KOKUSAI Securities, Tokyo-Mitsubishi Securities, Tokyo-Mitsubishi Personal Securities, Issei Securities
Finalize Merger Agreement

Tokyo, April 8, 2002 KOKUSAI Securities Co., Ltd. (“KOKUSAI”), Tokyo-Mitsubishi Securities Co., Ltd. (“TMS”), Tokyo-Mitsubishi Personal Securities Co., Ltd. (“TMP”), and Issei Securities Co., Ltd. (“ISSEI”) announced that following approval from the boards of directors of each company today, the four securities companies have concluded a merger agreement. The merger is subject to approval from shareholders and relevant governmental authorities.

Details of the merger agreement are as follows.

1. Outline of the merger

(1) Method of merger
KOKUSAI will be the surviving legal entity, with the TMS, TMP, and ISSEI entities being dissolved.

(2) Merger ratio

<table>
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<tr>
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<th>KOKUSAI</th>
<th>TMS</th>
<th>TMP</th>
<th>ISSEI</th>
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<tbody>
<tr>
<td>Merger ratio</td>
<td>1</td>
<td>100</td>
<td>0.25</td>
<td>0.72</td>
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</tbody>
</table>

- 100 ordinary shares of KOKUSAI will be allocated for each ordinary share of TMS.
- 0.25 ordinary shares of KOKUSAI will be allocated for each ordinary share of TMP.
  (New shares will not be allocated for the 7,043 thousand shares of TMP held by TMS.)
- 0.72 ordinary shares of KOKUSAI will be allocated for each ordinary share of ISSEI.
Notes:

i) Basis of merger ratio calculation

The merger ratio was decided by consultation among the four merging companies. These discussions took into account results calculated by ChuoAoyama Audit Corporation mainly using the modified book value net assets method, with additional considerations given to the average market share prices method and the fundamental profitability method.

ii) New shares to be issued upon completion of the merger

196,905,226 ordinary shares

Following the merger, The Bank of Tokyo-Mitsubishi, Ltd., will hold an equity stake of 52.31% in the new securities company. The new company will operate as a subsidiary of The Bank of Tokyo-Mitsubishi, Ltd.

(3) Merger subsidies

No merger subsidies will be provided.

2. Outline of the post-merger company

(1) Name of the new company
Mitsubishi Shoken Kabushiki Kaisha
(English name: Mitsubishi Securities Co., Ltd.)

(2) Main business
Securities

(3) Head office
5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan

(4) Executive officers
Chairman—Masamichi Yamada
President—Nobuo Nakazawa
Deputy President—Juntaro Fujii
Deputy President—Koichi Kane
Deputy President—Kenichi Masuda

(5) Capital
¥65,254 million (no capital increase will be made upon completion of the merger)

(6) Total assets
¥3,822,069 million (total assets of the four merging companies as of September 30, 2001)

(7) Fiscal year end
March 31

(8) Total number of shares issued
472,092,843 shares

(9) Business forecasts post-merger
In the interests of timely disclosure, the new company will issue quarterly results reports but will not announce performance forecasts. It will aim to pay a dividend in its first fiscal year.

The amount of capital and the total number of shares issued will increase if the conversion rights of convertible bonds issued by KOKUSAI are exercised.
On February 1, 2002, it was announced that Hidehiko Haru, previously Executive Vice President of The Tokyo Electric Power Company, Incorporated would be a candidate for director appointed from outside the MTFG Group. Mr Haru has since been named an Appointed Member of the Bank of Japan’s policy board, and has consequently had to withdraw his candidacy for director of the new securities company.

—Ends—
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Group Manager, Planning and General Affairs Group  
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**Note**
An outline of the merging companies is attached.
For reference: Outline of merging companies  
(As at September 30, 2001)

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<tr>
<td>(1) Company name</td>
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<tr>
<td>(2) Type of business</td>
<td>Securities company</td>
<td>Securities company</td>
<td>Securities company</td>
<td>Securities company</td>
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<tr>
<td>(3) Date founded</td>
<td>March 4, 1948</td>
<td>October 19, 1994</td>
<td>October 1, 1926</td>
<td>March 28, 1945</td>
</tr>
<tr>
<td>(4) Head office</td>
<td>Chuo-ku, Tokyo</td>
<td>Chiyoda-ku, Tokyo</td>
<td>Chuo-ku, Tokyo</td>
<td>Chuo-ku, Tokyo</td>
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<tr>
<td>(5) Representative director</td>
<td>Nobuo Nakazawa</td>
<td>Juntaro Fujii</td>
<td>Iwao Nakagawa</td>
<td>Kuniyasu Yamada</td>
</tr>
<tr>
<td>(6) Capital (Paid-in capital)</td>
<td>¥65,254 million</td>
<td>¥85,000 million</td>
<td>¥11,778 million</td>
<td>¥2,120 million</td>
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<td>(7) Shares outstanding</td>
<td>275,187 thousand</td>
<td>1,700 thousand</td>
<td>81,256 thousand</td>
<td>11,599 thousand</td>
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<td>(8) Shareholders’ equity</td>
<td>¥255,703 million</td>
<td>¥164,206 million</td>
<td>¥17,917 million</td>
<td>¥9,666 million</td>
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<td>(9) Total assets</td>
<td>¥1,241,219 million</td>
<td>¥2,530,535 million</td>
<td>¥35,875 million</td>
<td>¥14,440 million</td>
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<td>(10) Assets under custody</td>
<td>¥6,956.8 billion</td>
<td>¥2,322.1 billion</td>
<td>¥724.0 billion</td>
<td>¥80.3 billion</td>
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<td>(11) Fiscal year end</td>
<td>March 31</td>
<td>March 31</td>
<td>March 31</td>
<td>March 31</td>
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<td>(12) Number of employees</td>
<td>3,872</td>
<td>497</td>
<td>452</td>
<td>123</td>
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<td>(13) Domestic branches</td>
<td>73</td>
<td>1</td>
<td>19</td>
<td>5</td>
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<tr>
<td>(14) Major shareholders</td>
<td>The Bank of Tokyo-Mitsubishi, Ltd. (32.63%); TOYOTA MOTOR Corp. (10.12%); Nippon Life Insurance, Co. (3.07%); The Daiwa Bank, Ltd. (2.90%); Sumitomo Mitsui Banking Corp. (2.16%)</td>
<td>The Bank of Tokyo-Mitsubishi, Ltd. (90.71%); The Mitsubishi Trust and Banking Corp. (9.29%)</td>
<td>BOT Lease, Co., Ltd. (14.33%); The Bank of Tokyo-Mitsubishi, Ltd. (12.86%); Tokyo-Mitsubishi Securities (8.67%); Chitose Kosan, Co., Ltd. (4.59%); Marunouchi Yorozu Corp. (4.59%)</td>
<td>Ryoshin Credit Service (14.31%); Ryoshin Realty (8.34%); The Mitsubishi Trust and Banking Corp. (5.06%); ACOM (4.51%); Nikko Cordial Corporation (4.10%)</td>
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For reference: Historical business results

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<td>Period ended:</td>
<td>3/00 3/01 9/01 (interim)</td>
<td>3/00 3/01 9/01 (interim)</td>
<td>3/00 3/01 9/01 (interim)</td>
<td>3/00 3/01 9/01 (interim)</td>
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<tr>
<td>Operating income</td>
<td>126,037 83,632 23,217</td>
<td>21,269 23,655 9,294</td>
<td>12,693 9,464 3,548</td>
<td>6.067 3.094 1.046</td>
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<td>Operating profit (loss)</td>
<td>50,503 9,339 (14,199)</td>
<td>6,607 340 938</td>
<td>3,088 148 (443)</td>
<td>3.213 530 (82)</td>
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<tr>
<td>Current profit (loss)</td>
<td>15,568 3,739 (10,137)</td>
<td>3,768 69 277</td>
<td>720 644 (1.064)</td>
<td>2.134 518 (126)</td>
</tr>
<tr>
<td>Earnings (loss) per share*</td>
<td>57.81 13.58 (36.83)</td>
<td>2,216 41 163</td>
<td>9.61 8.11 (13.10)</td>
<td>181.85 44.15 (10.86)</td>
</tr>
<tr>
<td>Dividends per share*</td>
<td>11.0 20.0†</td>
<td>- - -</td>
<td>5.0 2.5 -</td>
<td>16.0†† 10.0 -</td>
</tr>
<tr>
<td>PBR*</td>
<td>981.56 988.12 929.19</td>
<td>96,388 96,429 96,592</td>
<td>226.50 239.73 220.51</td>
<td>818.47 852.76 830.92</td>
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† Includes an additional ¥9 dividend allocated to celebrate KOKUSAI's 20th anniversary.
†† Includes an additional ¥6 dividend.