

Business Results of FY2007 and Future Management Direction
– Maximizing Corporate Value through Sustained Growth –



RESONA

September 2008



Resona Holdings, Inc.

CONTENTS

Note: In some pages of this material, names of Resona Group companies are shown in the following abbreviated form: RHD: Resona Holdings, RB: Resona Bank, SR: Saitama Resona Bank, KO: Kinki Osaka Bank, and RT: Resona Trust & Banking

Resona Group at a Glance

Update on Recent Business Results

Pathway to Early Repayment of Public Funds

<Reference> Macro Trends of Japan

<Reference> Business Trend

Resona Group at a Glance

Update on Recent Business Results

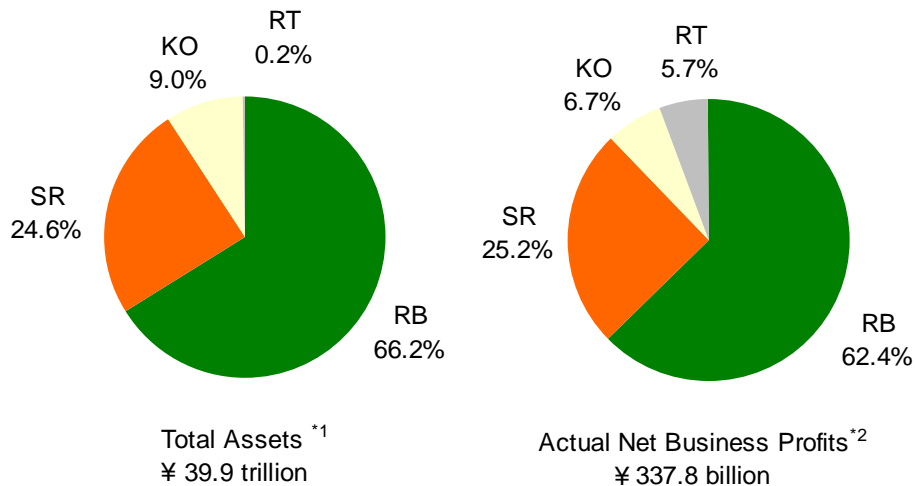
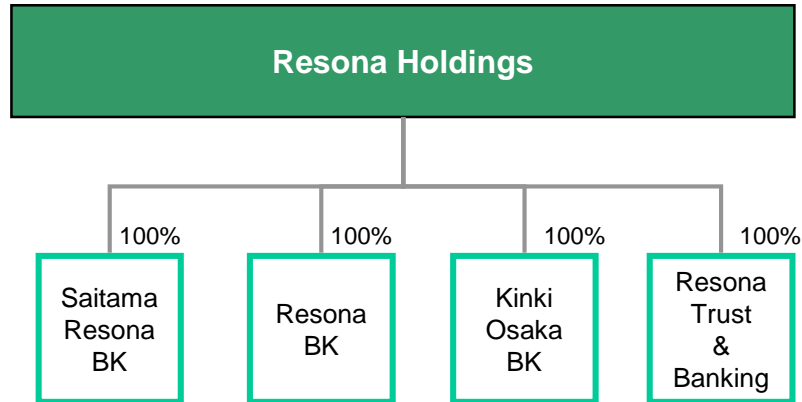
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Overview of Resona Group

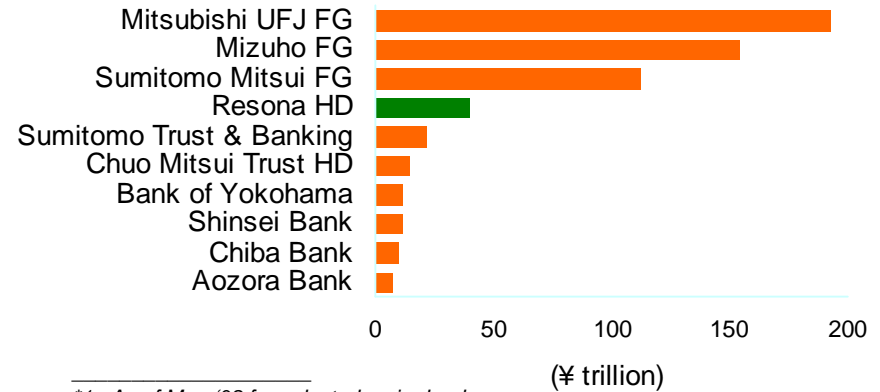
Corporate structure



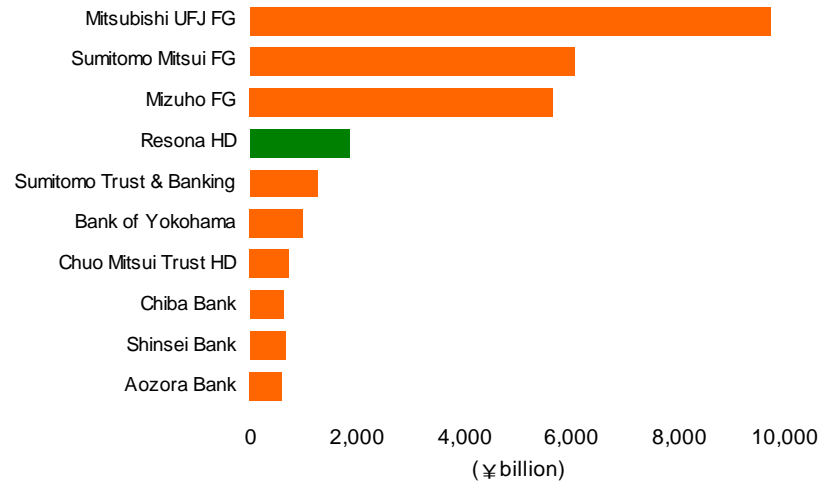
*1. Aggregate of 4 bank subsidiaries as of Mar. '08. Consolidated basis

*2. Aggregate of 4 bank subsidiaries as of Mar. '08. Non-consolidated basis

Total assets comparison *1



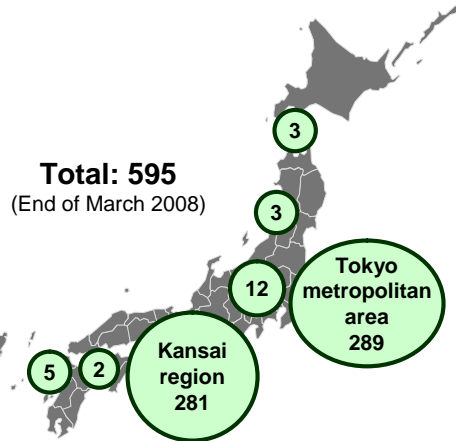
Market cap comparison *2



Strong Franchise Value

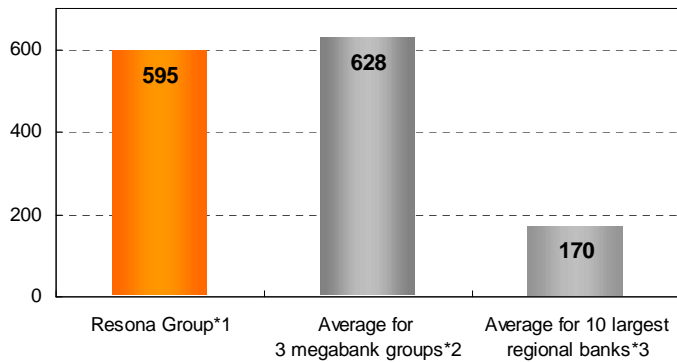
Franchise value

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



- Branch network comparable in size to megabanks

<Number of Manned Offices>

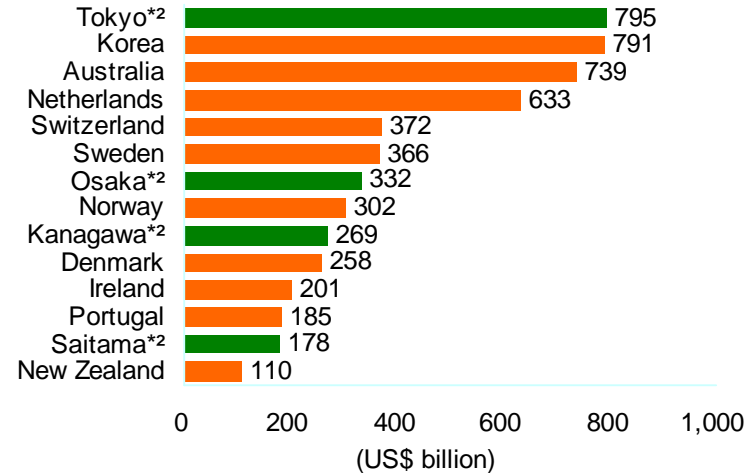


*1. Total of 4 group banks (RB, SR, KO, and RTB) <Mar. '08>

*2. MUFG (BTMU+ MUTB), Mizuho FG (Mizuho BK, Mizuho CBK), SMFG (SMBC) <Mar. '07>

*3. 10 largest regional banks in terms of non-consolidated total assets (Yokohama, Chiba, Shizuoka, Fukuoka, Jojo, Nishinohon City, Kyoto, Hiroshima, 82th, and Gunma) <Mar. '07>

GDP comparison (2005*1)

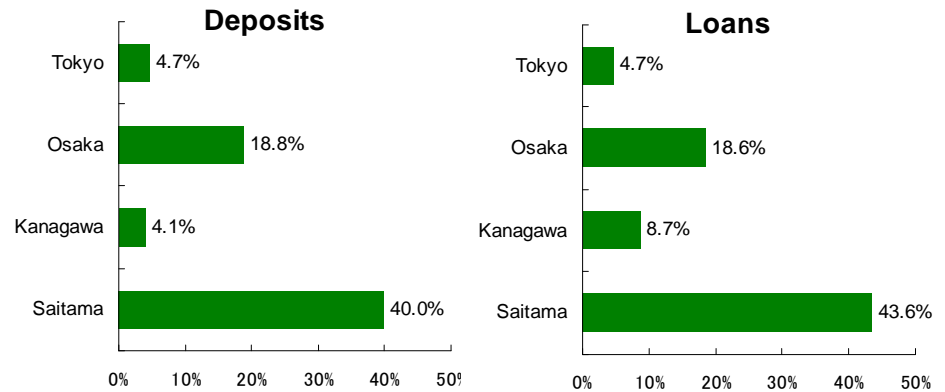


Source: OECD Annual National Accounts Database, Cabinet office

*1. Tokyo, Osaka, Kanagawa and Saitama: Fiscal Year, Other countries: Calendar Year

*2. \$1=¥116 (Bank of Japan, as of Mar. '06)

Market share (Mar. '08)

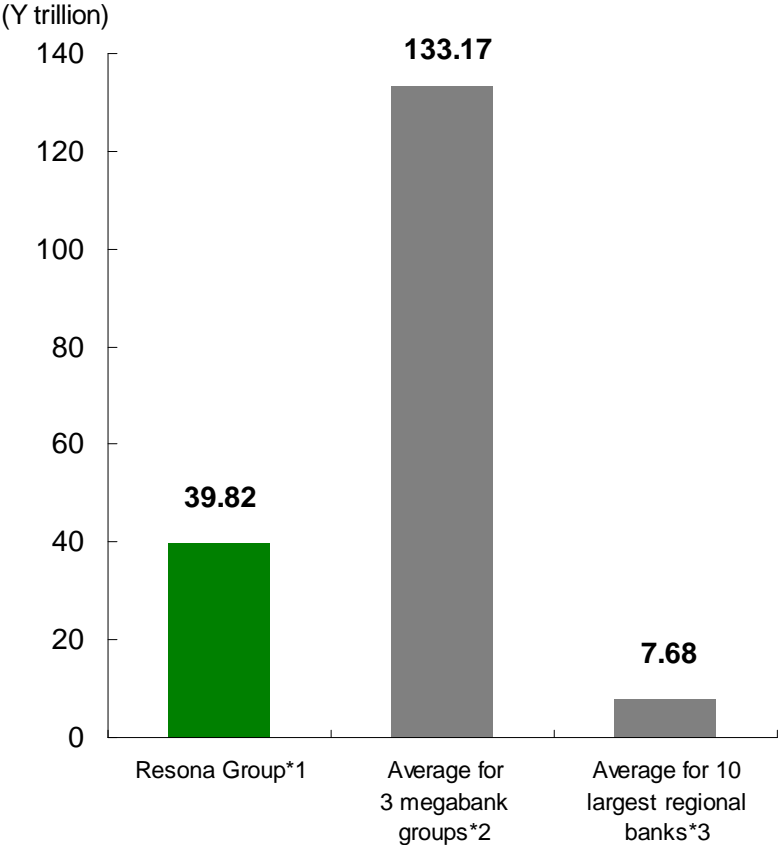


Source: Bank of Japan

Economies of Scale

Total Assets (Mar. '08)

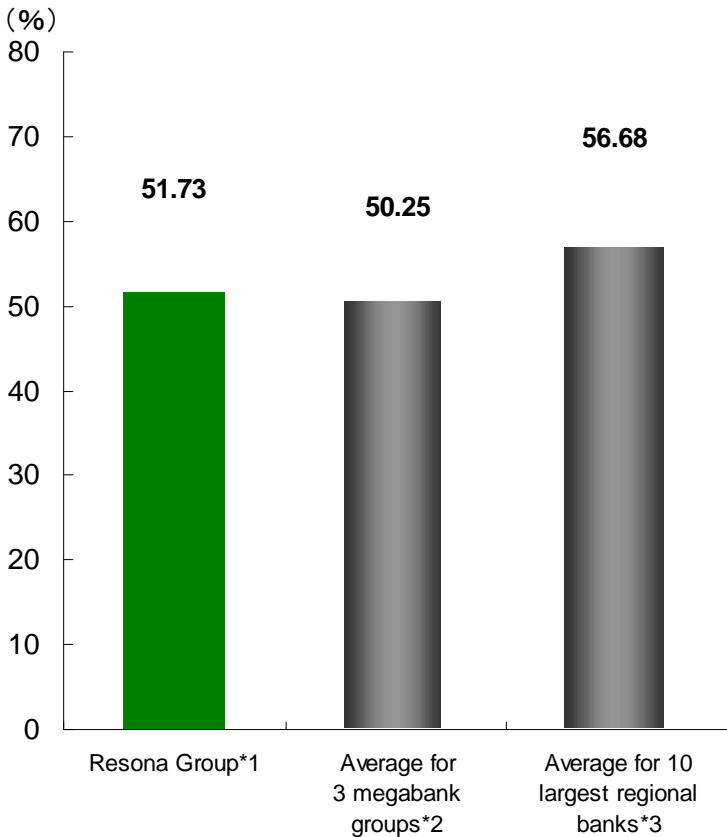
■ 4th largest banking group in Japan, with ¥40 trillion assets



Cost to Income Ratio (FY2007)

■ Operational efficiency comparable to megabanks

● Assets and operations sizeable enough to pursue economies of scale



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

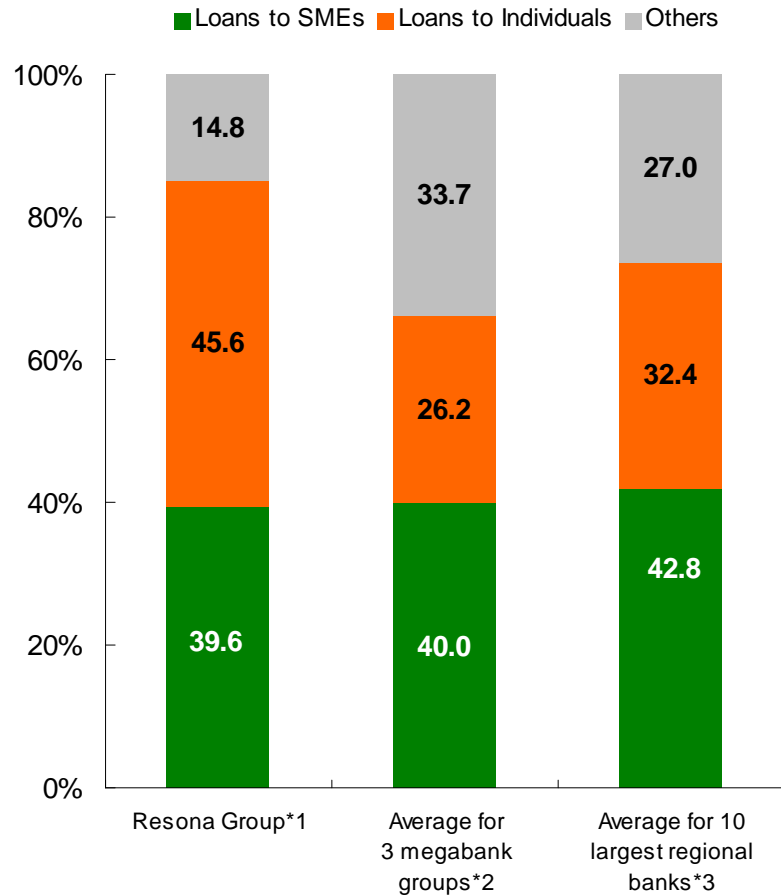
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Focus on SMEs and Retail Banking Business

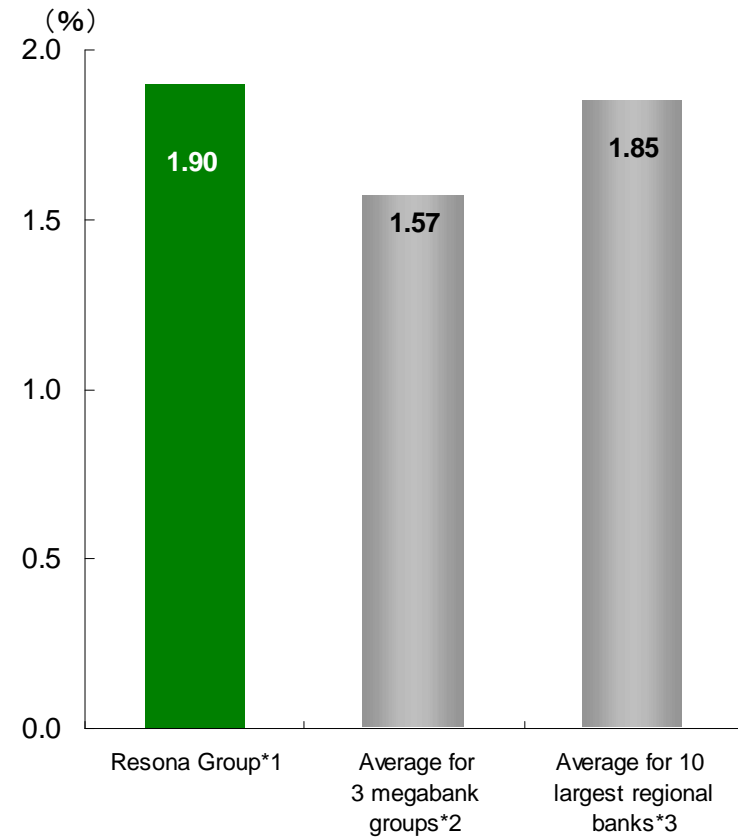
Comparison of Loan Portfolio (Loans in the domestic account, as of Mar. '08)

- Lending to SMEs and individuals accounts for more than 80% of the entire loan portfolio



Comparison of Loan-to-Deposit Spread

- Credit risk control and favorable loan-to-deposit spread realized through the loan portfolio diversified into small lots

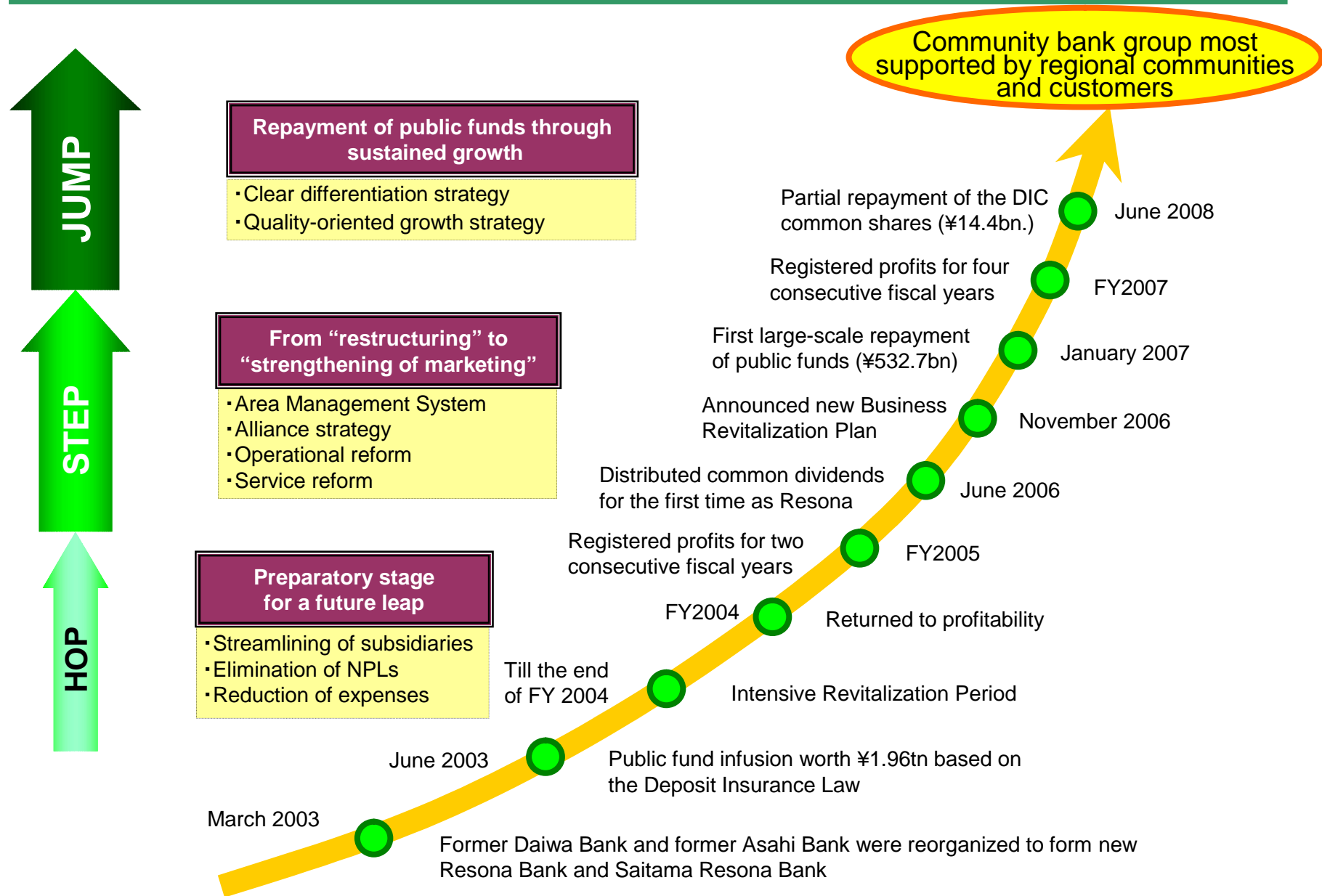


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Resona Group's Management Direction

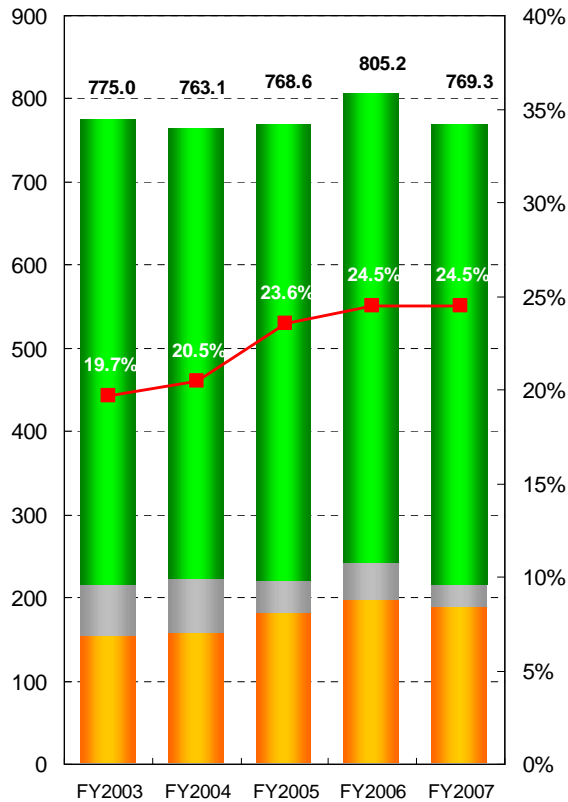


Trend of Resona Group Consolidated Business Results

Top-line income

■ Despite severe business environment, income from core business remains stable

(Ybn)



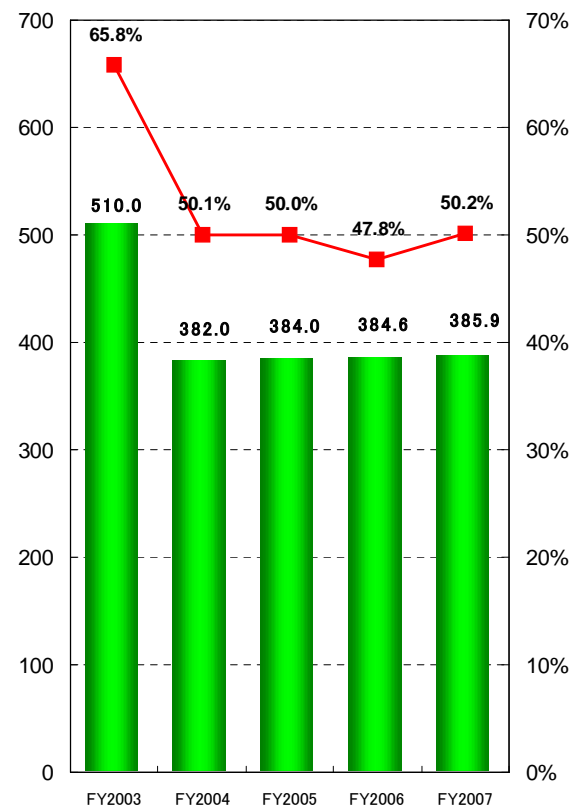
■ Net interest income
 ■ Other income
 ■ Non-interest income*
 ■ Ratio of non-interest income*

* Fees and commission income plus trust fees

Operating expenses

■ Expense ratio controlled at around 50%

(Ybn)

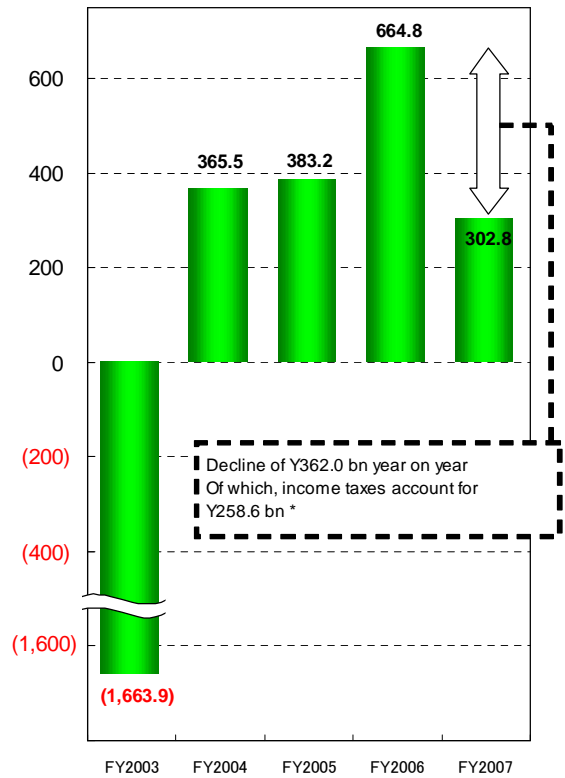


■ Operating expenses
 ■ Cost to income ratio

Net income

■ Returned to and sustained profitability

(Ybn)



■ Consolidated net income

* Decline of net income attributable to income taxes
 Booking of DTA in the previous fiscal year: - 260.0 bn
 Tax benefits realized during the year, etc.: - 52.0 bn
 Booking of new DTA relating to sale of Tokyo HQ bldg: +53.2bn

What We Have Achieved (1): Sustainable Profitability

(Total of Group Banks)		FY2002		
Profitability	Actual net operating profit	307.3bn	➔	337.8bn (+9.9%)
	Actual net operating profit ROA	0.72%	➔	0.85%
Efficiency	Per head actual net operating profit	15.8mn	➔	23.0mn (+45.5%)
	Cost income ratio	59.7%	➔	51.7%
Soundness	Balance of cross-shareholdings	1,316.6bn	➔	387.5bn (-70.6%)
	NPL ratio	11.19% (Sep. 2003)	➔	2.19%
	Housing loan ratio	28.9%	➔	44.1%
				<ul style="list-style-type: none"> ➤ Improved core business profitability driven by growth in fee business, and thorough restructuring of operations ➤ Emphasis on return on assets for higher profitability
				<ul style="list-style-type: none"> ➤ Thoroughly streamlined operations. ➤ Cost income ratio stabilizing at 50% level.
				<ul style="list-style-type: none"> ➤ Eliminated downside risks for future profits by raising the quality of balance sheet ➤ Diversification of loan portfolio into small lots

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

Sustained Growth of Five Core Businesses

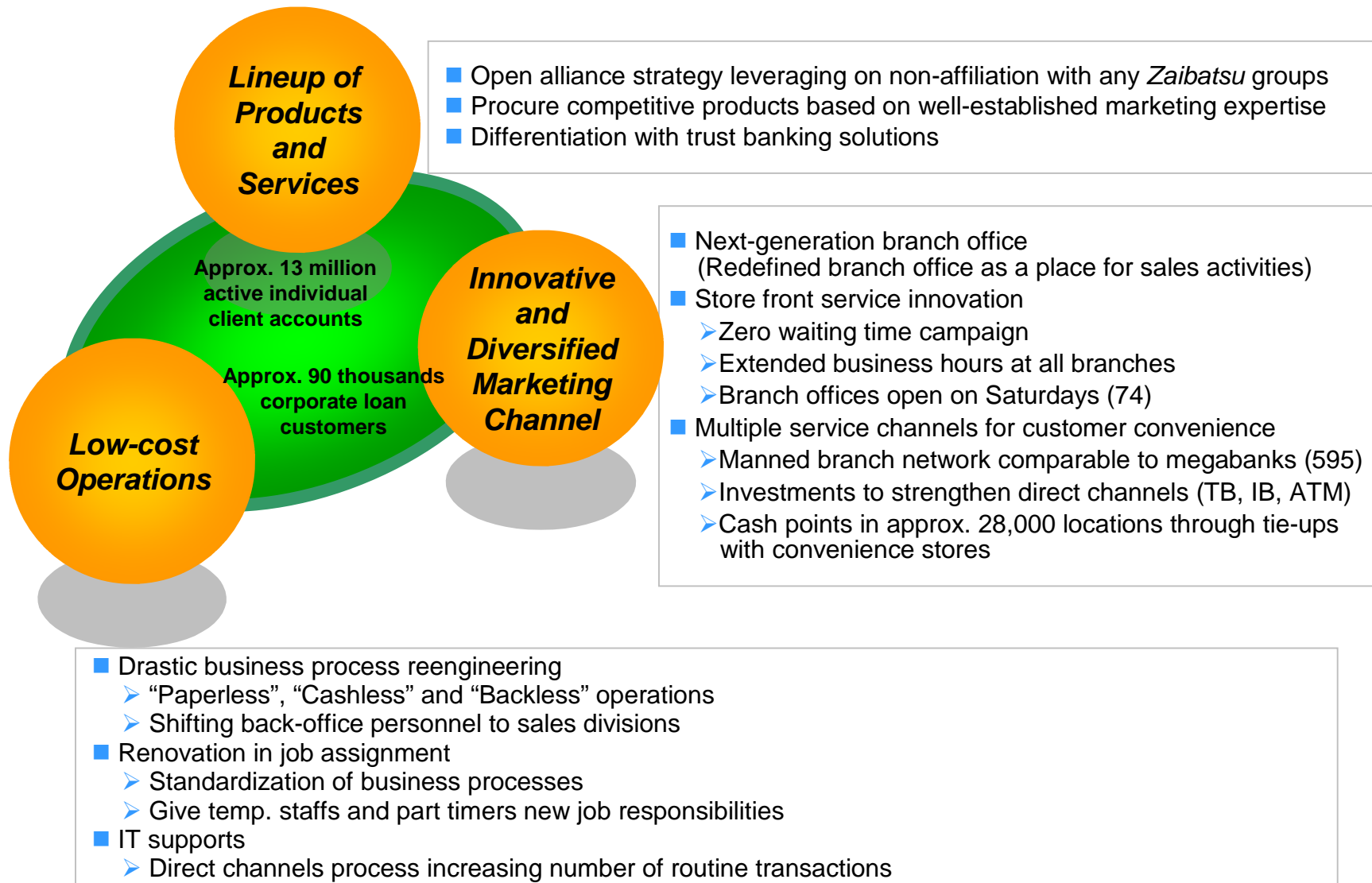
(Total of Group Banks)		FY2002		FY2007	
Transaction with SMEs	Loans to SMEs ^{*1}	11.3tn (Mar. 2004)	→	10.3tn (-8.8%)	➤ Emphasis on accumulating high quality loan assets in terms of credit and pricing
Housing loans	Housing loans	8.4tn	→	11.5tn (+36.9%)	➤ Raised housing loan balance and ratio steadily, making the best use of the advantage in business infrastructure.
	Market share for Housing Loans	10.5%	→	11.8%	
Financial product sale	Financial products sold to individuals	0.79tn	→	3.99tn (+405%)	➤ Balance increased fivefold ➤ Ratio of investment products exceeded 16%.
	Ratio of investment Products ^{*2}	3.7%	→	16.0%	
Real estate	Income from real estate business	6.0bn	→	15.7bn (+161%)	➤ Income from real estate business has been steadily on the rise by virtue of the group synergies ➤ Pension business has kept growth trend absorbing the adverse impact from <i>daiko-herjo</i>
Corporate pension	Income from corporate pension business	20.1bn	→	22.4bn (+11.4%)	

*1. Loans to SMEs = Loans to SMEs and Individuals - Loans to Individuals (Consumer Loans)

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

Competitive Advantage in Retail Banking Business

Enhance competitiveness through upgrading of business infrastructure and low-cost operations



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Operating Results for the 1Q (3 Months from April 1 to June 30) (Total of Group Banks, Non-consolidated Basis)

Financial Results	1Q FY2007	1Q FY2008	YoY Change	Rate of Progress ⁴	Comments
Gross Operating Profit	178.9 bn	161.2 bn	(17.7) bn	45.4%	<ul style="list-style-type: none"> ■ Improvement in loan to deposit spread has led to an increase in interest income from loans and deposits. ■ Fees and commission declined primarily due to a delayed recovery in sale of investment trusts ■ Loss realized on bonds portfolio is limited despite a rise in long-term interest rate ■ Operating expenses are within company forecast ■ Progress rate for actual net operating profit against the 1st Half forecast is 42.9% ■ Credit expense increased. <ul style="list-style-type: none"> - Increase in bankruptcies among real estate and construction sectors triggered by a sudden change in business environments - Preemptive provisions of loan loss reserves in preparation for prolonged stagnation of economy ■ Net income increased +Y66.5 bn. YoY owing to an extraordinary gain registered through a sale of Tokyo HQ building.
Interest Income from Loans and Deposits ¹	115.8 bn	116.2bn	+ 0.4 bn	–	
Fees and Commission Income ²	32.4 bn	25.1 bn	(7.2) bn	–	
Net Gains (Losses) on Bonds	3.5 bn	(3.0) bn	(6.5) bn	–	
Operating Expenses	(87.2) bn	(90.1) bn	(2.9) bn	47.5 %	
Actual Net Operating Profit³	91.6 bn	70.9 bn	(20.7) bn	42.9%	
Net Gains on Stocks	0.9 bn	4.4 bn	+ 3.5 bn	–	
Credit Expenses, Net	(32.7) bn	(51.0) bn	(18.2) bn	231.8%	
Pre-tax Income	62.5 bn	129.0 bn	+66.5 bn	54.3%	
Net Income	45.6 bn	72.2 bn	+ 26.5 bn	51.0%	

Asset Quality	March 31, 2008	June 30, 2008	Change	Comments
NPL Ratio	2.19%	2.43%	+0.23%	<ul style="list-style-type: none"> ■ NPL ratio rose due to increase in downward migrations of borrowers in real estate and construction sectors ■ Maintained soundness in securities portfolio <ul style="list-style-type: none"> – Maintained more than Y200bn of unrealized gains on available-for-sale securities
Net Unrealized Gains on Available-for-sale Securities	171.6 bn	208.1bn	+36.5 bn	

1. Domestic operations (Deposits include NCDs.)

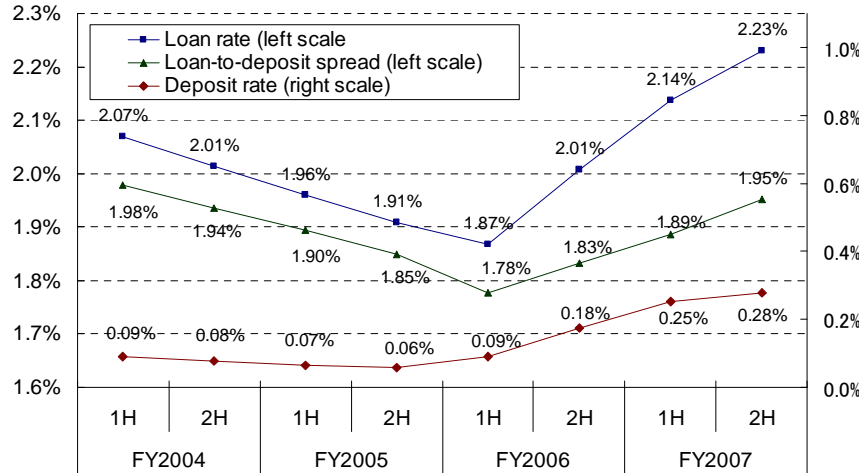
2. Fees and commission income plus trust fees

3. Net operating profit before transfer to general reserve for possible loan losses and expenses related to NPL disposal in the trust account

4. Progress rate against a 1st half forecasts announced in May 2008.

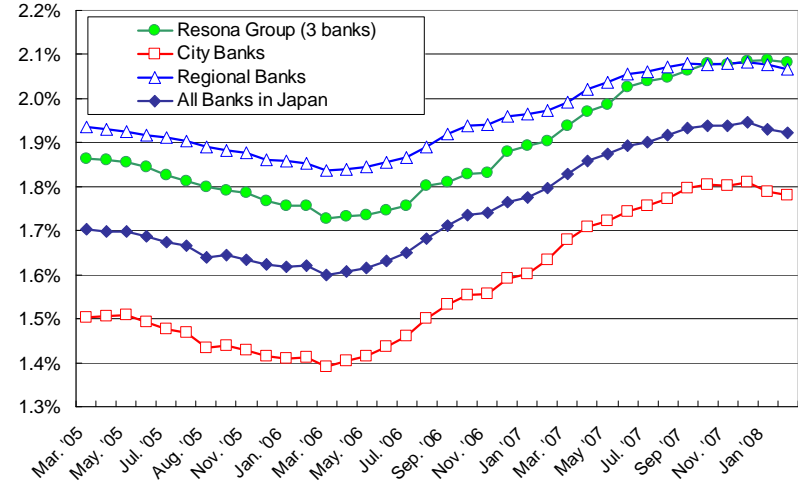
Trend of Loan Business (Total of Group Banks)

Trend of loan and deposit rates and spread



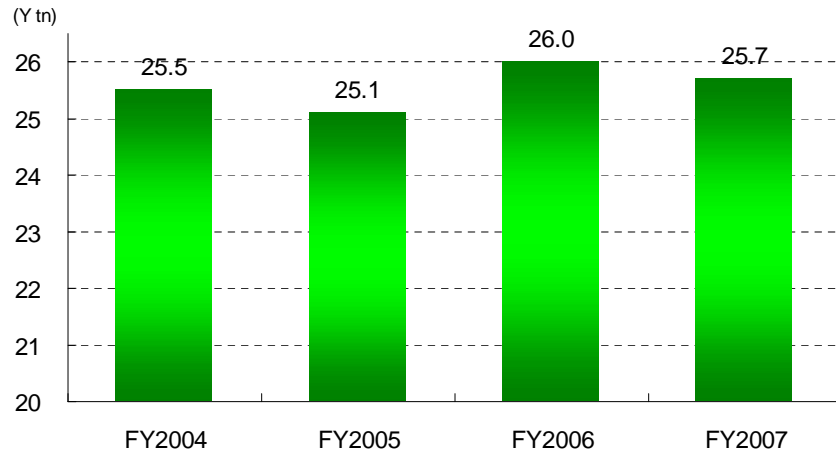
(Domestic banking account)

Loan rate caught up with regional banks average



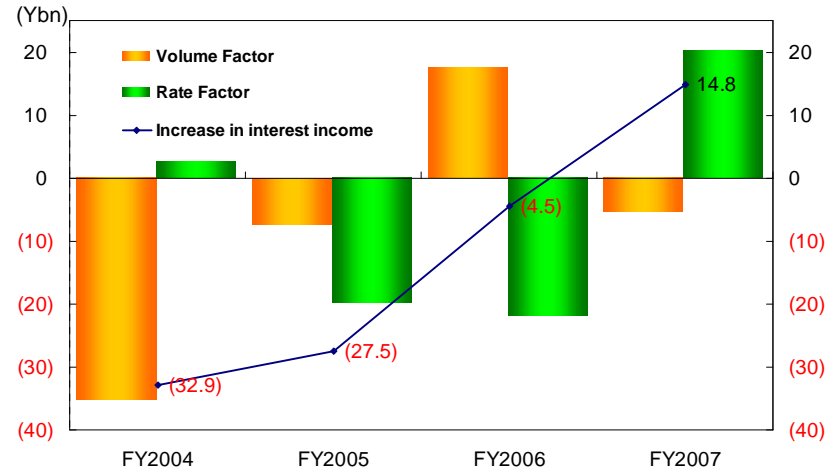
Data source: BOJ Statistics
Resona Group: Shown in weighted average of the rates of RB, SR and KO reported to BOJ

Trend of average loan balance



(Domestic banking account)

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



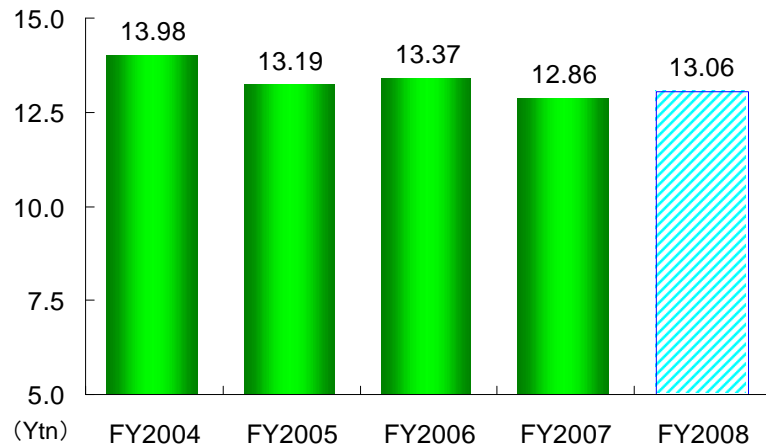
(Domestic banking account)

Loan Plan for FY2008

Loans to Corporations

- **Prioritized loan quality rather than volume under severe market environment**

[Average balance of lending to corporate borrowers]



* Loans in the domestic banking account, management accounting basis

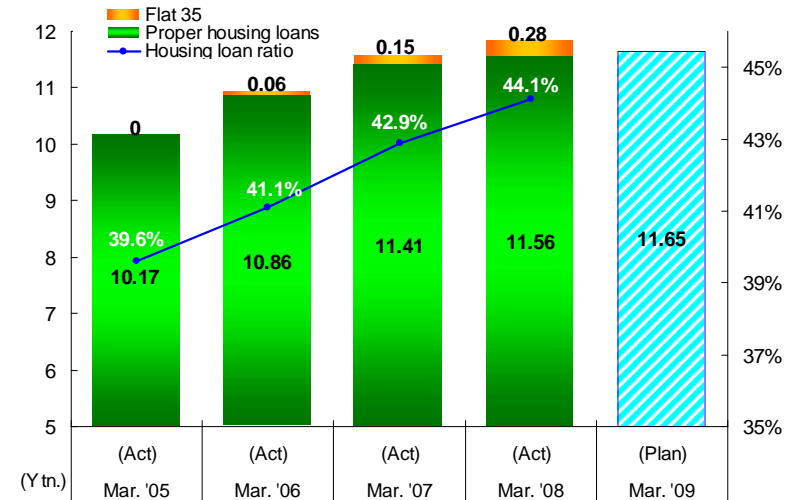
- **Loans to corporations declined Y360bn during 1Q of FY2008**

- **Measures to enhance soundness of loan portfolio**

- Continue putting emphasis on risk pricing and diversification of loan portfolio into small lots
- Maintain cautious stance toward construction and real estate sectors for the time being
- Simultaneously, business promotion side will be strengthened through a shift to new branch office management system

Housing Loans

- **Balance at the end of March 2008: Y11.5 tn. (Housing loan ratio: 44.1%)**



Plan number is based on administrative accounting (excluding Flat 35)

- **Expect moderate slowdown in new loan origination**

- FY2007 (Actual): Y1.39 tn. → FY2008 (Plan): Y1.29 tn.

- **Resona's strength in housing loans**

- Infrastructure supporting over 1 trillion yen per year new loan origination
- Well-established connection with developers and dealers
⇒ Approx. 90% of new applications are from this source

- **Seek quality in expanding the business further**

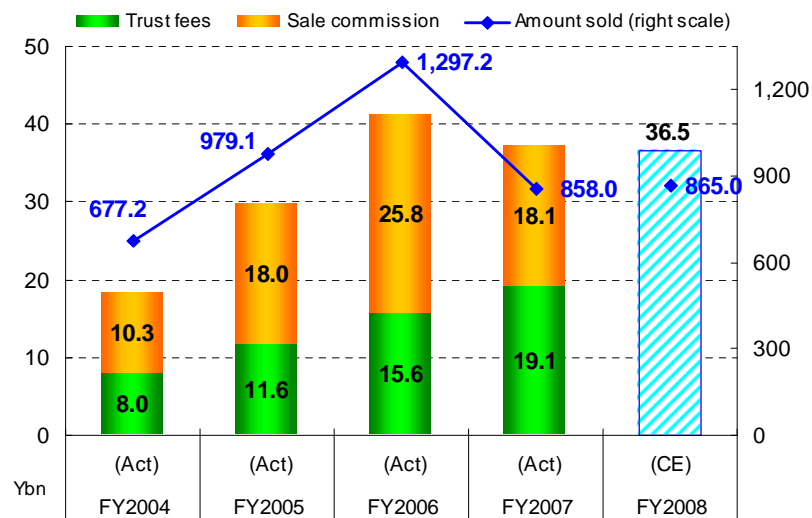
- Adopted more stringent loan screening criteria in phase
- Subrogation rate has been stable for several years.

Sale of Financial Products

Investment Trusts

Income for FY2007 : Y37.2bn (-Y4.0bn YoY)

➤ Amount sold: Y858.0bn, Term-end Bal.: Y2,396.9bn



Progress in the 1Q of FY 2008

- Amount sold: Y113.3bn, Income earned: Y6.4bn
- Sale amount declined 55% YoY (1Q FY2007: Y257.4bn)
- Rate of YoY decline hit the bottom in the 4Q of FY2007

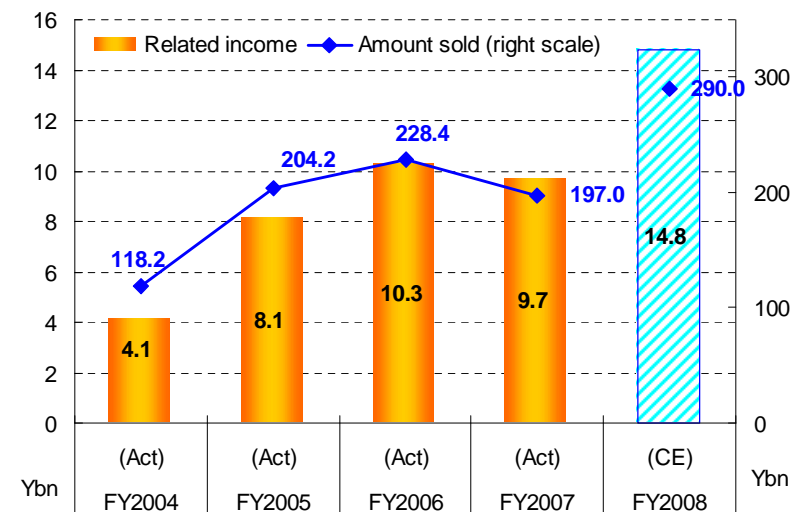
Full-fledged inflow of money from first baby boomers

- Individual deposits increased Y390.8bn (+1.8%) during 1Q

Personal annuity

Income for FY2007: Y9.7bn (- Y0.6bn YoY)

➤ Amount sold: Y197.0bn



Progress in the 1Q of FY2008

- Amount sold: Y52.8bn (+22% YoY)
- Income earned: Y2.6bn (+18% YoY)

Strengthened business platform

- Expanded product line-up through business tie-ups with Dai-ichi Mutual Life Insurance and Credit Agricole Group

Compliance and post-purchase care

Business infrastructure developments

- Branch layout suited for consulting-based sales activities
- CRM system → Adherence to “principle of suitability”

Introduction of low-risk and simplified products

Know-how of specialized staff

Held 47 post-purchase seminars a year

(13,000 customers participated.)

Real Estate, Pension and Securities Trust Businesses

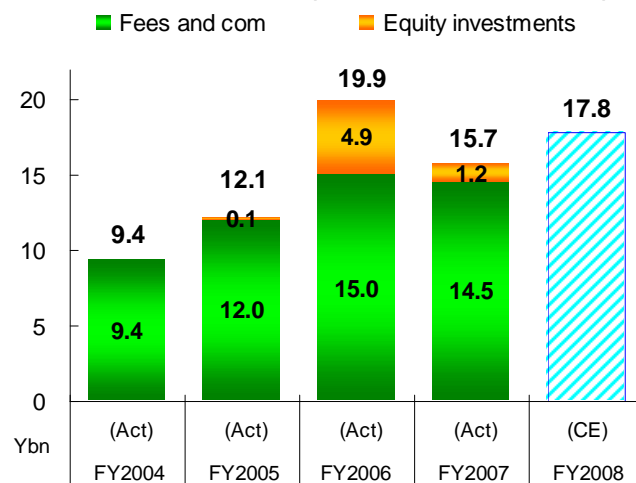
Real estate business (RB)

- **Income for FY2007: Y15.7bn (-Y4.2bn YoY)**
 - Commission income: Y14.5bn (- Y0.5bn YoY)
 - Income from equity investments: Y1.2 bn (-Y3.7bn YoY)

- **Greater contribution by licensed branches in the Tokyo metropolitan area**

[Mar '03] East Japan 38 branches, West Japan 66 branches
 [Present] East Japan 61 branches, West Japan 43 branches

- FY2007 income: East Japan Y10.7bn, West Japan Y5.0 bn

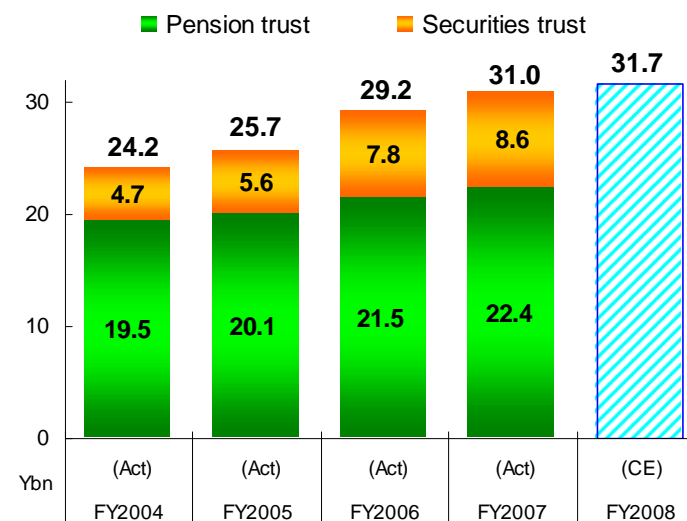


- **Income earned for 1Q of FY2008: Y1.4 bn (Y3.2 bn for 1Q of the previous year)**
- **Business structure that makes the best use of branch network and customer base**
 - Brokerage transactions initiated by actual demands from customers
 - Approx. 1,200 brokerage transactions are carried out a year (Typical transaction amount is around Y500 million)

Pension and securities trust business (RT)

- **Gross operating profits for FY2007: Y31.0bn**
 - Pension trust business: Y22.4bn (+Y0.9bn YoY)
 - Securities trust business: Y8.6bn (+Y0.8bn YoY)

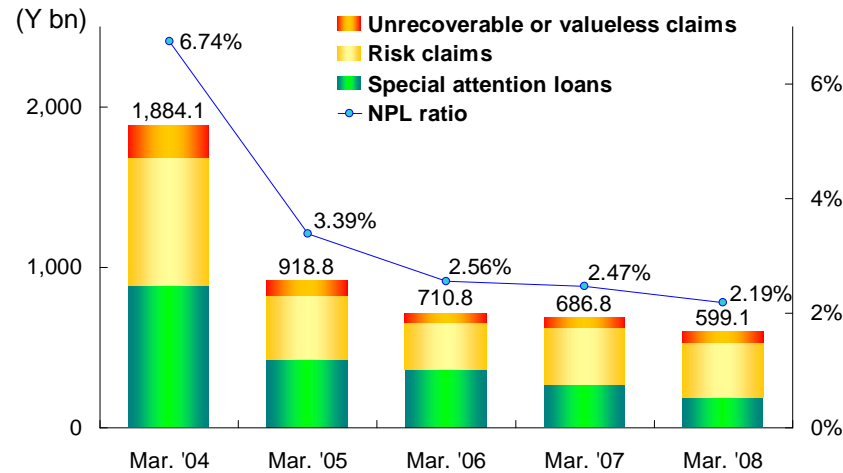
- **Number of pension trusts newly entrusted in FY2007 : 169 (+115 YoY)**



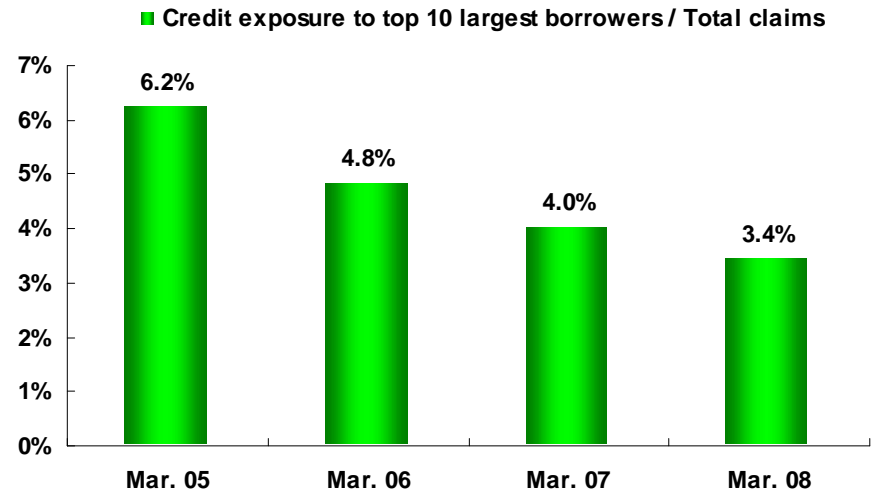
- **Gross operating profits for 1Q of FY2008: Y3.8 bn (Y4.1 bn for 1Q of the previous year)**
- **Providing SMEs with needed supports for a shift from tax-qualified pension plan to a new scheme**
- **High quality fund management products**
 - Entrusted from 2 large European pension funds with investment management in Japanese equity
 - Entrusted from a large European financial institution with investment advisory services in J-REIT

Measures to Enhance Financial Soundness: Loan Asset

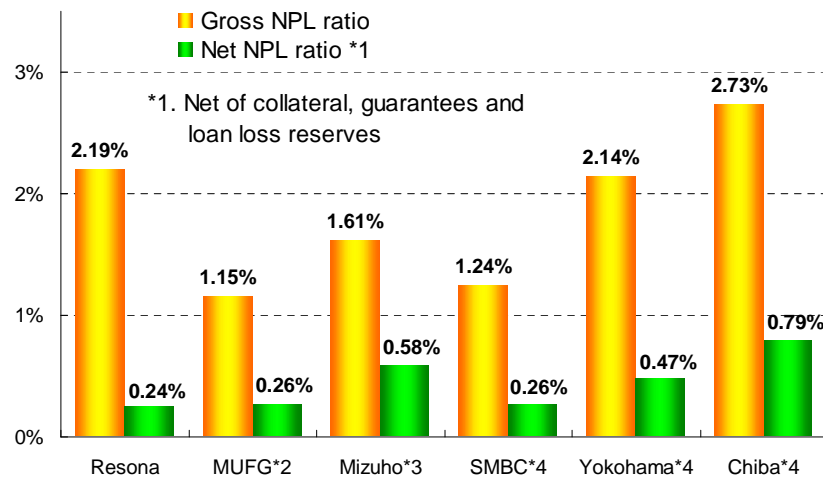
NPL balance and NPL ratio (Total of Group Banks)



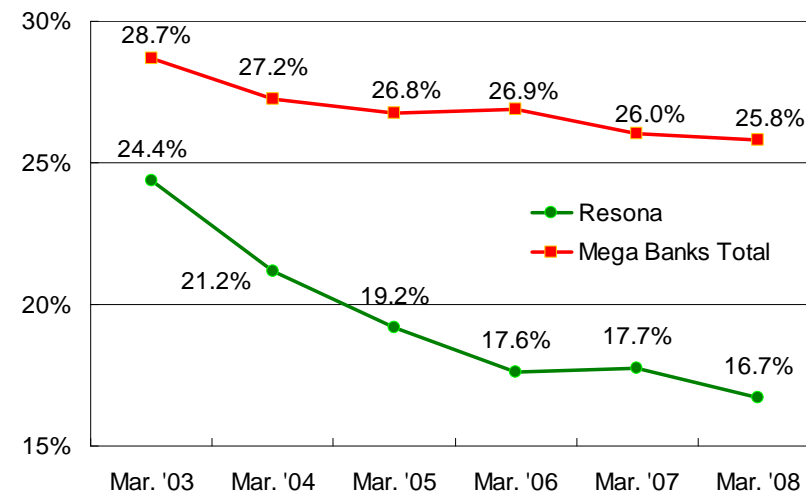
Top 10 Borrowers Concentration (RB)



Comparative advantage in net NPL ratio (Total of Group Banks)



Trend of loan exposure to the 3 sectors*5



*2. 2 group banks including trust account loans

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

*5. Ratio of loans to construction, finance and insurance, and real estate sectors to the total lending in the domestic account.

Measures to Enhance Financial Soundness: Securities Portfolio

Maintained soundness of securities portfolio

[Non-trading marketable securities available for sale]

[End of March 2007] Total Y6.8 tn



[End of March 2008] Total Y6.1 tn



[Net investment portfolio]

■ Bonds: unrealized loss: Y29.9bn

- Duration 1.7 years, BPV Y0.9bn
- JGB investments to earn stable interest income in the medium term
- Conservative management in light of interest rate normalization

■ Other: unrealized loss: Y2.7bn

- Diversification of investments with non-interest assets
- Unwinding of net investment position in response to deteriorating performance and poor visibility of markets (Net loss on sale for FY2007: Y41.8bn)

[Relationship-purpose portfolio]

■ Stock: unrealized gain: +Y204.3bn

- Portfolio with minimized downside risks
- Loss on write-down of listed stocks for FY2007: Y5.0bn

Securitized products (Balance of direct investments: Y323.9bn)

- Underlying assets for all products held are Japanese assets

Investment and loan exposure linked to housing loans originated in the U.S.

- Direct investments in CDO and similar securities **Zero**
- Indirect investments via foreign FoFs in assets linked to the U.S. sub-prime mortgage loans **Y30 million**
- Direct investments in RMBS originated by the GSEs in the U.S. and debt securities issued by them **Zero**

Capital Adequacy Ratio (RHD Consolidated Basis)

■ RHD's consolidated CAR [Mar. 31, 2007] **10.56% (Basel II SA)** ⇒ [Mar. 31, 2008] **14.28% (Basel II F-IRB)**

YoY Change based on SA			
	(Ybn, %)		
	Mar. 31,2007 (SA)	Mar. 31,2008(SA)	YoY change
Capital adequacy ratio	10.56	13.83	3.27
Tier I ratio	6.51	9.75	3.24
Total qualifying capital	2,515.8	3,196.5	680.6
Tier I capital	1,551.7	2,253.3	701.5
Tier II capital	1,001.7	967.6	(34.1)
Deduction	(37.5)	(24.3)	13.1
Risk-weighted assets	23,803.3	23,106.6	(696.6)
Credit risk	22,389.3	21,698.6	(690.7)
Operational risk	1,414.0	1,408.0	(5.9)

(Primary factors for the difference)

[Qualifying capital]

- **Tier I** **Retained earnings** **+701.5bn**
 - ⇒ Class 9 Preferred Share 350.0bn
 - ⇒ Class 5 Preferred Share 100.0bn
 - ⇒ Consolidated net income 302.8bn
- **Tier II**
 - Partial repayment of subordinated loan (35.0)bn
- **Deduction**
 - Securitization exposure to be deducted +4.5bn
 - Unwinding of double gearing +8.7bn

[Risk-weighted assets (RWA)]

- **Change in RWA (696.6)bn**
 - (1) Sale of investment trust funds, etc. (610.0)bn
 - (2) Decrease of loans and bills discounted (80.0)bn

Change due to shift from SA to F-IRB (Mar. 31, 2008)			
	(Ybn, %)		
	Mar. 31,2008(SA)	Mar. 31, 2008(F-IRB)	YoY change
Capital adequacy ratio	13.83	14.28	0.45
Tier I ratio	9.75	10.33	0.58
Total qualifying capital	3,196.5	3,115.8	(80.6)
Tier I capital	2,253.3	2,253.3	-
Tier II capital	967.6	910.4	(57.1)
Deduction	(24.3)	(47.8)	(23.4)
Risk-weighted assets	23,106.6	21,809.3	(1,297.3)
Credit risk	21,698.6	20,401.2	(1,297.3)
Operational risk	1,408.0	1,408.0	-

(Primary factors for the difference)

[Qualifying capital]

- **Tier I** Remain unaffected
- **Tier II**
 - Decrease in inclusion of general reserve as qualifying Tier II capital (57.1)bn
- **Deduction**
 - Difference in criteria between SA and F-IRB as to deductions relating to securitization exposure (23.0)bn

[Risk-weighted assets (RWA)]

- **Change in RWA (1,297.3)bn**
 - (1) Corporate and housing loans (2,290.0)bn
 - (2) Stocks, investment trusts, etc. +1,040.0 bn

Earnings Forecasts for Fiscal Year 2008

(Billions of Yen)	Resona Holdings (Consolidated)		
	1H FY 2008 forecasts	Full year forecasts	Change from the previous year
Consolidated ordinary income	520.0	1,050.0	(64.4)
Consolidated ordinary profit	120.0	270.0	36.3
Net (interim) income	150.0	250.0	(52.8)

(Billions of Yen)	Resona Holdings (Non-consolidated)		
	1H FY 2008 forecasts	Full year forecasts	Change from the previous year
Operating income	50.0	180.0	(420.4)
Operating profit	40.0	170.0	(419.9)
Ordinary profit	40.0	170.0	(420.2)
Net (interim) income	50.0	190.0	(434.6)

Forecast for term-end per share dividend on common stock	1000 yen
Forecast for term-end per share dividend on preferred stock	As pre-determined

(Billions of Yen)	Total of four banks (approx. figure)				Resona Bank		Saitama Resona Bank		Kinki Osaka Bank		Resona Trust & Banking	
	1H FY 2008 forecasts	Full year forecasts	Change from the previous year	Revitalization Plan	1H FY 2008 forecasts	Full year forecasts	1H FY 2008 forecasts	Full year forecasts	1H FY 2008 forecasts	Full year forecasts	1H FY 2008 forecasts	Full year forecasts
Gross operating profit	354.5	721.0	21.0	754.0	224.5	458.0	80.5	161.5	34.5	70.0	15.0	31.5
Operating expenses	189.5	383.0	20.9	388.0	121.5	245.0	38.5	77.0	23.5	48.5	6.0	12.5
Actual net operating profit	165.0	338.0	0.2	366.0	103.0	213.0	42.0	84.5	11.0	21.5	9.0	19.0
Ordinary profit	122.5	262.0	49.5	308.0	74.0	162.0	36.0	71.5	3.5	10.0	9.0	19.0
(Interim) Income before income taxes	237.5	384.0	81.9	300.0	189.5	285.0	35.5	70.5	3.5	10.0	9.0	19.0
Net (interim) income	141.5	233.0	(27.1)	226.0								

Resona Group started applying a consolidated taxation system from FY2005.

Gain/(loss) on stocks	-	-	45.8	8.0	-	-	-	-	-	-	-	-
Credit related expenses	22.0	60.0	21.3	60.0	14.0	43.0	4.5	8.5	3.5	7.5	-	-

Resona Group at a Glance

Update on Recent Business Results

Pathway to Early Repayment of Public Funds

<Reference> Macro Trends of Japan

<Reference> Business Trend

List of Public Funds Still Outstanding and Approaches for Repayments

List of remaining public funds and approaches for repayments

(Billions of Yen)	Time of Issue	Mandatory Conversion (First Call)	Amount	Amount	Amount repaid (2) - (1)
			Sep. 30, '03 (1)	June 30, '08 (2)	
Total public funds received			3,128.0	2,323.1	(804.8)
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	408.0	163.3	(244.6)
	Class C No.1	Apr. 2001	60.0	60.0	---
	Class E No.1	Mar. 1999	300.0	11.9	(288.0)
	Class F No.1	Mar. 1999	100.0	100.0	---
Deposit Insurance Law			1,663.5	1,663.5	---
	Class One No.1	Jul. 2003	550.0	550.0	---
	Class Two No.1	Jul. 2003	563.5	563.5	---
	Class Three No.1	Jul. 2003	550.0	550.0	---
Subordinated Loans			300.0	45.0	(255.0)
	Financial Function Early Stabilization Law	Mar. 1998	200.0	---	(200.0)
	Early Strengthening Law	Mar. 1999	100.0	45.0	(55.0)
Common Shares			296.4	279.2	(17.1)
		Jul. 2003			

Subordinated Loans

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

Common Shares

Intend to resubmit a request to the relevant authorities for a repayment through sale in the market depending upon future market and other conditions

Preferred Shares

- Repurchase and cancellation utilizing retained earnings and proceeds from issuances of new preferred shares
 - Consideration given to repurchase of common shares as a way to curtail the impact of possible dilution from the Early Strengthening Law Preferred Shares
- As of the end of March 2008, secured the funds for repayments covering approximately 80% of the remaining public fund preferred shares on an infusion amount basis
- Further accumulation of retained earnings and new issue of non-convertible preferred shares will fill the shortage

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

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

Retained earnings (End of March 2008)
(¥1,165.9 bn)

Profit & issuance of non-convertible PS

Total available funds for repayments ¥1,615.8 bn (Approx. 80% of above)

Capital Policy Directed toward Early Repayment of Public Funds

Basic Policy toward Repayment of Public Funds

(Announced in May 2006)

- (1) Secure a source of funds for repayment as soon as possible
- (2) Maintain an appropriate capital adequacy ratio, and
- (3) Avoid dilution of common shares as much as possible

Recent Progress

[Accumulation of Funds for Repayments]

- Funds available for repayments*¹ increased Y711.4 bn during FY2007

Profits	■ Increase during FY2007: Y 261.5 bn
+	
New Financing	<ul style="list-style-type: none"> ■ June 5, 2007 Issued Class 9 Preferred Shares (Y350 bn) ■ August 28, 2007 Issued Class 5 Preferred Shares (Y100 bn)

[Repayments in FY2007 and FY2008]

- June 13, 2007
Partial repayment of subordinated loan: Y35.0bn
- June 19, 2008
DIC transferred a part of the common shares of RHD it owns to the Dai-ichi Mutual Life
 - Repayment of Y14.4bn (infusion amount basis) (Y50.0bn in terms of market capitalization)

Response to Possible Dilution

(Preferred Shares issued under the Early Strengthening Law)

[Partial Amendment to the Business Revitalization Plan]

Changes in environment and assumptions

Change in market condition initiated by U.S. sub-prime housing loan issue

Accumulation of retained earnings faster than planned in the Business Revitalization Plan Vis-à-vis BRP (March 2008): + Y174.2 bn.*²

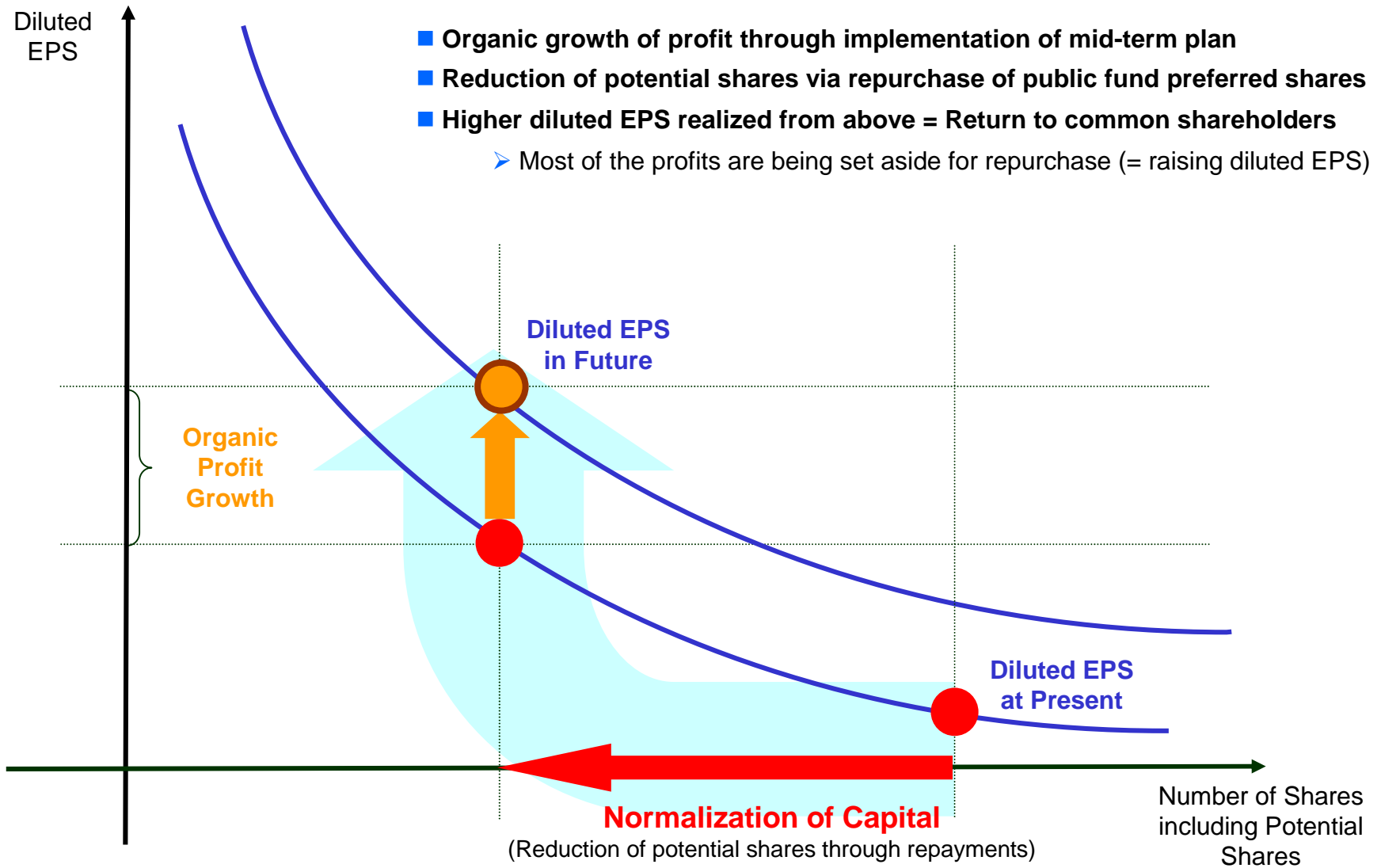
- Early Strengthening Law Preferred Shares to be repurchased prior to their mandatory conversion dates (Basic approach remains the same)
- At the same time, as a counter measure for the possibility of dilution from conversion of the Early Strengthening Law Preferred Shares, [RHD will give considerations to a repurchase of its common shares from the market prior to their mandatory exchange dates.](#)
- Even when it tries to repurchase its common shares, [RHD intends to maintain its consolidated CAR above 9% and T1 ratio above 5%, respectively.](#)

*1. Retained earnings and other capital surplus maintained by Resona Holdings and subsidiary banks

*2. Actual balance of retained earnings compared with the target in the BRP after an adjustment to reflect the repayment in January 2007.

Two Drivers that Raise Common Shareholder Value

Repayments of public funds and organic profit growth will both drive up diluted EPS



Resona Group at a Glance

Update on Recent Business Results

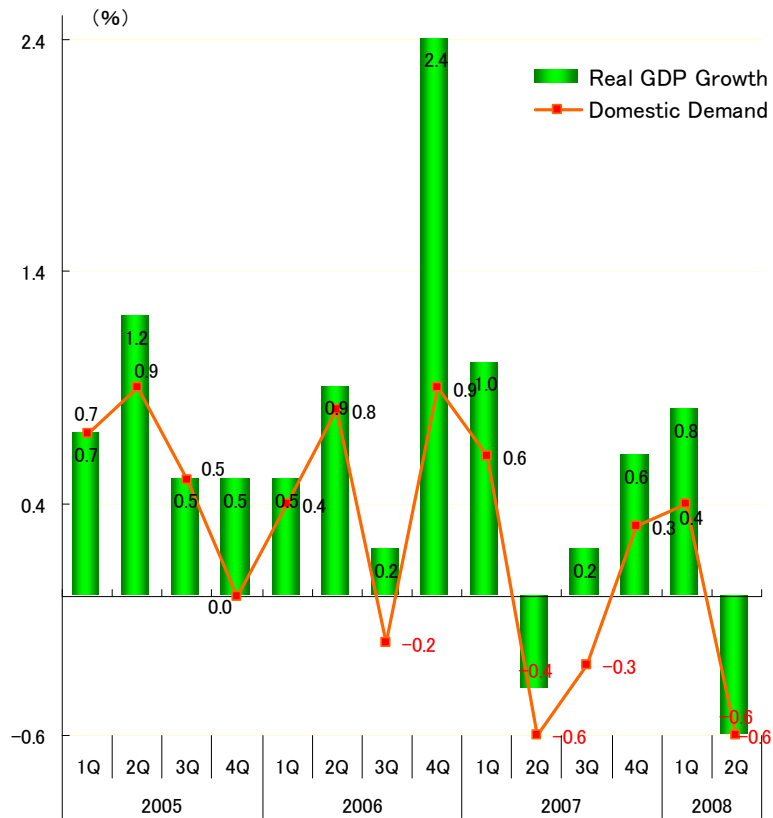
Pathway to Early Repayment of Public Funds

<Reference> Macro Trends of Japan

<Reference> Business Trend

Overall Economy in Japan (1)

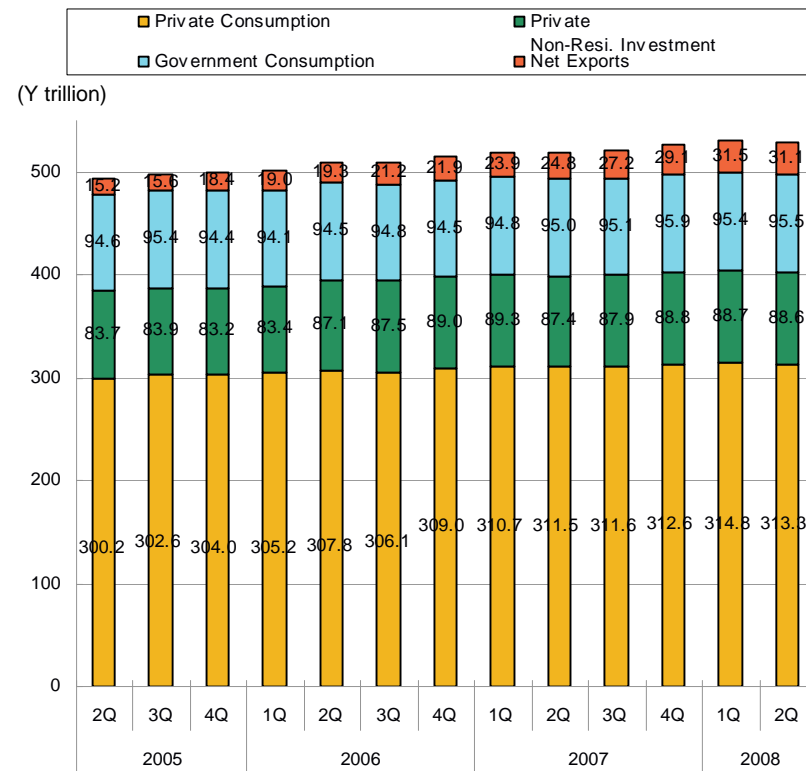
GDP Growth Rate*1



Source : Cabinet Office

*1. Percentage change from the previous quarter (In real term, seasonally adjusted series)

GDP Components

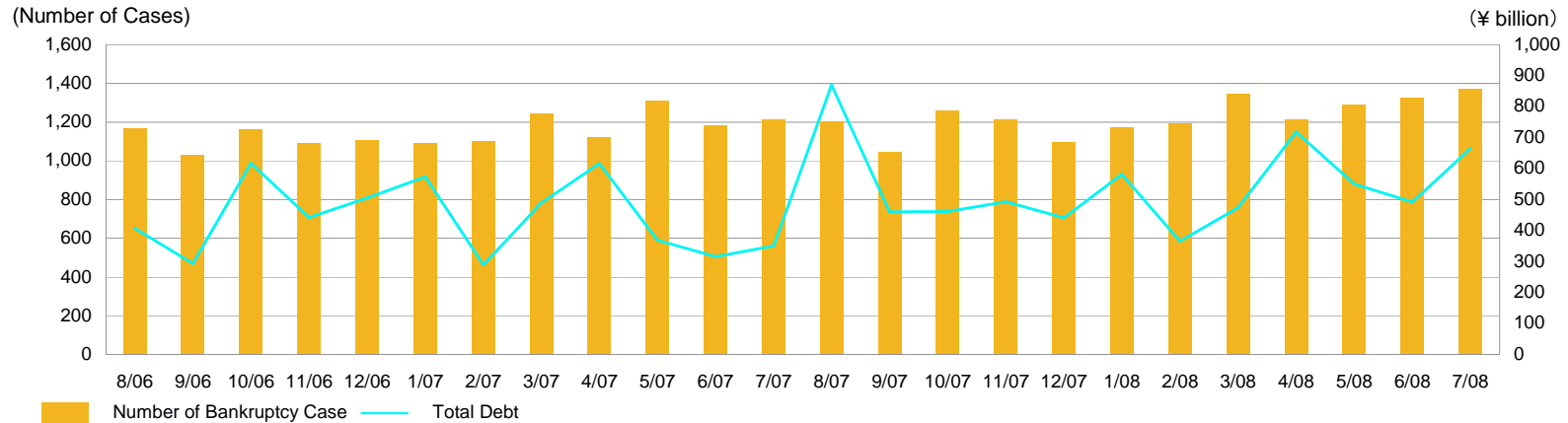


Source : Cabinet Office

1. In real term, seasonally adjusted series

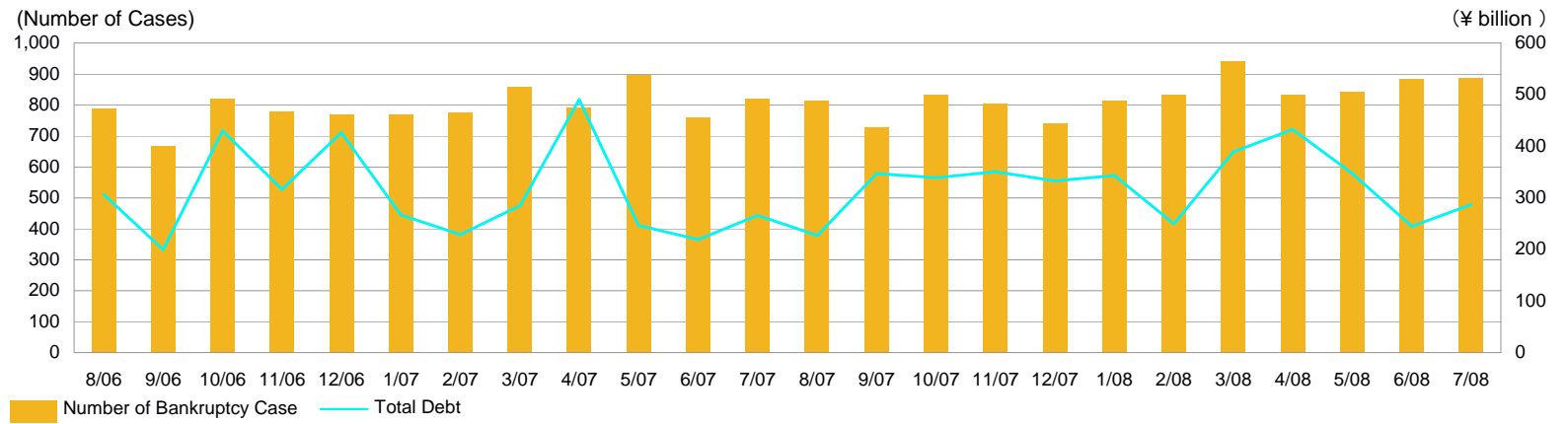
Overall Economy in Japan (2)

Enterprise Bankruptcy



Source: Tokyo Shoko Research

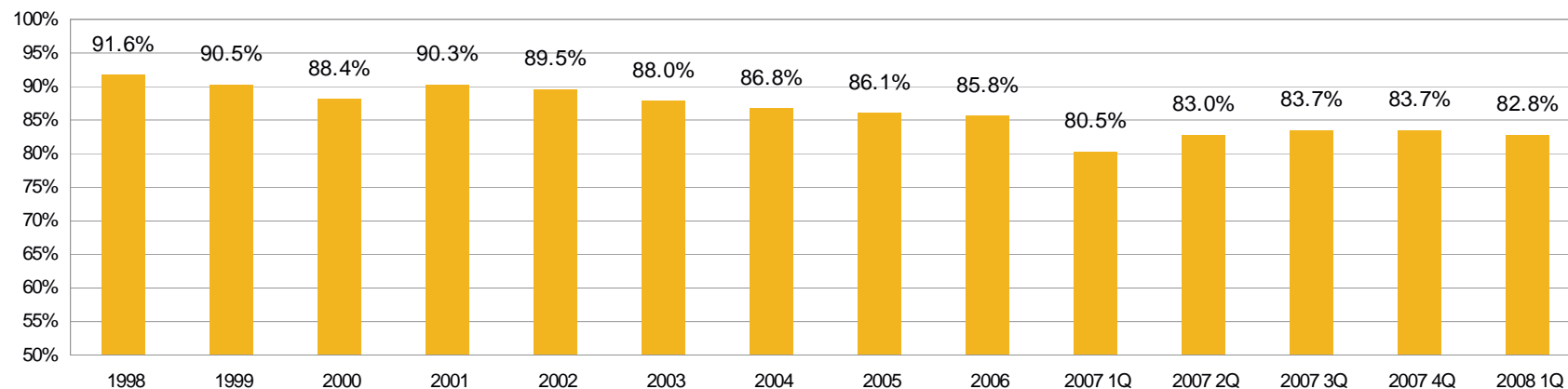
Enterprise Bankruptcy (excluding construction/real estate)



Source: Tokyo Shoko Research

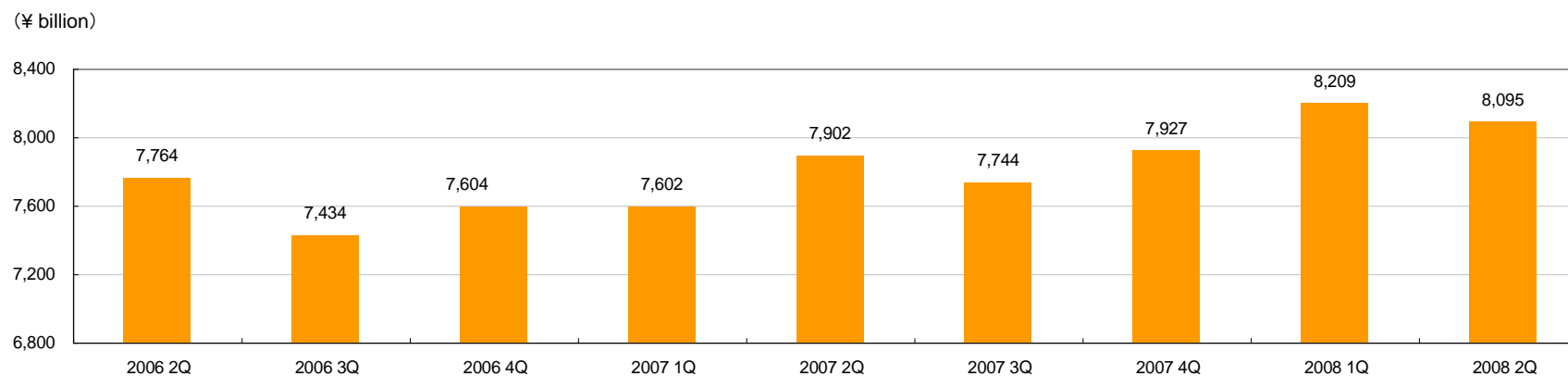
Overall Economy in Japan (3)

Break-Even Point of Japanese Corporations



Source: Financial Statements Statistics of Corporations

Machinery Orders

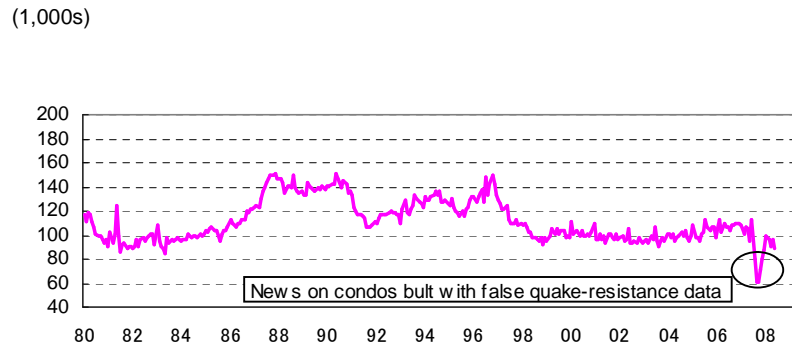


Source: Cabinet Office

Japan-US Comparison of Housing Trends(1)

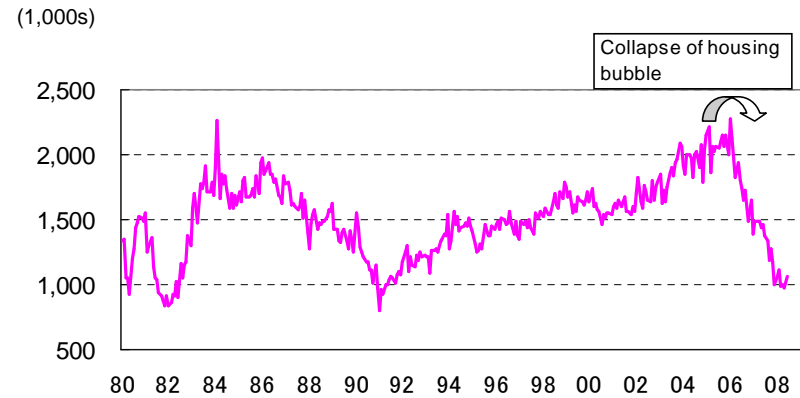
Housing Starts

Japan



Source: Ministry of Land, Infrastructure and Transport and Tourism

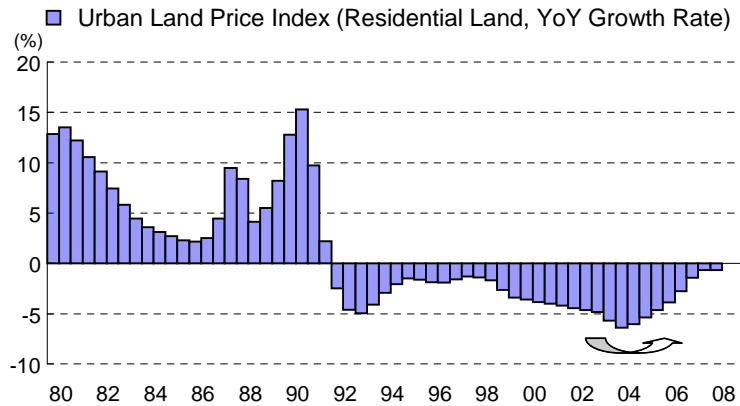
US



Source: The US Department of Commerce

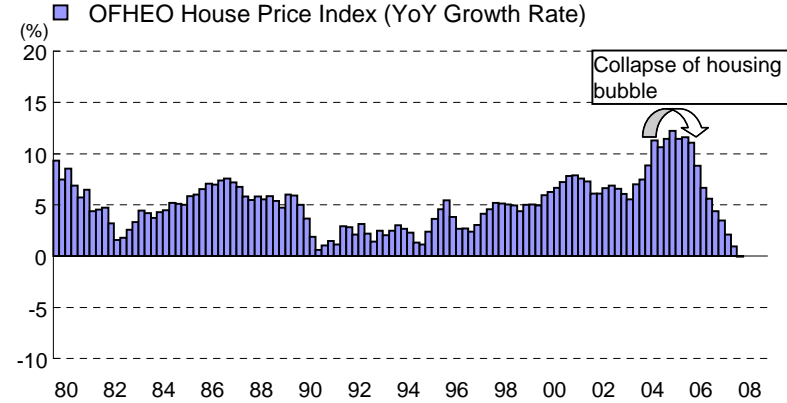
Land/Housing Prices

Japan



Source: Ministry of Land, Infrastructure and Transport, Japan Real Estate Institute

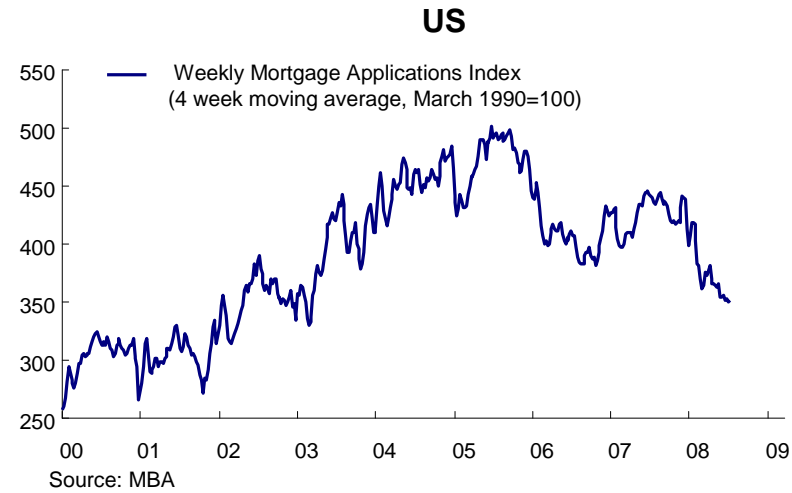
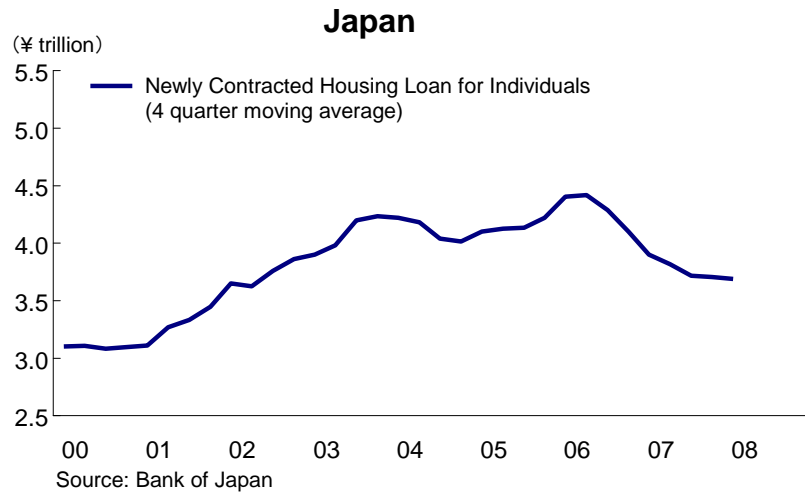
US



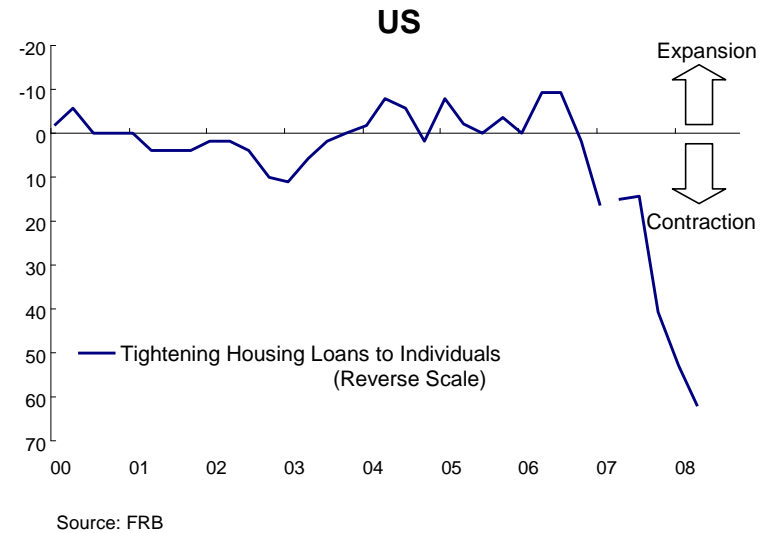
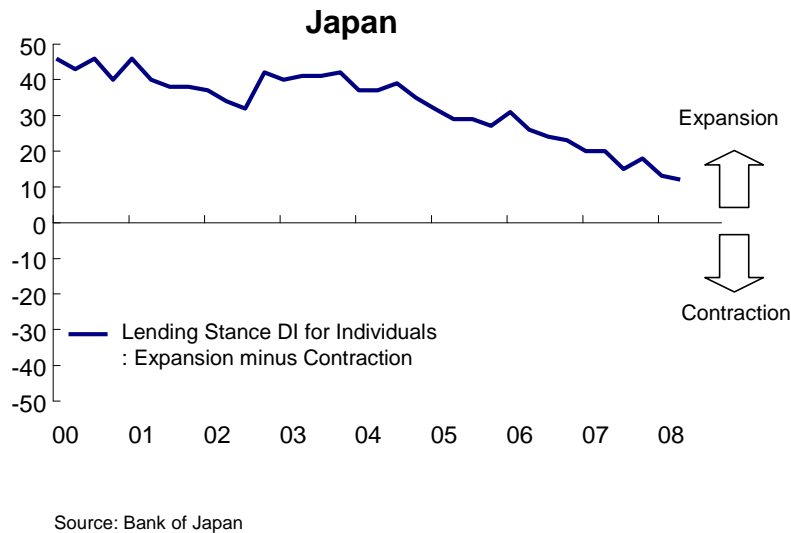
Source: The US Department of Commerce, OFHEO

Japan-US Comparison of Housing Trend (2)

Housing Demand

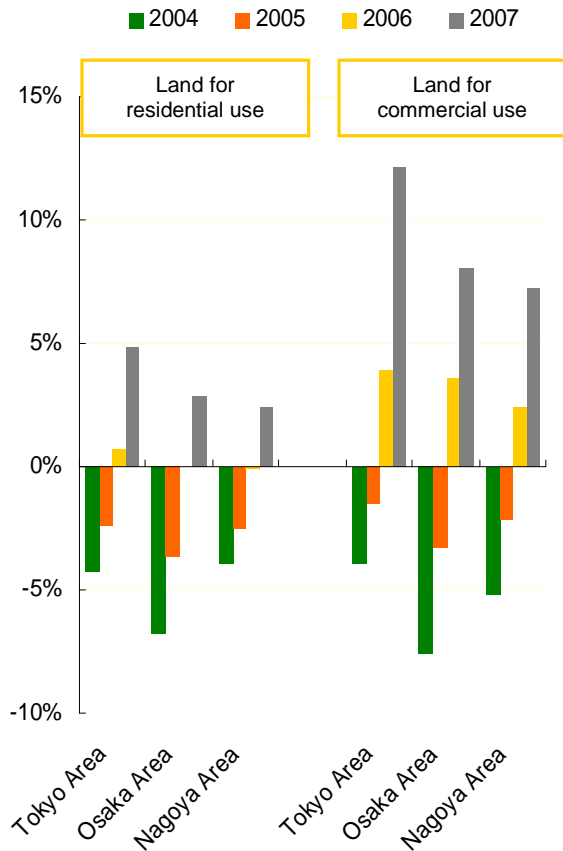


Bank Lendings (Loans to Individuals)



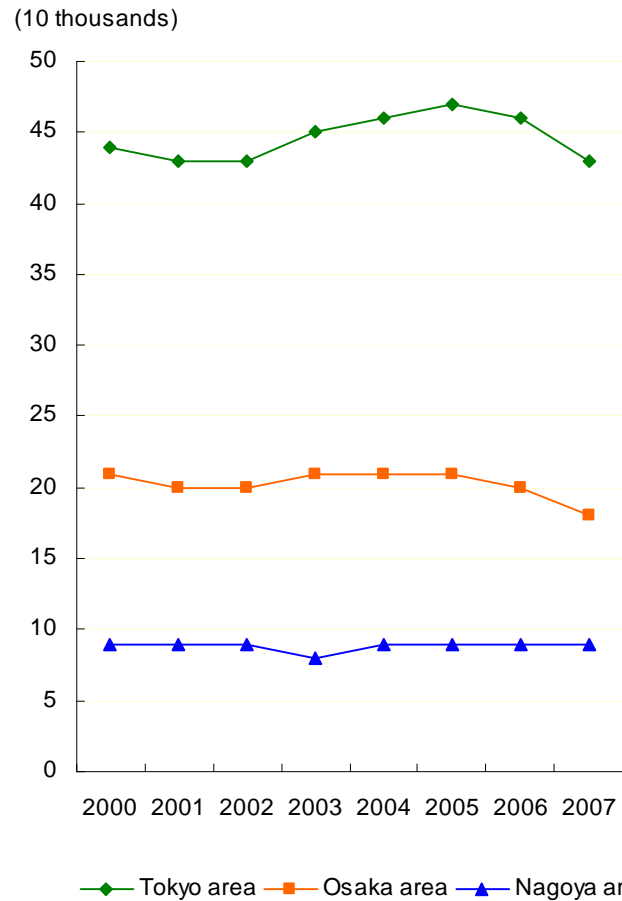
Macro Trend for Real Estate Business

Recovery of land prices



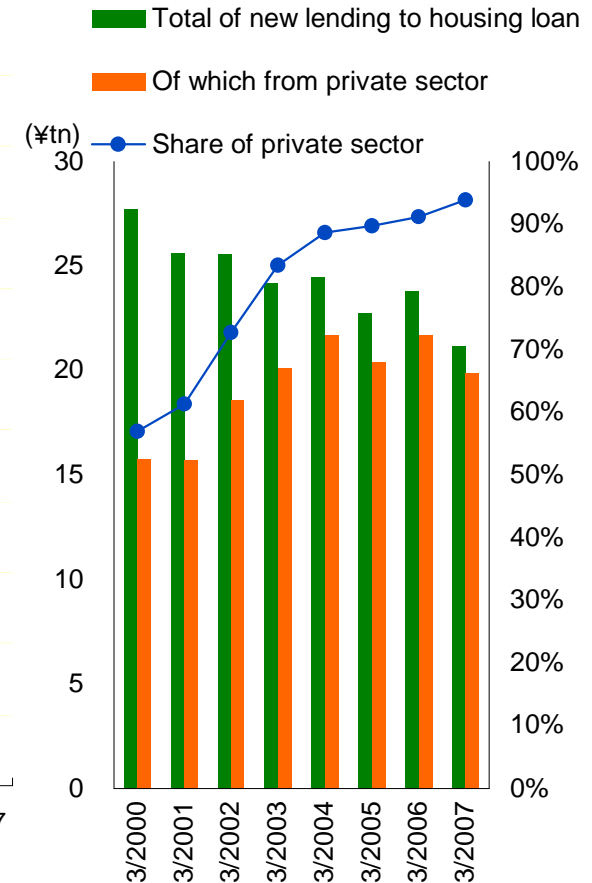
Source: Ministry of Justice

Number of land transactions ¹



※1 Sales and Purchase

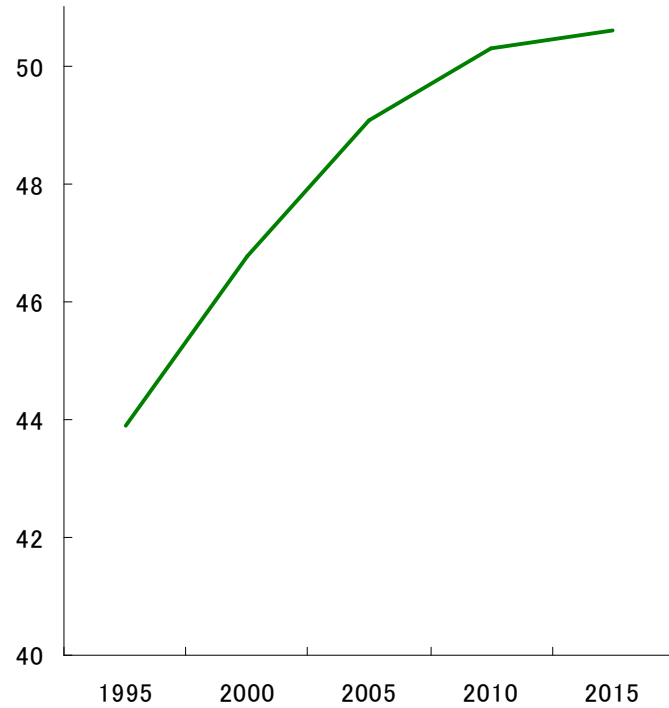
New housing loan trend



Source: Japan Housing Finance Agency

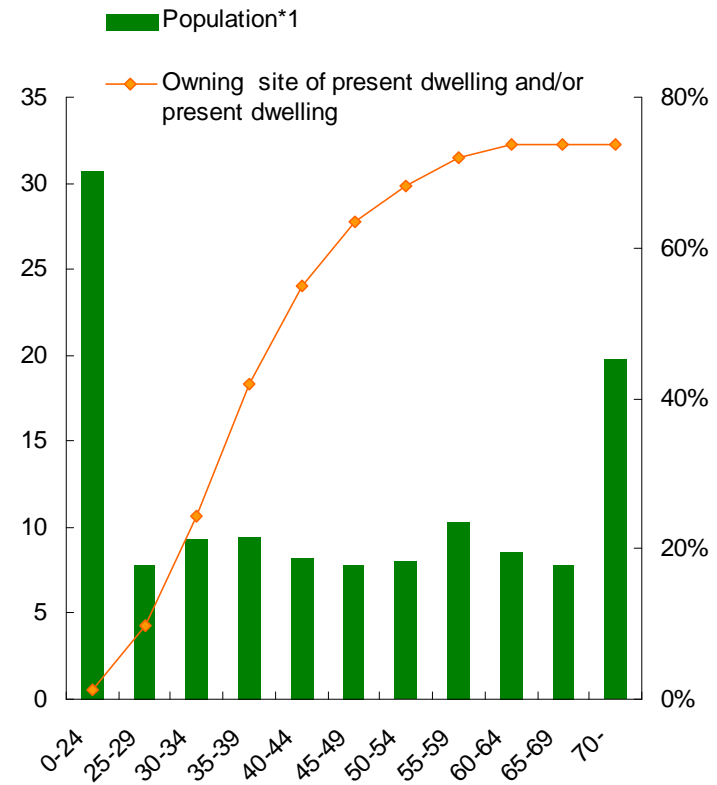
Macro trends for Real Estate Business

Number of households



Source: National Institute of Population and Social Security Research

Population and housing ownership rate



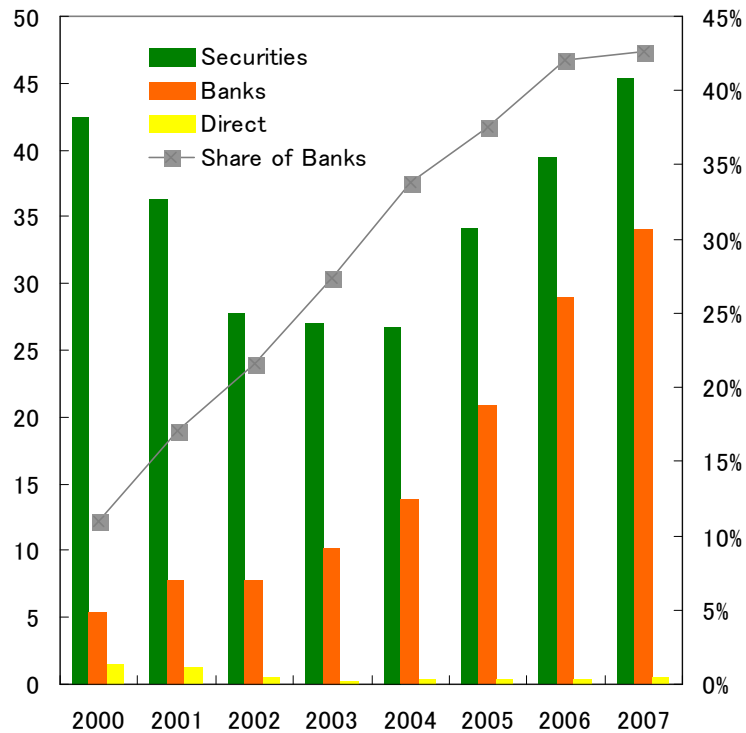
(age)

Source: Ministry of Internal Affairs and Communications Housing & Land Survey (Oct, '03)

*1. as of Dec 1, '07

Macro Trends for Sales of Financial Products

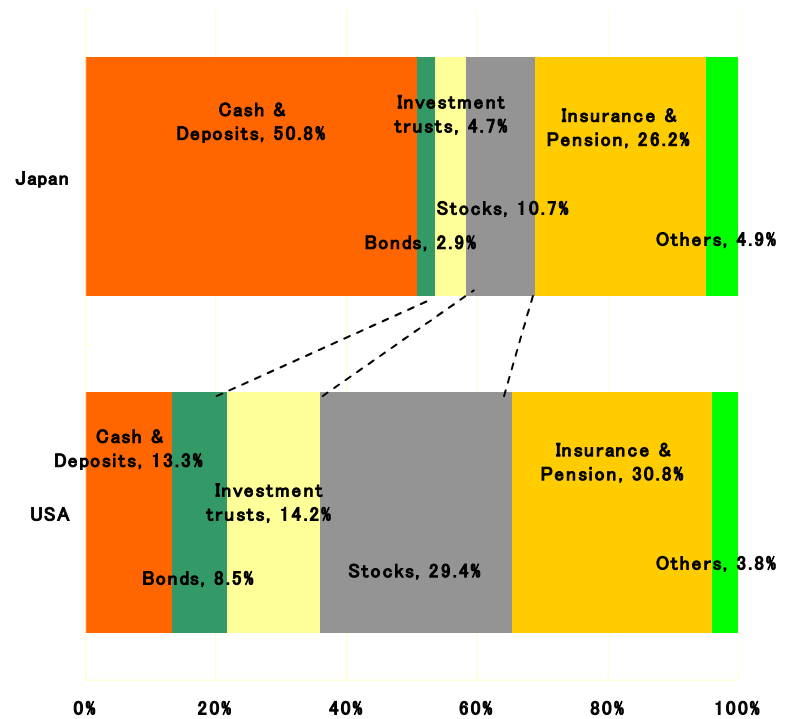
Total net assets of investment trusts*1



Source: The Investment Trusts Associate, Japan

*1. Contractual type by distribution channel
2000-2007: End of Dec.

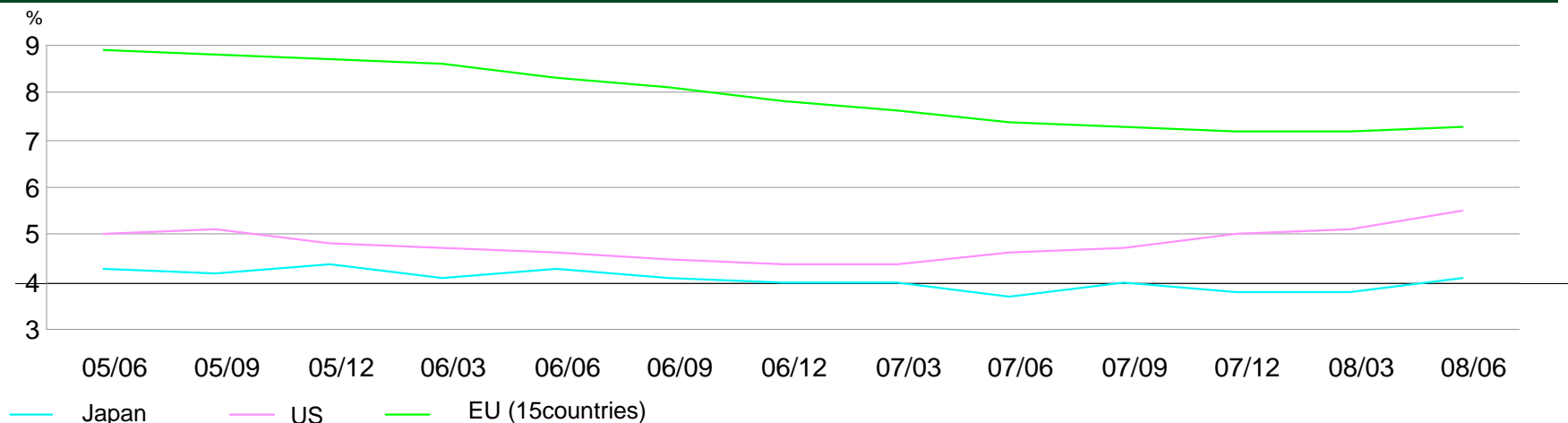
Individual's financial assets (Dec. 2007)



Source: Bank of Japan

Japan-US-EU Comparison of Economic Trend (cont'd)

Unemployment Rate



Source: Datastream

Economic Inequality

(2007)

	Share of Income or Expenditure				Inequality Measures		
	Poorest 10%	Poorest 20%	Richest 20%	Richest 10%	Richest 10% to Poorest 10%	Richest 20% to Poorest 20%	Gini Index
Japan	4.8	10.6	35.7	21.7	4.5	3.4	24.9
US	1.9	5.4	45.8	29.9	15.9	8.4	40.8
UK	2.1	6.1	44	28.5	13.8	7.2	36.0
France	2.8	7.2	40.2	25.1	9.1	5.6	32.7
Germany	3.2	8.5	36.9	22.1	6.9	4.3	28.3

Source: UNDP

Resona Group at a Glance

Update on Recent Business Results

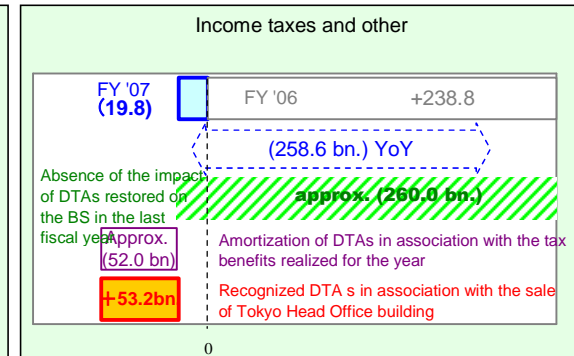
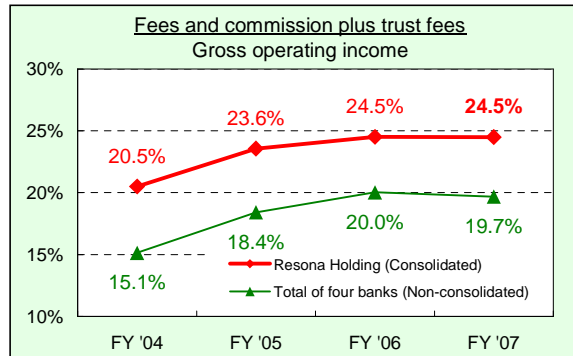
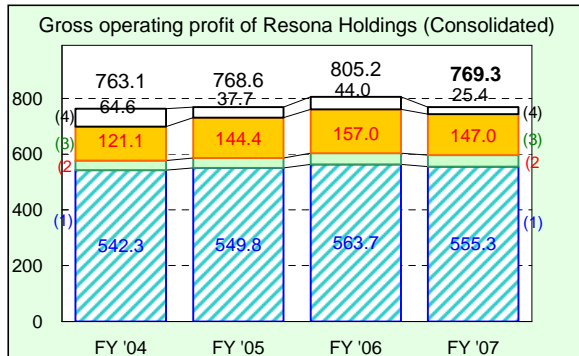
Pathway to Early Repayment of Public Funds

<Reference> Macro Trends of Japan

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Outline of P&L for FY2007

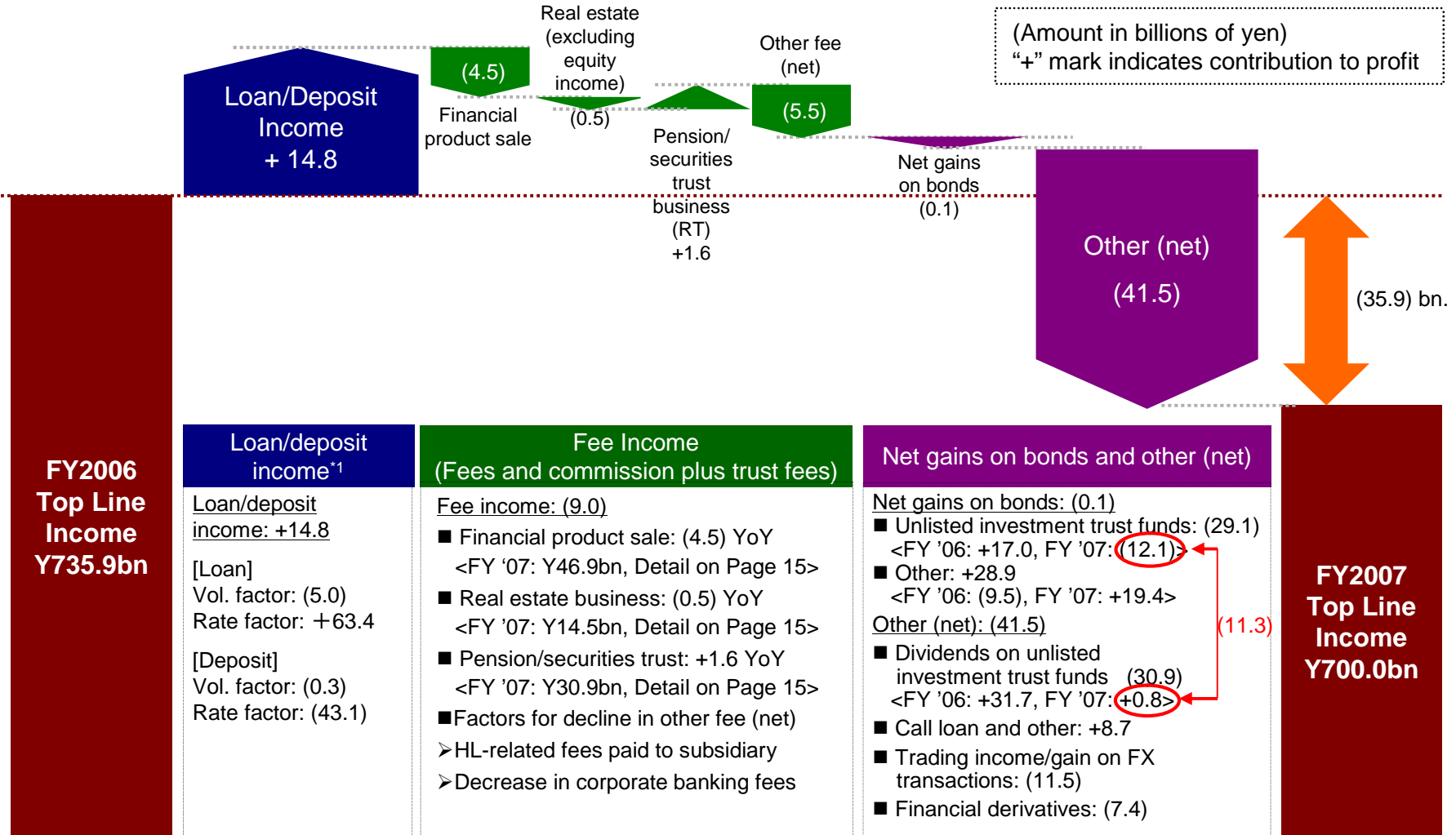
(Billions of yen)	Resona Holdings (Consolidated)		Difference (A)-(B)	Total of four banks (Non-consolidated)		Resona Bank	Saitama Resona Bank	Kinki Osaka Bank	Resona Trust & Banking	Factors accounting for the difference (A) - (B) (Approx. figures) RC: Resona Card, RG: Resona Guarantee, RCP: Resona Capital
	(A)	YoY Change		(B)	YoY Change					
Gross operating profit	769.3	(35.9)	69.2	700.0	(35.9)	444.3	158.0	66.6	31.0	
Excluding gain/(loss) on bonds	762.0	(35.7)	69.2	692.7	(35.7)	440.6	154.2	66.9	31.0	
(1) Net interest income	555.3	(8.3)	18.1	537.2	(7.4)	342.8	135.8	58.4	0.1	RC 8.3 bn.
(2) Trust fees	41.3	0.9	-	41.3	0.9	8.6	-	-	32.7	
(3) Fees and commission income	147.0	(9.9)	50.0	97.0	(9.9)	69.4	21.5	7.8	(1.8)	RG 28.0 bn., RC 15.4 bn.
(4) Other operating income	25.4	(18.5)	1.0	24.3	(19.4)	23.3	0.6	0.3	-	
Actual net operating profit				337.8	(44.1)	210.8	85.2	22.5	19.1	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				330.5	(44.0)	207.1	81.4	22.7	19.1	Actual net operating profit excluding gain/(loss) on bonds
Expenses (including non-recurring items)	385.9	1.2	30.5	355.3	1.5	224.3	74.1	44.9	11.8	RC 16.2 bn., RG 3.2 bn., goodwill 7.2 bn. and other
Gain/(loss) on stocks	(43.8)	(116.2)	2.0	(45.8)	(115.0)	(44.6)	(0.3)	(0.8)	-	RCP 0.9 bn. and other
Credit related expenses, net	58.4	(11.2)	19.7	38.7	(8.1)	21.2	11.9	5.5	-	RG 15.4 bn., RC 6.6 bn. and other
Other gain/(loss), net	41.6	38.8	(0.4)	42.0	38.5	50.6	(2.5)	(5.8)	(0.2)	
Income before income taxes	322.6	(103.3)	20.5	302.1	(105.8)	204.6	69.0	9.4	18.9	
Income taxes and other	19.8	258.6	(22.1)	42.0	248.6	5.9	28.5	(0.1)	7.6	Minority interests in net income 9.1 bn, RHD tax (34.3 bn)
Net income	302.8	(362.0)	42.7	260.1	(354.4)	198.7	40.5	9.6	11.2	



Analysis on YoY Change in Top Line Income (Total of Group banks)

Top line income declined Y35.9bn primarily due to loss on sale of unlisted investment trust funds

- Income from loans and deposits increased Y14.8bn YoY driven by spread improvements
- Loss on sale of unlisted investment trust funds, slowdown in fee income and derivatives account for the decline

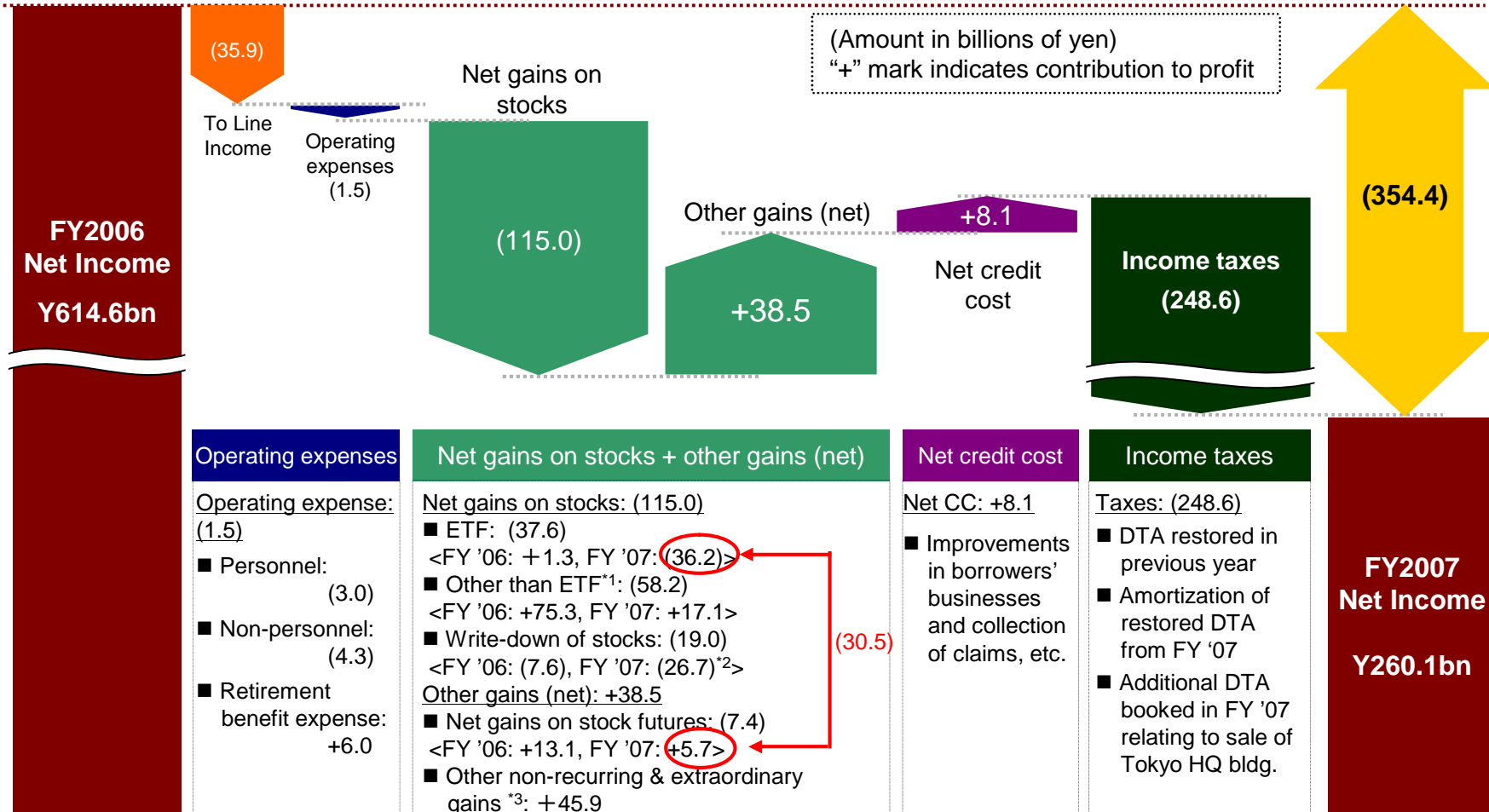


*1. Domestic operations (deposits include NCDs)

Analysis on YoY Change in Net Income (Total of Group Banks)

Net income declined by Y354.4bn YoY mainly due to losses on stocks and increase in income taxes

- Operating expenses increased YoY, but were lower than the forecast
- Net credit expenses decreased by Y8.1bn YoY, and Y11.2bn lower than the forecast



*1. Decrease in gain on sale of preferred stocks acquired through debt-for-equity swap, etc.
 *2. Loss on write-downs of listed stocks in FY '07 was approx. Y5.0bn. (Remaining loss is for unlisted stock.)
 *3. Include gains from reversal of reserve for possible losses on investments, gains on sale of already written-off loan claims, etc.

Management Accounting by Business Lines

Management Accounting by Group Business Lines (Provisional Calculation for FY2007)

- “RAROC” and “RVA”^{*1} as management indicators to measure profitability to allocated capital

(Y bn., %)

	Net Operating Profit after a Deduction of Credit Cost *2				Internal Capital	Management Indices		
	Gross Operating Profit	Operating Expenses	Credit Cost			OHR	RAROC	RVA
Commercial Banking Unit	685.8	344.0	56.7	285.0	1,694.4	50.2%	16.8%	177.1
Corporate Banking	331.6	150.0	32.8	148.8	1,087.7	45.2%	13.7%	79.5
Real Estate Business	15.7	4.8	---	10.9	14.2	30.8%	76.4%	10.0
Personal Banking	354.2	194.0	24.0	136.2	606.7	54.8%	22.4%	97.5
Housing Loan Business *3	159.9	41.9	23.6	94.4	523.2	26.2%	18.0%	61.0
Treasury	(8.1)	11.1	0.2	(19.4)	321.2	0.0%	-6.0%	(39.9)
Pension & Securities Trusts	31.0	11.7	0.0	19.2	30.0	37.8%	64.0%	17.2
Total of Group Banks Simple sum of figures compiled on a management accounting basis*4	702.4	365.8	54.1	282.4	2,197.6	52.1%	12.9%	145.3

*1. RVA: Resona Value Added (Net profit after a deduction of cost on allocated internal capital.)

*2. Gross operating profit - operating expenses - credit cost

*3. Gains and losses belonging to loan guarantee subsidiaries are included.

*4. Total of four banks on a non-consolidated basis plus gains and losses of guarantee subsidiaries for housing loans.

Capital Adequacy Ratio (RHD and Subsidiary Banks)

Mar. 31, 2008 [Preliminary] Japanese domestic standard (Billions of Yen)	RHD (Consolidated)				RB (Consolidated)			
	Mar. 31, 2007		Mar. 31, 2008		Mar. 31, 2007		Mar. 31, 2008	
	SA Act	SA Act	SA YoY	F-IRB Act	SA Act	SA Act	SA YoY	F-IRB Act
	Capital adequacy ratio	10.56%	13.83%	3.27%	14.28%	9.65%	9.89%	0.24%
Tier I ratio	6.51%	9.75%	3.24%	10.33%	5.72%	5.62%	-0.10%	5.86%
Tier I capital	1,551.7	2,253.3	701.5	2,253.3	1,001.5	927.5	(73.9)	927.5
Tier II capital	1,001.7	967.6	(34.1)	910.4	782.0	739.8	(42.1)	686.2
Deductions	37.5	24.3	(13.1)	47.8	95.0	37.7	(57.3)	61.7
Total BIS qualifying capital	2,515.8	3,196.5	680.6	3,115.8	1,688.5	1,629.6	(58.8)	1,552.0
Risk weighted assets	23,803.3	23,106.6	(696.6)	21,809.3	17,497.2	16,476.6	(1,020.5)	15,814.2

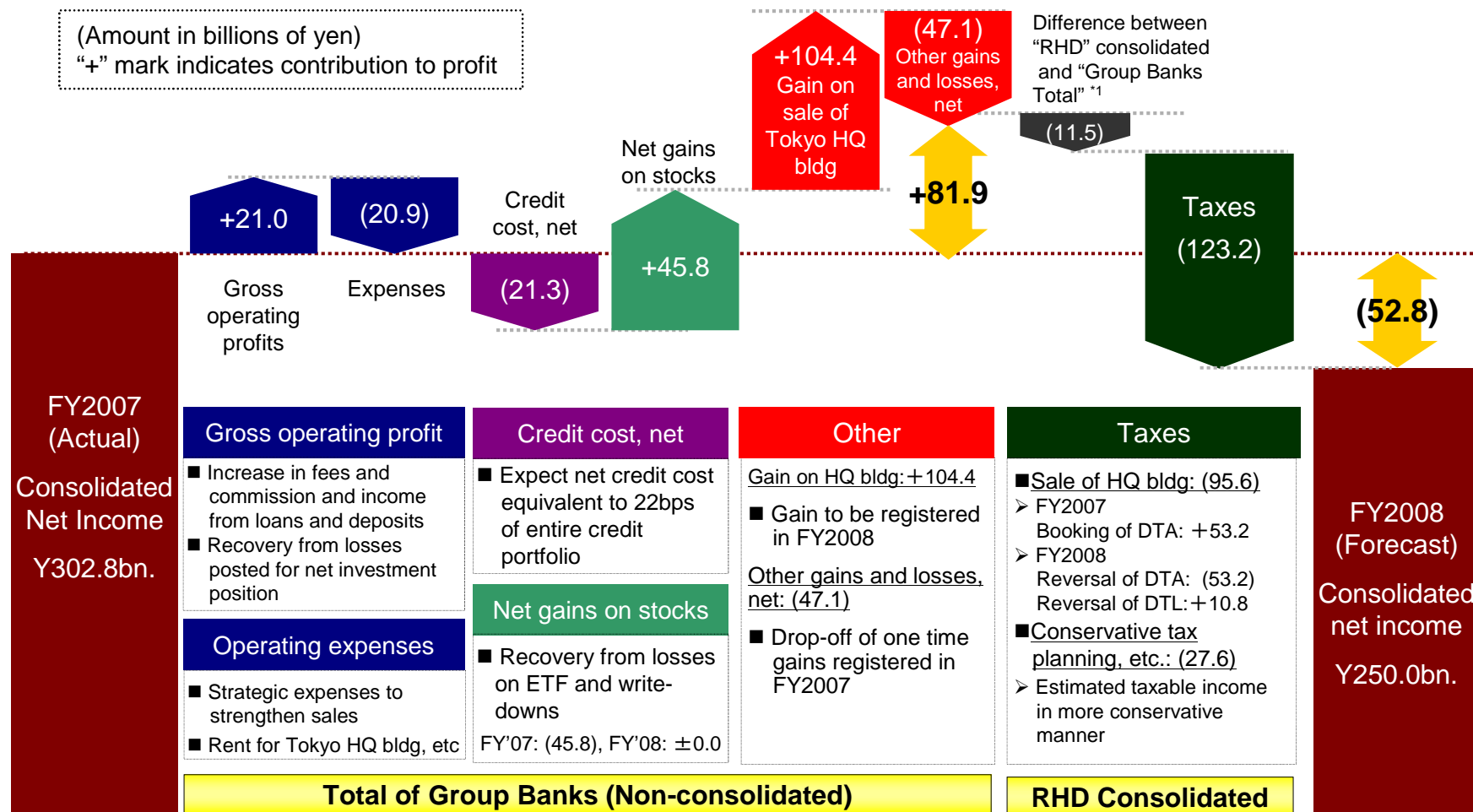
Mar. 31, 2008 [Preliminary] Japanese domestic standard (Billions of Yen)	SR (Non-consolidated)				KO (Consolidated)				RT (Non-consolidated)			
	Mar. 31, 2007		Mar. 31, 2008		Mar. 31, 2007		Mar. 31, 2008		Mar. 31, 2007		Mar. 31, 2008	
	SA Act	SA Act	SA YoY	F-IRB Act	SA Act	SA Act	SA YoY	F-IRB Act	SA Act	SA Act	SA YoY	F-IRB Act
	Capital adequacy ratio	9.01%	9.75%	0.74%	10.10%	9.40%	9.46%	0.06%	10.10%	41.53%	41.78%	0.25%
Tier I ratio	5.07%	5.29%	0.22%	5.76%	5.45%	5.48%	0.03%	5.76%	41.53%	41.78%	0.25%	41.53%
Tier I capital	218.7	227.5	8.7	219.5	106.6	106.5	(0.0)	219.5	29.9	32.1	2.2	29.9
Tier II capital	175.7	195.7	19.9	177.1	77.2	77.1	(0.0)	177.1	—	—	—	—
Deductions	6.0	4.3	(1.6)	11.8	—	—	—	11.8	—	—	—	—
Total BIS qualifying capital	388.5	418.9	30.4	384.8	183.8	183.6	(0.1)	384.8	29.9	32.1	2.2	29.9
Risk weighted assets	4,309.1	4,296.4	(12.7)	3,807.1	1,954.8	1,940.7	(14.0)	3,807.1	72.2	77.0	4.8	72.2

Analysis on Consolidated Net Income Forecast for FY2008

Consolidated net income forecast for FY2008 : Y250.0 bn.

- Recovering from the loss registered in the previous fiscal year relating to the net investment position
- Estimated future taxable income in more conservative manner, taking into consideration lower visibility of business environment down the road

(Amount in billions of yen)
 “+” mark indicates contribution to profit



*1. Decrease in difference explained by decrease in profits at subsidiaries other than operating banks.

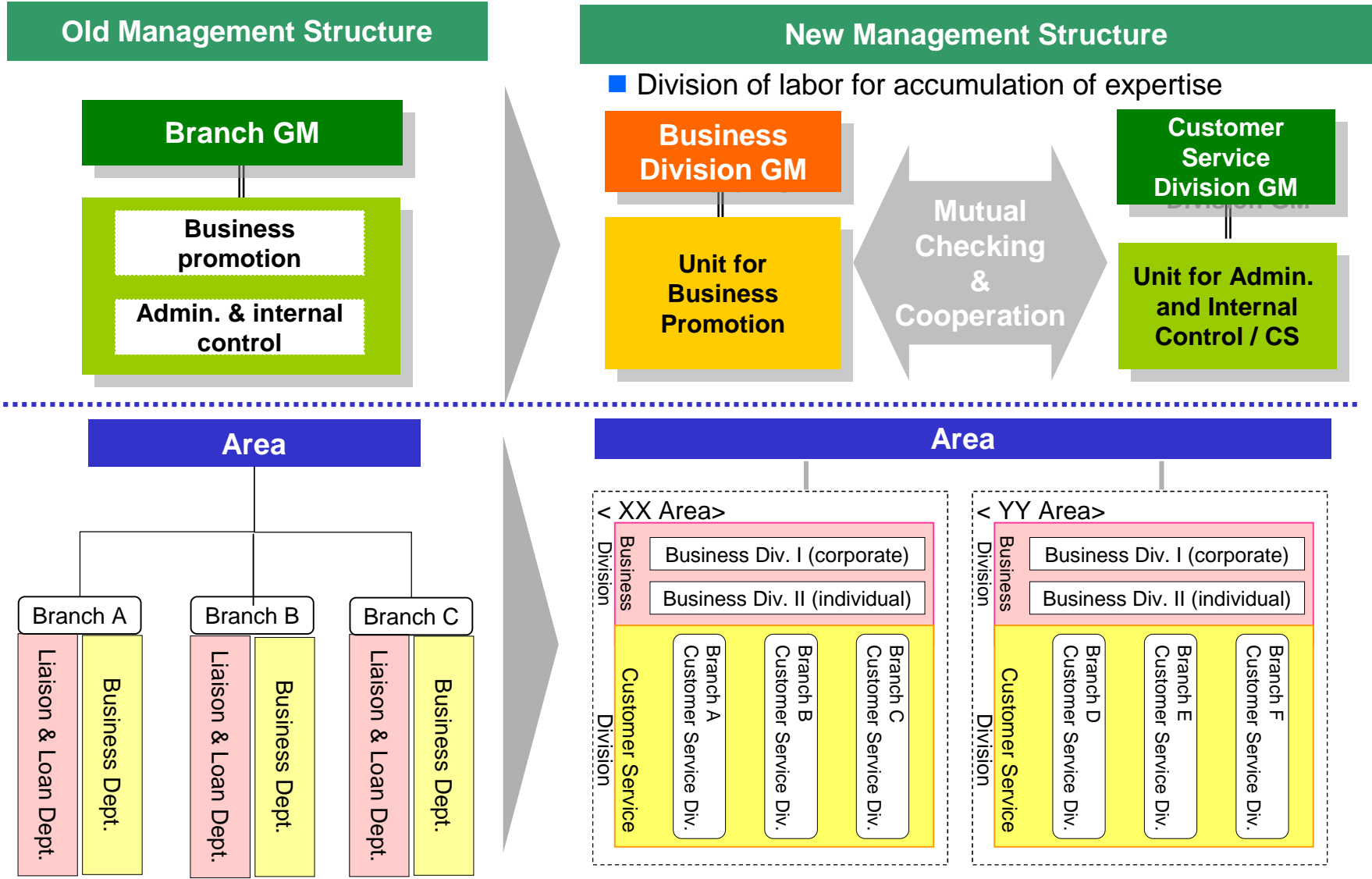
Realignment of Area Management (Resona Bank): 7 Areas and 3 RUs

	[Before]	[After]	Branch Offices	Loan (¥ tn)	Deposit (¥tn)	Top-line Income (¥ bn)	Objectives of the Alignment
Tokyo/ Chiba	Tokyo Central	Capital Central	15	3.39	4.02	83.4	[Capital Central] > Branches mostly transacting with large corporates are gathered to form "Capital Central Area" with a view toward higher efficiency [Tokyo Metropolitan Area] > Tokyo and Chiba Prefectures where market is large and competition is fierce are realigned into "Metropolitan Area" which focuses on SMEs and individuals > 3 blocs are created based on market characteristics → "Yamanote" "West" and "East"
	Tokyo West		70	3.57	3.92	91.2	
	Capital East						
	Tama	25	1.05	1.44	26.1		
Kanagawa	Kanagawa		35	1.78	1.44	37.3	
Osaka	Osaka North	Osaka	96	5.07	6.80	136.9	[Osaka] > A single area in Osaka Pref. > Strengthen presence as a local bank in Osaka > 4 blocs based on market characteristics → Osaka City: North / South → Osaka Suburb: North / South
	Osaka South						
Hyogo	Hyogo		19	0.62	0.78	15.4	
Nara	Nara		19	0.35	0.50	9.2	
Aichi	Tokai (RU)	Nagoya (RU)	5	0.45	0.44	10.1	[Regional Unit] > 2 branches in Mie Pref. are detached from the former Tokai RU to form Nagoya RU
Kyoto/ Shiga	Kyoto/Shiga (RU)		6	0.32	0.46	8.1	
Kyushu	Kyushu (RU)		4	0.23	0.19	5.7	

*Loan and deposit amounts are average balance in March 2008. Top-line income is for FY2007.
(All data presented are compiled for an administration purpose.)

Introduction of New Branch Office Management Structure

Redefined roles for “business promotion” and “administration & internal control” divisions

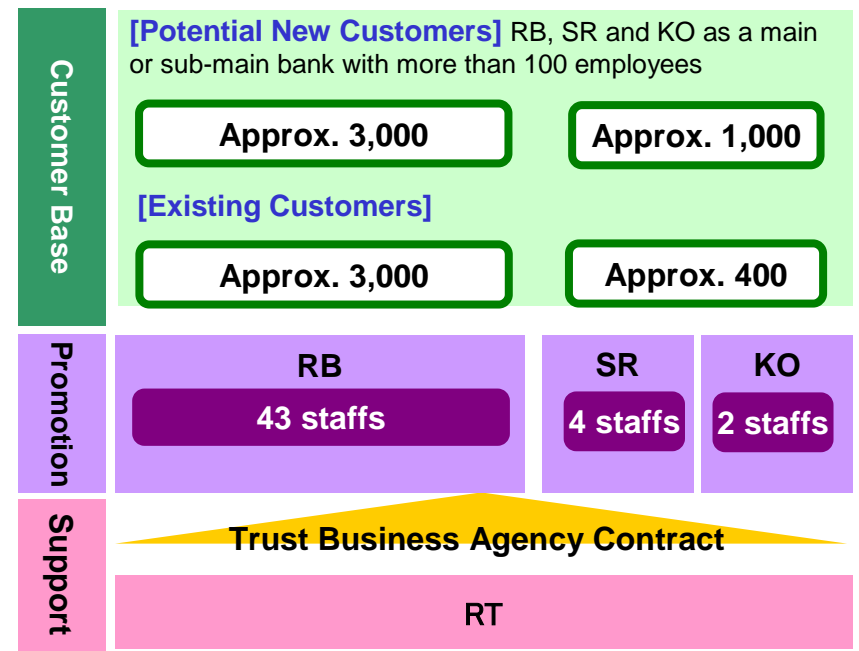


Pursuit of Group Synergies

Realizing group synergies making the most use of the trust functions

Corporate Pension Business

- Huge unexplored market (4,000 target companies)
 - # of new entrustments: FY2006: 54 → FY2007: 169
 - Campaign to capture 1,000 new client accounts
- Strengthened sales promotion
 - # of staffs specializing in promoting corporate pension business: 49 staffs for Group banks
 - Qualified DC Planner: 807 (+416 during FY2007)



Real Estate Business

- Increase in division staffs: +18 during FY2007

		Mar. '07	Mar. '08
Real Estate Business Division	Resona Bank Personnel	206	224
	Staffs supporting group banks	11	17

- Registered real estate transaction manager: 3,620 (+139 during FY2007)
- Mind-set to offer real estate solutions
 - Buy & sell information gathered in FY2007: 591 (+403 from the previous year)
 - Created “Group Collaboration Points” in the performance appraisal system

Inheritance Business

- Advent of the full-fledged aging society
- Resona’s strengths --- Trust function & client base
 - Concurrently providing trust banking services along with commercial banking services (RB)
 - Well-established customer base and network as a commercial bank
 - Line-up of products and solutions (cross-selling)
- Affinity with the banking business
 - Acceptance of testamentary trusts as an opportunity to initiate numerous transactions

Consumer Banking Business to Become Genuine Retail Bank

Approach to mass retail customers

- Distribution network satisfying both “low-cost” and “high touch”
- “Lifestyle supporting business” constructed upon state-of-the-art CRM system and marketing expertise
- “Institute for Financial Marketing” established as an independent division within RHD
 - Common platform for the entire group
 - Develop marketing methods and risk measurement and management techniques to enhance competitiveness in the medium to long term

Took root as Resona’s success model

Operation Reform	<ul style="list-style-type: none"> ■ Redefined branch office as a place for sales activities ■ Strengthened sales force by shifting people from back to front offices
Infrastructure Supporting Sales	<ul style="list-style-type: none"> ■ CRM system for individual customers ■ Grasp of life events and marketing activities based on the principle of suitability
Alliances	<ul style="list-style-type: none"> ■ Farewell to do-everything-by-myself approach ■ Procure best products and services based on customer needs ■ Negotiation power as one of the most successful distributor of financial products

Approach to private banking customers

- Begin to actively promote PB business after introduction of new branch management system
- Potential market ... **Vast unexplored market**
 - Financial assets held by individuals to increase Y50tn driven by inflow of retirement pay between 2007 and 2009

3.67 million households*1 possess Y50M or above net financial assets

RB’s PB customers: **25 thousands**

- Over Y100M in total of loans and deposits
- Over 50M financial assets held by RB
- Wills entrusted to RB (Over Y200M)

[Measures to Strengthen PB business]

- Allocation of management resources
 - Clarify the divisions which promote PB
 - Personal banking GMs in branch offices and FPs in the PB solution office to become Resona’s private bankers
 - Current sales force: 200+
 - To be increased to 270 in three years
- Product lineup
 - Introduce products that can satisfy sophisticated needs
 - Open architecture alliance
- Human resource development
 - Define required capabilities and prepare HR development plan

*1. Survey conducted by Nomura Research Institute, Ltd. (2005)

Brand Restoration: Efforts to Improve Customer Services

Primary Measures

Zero Waiting Time Campaign

Extended Business Hours

Reforms based on VOC
(Voice of Customer)

Activities to Raise
Customer Satisfaction

No Seal Impression
and Passbook

No ATM Transaction Fee

Rankings in Nikkei Financial Institutions Survey

[Nikkei Shimbun (Dec 12, 2007), Nikkei Kinyu Shimbun (Dec. 13, 2007)]

■ Improvements in rankings in the Nikkei Survey (Dec. 2007)

➤ [Overall Ranking]

FY2005 #25 ⇒ FY2006 #16 ⇒ **FY2007 #8**

➤ [Rankings by Regions]

Kinki Region: FY2006 #7 ⇒ **FY2007 #3**

Tokyo Metropolitan Area: FY2006 #23 ⇒ **FY2007 #12**

Example of Service Innovation in Tokyo Midtown Branch

■ Created cozy atmosphere that makes customers feel like visiting the place again

- Issue biometrics IC cash card instantaneously
- No need to fill application form and seal impression
- Fully automated biometrics rental safe
- “Travelex” store that can handle world currency exchange



Fully automated biometrics rental safe



Concierge desk



Consulting lounge

Operational Reform: Achievements and Outlook for the Future

Resona's Operational Reform

Back to the basic of services industry
 Redefined branch as a place for sales

Next-generation Branch Office

Concept

"3 NOs" & "3 LESSes"

[3 NOs] "No Waiting Time"
 "No Transaction Slips"
 "No Seal Impression"

[3 LESSes] "Paperless"
 "Cashless"
 "Backless"



Next-generation branch office

Three Pillars of Operational Reform

Business Process Reengineering

- Business Process Reengineering
 - Quick Navi (New Teller Terminals)
 - Collaborations between tellers and customers
 - New storefront system (Coordination DB)
 - Simplified clerical work flow, error reductions
 - Business Support Office (newly built middle office)
 - Concentration of back-office work

Clerical Work Reform

- "Mieruka" (Implementation of visual control)
 - Distribution of personnel based on work volume
 - Grasp a level of goal achievement and use such information for an administrative purpose
 - Gather and utilize voices (ideas) from branches

Branch Layout Reform

- General Reception Counter, Consulting Booth, Q-Navi
 - Installation of modules to improve service quality
 - Separating clerical work from consulting, understanding customer needs properly, bright and relaxing atmosphere, etc.

Achievements & Outlook

Next-generation Branch Office

- Renewed 200 offices (Mar. 2008)
 All branch offices to adopt the new layout
- Make a shift to paperless clerical work flow utilizing imaging technique and coordination data base.

Clerical Work Volume and Personnel

- Clerical work at next-generation branch office: - 35%
- Clerical work staffs declined from 5,500 to 4,200
- Shifted approx. 500 staffs to sales division (Mar. 2008)

Ranked #1 as a bank that offers the fastest teller services while reducing branch staffs

* Nikkei Inc. (2007) #4 Financial Institutions Ranking

Other Initiatives

Relocation of Tokyo Head Office

- [Assignment and Relocation of Tokyo Head Office]**
- Sold Tokyo Head Office at a price of ¥162.6bn
 - Plan to relocate Tokyo Head Office to the Fukagawa area in Spring to Summer of 2010
 - New HO: 1-chome, Kiba, Koto-ku, Tokyo Fukagawa Gatharia W2 Bldg.
 - Tokyo Head Office Removal Project Office
 - Lease back the current head office bldg. until completing the relocation

New Corporate Culture

- HO location suitable for a retail bank
- Strengthen ties with local customers and create new corporate culture

Head Office Reform

- Renovate office infrastructure
- Enhance productivity and creativity

Financial Base

	FY2007	FY2008	Cumulative Impact
Gain on sale of the Tokyo Head Office	—	+104.4	+104.4
Income tax-deferred (In relation to the sale)	+53.2	△53.2	—
Income tax-deferred (deferred tax liabilities on land revaluation)	—	+10.8	+10.8
Net income	+53.2	+62.0	+115.2
Reversal of revaluation reserve for land	—	+15.8	+15.8
Retained earnings	+53.2	+77.8	+131.0

Renovation of Kinki Osaka Bank's System

- [Outline of Systems Renovation at Kinki Osaka Bank]**
- Schedule: July 2008
 - Products and services
 - Unified with Resona's in principle
 - Systems
 - [Critical System] Unified with Resona's
 - [Sub-system] Unified with Resona's in principle
 - Business processes
 - Basic processes unified with Resona's
 - Back office centers integrated with Resona's

Customer convenience

- Products and services upgraded to Resona's
 - FX deposits, multi-payment, TIMO..
 - Products & services advantageous to rival regional banks

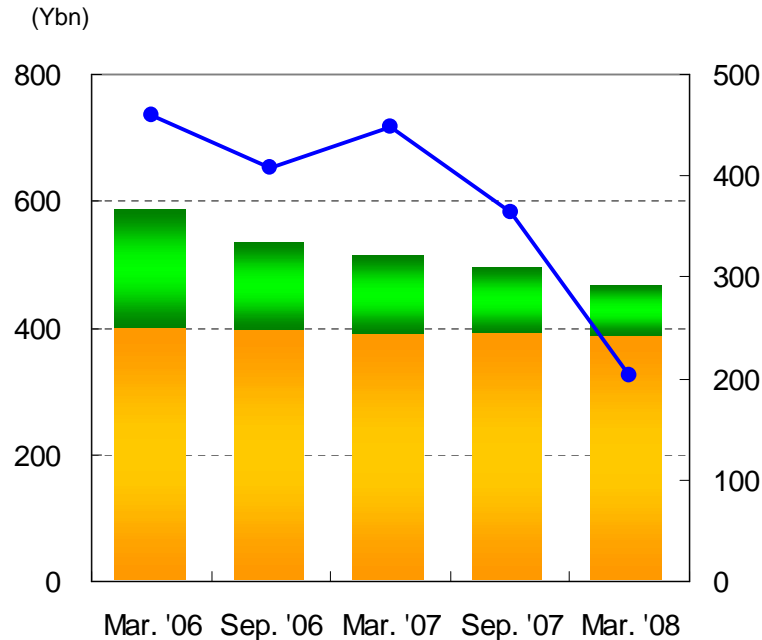
Efficiency

- Infrastructure shared by group banks
- Acquire know-how in operational reforms from preceding examples
- Better administration of systems through unification
- Greater efficiency through sharing of administrative costs

Securities Portfolio

- Net unrealized gains on available-for-sale securities (RHD consolidated basis) as of the end of March 2008 amounted to Y171.6bn.

Stock Portfolio (Available-for-sale securities, RHD Consolidated)



- Book value of stocks sold outright
FY2007 (Act): Y6.4bn (total of group banks)

Bond Portfolio

[Balance of Securities Held (Non-consolidated Basis)] (Ybn)

	Within 1 year	1 to 5 year	5 to 10 year	Over 10 years	No designated term	Total
Japanese government bonds	2,739.5	320.3	518.3	573.4	-	4,151.6
Japanese local gov. bonds	52.8	135.0	254.3	-	-	442.2
Japanese corporate bonds	482.3	618.7	37.8	24.8	-	1,163.9
Stocks	-	-	-	-	680.6	680.6
Other	9.1	41.5	61.7	29.2	125.7	267.5
Foreign securities	2.1	12.6	29.5	29.2	81.1	154.7
<Foreign bonds>	1.0	12.6	29.5	29.2	-	72.4
<Foreign stocks>	-	-	-	-	9.0	9.0
Other	7.0	28.9	32.1	-	44.6	112.7
Total	3,283.9	1,115.6	872.3	627.6	806.4	6,706.0

[Net unrealized gains/(losses) on bonds(RHD Consolidated Basis)] (Ybn)

	Sep. '05	Mar. '06	Sep. '06	Mar. '07	Sep. '07	Mar. '08
Japanese Bonds	(17.7)	(64.0)	(32.9)	(32.9)	(31.4)	(32.7)
Other*	44.2	47.0	(14.4)	16.5	11.0	5.8
Total	26.5	(17.0)	(47.3)	(16.4)	(20.4)	(26.9)

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

10-year JGB yield	Sep. '05	Mar. '06	Sep. '06	Mar. '07	Sep. '07	Mar. '08
	1.475%	1.765%	1.665%	1.650%	1.675%	1.275%

[JGB duration (Banking Account)] (Years)

	Sep. '05	Mar. '06	Sep. '06	Mar. '07	Sep. '07	Mar. '08
Resona Group	2.3	2.4	2.1	1.9	1.7	1.7
Resona Bank	2.3	2.3	2.0	1.8	1.6	1.6

[Basis Point Value (BVP, Domestic Bonds)] (Ybn)

	Sep. '05	Mar. '06	Sep. '06	Mar. '07	Sep. '07	Mar. '08
Resona Group	(1.38)	(1.30)	(0.99)	(0.99)	(0.95)	(0.90)
Resona Bank	(0.89)	(0.77)	(0.61)	(0.59)	(0.54)	(0.48)

[Break-even Nikkei Average Points] (Yen)

	Sep. '05	Mar. '06	Sep. '06	Mar. '07	Sep. '07	Mar. '08
Resona Group	6,300	6,000	6,600	7,000	7,000	7,500

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

Loans and Bills Discounted

[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%**

[End of March 2008]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	4.1%	4.0%	7.2%	8.0%	23.3%
Prime rate-based	41.2%	0.8%	0.0%	0.0%	42.0%
Market rate-based	26.3%	2.1%	3.3%	2.9%	34.7%
Total	71.6%	6.9%	10.6%	10.9%	100.0%

Loans maturing within 1 year **78.5%**

[Change in FY2007]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	-0.4%	-0.5%	-2.9%	1.5%	-2.3%
Prime rate-based	1.9%	-0.1%	0.0%	0.0%	1.9%
Market rate-based	-0.4%	-0.1%	0.5%	0.4%	0.4%
Total	1.2%	-0.7%	-2.4%	1.9%	0.0%

Loans maturing within 1 year **0.5%**

Deposits

[End of March 2007]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	45.9%	2.4%	8.1%	7.8%	64.1%
Time deposits	16.9%	8.4%	7.7%	2.8%	35.9%
Total	62.8%	10.8%	15.8%	10.6%	100.0%

[End of March 2008]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	43.8%	2.1%	8.2%	7.9%	61.9%
Time deposits	19.3%	9.7%	6.1%	2.9%	38.1%
Total	63.1%	11.8%	14.3%	10.8%	100.0%

[Change in FY2007]

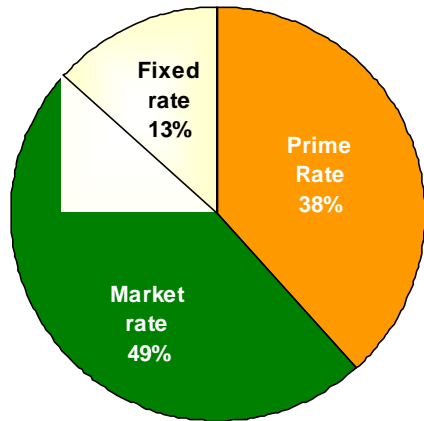
	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	-2.1%	-0.3%	0.1%	0.1%	-2.2%
Time deposits	2.4%	1.3%	-1.6%	0.1%	2.2%
Total	0.3%	1.0%	-1.5%	0.2%	0.0%

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

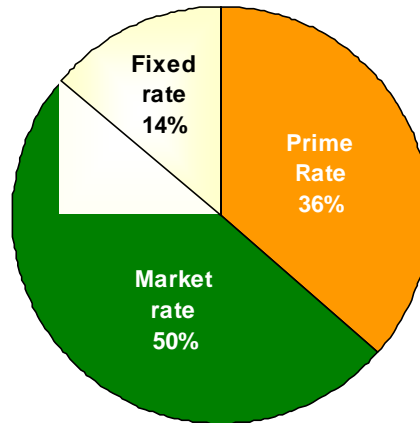
Loans to corporations

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

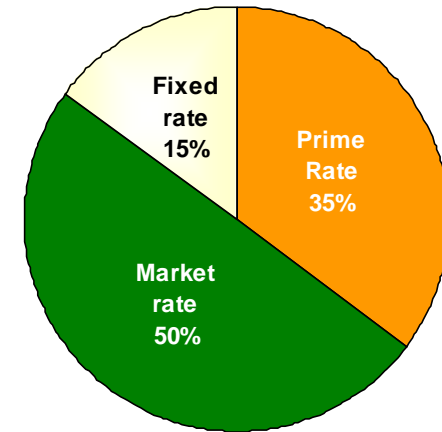
[End March 2007]



[End September 2007]

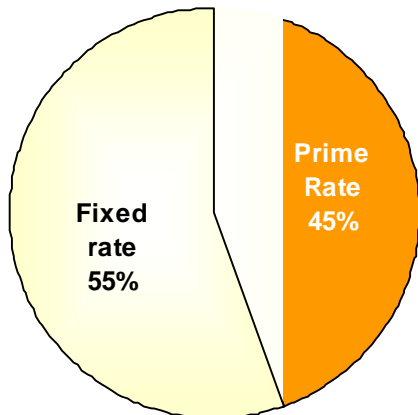


[End March 2008]

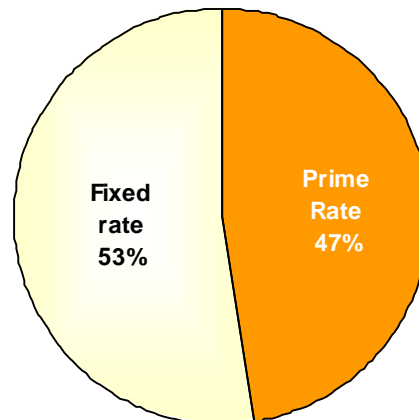


Loans to individuals

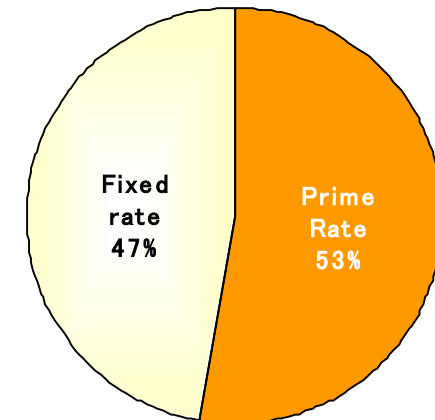
[End March 2007]



[End September 2007]



[End March 2008]

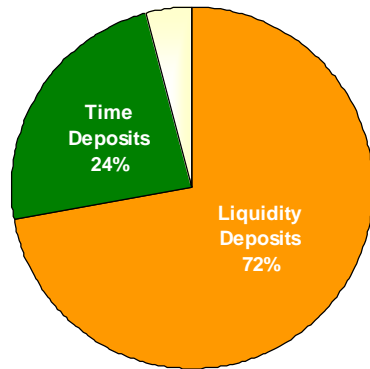


* Portfolio composition is computed based on the numbers compiled for administration purposes.

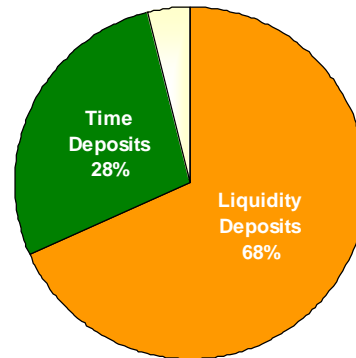
Composition of Deposits by Corporate/Individual Customers (Resona Bank)

Corporate Deposits

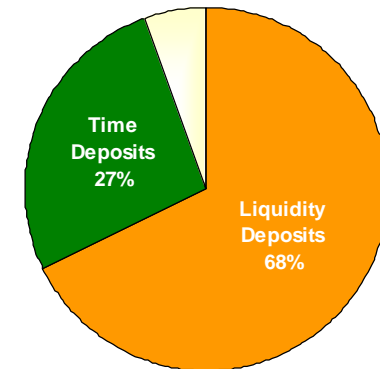
[End March 2007]



[End September 2007]

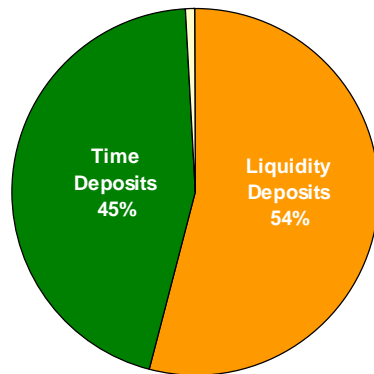


[End March 2008]

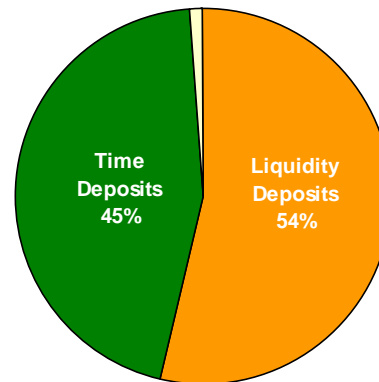


Individual Deposits

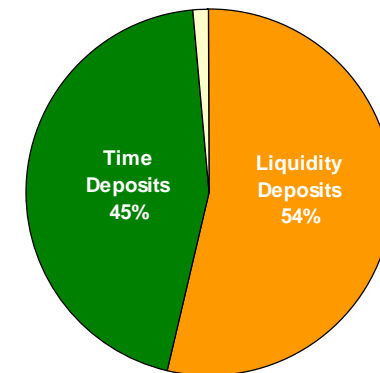
[End March 2007]



[End September 2007]



[End March 2008]



Swap Positions by Remaining Periods (Resona Bank)

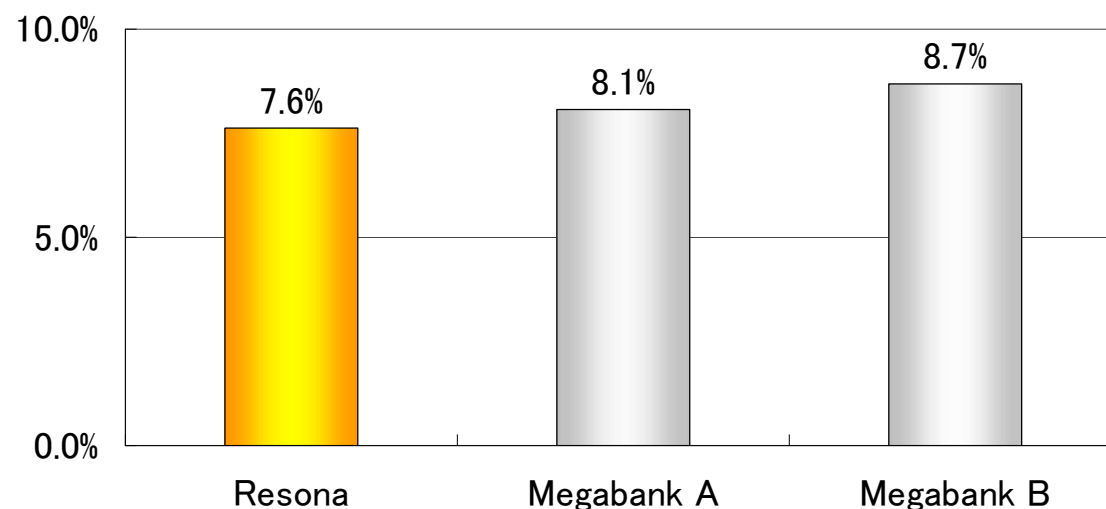
■ Notional amounts of interest rate swaps by remaining period *

(Billions of Yen)

	End of March 2008				End of March 2007			
	Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total
Receive fixed rate/Pay floating rate	372.0	714.0	1,257.2	2,343.2	467.0	995.0	819.2	2,281.2
Receive floating rate/Pay fixed rate	75.0	160.0	100.0	335.0	210.0	235.0	100.0	545.0
Net position to pay fixed rate	297.0	554.0	1,157.2	2,008.2	257.0	760.0	719.2	1,736.2

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

<End of March 2008>



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

Policy on Provision of Loan Loss Reserves and Trend of Credit Costs

Credit costs for 1Q FY2008 (Total of group banks)

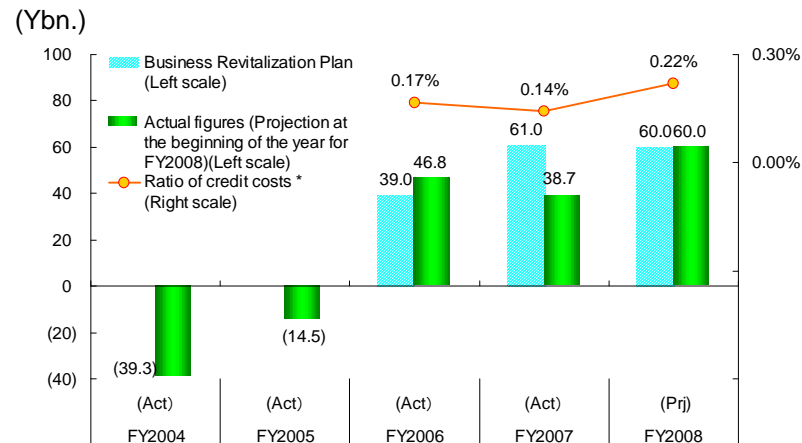
(Billions of Yen)

	1Q FY2007	1Q FY2008	Remarks
General reserve	17.1	20.9	The DCF method-based provisioning accounts for approx. 80% the cost
Specific reserve and other items	15.7	30.1	
NPL disposal (Non-recurring items)	21.4	37.7	Approx. half of the gross cost is for several specific borrowers
Reversal gains (Extraordinary gains)	5.7	7.6	Bankruptcies among small accounts are fewer than the previous year
NPL disposal in the trust account	(0.0)	(0.1)	
Net credit costs	32.7	51.0	

(Billions of Yen)

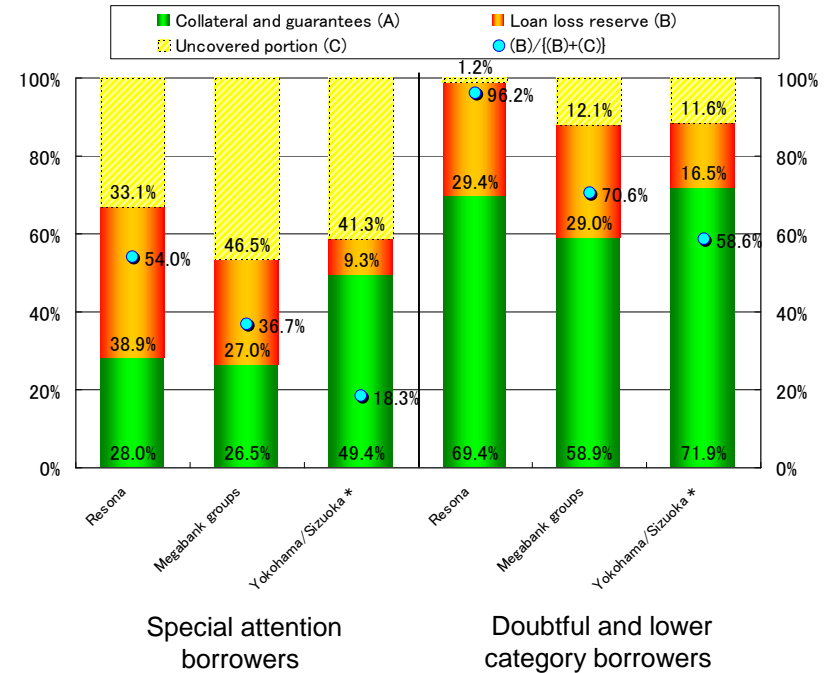
<Comparison of Credit Costs>	1Q FY2007	1Q FY2008	YoY % Change
Resona Group (4 banks)	32.7	51.0	56.0%
MUFG (2 banks)	44.2	103.9	135.1%
Mizuho (3 banks)	38.0	2.5	-93.4%
SMBC	39.1	83.7	114.1%
Sumitomo Trust & Banking	(1.4)	(6.0)	-
Chuo Mitsui Trust & Banking	1.7	4.3	152.9%

Trend of credit costs (Total of group banks)



* Credit costs, net / Total credit exposures defined under the Financial Reconstruction Law

High reserve ratio against uncovered NPLs

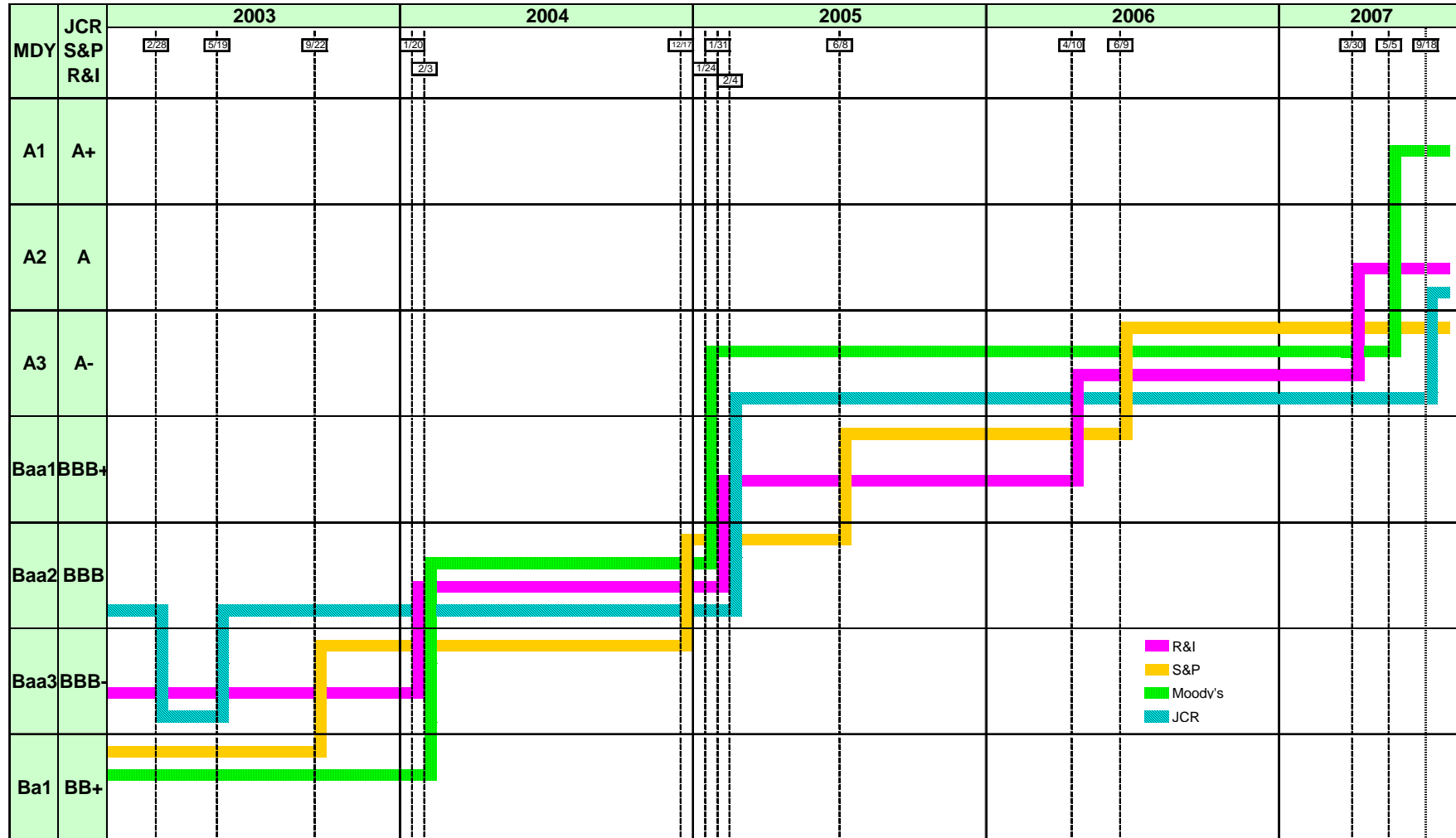


* Total of Bank of Yokohama and Sizuoka Bank

Criteria for applying the DCF method in providing general reserve

	Resona Criteria	FSA Financial Inspection Manual
Special attention borrowers	Borrowers with 1.0bn and higher loan obligations	Borrowers with 10.0bn and higher loan obligations (desirable)
Other watch borrowers	Borrowers with 10.0bn and higher loan obligations	-

Trend of Long-term Senior Debt Rating of Resona Bank



List of RHD's Preferred Shares (1)

[As of August 1, 2008]

		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 3/31/2009	1/1/2002 3/31/2015	7/1/2002 11/30/2009	7/1/2003 11/30/2014
	Current exchange price	(JPY 192,000)	JPY 199,200	JPY 359,700	JPY 359,700
	Current exchange rate	3.125	(2.510)	(3.475)	(3.475)
	Reset of exchange rate	6/30	1/1	7/1	7/1
Reset of exchange rate	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
	Mandatory exchange rate	JPY 600,000/Market Price x 1.02	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)

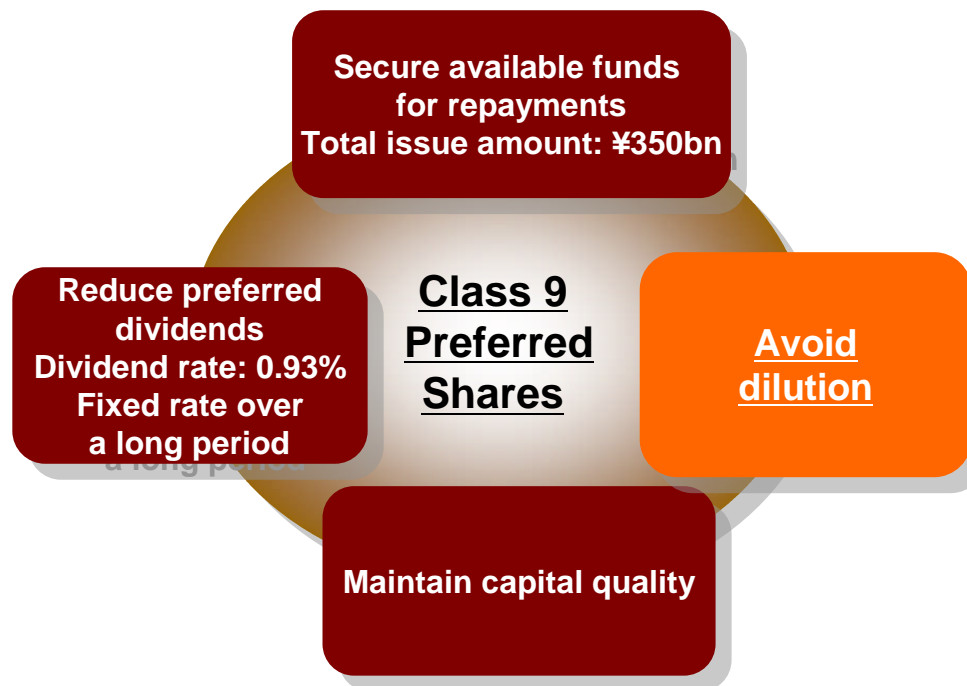
[As of August 1, 2008]

	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 '09)	JPY 3,190	JPY 3,190	JPY 99,250	JPY 91,875	JPY 32,550
	Total amount of dividend (Jun '09)	JPY 8,773 Million	JPY 8,989 Million	JPY 2,501 Million	JPY 3,675 Million	JPY 3,255 Million
	Yield	Libor (1y) + 50bp 1.595%	Libor (1y) + 50bp 1.595%	Libor (1y) + 50bp 1.595%	3.97%	3.675%
Acquisition right	Acquisition period	7/1/2006 ---	7/1/2008 ---	7/1/2010 ---	---	6/5/2008 (Certain limitations applicable)
	Current exchange price	JPY 175,300	JPY 187,200	---	---	JPY 332,465
	Current exchange rate	(1.141)	(1.068)	(---)	(---)	(10.527)
	Reset of exchange rate	Date of reset	8/1	11/1	5/1	---
Reset of exchange rate	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 rate		---	---	---	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
Start of market price calculation		---	---	---	---	---
Calculation period		---	---	---	---	---
Floor exchange price		---	---	---	---	---

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 to 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)

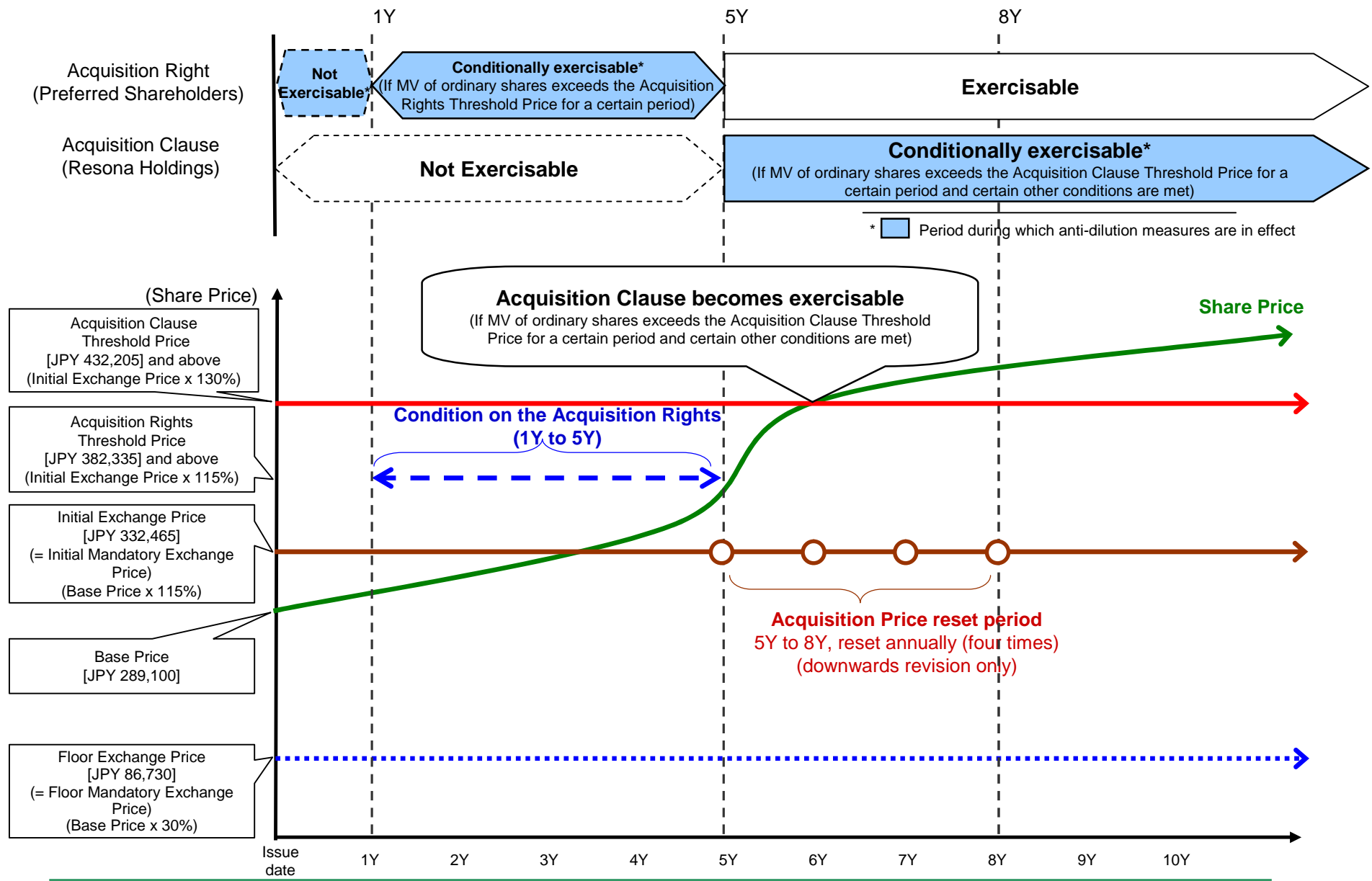
Limitation on exercise of Acquisition Rights

- 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”



Business Revitalization Plan: Earnings Plan

(Total of Four Banks)

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	(Actual)	(Actual)	(Actual)	(Plan)	(Plan)
Gross operating profit	693.6	735.9	700.0	754.0	780.0
Trust fees	36.6	40.4	41.3	33.0	34.0
Jointly Operated Designated Money Trust	6.2	6.7	6.9	2.0	1.0
NPL disposal in trust account	0.0	0.3	(0.1)	0.0	0.0
Interest income	604.4	660.2	701.3	777.0	852.0
Interest expense	76.6	115.5	164.1	208.0	267.0
Net fees & commissions	91.0	107.0	97.0	103.0	110.0
Net trading income	3.0	20.5	69.7	22.0	23.0
Other operating income	35.0	23.2	(45.3)	27.0	28.0
Gains/(losses) on bonds	(12.2)	7.4	7.2	1.0	1.0
Adjusted net operating profit (Note.1)	345.2	382.0	337.8	366.0	392.0
Net operating profit	348.7	377.2	337.9	366.0	392.0
Provision to general reserve	(3.6)	4.4	(0.0)	0.0	0.0
Expenses	348.5	354.3	362.1	388.0	388.0
Personnel expense	117.2	120.7	123.8	130.0	132.0
Non-personnel expenses	210.2	212.7	217.1	237.0	235.0
Disposal of NPL	57.6	72.1	80.3	60.0	56.0
Net gain/(loss) on stocks	53.9	69.1	(45.8)	8.0	8.0
Loss on devaluation	1.5	7.6	26.7	0.0	0.0
Ordinary profit/(loss)	336.6	386.5	212.5	308.0	338.0
Extraordinary gains	69.2	34.3	94.6	0.0	0.0
Extraordinary losses	4.5	12.9	5.0	8.0	8.0
Income taxes - current	9.5	18.3	9.6	11.0	65.0
Income taxes - deferred	1.1	(225.0)	32.3	63.0	33.0
Net income/(loss)	390.7	614.6	260.1	226.0	232.0

*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.

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	(Actual)	(Actual)	(Actual)	(Plan)	(Plan)
Total assets (Note.2)	41,653.9	40,649.4	40,476.0	39,870.0	40,620.0
Loans and bills discounted	25,247.2	26,019.4	25,787.7	27,480.0	28,030.0
Securities	7,598.5	7,341.8	6,846.0	6,550.0	6,950.0
Trading assets	828.4	407.8	494.4	670.0	670.0
DTA (term-end bal.)	4.4	280.1	286.3	112.2	74.9
Total liabilities (Note.2)	40,657.9	39,394.5	39,135.7	38,640.0	39,370.0
Deposits and NCDs	33,153.4	33,118.3	33,302.6	33,300.0	33,790.0
Trading liabilities	15.0	40.7	68.8	---	---
DTL (term-end bal.)	32.0	18.2	---	21.8	17.9
DTL for land revaluation (term-end bal.)	46.2	44.2	43.1	44.3	44.3
Net assets (Note.2)	1,692.0	1,947.6	1,471.5	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	328.2	271.7	277.7
Land revaluation excess	63.3	61.4	59.8	61.5	61.5
Net unrealized gains/(losses) on other securities	253.8	300.0	123.4	196.4	196.4

(Management Indicators) (Note.4)

Yield on interest earning assets (A)	1.66	1.78	1.91	2.15	2.30
Interest earned on loans and bills discounted	1.93	1.94	2.18	2.30	2.47
Interest on securities	1.05	1.28	0.89	1.67	1.74
Total cost of funding (B)	1.07	1.23	1.39	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	51.73	51.45	49.74

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.