In October 2005 Mitsubishi UFJ Financial Group will be created* through integration of Mitsubishi Tokyo Financial Group and the UFJ group. Through pursuit of a thoroughly customer-focused approach the new group aims to be a premier, comprehensive, global financial group that benefits from strong customer support.

*Subject to approval by the relevant authorities.

**Mitsubishi UFJ Financial Group**

- **New commercial bank**
  - **Bank of Tokyo-Mitsubishi UFJ**
  - Date of merger: October 1, 2005 (date of registration: October 3, 2005)
  - Senior management: Chairman: Ryosuke Tamakoshi, Deputy Chairman: Haruya Uehara, President & CEO: Nobuo Kuroyanagi
  - Location of Headquarters: 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo (currently headquarters of The Bank of Tokyo-Mitsubishi)
  - Stock exchange listings (planned): Tokyo, Osaka, Nagoya, New York, London
  - Merger ratio: Ordinary shares: MTFG : UFJ Holdings = 1 : 0.62

- **New trust bank**
  - **Mitsubishi UFJ Trust and Banking Corporation**
  - Date of merger: October 1, 2005 (date of registration: October 3, 2005)
  - Senior management: Chairman: Akio Utsumi, President: Haruya Uehara
  - Location of Headquarters: 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo (currently headquarters of MTBC)
  - Merger ratio: Ordinary shares: MTBC : UFJ Trust Bank = 1 : 0.62

- **New securities company**
  - **Mitsubishi UFJ Securities Co., Ltd.**
  - Date of merger: October 1, 2005 (date of registration: October 3, 2005)
  - Senior management: Chairman & CEO: Yasumasa Gomi, Deputy Chairman: Koichi Kake, President & CEO: Kimihito Fujimoto
  - Location of Headquarters: 4-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo (currently headquarters of Mitsubishi Securities)
  - Merger ratio: Ordinary shares: Mitsubishi Securities : UFJ Tsubasa Securities = 1 : 0.42

In addition to commercial banks, trust banks and securities companies, the new group will bring together top class credit card, consumer finance, investment trust, leasing and other companies, as well as a U.S. bank (UBOC).

A premier, comprehensive, global financial group

*The planned merger date for the commercial banks is January 1, 2006.*
Group Management Philosophy

We have formulated the group management philosophy in order to guide the new group towards the realization of its aims. This group management philosophy expresses the values of the most fundamental aspects of the new group’s policy in conducting its business activities, and provides guidelines for all our activities. The group’s management philosophy will also be the foundation for management decisions, including the formulation of management strategies and management plans, while also providing a basic moral framework to support all employees in their activities.

The new group’s holding company, bank, trust bank and securities company will each adopt the group’s management philosophy as their own management philosophy, and the entire group will strive to comply with this philosophy.

1. We will respond promptly and accurately to the diverse needs of our customers around the world and seek to inspire their trust and confidence.

2. We will offer innovative and high-quality financial services by actively pursuing the cultivation of new business areas and developing new technologies.

3. We will comply strictly with all laws and regulations and conduct our business in a fair and transparent manner to gain the public’s trust and confidence.

4. We will seek to inspire the trust of our shareholders by enhancing corporate value through continuous business development and appropriate risk management, and by disclosing corporate information in a timely and appropriate manner.

5. We will contribute to progress toward a sustainable society by assisting with development in the areas in which we operate and conducting our business activities with consideration for the environment.

6. We will provide the opportunities and work environment necessary for all employees to enhance their expertise and make full use of their abilities.

Corporate Identity (Corporate Symbol, Logos)

The new group, through close coordination among its bank, trust bank and securities company, will aim to become a premier, comprehensive, global financial group that responds comprehensively and flexibly as an integrated unit to the diverse financial needs of its customers. These efforts are symbolized by the use of a shared corporate symbol.

1. Corporate symbol

The corporate symbol of the new group has overlapping circles, which represent the new, comprehensive financial services generated from the group’s collective efforts and friendly services that customers identify with.

In addition, the center circle symbolizes the new group while the outside intersecting circles symbolize domestic and overseas expansion, thereby representing the new group’s goal to build a premier, comprehensive, global financial group that provides the highest quality services ‘Anytime-Anyplace’.

2. Corporate color

The corporate color is ‘MUFG Red’ and is utilized in the corporate symbol. MUFG Red represents the dynamism in constantly pursuing the highest quality services, dynamically changing financial services, and the passion for the new group’s close relationships with each of its customers.

3. Typeface for company and bank names

The typeface used for the company and bank names utilizes a Gothic font with its strong lines and gentle curves to create an image of the firm presence and future growth potential of the new group.

Logos of new group companies

- Mitsubishi UFJ Financial Group
- Bank of Tokyo-Mitsubishi UFJ
- Mitsubishi UFJ Trust and Banking
- Mitsubishi UFJ Securities
Aspiration—Global Top Five

The new group will have an extensive and well-balanced network in Japan and overseas, a broad customer base, and will be a fully-fledged, comprehensive financial group comprising a commercial bank, trust bank and securities company, as well as top class credit card companies, consumer finance companies, investment trust companies, leasing companies and a U.S. bank (Union Bank of California). By leveraging these strengths and delivering top quality products and services, we aim to win the strong support of customers. At the same time, by significantly strengthening group profitability, we aim to create a premier, comprehensive, global financial group that can succeed against competitors globally and we have set an aspiration of becoming one of the top five global financial groups by market value by fiscal 2008.

New Group’s Business Plan

Fiscal 2008 financial targets (Japanese GAAP)

The new group has set the following financial targets in order to achieve its aspiration of becoming one of the world’s top five financial institutions by market capitalization by fiscal 2008.

<table>
<thead>
<tr>
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<th>Fiscal 2004 Actual results*</th>
<th>Fiscal 2008 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated net</td>
<td>¥1,710 billion</td>
<td>¥2,500 billion</td>
</tr>
<tr>
<td>operating profit**</td>
<td>(Approx.)</td>
<td>(Approx.)</td>
</tr>
<tr>
<td>Consolidated expense ratio</td>
<td>50% (Approx.)</td>
<td>40-45%</td>
</tr>
<tr>
<td>Consolidated net income</td>
<td>- ¥216.1 billion</td>
<td>¥1,100 billion</td>
</tr>
<tr>
<td>(Approx.)</td>
<td></td>
<td>(Approx.)</td>
</tr>
<tr>
<td>Consolidated ROE</td>
<td>-4.8% (Approx.)</td>
<td>17% (Approx.)</td>
</tr>
</tbody>
</table>

*1 Based on the sum of the two groups’ Japanese GAAP figures

*2 Consolidated net business profit excluding internal transactions, etc., and before consolidation adjustments (Management accounts basis, but excluding dividend income from subsidiaries)

The above targets are based on the following macroeconomic assumptions:

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</thead>
<tbody>
<tr>
<td>3 month TIBOR (period average)</td>
<td>0.13%</td>
<td>0.29%</td>
<td>0.41%</td>
<td>0.46%</td>
</tr>
<tr>
<td>10 year JGB yield (period average)</td>
<td>1.81%</td>
<td>2.22%</td>
<td>2.29%</td>
<td>2.29%</td>
</tr>
<tr>
<td>Yen per US$ (period end)</td>
<td>105</td>
<td>105</td>
<td>105</td>
<td>105</td>
</tr>
<tr>
<td>Japanese GDP growth (annual rate)</td>
<td>1.1%</td>
<td>1.9%</td>
<td>1.0%</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

Business portfolio of the new group (Consolidated net operating profit basis under Japanese GAAP)

The new group will further strengthen its three core businesses—Retail, Corporate and Trust Assets—aiming to increase their share of total net operating profit to 85-90% by fiscal 2008. In particular, continued growth is expected in the Retail business and we aim to increase its share of total net operating profit to over 35% as we create a balanced, highly profitable and stable business portfolio.
Integration synergies (Japanese GAAP)

Integration synergies—Increasing income

In fiscal 2008 we aim to achieve an annual net uplift to gross profit from income synergies of approximately ¥40 billion. As there is some overlap between clients in the corporate business, reductions in income in the 1–2 years following integration, for example from the adjustment of the integrated group’s share of financing business, are expected to exceed income increases resulting from synergies. However, we aim to increase income generated by the group and enhance customer service by expanding the Comprehensive Card business, growing sales of investment products, and by mutually leveraging our strengths, including MTGF’s global network and UFJ group’s domestic settlements functions. As a result we intend to realize net positive income synergies from integration at an early stage.

Integration synergies—Reducing costs

In fiscal 2008 we aim to achieve integration synergies comprising a reduction in annual expenses of approximately ¥240 billion (or approximately ¥180 billion net of one-time integration expenses). However, in the 1–2 years following integration one-time integration expenses are expected to exceed the synergy benefit of lower expenses.

Specifically, as regards personnel we aim to implement a groupwide reduction or reallocation of approximately 10,000 staff through streamlining of back office departments, particularly in our headquarters organization. Of this total, by fiscal 2008, we aim to reduce numbers by approximately 6,000 and reallocate approximately 4,000 staff to strategic business areas.

As regards systems, for our market-related and overseas businesses, in principle, we aim to implement systems integration by the integration date. In areas such as domestic accounts-related and information systems we aim to complete integration by the end of fiscal 2007.

In terms of branches and other offices, by fiscal 2008 we aim to integrate or close approximately 170 retail branches and 100 corporate offices domestically, and approximately 30 offices overseas.

In addition we will strive to reduce costs in other areas including headquarters expenses.

Integration benefits from cost reductions

In the five years to fiscal 2009 we are assuming that one-time integration costs for systems integration, branch integration and closure, etc., will be approximately ¥60 billion annually. In addition, in fiscal 2005, the first year of integration, as a result of factors such as systems related write-offs and the unification of lending self-assessment standards and reserving ratios we expect to incur extraordinary and special losses of approximately ¥360 billion.

One-time integration expenses
Corporate Governance

Corporate governance of the new holding company

The new holding company will build stable and effective corporate governance based on a dual system comprising corporate auditors and directors, supplemented by external perspectives and a system of voluntary committees.

In order to more fully and appropriately uphold our responsibility of accountability to shareholders and to enhance management transparency the following three external perspectives will be introduced:

**External perspective 1—Appointment of outside directors and establishment of voluntary committees**

We will enhance supervision of management by persons outside the company by actively appointing outside directors to the Board of Directors. Furthermore, as a voluntary measure to enhance supervision of management by outside parties, we will introduce a system of committees reporting to the Board of Directors, the Internal Audit and Compliance Committee, the Nomination Committee and the Compensation Committee. Each committee will be chaired by an outside director, and outside members will constitute a majority of each committee.

The Internal Audit and Compliance Committee will receive reports directly from the Internal Audit Division, deliberate on important matters of internal audit and compliance etc., and provide advice to the Board of Directors on matters requiring improvement. In this way the Internal Audit Division will fully retain the required independence from business execution. Furthermore, the Internal Audit and Compliance Committee will provide a flexible link between the corporate auditors and the Internal Audit Division through which we aim to enhance the effectiveness of audit by the corporate auditors and realize a sustained improvement in the internal audit function.

**External perspective 2—Outside auditors to become a majority on the Board of Corporate Auditors**

Three outside corporate auditors will be appointed and outside corporate auditors will comprise a majority on the Board of Corporate Auditors. Moreover, outside persons, including outside directors and corporate auditors will comprise at least 30% of those attending meetings of the Board of Directors.

**External perspective 3—Establishment of an Advisory Board**

We will establish an Advisory Board composed of external experts that will advise the Executive Committee from an independent standpoint on important management topics such as corporate strategy and business planning.

Governance functions of Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust & Banking Corporation

The new group’s commercial bank and trust bank will establish audit committees composed of a majority of outside members that deliberate on matters relating to internal audit and compliance with the aim of enhancing management transparency. Furthermore, the commercial bank will establish working groups reporting to its Internal Audit & Compliance Committee with the aim of improving its compliance framework and information security management system and to ensure timely and appropriate response to relevant matters. Specialist working groups reporting to the committee will include the Compliance Working Group and the Information Security Working Group and these will focus on deliberating matters related to their respective specialist areas.

Overall group governance

The new holding company aims to build corporate governance that is appropriate to a premier, comprehensive, global financial group. It will create a framework for risk management and internal audit across the entire group and seek to strengthen oversight of management, for example by dispatching board members to major subsidiaries.
Corporate governance of the new holding company, new commercial bank and new trust bank

New Holding Company

Shareholders

General Meeting of Shareholders

Chairman

Board of Directors

Corporate Auditors Staff

Board of Corporate Auditors (3 of 5 auditors are external)

Executive Committee

President & CEO

Advisory Board

Advisory

Integrated Business Groups

Corporate staff

Corporate risk management

Auditing

Internal audit

New Commercial Bank

General Meeting of Shareholders

Chairman

Board of Directors

Corporate Auditors Staff

Board of Corporate Auditors

Internal Audit & Compliance Committee

Executive Committee

President

Corporate Risk Management Committee

Compliance Working Group

Information Security Working Group

Corporate staff

Corporate risk management

Auditing

Internal audit

New Trust Bank

General Meeting of Shareholders

Chairman

Board of Directors

Corporate Auditors Office

Internal Audit & Compliance Committee

Executive Committee

President

Credit and Investment Committee

Supporting Committees

Corporate staff

Corporate risk management

Auditing

Internal audit
**Internal Control**

The new group will maintain precise and appropriate business management appropriate to a comprehensive financial services group that is the world’s largest by assets and that also comprises a diverse range of group companies. In order to ensure the sustained trust and confidence of customers, shareholders and society, the new group will establish and maintain sophisticated internal control and risk management frameworks based on the COSO* framework. Furthermore, as a New York Stock Exchange listed company, these frameworks will meet the criteria of the U.S. Sarbanes-Oxley Act of 2002, S.E.C. requirements and the new BIS regulations.

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**Risk management framework**

To supervise and coordinate risk management, Corporate Risk Management Divisions will be established in the new holding company, in the new commercial bank, and in the new trust bank. The basic policy for risk management of the entire group will be decided by the holding company and each group company will follow that policy while maintaining their own risk management framework and managing risk.

In addition, with regard to important items of risk management policy and organization of the entire group, the Corporate Risk Management Committee will be established in the holding company as a deliberative body.
Compliance framework
The new holding company, commercial bank and trust bank will each establish a Compliance Management Division.
In the new commercial bank a Compliance Working Group comprising external specialists will be established to focus on the deliberation of compliance subjects with the aim of creating a more sophisticated compliance framework, and to respond in a timely and appropriate manner to compliance matters. The new group’s ethical framework has been formulated as shown (below).

The new group’s ethical framework
1. Establishment of trust
   We will remain keenly aware of the group’s social responsibilities and public mission and will exercise care and responsibility in the handling of customer and other information. By conducting sound and appropriate business operations and disclosing corporate information in a timely and appropriate manner we will seek to establish enduring public trust in the group.

2. Putting customers first
   We will always consider our customers, and through close communication will endeavor to satisfy them and gain their support by providing financial services that best meet their needs.

3. Strict observance of laws, regulations, and internal rules
   We will strictly observe applicable laws, regulations and internal rules, and will conduct our business in a fair and trustworthy manner that conforms to societal norms. As a global comprehensive financial group we will also respect internationally accepted standards.

4. Respect for human rights and the environment
   We will respect the character and individuality of others, work to maintain harmony with society, and place due importance on the protection of the global environment that belongs to all mankind.

5. Disavowal of antisocial elements
   We will stand resolutely against any antisocial elements that threaten public order and safety.

Internal audit framework
The new holding company, commercial bank and trust bank will each establish an internal audit department. The internal audit departments will report important items related to internal control to the Internal Audit & Compliance Committee on which outside directors and outside specialists will constitute a majority.
**Personnel Management**

Within the new group, the commercial bank, trust bank and securities company will each create a personnel system appropriate to their specific business characteristics and cost structures. At the same time, in order to strongly promote an integrated group strategy, encourage harmony in personnel matters, and help to establish a new corporate culture, the new group will share a personnel management platform and manage personnel matters in a unified manner.

**A results-focused, professionally-oriented personnel system**

The new commercial bank, trust bank and securities company will introduce and maintain their own personnel systems based on a shared fundamental policy of emphasizing results and fostering professional staff.

**A system that encourages internal group interflow of employees**

The personnel systems, including personnel decisions and appraisal systems, of each group company will be improved in order to promote the smooth interflow of personnel within the group.

**Sharing group strategic targets and linking these to individual performance appraisal**

Through utilizing approaches such as the Balanced Score Card, we aim to instill the group strategy throughout all staff of the group and by linking this to individual performance appraisal, raise the effectiveness of and potential to realize group strategy.

**Staff education and appraisal that reflects the group management philosophy**

We aim to foster a fresh corporate culture in the new group by reflecting the group’s management philosophy in the staff education and appraisal of each group company.
Summary of Significant Differences in Corporate Governance Practices between MTFG and U.S. Companies Listed on the New York Stock Exchange

The New York Stock Exchange (the “NYSE”) allows NYSE-listed companies that are foreign private issuers, such as Mitsubishi Tokyo Financial Group (“MTFG”), with certain exceptions, to follow home-country practices in lieu of the corporate governance practices followed by U.S. companies pursuant to the NYSE’s Listed Company Manual. The following sections summarize the significant differences between MTFG’s corporate governance practices and those followed by U.S.-listed companies under the NYSE’s Listed Company Manual.

1. A NYSE-listed U.S. company must have a majority of directors that meet the independence requirements under Section 303A of the NYSE’s Listed Company Manual.
   Under the Commercial Code of Japan, an “outside director” is defined as a director who has not served as a director, manager or any other employee of the relevant company or any of its subsidiaries prior to his or her appointment.
   Currently, MTFG has two outside directors as members of its board of directors. For companies employing the corporate auditor system such as MTFG, the task of overseeing management is assigned to the corporate auditors as well as the board of directors. The board of corporate auditors is required to include at least one “outside corporate auditor” (the Commercial Code of Japan was amended to require that at least half of the corporate auditors should be “outside” effective from May 1st 2005.) (see 2. below.)
   For large Japanese companies employing a corporate governance system based on a board of corporate auditors (the “corporate auditor system”), such as the case with MTFG, the Japanese Commercial Code has no independence or similar requirement with respect to directors. The Commercial Code only requires MTFG and other such companies to disclose whether any director is an “outside director.”

2. A NYSE-listed U.S. company must have an Audit Committee composed entirely of independent directors.
   Under the Japanese Commercial Code, MTFG and other Japanese companies (excluding companies with management committees established pursuant to the April 2004 amendments to the Commercial Code) are not obliged to establish an audit committee.
   As discussed above, MTFG employs a corporate auditor system as stipulated by the Commercial Code and related laws. Accordingly, MTFG has established a board of corporate auditors consisting of corporate auditors with a statutory duty to audit MTFG director’s performance of their professional duties and to review and report on the manner and results of the audit of MTFG’s financial statements conducted by its accounting firm, for the protection of the MTFG shareholders.
   The Commercial Code requires large companies, including MTFG, to elect at least three corporate auditors through a resolution adopted at a general meeting of shareholders. At least one of these corporate auditors must be an “outside corporate auditor,” which is defined as “a corporate auditor who has not served as a director, executive officer, manager, or employee of MTFG or any of its subsidiaries”. (The commercial code of Japan was amended to require that at least half of the corporate auditors should be “outside” effective from May 1st 2005.)
   As of August 2005, MTFG had four corporate auditors, two of whom are outside corporate auditors (after October 2005, MTFG will have five corporate auditors, three of whom will be outside corporate auditors.).

3. A NYSE-listed U.S. company must have a Compensation Committee composed entirely of independent directors.
   Under the Japanese Commercial Code, MTFG and other Japanese companies (excluding companies with management committees established pursuant to the April 2004 amendment to the Commercial Code) are not obliged to establish a compensation committee.
   The maximum aggregate amounts of compensation for MTFG’s directors and corporate auditors are approved at MTFG’s general meeting of shareholders. The amount and allocation of compensation for each MTFG director are then proposed to, and voted upon by, the board of directors. The amount and allocation of compensation for each MTFG corporate auditor are determined through discussions and agreement among the MTFG corporate auditors.

4. A NYSE-listed U.S. company must have a Nominating OR Corporate Governance Committee composed entirely of independent directors.
   Under the Japanese Commercial Code, MTFG and other Japanese companies (excluding companies with management committees established pursuant to the April 2004 amendments to the Commercial Code) are not obliged to establish a nominating or corporate governance committee.
   MTFG’s directors are elected or dismissed at MTFG’s general meeting of shareholders in accordance with the relevant provisions of the Japanese Commercial Code. MTFG’s corporate auditors are also elected or dismissed at MTFG’s general meeting of shareholders. A proposal by MTFG’s board of directors to elect a corporate auditor needs to be consented by its board of corporate auditors; MTFG’s board of corporate auditors is empowered to adopt a resolution requesting that MTFG’s directors submit a proposal for election of a corporate auditor to MTFG’s general meeting of shareholders.
   The corporate auditors have the right to state their opinion concerning election or dismissal of a corporate auditor at the general meeting of shareholders.

5. A NYSE-listed U.S. company must obtain shareholder approval with respect to any equity compensation plan.
   Under the Japanese Commercial Code, a company seeking to issue “stock acquisition rights” (granting the holder thereof the right to acquire from the issuer shares of its common stock at a prescribed price) must obtain the approval of its board of directors, not its shareholders.
   When stock acquisition rights are issued under terms and conditions that are especially favorable to the recipients thereof, such issuance must be approved by a “special resolution” of a general meeting of shareholders. Under MTFG’s certificate of incorporation, the quorum for a special resolution is at least one-third of the total outstanding voting rights, and the approval of at least two-thirds of the voting rights represented at MTFG’s general meeting of shareholders is required to pass a special resolution.

6. A NYSE-listed U.S. company must adopt and disclose Corporate Governance Guidelines and a Code of Business Conduct and Ethics, and it must also disclose any exemptions granted to directors and management directors.
   Under the Japanese Commercial Code, the Securities and Exchange Law of Japan and applicable stock exchange rules, Japanese companies, including MTFG, are not obliged to adopt and disclose corporate governance guidelines and a code of business conduct and ethics for directors, officers and employees. In order to further enhance its disclosure, MTFG has decided to disclose the details of its corporate governance in its Annual Securities Report and related disclosure reports.
   MTFG has also adopted a code of ethics, compliance rules and a compliance manual, which MTFG believes are compliant with the requirements for a Code of Ethics as set forth under Section 406 of the Sarbanes-Oxley Act. MTFG has disclosed the relevant sections of its code of ethics, compliance rules and compliance manual as an exhibit to its annual report on Form 20-F for the fiscal year ended March 31, 2005. No exemptions from our code of ethics, compliance rules and compliance manual have been granted to our directors or executives during that period.

7. A NYSE-listed U.S. company must hold regularly scheduled executive sessions where participants are limited to non-management directors.
   Under the Japanese Commercial Code, Japanese corporations are not obliged to hold executive sessions where participants are limited to non-management directors. Such executive sessions are also not required under MTFG’s internal corporate governance rules.