
Mitsubishi Tokyo Financial Group, Inc.
UFJ Holdings, Inc.

Nomura Asia Equity Forum 2005



July 2005

This document contains forward-looking statements in regard to forecasts, targets and plans of Mitsubishi Tokyo Financial Group, Inc. ("MTFG"), UFJ Holdings, Inc. ("UFJ") and their respective group companies (collectively, the "new group"). These forward-looking statements are based on information currently available to the new group and are stated here on the basis of the outlook at the time that this document was produced. In addition, in producing these statements certain assumptions (premises) have been utilized. These statements and assumptions (premises) are subjective and may prove to be incorrect and may not be realized in the future. Underlying such circumstances are a large number of risks and uncertainties. Please see the latest disclosure and other public filings made by MTFG, UFJ and the other companies comprising the new group, including Japanese securities reports, annual reports, for additional information regarding such risks and uncertainties.

In addition, information on companies and other entities outside the new group that is recorded in this document has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by the new group and cannot be guaranteed.

The financial information used in this document was prepared in accordance with accounting standards generally accepted in Japan, or Japanese GAAP.

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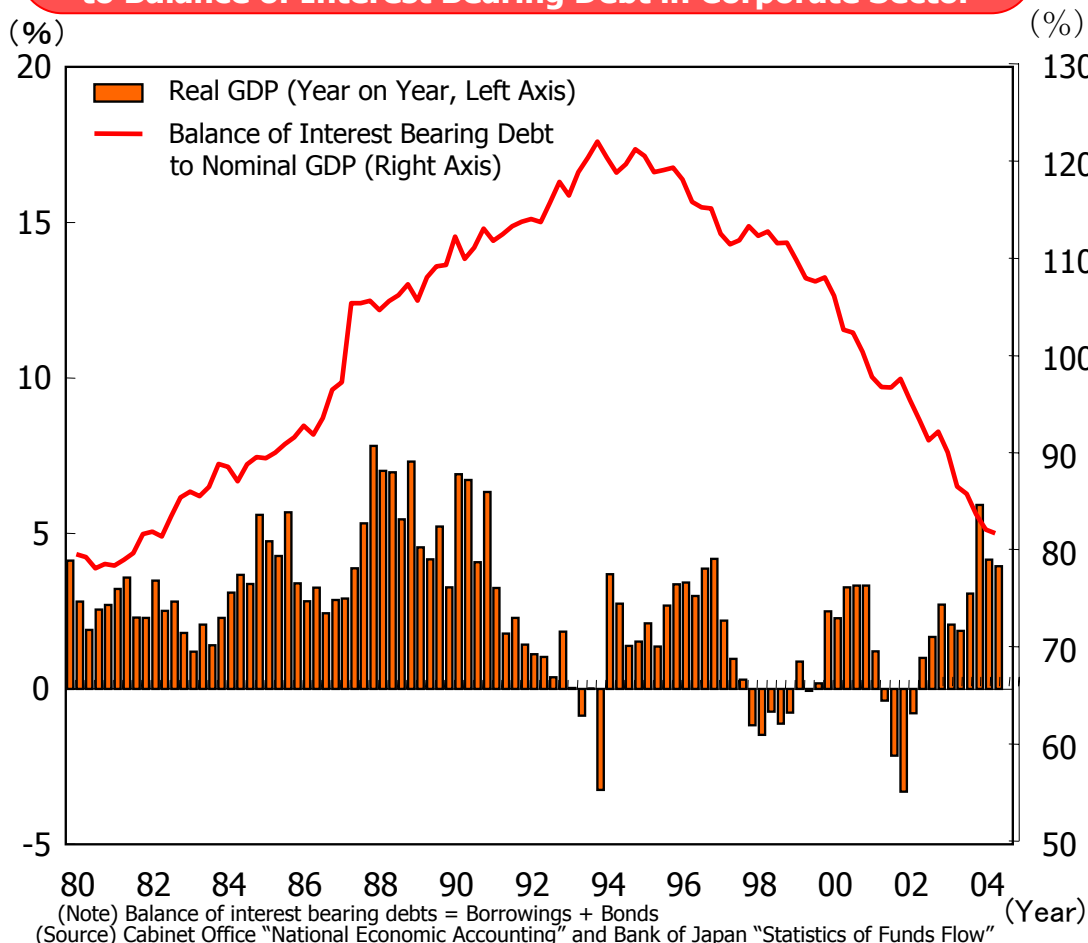
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Change in Japan's Financial Environment

- Resolve the excess borrowing problem with its level down to pre-bubble condition
- With "Japanese big bang" as a turning point, business chance has been expanded as deregulation proceeds

Trends in Nominal GDP Rate to Balance of Interest Bearing Debt in Corporate Sector



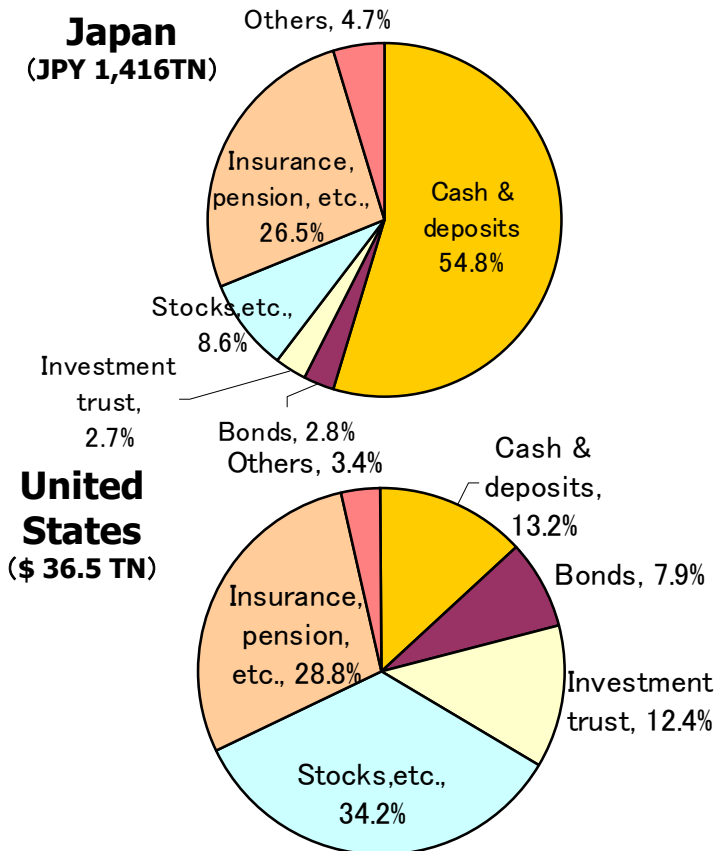
History of Financial Deregulation

- 1994** ● Full deregulation of interest rates for ordinary deposits
- 1996** ● Removal of ban on mutual participation in life insurance and casualty insurance
Financial Big Bang (Nov.1996~)
- 1998** ● Revision of Foreign Exchange Law
 ● Deregulation of Foreign Trade and Investment
 ● Sales of trusts at banks permitted
 ● Financial holding companies permitted
- 1999** ● Restraints on subsidiaries engaging in different types of business removed
- 2001** ● Partial lift of ban on sales of insurance products by banks
- 2004** ● Lift of ban on capital market intermediary business and securities brokerage business

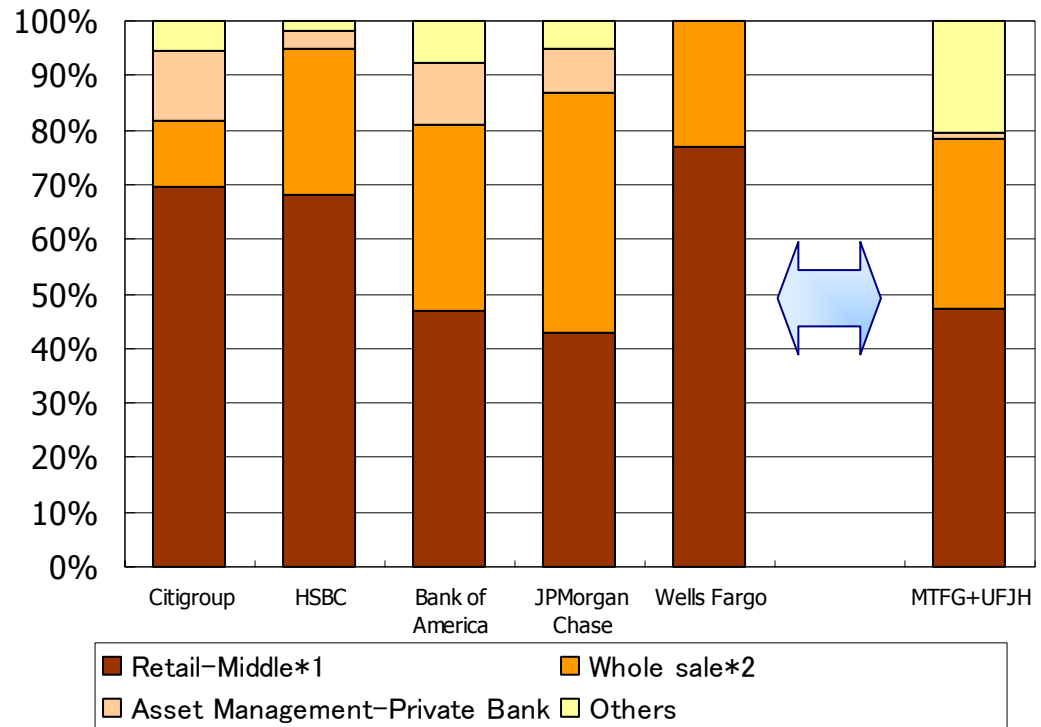
Focus of the New Management Strategy

- A majority of personal finance assets are cash and deposits in Japan. Japanese customers will most likely shift more assets to investment products.
- Major foreign banks focus on retail/middle business segment

Comparison of Personal Finance Assets in Japan and US (end of Mar. 2005)



Business portfolio of major foreign banks and MTFG/UFJ



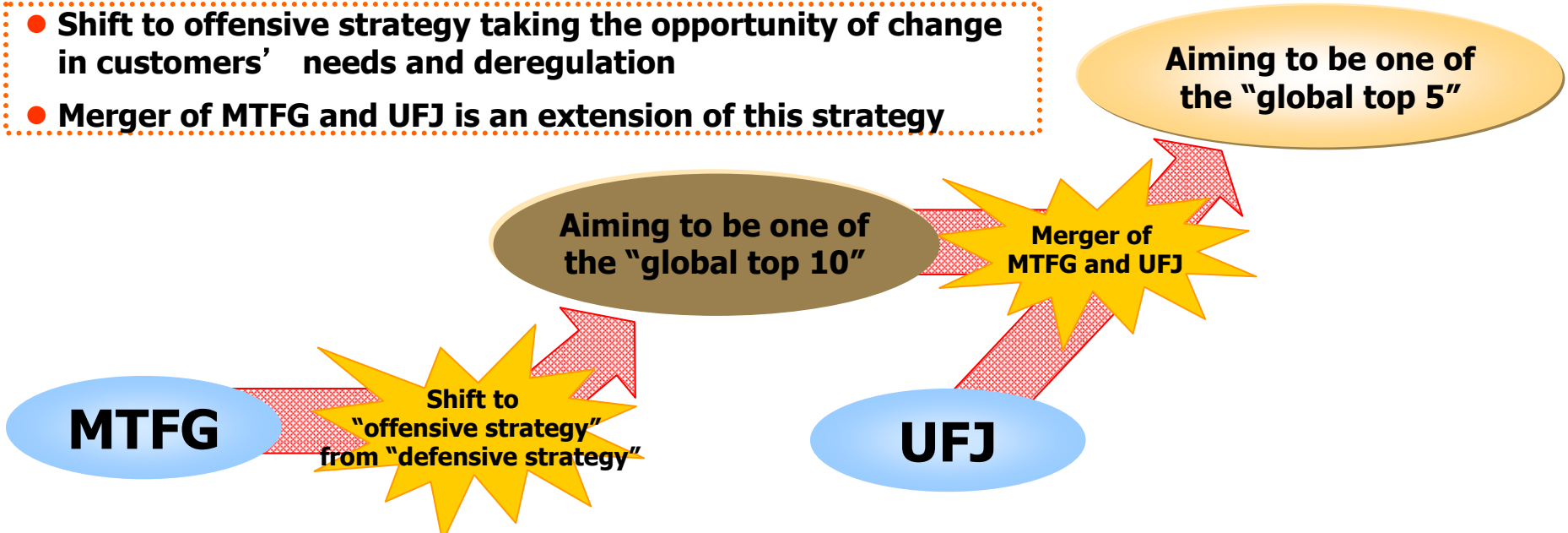
*1 Total pretax income including retail business, card business and loans to SMEs
 *2 Total pretax income including loans to big corporates, investment bank (including brokerage firm profit) and treasury profit

(Quote) Data on major banks as above are pretax income of Dec FY04 quoting from each companies' IR materials
 Calculate the ratio using net operating profit of MTFG and UFJH

Source: Bank of Japan Research & Statistics Bureau
 Comparison of flow of funds in Japan and US in 1Q of 2005

Shift to " Group Consolidated Management"

- Shift to offensive strategy taking the opportunity of change in customers' needs and deregulation
- Merger of MTFG and UFJ is an extension of this strategy



Shift to offensive strategy

- Recovering from asset quality problem and stockholdings
- Solid capital/financial base
- Full line of banking/trust banking/securities
- Global network

Changes in customers' needs

- Shift from deposit to investment
- Increasing needs for inheritance services
- Shift to direct finance
- Acceleration of globalization including expansion of SMEs' global businesses

Deregulation

- Gradual removal of hedges separating banking, trust services and securities
- Restructuring of postal savings and postal life insurance
- Review functions of public financial institutions
- Expansion of market for indirect financing based on market principles

Objectives of the Integration

● **Creation of Premier Financial Group with Global Footprint**

Balanced Business Mix

- Large Corporations/SMEs/Retail
- Bank/Trust Bank/Securities/Card/Leasing.
- Tokyo/Chubu/Kansai, Domestic/Overseas

Strength across Business Lines

- Leading across Business Lines
 - Retail Deposits and Loans.
 - Corporate Customer Base, Corporate Loans.
 - Investment Trust, Pension Trust.

Advantage of Scale and Financial Base

- Total Assets: JPY 195Tn (End 9/2004 Combined base)
- Strong Financial Base
- Market Value: JPY 10Tn (End 12/2004 Combined base)

Our Aspiration to join the "Global Top 5"

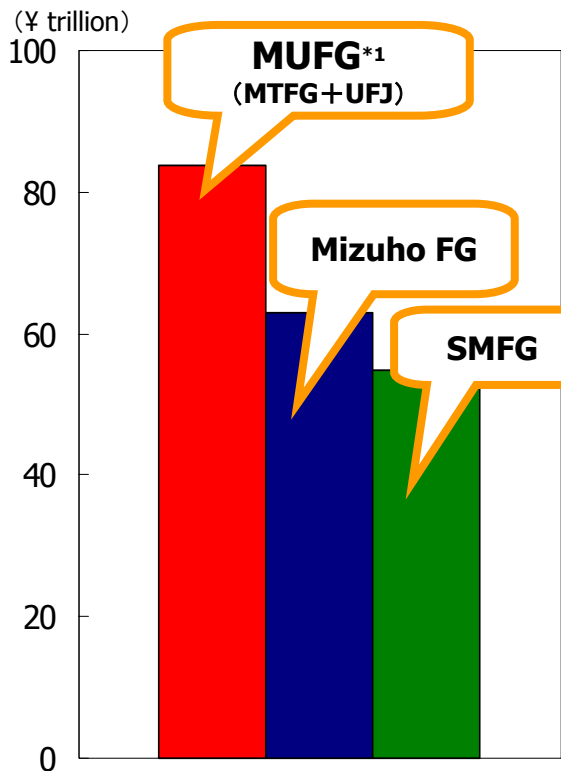
Enhance Shareholder Value

Combined figures (1) Deposits & Loans

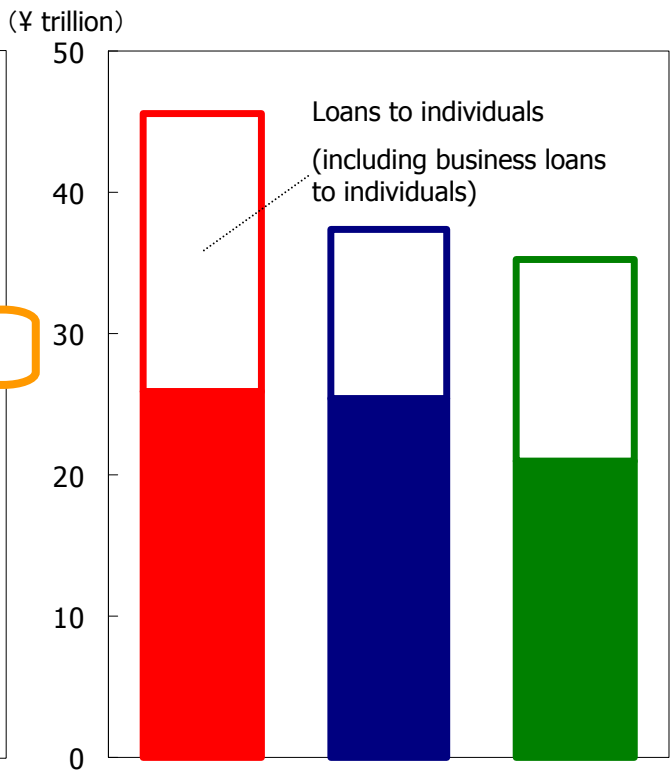
● An industry-leading customer base in loans & deposits

(The following data is as of Mar31, 2005)

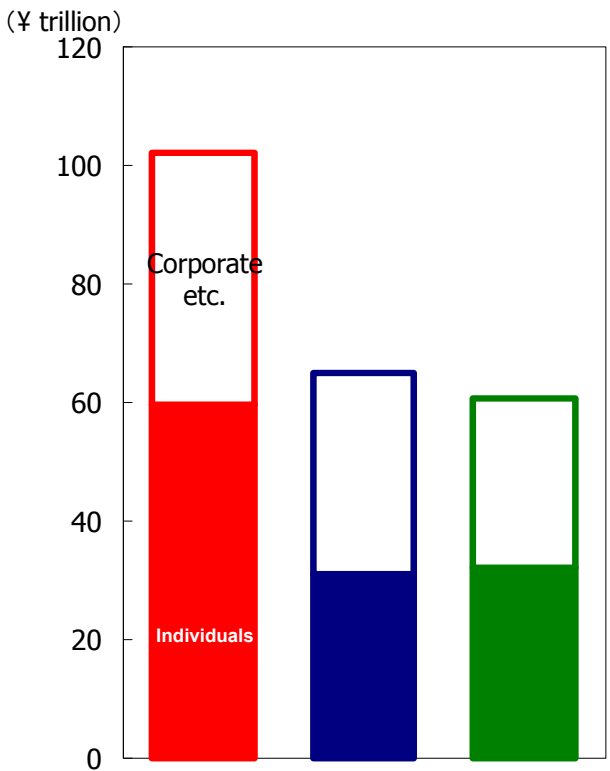
Lending balance (Consolidated)



Lending balance to SMEs and Individuals*2



Deposit balance*3 (Domestic)



*1 Simple sum of MTFG and UFJ figures

*2 Sum of banking and trust accounts. MTFG figures: BTM + MTB; UFJ figures: UFJ Bank+ UFJ Trust and certain subsidiary companies. Mizuho figures: Mizuho Bank + Mizuho Corporate Bank + Mizuho Trust+Specialist revitalization subsidiaries. SMFG figures: SMBC non-consolidated.

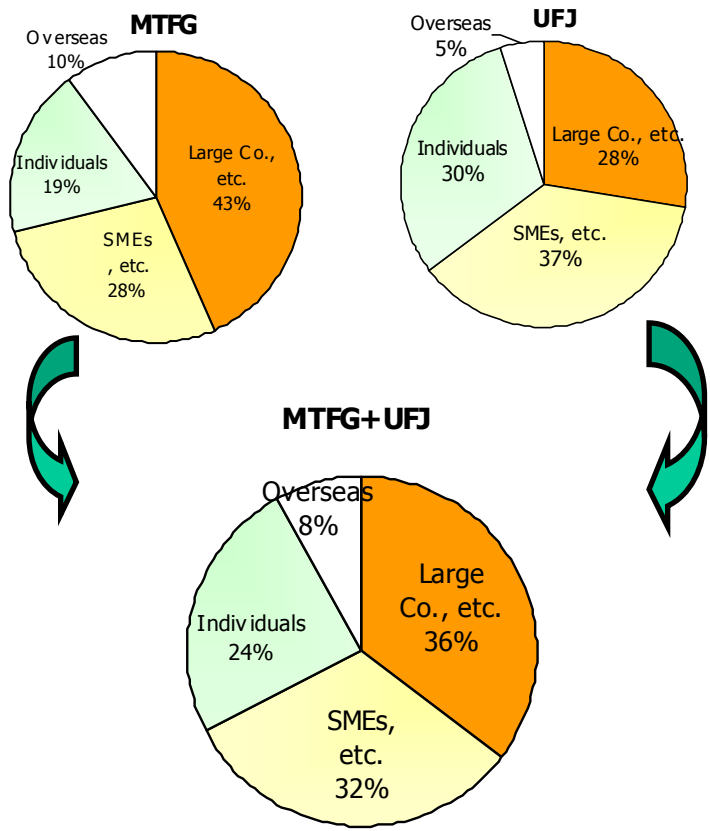
*3 All data is non-consolidated base. MUFG: BTM+MTB+UFJ Bank + UFJ Trust; Mizuho: Mizuho Bank + Mizuho Corporate Bank +Mizuho Trust; SMFG:SMBC.

Source: Each company's financial statements

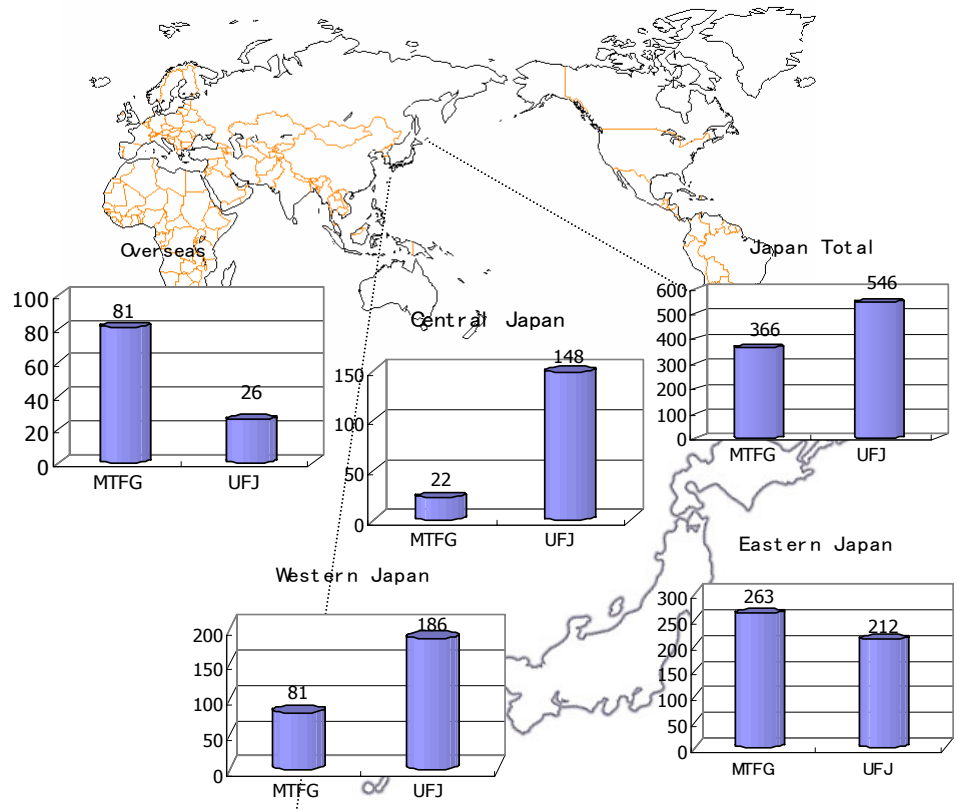
Combined figures (2) Business Base

- Strong customer base that includes mass retail, high net worth individuals and SME to large companies in domestic and overseas market
- Well balanced network in Japan and Japan's preeminent global network

Loan Portfolio (As of End-March 2005)



Number of Offices in Japan and Abroad (As of End-September 2004)



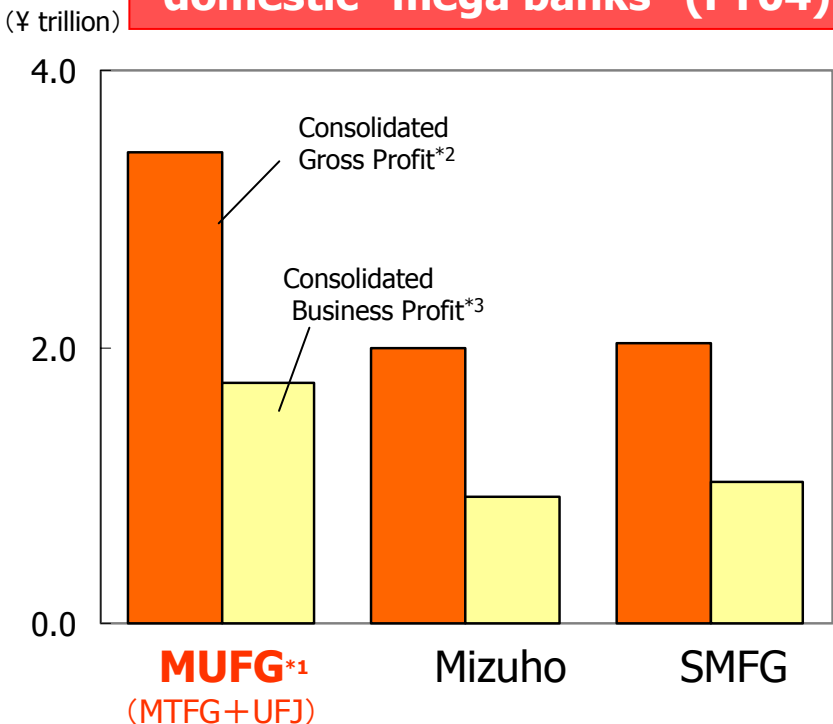
Notes: 1. Figures are those for BTM and MTBC on a simple combined basis (the sum of banking and trust accounts).
 2. Figures are those for UFJ Bank and UFJ Trust Bank on a simple combined basis (the sum of banking and trust accounts).

Figures for MTFG are those for BTM, MTBC and Mitsubishi Securities. Figures for UFJ are those for UFJ Bank, UFJ Trust Bank and UFJ-Tsubasa Securities.

Combined figures (3) Profits

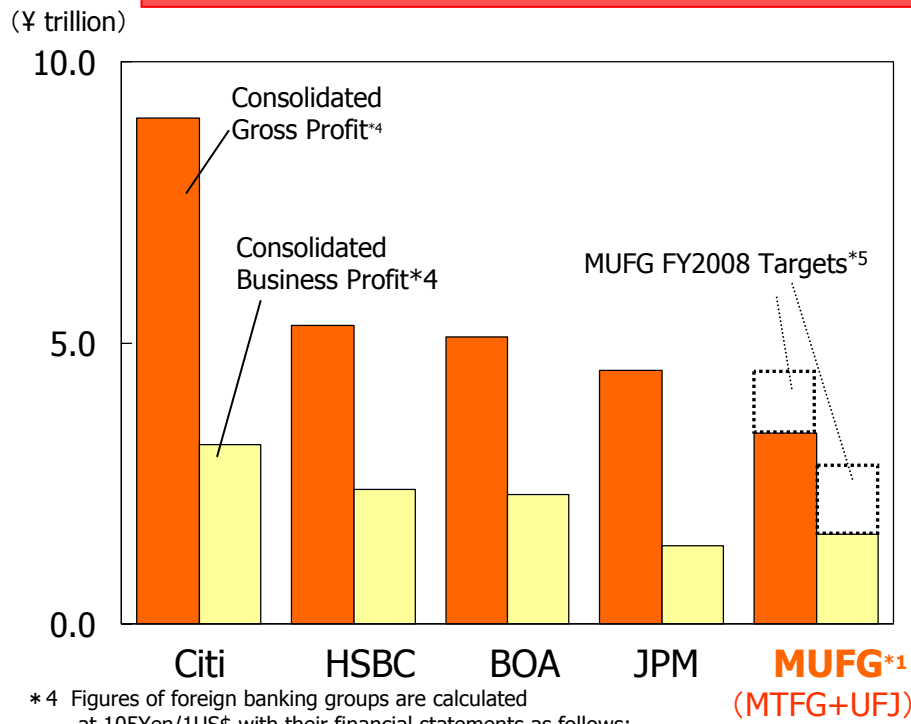
● The new group's profit far exceeds that of other Japanese banking groups

Profitability comparison with domestic "mega banks" (FY04)



*1 Simple sum of MTFG and UFJ's results
 *2 Before Credit costs for trust accounts
 *3 MUFG: Before Provisions and Credit costs for trust accounts.
 The source of the other groups' data is their financial statements.

Profitability comparison with major global banking groups (FY04)



*4 Figures of foreign banking groups are calculated at 105Yen/1US\$ with their financial statements as follows:
 Consolidated gross profit : Total revenue (income)-Interest expenses
 Consolidated business profit before provisions : Consolidated gross profit - Policyholder benefits and claims-Operating expenses excluding integration costs, litigation reserve charge and goodwill amortization
 *5 Targeting figures of MUFG for FY08 are before consolidation adjustments basis

Summary of the Management Integration

Company Name

Mitsubishi UFJ Financial Group, Inc



Effective Date

2005/10/1 (Sat)

Merger Ratio

MTFG : UFJ = 1 : 0.62

MUFG

Listing

Tokyo/Osaka/Nagoya/New York/London

Management

Mitsubishi UFJ Financial Group

Chairman: Ryosuke Tamakoshi

Deputy Chairman: Haruya Uehara

President: Nobuo Kuroyanagi

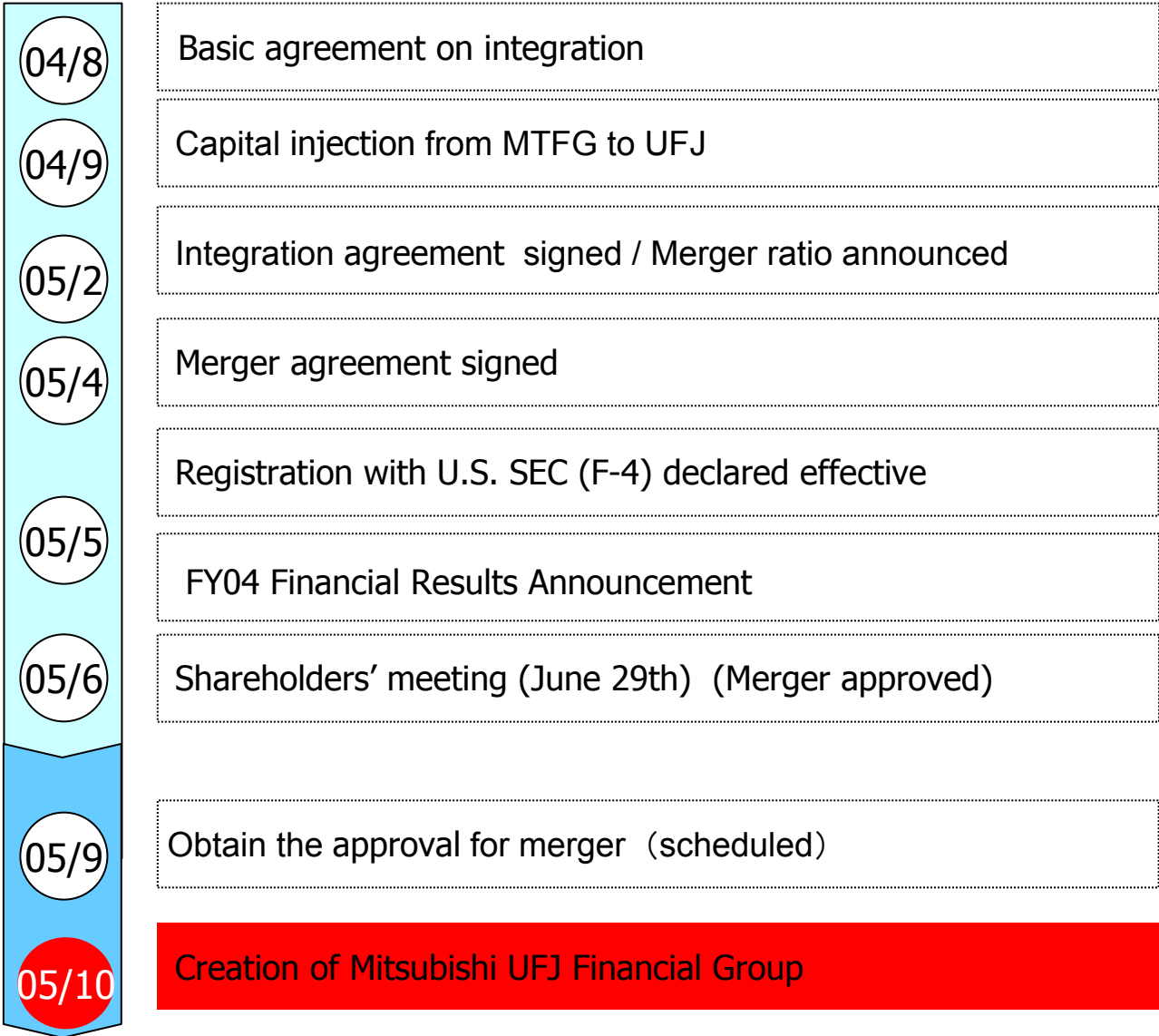
The Bank of
Tokyo-Mitsubishi UFJ, Ltd.

Mitsubishi UFJ Trust and
Banking Corporation

Mitsubishi UFJ Securities
Co.,Ltd.

Progress of Integration

***Merger
preparations
on track***



FY04 Combined financial results and FY08 targets

(¥ Billion)

	FY04 Targets*1 announced in February	FY04 Results*1	FY08 Targets
Consolidated net operating profit	Approx. 1,600	Approx. 1,710	Approx. 2,500
Consolidated expenses	50%~55% Range	Approx. 50%	40%~45% Range
Consolidated net profit	-410	-216	Approx. 1,100
Consolidated ROE	Approx.-9%	-4.8%	Approx. 17%

*1 Combined base of both groups' publicly announced financial results and estimates

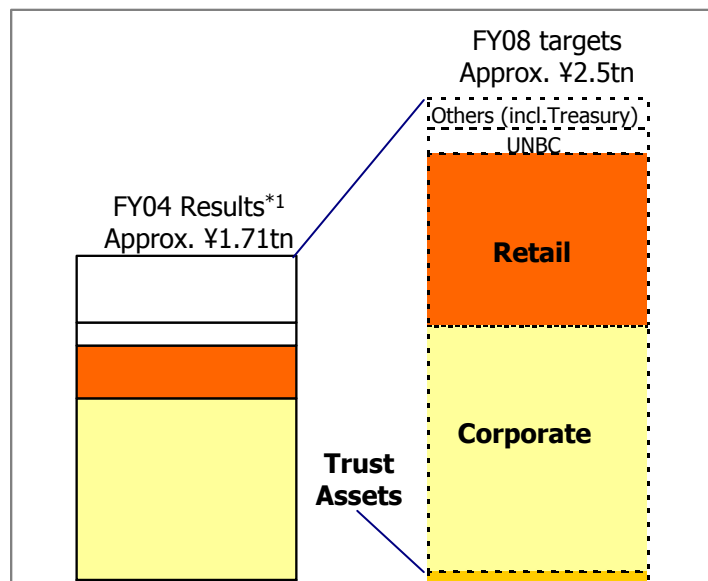
【Assumed Macro Projections】

	FY2005	FY2006	FY2007	FY2008
3MTibor (average for period)	0.13%	0.29%	0.41%	0.46%
10yr JGB yield (average for period)	1.81%	2.22%	2.29%	2.29%
JPY for 1 USD (end of period)	¥105	¥105	¥105	¥105
Real GDP growth rate (annual rate)	1.1%	1.9%	1.0%	1.8%

New group's profit targets

- Target consolidated net operating profit of approx. ¥2.5 trillion for FY 2008, Integration synergies target approx. ¥220 billion.
- Target of approx. 4-5% annual average organic growth from existing businesses, excluding positive impact of higher interest rate

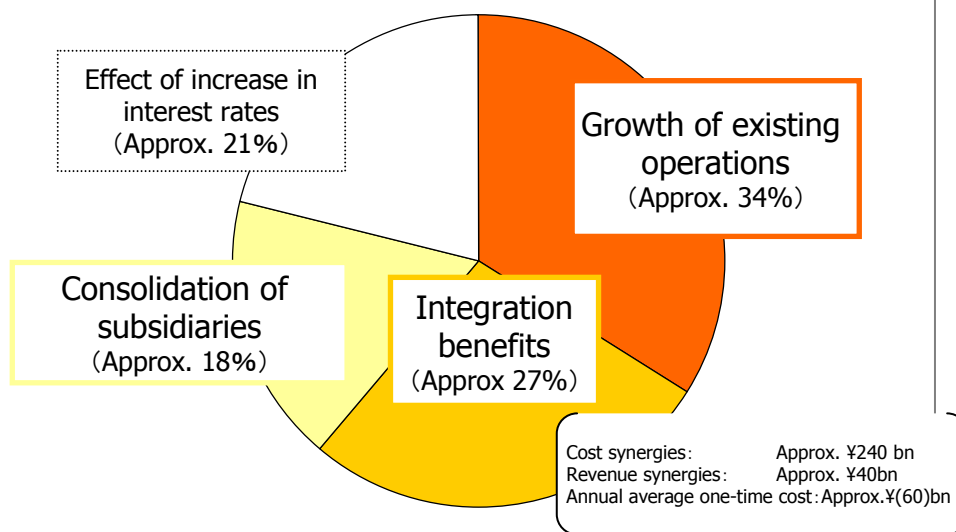
Consolidated net operating profit target



Core N. OP/Total ratio:	72%	85~90%
Expense ratio:	50%	40-45%
Consolidated ROE:	—	Approx. 17%

*1 Based on simple sum of the two groups' figures.

Breakdown of increased amount in consolidated net operating profit for FY08 compared to FY04 (image) *2



*2 Please refer to the page10 for the assumption of macro-economic scenario

Earning drivers of each business segment

Retail

- **Sale of investment products** : Strengthen sales force and expand product line-ups
- **Consumer finance** : Promote sales of “comprehensive card”
Cooperate with subsidiaries & affiliates
- **Housing Loan** : Strengthen marketing and product development capability
→ Aim to grow origination by Yen 600 bn by FY08
- **Consolidation of Nippon Shinpan** : Consolidate a leading credit card company

Corporate

- **Loan to SMEs** : Expand distribution channels and product line-ups, promote alliances
- **Investment banking** : Strategically allocate resources to growing business areas
- **Securities** : Leverage group customer base to strengthen M&A and underwriting, etc.
- **Real Estate** : Close cooperation among the bank, the trust and the security firm to promote securitization
- **Overseas** : Leverage outstanding overseas network to serve group-wide customers

Trust Assets

- **Corporate pension** : Strengthen sales capability of active investment products
- **Investment trusts** : Leverage competitive edge of merged investment trust company
- **Custody** : Maintain and leverage dominant market share

Conclusion

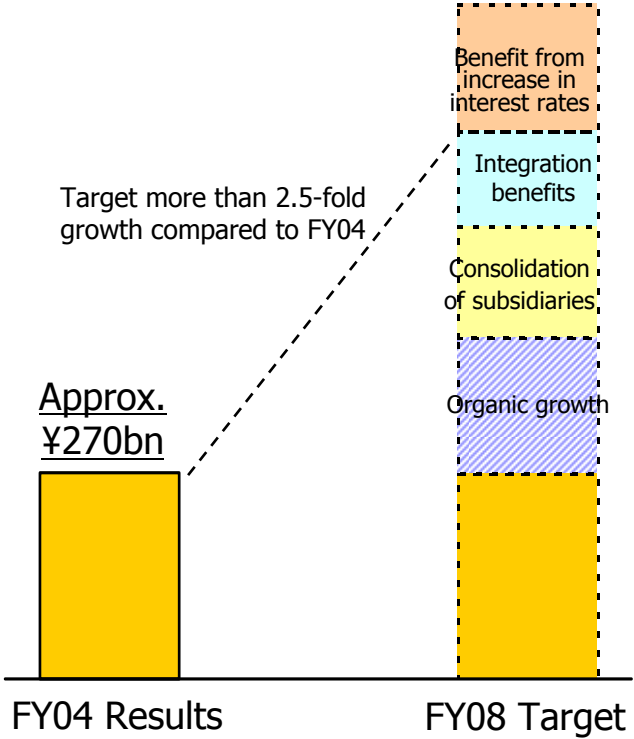
- **Complete integration as scheduled**
- **Generate integration synergy as expected**
- **Execute growth strategy to become one of the “Global Top 5”**

Appendix

New group's profit targets - Retail

- Aim to grow net operating profit more than 2.5-fold in FY08 compared to FY04, excluding benefit from interest rate increase
- Key drivers: Consumer finance, investment product sales and cost synergy

Retail – Net operating profit targets (image)



(simple sum of two groups' figures)

- ### Main integration benefits
- **Consumer finance**
 - Expand sales of "comprehensive cards", fully use wide variety of strong subsidiaries & affiliates
 - **Investment product sales**
 - Enhance sales skills through SPR (Sales Process Reengineering), strategic allocation of staff, mutually supply products
 - **Housing loans**
 - Share strengths in marketing to housing sales agents, product development, and sales skills
 - **Cost synergies**
 - Systems integration, branch integration/closure, more efficient use of human resources, etc.

- ### Business strategy
- **Consumer finance**
 - Promote sales of "comprehensive card" with credit card feature issued by bank
 - Strengthen Group card business with UFJ Nicos and DC Card as main entities
 - Improve product line-up including alliance products with ACOM and Mobit
 - **Investment product sales**
 - Actively utilize strategic alliances, increase customer relationship staff by approx.1,000
 - Aim to increase investment product sales by around 80% (FY04 sales of equity investment trust and annuity insurance: approx. ¥2.1 trn)
 - **Housing loans**
 - Strengthen marketing capability to housing sales agents and employees of corporate clients; product development; open local housing loan offices
 - Aim to grow origination by approx. ¥600 billion compared to FY 04 results (FY04 origination: approx. ¥3.2 trn)

Consumer Finance Strategies

- Fully leverage Group's expertise and customer base to expand profits based on the three key pillars of Bank-issued *Comprehensive Cards*, credit card companies (UFJ Nicos and DC), and new type card loans.

Comprehensive Cards (bank issued)

- In Oct 2004, Bank-issued "Super IC card Tokyo-Mitsubishi VISA" was introduced carrying IC banking card, credit card and e-money functions
- Significantly improved security of cash card transactions with world first functions of palm vein biometric recognition using IC card
- Bring the revolving/cashing interest rate down to 9-15% taking advantage of the lower funding cost. (Typical cashing interest rate in the market is around 25%)
- Aiming at flexible offering of credit limits utilizing transaction information with banks and credit assessment expertise of Acom as well as improvement towards user-friendly repayment system using the infrastructure of bank, such as ATM
- Aim to have issued approx. 5 million cards by FY 2008.

Credit Cards

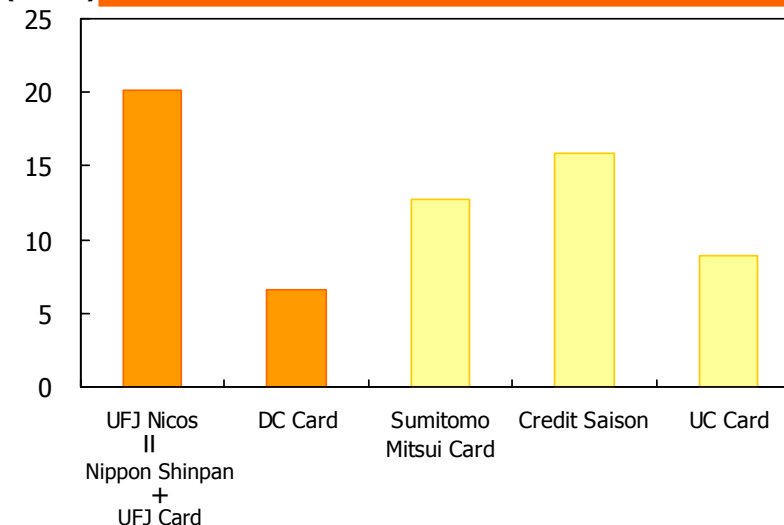
- Integration of UFJ Card and Nippon Shinpan into UFJ Nicos planned in October 2005
- UFJ Nicos targeting to raise new client capture rate by expanding the cards issued by business partners (Aim to increase numbers of member by 6% a year and increase balance of revolving credit/cash advances by 4% a year)
- Plan to combine UFJ Nicos and DC card establishing one of the biggest credit card groups in Japan

New Card Loans

- Plan to introduce new type of card loans utilizing ACOM's expertise

Cards issued by each company*1

(Fiscal 2003 results)



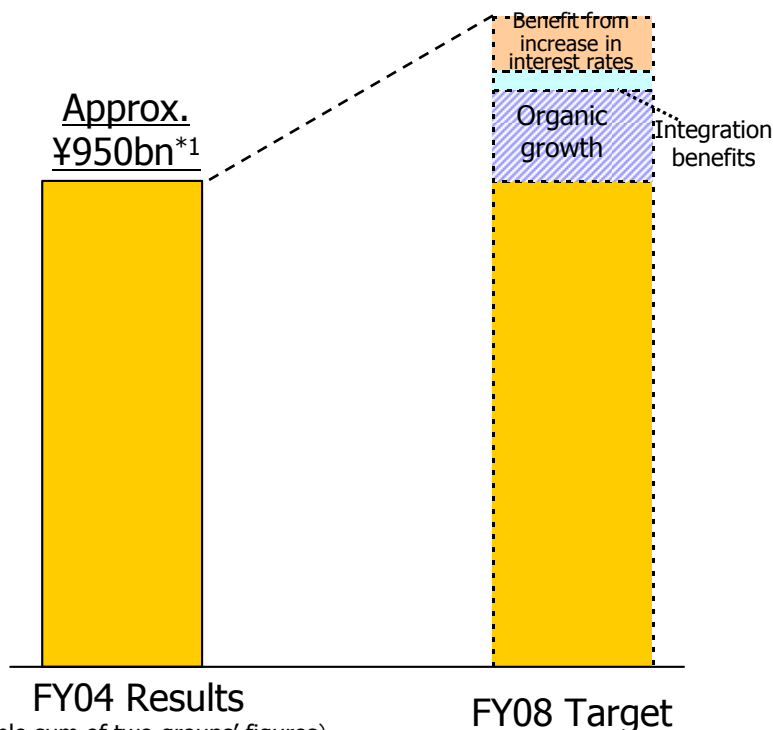
*1 UFJ Nicos figures on a simple sum basis.
(Data: *Gekkan Shohisha Shinyou*, September 2004 issue)

New group's profit targets - Corporate

- Aim to grow net operating profit by 30-40% (FY08 compared to FY04)
- Key drivers: Lending to SMEs, investment banking, settlement business and overseas business

Corporate – Net operating profit targets (image)

Target 30-40% increase compared to FY04



(simple sum of two groups' figures)

*1 Exceeded the forecast of approx. ¥920bn announced in February, 2005 by approx. 30bn.

Main integration benefits

- **Settlement business**
 - Promote UFJ's domestic settlement services and MTFG's overseas services to the combined franchise
- **Overseas business**
 - Leverage MTFG's overseas network to group-wide customers
- **Cost synergies**
 - Integrate overlapping offices, reduce staff, eliminate business overlaps
- **Share adjustments (negative factors)**
 - Lending, corporate bond underwriting, etc.

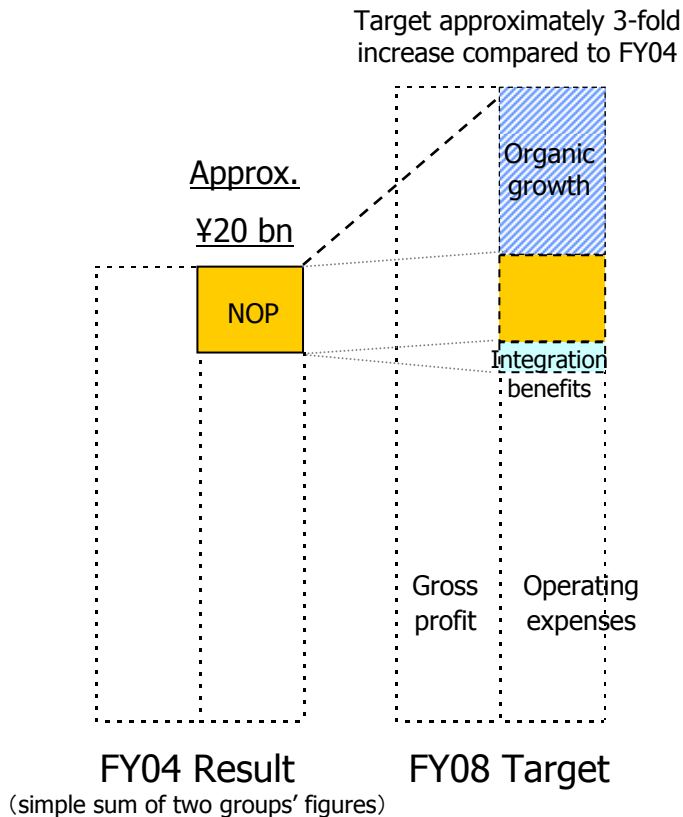
Business strategy

- **SME business: significant increase in direct customer contact**
 - Strengthen distribution channels (establish small branch offices and specialist SME department)
 - Strengthen alliances (TKC, Daido Life, etc.)
 - Enhance product line-up (full-scale launch of BIZWAY)
- **Settlement business**
 - Launch products integrated with lending, IT and investment banking functions
- **Investment banking**
 - Strengthen securities intermediation business, syndicated loans, securitization, derivatives, etc.
- **Real estate business**
 - Implement business strategy suitable for each customer segment, and promote securitization through cooperation among banking, trust and securities
- **Securities business**
 - Leverage Group customer base to strengthen M&A and underwriting, etc.

New group's profit targets – Trust assets

- Aim to grow net operating profit three fold (FY08 compared to FY04)
- Key drivers: Provide full-line service as Japan's leading trust company and efficiency enhancement resulting from major increase in scale

Trust Assets – Net operating profit targets (image)



Main integration benefits

- **Complementary products and enhanced products development capability**
 - Further strengthen product line-up, particularly in active products
- **Cost reductions**
 - Enhanced efficiency and reduced staffing levels by systems integration and consolidation
- **Share adjustments (negative factors)**
 - Share adjustment in duplicated trust clients

Business strategy

- **Pensions business**
 - Strengthen sales capability of active investment products, increase the share of products with higher fees
- **Investment trusts management and administration**
 - Leverage competitive advantages such as distribution channels and internal resources of new investment trust company; strengthen sales support capability
 - Grow equity investment trust assets
- **Custody/Asset administration**
 - Enhance seamless domestic and overseas operation
 - Enhance product capability and efficiency of Master Trust Bank of Japan

Strong Capital Base

- MTFG has JPY 1.82 Tn in retained earnings with no Gov't fund
- Ability to accelerate repayment of JPY 1.4 Tn Gov't funds, taking advantages of new group's anticipated high profitability

Capital Base (As of 03/2005)

	MTFG	UFJ	(JPY Tn) MUFG (Combined)
Tier1	4.28	2.31	*1 5.90
Gov't Funds	0.00	1.40	1.40
Retained Earnings	1.82	▲ 1.32	*2 1.82
Tier2	3.25	2.27	5.52
Deduction Items	▲ 0.91	▲ 0.07	*1 ▲ 0.29
RWA	56.27	43.40	99.67
BIS Ratio (%)	11.76	10.39	11.17
Tier1 Ratio (%)	7.61	5.32	5.91

(Reference) Tier1 (ex. Gov't Funds)

	MTFG	UFJ	(JPY Tn) MUFG (Combined)
Tier1	4.28	0.91	*1 4.50 ... (A)
Tier1 Ratio (%)	7.61	2.10	4.51

*1 Excludes MTFG's JPY700 Bn investment in UFJ Bank's Preferred Stock from Tier 1 and deduction items

*2 Uses the retained earnings of MTFG as the surviving entity

(Reference)	(JPY Tn)	
Assumed Tier1 Ratio (ex Gov't Funds)	Equivalent Theoretical Tier1 amount (ex Gov't Funds)	(B)-(A)
5%	(B) 4.98	0.48
6%		5.98

Note : based on the RWA at Mar.05

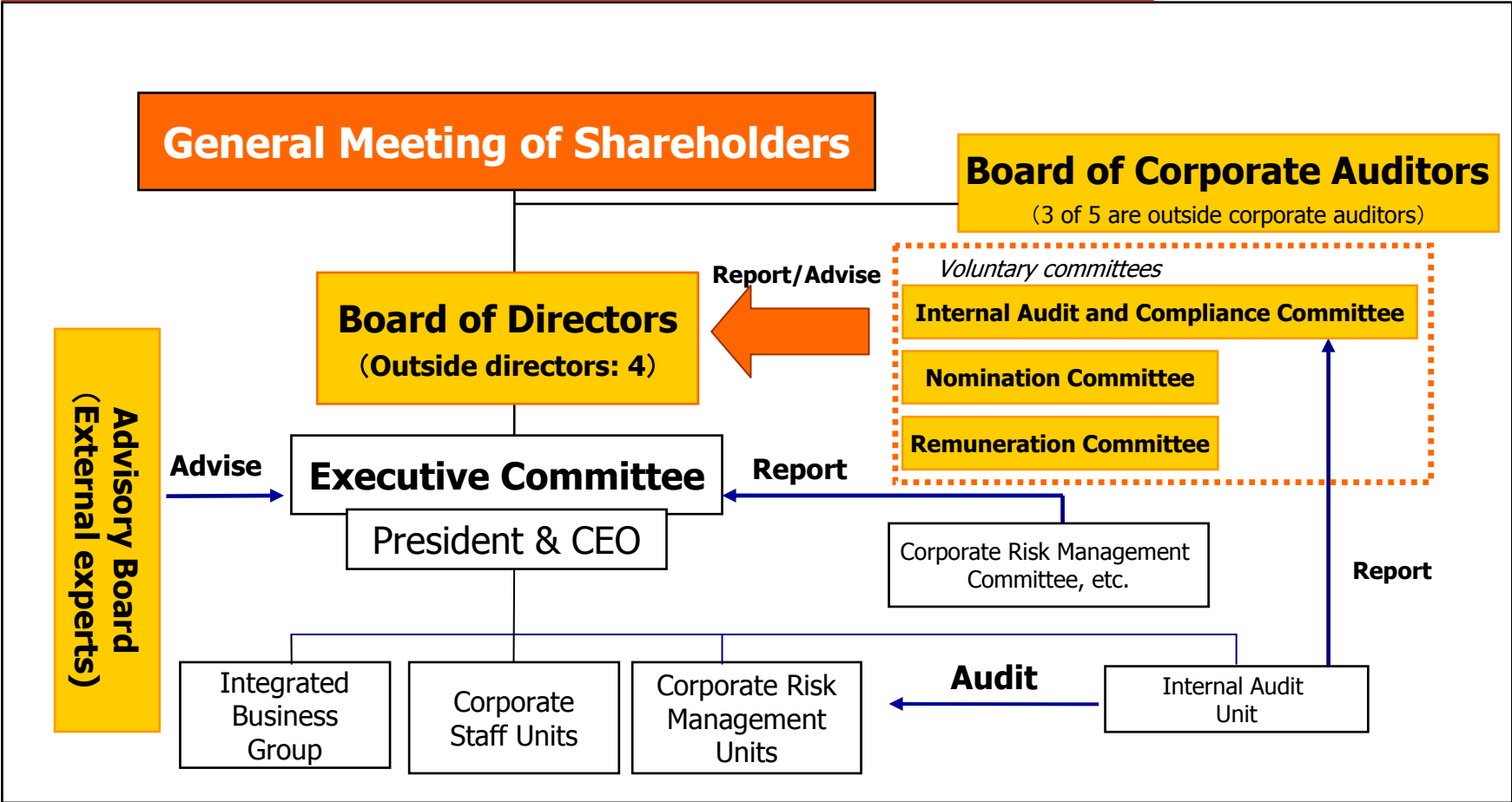
(Reference)	(JPY Tn)			
	FY05	FY06 (IBES)	FY07 (IBES)	FY08
Net Income Projection	0.54	0.74	0.91	1.10

Note:

1. FY05 and FY08 : company projection
2. FY06 and FY07 : IBES average projections for MUFG figures (excluding stand alone projections for either MTFG or UFJ)

New group's corporate governance structure

New holding company's corporate governance structure



• • • include external members

Combined figures

- Figures are simple sums of MTFG and UFJH figures for FY03 and FY04
(Simple aggregate figures even when adjustment is necessary due to differences in accounting treatment)

<Consolidated financial results>

(¥bn)

	Sum of Consolidated HD	FY03	FY04	Change
1	Gross profits	3,371.8	3,398.9	27.0
2	Gross profits before trust accounts charge-offs	3,398.8	3,414.1	15.2
3	General and administrative expenses	1,753.4	1,725.9	(27.5)
4	Consolidated net business profits before credit costs for trust accounts and provision for formula allowance for loan	1,645.3	1,688.2	42.8
5	Provision for formula allowance for loan losses	280.0	0.0	(280.0)
6	Net business profits	1,338.3	1,673.0	334.6
7	Net non-recurring losses	(1,157.6)	(1,576.5)	(418.9)
8	Credit related costs of Bank A/C	(1,291.2)	(1,277.1)	14.1
9	Net losses on equity securities	242.5	(177.0)	(419.6)
10	Ordinary profit (loss)	180.7	96.4	(84.2)
11	Net special gains (losses)	367.4	324.4	(42.9)
12	Income(loss) before income taxes and others	548.1	420.9	(127.2)
13	Income taxes-current	60.0	87.1	27.1
14	Income taxes-deferred	267.5	489.0	221.5
15	Minority interest	62.4	60.7	(1.7)
16	Net income (loss)	158.0	(216.1)	(374.1)

<Major B/S accounts (Bank A/C)>

(¥bn)

	Sum of Consolidated HD	End of FY03	End of FY04	Change
17	Loans and bills discounted	89,052.7	83,801.0	(5,251.6)
18	Domestic offices	78,983.6	73,680.7	(5,302.8)
19	Loans to both small/medium-size companies and individual clients	47,148.3	45,271.1	(1,877.1)
20	Total domestic consumer loans	19,067.7	19,502.1	434.3
21	Housing loans	17,375.0	18,005.5	630.4
22	Overseas offices	6,457.7	6,575.6	117.8
23	Investment securities	50,355.5	50,594.1	238.6
24	Domestic equity securities (sum of the 4 banks)	6,755.4	7,166.9	411.5
25	JGB (sum of the 4 banks)	28,318.3	28,648.5	330.1
	Sum of Consolidated HD	End of FY03	End of FY04	Change
26	Deposits	119,073.3	118,274.4	(798.8)
27	Domestic deposits (sum of the 4 banks)	103,140.9	102,268.4	(872.4)
28	Individuals	60,156.7	59,807.6	(349.0)
29	Corporations and others	42,984.2	42,460.8	(523.3)
30	Total shareholders' equity	5,960.3	5,957.9	(2.4)

<Loans and deposits>

(¥bn)

	Sum of the 4 banks (Non-consolidated)	End of FY03	End of FY04	Change
31	Average balance of loans (sum of the 4 banks)	83,817.0	82,834.0	(982.9)
32	Average balance of deposits (sum of the 4 banks)	109,878.1	111,469.1	1,591.0

<Disclosed claims under the FRL>

(¥bn)

	Sum of the 4 banks (Non-consolidated)	End of FY03	End of FY04	Change
33	Disclosed claims under the FRL	5,368.4	3,008.0	(2,360.3)
34	Claims to bankrupt and substantially bankrupt	444.8	279.1	(165.7)
35	Claims under high risk	2,024.9	1,407.2	(617.6)
36	Claims under close observation	2,898.6	1,321.6	(1,576.9)
37	Total claims	94,719.2	90,285.7	(4,433.5)
38	NPL ratio	5.66%	3.33%	(2.33points)

<BIS capital ratio>

	Sum of Consolidated HD	End of FY03	End of FY04	Change
39	BIS capital ratio	11.24%	11.17%	(0.07points)
40	Tier I ratio*	6.02%	5.91%	(0.10points)

*Cash injection of 700bn from MTFG into UFJ bank has been adjusted for end of FY04.

<Business base by segment>

(¥bn, No.)

	End of FY03	End of FY04	Change	
41	Housing loans (execution amount)	3,214.6	3,018.2	(196.4)
42	Foreign currency deposits of individuals (outstanding)	1,481.6	1,430.4	(51.2)
43	Individual pension insurance sales (accumulated total)	614.9	1,513.9	899.0
44	Equity mutual funds sales (outstanding)	2,403.5	3,234.1	830.6
45	Testamentary trust with execution (number)	14,049	15,436	1,387
46	Syndication arrangement in Japan (Number)	676	1,025	349
47	Real estate fees and commissions	36.5	54.5	18.0
48	Trade handling (Amount)**	370.1	458.3	88.2
49	FX customs clearing (Share)	42.0%	44.1%	2.1 points
50	Pension trusts (outstanding)***	12,600.9	11,570.0	(1,030.9)
51	Independently operated designated money trusts (outstanding)	10,964.6	11,926.7	962.1
52	Specified money trusts (outstanding)	5,963.6	6,629.2	665.6
53	Investment trusts (amount under administration)	22,109.4	23,877.2	1,767.8

**Unit of volume of trade handling is US\$bn

***Welfare pension fund and defined benefit pension fund in market value, others in book value