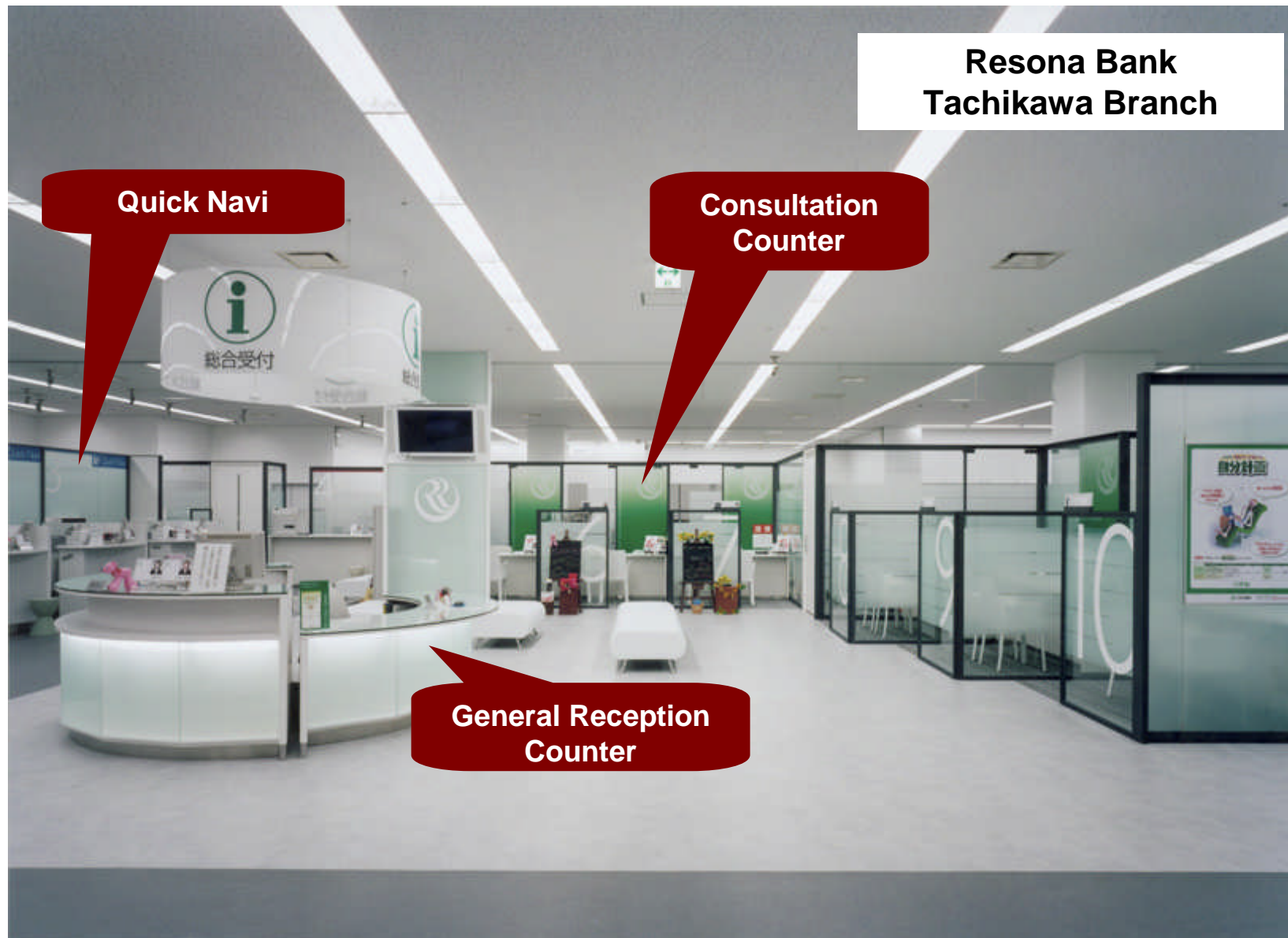
[AFTER]



(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)

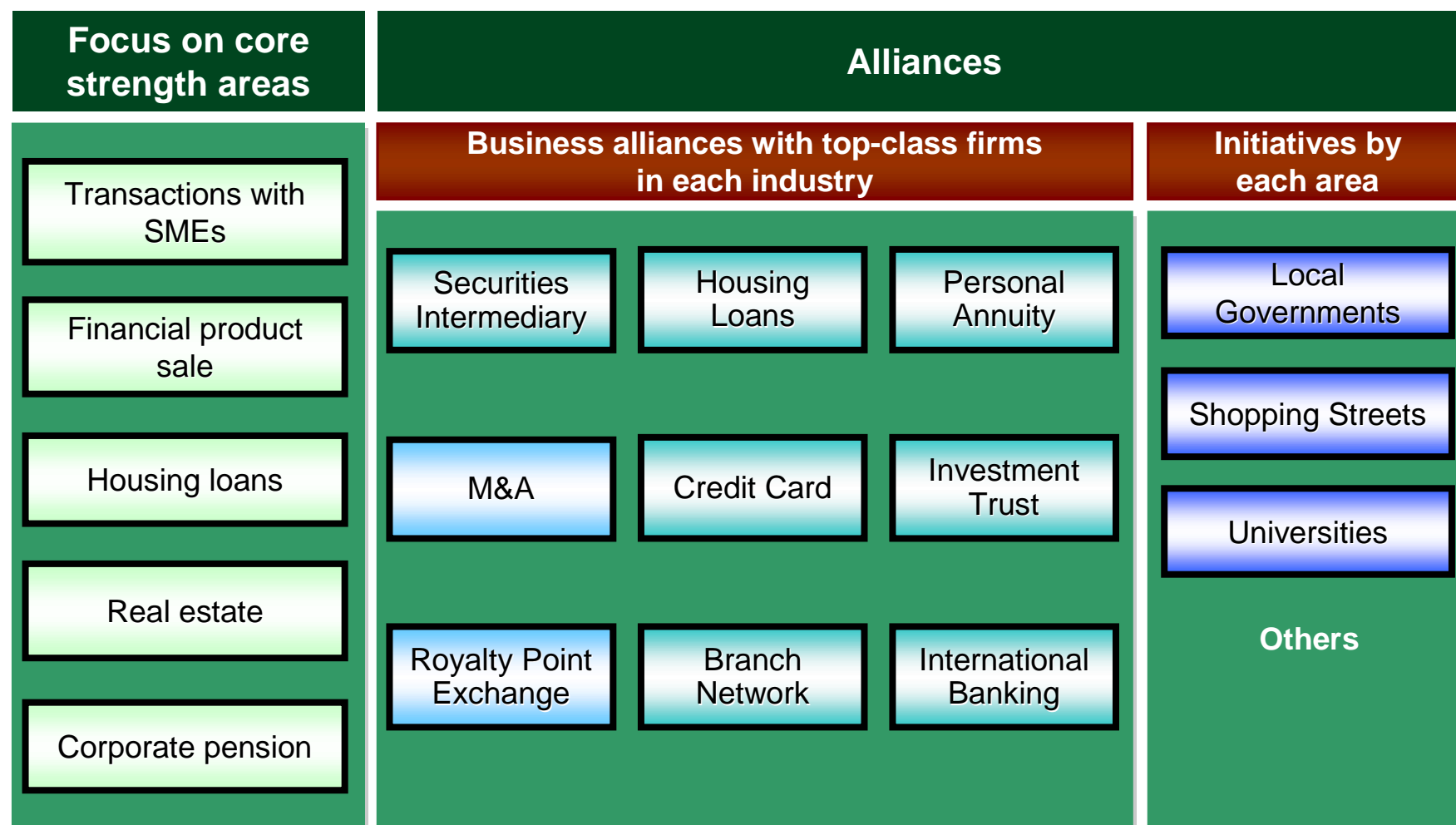
Layout of Next Generation Branch Offices



Resona Group's Differentiation Strategy: Alliance Strategy

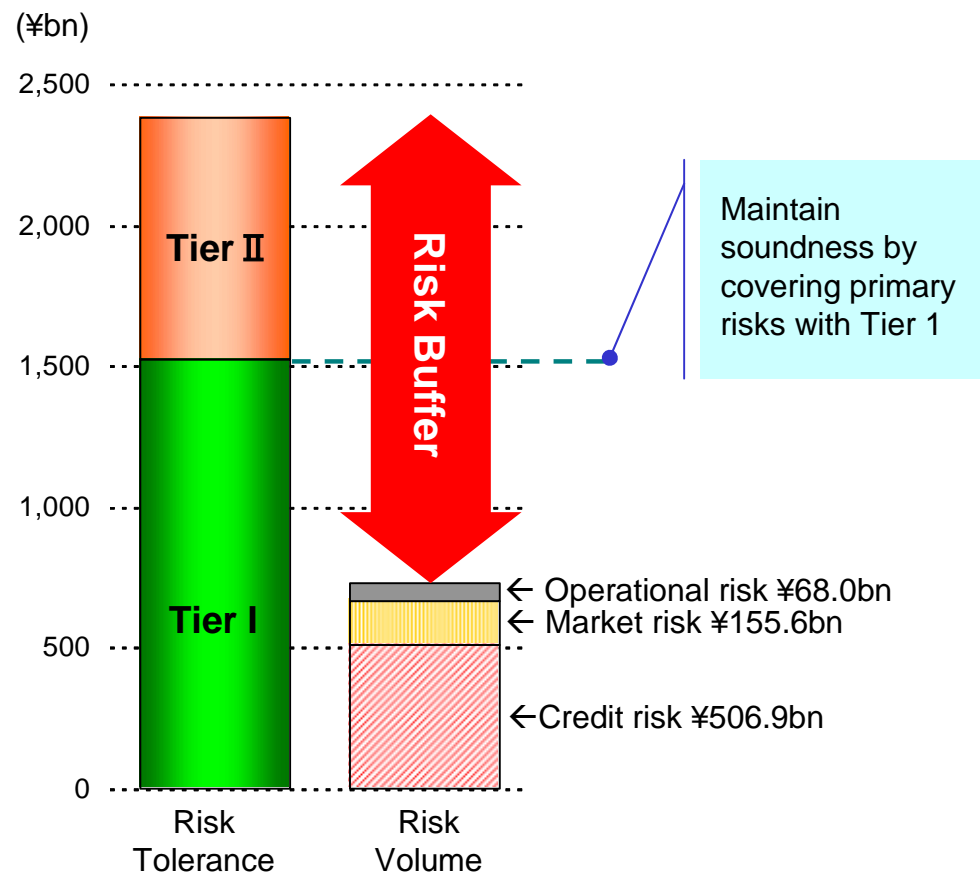
New tie-ups initiated in FY2006

- ✓ Tied-up with Travelex, one of the world largest foreign money exchangers
- ✓ Tied-up with Korea Exchange Bank and State Bank of India in the field of international banking business



Risk Volume relative to Capital (End of March 2007)

- Primary risks such as credit, market and operational risks are controlled within Tier 1 limit
- Risk buffers comprising of excess Tier 1 and Tier 2 are provided against the risk volume assumed under a stress scenario or the risks difficult to measure.



[Integrated risk management]
 Utilized as a tool for the management to evaluate the level of capital adequacy

Assumptions for measuring the VaR

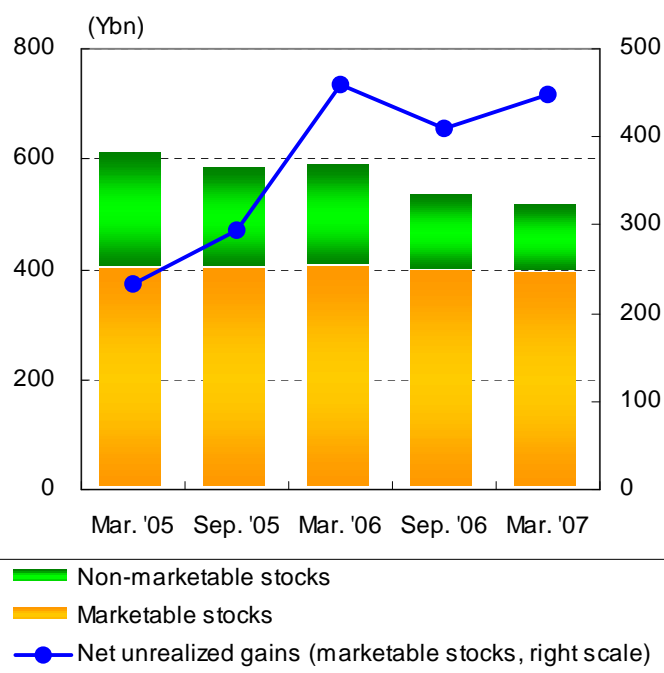
- Confidence Interval: 99%
 * “99.9%” confidence level is used as a supplementary assumption for a stress test.
- Holding period
 Credit risk: 1 year
 Market risk: 1 to 6 months depending on the nature of assets
 Operational risk: 1 year

Note: Tier 1 and Tier 2 amounts are after certain adjustments.

Securities Portfolio

- Net gains on stocks (total of group banks) for FY2006 were ¥69.1bn (up 15.1bn from previous year)
- Net gains on bonds (total of group banks) for FY2006 were ¥7.4bn (up 19.7bn from previous year)
- Net unrealized gains on available-for-sale securities (RHD consolidated basis) amounted to ¥432.9bn
- Has no direct investments in securities backed by U.S. sub-prime mortgage loans
(Indirect investments via fund of funds is also very limited.)

Stockholdings (Available-for-sale securities, RHD Consolidated)



- Book value of stocks sold outright
FY2006 (Act): ¥15.4bn (total of group banks)

Bonds

[Balance of Securities Held (Non-consolidated Basis)]					(Ybn)
	RB	SR	KO	RT	Total of Group Banks
JGB	2,723.0	888.1	268.5	14.9	3,894.7
Within 1 year	1,744.1	583.7	44.9	14.9	2,387.7
1 to 5 years	189.2	70.7	192.7	-	452.7
5 to 10 years	219.4	82.6	25.9	-	328.0
Over 10 years	570.2	151.0	4.8	-	726.1
Other*	2,534.2	754.6	399.4	-	3,688.4
Total	5,257.3	1,642.8	667.9	14.9	7,583.1

* "Other" includes local government bonds, corporate bonds, stocks and foreign bonds, etc.

[Net unrealized gains/(losses) on bonds (RHD Consolidated Basis)]							(Ybn)
	Sep. '04	Mar. '05	Sep. '05	Mar. '06	Sep. '06	Mar. '07	
JGB	4.6	10.7	(17.7)	(64.0)	(32.9)	(32.9)	
Other*	7.0	16.8	44.2	47.0	(14.4)	16.5	
Total	11.5	27.5	26.5	(17.0)	(47.3)	(16.4)	

* "Other" includes local government bonds, corporate bonds, and foreign bonds, etc.

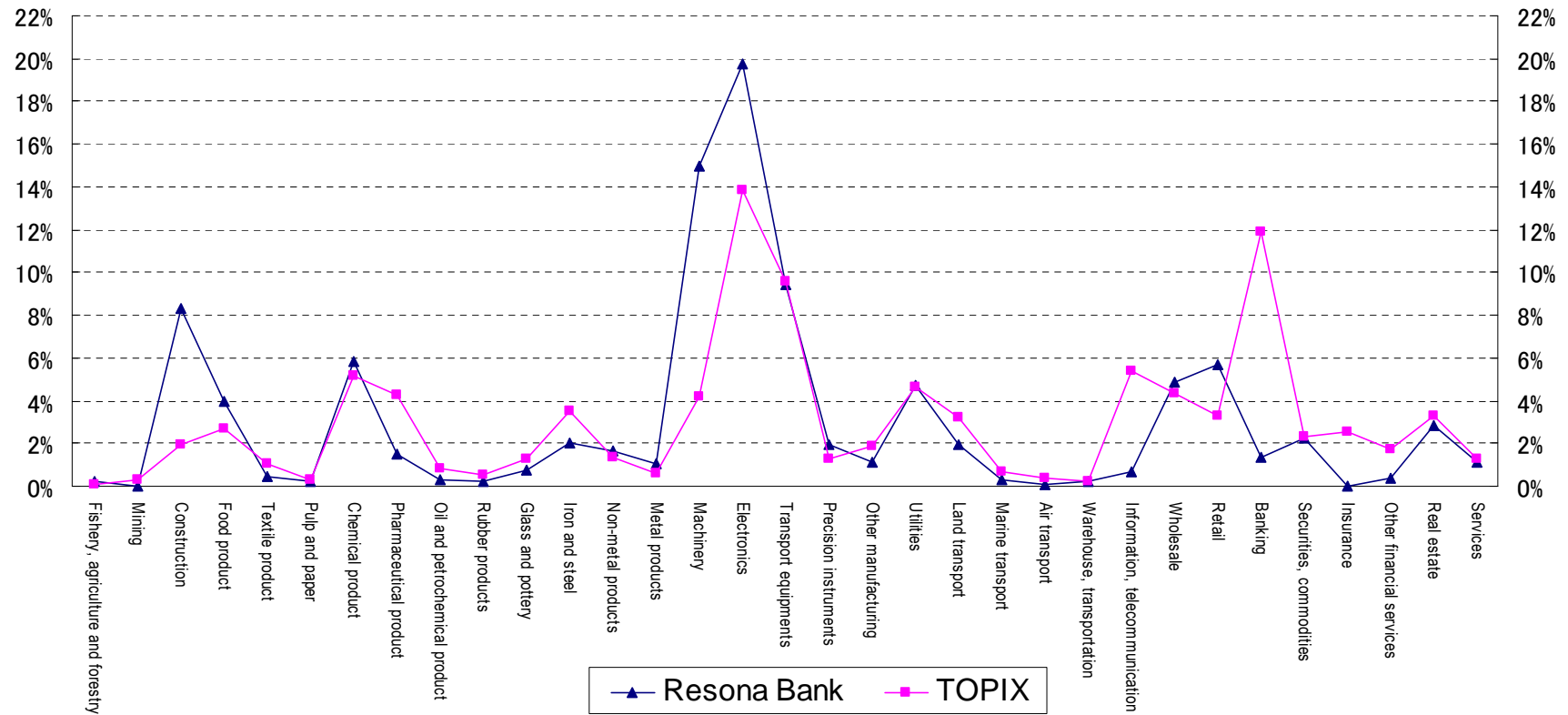
10-year JGB yield	1.440%	1.320%	1.475%	1.765%	1.665%	1.650%
-------------------	--------	--------	--------	--------	--------	--------

[JGB duration (Banking Account)]							(Years)
	Sep. '04	Mar. '05	Sep. '05	Mar. '06	Sep. '06	Mar. '07	
Resona Group	2.0	2.1	2.3	2.4	2.1	1.9	
Resona Bank	1.9	1.9	2.3	2.3	2.0	1.8	

[Basis Point Value (BPV, Domestic Bonds)]							(Ybn)
	Sep. '04	Mar. '05	Sep. '05	Mar. '06	Sep. '06	Mar. '07	
Resona Group	(1.26)	(1.02)	(1.38)	(1.30)	(0.99)	(0.99)	
Resona Bank	(0.82)	(0.65)	(0.89)	(0.77)	(0.61)	(0.59)	

[Break-even Nikkei Average Points]							(Yen)
	Sep. '04	Mar. '05	Sep. '05	Mar. '06	Sep. '06	Mar. '07	
Resona Group	—	6,600	6,300	6,000	6,600	7,000	

Composition of Shareholdings by Industry (End March 2007, Resona Bank)



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

Loans and Bills Discounted

[End of March 2006]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	3.3%	4.0%	11.4%	5.2%	23.9%
Prime rate-based	42.4%	1.0%	0.0%	0.0%	43.4%
Market rate-based	24.9%	2.6%	2.5%	2.6%	32.7%
Total	70.6%	7.6%	13.9%	7.9%	100.0%

Loans maturing
within 1 year **78.2%**

[End of March 2007]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	4.5%	4.5%	10.1%	6.5%	25.6%
Prime rate-based	39.3%	0.8%	0.0%	0.0%	40.1%
Market rate-based	26.7%	2.2%	2.9%	2.5%	34.3%
Total	70.5%	7.5%	13.0%	9.0%	100.0%

Loans maturing
within 1 year **78.0%**

[Change in FY2006]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	1.1%	0.6%	-1.3%	1.3%	1.7%
Prime rate-based	-3.2%	-0.2%	0.0%	0.0%	-3.3%
Market rate-based	1.9%	-0.5%	0.3%	-0.1%	1.6%
Total	-0.2%	-0.1%	-0.9%	1.1%	0.0%

Loans maturing
within 1 year **-0.2%**

Deposits

[End of March 2006]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	64.6%				64.6%
Time deposits	14.7%	7.9%	8.4%	4.4%	35.4%
Total	79.4%	7.9%	8.4%	4.4%	100.0%

[End of March 2007]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	64.1%				64.1%
Time deposits	16.9%	8.4%	7.7%	2.8%	35.9%
Total	81.1%	8.4%	7.7%	3.2%	100.0%

[Change in FY2006]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	-0.5%				-0.5%
Time deposits	2.2%	0.5%	-0.7%	-1.5%	0.5%
Total	1.7%	0.5%	-0.7%	-1.5%	0.0%

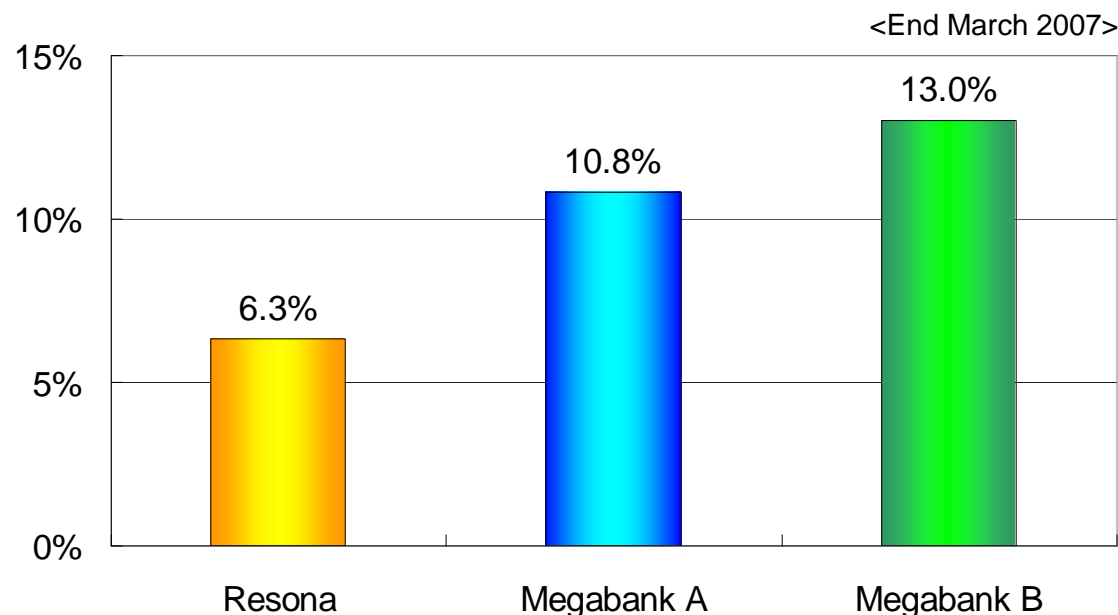
Swap Positions by Remaining Periods (Resona Bank)

■ Notional amounts of interest rate swaps by remaining period *

(Billions of Yen)

	End of March 2007			
	Within 1 year	1 to 5 years	Over 5 years	Total
Receive fixed rate/Pay floating rate	467.0	995.0	819.2	2,281.2
Receive floating rate/Pay fixed rate	210.0	235.2	100.0	545.2
Net position to pay fixed rate	257.0	760.0	719.2	1,736.2

■ Ratio of net position (notional amount) to receive fixed rate to total assets *



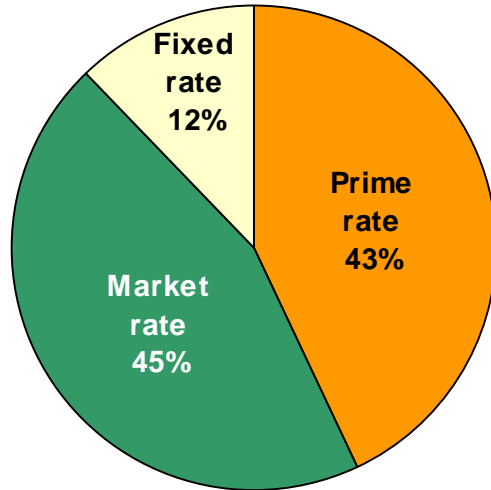
* Notional amount of interest rate swaps to which deferred hedge accounting is applicable.

Composition of Loan Portfolio by Corporate/Individual Customers (Resona Bank)

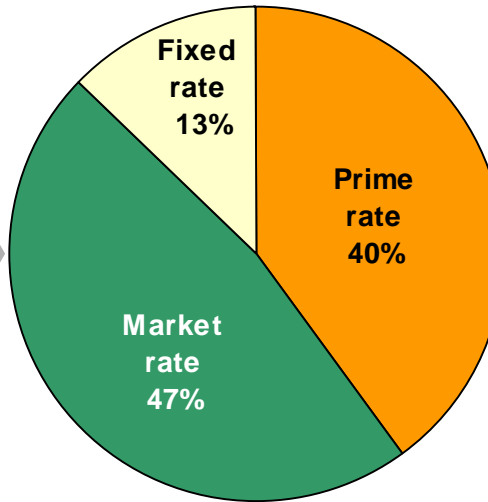
Loans to corporations

*Market rate-linked loans (corporate) include the fixed-rate (spread) loans maturing in less than one year.

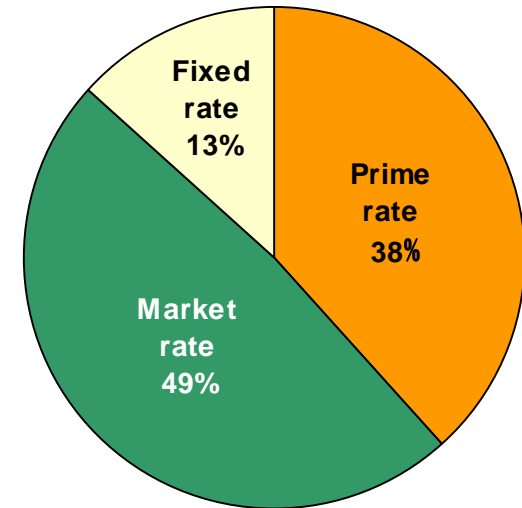
[End March 2006]



[End September 2006]

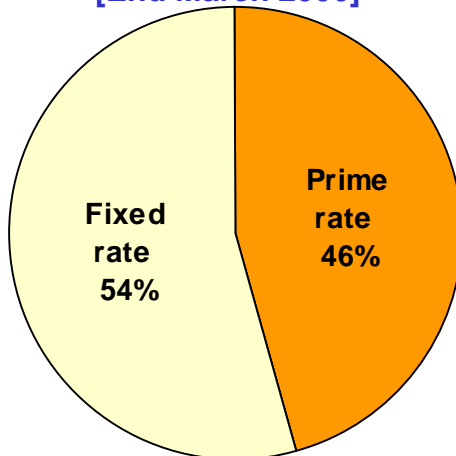


[End March 2007]

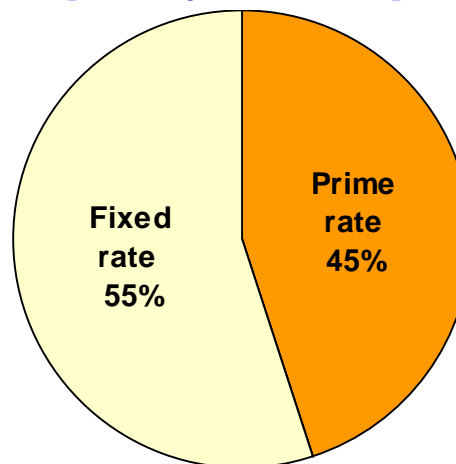


Loans to individuals

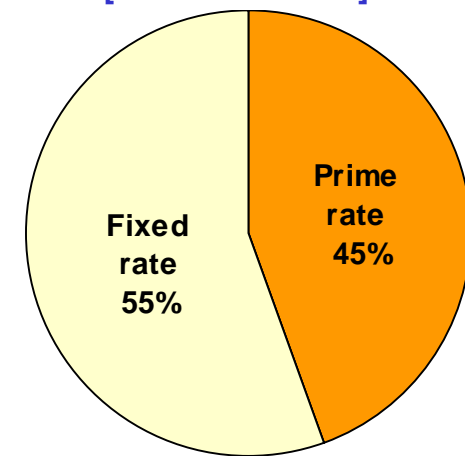
[End March 2006]



[End September 2006]



[End March 2007]

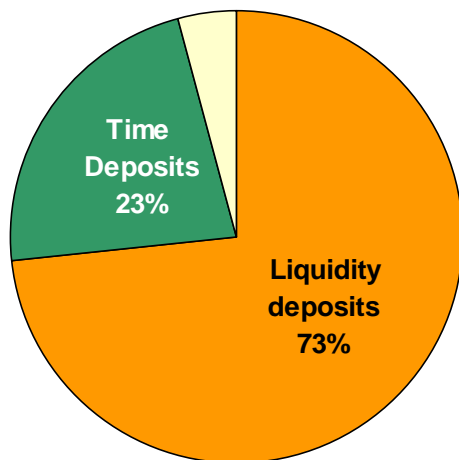


* Portfolio composition is computed based on the numbers compiled for administration purposes.

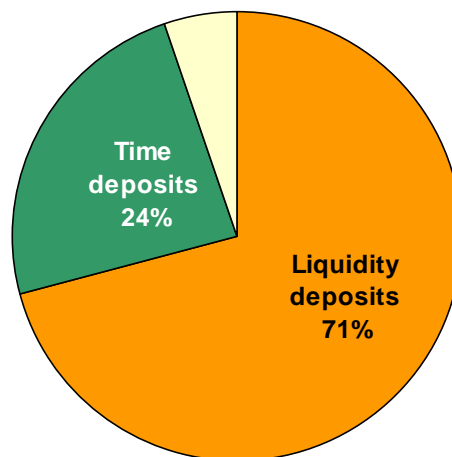
Composition of Deposits by Corporate/Individual Customers (Resona Bank)

Corporate Deposits

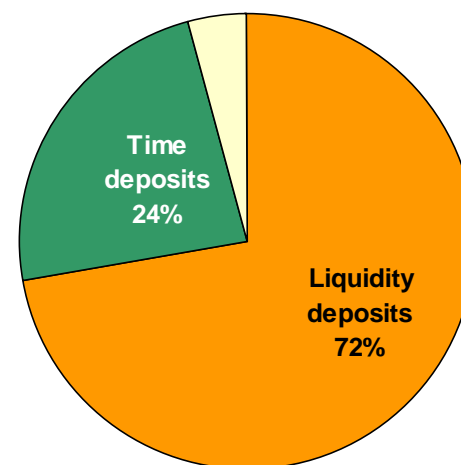
[End March 2006]



[End September 2006]

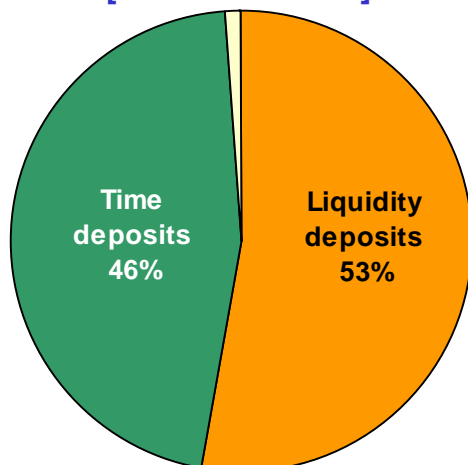


[End March 2007]

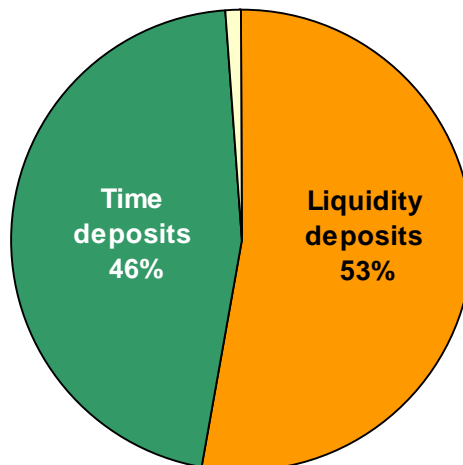


Individual Deposits

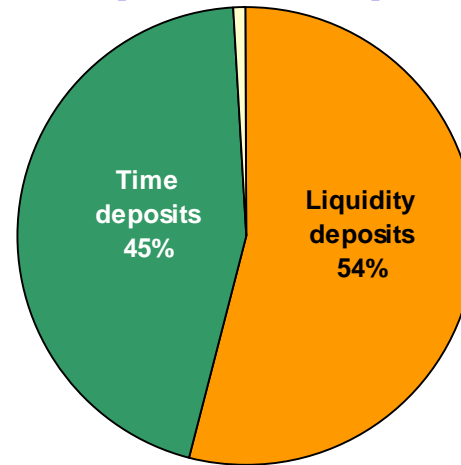
[End March 2006]



[End September 2006]



[End March 2007]



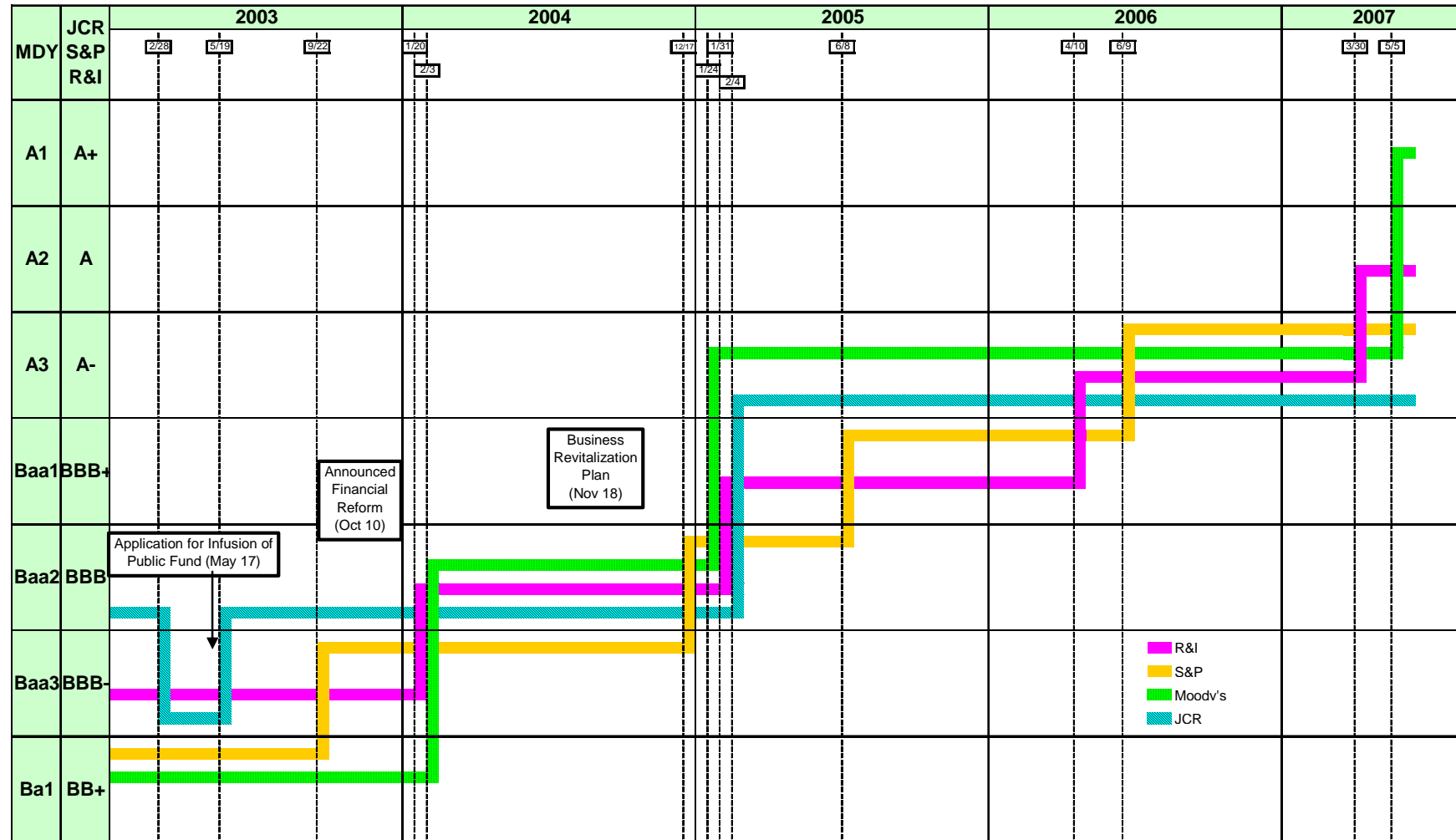
Migrations of Borrowers (Resona Bank, 2H of FY2006)

Exposure amount basis (Migration during the 2H of FY2006)

		End of March 2007									Upward Migration	Downward Migration
		Normal	Other Watch	Special Attention	Doubtful	Quasi-Bankrupt	Bankrupt	Other	Collection, Repayments	Assignments, Sale		
End of September 2006	Normal	97.4%	1.9%	0.3%	0.2%	0.0%	0.1%	0.1%	0.1%	0.0%	-	2.5%
	Other Watch	7.7%	80.1%	4.3%	3.0%	0.2%	0.4%	4.4%	4.4%	0.1%	7.7%	7.9%
	Special Attention	2.2%	13.3%	68.7%	7.0%	0.6%	0.7%	7.5%	3.7%	3.8%	15.5%	8.4%
	Doubtful	2.1%	4.0%	0.5%	68.7%	9.2%	3.6%	12.0%	10.4%	1.6%	6.5%	12.8%
	Quasi-Bankrupt	0.4%	0.1%	0.2%	0.5%	63.4%	13.4%	22.0%	2.1%	19.9%	1.2%	13.4%
	Bankrupt	0.0%	0.0%	0.0%	0.4%	0.1%	64.1%	35.4%	1.9%	33.5%	0.5%	-

1. Above table shows how a borrower belonging to either of the borrower categories shown as of the end of September 2006 moved to a new category in the half a year period.
2. Percentage points are calculated based on exposure amounts as of the end of September 2006. (New loans extended, loans collected or written-off during the period are not taken into account.)
3. "Other" for end of March 2007 indicates those exposures removed from the balance sheet due to collection, repayments, assignments or sale of claims.

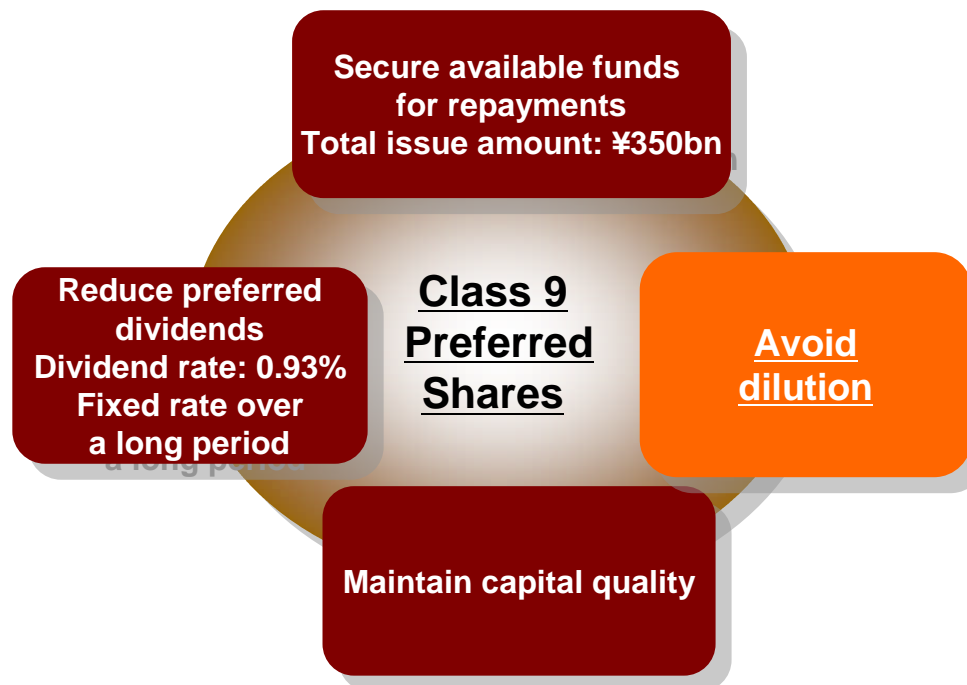
Trend of Long-term Senior Debt Rating of Resona Bank



Class 9 Preferred Shares: Structure that Embodies “Basic Policies toward Repayments”

Designed in such a way to ensure high capital eligibility and to avoid dilution

- All shares will be allotted and subscribed by Merrill Lynch Japan Finance
- The only convertible preferred share that the Aol allows



- Proceeds will be utilized to repurchase the existing public fund convertible preferred shares (leading to a decline in the number of potential shares)

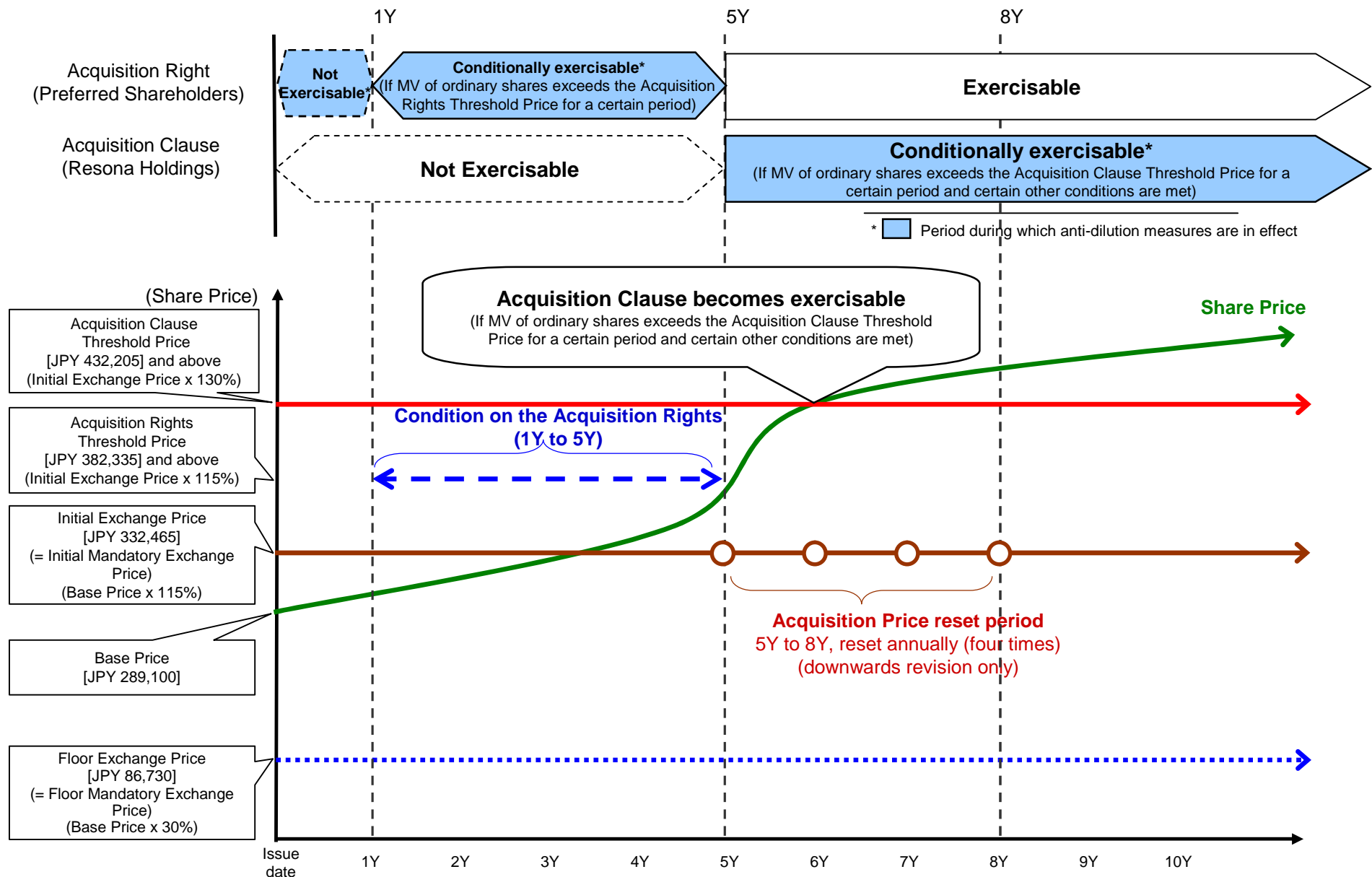
Limitation on exercise of Acquisition Rights

- Acquisition Rights are not exercisable for one year from the issue date
- Initial Exchange Price is set at an amount equal to the sum of the Base Price plus the Initial Exchange Premium of 15% (Same exchange price applicable for 5 years)
- For five years from the issue date, Acquisition Rights become exercisable only when ordinary share price exceeds 115% of the Initial Exchange Price
- Reset of Exchange Price (downward only) will be made only four times, after 5, 6, 7 and 8 years after the issue date.

Inclusion of the Acquisition Clause

- Acquisition Clause enables the issuer to limit excessive dilution when ordinary share price appreciates.
- If, after five years after the issuer date, the following conditions are met, the issuer may acquire the Preferred Shares in exchange for payment of cash (equal to subscription price) and delivery of ordinary shares (equal to the in-the-money value).
 - Ordinary share price exceeds Acquisition Clause Threshold Price for a certain period, and
 - Resona Holdings can maintain an adequate CAR after acquisition under the Acquisition Clause
- Simultaneous mandatory conversion is not applicable

Class 9 Preferred Shares: “Acquisition Right” and “Acquisition Clause”



Class 9 Preferred Shares: Comparison with Public Fund Preferred Stocks

	Financial Function Early Strengthening Law	Deposit Insurance Law	Class 9 Preferred Shares
Preferred Dividend Rate	Fixed rate (1.06% to 1.48%)	1y¥Libor +50bps	Fixed rate (0.93%)
Initial Exchange Premium	N.A.	N.A.	15%
Start of the Period for Exercise of Acquisition Rights	Already arrived	Jul. 2006 to Jul. 2010	After one year after the issue date
Reset of Exchange Price and Direction	Once every year, upward/downward	Once every year, upward/downward	Four times after 5, 6, 7 and 8 years after the issue date Downward only
Floor Exchange Price	¥166,700 to ¥359,700	¥17,000 to ¥28,000	¥86,730 (Base Price x 30%)
Limitation on Exercise of Acquisition Rights	N.A.	N.A.	Exercisable when ordinary share price exceeds 115% of the Initial Exchange Price
Period for Exercise of Acquisition Clause	N.A.	N.A.	Exercisable when ordinary share price exceeds 130% of the Initial Exchange Price after five years after the issue date
Simultaneous Mandatory Conversion	Applicable (Apr. 2009 to Dec. 2014)	N.A.	N.A.
Voting Rights	N.A. (Restored when dividends skipped)	Granted	N.A. (Not restored even when dividends skipped)

List of RHD's Preferred Shares (1)

(As of August 28, 2007)

		Class B Preferred Shares	Class C Preferred Shares	Class E Preferred Shares	Class F Preferred Shares
Distinction between public and private funds		Public Fund	Public Fund	Public Fund	Public Fund
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		272,202 shares	120,000 shares	9,576 shares	80,000 shares
Issue price per share		JPY 600,000	JPY 500,000	JPY 1,250,000	JPY 1,250,000
Total issue amount remaining at present		JPY 163.3 Billion	JPY 60.0 Billion	JPY 12.0 Billion	JPY 100.0 Billion
Original total issue amount		JPY 408.0 Billion	JPY 60.0 Billion	JPY 300.0 Billion	JPY 100.0 Billion
Shareholder		RCC	RCC	RCC	RCC
Preferred dividend	Dividend per share	JPY 6,360	JPY 6,800	JPY 14,380	JPY 18,500
	Total amount of dividend	JPY 1,731 Million	JPY 816 Million	JPY 138 Million	JPY 1,480 Million
	Yield	1.06%	1.36%	1.1504%	1.48%
Acquisition right	Acquisition period	6/30/1999	1/1/2002	7/1/2002	7/1/2003
		3/31/2009	3/31/2015	11/30/2009	11/30/2014
	Current exchange price	(JPY 294,985)	JPY 338,400	JPY 359,700	JPY 359,700
	Current exchange rate	2.034	(1.478)	(3.475)	(3.475)
Reset of exchange rate	Date of reset	6/30	1/1	7/1	7/1
	Direction of reset	Upward/Downward	Upward/Downward	Upward/Downward	Upward/Downward
	Cap exchange rate	3.429	(2.999)	(3.475)	(3.475)
	Floor exchange rate	---	---	---	---
	Cap exchange price	---	---	---	---
	Floor exchange 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
Acquisition clause	Date of mandatory exchange	4/1/2009	4/1/2015	12/1/2009	12/1/2014
	Mandatory exchange rate	JPY 600,000/Market Price ¹ 0.02	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 exchange price	JPY 100,000	JPY 166,700	JPY 359,800	JPY 359,800

List of RHD's Preferred Shares (2)

(As of August 28, 2007)

		Class 1 Preferred Shares	Class 2 Preferred Shares	Class 3 Preferred Shares	Class 4 Preferred Shares	Class 5 Preferred Shares	Class 9 Preferred Shares
Distinction between public and private fund		Public Fund	Public Fund	Public Fund	Private Fund	Private Fund	Private Fund
Original issuer and name of securities		Resona Bank Class 1 Series 1	Resona Bank Class 2 Series 1	Resona Bank Class 3 Series 1	Resona Holdings Class 4	Resona Holdings Class 5	Resona Holdings Class 9
Original issue date		7/1/2003	7/1/2003	7/1/2003	8/31/2006	8/28/2007	6/5/2007
Current number of shares		2,750,000 shares	2,817,808 shares	2,750,000 shares	25,200 shares	40,000 shares	100,000 shares
Issue price per share		JPY 200,000	JPY 200,000	JPY 200,000	JPY 2,500,000	JPY 2,500,000	JPY 3,500,000
Total issue amount remaining at present		JPY 550.0 Billion	JPY 563.6 Billion	JPY 550.0 Billion	JPY 63.0 Billion	JPY 100.0 Billion	JPY 350.0 Billion
Original total issue amount		JPY 550.0 Billion	JPY 563.6 Billion	JPY 550.0 Billion	JPY 63.0 Billion	JPY 100.0 Billion	JPY 350.0 Billion
Shareholder		DIC	DIC	DIC	Shinkin Trust Bank	Dai-ichi Life	Merill Lynch Japan Finance
Preferred dividend	Dividend per share (Jun '08)	JPY 2,564	JPY 2,564	JPY 2,564	JPY 99,250	JPY 91,875	JPY 26,769
	Total amount of dividend (Jun '08)	JPY 7,051 Million	JPY 7,225 Million	JPY 7,051 Million	JPY 2,501 Million	JPY 3,675 Million	JPY 2,677 Million
	Yield	Libor (1y) + 50bp	Libor (1y) + 50bp	Libor (1y) + 50bp	3.97%	3.675%	0.93%
		1.282%	1.282%	1.282%			
Acquisition right	Acquisition period	7/1/2006	7/1/2008	7/1/2010	---	---	6/5/2008
		---	---	---	---	---	(Certain limitations applicable)
	Current exchange price	JPY 299,700	---	---	---	---	JPY 332,465
	Current exchange rate	(0.667)	(---)	(---)	(---)	(---)	(10.527)
Reset of exchange rate	Date of reset	8/1	11/1	5/1	---	---	6/5
							4 times only (2012 - 2015)
	Direction of reset	Upward/Downward	Upward/Downward	Upward/Downward	---	---	Downward only
	Cap exchange rate	(7.143)	(10.000)	(11.765)	---	---	(40.355)
	Floor exchange rate	---	---	---	---	---	---
	Cap exchange price	---	---	---	---	---	---
	Floor exchange price	JPY 28,000	JPY 20,000	JPY 17,000	---	---	JPY 86,730
	Start of market price calculation	45 trading days before	45 trading days before	45 trading days before	---	---	45 trading days
	Calculation period	30 trading days	30 trading days	30 trading days	---	---	30 trading days (VWAP)
Acquisition clause	Date of mandatory exchange	Mandatory exchange not applicable	Mandatory exchange not applicable	Mandatory exchange not applicable	Mandatory exchange not applicable	Mandatory exchange not applicable	Mandatory exchange not applicable
					Acquisition clause exercisable under certain conditions at the issuer's option after seven years after issue date	Acquisition clause exercisable under certain conditions at the issuer's option after seven years after issue date	Acquisition clause exercisable under certain conditions at the issuer's option after five years after issue date
	Mandatory exchange rate	---	---	---	---	---	---
	Start of market price calculation	---	---	---	---	---	---
	Calculation period	---	---	---	---	---	---
	Floor exchange price	---	---	---	---	---	---

Business Revitalization Plan: Earnings Plan

(Total of Four Banks)

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
(Billions of Yen)	(Actual)	(Actual)	(Plan)	(Plan)	(Plan)
Gross operating profit	693.6	735.9	727.0	754.0	780.0
Trust fees	36.6	40.4	34.0	33.0	34.0
Jointly Operated Designated Money Trust	6.2	6.7	3.0	2.0	1.0
NPL disposal in trust account	0.0	0.3	0.0	0.0	0.0
Interest income	604.4	660.2	709.0	777.0	852.0
Interest expense	76.6	115.5	161.0	208.0	267.0
Net fees & commissions	91.0	107.0	98.0	103.0	110.0
Net trading income	3.0	20.5	22.0	22.0	23.0
Other operating income	35.0	23.2	25.0	27.0	28.0
Gains/(losses) on bonds	(12.2)	7.4	1.0	1.0	1.0
Adjusted net operating profit (Note.1)	345.2	382.0	347.0	366.0	392.0
Net operating profit	348.7	377.2	347.0	366.0	392.0
Provision to general reserve	(3.6)	4.4	0.0	0.0	0.0
Expenses	348.5	354.3	380.0	388.0	388.0
Personnel expense	117.2	120.7	126.0	130.0	132.0
Non-personnel expenses	210.2	212.7	232.0	237.0	235.0
Disposal of NPL	57.6	72.1	61.0	60.0	56.0
Net gain/(loss) on stocks	53.9	69.1	8.0	8.0	8.0
Loss on devaluation	1.5	7.6	0.0	0.0	0.0
Ordinary profit/(loss)	336.6	386.5	288.0	308.0	338.0
Extraordinary gains	69.2	34.3	0.0	0.0	0.0
Extraordinary losses	4.5	12.9	8.0	8.0	8.0
Income taxes - current	9.5	18.3	10.0	11.0	65.0
Income taxes - deferred	1.1	(225.0)	65.0	63.0	33.0
Net income/(loss)	390.7	614.6	205.0	226.0	232.0

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
(Billions of Yen)	(Actual)	(Actual)	(Plan)	(Plan)	(Plan)
Total assets (Note.2)	41,653.9	40,649.4	40,300.0	39,870.0	40,620.0
Loans and bills discounted	25,247.2	26,019.4	26,800.0	27,480.0	28,030.0
Securities	7,598.5	7,341.8	7,200.0	6,550.0	6,950.0
Trading assets	828.4	407.8	670.0	670.0	670.0
DTA (term-end bal.)	4.4	280.1	175.7	112.2	74.9
Total liabilities (Note.2)	40,657.9	39,394.5	38,920.0	38,640.0	39,370.0
Deposits and NCDs	33,153.4	33,118.3	32,900.0	33,300.0	33,790.0
Trading liabilities	15.0	40.7	---	---	---
DTL (term-end bal.)	32.0	18.2	22.4	21.8	17.9
DTL for land revaluation (term-end bal.)	46.2	44.2	44.3	44.3	44.3
Net assets (Note.2)	1,692.0	1,947.6	1,450.2	1,481.2	1,487.2
Capital stock	398.8	398.8	398.8	403.8	403.8
Capital reserve	433.8	433.8	433.8	438.8	438.8
Other capital surplus	88.7	88.7	88.7	88.7	88.7
Earned surplus reserve	20.0	20.0	20.0	20.0	20.0
Retained earnings (Note.3)	433.3	660.4	250.7	271.7	277.7
Land revaluation excess	63.3	61.4	61.5	61.5	61.5
Net unrealized gains/(losses) on other securities	253.8	300.0	196.4	196.4	196.4

(Management Indicators) (Note.4)					
Yield on interest earning assets (A)	1.66	1.78	1.95	2.15	2.30
Interest earned on loans and bills discounted	1.93	1.94	2.16	2.30	2.47
Interest on securities	1.05	1.28	1.36	1.67	1.74
Total cost of funding (B)	1.07	1.23	1.43	1.59	1.71
Interest paid on deposits and NCDs (D)	0.08	0.17	0.30	0.43	0.56
Overall interest spread (A) - (B)	0.58	0.55	0.52	0.56	0.59
Cost-to-income ratio (OHR)	50.24	48.12	52.26	51.45	49.74

*1. Net operating profit before NPL disposal in trust account and provision to general reserve

*2. Assets and liabilities are stated in average balance. Net assets are reported in term-end balance.

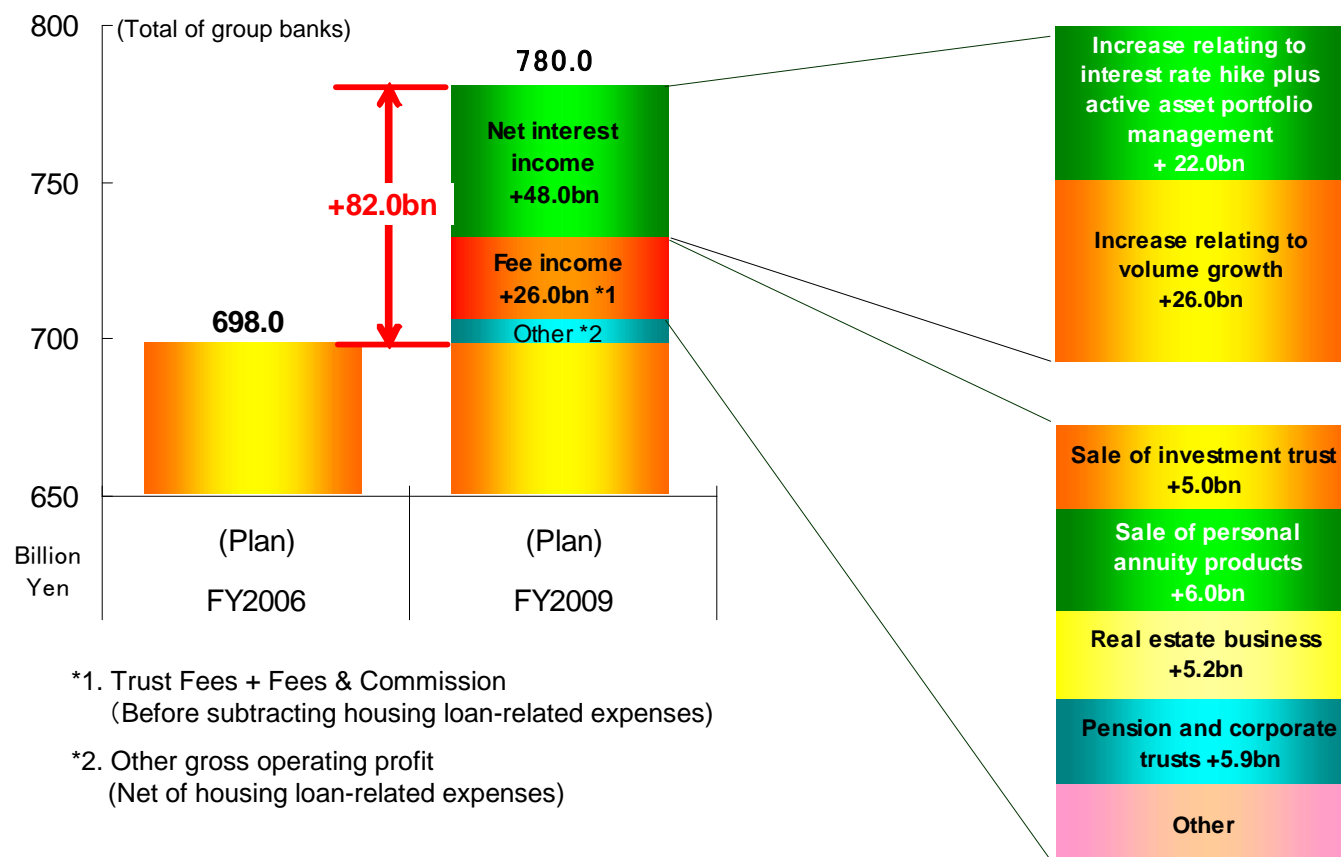
*3. Earned surplus excluding earned surplus reserve

*4. Management indicators other than OHR are based on the total figures of three subsidiary banks excluding Resona Trust & Banking.

Business Revitalization Plan: Source of Top-line Income Growth

Expand top-line income with strengthened ROA management

- ✓ Growth of top-line income during the new plan period: +82.0bn (FY2009 compared with FY2006)
- ✓ Growth drivers are (1) Net interest income +48.0bn and (2) Fee income +26.0bn



Actual net operating profits ROA*3

0.86% (FY2006)



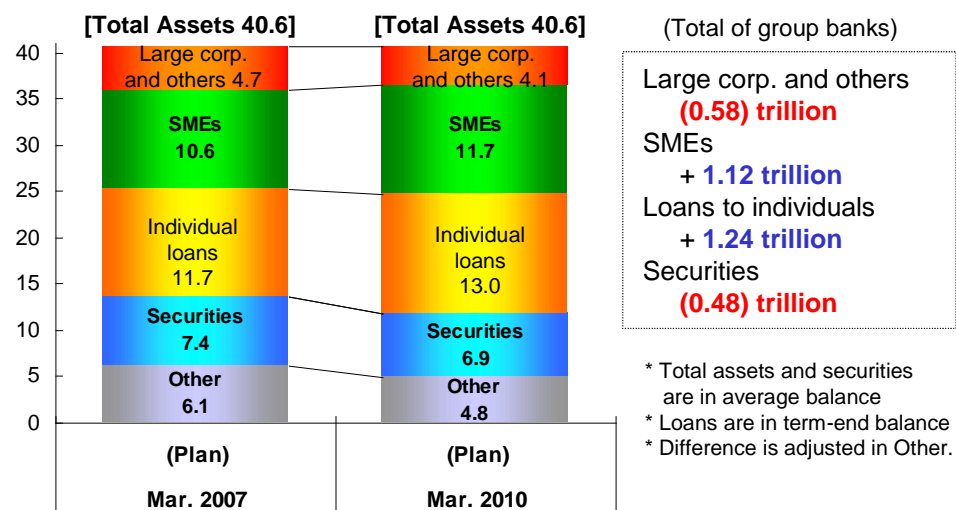
1.01% (FY2009)

*3. Net operating profit before provision to general reserve and NPL disposal in the trust account plus net gains on stocks (pure investment position).

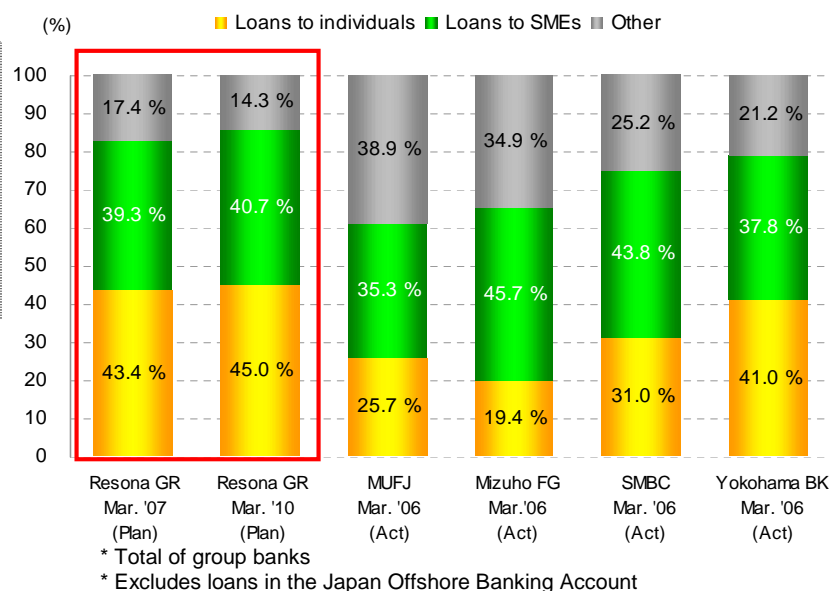
Business Revitalization Plan: Active Portfolio Management

Higher ROA realized through active portfolio management

✓ Loan portfolio management that allows for higher ROA



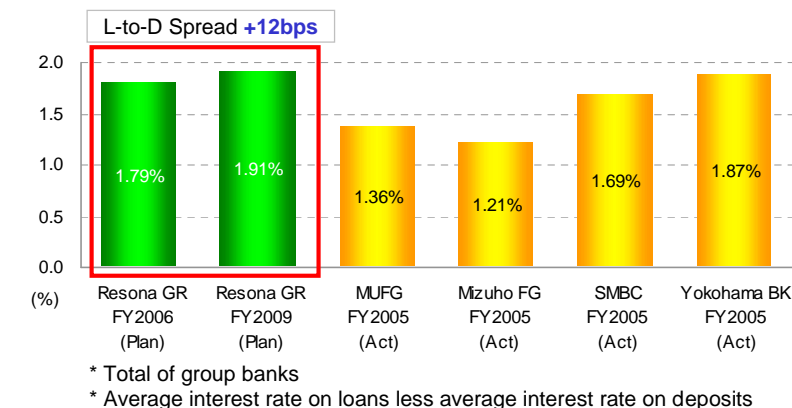
✓ Further strengthen housing and SME loans



✓ Assumptions for policy rate, deposit and loan rates

	FY2006	FY2009	Change
O/N call rate	0.183%	1.000%	0.817%
Loan rate	1.95%	2.47%	0.52%
Deposit rate	0.16%	0.56%	0.40%
Loan-to-deposit margin	1.79%	1.91%	0.12%

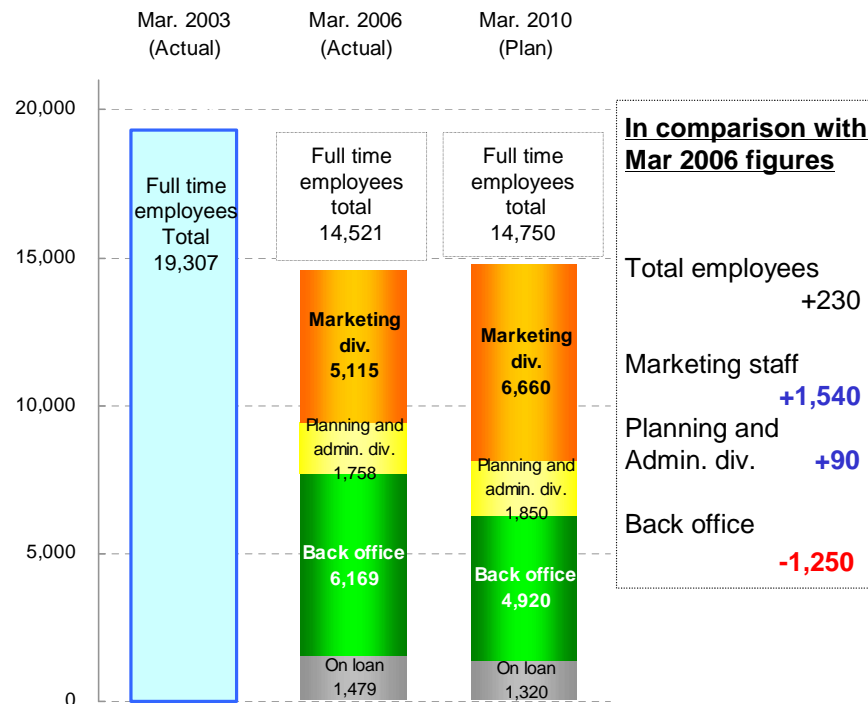
✓ Expand loan-to-deposit spread further



Strengthen Sales Force without Increasing Total Headcount

Redeploy headcount freed-up through operational reform to sales divisions

HR Plan: Full time employees



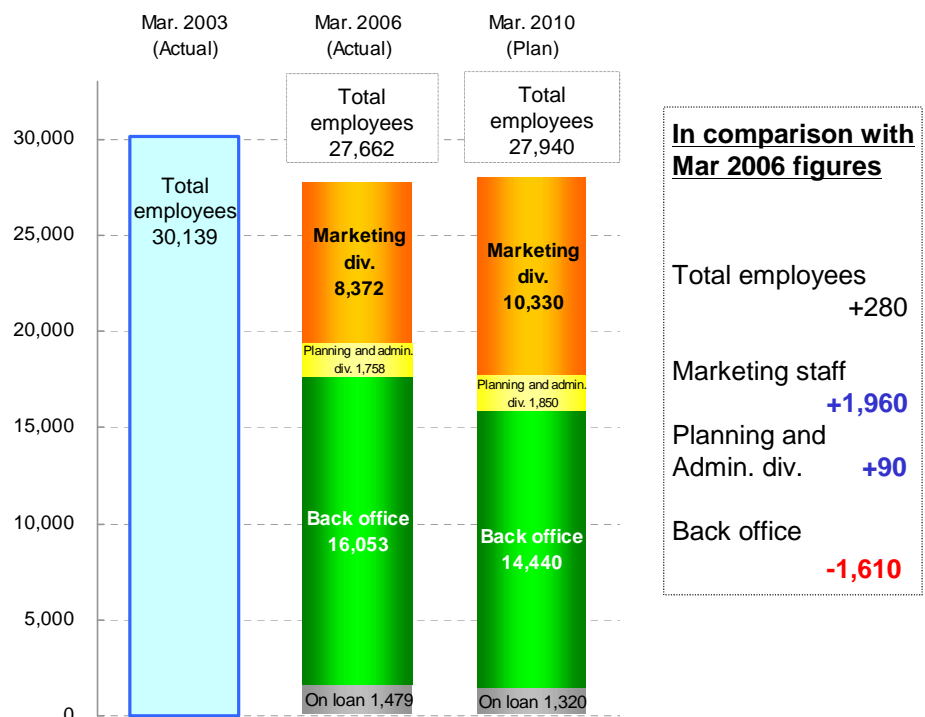
Approx. 40%



Approx. 50%

Ratio of marketing staff

HR Plan: Total employees



Approx. 62%



Approx. 66%

Ratio of temporary staff and part-time staffs in back office division

*1. Ratio of marketing staff = marketing div. / (marketing div. + planning and admin. div. + back office)

Ratio of temp and part-timers in back office div. = (total employees in back office div. – regular employees in back office) / total employees in back office div.

Resona HD Selected as Best Bank in Japan by EUROMONEY

- EUROMONEY, UK monthly magazine specializing in finance, chose Resona Holdings to receive award for best bank in Japan in its July 2007 issue
- Resona Holdings was selected for the award because of its strong financial results and ability to attract foreign investors including Merrill Lynch who subscribed the Preferred Shares issued by Resona Holdings.



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.