UFJ Holdings, Inc.

Financial Results for Interim Period ended September 30, 2003

<Presentation Material>

December 3, 2003
Strategic Alliance with Nippon Shinpan

Position Nippon Shinpan as a core company in retail business strategy
- To become a consolidated subsidiary targeting Mar. 05, following capital Injection from UFJ Bank in this fiscal year -

- Nippon Shinpan to be a core company in UFJ’s retail business
- Generate group synergies by sharing know-how and customer base
- Strive to be a core company in UFJ’s retail business
- Generate group synergies by sharing know-how and customer base
- Nippon Shinpan’s actions to take a leap forward

<Reference> Nippon Shinpan’s actions to take a leap forward

- Drastic reduction of interest bearing liabilities
  - To be reduced to Yen 1 tril. level by Mar. 04 through securitizations and efficient control of its cash positions
- New Business Plan
  - Thoroughly revise existing business plan
  - New business plan to be announced in Jan. 04

<Planned Schedule>

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov. 03</td>
<td>Basic agreement</td>
</tr>
<tr>
<td>Jan. 04</td>
<td>Final agreement</td>
</tr>
<tr>
<td>Mar. 04</td>
<td>Issue new equity to UFJ Bank</td>
</tr>
<tr>
<td>Apr. 04</td>
<td></td>
</tr>
<tr>
<td>- Mar. 05</td>
<td>Prepare for becoming UFJ Bank’ Sub.</td>
</tr>
<tr>
<td>Mar. 05</td>
<td>Become a Sub., Further develop</td>
</tr>
<tr>
<td>(Target)</td>
<td>business alliance with UFJ Bank</td>
</tr>
</tbody>
</table>

<Growth in Consolidated Profits>

<Financial Targets for FY06>
(Non-consolidated)

Ordinary Profit: Yen 50 bil. or more
(Results for FY02: Yen 16.2 bil.)

Interest Bearing Assets:
Yen 900 bil. or less
(Results for FY02: Yen 1,570.6 bil.)

Please refer to P71 of Data Book for details
Credit Card and Consumer Loan Business

Taking advantage of UFJ Group’s distinct strength
- Establish overwhelming competitive advantage in credit card business -

The details of cooperation to be determined for strengthening the group retail business and expanding consolidated profits

Please refer to P57, 72 of Data Book for details
Financial Highlights

UFJHD consolidated Net Income for the interim period: Yen 179.8 bil.  
(Exceeded initial projection by Yen 119.8 bil.)  
- Business Profit* of Yen 431.0 bil., Credit Related Expenses of Yen 243.8 bil.

<table>
<thead>
<tr>
<th>(Yen Bil.)</th>
<th>UFJ Bank and UFJ Trust (Combined, Non-Consolidated) FY2003</th>
<th>UFJ Holdings (Consolidated) FY2003</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Interim (result)</td>
<td>Interim (initial forecast)</td>
</tr>
<tr>
<td>Gross Operating Profit</td>
<td>716.2</td>
<td>-</td>
</tr>
<tr>
<td>Business Profit*</td>
<td>431.0</td>
<td>345.0</td>
</tr>
<tr>
<td>Gains/Losses on Bonds</td>
<td>112.6</td>
<td>-</td>
</tr>
<tr>
<td>Other Income &amp; Expenses ('rinji shushi')</td>
<td>(452.2)</td>
<td>-</td>
</tr>
<tr>
<td>Gains/Losses on Stocks</td>
<td>1.8</td>
<td>-</td>
</tr>
<tr>
<td>Ordinary Profit</td>
<td>103.4</td>
<td>60.0</td>
</tr>
<tr>
<td>Extraordinary Gains and Losses</td>
<td>62.7</td>
<td>-</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>167.7</td>
<td>50.0</td>
</tr>
<tr>
<td>Credit Related Expenses</td>
<td>(243.8)</td>
<td>(230.0)</td>
</tr>
</tbody>
</table>

* Business profit before net transfer to general reserve
Net income revised up to Yen 210 billion (UFJ Holdings, consolidated)
- Business Profit (before net transfer to general reserve): Yen 760 bil.
- Credit Related Expenses: Yen 500 bil.

### Forecast for Fiscal Year Ending March 2004

<table>
<thead>
<tr>
<th>(Yen Bil.)</th>
<th>Interim (result)</th>
<th>Full year</th>
<th>Interim (initial forecast)</th>
<th>Full year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UFJ Holdings (Consolidated)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Income</td>
<td>1,218.2</td>
<td>2,200</td>
<td>2,100</td>
<td></td>
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<tr>
<td>Ordinary Profit</td>
<td>136.3</td>
<td>200</td>
<td>240</td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>179.8</td>
<td>210</td>
<td>150</td>
<td></td>
</tr>
<tr>
<td><strong>UFJ Bank / UFJ SP / UFJ EI</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Profit (before net transfer to general reserve)</td>
<td>390.9</td>
<td>675</td>
<td>640</td>
<td></td>
</tr>
<tr>
<td>Credit Related Expenses</td>
<td>(232.1)</td>
<td>(465)</td>
<td>(410)</td>
<td></td>
</tr>
<tr>
<td>Ordinary Profit</td>
<td>84.3</td>
<td>110</td>
<td>150</td>
<td></td>
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<tr>
<td>Net Income</td>
<td>139.9</td>
<td>155</td>
<td>120</td>
<td></td>
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<tr>
<td><strong>UFJ Holdings (Non-Consolidated)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Income</td>
<td>18.0</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary Profit</td>
<td>16.0</td>
<td>16</td>
<td></td>
<td></td>
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<tr>
<td>Net Income</td>
<td>15.6</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>UFJ Trust / UFJ TE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Profit (before net transfer to general reserve)</td>
<td>40.0</td>
<td>85</td>
<td>85</td>
<td></td>
</tr>
<tr>
<td>Credit Related Expenses</td>
<td>(11.7)</td>
<td>(35)</td>
<td>(35)</td>
<td></td>
</tr>
<tr>
<td>Ordinary Profit</td>
<td>19.1</td>
<td>40</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>27.7</td>
<td>35</td>
<td>10</td>
<td></td>
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<tr>
<td><strong>Subsidiary Banks Combined</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Profit (before net transfer to general reserve)</td>
<td>431.0</td>
<td>760</td>
<td>725</td>
<td></td>
</tr>
<tr>
<td>Credit Related Expenses</td>
<td>(243.8)</td>
<td>(500)</td>
<td>(445)</td>
<td></td>
</tr>
<tr>
<td>Ordinary Profit</td>
<td>103.4</td>
<td>150</td>
<td>165</td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>167.7</td>
<td>190</td>
<td>130</td>
<td></td>
</tr>
</tbody>
</table>

UFJ Holdings Financial Results for Interim Period ended Sept. 2003
Direction of the UFJ Group

Actions toward Improvement of Financial Positions

- Steadily taking actions toward the resolution of problem loan issue
- Properly controlling risks of the securities portfolio

Promotion of Group Business Strategy

- Taking various actions to achieve the profit target
- Focusing on SME and retail markets to improve profitability
- Capitalizing on strength of the group and implementing strategies distinguishing UFJ from other financial groups

Strengthening Equity Capital

- The risk of the impairment of equity capital has been greatly reduced given major risk factors have been already addressed
- Equity capital would be strengthened both in quality and volume by accumulating retained earnings
- Strategic capital management will improve shareholder’s value
Toward the Resolution of Problem Loan Issue

Actions to improve asset quality showing steady progress

- **Active participation in restructuring of borrowers**
  Closely monitoring progress on restructuring plans by sending managing officers and staff members to large borrowers
  - Taking preemptive actions before problem becomes serious, and minimizing negative impact

- **Stringent self assessment maintained**
  In spite of progress in restructuring plans, no upgrading for supported large borrowers.
  - Conservative assessment maintained in order to secure the market confidence.
  Impact by Special inspection by FSA is fully reflected

- **Continuous effort to reduce problem loans**
  Problem loan balance of Yen 3.7 tril. decreased by Yen 450 bil.
  - Downgrading to NPLs is still above ordinary level (Yen 310 bil. in the 1st half of FY03)
  - UFJ Strategic Partner performing as expected
  Aiming to reduce to Yen 2.5 tril. by Mar. 04 through final disposal and restructuring support.
**UFJ Holdings Financial Results for Interim Period ended Sept. 2003**

### Outstanding balance:
Yen 3.7 tril. (0.45 tril. decrease from Mar. 03)

* Under Financial Reconstruction Law

### Problem Loan Outstanding

#### Outstanding balance:
- Yen 3.7 tril. (0.45 tril. decrease from Mar. 03)

#### Balance & Ratio:

<table>
<thead>
<tr>
<th>Status</th>
<th>Sept. 02</th>
<th>Mar. 03</th>
<th>Sept. 03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bankrupt &amp; Quasi-bankrupt</td>
<td>0.48</td>
<td>0.41</td>
<td>0.37</td>
</tr>
<tr>
<td>Sub-standard</td>
<td>1.89</td>
<td>1.20</td>
<td>0.79</td>
</tr>
<tr>
<td>Doubtful</td>
<td>2.64</td>
<td>2.53</td>
<td>2.11</td>
</tr>
<tr>
<td>Normal loans to Sub-standard borrowers</td>
<td>4.57</td>
<td>4.22</td>
<td>3.84</td>
</tr>
<tr>
<td>Other special mention</td>
<td>0.48</td>
<td>0.41</td>
<td>0.37</td>
</tr>
<tr>
<td>Problem loans under Financial Reconstruction Law</td>
<td>10.43%</td>
<td>8.67%</td>
<td>8.14%</td>
</tr>
</tbody>
</table>

### Breakdown on balance change:

<table>
<thead>
<tr>
<th>Category</th>
<th>2nd half of FY02</th>
<th>1st half of FY03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrade to Normal Loan</td>
<td>(440)</td>
<td>(275)</td>
</tr>
<tr>
<td>Downgrade from Normal Loan</td>
<td>635</td>
<td>310</td>
</tr>
<tr>
<td>Change of balance without category change between normal and problem loans(excluding (1)) *</td>
<td>(575)</td>
<td>(75)</td>
</tr>
<tr>
<td>Write-offs, Debt forgiveness (1)</td>
<td>(470)</td>
<td>(415)</td>
</tr>
<tr>
<td>Total</td>
<td>(850)</td>
<td>(455)</td>
</tr>
</tbody>
</table>

* Change of balance may be caused by collection, sales, new loans, and change of loan classification between sub-standard loans and other loans to Sub-standard borrowers.

Please refer to P17-20, 24-25 of Data Book for details.
Collateral & Reserve  
(Combined for subsidiary banks and UFJSP)

Uncovered portion for Sub-standard and Doubtful borrowers: Yen 1.68 tril.  
(Yen 0.21 tril. decrease from Mar. 03)  
- Actual sales price for collateralized property exceeds appraisal value

### Change of uncovered portion

- **Sub-standard**
  - Sept. 02: Reserve 0.44, Guarantee/Collateral 0.17, Uncovered 0.31  
  - Mar. 03: Reserve 0.48, Guarantee/Collateral 0.17, Uncovered 0.31  
  - Sept. 03: Reserve 0.73, Guarantee/Collateral 0.17, Uncovered 0.31

- **Doubtful**
  - Sept. 02: Reserve 0.73, Guarantee/Collateral 0.47, Uncovered 0.37  
  - Mar. 03: Reserve 0.98, Guarantee/Collateral 0.47, Uncovered 0.37  
  - Sept. 03: Reserve 1.18, Guarantee/Collateral 0.47, Uncovered 0.37

### Sales of collateralized property

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Sales Price (Yen bil.)</th>
<th>Appraised Value (Yen bil.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation by UFJ Trust</td>
<td>60</td>
<td>12.3</td>
<td>12.5</td>
</tr>
<tr>
<td>Valuation by subsidiaries, etc.</td>
<td>852</td>
<td>139.1</td>
<td>113.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>912</td>
<td>151.5</td>
<td>126.0</td>
</tr>
</tbody>
</table>

### Rules for real property appraisal

- Doubtful borrowers or below: Appraisal once a year
- Borrowers past due more than 1 month: Prompt appraisal (within a month)
- Borrowers whose terms and conditions are eased: Appraisal within a month
- All collateralized property appraised once in three years at least

Please refer to P21-23 of Data Book for details
Yen 243.8 bil. in the 1st half of FY03 (Yen 13.8 bil. more than expected)
- Increasing annual forecast to Yen 500 bil. including losses on loans securitized / sold

<table>
<thead>
<tr>
<th></th>
<th>FY02</th>
<th>1st half (New Forecasts)</th>
<th>FY03 (New Forecasts)</th>
<th>FY03 (Old Forecasts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business deterioration of borrowers (Net)</td>
<td>499.5</td>
<td>265.7</td>
<td>450.0</td>
<td>390.0</td>
</tr>
<tr>
<td>Large borrowers</td>
<td>169.0</td>
<td>103.6*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact of new application of DCF method</td>
<td>347.2</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Decrease in collateral value/ Losses on loans securitized/sold</td>
<td>124.7</td>
<td>44.7</td>
<td>190.0</td>
<td>170.0</td>
</tr>
<tr>
<td>Reversal from reserve due to collection or newly obtained collateral</td>
<td>(140.8)</td>
<td>(50.3)</td>
<td>(140.0)</td>
<td>(115.0)</td>
</tr>
<tr>
<td>Collection of written-off claims</td>
<td>(78.4)</td>
<td>(16.1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>752.1</td>
<td>243.8</td>
<td>500.0</td>
<td>445.0</td>
</tr>
</tbody>
</table>

*Increased amount of reserves for the companies applied DCF method

Please refer to P16 of Data Book for details
Current Conditions of Large Borrowers

UFJ closely monitoring restructuring process

**Misawa Homes**
- Announcement of new mid-term plan (Oct. 03)
  - Requesting UFJ Bank and others to subscribe Yen 100 bil. of preferred shares
  - Plan to reduce consolidated interest-bearing debt to Yen 200 bil. by Mar.06.
    (Yen 491.8 bil. in Sept. 03)
- Announcement of succession of CEO (Nov. 03)

**Daiei**
- Consolidated profitability improved dramatically by closing down unprofitable stores and withdrawing from unprofitable business.
  - In spite of decreased sales due to sluggish consumption, the company achieved the plan to increase ordinary profit. (Aug.03)
- Rehabilitating ‘Fukuoka’ project in accordance with the Guideline for Multi-Creditor Out-of-Court Workouts

**Tomen**
- Became an affiliated company of Toyota Tsusho Corporation (Sept.03)
- Achieved its plan in each items such as sales, ordinary profit and net profit. (Sept.03 consolidated)
  - As a result of cost-cutting and improved cash flow from financial activities.

**Daikyo**
- Achieved its plan in each items such as sales, ordinary profit and net profit. (Sept.03 consolidated)
  - Concentrating resources to condo development business
    - Revenue of property sales division +12% (year-on-year)

**Towa Real Estate Development**
- Both sales revenue and ordinary profit exceeded the plan. (Sept.03 consolidated)
  - Concentrating resources to its core business, condo development business.

**Aplus**
- Achieved its plan in each items such as sales, ordinary profit and net profit. (Sept.03 consolidated)
  - Card business and consumer finance business performed well.

**(Reference) Nissho Iwai - Nichimen**
- Raised Yen 273.2 bil. of equity capital (May 03)
- Both sales revenue and ordinary profit exceeded the plan. (Sept.03 consolidated)
- Yen 1,696.1 bil. of net interest-bearing debt in Sept.03.
  (Yen 391.5 bil. decrease from Apr.03)
UFJ Holdings Financial Results for Interim Period ended Sept. 2003

UFJ Strategic Partner

Made a good start to eliminate problem loans within three years
- App. 60% of annual reduction plan was achieved in the first half of FY03

Problem loans under administration
(Including those under advisory contract with UFJ Bank)

Profit & Loss

<table>
<thead>
<tr>
<th>(Yen bil.)</th>
<th>1st half of FY03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business profit</td>
<td>1.2</td>
</tr>
<tr>
<td>Credit related expenses</td>
<td>(28.2)</td>
</tr>
<tr>
<td>Net interim profit</td>
<td>(26.9)</td>
</tr>
</tbody>
</table>

Expected credit related expenses for FY03: Yen 60 bil.
Equity Portfolio

Unrealized gain on stock drastically increased (+ Yen 339.2 bil. in Sept.03)
- Stockholdings met regulatory requirement via sales and Tier I increase
  - Stockholdings increased in the 1st half: +Yen 267.7 bil. (2 subsidiary banks & UFJEI)
    (Breakdown: Yen bil.)
      Sold: -422.8 (Including Yen 75.8 bil. reduction from establishment of retirement benefit trust)
      Newly acquired: +195.5
    Increase in market value: +526.1
    Revaluation losses: -7.5
  - Plans to sell stocks of Yen 800 bil. in FY03 (No change)

Unrealized gain/loss (Available-for-sale securities)
(Yen tril.)

Market value (UFJHD consolidated)

Amount to be counted for Tier I Regulation
Yen 2.6 tril. (Sept.03)

(Unrealized gain/loss)
(2 subsidiary banks + UFJEI)

Please refer to P33-35 of Data Book for details
Bond Portfolio  
(Combined for subsidiary banks)  
(Banking account)

Balance increased to Yen 17.5 tril. (3.0 tril. increase from Mar. 03)
- Total balance of mid to long term JGB and foreign bond returned to the level of Sept. 02
  ■ Realizing profit when interest rate declined early in this term  
    (Gains on bonds Yen 112.6 bil. in the 1st half of FY03)
  ■ Unrealized loss incurred due to the rise in long-term interest (- Yen 125.4 bil. in Sept. 03)

JGB Duration (Banking account)

<table>
<thead>
<tr>
<th>(Year)</th>
<th>Sept. 02</th>
<th>Mar. 03</th>
<th>Sept. 03</th>
<th>Balance Sept.03 (Yen tril.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UFJ Bank</td>
<td>3.75</td>
<td>3.38</td>
<td>2.74</td>
<td>12.2</td>
</tr>
<tr>
<td>UFJ Trust</td>
<td>4.59</td>
<td>4.90</td>
<td>4.93</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Unrealized gain/loss

<table>
<thead>
<tr>
<th></th>
<th>Sept. 02</th>
<th>Mar. 03</th>
<th>Sept. 03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrealized gain</td>
<td>150.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized loss</td>
<td>67.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized loss</td>
<td>125.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sensitivity (BPV) (UFJ Bank + UFJ Trust)

<table>
<thead>
<tr>
<th>(Yen bil.)</th>
<th>Sept. 02</th>
<th>Mar. 03</th>
<th>Sept. 03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Bond</td>
<td>(5.35)</td>
<td>(4.32)</td>
<td>(4.74)</td>
</tr>
<tr>
<td>Foreign Bond</td>
<td>(0.71)</td>
<td>(0.58)</td>
<td>(0.64)</td>
</tr>
</tbody>
</table>
Each business line exceeded target for 1st half of FY03

Good performance in non-interest income business and bond investment

<table>
<thead>
<tr>
<th>Gross Operating Profit</th>
<th>Sept. 03</th>
<th>Sept. 02</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>UFJ Bank</td>
<td>636.7</td>
<td>594.9</td>
<td>41.8</td>
</tr>
<tr>
<td>Retail Banking</td>
<td>137.4</td>
<td>137.8</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Corporate Banking</td>
<td>252.1</td>
<td>222.1</td>
<td>30.0</td>
</tr>
<tr>
<td>Global Banking and Trading</td>
<td>90.2</td>
<td>85.8</td>
<td>4.4</td>
</tr>
<tr>
<td>Others</td>
<td>156.9</td>
<td>149.0</td>
<td>7.9</td>
</tr>
<tr>
<td>Corporate Advisory Dept.</td>
<td>54.9</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Bond Investment</td>
<td>129.8</td>
<td>107.4</td>
<td>22.3</td>
</tr>
<tr>
<td>UFJ Trust Bank</td>
<td>79.4</td>
<td>86.9</td>
<td>(7.5)</td>
</tr>
<tr>
<td>Combined</td>
<td>716.2</td>
<td>681.8</td>
<td>34.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gross Operating Profit (Combined)</th>
<th>Sept. 02</th>
<th>Mar. 03</th>
<th>Sept. 03</th>
<th>Mar. 04</th>
</tr>
</thead>
<tbody>
<tr>
<td>681.8</td>
<td>689.5</td>
<td>716.2</td>
<td>617.1</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Sept. 02</th>
<th>Mar. 03</th>
<th>Sept. 03</th>
<th>Mar. 04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined</td>
<td>285.2</td>
<td>303.4</td>
<td>(18.1)</td>
<td>289.4</td>
</tr>
</tbody>
</table>

Business Profit ("gyomu jun-eki")

<table>
<thead>
<tr>
<th>UFJ Bank</th>
<th>390.9</th>
<th>333.1</th>
<th>57.8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Banking</td>
<td>29.9</td>
<td>18.7</td>
<td>11.2</td>
</tr>
<tr>
<td>Corporate Banking</td>
<td>151.5</td>
<td>109.4</td>
<td>42.0</td>
</tr>
<tr>
<td>Global Banking and Trading</td>
<td>65.2</td>
<td>54.9</td>
<td>10.2</td>
</tr>
<tr>
<td>Others</td>
<td>144.2</td>
<td>149.9</td>
<td>(5.6)</td>
</tr>
<tr>
<td>UFJ Trust Bank</td>
<td>40.0</td>
<td>45.3</td>
<td>(5.3)</td>
</tr>
<tr>
<td>Combined</td>
<td>431.0</td>
<td>378.4</td>
<td>52.5</td>
</tr>
</tbody>
</table>

UFJ Holdings Financial Results for Interim Period ended Sept. 2003

Please refer to P37-57 of Data Book for details
UFJ Bank : Lending Business

Loan outstanding decreased, yield declined, due to weak demands and severe competitions

Loan outstanding : Yen 37.2 tril.
(Yen 2.6 tril. decrease from Mar. 03)

<Main Factors>
- Securitization of normal loans - Yen 0.3 tril.
- Final disposal of problem loans - Yen 0.4 tril.
- Decrease in overseas loans - Yen 0.2 tril.
- Others (weak loan demands, etc.) - Yen 1.6 tril.
  * Amount of Privately placed bonds held + Yen 0.4 tril.

Loan yield : 1.74%
(5bp decrease from Mar. 03)

<Main Factors>
- Loans with high fixed rate matured
- Change in portfolio mix had little effect
- Overall spread (margin) improved
  > Improvement on problem loans compensated the poor progress on normal loans

* Amount of Privately placed bonds held + Yen 0.4 tril.
UFJ Bank : Lending Business

Steady increase in housing loans and bottoming in SME loans

<Retail Banking>

■ Housing Loans
- Yen 777 bil. of new extension in housing loan and Yen 6.7 tril. of loan balance as of Sept. 03, Yen 0.37 tril. Increase from Mar. 03
- Continuous reinforcement of relationship with housing contractors utilizing housing loan offices (131 offices as of Sept. 03)
- Planning to increase loan asset through purchase of housing loans

<Corporate Banking>

■ Loan balance
- Decreased both in SME and large-scale corp.: Balance to SME slightly increased in aggregation with privately-placed bond and CLOs
- Promoting new loans to small sized corp. UFJ Business Loan (bal.) : Yen 31.7 bil.
- Taking various measures to maintain loan balances

■ Loan spread
- Stagnant improvement due to tough competition:
  Difficult to improve only by negotiation with customers
- Improving through reinforcement of more profitable lending

Please refer to P40-41, 44 of Data Book for details
UFJ Bank: Non-interest Income

Big increase in non-interest income especially in corp. banking sector
- More than offset the shortfall in profit of corporate lending business
  - Corporate Banking: Yen 109.4 bil. (+ Yen 39.2 bil. from Sept. 02)
    - SME: Yen 66.3 bil. (+ Yen 26.8 bil. from Sept. 02)
    - Utilizing know-how acquired through transactions with large firms, financial products and services catered to SME by scaling down
  - Retail Banking: Yen 30.6 bil. (+ Yen 3.3 bil. From Sept. 02)
    - Increasing profit through reinforcement of sales system of investment trust, deposit in foreign currency, and variable annuity
    - Utilizing ATM network to secure profits (cashing fee, etc.)

Please refer to P42, 45 of Data Book for details
UFJ Bank : Trading & Investment

Exceeded profit target on bonds for FY03 in the 1st half by capturing the decline in interest rates

- Shifting main purpose of holding bonds to secure coupon income

- Profits on Yen denominated Bonds
  Posted Yen 101.4 bil. in the 1st half of FY03, against Yen 80.0 bil. of original plan for FY03
  Forecast Yen 4.3 bil. for 2nd half of FY03

- Interest Income : Yen 28.4 bil. in the 1st half of FY03
  Forecast Yen 28.7 bil. for 2nd half of FY03, same level as the 1st half

* No target set on the average balance of domestic bond for the flexible operation according to the market situation

Please refer to P49 of Data Book for details
UFJ Trust Bank

Steady increase of profit in trust business, mainly in real estate business and private client service

- Enjoying fruit from utilizing branch network and customer base of UFJ Bank
  - Profit from trust business: Yen 36.8 bil. (+Yen 1.2 bil. from 1st half of FY02)
  - Excluding effect of transfer of entrusted asset to the Master Trust Bank of Japan (Yen 2.7 bil.), 11% increase from 1st half of FY02

- Expanding synergy effect with UFJ Bank
  - Reinforced cooperation with UFJ Bank through trust agency and joint branches
    One third of testamentary trust came from customers from UFJ Bank
  - Synergy effect: Yen 4.0 bil. (+55% from 1st half of FY02)

Please refer to P50-51, 67-68 of Data Book for details
**Direction of Retail Business** (UFJ Bank)

**Increasing profitability on consolidated basis**

-- Turning mass-retail segment into black ink through improvement in Gross Operating Profit

- In pursuit of high level of convenience for expansion of customer base
- Started new project “UFJ24” (including 24 hour operation of ATMs, etc.)
- Revision of product “ALL ONE”
- Improving profitability per customer by promoting cross-selling
- Maximizing profit on group basis including UFJ Card
- Further business promotion by leveraging on the improved convenience of products and network
- Fully utilizing own network as a source of profit
  - Making good use of ATM and ACM network as sales channel
  - Opening up ATMs open for third party use (cashing business of credit card or consumer credit companies)
- Opening pilot stores aiming for high convenience and cost reduction together

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**Comparison of number of transactions before-and-after the introduction of “UFJ24” on 24 Sept. 03**

**Profitability by Sub-Unit**

(Yen bil.)

- Gross Operating Profit
- Expense

**Rate of Successful Cross-Selling at Account Openings**

- UFJ Direct contracted
- Card loan applied
- UFJ Card contracted

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**ATM Related Fee**

- Other ATM Related Fee
- Cashing Fee

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Please refer to P58-62 of Data Book for details.
Direction of SME Business  (UFJ Bank)

Focusing on highly profitable SME market where UFJ has solid customer base
--- Promoting further diversification in financing products and strengthening of non-interest revenue

![Graphs and charts showing financial metrics for UFJ Holdings Financial Results for Interim Period ended Sept. 2003.](Image)

Please refer to P63-66 of Data Book for details
Strengthening Equity Capital (UFJ Holdings, consolidated)

BIS Capital Ratio improved to 11.36% (+1.40% from Mar. 03)
Equity capital would be strengthened through the accumulation of retained earnings

Increase in total capital
- BIS capital ratio: 11.36% (+1.40% from Mar. 03), Tier 1 ratio: 6.24% (+0.71% from Mar. 03)
  - Posted net income (consolidated): Yen 179.8 bil.
  - Improvement in the value of securities portfolio (+Yen 226.5 bil. from - Yen 22.4 bil. as of Mar. 03)
  - Issuance of sub-debt
    Yen 80 bil. in domestic market in Jun. 03 and $1.25 bil. overseas in Jul. 03
  - Risk-weighted assets shrunk to Yen 45.0 tril. due to decrease in loans and unwinding of cross shareholdings, etc. (- Yen 1.2 tril. from Mar. 03)

Strengthening shareholders’ equity
- Made steady progress in reducing risks for the group (market risk, risks of large troubled borrowers, etc.): The risk of the impairment of equity capital has been greatly reduced
- Accumulate retained earnings and collect deferred tax assets by generating sufficient earnings: Capital base would be strengthened and quality of the capital would be improved
- Strategic capital policy to improve shareholder’s value

Forecast of BIS Capital Ratio (Mar. 04)
Approx. 11%
Yen 1,430.3 bil. of deferred tax assets (net) (- Yen 40.9 bil. From Mar. 03)
- Estimated Yen 5,061.3 bil. of business profit before net transfer to general reserve over next five years

- Verified collectability of deferred tax assets to comply with the JICPA Auditing Committee Report No.66 and JICPA President’s Official Notice Concerning Bank Audits with careful regard to the future uncertainty
- Estimated taxable income based on more conservative assumptions than those of the Plan to Revitalize Management
- Deferred tax assets (net) : UFJ Bank Yen 1,215.8 bil., UFJ Trust Yen 214.5 bil.
- Valuation allowance : UFJ Bank Yen 392.5 bil., UFJ Trust Yen 56.3 bil.

<table>
<thead>
<tr>
<th>Year</th>
<th>Deferred Tax Assets (Net)</th>
<th>Taxable Income before Adjustments</th>
<th>Forecast of Future Taxable Income (next five years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar. 03</td>
<td>1.47 (tril.)</td>
<td>3,557.1</td>
<td>UFJ Bank: 4,448.5</td>
</tr>
<tr>
<td>Sept. 03</td>
<td>1.43</td>
<td></td>
<td>UFJ Trust: 612.8</td>
</tr>
<tr>
<td>Mar. 04</td>
<td>1.51</td>
<td></td>
<td>Business Profit before Net Transfer to General Reserve</td>
</tr>
<tr>
<td>Mar. 05</td>
<td>1.48</td>
<td></td>
<td>Income before Income Taxes</td>
</tr>
<tr>
<td>Mar. 06</td>
<td>1.17</td>
<td></td>
<td>Adjustment for Taxable Income</td>
</tr>
<tr>
<td>Mar. 07</td>
<td>0.77</td>
<td></td>
<td>Taxable Income before Adjustments</td>
</tr>
</tbody>
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(*) Figures after Mar. 04 are on the Plan to Revitalize Management