Mitsubishi UFJ Financial Group, Inc.

MUFG's Revitalization Plan and New Financial Targets

Tokyo, February 17, 2006--- Mitsubishi UFJ Financial Group, Inc. (MUFG; President & CEO: Nobuo Kuroyanagi) has formulated and today submitted to Japan's Financial Services Agency a new revitalization plan (hereunder, the "new revitalization plan") in accordance with the Law Concerning Emergency Measures for the Early Strengthening of Financial Functions.

Note: The figures in the new revitalization plan are based on the simple sum of the non-consolidated figures of The Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking (including separate subsidiaries).

In addition, MUFG has revised its fiscal 2008 consolidated financial targets that were announced on February 18, 2005, and has also set new financial targets for fiscal 2009.

To realize its new revitalization plan and new financial targets, MUFG will focus on a customer-orientated approach and seek to provide the highest level of products and services. By realizing its goal of becoming 'No.1 in service', 'No.1 in reliability' and 'No.1 in global scope', MUFG aims to be a premier, comprehensive and global financial group capable of earning the loyalty of its customers.

1. The New Revitalization Plan

Leveraging its unparalleled global network and transaction base, MUFG is focused on strengthening profitability. In fiscal 2009, the final year of the new revitalization plan, MUFG is targeting net business profit of ¥1,859.4 billion and net income of ¥945.1 billion, on the basis of the simple sum of the non-consolidated totals of Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking (including separate subsidiaries). With respect to public funds, subject to the market environment and financial conditions, we would like to aim for full repayment during fiscal 2006.

(For further details, please see the attached Revitalization Plan)

Sum of non-consolidated totals of Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking (including divested subsidiaries) (Billions of Yen)

	FY 2005 Forecast	FY 2006 Plan	FY 2007 Plan	FY 2008 Plan	FY 2009 Plan
Gross profit	2,478.5	2,525.9	2,723.1	3,003.5	3,020.1
Expenses	1,247.1	1,280.7	1,273.9	1,237.0	1,160.7
Expense ratio (%)	50.3%	50.7%	46.8%	41.2%	38.4%
Net business profit	1,231.4	1,245.1	1,449.2	1,766.5	1,859.4
Net income	1,152.6	599.1	688.5	869.9	945.1

2. New Financial Targets (MUFG Consolidated)

In light of the current economic situation, as shown below, we have revised our original targets for fiscal 2008 to reflect our revised outlook for domestic interest rates and credit-related costs, as well as the additional costs required to enhance stability and reliability during systems integration. For fiscal 2008, we are now targeting consolidated net operating profit of approximately ¥2,400 billion and consolidated net income of approximately ¥1,000 billion. For fiscal 2009, we are targeting consolidated net operating profit of approximately ¥2,500 billion and consolidated net income of approximately ¥1,100 billion.

(Billions of Yen)

	FY 2005 Forecasts*1	FY 2008 New targets	FY 2009 New targets	FY 2008 targets (announced Feb, 2005)
Consolidated net operating profit*2	Approx. 1,650.0	Approx. 2,400.0	Approx. 2,500.0	Approx. 2,500.0
Consolidated expense ratio	Approx. 55%	Approx. 45%	40-45%	40-45%
Consolidated net income	Approx. 1,170.0	Approx. 1,000.0	Approx.1,100.0	Approx. 1,100.0
Consolidated ROE	-	Approx. 15%*3	Approx. 15%*3	Approx. 17%

*1 Includes FY 2005 (April to September) results of the former UFJ Holdings.

*2 Before eliminations for internal net operating profit transactions and consolidation adjustments (Managerial accounts basis), but excluding dividend income from subsidiaries.

*3 Assuming public fund balance is the same as the end of 2005 balance.

3. Benefits of Integration (synergies)

(1) Cost synergies

	Target amount		Main components*1
Cost synergies	FY 2008	Approx. ¥150.0 billion (Annual cost reduction in FY 2008)	Personnel expenses: Approx. ¥10.0 bn Systems expenses: Approx. ¥40.0 bn Branch integration/closure: Approx. ¥10.0-20.0 bn Head office expenses, etc.: Approx. ¥50.0-60.0 bn Subsidiaries related: Approx. ¥30.0 bn
	FY 2009	Approx. ¥220.0 billion (Annual cost reduction in FY 2009)	Personnel expenses: Approx. ¥20.0 bn Systems expenses: Approx. ¥80.0-90.0 bn Branch integration/closure: Approx. ¥20.0 bn Head office expenses, etc: Approx. ¥60.0 bn Subsidiaries related: Approx. ¥30.0 bn

*1 Except for "subsidiaries related," the figures above represent the aggregate non-consolidated figures of Group banks, trust banks and securities firms.

- As a result of measures to enhance systems integration, lower cost synergies from the reduction of personnel and systems expenses are expected in fiscal 2008. Nevertheless, by amalgamating closely located branches, promoting the branch-within-a-branch system (through which overlapping branches will be eliminated) and by integrating headquarters and other operations, we aim to reduce headquarters and branch expenses and target annual cost synergies of approximately ¥150.0 billion in fiscal 2008. Furthermore, following systems integration, in fiscal 2009 we aim to realize approximately ¥220.0 billion of annual cost synergies.

  *1 In the five years until fiscal 2009, integration costs such as systems integration and the integration and closure of branches are expected to average approx. ¥90.0 billion per year.

  *2 In fiscal 2005, in addition to integration costs we expect to incur approx. ¥290.0 billion in non-recurring and special losses (mainly non-cash expenses, including write-offs and additions to reserves).

(2) Revenue synergies

<table>
<tr><th></th><th colspan="2">Target amount*1</th><th>Main business areas where synergies expected</th></tr>
<tr><td rowspan="2">Revenue synergies</td><td>FY 2008</td><td>Approx. ¥40.0 billion
(Annual increase in gross profit in FY 2008)</td><td rowspan="2">Retail: Sales of investment products, housing loans, credit card business, etc.
Corporate: Investment banking business, settlement business, overseas business, real estate business, etc.
Trust Assets: Improved product development capabilities, out-sourcing business, etc.</td></tr>
<tr><td>FY 2009</td><td>Approx. ¥70.0 billion
(Annual increase in gross profit in FY 2009)</td></tr>
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*1 Net increases resulting from revenue synergies in fiscal 2008 and 2009.

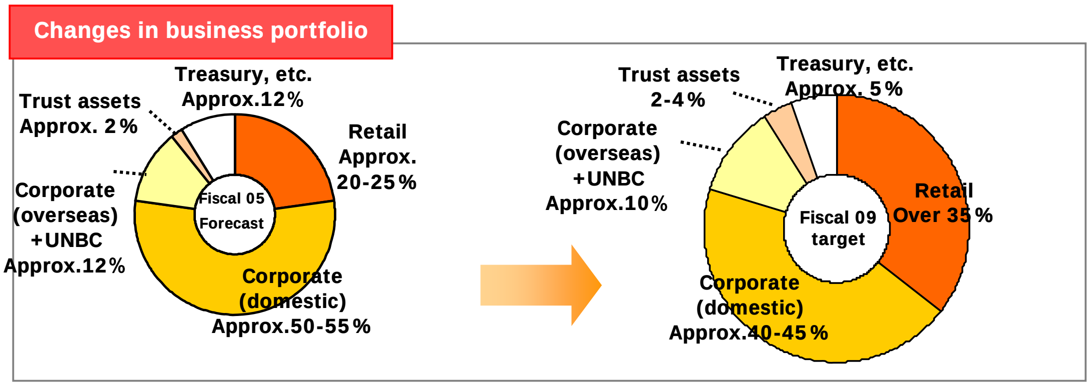
- In sales of investment products such as annuities and investment trusts, we aim to steadily achieve results by providing leading-edge products and services that appropriately meet customer needs. We will also aim to achieve steady progress in investment banking and the settlement business by combining the accumulated expertise of each group.
- In the growth area of consumer finance, UFJ Nicos, which was created from the merger of UFJ Card and Nippon Shinpan in October 2005, will merge with DC Card in April 2007. Through that merger and other means, we intend to steadily strengthen our capabilities as a comprehensive financial group.
- In terms of revenue synergies, we will strive to realize synergies and aim to realize revenue synergies in line with our initial target of approximately ¥40 billion in fiscal 2008, and approximately ¥70 billion in fiscal 2009.

4. Business Portfolio

- In order to realize this plan, the Group will further strengthen its three core businesses (Retail, Corporate and Trust Assets). We will seek to create a balanced business portfolio with a sound, stable profit structure and in fiscal 2009 we aim to raise the contribution of the three core businesses to 90% of total net operating profit. The Retail business in particular has promising growth prospects, and we aim to raise its contribution to over 35% of total net operating profit.
- In the Retail business, through product development achieved through a series of global strategic alliances and other initiatives in areas such as investment products, housing loans, consumer finance, and inheritance/real estate, we will seek to deliver products and services of the highest international standards and aim to ensure the highest level of customer satisfaction. We aim to increase Retail net operating profit by around 2.5 times in fiscal 2009 compared to a forecasted level of approximately ¥360.0 billion in fiscal 2005. We believe that this target is fully achievable through expanding the strongly performing investment product sales, securities intermediation, consumer finance and housing loans businesses, along with the benefits of the consolidation of UFJ Nicos implemented in October last year.
- In the Corporate business, we aim to consolidate our leading market share in transactions with Japanese companies, both in Japan and overseas, by utilizing our global resources in banking, trust banking and securities. We aim to deliver the highest quality services and innovative products that meet customer needs, and to increase Corporate net operating profit by 30-35% in fiscal 2009 from a forecasted level of ¥1,050.0 billion in fiscal 2005. Despite the anticipated negative effects of share adjustment by borrowers, we aim to

further enhance profitability by expanding consolidated income through leveraging our comprehensive financial capabilities in areas such as investment banking, securities and real estate; by strengthening our nationwide branch network through the active establishment of streamlined branches; by enhancing our SME business through increasing sales staff; and by bolstering our domestic and international settlements business.

- In the Trust Assets business, we will aim to enhance our product lineup in both asset management and asset administration, and to provide services to meet various customer needs, based on an efficient system that leverages economies of scale. We aim to increase Trust Assets net operating profit by over 2.5 times in fiscal 2009 compared to a forecasted level of approximately ¥33.0 billion in fiscal 2005.



5. Full integration of systems

- In recognition of the impact that the integration of the Group banks' systems has on customer services and the financial markets, as well as the Group's social responsibilities and the vital need to maintain the trust of society at large, avoid systems failure and ensure the reliable and stable integration of our systems, we have set the objective of commencing the transfer to the commercial bank's new IT system from the first half of 2008.
- Furthermore, from the perspective of minimizing risk during the transfer to the new system, we intend to steadily increase the number of branches using the new system over about six months using a Branch Group Transfer program and to release new products and services in batches prior to Branch Group Transfer. Through these measures, we aim to provide services to customers gradually using the new system, starting from the middle of 2008.
- With respect to the trust bank, the domestic accounts, trust assets management, stock transfer and other businesses will be gradually transferred to the new system. This transfer is expected to be effectively completed during fiscal 2007.
- With respect to customer services, as a result of the integration of our main subsidiaries following the October 2005 mergers that created Mitsubishi UFJ Trust and Banking and Mitsubishi UFJ Securities, and the January 2006 merger that created Bank of Tokyo-Mitsubishi UFJ, we have established a framework in which each Group company collaborates to deliver products and services in a flexible manner to a broader and deeper customer base.
- In particular, we have greatly enhanced convenience for retail customers by establishing a foundation from which customers can fully utilize the new bank's network for core services. Looking ahead, based

on this foundation, we aim to provide high-quality services, rapidly develop the branch-within-a-branch concept and actively pursue further improvements in customer service and cost reductions.

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The macro-economic assumptions used in the new revitalization plan and financial targets

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
3M Tibor (period average)	0.09%	0.24%	0.37%	0.46%	0.48%
10 year JGB yield (period average)	1.45%	1.89%	1.94%	2.07%	2.13%
Yen/Dollar (at end of period)	105	105	105	105	105
Real GDP growth rate (annual rate)	2.68%	1.59%	1.49%	1.81%	2.14%