

May 17, 2003
Resona Holdings, Inc.

Regarding Management of Resona Holdings Hereafter

In the fiscal year ended March 2003, Resona Group has completed the planned reorganization among its banking subsidiaries to set up Resona Bank and Saitama Resona Bank. Group banks have also worked on restoration of their financial soundness by taking such measures as 1) accelerating removal of non-performing claims from their balance sheets, 2) drastically disposing of latent losses on equity securities, 3) reversing significant amount of deferred tax assets, and other proactive measures. In addition, Resona Holdings disposed of the latent losses on its investments in banking subsidiaries accompanying the erosion of their net assets.

As a result of taking these proactive measures, Resona Holdings could not secure sufficient distributable profits to pay dividends on its preferred stocks including the stocks subscribed by the government and the dividends for preferred securities issued by its finance subsidiaries are also suspended. In addition, capital adequacy ratio is supposed to decline noticeably.

Reflecting these developments, Resona Group has decided to renew its management, raising its capital adequacy as early as possible, and strengthen its earnings by drastically rationalizing its operations. Resona Group will step up its efforts towards creating a financial group that offers true value to its customers.

1. Renewal of Management

Accepting the responsibility for the results of fiscal year 2002, following directors of Resona Group will resign. Retirement allowances will not be paid to these retiring directors.

Takashi Kaiho	Chairman of Resona Holdings
Yasuhisa Katsuta	President of Resona Holdings, and President of Resona Bank
Yukio Yanase	Deputy President of Resona Holdings
Tetsuo Morishige	Deputy President of Resona Bank
Akihiko Umeda	Deputy President of Resona Bank

As successors, Kenji Kawada (current director and senior executive officer of Resona Holdings) and Yoshikatsu Nakashima (current director and executive officer of Resona Bank) will be appointed as President and Deputy President of Resona Holdings, respectively. Masaaki Nomura (current executive officer of Resona Holdings) and Hiroyuki Mizuta (current director and executive officer of Resona Bank) will be appointed as President and Deputy President of Resona Bank, respectively.

From a viewpoint of accelerating innovation of management, Resona Holdings intends to

invite as Chairman, from outside the group, a person who has displayed great ability to manage private companies.

New management body including appointments and resignations of directors other than those mentioned above will be announced hereafter. Basic direction of the management renewal would be to achieve noticeable rejuvenation. The number of directors will also be reduced further.

2. Innovation of Management

Resona Group innovates its management by implementing the measures outlined below with a view to creating a financial group that offers true value to its customers.

(1) Restoration of financial soundness (Strengthening of capital with public funds)

Resona Holdings and Resona Bank received today the Business Reform Orders (so called "Prompt Corrective Action"), respectively, from the Financial Services Agency (FSA) based on the Article 52-33-1 and the Article 26-1 of the Banking Law of Japan since their capital adequacy ratios are estimated to be below 4%.

Resona Group will formulate its Business Reform Plan including a specific plan for capital increase and submit it to FSA. Although details are determined hereafter, basically, Resona Bank will apply for an injection of public funds to strengthen its capital, on the condition that it will be recognized as a qualified institution under the Article 102-1 of the Deposit Insurance Law of Japan.

With the injection of public funds, Resona Group will restore its capital adequacy as early as possible and implement sweeping measures to improve its financial soundness.

(2) Strengthening of Earnings

Resona Group intends to announce its earnings plan hereafter. It will drastically review its cost structure by implementing rationalization measures outlined below. Through these efforts, it will aim at establishing a strong earnings base which can generate stable profits even under adverse operational environments.

a) Reduction of salaries for employees

Reflecting the severe results of fiscal 2002, Resona Group will review its employee salary system, and reduce their bonuses. Through the implementation of these measures, the level of employee salary and bonus is supposed to be reduced by 30% on average from the second half of the current fiscal year.

A new retirement allowance and pension system, which includes a reduction of pension payment, was just introduced in March this year. However, considerations will be given to putting such retirement benefit system under further review.

Furthermore, the number of employees will also be reduced.

b) Significant reduction of affiliated companies

The number of affiliated companies within the group at present is approximately 50. Through integration and reorganization, the number will be almost halved within a target period of one year. Directors of these affiliated companies will also be reduced and rejuvenated.

Group banks and affiliated companies will abolish corporate adviser system, too.

(3) Priority on satisfaction of customers

As a "federation of regional financial institutions" that differentiate itself from the so called mega bank groups, Resona Group will clarify its priority on satisfaction of customers in regional communities.

We do apologize for the inconveniences caused and concerns arising from the suspension of dividends, decline of our capital adequacy ratio, and other related developments. We appreciate your understandings and supports towards us as we endeavor to improve the soundness of our operations, and continue to serve our customers in each region.