

March 14, 2005

To whom it may concern:

Aozora Bank, Ltd.

Resona Bank, Ltd.

Basic Agreement on Establishment of Buyout Fund for SMEs

Aozora Bank (President: Hirokazu Mizukami) and Resona Bank (President: Masaaki Nomura) have reached basic agreement on establishment of buyout fund which mainly focuses on SMEs. This project is designed to respond to the needs of SMEs, such as M&A or business reorganization /succession, more actively than before, and to provide substantial capital and enhance our presence in the middle market by utilizing customer networks of both banks. This is the first time in buyout market that different banking groups jointly establish a buyout fund.

1. Primary content of the basic agreement

- Aozora Investment Co., Ltd. (President: Kazunari Takanohashi) and Resona Capital Co., Ltd. (President: Hirohide Takahashi), venture capitals of both groups, will establish a buyout fund focusing on SMEs.
- Aozora Investment and Resona Capital will set up a 50-50 joint venture, "Arise Capital Partners Inc.", which operates and manages this fund.

2. Outline of the fund

Name: Arise No.1 Limited Partnership for Investment (tentative name)

Timing of Establishment: late in March, 2005 (intended schedule)

Fund Size: approx. JPY10 billion

LPs: Aozora Bank Group and Resona Group, and other

Both banking groups should initially commit approx.JPY8 billion, and thereafter target approx.JPY10 billion by obtaining commitment from regional financial institutions, etc..

3. Policy on operation of the fund, etc.

The fund will mainly invest in SMEs (enterprise value: JPY1 billion to several billion) with expected stable cashflow based on strong business fundamentals ,which have potential to grow and/or improve operational efficiency. Specifically, the fund assumes to invest in SMEs suffering from issue of succession for their management or business units/subsidiaries intending to spin-out from the parent.

When investing in a company, the fund will be involved in the management by acquiring at least 33.4% share of the company so as to actively support improvement of the enterprise value of the investee company. In addition, the optimal Exit, such as IPO or tradesale to strategic buyer which will lead to further growth of the investee company, will be determined based on close discussions between the management of the investee company and the fund on a case-by-case basis.

By utilizing not only the business customer base and networks with regional financial institutions which are held by both banking groups but also the know-how involving fund operation and venture investment, the fund will concentrate both banking group's management resources in full scale and pursue high investment performance.

4. Outline of the GP company of the fund

Name: Arise Capital Partners, Inc. (English name: " Arise Capital Partners, Inc.")

Location: Chiyoda-ku, Tokyo

Established: March 7, 2005

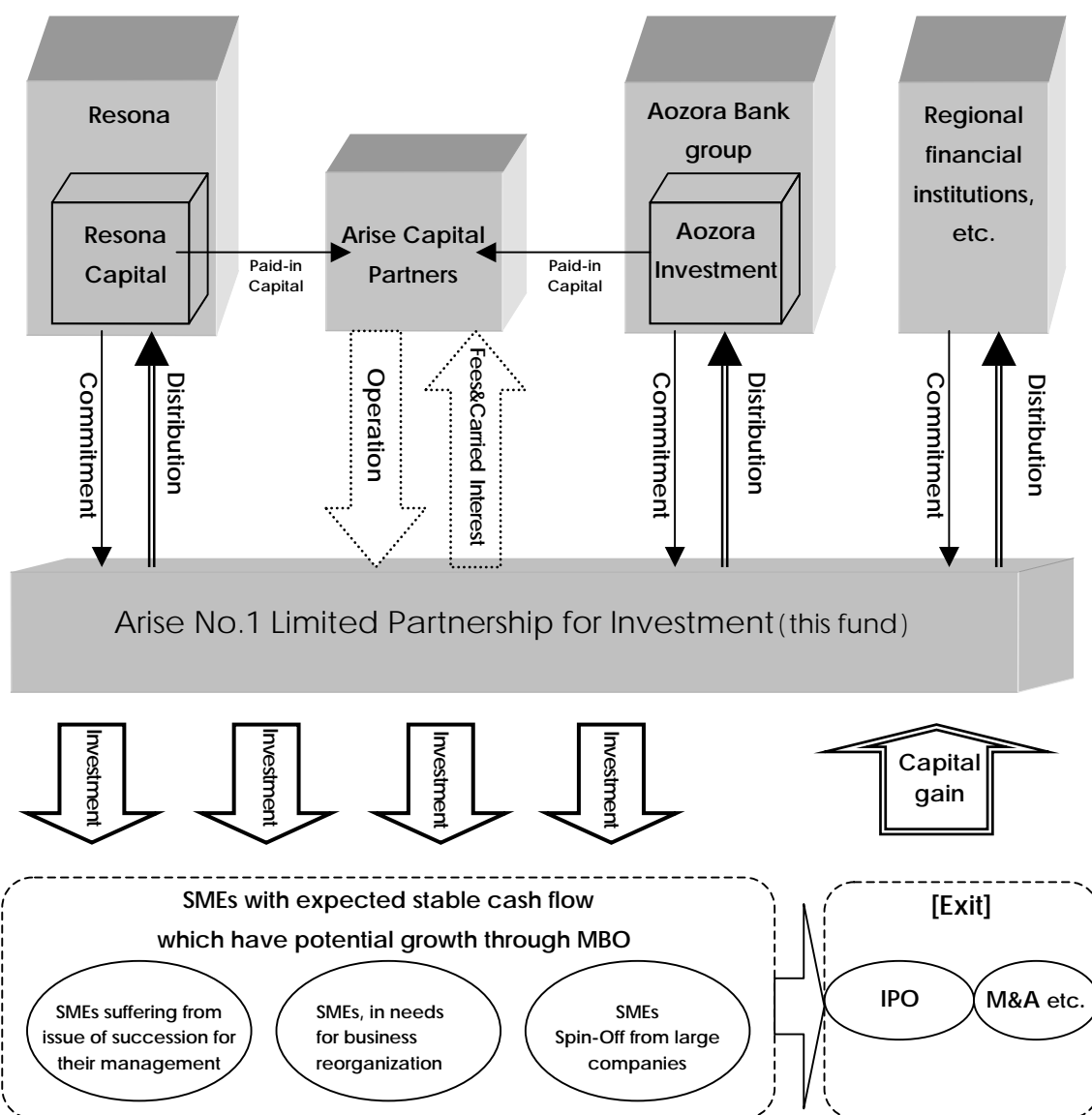
Paid-in Capital: JPY10 million

Shareholders: Aozora Investment 50%, Resona Capital 50%

Representative: <President> Masao Kiuchi (temporary transferred from Aozora Bank)

<Vice President> Shuichi Hasuo (temporary transferred from Resona Bank)

5. Scheme of the fund



<Contact person about this matter>

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For reference

Regarding the name of "Arise Capital Partners, Inc."

- **A**ozora & **R**esona **I**nvestment company for **S**mall & medium (middle-sized) **E**nterprises

- Arise: "come into being"

We have assigned the meaning that "this fund is a new fund focusing on the middle sector" or "the fund's investment generates a new value on the part of the investee company".