

Revision of Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2003

The Kinki Osaka Bank, Ltd. ("Kinki Osaka Bank"), one of the banking subsidiaries of Resona Holdings, Inc. ("Resona HD"), decided to accelerate its efforts to improve the quality of its assets in order to make sure a recovery of earnings in fiscal year 2003 and later and prepare for the realignment of operations planned in fiscal year 2005 to form Osaka Resona Bank. As a result of such proactive measures, Kinki Osaka Bank will likely incur higher credit-related expenses than it previously estimated for the year. In addition, the losses of group banks on their equity securities expanded accompanying a further decline of stock prices. All these factors combined led to the revision of the consolidated earnings forecast. Details were announced as follows:

Consolidated Earnings Forecast for the Fiscal Year 2002

(Millions of Yen, %)

	Ordinary Income	Ordinary Profit(Loss)	Net Income(Loss)
Previous Forecast	1,180,000	(208,000)	(185,000)
Revised Forecast	1,200,000	(292,000)	(290,000)
Increase / (Decrease)	20,000	(84,000)	(105,000)
Rate of Increase/ (Decrease)	1.7	(40.4)	(56.8)

1. Previous forecast was announced on February 12, 2003.
2. Non-consolidated earnings forecast of Resona Holdings for the fiscal year 2002 remains the same as previously announced on November 25, 2002.

[Non-consolidated earnings forecast of Kinki Osaka Bank (for fiscal year 2002)]

(Billions of Yen)

	Revised Forecast for FY 2002	Change from Previous Forecast (February 12, 2003)	Change from Initial Forecast (November 25, 2002)
Gross operating profits	93.0	0.8	(1.7)
Operating expenses	64.0	(0.3)	---
Core net operating profit (Note 1)	29.0	1.1	(1.7)
Expenses for problem loan disposal (Note 2)	93.0	31.7	27.7
Net gains/(losses) on stocks	(6.0)	0.4	(3.7)
Ordinary profits/(loss)	(55.0)	(30.2)	(36.2)
Net income	(60.0)	(36.0)	(41.0)

1. Core net operating profit: Net operating profit before transfer to general reserve for possible loan losses.
2. Expenses for problem loan disposal include transfer to general reserve for possible loan losses.

Reference

The non-consolidated earnings forecasts of Resona Bank and Saitama Resona Bank for the fiscal year 2002 are as follows. Projections presented herein are subject to change depending on the variance in assumptions with respect to management environment on which such projections rest. Projected results are based on the average stock price in February 2003 (monthly average).

[Non-consolidated earnings forecasts (for fiscal year 2002)]

(Billions of Yen)

	Total of Group Banks		Resona Bank		Saitama Resona Bank	
	Total of Group Banks	Change from Previous Forecast	Resona Bank	Change from Previous Forecast	Saitama Resona Bank	Change from Previous Forecast
Gross operating profits	756.5	(6.0)	262.0	(1.5)	8.0	---
Operating expenses	454.0	---	158.0	0.5	7.0	---
Core net operating profit (Note 1)	302.5	(6.0)	104.0	(2.0)	1.0	---
Expenses for problem loan disposal (Note 2)	458.0	30.0	180.0	---	---	---
Net gains/(losses) on stocks	(159.0)	(50.0)	(50.0)	---	---	---
Ordinary profits/(loss)	(293.0)	(86.0)	(123.0)	(2.0)	0.8	---
Net income	(296.0)	(111.0)	(99.0)	(2.0)	0.8	---

1. Core net operating profit: Net operating profit before disposal of problem loans in the trust account (applicable only to Resona Bank) and transfer to general reserve for possible loan losses.
2. Expenses for problem loan disposal include transfer to general reserve for possible loan losses and expenses in relation to the disposal in the trust account (applicable only to Resona Bank).

- Forecasts for each subsidiary bank are on a non-consolidated basis. Figures in "total of group banks" are based on the estimate for Asahi Bank's full-year earnings.
- Previous forecasts were announced on February 12, 2003.
- Forecasts of Resona Bank are calculated by adding the full-year earnings (12 months) of Daiwa Bank and one-month (for March) earnings of Asahi Bank after the separation of Saitama Resona Bank. Asahi Bank's business results till the end of February 2003 were succeeded to Resona Bank as retained earnings at the time of the merger between Daiwa Bank and Asahi Bank.
- Asahi Bank's revised earnings forecast for the period from April 2002 to February 2003 are as follows. The revision is due to increase in devaluation losses on equity securities accompanying decline in stock prices and increase in losses on sales of real estate.

(Billions of Yen)

	Ordinary Income		Ordinary Profit (Loss)		Net Profit (Loss)	
	Ordinary Income	Change from Previous Forecast	Ordinary Profit (Loss)	Change from Previous Forecast	Net Profit (Loss)	Change from Previous Forecast
Asahi Bank	550.0	---	(130.0)	(54.0)	(153.0)	(79.0)

[Consolidated earnings forecasts (for fiscal year 2002)]

(Billions of Yen)

	Ordinary Income	Change from Previous Forecast	Ordinary Profit (Loss)	Change from Previous Forecast	Net Profit (Loss)	Change from Previous Forecast	Capital Adequacy Ratio	
							Revised Forecast	Previous Forecast
Resona Bank	460.0	---	(123.0)	4.0	(100.0)	5.0	Middle of 6% level	Latter half of 6% level

1. Previous forecasts were announced on February 12, 2003.
The planned capital increase of approximately 100 billion yen is reflected in the above projection of capital adequacy ratio.
2. Consolidated capital adequacy ratio (Japanese domestic standard) of Resona Holdings at the end of March 2003 is estimated to be in the latter half of 6% level (previous forecast was in the former half of 7% level).

[Reference]

Non-consolidated earnings forecasts for the fiscal year ending March 31, 2004 (fiscal year 2003)]

(Billions of Yen)

	Total of Group Banks			
	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank	
Gross operating profits	780.0	545.0	108.0	92.0
General expenses	464.0	315.0	76.0	61.0
Core net operating profit	316.0	230.0	32.0	31.0
Credit related expenses	140.0	108.0	17.0	16.0
Ordinary profits	118.0	74.0	11.0	13.0
Net Income	105.0	77.0	6.0	8.0

* Figures are estimation at this point and will be announced again when the financial results for the fiscal year 2002 are released.