Outline of the Business Revitalization Plan

Becoming a financial services company to be selected by customers

November 2006

Resona Holdings, Inc.

Resona Bank, Ltd.

About the New "Business Revitalization Plan"

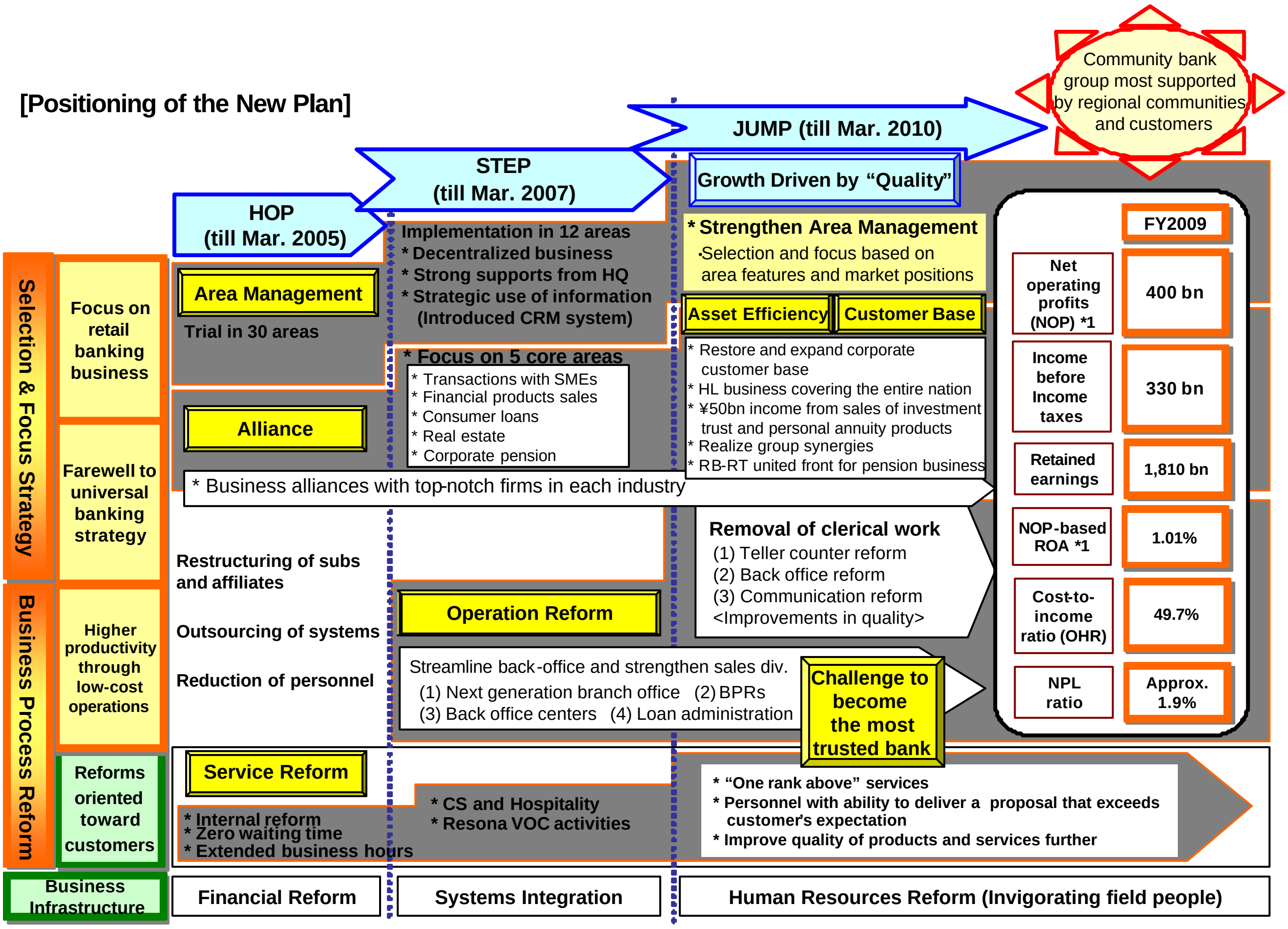
Given the serious implications of the large amount of public funds the Resona Group received to increase its capital, a "Plan for the Revitalization of Resona Group Covering Its Intensive Revitalization Period" (the HOP plan) was created and announced in November 2003. Under this plan, the Group created a base for revitalization centering on thorough financial reforms. In November 2004, a successor business revitalization plan (the STEP plan) to achieve a "leap forward" to the next stage after the prior period of concentrated revitalization was created and announced, under which the Resona Group implemented various reforms such as a "strengthening of the management organization along regional lines," "further evolution into service industries" and "infrastructure building through system integration" based on the theme of "from restructuring to strengthened marketing."

Based on the results of these reforms, the Group has created a new "Business Revitalization Plan" for the period through the end of March 2010 (hereafter, The Plan), which is presented below.

Under The Plan, which represents the third stage of the Resona Group's revitalization process and aims at repayments of public funds received by achieving sustainable growth through a differentiated strategy, the Group strives to meet the challenge of making further leaps forward (the JUMP Plan).

All of the Resona Group's directors and employees are fully committed to meeting the goals and targets of The Plan as well as realizing the Group's future vision of becoming a community bank group that enjoys the strongest support from regions and customers, while aiming to create an unfailing path toward repayment of public funds.

[Positioning of the New Plan]



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

1. Measures to rationalize management

(1) Business Model, Management Strategies, Etc.

(a) Establishment of Differentiated Management

The Group has been making every effort to concentrate management resources into the retail segment and promote "business selection and concentration" through breaking away from the previous strategy of engaging in all aspects of the financial business, while at the same time has been pursuing higher productivity through lower cost operations and actively implementing "operational reforms" focused on enhancing customer service.

Specifically, in addition to developing three major differentiation strategies of "area management," "alliances" and "operation reforms," the Group has also promoted various reforms centering on "service reforms" that are expected to form the base of support for the three major differentiation strategies. In February 2006, the Group introduced the brand slogan of "Creating New Quality and Responding with New Speed" with the aim of thoroughly implementing differentiation strategies that will create a much stronger presence for Resona as a financial services group.

During the period that The Plan covers, the Group aims to establish differentiated management by further accelerating the above-described reforms and to become a financial services company to be selected by customers.

(Thorough Implementation of Area Management System)

In aiming to "become a community bank group that enjoys the strongest support from regions and customers, the Resona Group believes that enhancing relationships with regional customers is an important management issue. In this regard, the Group is developing a framework whereby the Group can provide a timely response to customer needs. This framework is based on marketing activities that are regionally driven, with the local marketing capabilities of the Group banks that are nearest the customer being the source of such regionally focused and customer oriented activities.

The Group is already beginning to see the results of various individual regional units creating a new regional network and alliances. During the period of The Plan, the Group expects regional managers to act as leaders in further accelerating selection and concentration in accordance with each region's characteristics and market positioning. In addition, the Group will collaborate with regional customers and create new markets as well as revenue opportunities.

(Expanding Alliances)

In addition to concentrating management resources on the five core business areas of "transactions with Small and Medium-sized Enterprise (SME)," "individual loans," "sales of financial products," "real estate" and "corporate pensions," the Group will also implement strategic alliances with "best-in-the-industry" companies such as Credit Saison (credit cards) and Nomura Securities (securities brokerage) to provide customer-focused and competitive products and services. During the period of The Plan, we intend to respond to diversifying customer needs through the promotion of such strategic alliances.

(Promotion of Operational Reforms)

As the Resona Group concentrates its management resources on the retail banking business, it will at the same time purse reforms aimed at establishing low-cost operations in an effort to address the inherently high cost of retail banking operations. In addition to promoting reforms to minimize back-office processes, the Group will also be working to enhance the quality of such operations with the aim of raising customer trust.

(Thorough Service Reforms)

As the banking industry evolves ever closer to a service industry, the Group will seek operational and mindset reforms that are not bound by traditional custom in seeking to better understand the Group's customers and to base its actions and concepts on the customer's perspective. Going forward, in addition to promoting these reforms, the Group will also be working to further enhance the quality of products and services while training employees to be capable of providing proposals that exceed customer expectations.

(b) Growth Strategy With an Emphasis on Quality

Under The Plan, the Group will be implementing various management reforms focusing on the "quality" aspects, placing a particular emphasis on improving asset efficiency, expanding the Group's transaction base, implementing reforms for personnel which are the Group's most important strategic resource and moreover establishing a brand of trust in the pursuit of sustainable growth that ultimately leads to repayments of public funds.

(Strengthened Earnings with an Emphasis on Asset Efficiency)
In addition to focusing on loans to SMEs and individual customers, which are the Group's core strength, the Group will implement initiatives to expand non-interest income from the sale of financial products, real estate business, and corporate pension business in an effort to improve asset efficiency. Also, the Group endeavors to enhance low-cost operations further through operational reforms and other initiatives.

(Maintenance and Expansion of the Transaction Base through Customer Value Creation)
In keeping with the emergence of a customer-driven society with the rapid aging and low birth rate of Japan's population and the increasing availability of information, the Resona Group will seek to strengthen its ability to provide solutions and to improve its customer relationships in order to enhance its competitive position. Also, the Group aims to establish a financial group that can create a proprietary value by capitalizing on its group synergy.

(Personnel Reforms to Enhance On-Site Capabilities)
By strengthening its personnel resources with a view to supporting sustainable growth, the Resona Group will work to improve the quality and raise the productivity of each of its employees as financial professionals. Specifically, we will strive to build a corporate culture where various personnel resources can be utilized, by further strengthening various training programs and by building a diversity management program. In addition, the Group will be revising its personnel system to enhance competitiveness and work to build multi-track career models in response to the diversification of career paths.

(Becoming Number One in Reliability)
Amid increasing social demands for "corporate reliability," the Group is renewing its focus on "trust" as the basis for all bank services, and is proactively working to protect customer information by thoroughly controlling information as part of its efforts to comply with various laws and regulations. In addition, through continued operational reforms and the development of next-generation style branches, the Group will streamline and automate business processes to minimize the need for human labor and to establish a framework for "error-less" office processes. By placing top priority in customer trust and providing sincere and accurate services, the Group is aiming to become the bank with which customers want to establish a long-term relationship.

(c) Basic Strategies for Priority Businesses

In order to utilize limited management resources as effectively as possible, the Resona Group will continue to emphasize the five core business areas and will strive for efficient revenue growth.

(Transactions with SMEs)
In SME transactions, which are the Group's most important business area, the Group will seek to improve its capability to provide solutions and to enhance customer relations while at the same time providing detailed services appropriate for the characteristics of each region and its market position in that region, thereby strengthening its revenue base over the medium- to long-term. The Group is working to expand total transactions including loan balances through the use of corporate CRM and provision of solution services in such areas as corporate financial consulting and market-based

indirect financing.

(Loans to individuals)

In residential housing loans where the Group has a competitive advantage, the Group will build up a nationwide coverage of the business through strengthened tie-ups with housing developers and try to develop and offer the products and services that cater to the diversifying needs of customers. In addition, the Group is expanding the line-up of consumer loan products offered at Resona Group banks, such as proposal-based ATM card loans, in an effort to establish this business as a new major source of revenues. Through these initiatives, the Group plans to extend over ¥2 trillion of new loans to individual customers in a year.

(Sales of financial products)

Sales of investment trust products have been growing at a healthy pace, reflecting the introduction of unique products and an alliance strategy that is not bound by any *Keiretsu* groupings. The Group intends to continue responding to customer expectations through enhancement of its ability to provide consulting and proposals by expanding the number of “fund management consultants” in order to achieve over ¥3 trillion in the balance of the investment trust products sold. At the same time, the Group will be expanding sales of insurance products to achieve even greater increases in revenues. In addition, the Group will be emphasizing customer protection in all of its sales and guidance activities.

(Real estate)

In order to leverage Resona Bank’s strength of providing real estate services alongside with its commercial banking operations, the Group will be working to enhance the synergies with other Group commercial banks in order to respond to customer needs. In addition, by strengthening the Group’s response to real estate securitization and other growing areas of the business, we aim to achieve income from real estate business of over ¥20 billion.

(Corporate pension business)

In addition to promoting sophistication and efficiency improvement in Resona Trust & Banking’s asset management, plan design and administrative capabilities, the Resona Group aims to provide SME customers with high quality solutions by strengthening the collaboration between Resona Trust & Banking and Group commercial banks. By introducing strategic products in response to the abolishment of the tax-qualified pension scheme scheduled in March 2012, the Group as a whole will strive for a smooth transition to a new system, and will be working to further expand transactions with the aim of acquiring over ¥7.2 trillion in corporate pension assets under management.

[Targets under the plan (Resona Bank, Saitama Resona Bank, Kinki Osaka Bank, and Resona Trust & Banking)]

Outline of the plan

(Billions of yen)	FY 2006 (Plan)	FY 2009 (Plan)
Gross operating profits	698.0	780.0
Operating expenses	365.0	388.0
Actual net operating profit (1)	333.0	392.0
Net income	543.0	232.0
Aggregate earned surplus (Note 1)	1,297.0	1,810.0

(Note 1) Retained earnings balance is shown as the total of Resona Holdings and its banking subsidiaries.

Major management indicators

		FY 2006 (Plan)	FY 2009 (Plan)
Actual net operating profit (2) (Note 1)		342.0	400.0
Income before income taxes (Note 2)		279.0	330.0
Profitability	Actual net operating profit ROA	0.86%	1.01%
Productivity	Cost-to-income ratio (OHR)	52.2%	49.7%
Soundness	NPL ratio	2.29%	Approx. 1.9%

(Note 1) During the period of The Plan, Actual Net Operating Profit includes net operating profit before NPL disposal in the trust account and provision to general reserve plus certain operating profits earned by the market division (ETF and others accounted for as non-recurring item).

(Note 2) For FY 2006, in order to compare the intrinsic earnings power of Resona Group, the target income before income taxes fore FY 2006 is adjusted to exclude one-time gains such as non-recurring stock-related gains and gains from reversal of loan loss reserves.

(2) Outline of the plan for rationalization

(a) Operating expenses

In an effort to achieve low cost operations, the Group has been implementing restructuring and other decisive measures and a drastic review of operating processes to significantly reduce overhead costs. In the fiscal year ended March 2006, the Group's operating expenses totaled ¥327.4 billion, which represents a more than ¥100 billion reduction in comparison with ¥432.5 billion for the fiscal year ended March 2003.

During the period of The Plan, the Group will continue to thoroughly pursue productivity improvements through lower cost operations. Specifically, the Group will seek to reduce the basic costs necessary for its operation, and at the same time will be making new investments in personnel education programs, various initiatives to strengthen marketing activities in respective areas and in IT system improvements. Through these measures, the Group aims to achieve an OHR of 49% level, with a focus on sustainable productivity enhancement through improvement in earnings capability.

[Cost-to-income ratio (OHR)]

(%)		FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Group Banks Total		50.2	52.2	52.2	51.4	49.7
	Resona Bank	48.4	51.2	50.8	49.6	48.1

*Group banks total: total of four group banks

*Figures of "Group Banks Total" for FY 2005 include the corresponding numbers for the former Nara Bank during the period from April 2005 to December 2005. Figures of "Resona Bank" for FY 2005 do not include the corresponding numbers for the former Nara Bank during the period from April 2005 to December 2005 (the same applicable to the following tables.)

[Personnel and non-personnel expenses]

(Billions of yen)		FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Resona Group		327.4	346.0	358.0	367.0	367.0
	Resona Bank	211.8	225.5	232.1	234.8	234.6

*Resona Group: total of Resona Holdings and four group banks (the same applicable to the following tables.)

[Personnel expenses]

(Billions of yen)		FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Resona Group		119.4	124.5	128.6	132.6	134.6
	Resona Bank	72.0	73.9	74.5	76.8	78.1

[Number of employees]

(Persons)		FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Resona Group		14,521	14,680	14,750	14,750	14,750
	Resona Bank	9,406	9,360	9,360	9,360	9,360

[Non-personnel expenses]

(Billions of yen)		FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Resona Group		208.0	221.5	229.4	234.4	232.4
	Resona Bank	139.7	151.6	157.6	158.0	156.5

[Non-personnel expenses (excluding systems-related expenses)]

(Billions of yen)		FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Resona Group		143.4	150.5	152.7	152.9	150.8
	Resona Bank*	94.1	99.7	102.6	103.0	101.5

(b) Other subsidiaries and affiliated companies

The Resona Group aims to maximize Group corporate value by capitalizing on contributions from its subsidiaries and affiliated companies based on their respective characteristics.

During the period of The Plan, the basic operating policies of the respective Group banks and other companies are as follows.

Resona Bank has reported healthy growth, due to implementation of various reforms that acted as the core of the Group's differentiation strategy, including the area management system that divide Japan into 12 regions and expansion of next-generation branch offices. In addition to creating and implementing precedent reform models in order to present proposals that exemplify a new Resona to customers in retail banking, Resona Bank will thoroughly implement a client- and regional-focused operational structure.

Saitama Resona Bank's operations are proceeding smoothly as the top bank in Saitama Prefecture based on a community-based operating structure. The bank will continue to actively respond to funding needs within Saitama Prefecture in a bid to contribute to the development of regional companies with a view to becoming a bank trusted by people in the Saitama Prefecture and to evolve together with the regional society.

Kinki Osaka Bank is experiencing a steady earnings recovery. Given the strong customer support, the bank will not merge with Resona Bank and continue providing independent, community-based operations aimed at contributing to customers in the region.

Resona Trust & Banking continues to record stable business performance as a special function bank whose strength is corporate pensions. Going forward, the bank will be building a marketing organization that is essentially seamless with that of Resona Bank in order to further strengthen the degree of collaboration with Group commercial banks.

Investments in affiliated companies were converted into direct investments by Resona Holdings in fiscal 2004 in order to establish and clarify these companies as a common platform for the Group. Going forward, each company will be working to enhance its competitiveness as a separate corporate entity, and will at the same time be closely collaborating with the banks in the Group in order to enhance the corporate value of the Group as a whole.

Summary of earnings plan (digest)

[Total of four group banks]

Resona Bank, Saitama Resona Bank, Kinki Osaka Bank, and Resona Trust & Banking

(Billions of yen)	FY2005 (Actual)	FY2006 (Plan)	FY2007 (Plan)	FY 2008 (Plan)	FY2009 (Plan)
Gross operating profits	693.6	698.0	727.0	754.0	780.0
Operating expenses	348.5	365.0	380.0	388.0	388.0
Actual net operating profits (1) (Note 1)	345.2	333.0	347.0	366.0	392.0
Credit-related expenses (Note 2)	(14.5)	36.0	61.0	60.0	56.0
Net gain on stocks	53.9	40.0	8.0	8.0	8.0
Ordinary profits	336.6	349.0	288.0	308.0	338.0
Income before income taxes	401.4	348.0	280.0	300.0	330.0
Net income	390.7	543.0	205.0	226.0	232.0
Cost to income ratio (OHR) (Note 3)	50.2%	52.2%	52.2%	51.4%	49.7%

(Note 1) Net operating profits before NPL disposal in the trust account and provision to general reserve for possible loan losses.

(Note 2) Credit-related expenses = provision to general reserve for possible loan losses + NPL disposal expenses (accounted for as non-recurring expense) + NPL disposal in the trust account – reversal of loan loss reserves (accounted for as extraordinary profit).

(Note 3) Cost to income ratio = operating expenses / gross operating profits before NPL disposal in the trust account.

(Note 4) Results for FY 2005 include the former Nara Bank's figures.

(Target indication)

During the plan period, the following is established as a target indicator for an internal administration purpose

Actual net operating profits (2) (Note 5)	-	342.0	355.0	374.0	400.0

(Note 5) Net operating profit before NPL disposal in the trust account and provision to general reserve plus certain operating profits earned by the market division (ETF and others accounted for as non-recurring item).

[Resona Bank]

(Billions of yen)	FY2005 (Actual)	FY2006 (Plan)	FY2007 (Plan)	FY 2008 (Plan)	FY2009 (Plan)
Gross operating profits	464.7	464.8	483.4	500.7	516.4
Operating expenses	225.3	238.5	246.3	249.1	248.9
Actual net operating profits (1) (Note 1)	239.4	227.0	237.7	252.1	268.0
Credit-related expenses (Note 2)	(16.0)	30.0	45.0	43.0	39.0
Gain/(loss) on stocks	53.2	39.1	8.2	8.7	8.7
Ordinary profits	254.5	251.7	197.9	214.8	234.7
Income before income taxes	300.2	251.7	193.6	211.8	232.7
Net income	317.3	482.6	155.4	173.0	174.9
Cost to income ratio (OHR) (Note 3)	48.4	51.2	50.8	49.6	48.1

(Note 1) Net operating profits before NPL disposal in the trust account and provision to general reserve for possible loan losses.

(Note 2) Credit-related expenses = provision to general reserve for possible loan losses + NPL disposal expenses (accounted for as non-recurring expense) + NPL disposal in the trust account – reversal of loan loss reserves (accounted for as extraordinary profit).

(Note 3) Cost to income ratio = operating expenses / gross operating profits before NPL disposal in the trust account.

(Note 4) Results for FY 2005 do not include the former Nara Bank's figures incurred during the period from April 2005 to December 2005

(Target indication)

During the plan period, the following is established as a target indicator for an internal administration purpose

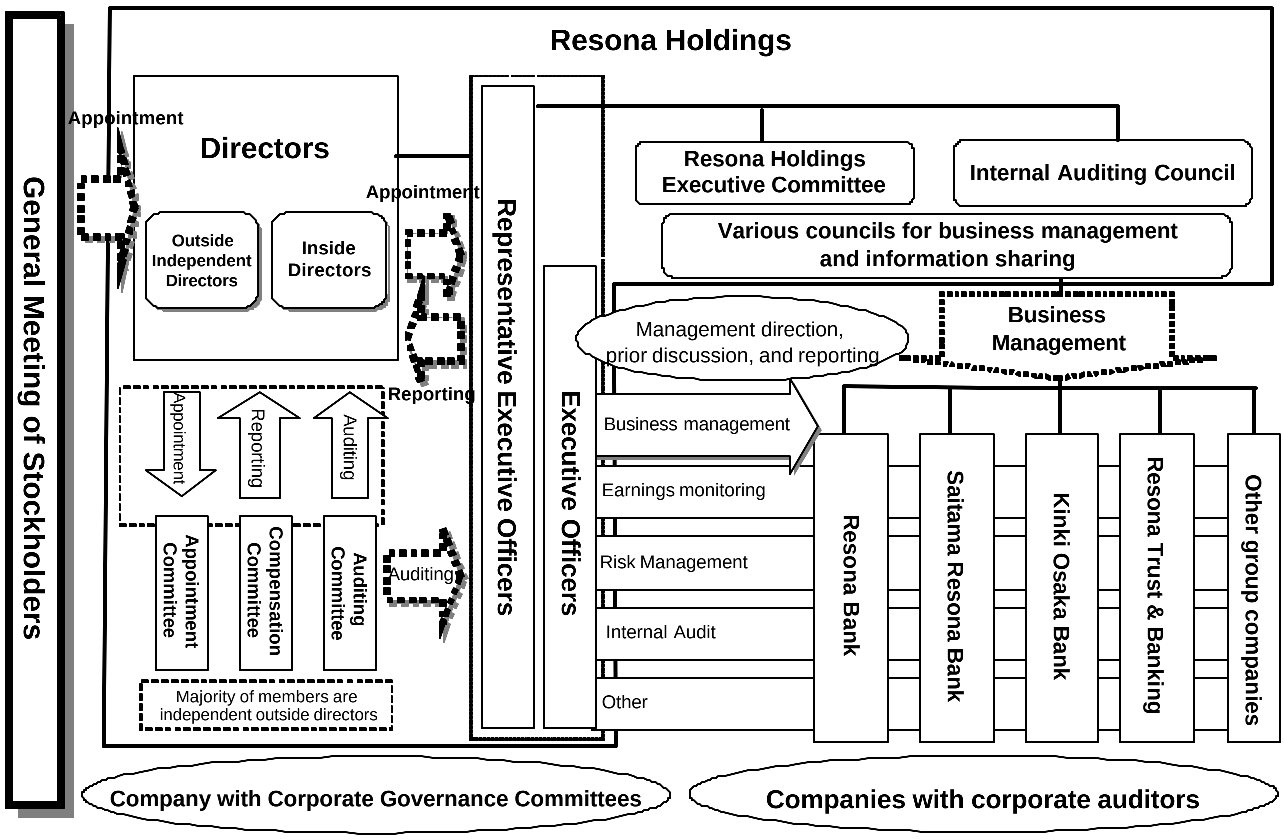
Actual net operating profits (2) (Note 5)	-	236.3	245.9	260.8	276.7

(Note 5) Net operating profit before NPL disposal in the trust account and provision to general reserve plus certain operating profits earned by the market division (ETF and others accounted for as non-recurring item).

3. Measures to Establish Responsible Management

Resona Holdings is working to strengthen management supervision and oversight and to enhance management transparency in order to establish a responsible management structure. Accordingly, it continues to operate under a committee-based management structure to delegate authority to executive officers for timely decision-making while strengthening director supervision in order to ensure management transparency and objectivity. Banks within the Group strive for sound and efficient operations under independent management, with Group governance being provided by Resona Holdings.

Resona Holdings and Group companies, being fully aware of the serious implications of the infusion of a significant amount of public funds to bolster the Group's capital base, and in order to ensure that such capital infusion is never again necessary, established in April 2006 a "Basic Policy Regarding Internal Group Controls" in order to ensure effective internal control.



4. Measures to Restrain Outflows of Profits

In light of the Group's receipt of a substantial amount of public funds, it has adopted a basic policy of preventing profits earned from flowing outside the Group as it works to build up internal reserves to stabilize its financial base. Dividends on common stock have already been resumed in fiscal 2006, and the Group will determine future dividends for each reporting period based on revenue and earnings conditions.

In terms of director compensation, a performance-based compensation system has been introduced in order to clarify director responsibility, and compensation for director performance is now determined mainly based on fluctuations in business performance.

5. Measures for Smooth Extension of Loans and Other Forms of Credit

Being fully aware of its public responsibilities as a financial institution, the Group will endeavor to provide smooth financing for healthy companies. For SME and individual loans and other financing in particular, the Group will work to improve product and service development activities and enhance capability to provide various financial solutions catering to diversifying customer needs.

6. Measures to Secure Financial Resources to Allow for Repurchase and Cancellation of Stocks Issued and Redemption or Repayment of Loans

Retained earnings accumulated by Resona Holdings and its subsidiary banks, which are the primary resource for the repayments of public funds, are estimated to reach ¥1,297.0 billion by the end of March 2007, exceeding the total book value of the preferred stocks issued under the Early Strengthening Law of ¥868.0 billion. The level of retained earnings expected at the end of March 2007 is ¥653.7 billion higher than the level of retained earnings targeted in the previous Business Revitalization Plan.

Resona Group expects the group retained earnings to reach ¥1,810 billion by the end of March 2010 through the efforts to strengthen its earnings capability by implementing the measures outlined in this plan.

(Billions of yen)	Mar. 31, 2006	Mar. 31, 2007	Mar. 31, 2008	Mar. 31, 2009	Mar. 31, 2010
Retained earnings	756.8	1,297.0	1,459.0	1,630.0	1,810.0

1. Retained earnings balance is shown as the total of Resona Holdings and its banking subsidiaries.

Moreover, assuming favorable market conditions and other factors, the Group will in the future be working to ensure that the cumulative retained earnings, including funds procured from the issuance of new preferred stocks from this fiscal year onward (such proceeds to be treated as "other capital surplus"), exceeds the entire infusion amount of public funds received through the issuance of the existing preferred stocks under the Financial Function Early Strengthening Law and the Deposit Insurance Law (a total of ¥2,531.5 billion).

For those preferred stocks issued under the Financial Function Early Strengthening Law with mandatory conversion dates, the Group aims to repay these funds before their respective mandatory conversion dates contingent on the approvals from the relevant financial authorities.

[Outline of public funds]

1. Common stock (issued under the Deposit Insurance Law)

Type	Common stock
Total original issue amount	¥296.4 bn.
Current amount outstanding	¥293.7 bn.
Original number of shares issued *1	5,700,000 shares
Current shares outstanding	5,648,000 shares
Issue price per share *1,2	¥52,000

2. Preferred stocks with voting rights (issued under the Deposit Insurance Law)

Name	Class one, No.1 preferred stock	Class two, No.1 preferred stock	Class three, No.1 preferred stock
Total issue amount	¥550.0 bn.	¥563.5 bn.	¥550.0 bn.
Number of shares issued	2,750,000 shares	2,817,000 shares	2,750,000 shares
Issue price per share	¥200,000	¥200,000	¥200,000
Annual dividends per share	Variable	Variable	Variable
Dividends rate	1 year yen Libor +0.5%	1 year yen Libor +0.5%	1 year yen Libor +0.5%
Voting rights	No restriction	No restriction	No restriction

3. Preferred stocks (issued under the Early Strengthening Law)

Name	Class B No.1 preferred stock	Class C No.1 preferred stock	Class E No.1 preferred stock	Class F No.1 preferred stock
Total issue amount	¥408.0 bn.	¥60.0 bn.	¥300.0 bn.	¥100.0 bn.
Number of shares issued	680,000 shares	120,000 shares	240,000 shares	80,000 shares
Issue price per share	¥600,000	¥500,000	¥1,250,000	¥1,250,000
Annual dividends per share	¥6,360	¥6,800	¥14,380	¥18,500
Dividends rate	1.06%	1.36%	1.15%	1.48%
Mandatory conversion date	April 1, 2009	April 1, 2015	December 1, 2009	December 1, 2014
Original issuer	Daiwa Bank	Kinki Osaka Bank	Asahi Bank	Asahi Bank

4. Subordinated debts (issued under the Early Strengthening Law)

Type	Perpetual Subordinated Loan
Original amount borrowed	¥100.0 bn.
Amount Outstanding	¥80.0 bn.
Interest rate	[From issuance to March 2009] Yen Libor + 1.04% [Thereafter] Yen Libor + 2.54%
Repayment date maturity date	Perpetual
Call feature	Callable after Mar. 31, 2009
Original borrower	Asahi Bank

(Note 1) At a June 28, 2005 general shareholders' meeting, a change in Resona Holding's articles of association was approved to allow for a stock merger (where all of the Company's issued shares including common and various preferred shares were merged at a ratio of 1,000:1), to abolish the minimum unit of shares, and to adopt a fractional shares system (the round lot of shares being 1/1,000th of one share). In addition, the effective date of the stock merger was August 2, 2005, and the change in the articles of association became effective at the time of this stock merger.

(Note 2) The value per share shown is calculated based on the original issue amount of Resona Bank stock using the stock conversion ratio (after consideration for 1 above).

7. Measures to Secure Sound Financial Condition, Healthy and Appropriate Business Operation

The Group has managed to dramatically reduce future risk factors mainly through decisive financial reform actions during the Intensive Revitalization Period. During the period of The Plan, the Group will seek to further strengthen its revenue and earnings structure by strengthening its ability to appropriately control loan credits, stock holdings and other risk assets in order to prevent the increase of new risk factors, and by seeking returns commensurate with the risks involved.