MITSUBISHI TOKYO FINANCIAL GROUP INC
Form F-4
March 04, 2005

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As filed with the Securities and Exchange Commission on March 4, 2005

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form F-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

KABUSHIKI KAISHA MITSUBISHI TOKYO FINANCIAL GROUP

(Exact name of Registrant as specified in its charter)

MITSUBISHI TOKYO FINANCIAL GROUP, INC.

(Translation of Registrant s name into English)

Japan	**6029**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(IRS Employer Identification No.)**

4-1, Marunouchi 2-chome

Chiyoda-ku, Tokyo 100-6326

Japan

+81-3-3240-8111

(Address, including zip code, and telephone number, including area code, of Registrant s principal executive offices)

Attention: Robert E. Hand, Esq.

General Counsel and Director of Public Affairs, Legal and Compliance Office for the Americas

The Bank of Tokyo-Mitsubishi, Ltd., Headquarters for the Americas

1251 Avenue of the Americas

New York, New York 10020-1104

+1-212-782-4000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Mark S. Bergman, Esq.

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Fukoku Seimei Building, 2nd Floor

2-2 Uchisaiwaicho 2-chome

Chiyoda-ku, Tokyo 100-0011, Japan

+81-3-3597-8101

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common stock, no par value(1)	350,000 shares(2)	US$ 8,784(3)	US$ 3,074,496,169(2)(3)	US$ 361,868(2)(3)
Class 8 preferred shares, no par value	1,008 shares(2)	US$ 9,505(4)	US$ 9,580,838(2)(4)	US$ 1,128(2)(4)

(1) American depositary receipts evidencing American depositary shares issuable upon deposit of the shares of common stock registered under this registration statement are registered under a separate registration statement on Form F-6 (Registration No. 333-13338).

(2) Represents the maximum number of shares of common stock and preferred stock, respectively, that the registrant expects to issue to UFJ Holdings shareholders resident in the United States in connection with the merger described in this registration statement. The shares to be issued in connection with the merger outside the United States are not registered under this registration statement.

(3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f)(1) and Rule 457(c) of the Securities Act, based on the average of the high and low trading prices of UFJ Holdings common stock on the Tokyo Stock Exchange on February 25, 2005 after conversion into U.S. dollars based on the noon buying rate for cable transfers in Japanese yen as certified for customs purposes by the Federal Reserve Bank of New York as in effect on such date.

(4) The class 8 preferred shares are being offered in exchange for UFJ Holdings class VI preferred shares previously sold in transactions exempt from registration under the Securities Act of 1933. Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f)(2) of the Securities Act, based on the liquidation preference of the class VI preferred shares after conversion into U.S. dollars based on the noon buying rate for cable transfers in Japanese yen as certified for customs purposes by the Federal Reserve Bank of New York as in effect on February 25, 2005.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion Dated March 4, 2005

Prospectus

Merger Proposal

between

MITSUBISHI TOKYO FINANCIAL GROUP, INC.

and

UFJ HOLDINGS, INC.

The boards of directors of Mitsubishi Tokyo Financial Group, Inc., or MTFG, and UFJ Holdings, Inc. have agreed to a statutory merger under the Commercial Code of Japan pursuant to which UFJ Holdings will merge with MTFG, with MTFG being the surviving entity. As a result of the merger, shareholders of UFJ Holdings will become shareholders of the surviving entity. Concurrently, the surviving entity will be renamed Mitsubishi UFJ Financial Group, Inc. and use the abbreviation MUFG . This merger is referred to as the merger in this prospectus. On February 18, 2005, the two companies entered into an integration agreement setting forth the merger ratio and certain other terms of the merger and, on , 2005, the two parties entered into a merger agreement setting forth the final terms of the merger. The merger ratio has been set at 0.62 shares of MTFG common stock for each share of UFJ Holdings common stock, and this ratio will not be adjusted to reflect changes in the market values of MTFG and UFJ Holdings common stock. Under the current schedule, the merger, if approved, is expected to be completed on or around October 1, 2005.

Based on the number of shares of UFJ Holdings capital stock issued as of September 30, 2004, MTFG expects to allocate an aggregate of 3,166,591 shares of its common stock, representing a 48.57% increase in MTFG s issued shares as of September 30, 2004, to shareholders of UFJ Holdings in connection with the merger. MTFG shares that will be used in the merger will consist of shares that MTFG will newly issue on the effective date of the merger.

The general meeting of shareholders of UFJ Holdings, at which the shareholders of UFJ Holdings will vote on the terms of the merger agreement, is currently scheduled to be held on June , 2005 at UFJ Holdings principal office in Tokyo, Japan. Shareholders of record of UFJ Holdings as of March 31, 2005 will be entitled to vote at that meeting. To attend and vote at the shareholders meeting, shareholders of UFJ Holdings must follow the procedures outlined in the convocation notice and the mail-in voting cards that UFJ Holdings will distribute to the shareholders of record.

The merger can only be completed if the terms of the merger agreement are approved by shareholders of MTFG and UFJ Holdings and several other conditions are satisfied. The additional conditions and other terms of the merger are more fully described in this prospectus. For a discussion of these conditions, please see The Merger Conditions to the Merger.

This prospectus has been prepared for shareholders of UFJ Holdings resident in the United States to provide them with detailed information in connection with the merger. It also provides important information about the shares of MTFG common stock and class 8 preferred stock to be issued and delivered to UFJ Holdings shareholders in connection with the merger. You are encouraged to read this prospectus in its entirety.

Shares of MTFG common stock are traded in Japanese yen on the Tokyo Stock Exchange under the code number 8306. On February 28, 2005, the last reported official sale price of shares of MTFG common stock on the Tokyo Stock Exchange was ¥954,000 per share. MTFG s common stock is also listed on the Osaka Securities Exchange in Japan and on the Official List of the UK Listing Authority and traded on the market for listed securities on the London Stock Exchange in the United Kingdom. Application has been made to list MTFG s common stock on the Nagoya Stock Exchange in Japan. ADSs, each representing one one-thousandth of a share of common stock of MTFG, are quoted on the New York Stock Exchange, or NYSE, under the symbol MTF . On February 28, 2005, the last reported official sale price of the ADSs on the NYSE was $9.17 per ADS.

MTFG is not asking for a proxy, and you may not send a proxy to MTFG.

You should carefully consider the risk factors beginning on page 13 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2005.

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REFERENCES TO ADDITIONAL INFORMATION

This prospectus is part of a registration statement on Form F-4, which includes additional business and financial information about MTFG and UFJ Holdings that is not included in or delivered with this prospectus. This information is available to you without charge upon written or oral request. If you would like to receive any of the additional information, please contact MTFG at the following address or telephone number: 4-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-6326, Japan, Attention: Public Relations Office, telephone: +81-3-3240-8136. **IN ORDER TO OBTAIN TIMELY DELIVERY, YOU MUST REQUEST THE INFORMATION NO LATER THAN JUNE , 2005, WHICH IS FIVE BUSINESS DAYS BEFORE YOU MUST MAKE A DECISION REGARDING THE MERGER.**

For additional information about MTFG and UFJ Holdings, see Where You Can Obtain More Information.

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q. What are MTFG and UFJ Holdings proposing?

A. MTFG and UFJ Holdings are proposing to merge, with MTFG being the surviving entity. As a result of the merger, holders of UFJ Holdings common stock will become holders of the surviving entity s common stock. On February 18, 2005, MTFG and UFJ Holdings entered into the integration agreement setting forth the merger ratio and, on , 2005, the two parties entered into the merger agreement setting forth the final terms of the merger.

Q. Why are MTFG and UFJ Holdings proposing the merger?

A. MTFG and UFJ Holdings aim, through the merger, to create a leading comprehensive financial group that is competitive on a global basis and provides a broad range of financial products and services to a worldwide client base. MTFG and UFJ Holdings believe that their business operations and domestic and global branch networks are highly complementary. By leveraging the respective strengths of each group, creating synergies through the merger and reinforcing a customer-focused management philosophy, the combined entity will seek to become Japan s premier comprehensive global financial group. The combined entity will have what the parties believe is the largest market value among Japanese financial institutions, and it will be the largest bank in the world when measured by assets. The combined entity will also have a strong presence in core financial business areas, including:

- banking;
- trust banking;
- securities;
- investment trusts;
- credit cards and consumer finance;
- leasing; and
- international banking.

Q. What will UFJ Holdings shareholders receive in the merger?

A. Holders of UFJ Holdings common stock will receive 0.62 shares of MTFG common stock for each share of UFJ Holdings common stock. For a discussion of the merger ratio, please see The Merger.

Holders of UFJ Holdings preferred stock are currently expected to receive shares of MTFG preferred stock (subject to the final terms being approved) as follows:

- Holders of class II preferred shares of UFJ Holdings: shares of class 5 preferred shares newly issued by MTFG
- Holders of class IV preferred shares of UFJ Holdings: shares of class 6 preferred shares newly issued by MTFG
- Holders of class V preferred shares of UFJ Holdings: shares of class 7 preferred shares newly issued by MTFG
- Holders of class VI preferred shares of UFJ Holdings: shares of class 8 preferred shares newly issued by MTFG

- Holders of class VII preferred shares of UFJ Holdings: shares of class 9 preferred shares newly issued by MTFG.

Q. Does the board of directors of UFJ Holdings recommend the merger?

A. Yes. The board of directors of UFJ Holdings unanimously recommends that shareholders vote **FOR** the merger.

Q. How will fractional shares be treated in the merger?

A. If any fractional shares of MTFG common stock would otherwise be allotted to holders of UFJ Holdings common stock in the merger, such fractional shares will not be issued to the respective shareholders, but

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instead shares representing the aggregate of all such fractional shares, except for those consisting of 1% of one share or its integral multiples as described below, will be sold in the Japanese market and the net cash proceeds from the sale will be distributed to the former holders of UFJ Holdings shares on a proportionate basis in accordance with the respective fractions, but disregarding fractional yen amounts. However, fractional shares of MTFG common stock consisting of 1% of one share or any integral multiples thereof will be entered or recorded in the fractional share register of MTFG.

Q. When is the merger expected to be completed?

A. MTFG and UFJ Holdings expect to complete the merger on or around October 1, 2005.

Q. What are the required votes to approve the merger agreement at the general meeting of shareholders of UFJ Holdings?

A. At the general meeting of UFJ Holdings shareholders, holders of record as of March 31, 2005 of issued shares of common stock and class I, class II, class IV, class V, class VI and class VII preferred shares are entitled to one vote per share. The following shares, however, are not entitled to vote at the general meeting of UFJ Holdings:

- treasury shares held by UFJ Holdings; and
- shares held by entities in which UFJ Holdings (together with its subsidiaries) holds 25% or more of the voting rights.

The required quorum for a vote on the terms of the merger agreement at the general meeting of UFJ Holdings shareholders is one-third of the aggregate of the above common and preferred shares with voting rights at the general meeting. In determining the required quorum for the shareholders meetings for UFJ Holdings, shares without voting rights are not counted. The class I, class II, class IV, class V, class VI and class VII preferred shares of UFJ Holdings, which in the aggregate and as of September 30, 2004 represented 12.34% of the total number of shares entitled to vote, are voting together with the common stock shareholders at the ratio of one vote for one preferred share because a proposal to pay the full amount of preferential dividends on those classes of preferred shares is not included in the agenda of the meeting.

The affirmative vote of shareholders comprising two-thirds of the above common and preferred shares with voting rights represented at the general meetings of shareholders of UFJ Holdings is required to approve the terms of the merger agreement.

In addition, the terms of the merger agreement are also required to be approved at the class shareholders meetings for each class of UFJ Holdings shares, namely the common shares and the class I, class II, class IV, class V, class VI and class VII preferred shares, by the affirmative vote of two-thirds of the issued shares of the relevant class with voting rights represented at each class shareholders meeting. The required quorum at the common share class shareholders meeting is a majority of the issued common shares with voting rights, and the required quorum at each of the preferred class shareholders meetings is a majority of the total issued shares for the relevant class of preferred shares.

Q. If I own UFJ Holdings shares how do I vote at the shareholders meeting?

A. If you have one or more shares of UFJ Holdings common stock, you will have voting rights with respect to each share of common stock. You may exercise voting rights by attending the shareholders meeting in person or by having another shareholder having voting rights attend the meeting as your attorney-in-fact, by the Internet or by arranging to return the mail-in voting card sent to the registered shareholders by UFJ Holdings. Completed voting cards must be received at least one day before the meeting. If you are a UFJ Holdings shareholder resident in the United States, mail-in voting cards and related materials will be sent to your standing proxies in Japan, if you have one, who will then transmit those voting cards and related materials to you according to the terms of the respective proxy agreements. If you are not residing in Japan, you are encouraged to contact your standing proxy in Japan or your securities broker through which you purchased the shares.

Q. What is the record date for voting at the shareholders meeting?

A. The record date will be March 31, 2005. Accordingly, holders of UFJ Holdings shares of record as of March 31, 2005 will be eligible to vote at the shareholders meeting to be held on June , 2005. Holders of shares issued after March 31, 2005, such as shares that may be issued after March 31, 2005 as a result of convertible or exchangeable securities (which were issued prior to March 31, 2005) being converted or exchanged, will not be entitled to vote at the shareholders meeting.

Q. What materials am I receiving?

A. UFJ Holdings will distribute voting materials, including a mail-in voting card, to registered shareholders that will enable them to exercise their voting rights. For shareholders who are not resident in Japan and have a standing proxy in Japan, UFJ Holdings will distribute voting materials to their standing proxies in Japan. Therefore, if you are a UFJ Holdings shareholder that is not resident in Japan and have a standing proxy in Japan with respect to UFJ Holdings shares, you are encouraged to contact your standing proxy in Japan. If you are a UFJ Holdings shareholder that is not resident in Japan and have purchased UFJ Holdings shares through a securities broker located outside Japan, you are encouraged to ask your broker to obtain the voting materials from its standing proxy or custodian in Japan or to otherwise make proper arrangements.

Q. How will shares represented at the shareholders meeting by mail-in voting cards be treated?

A. The voting cards used for the general meeting of shareholders of UFJ Holdings will list the proposals to be voted on by shareholders at the general meeting, including approval of the terms of the merger agreement. The voting cards will allow shareholders to indicate a for or against vote with respect to each proposal. In accordance with Japanese law and practice, UFJ Holdings intends to count towards the quorum requirements for its shareholders meeting any shares represented by voting cards that are returned to UFJ Holdings, including voting cards that do not indicate a for or against vote for any of the proposals, and to count voting cards that do not indicate a for or against vote for any proposal as having voted for approval of the proposals, including the terms of the merger agreement.

Q. May I change my vote after I submit my mail-in voting card?

A. Yes. If you want to change your previously returned voting card, you must either attend the shareholders meeting personally or through another shareholder having voting rights, whom you appoint as your attorney-in-fact, or vote via the Internet. By attending the meeting in person or having another shareholder who has voting rights and is authorized to vote your shares attend the meeting on your behalf, or by voting via the Internet, you will automatically revoke your mail-in voting card. Your vote submitted via the Internet, however, will also be automatically revoked if you subsequently attend the shareholders meeting in person or through another shareholder having voting rights whom you appoint as your attorney-in-fact.

Q. May I change my vote after I submit my vote via the Internet?

A. Yes. A UFJ Holdings shareholder is entitled to exercise voting rights through the Internet by accessing UFJ Holdings website and inputting an exercise code and password. Internet voting is available only on UFJ Holdings Japanese-language website. If you wish to change a vote previously submitted via the Internet, you must either attend the shareholders meeting personally or through another shareholder having voting rights whom you appoint as your attorney-in-fact, or by resubmitting your vote via the Internet. By attending the meeting in person or having another shareholder entitled to vote your shares attend the

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meeting on your behalf, or by resubmitting your vote via the Internet, you will automatically revoke your vote perviously submitted via the Internet. If you submit more than one vote via the Internet, the last vote submitted will be counted.

Q. If my shares are held in street name by my broker, will my broker vote them for me without instructions?

A. Whether your broker will vote your shares without your instructions depends on the terms and conditions of the agreement entered into by you and your broker. Therefore, you are encouraged to contact your broker directly to confirm the applicable voting procedure.

Q. Do I have opposition rights?

A. Under the Commercial Code of Japan, you may have opposition rights of appraisal in connection with the merger. Any UFJ Holdings shareholder who notifies UFJ Holdings in writing prior to the general meeting of shareholders of his or her intention to oppose the merger, and who votes against the approval of the terms of the merger agreement at the general meeting and complies with the other relevant procedures set forth in the Commercial Code of Japan, may demand that UFJ Holdings purchase his or her shares of UFJ Holdings common stock at the fair value which such shares would have had but for the resolution approving the terms of the merger agreement. The failure of a shareholder of UFJ Holdings to provide such notice prior to the general meeting or to vote against the approval of the terms of the merger agreement at the general meeting will in effect constitute a waiver of the shareholder s right to demand that UFJ Holdings purchase his or her shares of common stock at that value.

Q. Should I send in my stock certificates now?

A. No. After the terms of the merger agreement are approved at the shareholders meetings of MTFG and UFJ Holdings, your standing proxy or custodian in Japan or your broker will, on your or your broker s behalf, receive a notice requesting that shareholders submit their share certificates representing UFJ Holdings stock during the period stated in the notice, which will end one day prior to the date of the merger. The notice will also include instructions on how to exchange your UFJ Holdings share certificates for MTFG share certificates. Please do not send your share certificates until you receive these instructions from your standing proxy in Japan or broker.

Q. How will trading in UFJ Holdings shares be affected in connection with the completion of the merger?

A. Under the current schedule and assuming the merger is approved, UFJ Holdings shares will be delisted from the Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange in Japan and from the Official List of the UK Listing Authority in the United Kingdom on or around September 27, 2005.

The additional shares of MTFG to be issued on the effective date of the merger are expected to be listed on the Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange in Japan and on the Official List of the UK Listing Authority in the United Kingdom. ADSs, each representing one one-thousandth of one share of the surviving entity, are also expected to be traded on the New York Stock Exchange in the United States.

Q. Will I receive dividends on UFJ Holdings common stock for the year ended March 31, 2005 from UFJ Holdings?

A. No. UFJ Holdings has previously announced that it will not pay a dividend on its common stock or preferred stock for the year ended March 31, 2005.

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Q. Will I be entitled to receive dividends from MTFG on shares of MTFG common stock for the year ended March 31, 2005 or the interim period ending September 30, 2005?

A. No. You will not receive dividends for the year ended March 31, 2005, or the interim period ending September 30, 2005. MTFG currently expects to pay (1) dividends in June 2005 to holders of record of its common shares as of March, 31, 2005, subject to approval at MTFG s general meeting of shareholders in June 2005, and (2) interim dividends in December 2005 to holders of record of its common shares as of September 30, 2005, subject to approval at MTFG s board of directors meeting in December 2005.

Q. What are the Japanese tax consequences of the merger?

A. The merger is expected to be accomplished as a qualified merger, which is a tax-free transaction for Japanese tax purposes. Therefore, a non-resident holder will not recognize any income or gain or loss for Japanese tax purposes upon the exchange of its UFJ Holdings shares for MTFG shares in the merger, except to the extent it receives cash in lieu of fractional shares of MTFG shares. See Taxation Japanese Taxation.

Q. What are the U.S. tax consequences of the merger?

A. The merger may qualify as a tax-free reorganization for U.S. federal income tax purposes; however, this determination cannot be made until after the closing date of the merger. Therefore, it is possible that U.S. holders will recognize income or gain or loss for U.S. tax purposes upon the exchange of their UFJ Holdings shares for MTFG shares. See Taxation U.S. Federal Income Tax Considerations.

Q. Whom can I call with questions?

A. If you have more questions about the merger, you should call:

Mr. Hirotsugu Hayashi

Mitsubishi Tokyo Financial Group, Inc.

26F Marunouchi Building

4-1, Marunouchi 2-chome

Chiyoda-ku, Tokyo 100-6326

Japan

Telephone: +81-3-3240-9059

Mr. Hitoshi Shimamura

UFJ Holdings, Inc.

1-1, Otemachi 1-chome

Chiyoda-ku, Tokyo 100-8114

Japan

Telephone: +81-3-3212-5458

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SUMMARY

This summary highlights selected information contained elsewhere in this prospectus and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should carefully read this entire prospectus.

The Companies

Mitsubishi Tokyo Financial Group, Inc. (Page 96)

MTFG is one of the world s leading bank holding companies. MTFG is a holding company for The Bank of Tokyo-Mitsubishi, Ltd. and The Mitsubishi Trust and Banking Corporation, or Mitsubishi Trust Bank. MTFG provides a broad range of financial services, including commercial banking, investment banking, trust-banking and asset management services, to individuals and corporate customers through its two principal subsidiaries and their respective subsidiaries. MTFG on a consolidated basis had total assets of ¥113.3 trillion as of September 30, 2004, net income of ¥823.0 billion for the fiscal year ended March 31, 2004 and net income of ¥131.4 billion for the six months ended September 30, 2004.

MTFG s address is:

Mitsubishi Tokyo Financial Group, Inc.

4-1, Marunouchi 2-chome

Chiyoda-ku, Tokyo 100-6326

Japan

Telephone: +81-3-3240-8111

UFJ Holdings, Inc. (Page 109)

UFJ Holdings is the holding company for the UFJ group, which is one of Japan s leading providers of financial services. The UFJ group provides a broad spectrum of financial products and services, including retail banking, corporate banking, global banking and trading, trust services, securities underwriting and brokerage services, investment banking services and asset management services. UFJ Holdings on a consolidated basis had total assets of ¥82.6 trillion as of September 30, 2004, net income of ¥607.7 billion for the fiscal year ended March 31, 2004 and net income of ¥245.7 billion for the six months ended September 30, 2004.

UFJ Holdings address is:

UFJ Holdings, Inc.

5-6, Fushimimachi 3-chome

Chuo-ku, Osaka-shi, Osaka 541-0044

Japan

Telephone: +81-6-6228-7111

The Merger (Page 57)

The boards of directors of MTFG and UFJ Holdings have resolved to combine their businesses by consummating a statutory merger under the Commercial Code of Japan. On February 18, 2005, the two companies entered into an integration agreement setting forth the merger ratio and certain other terms of the merger and, on , 2005, the two parties entered into a merger agreement setting forth the final terms of the merger.

If the terms of the merger agreement are approved at the two companies shareholders meetings, which are both currently scheduled to be held on June , 2005, and if the other conditions to completing the merger are satisfied, the merger is expected to be completed on or around October 1, 2005.

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On the date the merger becomes effective, UFJ Holdings will merge with MTFG, with MTFG being the surviving entity. As a result of the merger, UFJ Holdings shareholders of record as of September 30, 2005, other than MTFG (if it holds UFJ Holdings common stock on that date), will become entitled to receive 0.62 shares of MTFG common stock in exchange for each share of UFJ Holdings common stock. The resulting number of shares of MTFG common stock to which UFJ Holdings shareholders are entitled will be recorded in MTFG s register of shareholders. The shares representing the aggregate of all fractional shares less than integral multiples of 1% of one share of MTFG will be sold through the Tokyo Stock Exchange, and the net cash proceeds from the sale will be distributed to the former holders of UFJ Holdings shares on a proportionate basis in accordance with the respective fractions, but disregarding fractional yen amounts. The fractional shares consisting of 1% of one share or any integral multiples thereof will be entered or recorded in the fractional share register of MTFG.

Holders of UFJ Holdings preferred stock are currently expected to receive shares of MTFG preferred stock (subject to the final terms being approved) as follows:

- Holders of class II preferred shares of UFJ Holdings: shares of class 5 preferred shares newly issued by MTFG
- Holders of class IV preferred shares of UFJ Holdings: shares of class 6 preferred shares newly issued by MTFG
- Holders of class V preferred shares of UFJ Holdings: shares of class 7 preferred shares newly issued by MTFG
- Holders of class VI preferred shares of UFJ Holdings: shares of class 8 preferred shares newly issued by MTFG
- Holders of class VII preferred shares of UFJ Holdings: shares of class 9 preferred shares newly issued by MTFG.

Reasons for the Merger (Page 61)

MTFG and UFJ Holdings aim, through the merger, to create a leading comprehensive financial group that is competitive on a global basis and provides a broad range of financial products and services to a worldwide client base. MTFG and UFJ Holdings believe that their business operations and domestic and global branch networks are highly complementary. By leveraging the respective strengths of each group, creating synergies through the merger and reinforcing a customer-focused management philosophy, the combined entity will seek to become Japan s premier comprehensive global financial group. The combined entity will have what the parties believe is the largest market value among Japanese financial institutions, and it will be the largest bank in the world when measured by assets. The combined entity will also have a strong presence in core financial business areas, including:

- banking;
- trust banking;
- securities;
- investment trusts;
- credit cards and consumer finance;
- leasing; and
- international banking.

Specifically, MTFG and UFJ Holdings believe that:

- the merger will enable the combined entity to leverage the two groups industry-leading domestic and overseas networks and comprehensive financial services capabilities to provide new ideas, strategies and competitive products to large corporate customers;

- with respect to small- and medium-sized corporate customers, the merger will strengthen the combined entity s range of lending-related products and services and enable it to adopt a more regionally focused sales approach; and

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- with respect to individual customers, the combined entity will be able to improve customer convenience through the provision of one-stop shopping while fully mobilizing the two groups combined strengths to provide high-quality financial products and services matched to customer needs.

Required UFJ Holdings Shareholder Approvals (Pages 54 and 55)

UFJ Holdings plans to seek shareholder approval of the terms of the merger agreement at its general meeting of shareholders, which is currently scheduled to be held on June , 2005 in Japan at its office in Tokyo. Under the Commercial Code of Japan, the notice of convocation of a general meeting of shareholders must be sent at least two weeks in advance to all shareholders of record having voting rights. For shareholders not resident in Japan, UFJ Holdings will send the notice of convocation to their standing proxies in Japan or other persons in Japan who hold the shares on behalf of those shareholders and in whose name the shares are registered in UFJ Holdings register of shareholders. UFJ Holdings plans to mail out its notice on June , 2005.

At this meeting, among other things, shareholders will be asked to approve the final terms of the merger agreement into which MTFG and UFJ Holdings entered on , 2005.

At the general meeting of UFJ Holdings shareholders, holders of record as of March 31, 2005 of issued shares of common stock and class I, class II, class IV, class V, class VI and class VII preferred shares will be entitled to one vote per share. The following shares, however, will not be entitled to vote at the general meeting of UFJ Holdings:

- treasury shares held by UFJ Holdings; and

- shares held by entities in which UFJ Holdings (together with its subsidiaries) holds 25% or more of the voting rights.

The required quorum for a vote on the terms of the merger agreement at the general meeting of UFJ Holdings shareholders is one-third of the aggregate of the above common and preferred shares with voting rights at the general meeting. The class I, class II, class IV, class V, class VI and class VII preferred shares of UFJ Holdings, which in the aggregate and as of September 30, 2004 represented 12.34% of the total number of shares entitled to vote, are voting together with the common stock shareholders at the ratio of one vote for one preferred share because a proposal to pay the full amount of preferential dividends on those classes of preferred shares is not included in the agenda of the meeting.

At the general meeting of UFJ Holdings shareholders, the affirmative vote of shareholders comprising two-thirds of the common and preferred shares with voting rights represented at the general meetings of shareholders of UFJ Holdings is required to approve the terms of the merger agreement.

In addition, the terms of the merger agreement are also required to be approved at the class shareholders meetings for each class of UFJ Holdings shares, namely the common shares and the class I, class II, class IV, class V, class VI and class VII preferred shares, by the affirmative vote of two-thirds of the issued shares of the relevant class with voting rights represented at each class shareholders meeting. The required quorum at the common share class shareholders meeting is a majority of the issued common shares with voting rights, and the required quorum at each of the preferred class shareholders meetings is a majority of the total issued shares with voting rights for the relevant class of preferred shares.

UFJ Holdings General Meeting of Shareholders (Page 54)

Shareholders eligible to vote at the general meeting of shareholders of UFJ Holdings may do so in person, by arranging to return voting cards to UFJ Holdings or via the Internet. The voting cards will allow shareholders to indicate a for or against vote with respect to each proposal to be voted on at the meeting, including approval of the terms of the merger agreement.

Each UFJ Holdings shareholder is entitled, with certain exceptions, to one vote per share of common stock.

No Solicitation of Proxies, Consents or Authorizations (Page 56)

Shareholders may vote at the respective general meetings of shareholders of MTFG and UFJ Holdings either in person or by using the mail-in voting card distributed in accordance with the Commercial Code of Japan. Neither MTFG nor UFJ will solicit any separate form of proxy, consent or authorization. MTFG and UFJ Holdings have, however, retained Innisfree M&A Incorporated and Georgeson Shareholder Communications Inc. as their respective agents for the purpose of soliciting overseas shareholders approval of the merger.

Conditions to the Merger (Page 83)

The merger can only be completed if the terms of the merger agreement are approved by shareholders of MTFG and UFJ Holdings and certain other conditions are satisfied. Please see The Merger Conditions to the Merger for a complete discussion of these conditions.

Opposition Rights of Appraisal (Page 88)

Under the Commercial Code of Japan, you may have opposition rights of appraisal in connection with the merger. Please see The Merger Opposition Rights for a complete discussion of these rights.

Material Tax Consequences (Page 301)

Japanese Taxation

The merger is expected to be accomplished as a qualified merger, which is a tax-free transaction for Japanese tax purposes. Therefore, a non-resident holder will not recognize any income or gain or loss for Japanese tax purposes upon the exchange of its UFJ Holdings shares for MTFG shares in the merger, except to the extent it receives cash in lieu of fractional shares of MTFG shares. Please see Taxation Japanese Taxation for a more detailed description of Japanese taxation matters. Each non-Japanese holder should, however, obtain advice from its own tax advisers regarding its tax status in each jurisdiction.

U.S. Taxation

The merger may qualify as a tax-free reorganization for U.S. federal income tax purposes; however, this determination cannot be made until after the closing date of the merger. Therefore, it is possible that U.S. holders will recognize income or gain or loss for U.S. tax purposes upon the exchange of their UFJ Holdings shares for MTFG shares or ADSs. Please see Taxation U.S. Federal Income Tax Considerations for a more detailed description of U.S. taxation matters.

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Risk Factors (Page 13)

In determining whether to vote to approve the terms of the merger agreement, you should carefully consider the risk factors beginning on page 13 of this prospectus.

Accounting Treatment of the Merger (Page 89)

The merger will be accounted for under the purchase method of accounting in accordance with U.S. GAAP.

Trading Markets (Page 52)

Upon completion of the merger, shares of common stock of the combined entity are expected to be listed on the Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange in Japan and on the market for listed securities on the London Stock Exchange in the United Kingdom, and ADSs each representing one one-thousandth of a share of the combined entity s common stock will be listed on the NYSE.

Summary Market Price Information (Page 52)

The following table sets forth the last reported sale prices on the Tokyo Stock Exchange for MTFG and UFJ Holdings common stock, and the implied equivalent value of UFJ Holdings common stock based upon the merger ratio, on February 18, 2005, the last trading day before public announcement of the proposed merger ratio, and on , 2005.

	UFJ Holdings common stock (historical)	UFJ Holdings common stock (implied equivalent value)	MTFG common stock (historical)
February 18, 2005	¥ 579,000	¥ 597,060	¥ 963,000
, 2005			

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Summary Financial Data (Pages 32, 35 and 50)

The table below sets forth historical and pro forma unaudited per share data of MTFG and historical and unaudited equivalent per share data of UFJ Holdings for net income, cash dividends and book value.

	For the fiscal year ended March 31, 2004			
	UFJ Holdings		MTFG	
	Historical[1]	Pro Forma Equivalent[2]	Historical[1]	Pro Forma
		(unaudited)		(unaudited)
Cash dividends per share[3]		¥ 2,480.00	¥ 4,000.00	¥ 4,000.00
Income from continuing operations per share:				
Basic	¥ 115,227.05	91,614.50	128,443.00	147,765.32
Diluted	86,803.31	81,455.73	125,123.73	131,380.21

	For the six months ended September 30, 2004			
	UFJ Holdings		MTFG	
	Historical[1]	Pro Forma Equivalent[2]	Historical[1]	Pro Forma
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net book value per share (as of the end of the period)	¥ 152,105.47	¥ 460,199.15	¥ 549,725.57	¥ 742,256.70
Cash dividends per share[3]		3,720.00	6,000.00	6,000.00
Income from continuing operations per share:				
Basic	42,527.48	21,842.08	19,850.94	35,229.16
Diluted	33,605.00	20,800.86	19,743.30	33,549.77

(1) Calculated using the weighted average number of shares outstanding for the period.
(2) Pro forma equivalent per share amounts were calculated by multiplying the pro forma income from continuing operations per share, pro forma net book value per share and pro forma cash dividends per share by the share exchange ratio, which is each share of common stock of UFJ Holdings to 0.62 shares of common stock of MTFG.
(3) Cash dividends per share reflect those paid during each of the periods indicated.

Where to Find More Information (Page 309)

As required by the U.S. Securities Act of 1933, MTFG has filed a registration statement on Form F-4 relating to the securities offered by this prospectus with the U.S. Securities and Exchange Commission, or SEC. This prospectus is a part of that registration statement, which includes additional information.

In addition, MTFG files annual reports, special reports and other information with the SEC. You may read and copy any document filed with the SEC at the SEC s public reference rooms at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the SEC s regional offices. Please call the SEC at (800) SEC-0330 for further information on the public reference rooms. The SEC also maintains a web site that contains reports and information statements, and other information regarding registrants that file electronically with the SEC (http://www.sec.gov).

As used in this prospectus, references to MTFG and UFJ Holdings are to Mitsubishi Tokyo Financial Group, Inc. and to UFJ Holdings, Inc., respectively, as well as to MTFG and UFJ Holdings and their respective

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consolidated subsidiaries, as the context requires. Unless the context otherwise requires, references in this prospectus to the financial results or business of the UFJ group refer to those of UFJ Holdings and its consolidated subsidiaries. Also, unless the context otherwise requires, references to the merger are to the proposed merger between MTFG and UFJ Holdings, the terms of which are set out in the integration agreement dated February 18, 2005 and the merger agreement dated , 2005 between MTFG and UFJ Holdings. Unless the context otherwise requires, references to the combined entity are to the combined business and operations of Mitsubishi UFJ Financial Group, Inc. and its consolidated subsidiaries following the completion of the merger.

As used in this prospectus, dollar or $ means the lawful currency of the United States of America, and Yen or ¥ means the lawful currency of Japan.

As used in this prospectus, U.S. GAAP means accounting principles generally accepted in the United States, and Japanese GAAP means accounting principles generally accepted in Japan. The consolidated financial information of MTFG and UFJ Holdings contained in this prospectus has been presented in accordance with U.S. GAAP, except for the risk-weighted capital ratios, the business segment financial information and some other specifically identified information, which are prepared in accordance with Japanese banking regulations or Japanese GAAP. Unless otherwise stated or the context otherwise requires, all amounts in the financial statements contained in this prospectus are expressed in Japanese yen.

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RISK FACTORS

Prior to making a decision on the merger, you should carefully consider, along with other matters set out in this prospectus, the following considerations:

Risks Relating to the Merger

The combined entity may have difficulty integrating the business and operations of MTFG and the UFJ group, which may have a material adverse effect on the combined entity s business, results of operations, financial condition and stock price.

The merger of MTFG and UFJ Holdings will be a complex, time-consuming and costly process. Risks to the successful completion of the merger include:

- potential disruptions of the combined entity s ongoing business and the distraction of its management;
- difficulties in integrating the domestic and overseas branch and subsidiary network, head office functions, information and management systems, personnel and customer base of the two groups, which may prevent the combined entity from enhancing the convenience and efficiency of its branch and subsidiary network and operational systems as planned;
- impairment of relationships with customers, employees and strategic partners;
- additional credit-related expenses or losses that may be incurred as uniform accounting policies and policies for establishing allowances are applied to the asset and loan portfolio of the two groups;
- unanticipated asset-quality problems in UFJ Holdings asset portfolio that may cause significant losses on write-downs or require additional allowances to be established; and
- unanticipated expenses in connection with litigation related to the merger.

The combined entity may not succeed in addressing these risks or other problems encountered in connection with the merger. Significant or unexpected costs may be incurred during the integration process, preventing the combined entity from achieving the targeted cost reductions from the business integration. If the combined entity is unable to resolve smoothly the problems that arise in the integration process between MTFG and the UFJ group, its business, results of operations, financial condition and stock price may be materially and adversely affected.

The combined entity may have difficulty achieving the benefits expected from the merger, which may have a material adverse effect on the combined entity s business, results of operations and financial condition.

The combined entity s ability to realize the growth opportunities and other expected benefits of the merger will depend in part on the successful integration of the domestic and overseas branch and subsidiary network, head office functions, information and management systems, personnel and customer base and other resources and aspects of MTFG s and UFJ Holdings holding companies, banks, trust banks and securities companies. To realize the anticipated benefits of the merger, the combined entity must implement a business plan that will effectively combine two operations that are diverse in terms of their respective products, services, customer segments and geographic scope, as well as management systems. Achieving the targeted cost savings is dependent on the successful implementation of the integration plan. The combined entity expects to incur annual integration-related expenses in implementing the integration plan, and for the first two years after the merger, the integration-related expenses are expected to exceed the targeted cost savings. There is no assurance that these integration-related expenses will not continue to exceed cost savings beyond that period. The primary challenges involved in achieving the benefits of the merger include:

- retaining the existing customers and strategic partners of each company;
- integrating management, key employees and other personnel of both MTFG and the UFJ group;
- coordinating and consolidating the functions of the domestic and overseas branch offices of the combined entity and its subsidiaries;

- identifying and streamlining redundant operations and assets;
- combining customer products and services effectively and quickly;
- transitioning relevant operations and facilities smoothly to a common information technology system; and
- developing and implementing uniform accounting and reserve policies, internal controls, disclosure policies and procedures and other standards.

Estimates of targeted cost savings and other synergies in connection with the merger are inherently uncertain, and the combined entity may fail to achieve these targeted cost savings and other synergies.

MTFG and UFJ Holdings have announced that the combined entity will seek to realize cost savings through the merger, but that annual integration-related costs within the first two fiscal years after the merger are expected to exceed cost synergies during that period. In addition, MTFG and UFJ Holdings announced that the combined entity will report for the fiscal year ending March 31, 2006 a significant amount of extraordinary charges under Japanese GAAP, a majority of which are non-cash items. The combined entity s targeted cost-savings are based on a number of assumptions, including that the combined entity will be able to implement necessary cost-saving measures such as the consolidation of overlapping products, services, branch offices and head office functions. In addition, these cost-savings targets assume that the combined entity will be able to integrate the operations, systems and personnel of the two institutions efficiently. If the combined entity fails to achieve the targeted cost savings from the merger, its financial condition and results of operations could be materially and adversely affected.

Although the combined entity also expects revenue synergies to yield increases in gross revenue, a decrease in revenue is expected for the first one to two years following the merger due to adjustments in loan exposures to certain borrowers. Revenue synergies are dependent on the successful implementation of the combined entity s business strategy. If the revenue synergies do not materialize in the expected time period, the combined entity s financial condition and results of operations could be materially and adversely affected.

Significant costs will be incurred in the course of and as a result of the merger.

MTFG and UFJ Holdings expect to incur significant costs related to the merger. The combined entity will incur, for the first few years following the merger, significant expenses to close overlapping branches and subsidiaries and to integrate IT systems and other operations. Transaction-related expenses include financial advisory, legal and accounting fees and expenses, severance/employee benefit-related expenses, filing fees, printing expenses and other related charges. Additionally, MTFG and UFJ Holdings may also incur significant costs in compensating shareholders who exercise their opposition rights of appraisal, as well as creditors with creditor protection rights. Additional litigation-related costs may also be incurred as a result of the civil suit brought by Sumitomo Trust & Banking Co., Ltd. against UFJ Holdings in October 2004, or any other litigation that may arise in connection with the merger. MTFG and UFJ Holdings may also incur additional unanticipated expenses in connection with the merger and the integration of the operations, information systems, domestic and overseas branch office network and personnel of the two groups.

The merger ratio is fixed and will not be adjusted to reflect changes in the market values of MTFG and UFJ Holdings common stock; as a result, the value of MTFG common stock you receive in the merger may be less than when you vote on the merger.

Upon the completion of the merger, each share of UFJ Holdings common stock excluding those held by MTFG, if any, will be exchanged for 0.62 shares of MTFG common stock. The ratio at which UFJ Holdings common stock will be converted is fixed, and will not be adjusted for changes in the market prices of either company s common stock. Therefore, even if the relative market values of MTFG or UFJ Holdings common stock change, there will be no change in the number of shares of MTFG common stock you will receive in the

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merger. Furthermore, neither company is permitted to terminate the merger or solicit another vote of its stockholders solely due to changes in the market prices of either company s common stock.

Any change in the prices of either company s common stock occurring prior to the effective date of the merger will affect the value that holders of UFJ Holdings common stock receive in the merger. The value of the MTFG common stock received in the merger (which will occur approximately three months after the shareholders meetings) may be higher or lower than the value as of the date of this prospectus and as of the date of UFJ Holdings general meeting of shareholders, depending on the then prevailing market prices of MTFG and UFJ Holdings common stock.

The share prices of MTFG and UFJ Holdings common stock are subject to the general price fluctuations in the market for publicly traded equity securities and have experienced significant volatility in the past. Stock price changes may result from a variety of factors, including actual changes in, or investor perception of, MTFG s and UFJ Holdings businesses, operations and prospects. Regulatory developments, including developments relating to the business improvement orders currently outstanding with respect to UFJ Holdings, as well as legal proceedings against UFJ Holdings relating to alleged evasion of inspections conducted by the Financial Services Agency of Japan and changes in general market and economic conditions may also affect the stock price of MTFG and UFJ Holdings.

You should obtain and review recent market quotations for MTFG and UFJ Holdings common stock before voting on the merger. There can be no assurances as to the future market prices of MTFG and UFJ Holdings common stock before the merger, nor of the market price of the combined entity s common stock at any time after the completion of the merger.

The merger is subject to regulatory approvals and will be subject to various conditions expected to be set forth in the merger agreement and, even though the terms of the merger agreement may be approved by both sets of shareholders, the merger nonetheless may not be completed as scheduled or at all.

The merger agreement is expected to provide that the respective obligations of MTFG and UFJ Holdings to complete the merger are subject to a number of specified conditions, including the obtaining or satisfying of all regulatory approvals, permits, consents and requirements necessary for the consummation of the merger. Regulatory authorities in Japan or elsewhere may seek to block or delay the merger, or may impose conditions that reduce the anticipated benefits of the merger or make it difficult to complete as planned. In addition, MTFG and UFJ Holdings have the right to terminate the integration agreement at any time, upon the parties mutual written consent. Either party may also terminate the integration agreement upon a continuing breach of the agreement by the other party that has a material adverse effect on either party or the ability of either party to perform its obligations under the integration agreement. Even if the merger agreement is executed by the parties and approved at the general meetings of shareholders of MTFG and UFJ Holdings, there is no assurance that the merger will ultimately be completed as scheduled or at all.

Failure to complete the merger could have a negative impact on MTFG s or UFJ Holdings future business, market position, results of operations, financial condition or stock price.

If the merger is not completed, MTFG and UFJ Holdings may be subject to a number of consequences that may adversely affect either company s future business, market position, results of operations, financial condition or stock price, including the following:

- the individual companies would not realize the benefits expected from becoming part of the combined entity, including the potentially enhanced financial and competitive position;

- under certain circumstances, UFJ Holdings may be required to repurchase the preferred shares issued by UFJ Bank to MTFG in September 2004 at up to 130% of MTFG s original purchase price for the preferred shares, which may in turn adversely affect UFJ Holdings ability to maintain its capital ratios above minimum required levels, as well as its financial condition;

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- the price of MTFG or UFJ Holdings common stock may decline to the extent that the relevant current market price reflects a market assumption that the merger will be completed; and

- activities relating to the merger and related uncertainties may divert the attention of MTFG s and UFJ Holdings management and personnel from day-to-day operations and cause other substantial disruptions in each company s ability to conduct its business, thereby leading to a possible loss of income, market position and customer goodwill that MTFG and UFJ Holdings may not be able to regain if the merger does not occur.

The merger may be completed even though MTFG, UFJ Holdings or the combined entity may be materially and adversely affected by factors arising from the announcement of the merger, regulatory developments, industry-wide changes or other causes.

In general, under the terms of the integration agreement between MTFG and UFJ Holdings, the parties may terminate the integration agreement if material adverse changes affect MTFG or UFJ Holdings between the date of signing of the integration agreement and the end of June 2005. However, MTFG and UFJ Holdings have agreed to consult each other if there is any event that could be considered a material adverse change, and the parties could decide to proceed with the merger despite any such event. Furthermore, the merger may be completed despite the occurrence of events such as a decrease in either company s stock price, failure by either company to meet or exceed research analysts or other estimates or projections, additional administrative action against UFJ Holdings from regulatory authorities or changes in the economic or business environment affecting banking institutions generally.

If MTFG and UFJ Holdings complete the merger despite the occurrence of a material adverse change, the combined entity s business, market position, results of operations or financial condition may be adversely affected.

Charges to earnings resulting from the application of the purchase method of accounting may adversely affect the combined entity s financial results and the market value of its common stock following the merger.

In accordance with U.S. GAAP, the combined entity will account for the merger using the purchase method of accounting. The combined entity will allocate the total purchase price to its assets and liabilities based on the proportionate share of the fair values of those assets and liabilities. The combined entity will incur additional amortization expense over the estimated useful lives of certain of the identifiable intangible assets acquired in connection with the transaction. In addition, the excess of the purchase price over the fair values of UFJ Holdings assets and liabilities will be recorded as goodwill. If the recorded goodwill becomes impaired, the combined entity may be required to incur material charges relating to the impairment of goodwill. If the anticipated benefits of the merger are not achieved, the combined entity s financial results, including earnings per share, and the market value of the consolidated entity s common stock could be adversely affected.

Negative media coverage of the merger, as well as statements by parties with competing interests, could have a materially adverse effect on the combined entity s reputation, business and results of operations.

The merger between MTFG and UFJ Holdings has been the subject of extensive coverage by both Japanese and foreign media, and of statements by parties with competing interests. Some of this coverage and these statements are negative and pertain to a wide range of matters relating to the merger. Negative media coverage and statements about the merger, regardless of their veracity, may affect investor sentiment and could have a material adverse effect on the stock price of the combined entity. The resulting reputational harm from such negative media coverage and statements relating to the merger may also impact consumer perception, negatively affecting the business and results of operations of the combined entity. The combined entity, as well as MTFG and UFJ Holdings, may also be forced to devote considerable resources to address the impact of such media coverage and statements relating to the merger.

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MTFG, UFJ group and the combined entity could be forced to sell some of their equity securities at price levels lower than they would otherwise sell at in order to complete the merger under relevant Japanese laws.

Japanese banks generally are prohibited by the Banking Law and the Anti-Monopoly Law of Japan from purchasing or holding 5% or more of the equity interest in any domestic third party. In order to comply with this requirement prior to or soon after the merger, MTFG and the UFJ group may be required to sell some of their equity securities to the extent their combined holdings would exceed this 5% threshold after the merger. In order to remain compliant with the Banking Law and the Anti-Monopoly Law, MTFG, the UFJ group and the combined entity may sell some of their equity securities at price levels lower than they would otherwise sell at.

A successful legal challenge to the validity of the merger following its completion may invalidate the shares of MTFG issued in the merger.

Until six months after the effective date of the merger, a court action seeking to nullify the merger may be brought by any MTFG or UFJ Holdings shareholder, director, corporate auditor, liquidator, bankruptcy trustee or eligible creditor who disapproved the merger. The merger may be nullified by a court if a material procedural defect is found to have occurred in connection with the consummation of the merger. If any court action challenging the merger on this legal basis is brought, the price or liquidity of the combined entity s shares may be adversely affected, regardless of the merits of the claim. Moreover, in the event that the merger is nullified by a court, UFJ Holdings would be revived and all of the MTFG shares issued in the merger would thereafter become invalid. Previous shareholders of UFJ Holdings would once again become shareholders of the revived UFJ Holdings.

UFJ Holdings has not obtained updated fairness opinions from its financial advisors reflecting changes in circumstances and assumptions that may have occurred since the signing of the integration agreement.

UFJ Holdings has not obtained updated fairness opinions from its financial advisors, J.P. Morgan Securities Asia Pte. Limited and Merrill Lynch Japan Securities Co., Ltd., since February 18, 2005. The fairness opinions provided by these financial advisors do not speak of as of any date other than the date of those opinions and are subject to various assumptions and qualifications. Changes in the operations and prospects of MTFG and UFJ Holdings, general market and economic conditions and other factors which may be beyond the control of MTFG and UFJ Holdings, and on which the fairness opinions were based, may have altered the value of MTFG and UFJ Holdings, or the market price of MTFG and UFJ Holdings common stock as of the date of this prospectus, or may alter such values and prices by the time the merger is completed. You are encouraged to read the fairness opinions, which are included elsewhere in this prospectus, in their entirety.

Risks Relating to the Combined Entity s Business after the Merger

The combined entity may suffer additional losses in the future due to problem loans.

MTFG and the UFJ group have suffered from asset quality problems since the early 1990s. Despite recent progress by MTFG in reducing the level of its problem loans, UFJ Holdings continues to have a particularly concentrated exposure to large troubled borrowers and the combined entity will have a considerable amount of problem loans on its balance sheet at the time the merger is completed. A number of borrowers are still facing challenging circumstances, and the combined entity s problem loans and credit-related expenses could increase if:

- current restructuring plans of borrowers are not successfully implemented;
- additional large borrowers become insolvent or must be restructured;
- economic conditions in Japan deteriorate;
- real estate prices in Japan continue to decline or stock prices in Japan decline;
- the rate of corporate bankruptcies in Japan or elsewhere in the world rises;

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- additional economic problems arise elsewhere in the world; or
- the global economic environment deteriorates generally.

An increase in problem loans and credit-related expenses would adversely affect the combined entity s results of operations, weaken its financial condition and erode its capital base. Credit losses may increase if the combined entity elects, or is forced by economic or other considerations, to sell or write off its problem loans at a larger discount, in a larger amount or in a different time or manner than it may otherwise want.

The combined entity s allowance for credit losses may be insufficient to cover future loan losses.

MTFG s and UFJ Holdings allowance for credit losses in their loan portfolios are based on evaluations, assumptions and estimates about their customers, the value of collateral MTFG and UFJ Holdings hold and the economy as a whole. The combined entity s loan losses could prove to be materially different from the estimates and could materially exceed the allowances. If the combined entity s actual loan losses are higher than currently expected, the current allowances for credit losses will be insufficient. The combined entity may incur credit losses or have to provide for additional allowance for credit losses if :

- economic conditions, either generally or in particular industries in which large borrowers operate, deteriorate;
- the standards for establishing allowances change, causing the combined entity to change some of the evaluations, assumptions and estimates used in determining the allowances;
- the value of collateral the combined entity holds declines; or
- the combined entity is adversely affected by other factors to an extent that is worse than anticipated.

The credit quality of the combined entity s loan portfolio may be adversely affected by the continuing financial difficulties facing some companies operating in the Japanese real estate, construction, trading, wholesale and retail, and automotive sectors.

MTFG and UFJ Holdings have large exposures to some borrowers in the Japanese real estate, construction, trading, wholesale and retail, and automotive sectors, and are thus exposed to the ongoing financial difficulties faced by some borrowers operating in those sectors. Some of the companies in these sectors to which MTFG or UFJ Holdings has extended credit are exposed to ongoing financial difficulties and they may be in restructuring negotiations or considering whether to seek bankruptcy protection. If these companies are unsuccessful in their restructuring efforts due to continuing financial and operational difficulties or other factors, are otherwise forced to seek bankruptcy protection, or if other lenders discontinue or decrease their financial support to these companies for any reason, there may be further significant deterioration in the credit quality of the combined entity s loan portfolio, which would expose it to further loan losses.

The combined entity s exposure to troubled borrowers may increase, and its recoveries from these borrowers may be lower than expected.

The combined entity may provide additional loans, equity capital or other forms of support to troubled borrowers in order to facilitate their restructuring and revitalization efforts. The combined entity may forbear from exercising some or all of its rights as a creditor against them, and it may forgive loans to them in conjunction with their debt restructuring. The combined entity may take these steps even when its legal rights might permit it to take stronger action against the borrower and even when others might take stronger action against the borrower to maximize recovery or to reduce exposure in the short term. The combined entity may provide support to troubled borrowers for various reasons, including any of the following reasons arising from Japan s business environment and customs:

- political or regulatory considerations;
- reluctance to push a major client into default or bankruptcy or to disrupt a restructuring plan supported by other lenders; and

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- a perceived responsibility for the obligations of the combined entity s affiliated and associated companies, as well as companies with which MTFG or UFJ Holdings have historical links or other long-standing relationships.

These practices may substantially increase the combined entity s exposure to troubled borrowers and increase its losses.

The combined entity may experience losses because its remedies for credit defaults by its borrowers are limited.

The combined entity may not be able to realize the value of the collateral it holds or enforce its rights against defaulting customers because of:

- the difficulty of foreclosing on collateral in Japan;
- the illiquidity of and depressed values in the Japanese real estate market; and
- the depressed values of pledged securities held as collateral.

The combined entity s business may be adversely affected by negative developments with respect to other Japanese financial institutions, both directly and through the effect they may have on the overall Japanese banking environment and on their borrowers.

Many Japanese financial institutions, including banks, non-bank lending and credit institutions, affiliates of securities companies and insurance companies, are still experiencing declining asset quality and capital adequacy and other financial problems. This may lead to severe liquidity and solvency problems, which have in the past resulted in the liquidation, government control or restructuring of affected institutions. The continued financial difficulties of other financial institutions could adversely affect the combined entity because:

- MTFG and UFJ Holdings have extended loans, some of which are classified as nonaccrual and restructured loans, to banks and other financial institutions that will not be consolidated subsidiaries of the combined entity;
- MTFG and UFJ Holdings are shareholders of some other banks and financial institutions that will not be consolidated subsidiaries of the combined entity;
- MTFG and UFJ Holdings may be requested to participate in providing assistance to support distressed financial institutions that will not be consolidated subsidiaries of the combined entity;
- financial institutions may become majority owned or controlled by the Japanese government as a result of the government s conversion of its preferred stock into common stock or injection of additional public funds into financial institutions pursuant to the Deposit Insurance Law of Japan, such as the injection of public funds into Resona Bank, Ltd. and Ashikaga Bank, Ltd. in 2003, or other newly introduced frameworks for the injection of public funds into financial institutions;

- if the government takes control of major financial institutions, the combined entity will become a direct competitor of government controlled financial institutions and may be put at a competitive disadvantage if the Japanese government provides regulatory, tax, funding or other benefits to those financial institutions to strengthen their capital, facilitate their sale or otherwise;

- deposit insurance premiums could rise if deposit insurance funds prove to be inadequate;

- repeated or large scale bankruptcies or government support or control of financial institutions could generally undermine depositor confidence or adversely affect the overall banking environment; and

- negative media coverage of the Japanese banking industry, regardless of its accuracy and applicability to the combined entity, could affect investor sentiment and have a materially adverse effect on the combined entity s stock price.

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The combined entity may experience difficulties implementing effective internal controls.

In order to operate a global financial institution, it is essential for the combined entity to have effective internal controls, corporate compliance functions, and accounting systems to manage its assets and operations. Moreover, under the U.S. Sarbanes-Oxley Act of 2002, which will apply by reason of the combined entity s status as an SEC reporting company, the combined entity will be required to establish internal control over its financial reporting and its management will be required to assess the effectiveness of the combined entity s internal control over financial reporting and disclose whether such internal control is effective. The combined entity s auditors must also conduct an audit to evaluate management s assessment of the effectiveness of the internal control over financial reporting, and then render an opinion on the combined entity s assessment and the effectiveness of its internal control over financial reporting.

Designing and implementing an effective system of internal controls capable of monitoring and managing the combined entity s business and operations represents a significant challenge for the combined entity. Particularly, UFJ Holdings has previously admitted, in response to administrative action from the Financial Services Agency, to failures in internal controls that led to inappropriate responses to Financial Services Agency inspections of UFJ Bank s borrower classifications, errors in the management of loans to small- and medium-sized borrowers and deficiencies in its system for monitoring and managing credit risk. The internal control framework to be implemented by the combined entity will need to have the ability to identify and prevent similar occurrences on a group-wide basis. The design and implementation of internal controls may require significant management and human resources, and result in considerable costs. In addition, as a result of unanticipated issues arising after the merger, the combined entity may need to take a permitted scope limitation on its assessment of internal control over financial reporting, may report material weaknesses in its internal control over financial reporting or may be unable to assert that its internal control over financial reporting is effective. If such circumstances arise, it could adversely affect the market perception of the combined entity.

The combined entity may be adversely affected if economic conditions in Japan worsen.

Since the early 1990s, the Japanese economy has performed poorly due to a number of factors, including weak consumer spending and lower capital investment by Japanese companies, causing a large number of corporate bankruptcies and the failure of several major financial institutions. Although some economic indicators and stock prices have recently improved, if the economy weakens, then the combined entity s earnings and credit quality may be adversely affected.

Changes in interest rate policy, particularly unexpected or sudden increases in interest rates, could adversely affect the value of the combined entity s bond portfolio, problem loans and results of operations.

MTFG and UFJ Holdings hold a significant amount of Japanese government bonds and foreign bonds, including U.S. Treasury bonds. An increase in relevant interest rates, particularly if such increase is unexpected or sudden, may negatively affect the value of the combined entity s bond portfolio and reduce the so called spread, which is the difference between the rate of interest earned and the rate of interest paid. In addition, an increase in relevant interest rates may increase the combined entity s problem loans as some of its borrowers may not be able to meet the increased interest payment requirements, thereby adversely affecting its results of operations and financial condition.

Corporate credibility issues among its borrowers could increase the combined entity s problem loans or otherwise negatively affect its results of operations.

During the past few years, high profile bankruptcy filings and reports of past accounting or disclosure irregularities, including fraud, in the United States, Japan and other countries have raised corporate credibility issues, particularly with respect to public companies. In response to these developments and regulatory responses to these developments in the United States, Japan and elsewhere, regulators, auditors and corporate managers generally have begun to review financial statements more thoroughly and conservatively. As a result, additional

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accounting irregularities and corporate governance issues may be uncovered and bring about additional bankruptcy filings and regulatory action in the United States, Japan and elsewhere. Such developments could increase the combined entity s credit costs if they directly involve its borrowers or indirectly affect its borrowers credit.

The combined entity may not be able to maintain its capital ratios above minimum required levels, which could result in the suspension of some or all of its operations.

The combined entity, as a holding company, and its Japanese subsidiary banks, which will consist of a bank formed through the combination of Bank of Tokyo-Mitsubishi and UFJ Bank as well as a trust bank formed through the combination of Mitsubishi Trust Bank and UFJ Trust Bank, will be required to maintain risk-weighted capital ratios above the levels specified in the capital adequacy guidelines of the Financial Services Agency. The capital ratios will be calculated in accordance with Japanese banking regulations based on information derived from the relevant entity s financial statements prepared in accordance with Japanese GAAP. The combined entity s subsidiaries in California, UnionBanCal Corporation and Union Bank of California, N.A., referred to collectively as UNBC, are subject to similar U.S. capital adequacy guidelines. The combined entity or its subsidiary banks may be unable to continue to satisfy the capital adequacy requirements because of:

- credit costs the combined entity or its subsidiary banks may incur as it disposes of problem loans and removes impaired assets from its balance sheet;
- credit costs the combined entity or its subsidiary banks may incur due to losses from a future deterioration in asset quality;
- a reduction in the value of the combined entity s or its subsidiary banks deferred tax assets;
- changes in accounting rules or in the guidelines regarding the calculation of bank holding companies or banks capital ratios;
- declines in the value of securities portfolio of the combined entity or its subsidiary banks;
- the inability of the combined entity or its subsidiary banks to refinance their subordinated debt obligations with equally subordinated debt;
- adverse changes in foreign currency exchange rates; and
- other adverse developments discussed in these risk factors.

If the combined entity s capital ratios fall below required levels, the Financial Services Agency could require the combined entity to take a variety of corrective actions, including withdrawal from all international operations or suspension of all or part of its business operations.

The combined entity s capital ratios may also be negatively affected by contemplated or recently adopted regulatory changes.

Several proposed regulatory changes could have an adverse impact on the combined entity s capital ratios. In particular, the Financial System Council of the Financial Services Agency is discussing the adoption of rules that limit the amount of deferred tax assets that may be included in the calculation of Tier I or total regulatory capital. The imposition of any such limits would likely reduce the combined entity s regulatory capital, perhaps materially. As of September 30, 2004,

- MTFG s net deferred tax assets amounted to ¥653 billion under Japanese GAAP, or approximately 16.2% of the amount of its Tier I capital of ¥4,025 billion calculated in accordance with Japanese GAAP as required by the Financial Services Agency, and

- UFJ Holdings net deferred tax assets amounted to ¥1,044 billion under Japanese GAAP, or approximately 47.4% of the amount of its Tier I capital of ¥2,203 billion calculated in accordance with Japanese GAAP as required by the Financial Services Agency.

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In addition, effective March 31, 2003, the Financial Services Agency strongly suggested that major banks calculate loan loss reserves for certain impaired loans by analyzing the projected cash flows from those loan assets, discounted to present value, instead of basing reserves on historical loan loss data. MTFG and UFJ Holdings employ a methodology to calculate loan loss reserves for these credits based on their estimated cash flows. However, if in the future the Financial Services Agency adopts a calculation methodology that is different from the methodology employed by MTFG and UFJ Holdings, the size of the combined entity s allowance for loan losses under Japanese GAAP could increase. Because capital ratios are calculated under Japanese GAAP, this change may materially reduce the combined entity s capital ratios. Further regulatory changes are expected based on the new framework relating to regulatory capital requirements that were established by the Basel Committee on Banking Supervision and endorsed by the central bank governors and the heads of bank supervisory authorities of the Group of Ten (G10) countries in June 2004.

The combined entity may fail to meet the operating targets in the restructuring plan it will submit to the Financial Services Agency, which could subject it to administrative actions, the replacement of senior management, the conversion of preferred shares held by the Resolution and Collection Corporation and other adverse actions.

UFJ Holdings is a recipient of public funds from the Resolution and Collection Corporation, a Japanese government entity. The public funds were injected in the form of a preferred stock investment, and this preferred stock will be exchanged as part of the merger for newly issued preferred stock of the surviving entity. As a result, the combined entity will be required to prepare and submit a restructuring plan to the Financial Services Agency, and to periodically update such restructuring plan. Material failure to achieve the operating targets outlined in the restructuring plan could result in the following:

- the combined entity or its affiliates may be subject to administrative action from the Financial Services Agency;
- the Financial Services Agency may take steps to replace senior management of the combined entity or its bank subsidiaries; or
- the Resolution and Collection Corporation may convert its holdings of the combined entity s preferred stock into common stock, which may make the Japanese government the combined entity s largest shareholder.

In addition, the Financial Services Agency, the Resolution and Collection Corporation or other governmental agencies could take other actions, as a regulator or shareholder, that are designed to protect the interests of depositors or the Japanese government s investment but may be materially adverse to the interests of other investors in the combined entity.

The Japanese government could become a significant shareholder in the combined entity.

After the merger, the Resolution and Collection Corporation will hold preferred shares that do not have voting rights but are convertible into % of the combined entity s common shares. If the preferred shares are converted into common shares, the Japanese government could hold a substantial interest in the combined entity. On April 4, 2003, the Financial Services Agency issued guidelines concerning when the Japanese government may convert the preferred shares of banks or bank holding companies that it owns into common shares. Among the conditions under which the Japanese government may convert its preferred shares under those guidelines is the non-payment of dividends on those preferred shares for two consecutive fiscal years, or non-payment for one fiscal year and only a partial payment of preferred dividends for the second fiscal year. UFJ Holdings has announced it will not pay preferred dividends for the fiscal year ended March 31, 2005. If the combined entity is unable to pay any dividends on preferred shares for any reason, the Japanese government could elect to convert the preferred shares it holds into common shares. This could result in significant reputational harm and significant changes to the combined entity s strategic goals and operations.

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Administrative sanctions by the Financial Services Agency against the UFJ group could have a materially adverse effect on the combined entity s reputation, business, results of operations and stock price.

In June 2004, the Financial Services Agency levied business improvement administrative actions against the UFJ group after concluding that members of the UFJ s group s management had taken actions that amounted to evasions of inspections conducted by the Financial Services Agency on the classification of large borrowers. The causes of these sanctions led to the resignation of the top management of UFJ Holdings, UFJ Bank and UFJ Trust Bank. The Financial Services Agency s administrative order also directed the UFJ group to address serious deficiencies in its internal control framework. Subsequently, in October 2004, the Financial Services Agency filed criminal indictments against UFJ Bank and former members of its management. In conjunction with these indictments, the Tokyo District Public Prosecutors Office announced in December 2004 that they would seek to prosecute UFJ Bank, its former executive officers and a former employee on suspicion of violations of the Banking Law of Japan. In February 2005, three former executives of UFJ Bank pleaded guilty to obstructing the Financial Services Agency s inspections in violation of the Banking Law. These administrative sanctions and criminal proceedings may affect investor sentiment and could have a material adverse effect on the stock price of the combined entity. The resulting reputational harm from these events may also adversely impact consumer perception or relationships with both existing and potential business partners, negatively affecting the business and operations of the combined entity.

The combined entity s results of operations and capital ratios will be negatively affected if it is required to reduce its deferred tax assets.

MTFG, UFJ Holdings and their Japanese subsidiary banks determine the amount of their net deferred tax assets and regulatory capital pursuant to Japanese GAAP and Japanese banking regulations, which differ from U.S. GAAP and U.S. regulations. Under current Japanese banking regulations, all deferred tax assets established pursuant to Japanese GAAP are included in regulatory capital. Currently, Japanese GAAP generally permits the establishment of deferred tax assets for tax benefits that are expected to be realized during a period that is reasonably foreseeable, generally five fiscal years. The calculation of deferred tax assets under Japanese GAAP is based upon various assumptions, including assumptions with respect to future taxable income. Actual results may differ significantly from these assumptions. Even if the combined entity s ability to include deferred tax assets in regulatory capital is not affected by rule changes (see The combined entity s capital ratios may also be negatively affected by contemplated or recently adopted regulatory changes above), if the combined entity concludes, based on its projections of future taxable income, that it or its Japanese bank subsidiaries will be unable to realize a portion of the deferred tax assets, the combined entity s deferred tax assets may be reduced and, as a result, the combined entity s results of operations may be negatively affected and its capital ratios may decline. The calculation of deferred tax assets under U.S. GAAP requires consideration of different factors.

The combined entity may not be able to refinance its subordinated debt obligations with equally subordinated debt, and as a result its capital ratios may be adversely affected.

As of September 30, 2004, subordinated debt accounted for approximately

- 33.6% of MTFG s total regulatory capital,
- 31.8% of Bank of Tokyo-Mitsubishi s total regulatory capital,
- 43.3% of Mitsubishi Trust Bank s total regulatory capital,

- 37.7% of UFJ Holdings total regulatory capital,
- 38.6% of UFJ Bank s total regulatory capital, and
- 37.5% of UFJ Trust Bank s total regulatory capital,

in each case, as calculated under Japanese GAAP. The combined entity or its subsidiary banks may not be able to refinance their subordinated debt obligations with equally subordinated debt after the merger. The failure to refinance these subordinated debt obligations with equally subordinated debt may reduce their total regulatory capital and, as a result, negatively affect their capital ratios.

If the Japanese stock market declines, the combined entity may incur losses on its securities portfolio and its capital ratios will be adversely affected.

MTFG and UFJ Holdings hold large amounts of marketable equity securities. The market values of these securities are inherently volatile. The Nikkei 225 stock average declined to a 20-year low in April 2003 before recovering during the fiscal year ended March 31, 2004. The Nikkei 225 stock average has remained relatively unchanged during the 11 months ended February 28, 2005. As of February 28, 2005, the Nikkei 225 stock average was approximately ¥11,740. The combined entity will incur losses on its securities portfolio if the Japanese stock market declines in the future. Material declines in the Japanese stock market may also materially adversely affect the combined entity s capital ratios.

The combined entity s efforts to reduce its shareholdings of equity securities may adversely affect its relationships with customers as well as its stock price.

Like many Japanese financial institutions, a substantial portion of MTFG s and UFJ Holdings equity securities portfolio is held for strategic and business-relationship purposes. In November 2001, the Japanese government enacted a law forbidding bank holding companies and banks, including MTFG and UFJ Holdings and their respective bank subsidiaries, from holding, after September 30, 2006, stock the aggregate value of which is in excess of their adjusted Tier I capital. The sales of equity securities, whether to remain compliant with this prohibition on holding stock in excess of its adjusted Tier I capital, to reduce the combined entity s risk exposure to fluctuations in equity security prices, to comply with the requirements of the Banking Law and the Anti-Monopoly Law or otherwise, will reduce the combined entity s strategic shareholdings, which may have an adverse effect on relationships with its customers. In addition, the combined entity s plans to reduce its strategic shareholdings may encourage some of its customers to sell their shares of the combined entity s common stock, which may have a negative impact on its stock price.

The combined entity s trading and investment activities will expose it to interest rate, exchange rate and other risks.

MTFG and UFJ Holdings undertake extensive trading and investment activities involving a variety of financial instruments, including derivatives. The combined entity s income from these activities will be subject to volatility caused by, among other things, changes in interest rates, foreign currency exchange rates and equity and debt prices. For example:

- increases in interest rates may have an adverse effect on the value of the combined entity s fixed income securities portfolio, as discussed in Changes in interest rate policy, particularly unexpected or sudden increases in interest rates, could adversely affect the value of the combined entity s bond portfolio, problem loans and results of operations above; and

- the strengthening of the yen against the U.S. dollar and other foreign currencies will reduce the value, in the combined entity s financial statements, of its substantial portfolio of foreign currency denominated investments.

In addition, downgrades of the credit ratings of some of the fixed income securities in the combined entity s portfolio could negatively affect its results of operations. The combined entity s results of operations and financial condition in future periods will be exposed to the risks of loss associated with these activities.

A downgrade of the combined entity s credit ratings could have a negative effect on its business.

A downgrade of the combined entity s credit ratings by one or more of the credit rating agencies could have a negative effect on its treasury operations and other aspects of its business. In the event of a downgrade of the

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combined entity s credit ratings, its treasury business unit may have to accept less favorable terms in its transactions with counterparties, including capital raising activities, or may be unable to enter into some transactions. This could have a negative impact on the profitability of the combined entity s treasury and other operations and adversely affect its results of operations and financial condition.

The combined entity might have to pay risk premiums on borrowings from international financial institutions or be subject to credit limitations by them.

As a result of concerns regarding asset quality and the failure of several large Japanese financial institutions, international financial institutions have in the past:

- charged an additional risk premium to Japanese financial institutions for short-term borrowings in the interbank market; and
- placed restrictions on the amount of credit, including interbank deposits, that they extend to Japanese banks.

These restrictions on credit resulted in higher operating expenses and decreased profitability for affected Japanese banks. If conditions in the Japanese banking and other financial sectors further deteriorate, international markets could again impose risk premiums or credit restrictions on Japanese banks, including the combined entity.

The combined entity may not be able to achieve the goals of its business strategies.

The combined entity currently plans to pursue various business strategies to improve its profitability. In addition to the risk associated with combining the two groups, there are various other risks that could adversely impact the ability of the combined entity to achieve its business objectives. For example:

- the combined entity may be unable to cross-sell its products and services as effectively as anticipated;
- the combined entity may be unable to integrate the personnel of the two groups or its plan to reassign personnel may be unsuccessful;
- the combined entity may have difficulty in coordinating the operations of its subsidiaries and affiliates as planned due to legal restrictions, internal conflict or market resistance;
- the combined entity may lose customers and business as it integrates and, in some cases, rebrands some of its subsidiaries or affiliates operations;
- the combined entity s efforts to streamline operations may require more time than expected and cause some negative reactions from its customers;

- new products and services introduced by the combined entity may not gain acceptance among customers; and

- the combined entity may have difficulty integrating the information systems within its group.

The combined entity will be exposed to increased risks as it expands the range of its products and services.

As the combined entity expands the range of its products and services beyond its traditional banking and trust businesses and as the sophistication of financial products and management systems grows, it will be exposed to new and increasingly complex risks. The combined entity may have only limited experience with the risks related to the expanded range of these products and services. To the extent the combined entity expands its product and service offerings through acquisitions, it faces risks relating to the integration of acquired businesses with its existing operations. Moreover, some of the activities that the combined entity s subsidiaries are expected to engage in, such as derivatives and foreign currency trading, present substantial risks. The combined entity s risk management systems may prove to be inadequate and may not work in all cases or to the degree required. As

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a result, the combined entity may be subject to substantial market, credit and other risks in relation to the expanding scope of its products, services and trading activities, which could result in the combined entity incurring substantial losses. In addition, the combined entity s efforts to offer new services and products may not succeed if product or market opportunities develop more slowly than expected or if the profitability of opportunities is undermined by competitive pressures.

Any adverse changes in UNBC s business could significantly affect the combined entity s results of operations.

UNBC is expected to contribute a significant portion of the combined entity s net income. Any adverse change in the business or operations of UNBC could significantly affect the combined entity s results of operations. Factors that could negatively affect UNBC s results include adverse economic conditions in California, including the decline in the technology sector, the California state government s financial condition, a potential downturn in the real estate and housing industries in California, substantial competition in the California banking market, growing uncertainty over the U.S. economy due to the threat of terrorist attacks, fluctuating oil prices and rising interest rates, negative trends in debt ratings and equity valuations of various borrowers increasing the risk of corporate bankruptcy filings, and additional costs which may arise from enterprise-wide compliance with applicable laws and regulations such as the Bank Secrecy Act and related amendments under the U.S. Patriot Act.

The combined entity will be exposed to substantial credit and market risks in Asia, Latin America and other regions.

The combined entity will be active in Asia, Latin America and other regions through a network of branches and subsidiaries and will thus be exposed to a variety of credit and market risks associated with countries in these regions. A decline in the value of Asian, Latin American or other relevant currencies could adversely affect the creditworthiness of some of the combined entity s borrowers in those regions. For example, the loans MTFG and the UFJ group have made to Asian, Latin American and other overseas borrowers and banks are often denominated in yen, U.S. dollars or other foreign currencies. These borrowers often do not hedge the loans to protect against fluctuations in the values of local currencies. A devaluation of the local currency would make it more difficult for a borrower earning income in that currency to pay its debts to the combined entity and other foreign lenders. In addition, some countries in which the combined entity will operate may attempt to support the value of their currencies by raising domestic interest rates. If this happens, the borrowers in these countries would have to devote more of their resources to repaying their domestic obligations, which may adversely affect their ability to repay their debts to the combined entity and other foreign lenders. The limited credit availability resulting from these and related conditions may adversely affect economic conditions in some countries. This could cause a further deterioration of the credit quality of borrowers and banks in those countries and cause the combined entity to incur further losses. In addition, the combined entity will be active in other regions that expose it to risks similar to the risks described above and also risks specific to those regions, which may cause the combined entity to incur losses or suffer other adverse effects.

The combined entity s income and expenses relating to its international operations, as well as its foreign assets and liabilities, will be exposed to foreign currency fluctuations.

The combined entity s international operations will be subject to fluctuations in foreign currency exchange rates against the Japanese yen. When the yen appreciates, yen amounts for transactions denominated in foreign currencies, including a substantial portion of UNBC s transactions, decline. In addition, a portion of the combined entity s assets and liabilities will be denominated in foreign currencies. To the extent that the combined entity s foreign currency denominated assets and liabilities are not matched in the same currency or appropriately hedged, fluctuations in foreign currency exchange rates against the yen may adversely affect the combined entity s financial condition, including its capital ratios. In addition, fluctuations in foreign exchange rates will create foreign currency translation gains or losses.

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Losses relating to the combined entity s pension plans and a decline in returns on its plan assets may negatively affect the combined entity s results of operations and financial condition.

The combined entity may incur losses if the fair value of its pension plans assets declines, if the rate of return on its pension assets declines or if there is a change in the actuarial assumptions on which the calculations of the projected benefit obligations are based. Changes in the interest rate environment and other factors may also adversely affect the amount of unfunded pension obligations and the resulting annual amortization expense.

The combined entity may have to compensate for losses in its loan trusts and jointly operated designated money in trusts. This could have a negative effect on the combined entity s results of operations.

The combined entity s trust bank subsidiary may have to compensate for losses of principal of all loan trusts and some jointly operated designated money in trusts. Funds in those guaranteed trusts are generally invested in loans and securities. The combined entity s trust bank subsidiary will be required to maintain reserves in the accounts of those guaranteed trusts for loan losses and other impairments of principal, but the amount of these compensation obligations would not appear as a liability on the combined entity s balance sheet. If the amount of assets and reserves held in the guaranteed trusts falls below the principal as a result of loan losses, losses in the investment portfolio or otherwise, which are not absorbed by the profit earned by the trusts, the combined entity s trust bank subsidiary would be required to make a payment on the guaranties.

Trust beneficiaries of loan trusts and jointly operated designated money in trust are entitled to a semi-annual dividend, which in practice is the projected rate published semi-annually. Sharp declines in interest rates or in the value of the securities held in its trusts investment portfolios will partly reduce performance-dependent trust fees that the combined entity s trust bank subsidiary will generate from its loan trusts and jointly operated designated money in trust, thereby adversely affecting the combined entity s results of operations.

The combined entity s business and operations will be exposed to various, system, political and social risks beyond its control.

As a major financial institution, the combined entity s business and operations will be significantly dependent upon the domestic and world economies and will thus be exposed to various system, political and social risks beyond its control. Recent examples include disruptions of the Internet and other information networks due to major virus outbreaks, major terrorist activity such as the September 11 attacks, serious political instability and major health epidemics such as the outbreak of severe acute respiratory syndrome, or SARS. Such incidents may directly affect the combined entity s business and operations by disrupting its operational infrastructure or internal systems. Such incidents may also negatively impact the economic conditions, political regimes and social infrastructure of countries and regions in which the combined entity operates, and possibly the global economy as a whole. These various factors beyond the combined entity s control, as well as the threat of such risks or related countermeasures, may materially and adversely affect the combined entity s business, operating results and financial condition.

The combined entity may be subject to liability and regulatory action if it is unable to protect personal and other confidential information.

In recent years, there have been many cases of personal information and records in the possession of corporations and institutions being leaked or improperly accessed. In the event that personal information in the combined entity s possession about its customers or employees is leaked or improperly accessed and subsequently misused, the combined entity may be subject to liability and regulatory action. The standards applicable to the combined entity have become more stringent under the new Personal Information Protection Act of Japan, which became effective from April 2005. As an institution in possession of personal information, the combined entity may have to provide compensation for economic loss and emotional distress arising out of a failure to protect such information in accordance with the Personal Information Protection Act. In addition, such incidents could create a negative public perception of the combined entity s operations, systems or brand, which may in turn decrease customer and market confidence and materially and adversely affect the combined entity s business, operating results and financial condition.

Adverse regulatory developments or changes in laws, government policies or economic controls could have a negative impact on the combined entity s business and results of operations.

The combined entity conducts its business subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies, voluntary codes of practice and interpretations in Japan and the other markets in which the combined entity operates. Future developments or changes in laws, regulations, policies, voluntary codes of practice, fiscal or other policies and their effects are unpredictable and beyond its control. In particular, the Financial Services Agency has announced various regulatory changes that it would consider. For example, in December 2004, the Financial Services Agency launched an initiative designed to identify additional subjects for future financial reforms to be enacted over the next two years relating to various financial issues, including, among other things, the enactment of an investment services law, which aims to provide an overall regulatory regime applicable to financial institutions and financial products and the improvement of governance and risk management of financial institutions. The Financial Services Agency and other regulatory authorities also have the authority to conduct, at any time, inspections to review banks accounts, including those of the combined entity s bank subsidiaries. Any of the changes referred to above or any action that must be taken by the combined entity, whether as a result of regulatory developments or changes or inspections, could negatively affect its business and results of operations.

The combined entity s business may be adversely affected by competitive pressures, which have increased significantly due to regulatory changes.

In recent years, the Japanese financial system has been increasingly deregulated and barriers to competition have been reduced. In addition, the Japanese financial industry has been undergoing significant consolidation, as a result of which larger and more integrated financial institutions have emerged as competitors. If the combined entity is unable to compete effectively in this more competitive and deregulated business environment, its business, results of operations and financial condition will be adversely affected.

Restrictions on the combined entity s subsidiaries ability to pay dividends and make other distributions could limit amounts payable by the combined entity.

As a holding company, substantially all of the combined entity s cash flow will come from dividends that its subsidiaries and affiliated companies pay to the combined entity. Under some circumstances, various statutory or contractual provisions may restrict the amount of dividends the combined entity s subsidiaries and affiliated companies can pay to the combined entity. If the combined entity s subsidiaries and affiliated companies do not have sufficient earnings, they will be unable to pay dividends to the combined entity, and the combined entity in turn may be unable to pay dividends.

Risks Related to Owning the Combined Entity s Shares

Efforts by other companies to reduce their shareholdings in the combined entity may adversely affect its stock price.

Many companies in Japan that hold MTFG and UFJ Holdings shares have announced plans to reduce their shareholdings in other companies. Any future plans of the combined entity to sell shares in other companies may further encourage those companies and other companies to sell the combined entity s shares. If an increased number of shares of the combined entity s common stock are sold in the market, it will adversely affect the trading price of shares of the combined entity s common stock.

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Rights of shareholders under Japanese law may be different from those under the laws of jurisdictions within the United States and other countries.

The combined entity s articles of incorporation, the regulations of its board of directors and the Japanese Commercial Code will govern the combined entity s corporate affairs. Legal principles relating to such matters as the validity of corporate procedures, directors and officers fiduciary duties and shareholders rights will be different from those that would apply if the combined entity were not a Japanese corporation. Shareholders rights under Japanese law are different in some respects from shareholders rights under the laws of jurisdictions within the United States and other countries. You may have more difficulty in asserting your rights as a shareholder than you would as a shareholder of a corporation organized in a jurisdiction outside of Japan.

It may not be possible for investors to effect service of process within the United States upon the combined entity or its directors, senior management or corporate auditors, or to enforce against the combined entity or those persons judgments obtained in U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States.

The combined entity will be a joint stock company incorporated under the laws of Japan. Almost all of the combined entity s directors, senior management and corporate auditors are expected to reside outside of the United States. Many of the assets of the combined entity and these persons are located in Japan and elsewhere outside the United States. It may not be possible, therefore, for U.S. investors to effect service of process within the United States upon the combined entity or these persons or to enforce, against the combined entity or these persons, judgments obtained in the U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States. MTFG believes that there is doubt as to the enforceability in Japan, in original actions or in actions to enforce judgments of U.S. courts, of claims predicated solely upon the federal securities laws of the United States.

Risks Related to Owning the Combined Entity s ADSs

If you choose to hold ADSs, you will have fewer rights than a shareholder and you must act through the depositary to exercise these rights.

The rights of the combined entity s shareholders under Japanese law to take actions such as voting their shares, receiving dividends and distributions, bringing derivative actions, examining the combined entity s accounting books and records and exercising appraisal rights will only be available to shareholders of record. Because the depositary, through its custodian, is the record holder of the shares underlying the ADSs, a holder of ADSs may not be entitled to the same rights as a shareholder. In your capacity as an ADS holder, you will not be able to bring a derivative action, examine the combined entity s accounting books and records or exercise appraisal rights, except through the depositary.

Foreign exchange rate fluctuations may affect the U.S. dollar value of the combined entity s ADSs and dividends payable to holders of the combined entity s ADSs.

Market prices for the combined entity s ADSs may fall if the value of the yen declines against the U.S. dollar. In addition, the U.S. dollar amount of cash dividends and other cash payments made to holders of the combined entity s ADSs would be reduced if the value of the yen declines against the U.S. dollar.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

MTFG may from time to time make written or oral forward-looking statements. Written forward-looking statements may appear in documents filed with the SEC including this prospectus as well as an annual report on Form 20-F and other reports to shareholders and other communications.

The U.S. Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking information to encourage companies to provide prospective information about themselves. MTFG relies on this safe harbor in making forward-looking statements.

Forward-looking statements appear in a number of places in this prospectus and include statements regarding MTFG s and UFJ Holdings intent, belief or current expectations or the current belief or current expectations of MTFG s and UFJ Holdings management with respect to, among others:

- financial condition;
- results of operations;
- business plans and other management objectives;
- business strategies, competitive positions and growth opportunities;
- the consummation and benefits of the proposed merger and realization of financial and operating synergies and efficiencies, including estimated cost savings and revenue enhancement;
- the financial and regulatory environment in which MTFG and UFJ Holdings operate;
- the problem loan levels and loan losses of MTFG, UFJ Holdings and the combined entity; and
- the equity and foreign exchange markets.

In many, but not all cases, MTFG uses words such as anticipate, aim, believe, estimate, expect, intend, plan, probability, risk and expressions, as they relate to MTFG or UFJ Holdings or MTFG s or UFJ Holdings management, to identify forward-looking statements. These statements reflect MTFG s or UFJ Holdings current views with respect to future events and are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize or should underlying assumptions prove incorrect, actual results may vary materially from those which are anticipated, believed, estimated, expected, intended or planned.

Forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various factors. Important factors that could cause actual results to differ materially from estimates or forecasts contained in the forward-looking statements include, among others:

- the ability to integrate MTFG s and UFJ Holdings businesses, product lines and branch offices in a manner that achieves the expected results;
- timing, impact and other uncertainties associated with MTFG s other or future acquisitions or combinations within relevant industries and the integration of these other future acquisitions;
- requirements imposed by regulatory authorities to permit the transactions contemplated hereby to be consummated;
- changes in the monetary and interest rate policies of the Bank of Japan and other G-7 central banks;
- fluctuations in interest rates, equity prices and foreign currencies, the adequacy of loan loss reserves, the inability to hedge certain risks economically, changes in consumer spending and other habits, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which MTFG and UFJ Holdings and their respective affiliates operate;

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- risks of international business;
- regulatory risks;
- contingent liabilities;
- competitive factors in the industries in which MTFG and UFJ Holdings compete, and the impact of competitive services and pricing in both MTFG and UFJ Holdings markets;
- risks associated with debt service requirements and interest rate fluctuations;
- degree of financial leverage; and
- other risks referenced from time to time in MTFG s filings with the SEC.

MTFG does not intend to update these forward-looking statements. MTFG is under no obligation, and disclaim any obligation, to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

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SELECTED CONSOLIDATED FINANCIAL DATA OF MTFG

On April 2, 2001, MTFG was formed as a holding company for Bank of Tokyo-Mitsubishi, Mitsubishi Trust Bank and Nippon Trust Bank. Nippon Trust Bank was formerly a majority-owned subsidiary of Bank of Tokyo-Mitsubishi and merged into Mitsubishi Trust Bank in October 2001. The business combination between Bank of Tokyo-Mitsubishi and Mitsubishi Trust Bank was accounted for under the pooling-of-interests method and, accordingly, the selected statement of operations and balance sheet data shown below for the periods ended before the combination set forth the combined results of Bank of Tokyo-Mitsubishi, including Nippon Trust Bank, and Mitsubishi Trust Bank as if the combination had been in effect for all the periods presented.

Selected statement of operations data for the fiscal years ended March 31, 2000, 2001, 2002, 2003 and 2004 and selected balance sheet data as of March 31, 2000, 2001, 2002, 2003 and 2004 set forth below have been derived from MTFG s audited consolidated financial statements. The selected consolidated financial data for MTFG and its consolidated subsidiaries at and for the six months ended September 30, 2003 and 2004 have been derived from, and should be read in conjunction with, the unaudited consolidated financial statements of MTFG included elsewhere in this prospectus, which management believes include all adjustments necessary for a fair presentation of the results of operations and financial condition for those periods. The results of operations for the six-month period are not necessarily indicative of the results for a full year s operations.

Except for risk-adjusted capital ratios, which are calculated in accordance with Japanese banking regulations based on information derived from MTFG s financial statements prepared in accordance with Japanese GAAP, and the average balance information, the selected financial data set forth below are derived from MTFG s financial statements prepared in accordance with U.S. GAAP.

You should read the selected financial data set forth below in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations of MTFG and MTFG s consolidated financial statements and other financial data included elsewhere in this prospectus. The following data are qualified in their entirety by reference to all of that information.

	Fiscal year ended March 31,					Six months ended September 30,	
	2000	2001	2002	2003	2004	2003	2004
	(in millions, except per share data and number of shares)						
Statement of operations data:							
Interest income	¥ 2,160,017	¥ 2,278,168	¥ 2,013,571	¥ 1,582,493	¥ 1,421,754	¥ 744,894	¥ 695,542
Interest expense	1,084,134	1,309,454	938,274	539,270	426,514	226,482	215,616
Net interest income	1,075,883	968,714	1,075,297	1,043,223	995,240	518,412	479,926
Provision (credit) for credit losses	355,724	783,855	598,412	437,972	(114,109)	(129,602)	167,059
Net interest income after provision (credit) for credit losses	720,159	184,859	476,885	605,251	1,109,349	648,014	312,867
Non-interest income	378,929	853,492	359,696	840,634	1,308,095	713,278	427,361
Non-interest expense	1,079,786	1,021,708	1,161,294	1,182,406	1,236,040	581,980	538,417
Income (loss) before income tax expense (benefit) and cumulative effect of a change in accounting principle	19,302	16,643	(324,713)	263,479	1,181,404	779,312	201,811
Income tax expense (benefit)	63,658	47,594	(99,729)	69,872	357,817	255,379	69,446

Income (loss) from continuing operations before cumulative effect of a change in accounting principle	(44,356)	(30,951)	(224,984)	193,607	823,587	523,933	132,365
Income (loss) from discontinued operations-net	(2,873)	(27,084)	1,235	10,370	(585)	5,276	
Cumulative effect of a change in accounting principle, net of tax[1]			5,867	(532)			(977)
Net income (loss)	¥ (47,229)	¥ (58,035)	¥ (217,882)	¥ 203,445	¥ 823,002	¥ 529,209	¥ 131,388
Net income (loss) available to common shareholders	¥ (52,693)	¥ (66,371)	¥ (222,050)	¥ 190,941	¥ 815,021	¥ 525,041	¥ 127,909

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	Fiscal year ended March 31,					Six months ended September 30,	
	2000	2001	2002	2003	2004	2003	2004
	(in millions, except per share data and number of shares)						
Amounts per share[2]:							
Basic earnings (loss) per common share-income (loss) from continuing operations available to common shareholders before cumulative effect of a change in accounting principle	¥ (9,083.09)	¥ (7,143.20)	¥ (41,255.15)	¥ 32,240.37	¥ 128,443.00	¥ 83,039.35	¥ 19,850.94
Basic earnings (loss) per common share-net income (loss) available to common shareholders	(9,606.89)	(12,067.64)	(39,976.55)	33,991.75	128,350.88	83,882.26	19,700.46
Diluted earnings (loss) per common share-income (loss) from continuing operations available to common shareholders before cumulative effect of a change in accounting principle	(9,083.09)	(7,143.20)	(41,255.15)	29,486.78	125,123.73	79,757.80	19,743.30
Diluted earnings (loss) per common share-net income (loss) available to common shareholders	(9,606.89)	(12,067.64)	(39,976.55)	31,164.84	125,033.96	80,567.44	19,593.10
Number of shares used to calculate basic earnings per common share (in thousands)	5,485	5,500	5,555	5,617	6,350	6,259	6,493
Number of shares used to calculate diluted earnings per common share (in thousands)	5,485	5,500	5,555	5,863(3)	6,517	6,516	6,504
Cash dividends per share declared during the fiscal year[4]							
Common shares	¥ 8,255.25	¥ 8,255.25	¥ 4,127.63	¥ 6,000.00	¥ 4,000.00	¥ 4,000.00	¥ 6,000.00
	$ 74.91	$ 74.91	$ 37.46	$ 54.45	$ 36.30	$ 36.30	$ 54.45
Preferred shares (Class 1)	¥ 57,120.00	¥ 82,500.00	¥ 41,250.00	¥ 123,750.00	¥ 82,500.00	¥ 41,250.00	¥ 41,250.00
	$ 518.33	$ 748.64	$ 374.32	$ 1,122.96	$ 748.64	$ 374.32	$ 374.32
Preferred shares (Class 2)	¥ 8,150.00	¥ 16,200.00	¥ 8,100.00	¥ 24,300.00	¥ 16,200.00	¥ 8,100.00	¥ 8,100.00
	$ 73.96	$ 147.01	$ 73.50	$ 220.51	$ 147.01	$ 73.50	$ 73.50

	As of March 31,					As of September 30,	
	2000	2001	2002	2003	2004	2003	2004
	(in millions)						
Balance sheet data:							
Total assets	¥ 84,975,507	¥ 93,472,202	¥ 94,360,925	¥ 96,537,404	¥ 103,699,099	¥ 101,851,277	¥ 113,294,262
Loans, net of allowance for credit losses	48,563,172	47,953,919	48,494,545	47,105,433	47,637,729	46,900,599	50,846,540
Total liabilities	80,981,592	90,287,654	91,738,617	93,978,776	99,854,128	98,625,301	109,467,921
Deposits	54,777,171	60,105,742	63,659,501	67,303,678	70,024,252	69,856,596	72,064,301
Long-term debt	4,540,277	4,963,455	5,183,841	5,159,132	5,659,877	5,407,370	5,477,822
Shareholders equity	3,993,915	3,184,548	2,622,308	2,558,628	3,844,971	3,225,976	3,826,341
Capital stock[5]	956,664	956,664	973,156	1,084,708	1,084,708	1,084,708	1,084,708

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	As of March 31,					As of September 30,	
	2000	**2001**	**2002**	**2003**	**2004**	**2003**	**2004**
			(in millions, except percentages)				
Other financial data:							
Average balances:	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**
Interest-earning assets	¥ 82,944,880	¥ 83,192,062	¥ 85,027,796	¥ 86,246,966	¥ 90,850,630	¥ 90,039,278	¥ 96,860,081
Interest-bearing liabilities	74,408,264	75,645,416	78,683,185	79,658,352	84,975,055	83,854,192	89,572,079
Total assets	86,603,249	89,322,862	92,365,532	95,478,978	102,827,850	100,528,294	108,610,640
Shareholders equity	3,582,200	3,445,630	3,035,140	2,432,279	3,289,783	2,665,179	3,872,352
Return on equity and assets:	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**
Net income (loss) available to common shareholders as a percentage of total average assets	(0.06)%	(0.07)%	(0.24)%	0.20%	0.79%	1.04%	0.23%
Net income (loss) available to common shareholders as a percentage of average shareholders equity	(1.47)%	(1.93)%	(7.32)%	7.85%	24.77%	39.29%	6.59%
Dividends per common share as a percentage of basic earnings per common share	(6)	(6)	(6)	17.65%	3.12%	4.77%	30.46%
Average shareholders equity as a percentage of total average assets	4.14%	3.86%	3.29%	2.55%	3.20%	2.65%	3.57%
Net interest income as a percentage of total average interest-earning assets	1.30%	1.16%	1.26%	1.21%	1.10%	1.15%	0.99%
Credit quality data:							
Allowance for credit losses	¥ 1,486,212	¥ 1,716,984	¥ 1,735,180	¥ 1,360,136	¥ 888,127	¥ 1,069,044	¥ 938,208
Allowance for credit losses as a percentage of loans	2.97%	3.46%	3.45%	2.81%	1.83%	2.23%	1.81%
Nonaccrual and restructured loans, and accruing loans contractually past due 90 days or more	¥ 2,844,915	¥ 4,272,794	¥ 4,164,982	¥ 2,753,026	¥ 1,731,083	¥ 2,234,265	¥ 1,791,739
Nonaccrual and restructured loans, and accruing loans contractually past due 90 days or more as a percentage of loans	5.68%	8.60%	8.29%	5.68%	3.57%	4.66%	3.46%
Allowance for credit losses as a percentage of nonaccrual and restructured loans, and accruing loans contractually past due 90 days or more	52.24%	40.18%	41.66%	49.41%	51.30%	47.85%	52.36%
Net loan charge-offs	¥ 679,736	¥ 598,362	¥ 603,404	¥ 814,811	¥ 337,124	¥ 157,375	¥ 121,181
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**
Net loan charge-offs as a percentage of average loans	1.30%	1.21%	1.23%	1.64%	0.69%	0.65%	0.48%
Average interest rate spread	1.14%	1.01%	1.18%	1.15%	1.06%	1.11%	0.95%
Risk-adjusted capital ratio calculated under Japanese GAAP(7)	11.43%	10.15%	10.30%	10.84%	12.95%	12.44%	10.92%

(1) Effective April 1, 2001, MTFG adopted Statement of Financial Accounting Standards (SFAS) No. 133 Accounting for Derivative Instruments and Hedging Activities, as amended by SFAS No. 137 and SFAS No. 138. On April 1, 2002, MTFG adopted SFAS No. 142 Goodwill and Other Intangible Assets. Effective April 1, 2004, MTFG adopted Financial Accounting Standards Board Interpretation No. 46 (revised December 2003), Consolidation of Variable Interest Entities, an interpretation of ARB No. 51 .

(2) Amounts have been adjusted to reflect the stock-for-stock exchange creating MTFG for the fiscal years ended March 31, 2000 and 2001.

(3) Includes the common shares potentially issuable pursuant to the 3% exchangeable guaranteed notes due 2002 and Class 2 preferred stock. The 3% exchangeable guaranteed notes due 2002 were redeemed in November 2002.

(4) For the convenience of readers, the U.S. dollar amounts are presented as translations of Japanese yen amounts at the rate of ¥110.20 = U.S.$1.00, the noon buying rate on September 30, 2004 in New York City for cable transfers in Japanese yen as certified for customs purposes by the Federal Reserve Bank of New York.

(5) Amounts include common stock and non-redeemable Class 2 preferred stock. Redeemable Class 1 preferred stock is excluded.

(6) Percentages against basic loss per common share have not been presented because such information is not meaningful.

(7) Risk-adjusted capital ratios have been calculated in accordance with Japanese banking regulations, based on information derived from MTFG s consolidated financial statements prepared in accordance with Japanese GAAP. Ratios for the fiscal years ended March 31, 2000 and 2001 represent combined risk-adjusted capital ratios of Bank of Tokyo-Mitsubishi and Mitsubishi Trust Bank before any combination-related adjustments.

(8) Upon the acquisition of additional common shares of ACOM, Co., LTD. (ACOM) in April 2004, MTFG applied the equity method of accounting to its investments in ACOM in a manner consistent with the accounting for step-by-step acquisition of a subsidiary. Accordingly, certain financial data for past periods have been retroactively adjusted.

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SELECTED CONSOLIDATED FINANCIAL DATA OF UFJ HOLDINGS

The following table sets forth certain selected consolidated financial data for UFJ Holdings and its consolidated subsidiaries as of and for the fiscal years ended March 31, 2003 and 2004. The selected consolidated statements of operations data for the fiscal years ended March 31, 2003 and 2004 and the balance sheet data as at March 31, 2003 and 2004 have been derived from, and should be read in conjunction with, the audited consolidated financial statements of UFJ Holdings included elsewhere in this prospectus. The selected consolidated financial data for UFJ Holdings and its consolidated subsidiaries as at and for the six months ended September 30, 2003 and 2004 have been derived from, and should be read in conjunction with, the unaudited consolidated financial statements of UFJ Holdings included elsewhere in this prospectus, which management believes include all adjustments necessary for a fair presentation of the results of operations and financial condition for those periods. The results of operations for the six-month period are not necessarily indicative of the results for a full year s operations.

You should read the selected financial data set forth below in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations of UFJ Holdings and UFJ Holdings consolidated financial statements and other financial data included elsewhere in this prospectus. The following data are qualified in their entirety by reference to all of that information.

	Fiscal years ended March 31,		Six months ended September 30,	
	2003	2004	2003	2004
	(in millions, except per share data and number of shares)			
Statement of operations data:				
Interest income	¥ 1,187,028	¥ 1,058,413	¥ 535,055	¥ 613,462
Interest expense	269,786	209,038	108,481	136,310
Net interest income	917,242	849,375	426,574	477,152
Provision for loan losses	511,898	313,124	134,881	202,398
Net interest income after provision for loan losses	405,344	536,251	291,693	274,754
Non-interest income	544,436	1,149,967	656,822	524,523
Non-interest expense	1,214,154	979,912	490,391	550,564
Income (loss) before income tax expense, cumulative effect of change in accounting principle and extraordinary gain	(264,374)	706,306	458,124	248,713
Income tax expense	23,753	95,618	57,449	5,906
Income (loss) before cumulative effect of change in accounting principle and extraordinary gain	(288,127)	610,688	400,675	242,807
Cumulative effect of change in accounting principle, net of taxes (1)	(62,000)	(2,959)	(2,959)	2,942
Extraordinary gain, net of taxes	12,319			
Net income (loss)	¥ (337,808)	¥ 607,729	¥ 397,716	¥ 245,749
Net income (loss) available to common stockholders	¥ (383,218)	¥ 579,901	¥ 383,869	¥ 219,419

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	Fiscal years ended March 31,		Six months ended September 30,	
	2003	2004	2003	2004
	(in millions, except per share data and number of shares)			
Amounts per share:				
Basic earnings (loss) per common share income (loss) available to common stockholders before cumulative effect of change in accounting principle and extraordinary gain	¥ (67,823)	¥ 115,227	¥ 76,830	¥ 42,528
Basic earnings (loss) per common share net income (loss) available to common stockholders	(77,926)	114,642	76,242	43,106
Diluted earnings (loss) per common share income (loss) available to common stockholders before cumulative effect of change in accounting principle and extraordinary gain	(67,823)	86,803	57,020	33,605
Diluted earnings (loss) per common share net income (loss) available to common stockholders	(77,926)	86,382	56,598	34,012
Number of shares used to calculate basic earnings per common share (in thousands)	4,918	5,058	5,035	5,090
Number of shares used to calculate diluted earnings per common share (in thousands)	4,918	7,015(2)	7,013(2)	7,225(2)
Cash dividends per share declared during the fiscal year:				
Preferred stock (Class I)	¥ 984	¥ 264	¥ 264	¥ 508
Preferred stock (Class II)	4,770	1,590	1,590	3,180
Preferred stock (Class III)	5,055	1,151	1,151	1,168
Preferred stock (Class IV)	4,185	1,395	1,395	2,790
Preferred stock (Class V)	4,365	1,455	1,455	2,910
Preferred stock (Class VI)	474	24	24	5
Preferred stock (Class VII)	3,450	1,150	1,150	2,300

	At March 31,		At September 30,	
	2003	2004	2003	2004
	(in millions)			
Balance sheet data:				
Total assets	¥ 77,337,421	¥ 80,639,731	¥ 80,165,840	¥ 82,621,683
Loans, net of allowance for loan losses	43,489,478	42,981,743	42,139,028	41,847,467
Total liabilities	76,965,265	79,204,886	79,351,913	81,113,520
Deposits	56,130,501	58,537,935	57,291,723	57,506,750
Long-term debt	3,734,025	4,157,758	3,960,897	5,775,359
Stockholders' equity	372,156	1,434,845	813,927	1,508,163
Capital stock	1,000,000	1,000,000	1,000,000	1,000,000

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	At March 31,		At September 30,
	2003	2004	2004
	(in millions, except percentages)		
Other financial data:			
Credit quality data:			
Allowance for loan losses	¥ 3,195,187	¥ 2,438,309	¥ 2,080,771
Allowance for loan losses as a percentage of loans	6.84%	5.37%	4.74%
Non-accrual and restructured loans, and accruing loans contractually past due 90 days or more	¥ 6,848,037	¥ 5,083,400	¥ 4,400,313
Non-accrual and restructured loans, and accruing loans contractually past due 90 days or more as a percentage of loans	14.67%	11.19%	10.02%
Allowance for loan losses as a percentage of nonaccrual and restructured loans, and accruing loans contractually past due 90 days or more	46.66%	47.97%	47.29%
Net loan charge-offs	¥ 799,315	¥ 1,068,433	¥ 640,465

(1) SFAS No. 143 Accounting for Asset Retirement Obligations was adopted effective April 1, 2003. FASB Interpretation No. 46 (revised December 2003) Consolidation of Variable Interest Entities an interpretation of ARB No. 51 was adopted for the interim reporting period beginning April 1, 2004 with respect to entities created before February 1, 2003. SFAS No. 142 Goodwill and Other Intangible Assets was adopted effective April 1, 2002.

(2) Includes the common stock obtainable on conversion of convertible preferred stock, if dilutive.

The total risk-based capital ratio calculated under Japanese GAAP was 9.24% at March 31, 2004 and 9.92% at September 30, 2004. Risk-based capital ratios have been calculated in accordance with Japanese banking regulations, based on information derived from UFJ Holdings, Inc. s consolidated financial statements prepared in accordance with Japanese GAAP.

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UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL INFORMATION

The following unaudited pro forma combined condensed balance sheet as of September 30, 2004 and the unaudited pro forma combined condensed statements of income for the year ended March 31, 2004 and for the six months ended September 30, 2004 combine the historical consolidated balance sheets and consolidated statements of income of MTFG and UFJ Holdings under U.S. GAAP, giving effect to the proposed merger, after reflecting the pro forma adjustments described in the notes to unaudited pro forma combined condensed financial information. The business combination will be accounted for by the purchase method of accounting with MTFG treated as the acquirer.

Under U.S. GAAP, as a result of the application of the purchase method of accounting in connection with the proposed merger, the purchase price of all outstanding shares of UFJ Holdings has been allocated on a preliminary basis to UFJ Holdings consolidated assets and liabilities based on the estimated fair values of those assets and liabilities.

The unaudited pro forma combined condensed balance sheet gives effect to the proposed merger as if it had been effective on September 30, 2004. The unaudited pro forma combined condensed statements of income give effect to the proposed merger as if it had been effective on April 1, 2003. This information has been derived from and should be read in conjunction with the historical consolidated financial statements of MTFG and UFJ Holdings, including their respective notes thereto, which have been prepared in accordance with U.S. GAAP.

The unaudited pro forma financial information is presented for illustrative purposes only and is not necessarily indicative of the financial position or results of operations that would have occurred had the proposed merger been made at the beginning of the periods presented or the future results of the combined operations. In addition, the allocation of the purchase price reflected in the unaudited pro forma financial information is subject to adjustments and will vary from the actual purchase price allocation that will be recorded upon completion of the proposed merger based upon changes in the balance sheet including fair value estimates.

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UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET AS OF SEPTEMBER 30, 2004

	MTFG	UFJ Holdings	Pro forma adjustments	Pro forma combined
		(in millions)		
Assets				
Cash and due from banks	¥ 3,591,732	¥ 8,149,014	¥ (14,814) (A)	¥ 11,890,225
			164,293 (B)	
Interest-earning deposits in other banks	4,116,045	569,684	(268,491) (A)	4,419,981
			2,743 (B)	
Call loans, funds sold, and receivables under resale agreements	2,246,091	460,560	(1,592) (A)	2,705,059
Receivables under securities borrowing transactions	3,958,769	3,244,318	(162,492) (A)	7,040,595
Trading account assets	7,910,977	4,827,545	(189,382) (A)	12,549,140
Investment securities:				
Securities available for sale	31,633,734	18,035,485	273,974 (B)	49,943,193
Securities being held to maturity	1,876,692		15 (B)	1,876,707
Preferred stock investment in UFJ Bank Limited	700,000		(700,000) (A)	
Other investment securities	282,321	275,943	(13,367) (B)	918,200
			373,303 (C)	
Total investment securities	34,492,747	18,311,428	(66,075)	52,738,100
Loans, net of unearned income and deferred loan fees	51,784,748	43,928,238	(38,052) (A)	95,848,003
			173,069 (C)	
Allowance for credit losses	(938,208)	(2,080,771)		(3,018,979)
Net loans	50,846,540	41,847,467	135,017	92,829,024
Premises and equipment-net	569,285	597,926	2,027 (B)	1,208,126
			38,888 (C)	
Accrued interest	142,374	69,586	(151) (A)	211,809
Customers acceptance liability	23,705	30,358		54,063
Intangible assets	251,991	620,086	37,597 (B)	1,657,388
			(620,086) (C)	
			1,367,800 (C)	
Goodwill	69,468	2,399,391	(2,399,391) (C)	4,624,502
			4,555,034 (C)	
Deferred tax assets	1,051,544	56,284	110 (B)	642,743
			(465,195) (C)	
Accounts receivable	2,077,517	634,689	(11,074) (A)	2,701,132
Other assets	1,945,477	803,347	(1,217) (A)	2,743,253
			8,531 (B)	
			(12,885) (C)	
Total	¥ 113,294,262	¥ 82,621,683	¥ 2,099,195	¥ 198,015,140

(continued)

The accompanying notes are an integral part of the unaudited pro forma combined condensed financial information.

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	MTFG	UFJ Holdings	Pro forma adjustments	Pro forma combined
		(in millions)		
Liabilities and Shareholders Equity				
Deposits:				
Domestic offices:				
Non-interest-bearing	¥ 4,812,258	¥ 3,860,822	¥ (13,542) (A)	¥ 8,700,996
			41,458 (B)	
Interest-bearing	53,869,927	51,306,252	(41,743) (A)	105,170,089
			14,588 (B)	
			21,065 (C)	
Overseas offices, principally interest-bearing	13,382,116	2,339,676	(228,019) (A)	15,499,650
			5,877 (C)	
Total deposits	72,064,301	57,506,750	(200,316)	129,370,735
Debentures	30,752			30,752
Call money, funds purchased, and payables under repurchase agreements	8,846,928	2,169,787	(1,592) (A)	11,015,123
Payables under securities lending transactions	2,916,200	2,380,652	(162,492) (A)	5,134,360
Due to trust account and other short-term borrowings	10,948,012	7,808,808	(6,667) (A)	19,106,509
			356,356 (B)	
Trading account liabilities	2,068,544	2,647,808	(189,382) (A)	4,526,970
Obligations to return securities received as collateral	2,640,781	195,478		2,836,259
Bank acceptances outstanding	23,705	30,358		54,063
Accrued interest	103,787	68,371	(151) (A)	172,117
			110 (B)	
Long-term debt	5,477,822	5,775,359	(31,385) (A)	11,411,302
			29,760 (B)	
			159,746 (C)	
Accounts payable	2,836,121	635,590	(11,074) (A)	3,460,637
Other liabilities	1,510,968	1,894,559	(701,218) (A)	2,735,546
			33,651 (B)	
			8,064 (C)	
			(10,478) (C)	
Total liabilities	109,467,921	81,113,520	(727,068)	189,854,373
Commitments and contingent liabilities				
Shareholders equity:				
Capital Stock:				
Preferred stock	122,100	732,224	(732,224) (D)	122,100
Common stock	1,084,708	267,776	(267,776) (D)	1,084,708
Capital surplus	1,057,624	2,527,309	4,334,426 (C)	5,392,050
			(2,527,309) (D)	
Retained earnings				
Appropriated for legal reserve	239,571			239,571
Unappropriated	1,047,485	(2,490,221)	2,490,221 (D)	1,047,485
Accumulated other changes in equity from nonowner sources, net of taxes	277,358	480,429	(480,429) (D)	277,358
Total	3,828,846	1,517,517	2,816,909	8,163,272
Less treasury stock, at cost	2,505	9,354	(9,354) (D)	2,505
Shareholders equity-net	3,826,341	1,508,163	2,826,263	8,160,767
Total	¥ 113,294,262	¥ 82,621,683	¥ 2,099,195	¥ 198,015,140

The accompanying notes are an integral part of the unaudited pro forma combined condensed financial information.

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UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2004

	MTFG	UFJ Holdings	Pro forma adjustments	Pro forma combined
	(in millions, except per share data)			
Interest income:				
Loans, including fees	¥ 450,682	¥ 483,857	¥ (377) (A)	¥ 923,218
			(10,944) (C)	
Deposits in other banks	25,311	8,153	(1,179) (A)	32,285
Investment securities	176,931	102,606	13 (B)	279,550
Trading account assets	23,181	8,674		31,855
Call loans, funds sold, and receivables under resale agreements and securities borrowing transactions	19,437	10,172	(110) (A)	29,502
			3 (B)	
Total	695,542	613,462	(12,594)	1,296,410
Interest expense:				
Deposits	94,088	38,815	(1,179) (A)	131,724
Debentures	348			348
Call money, funds purchased, and payables under repurchase agreements and securities lending transactions	30,452	11,694	(110) (A)	42,050
			14 (B)	
Due to trust account, other short-term borrowings, and trading account liabilities	34,983	20,444	(16) (A)	55,414
			3 (B)	
Long-term debt	55,745	65,357	(361) (A)	100,461
			346 (B)	
			(20,626) (C)	
Total	215,616	136,310	(21,929)	329,997
Net interest income	479,926	477,152	9,335	966,413
Provision for credit losses	167,059	202,398		369,457
Net interest income after provision for credit losses	312,867	274,754	9,335	596,956
Non-interest income:				
Fees and commissions	312,471	297,036	(4,624) (A)	616,699
			11,816 (B)	
Foreign exchange gains (losses)-net	(164,247)	5,402	1 (B)	(158,844)
Trading account profits (losses)-net	12,323	(65,469)		(53,146)
Investment securities gains-net	196,686	250,735		447,421
Other non-interest income	70,128	36,819	(9,605) (A)	105,741
			8,399 (B)	
Total	427,361	524,523	5,987	957,871
Non-interest expense:				
Salaries and employee benefits	238,935	160,962	(534) (A)	404,274
			1,913 (B)	
			2,998 (C)	
Occupancy expenses-net	60,424	68,039	(306) (A)	140,889
			11,853 (B)	
			879 (C)	

Fees and commission expenses	42,079	29,905	(4,624) (A)	67,863
			503 (B)	
Amortization of intangible assets	33,740	55,074	5,470 (B)	109,036
			(55,074) (E)	
			69,826 (E)	
Insurance premiums, including deposit insurance	26,276	25,758	2 (B)	52,036
Minority interest in income of consolidated subsidiaries	15,752	3,754		19,506
Communications	14,195	4,684	233 (B)	19,112
Other non-interest expenses	107,016	202,388	(8,765) (A)	300,699
			60 (B)	
Total	538,417	550,564	24,434	1,113,415

(continued)

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	MTFG	UFJ Holdings	Pro forma adjustments	Pro forma combined
		(in millions, except per share data)		
Income from continuing operations before income tax expense	201,811	248,713	(9,112)	441,412
Income tax expense	69,446	5,906	(3,663) (D)	71,689
Income from continuing operations	132,365	242,807	(5,449)	369,723
Income from continuing operations allocable to preferred shareholders	3,479	26,330		29,809
Income from continuing operations available to common shareholders	¥ 128,886	¥ 216,477	¥ (5,449)	¥ 339,914
Amounts per share:				
Basic earnings per common share income from continuing operations available to common shareholders	¥ 19,850.94	¥ 42,527.48		¥ 35,229.16
Diluted earnings per common share income from continuing operations available to common shareholders	19,743.30	33,605.00		33,549.77
Weighted average common shares outstanding (in thousands)	6,493	5,090		9,649
Weighted average diluted common shares outstanding (in thousands)	6,504	7,225		10,300

The accompanying notes are an integral part of the unaudited pro forma combined condensed financial information.

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UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME

FOR THE FISCAL YEAR ENDED MARCH 31, 2004

	MTFG	UFJ Holdings	Pro forma adjustments		Pro forma combined
	(in millions, except per share data)				
Interest income:					
Loans, including fees	¥ 921,666	¥ 840,832	¥ (834)	(A)	¥ 1,739,775
			(21,889)	(C)	
Deposits in other banks	48,093	21,264	(5,907)	(A)	63,450
Investment securities:					
Interest	341,062	139,411	20	(B)	480,493
Dividends	41,207	22,571			63,778
Trading account assets	28,451	17,681			46,132
Call loans and funds sold	5,384	3,558	(66)	(A)	8,885
			9	(B)	
Receivables under resale agreements and securities borrowing transactions	35,891	13,096	(605)	(A)	48,382
Total	1,421,754	1,058,413	(29,272)		2,450,895
Interest expense:					
Deposits	178,549	74,818	(5,907)	(A)	222,006
			(25,454)	(C)	
Debentures	4,035				4,035
Call money and funds purchased	9,910	1,274	(66)	(A)	11,118
Payables under repurchase agreements and securities lending transactions	74,043	18,587	(605)	(A)	92,098
			73	(B)	
Due to trust account	4,950	6,210	6	(B)	11,166
Other short-term borrowings and trading account liabilities	34,262	19,404	(34)	(A)	53,632
Long-term debt	120,765	88,745	(800)	(A)	168,224
			766	(B)	
			(41,252)	(C)	
Total	426,514	209,038	(73,273)		562,279
Net interest income	995,240	849,375	44,001		1,888,616
Provision (credit) for credit losses	(114,109)	313,124	(13)	(B)	199,002
Net interest income after provision (credit) for credit losses	1,109,349	536,251	44,014		1,689,614
Non-interest income:					
Fees and commissions	572,668	445,717	(7,131)	(A)	1,034,694
			23,440	(B)	
Foreign exchange gains net	413,911	95,561			509,472
Trading account profits-net	103,903	228,971			332,874
Investment securities gains net	118,648	316,911			435,559
Refund of the local taxes by the Tokyo Metropolitan Government	41,989	25,695			67,684
Other non-interest income	56,976	37,112	(18,177)	(A)	91,270
			15,359	(B)	
Total	1,308,095	1,149,967	13,491		2,471,553
Non-interest expense:					
Salaries and employee benefits	506,710	344,550	(1,049)	(A)	834,874
			3,804	(B)	
			(19,141)	(C)	

Occupancy expenses-net	120,507	121,193	(535)	(A)	265,696
			22,773	(B)	
			1,758	(C)	
Gains on other real estate owned	(579)				(579)
Fees and commission expenses	80,252	50,882	(7,131)	(A)	124,711
			708	(B)	
Amortization of intangible assets	63,582	82,722	9,083	(B)	212,318
			(82,722)	(E)	
			139,653	(E)	
Insurance premiums, including deposit insurance	54,392	52,054	3	(B)	106,449
Minority interest in income of consolidated subsidiaries	42,404	19,668			62,072
Communications	27,623	9,436	491	(B)	37,550
Other non-interest expenses	341,149	299,407	(16,593)	(A)	624,437
			474	(B)	
Total	1,236,040	979,912	51,576		2,267,528
Income from continuing operations before income tax expense	1,181,404	706,306	5,929		1,893,639
Income tax expense	357,817	95,618	2,674	(D)	456,109
Income from continuing operations	823,587	610,688	3,255		1,437,530
Income from continuing operations allocable to preferred shareholders	7,981	27,828			35,809
Income from continuing operations available to common shareholders	¥ 815,606	¥ 582,860	¥ 3,255		¥ 1,401,721
Amounts per share:					
Basic earnings per common share income from continuing operations available to common shareholders	¥ 128,443.00	¥ 115,227.05			¥ 147,765.32
Diluted earnings per common share income from continuing operations available to common shareholders	125,123.73	86,803.31			131,380.21
Weighted average common shares outstanding (in thousands)	6,350	5,058			9,486
Weighted average diluted common shares outstanding (in thousands)	6,517	7,015			10,866

The accompanying notes are an integral part of the unaudited pro forma combined condensed financial information.

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NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL INFORMATION

1. Basis of Pro Forma Presentation

The unaudited pro forma financial information is based on the purchase method of accounting, and the pro forma adjustments include the adjustments to record the consolidated assets and liabilities of UFJ Holdings at their estimated fair values on the date of acquisition. The pro forma adjustments also eliminate intercompany balances and transactions as of and during the periods presented. Although management uses its best judgment in estimating fair values based on information currently available, the estimation methodologies and assumptions used in estimating fair values are inherently subjective. The use of different estimation methodologies or market assumptions may have a significant effect on the estimated fair values. In addition, the final allocation of purchase price will be determined after the proposed merger is completed and the fair values of the consolidated assets and liabilities of UFJ Holdings as of the closing date are finally determined. The application of the purchase method of accounting to the actual merger may be materially different from the pro forma adjustments presented in this prospectus as additional information becomes available and as additional analysis is performed. Further, the unaudited pro forma financial information does not reflect the impact of targeted costs savings and other synergies and incremental cost of merger, all of which can not be objectively quantifiable.

MTFG will issue shares of convertible preferred stock in exchange for the outstanding convertible preferred stock of UFJ Holdings. However, since the terms and conditions of such securities have not yet been determined, and the actual payment of dividends depends on both the sufficiency of the retained earnings of the combined entity and the resolution of the shareholders at the relevant ordinary general meeting of shareholders in the case of annual preferred dividends, or the board of directors in the case of the preferred interim dividends, the unaudited pro forma combined condensed statements of income do not include any pro forma adjustments to the amount of income from continuing operations allocable to preferred shareholders. In addition, the fair value of the shares of convertible preferred stock will finally be determined based on their detailed terms and conditions, and consequently, the total purchase price is subject to change.

The unaudited pro forma financial information does not reflect changes to MTFG s capitalization subsequent to September 30, 2004 including the redemption of 40,700 shares of MTFG s Class 1 preferred stock on October 1, 2004, the planned redemption of the remaining 40,700 shares outstanding of MTFG s Class 1 preferred stock scheduled on April 1, 2005, and the issuance of 100,000 shares of MTFG s Class 3 preferred stock on February 17, 2005, all of which are unrelated to the proposed merger.

Japanese banks generally are prohibited by the Banking Law and the Anti-Monopoly Law of Japan from purchasing or holding 5% or more of the equity interest in any domestic third party. In order to comply with this requirement, MTFG, UFJ Holdings and/or the combined entity may sell some available-for-sale equity securities. No adjustments have been made to the unaudited pro forma financial information to reflect the potential impact of such sales. The pro forma effect of such sales would not materially change the pro forma balance sheet since such investment is already carried at fair value in the historical balance sheet with unrealized gains/losses recorded in the shareholders equity. The actual gains or losses, if any, to be recorded upon the sale of such securities, will depend on the future market price of these investments at the time of sale, which is not currently determinable.

2. Pro Forma Adjustments

Acquisition of UFJ Holdings

On August 12, 2004, MTFG, UFJ Holdings, Bank of Tokyo-Mitsubishi, UFJ Bank, Mitsubishi Trust Bank, UFJ Trust Bank, Mitsubishi Securities and UFJ Tsubasa Securities concluded a basic agreement with regard to the management integration of the holding companies, banks, trust banks, and securities companies of the two groups. Subsequently, on September 17, 2004, MTFG purchased 3.5 billion class E preferred shares issued by UFJ Bank for ¥700 billion. The closing date of the acquisition of UFJ Holdings is expected to be on or around

NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED

FINANCIAL INFORMATION (Continued)

October 1, 2005, subject to shareholder and regulatory approval. The purchase price is ¥4,342,490 million.

The proposed merger will be accounted for by the purchase method of accounting for business combinations. MTFG s share of UFJ Holdings assets and liabilities will be recorded at fair value, with the excess of the purchase price over MTFG s share of the fair value of UFJ Holdings net assets accounted for as goodwill.

The paragraphs below refer to the corresponding items set forth in the pro forma combined condensed balance sheet and statements of income.

Unaudited Pro Forma Combined Condensed Balance Sheet

(A) Adjustments to eliminate intercompany receivables and payables, including an adjustment to eliminate MTFG s investment in UFJ Bank s preferred stock and corresponding minority interest included in Other liabilities in the historical balance sheet of UFJ Holdings.

(B) Adjustments to consolidate the balance sheets of companies that will be controlled by the combined entity after the proposed merger in which the investments of both MTFG and UFJ Holdings had been accounted for by the equity method. The book values of certain assets of those companies are also adjusted to reflect the elimination of intercompany unrealized profits.

(C) Measurement of the purchase consideration and allocation of the purchase price to the assets acquired and liabilities assumed.

The total purchase price includes MTFG convertible preferred stock, MTFG common stock and certain direct acquisition costs determined as follows:

	(in millions)
Convertible preferred stock	¥ 1,290,868(a)
Common stock	3,044,214(b)
Less costs of registration and issuance	656(c)
Direct acquisition costs	8,064(d)
Total purchase price	¥ 4,342,490

(a) MTFG will issue new shares of convertible preferred stock in exchange for the outstanding convertible preferred stock of UFJ Holdings. However, the terms and conditions of such securities have not yet been determined. The estimated fair value of the convertible preferred stock is measured as the fair value of the outstanding convertible preferred stock issued by UFJ Holdings, which is based on the present value of the cash dividend and principal payment streams as well as the conversion feature valued using a binomial option model, and using the historical volatility of the common stock of MTFG. The entire amount is included in capital surplus in the pro forma combined condensed balance sheet, although the actual allocation within shareholders equity will be determined upon the issuance.

(b) MTFG will issue shares of common stock in exchange for 100% of common stock of UFJ Holdings at an exchange ratio of 0.62 shares of MTFG for each share of UFJ Holdings. The estimated fair value of MTFG shares is based on the average closing market price of MTFG common stock for the period commencing two trading days prior to and ending two trading days after the share exchange ratio was agreed to and announced on February 18, 2005. The entire amount is included in capital surplus in the pro forma combined condensed balance sheet, although the actual allocation within shareholders equity will finally be determined upon the issuance.

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NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED

FINANCIAL INFORMATION (Continued)

(c) Represents estimated costs of registration and issuance of the MTFG common stock recognized as a reduction of the otherwise determinable fair value of the securities.

(d) Represents estimated direct costs of the business combination, including professional service fees paid to financial advisors and consultants for accounting and legal issues.

The purchase price was allocated to UFJ Holdings tangible assets and liabilities, identifiable intangible assets and goodwill as follows:

		(in millions)
Total purchase price		¥ 4,342,490
Less (Add):		
Book value of UFJ Holdings net assets	1,508,163	
UFJ Holdings goodwill and other intangible assets	(3,019,477)	
Estimated adjustments to reflect assets acquired at fair value		
Investment securities	373,303 (e)	
Net loans	173,069 (f)	
Premises and equipment	38,888 (g)	
Core deposit intangible assets	829,600 (h)	
Overdraft relationship intangible assets	36,800 (h)	
Credit card relationship and co-brand contract right intangible assets	143,900 (h)	
Trust customer relationship intangible assets	161,300 (h)	
Asset management relationship intangible assets	24,500 (h)	
Broker dealer customer relationship intangible assets	3,100 (h)	
Information technology intangible assets	122,200 (h)	
Trade name intangible assets	46,400 (h)	
Deferred tax assets	(465,195) (i)	
Prepaid pension cost	(12,885) (j)	
Estimated amounts allocated to liabilities assumed at fair value		
Deposits	(26,942) (k)	
Long-term debt	(159,746) (l)	
Accrued pension liability included in other liabilities	9,136 (j)	
Deferred tax liabilities included in other liabilities	1,342 (i)	
Total fair value of net assets acquired		(212,544)
Goodwill		¥ 4,555,034

(e) Investment securities: Fair value of non-public equity investments is based on their expected dividend streams, sale proceeds, and liquidity, using income approach. Fair value of non-public convertible preferred equity investments is estimated taking into consideration the value of the preferred dividends prior to conversion as well as the present value of the options to convert.

(f) Net loans: Fair value is determined using discounted cash flows based on current rates at which loans of similar credit quality would be made to borrowers for the same maturities. Fair value of non-performing loans is valued based on their principal balance net of specific reserve.

(g) Premises and equipment: Fair value is based on appraised values, either through independent third party appraisals or internal appraisals.

(h) Intangible assets: Fair values of core deposit intangible assets, overdraft relationship intangible assets, credit card relationship intangible assets, trust customer relationship intangible assets, asset

NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED

FINANCIAL INFORMATION (Continued)

management relationship intangible assets, broker dealer customer relationship intangible assets, information technology intangible assets and trade name intangible assets are based on an independent valuation report and based on current assumptions and estimates, which are subject to change.

(i) Deferred tax assets and liabilities are created as a result of fair value adjustments, assuming a effective statutory tax rate of approximately 40.6%.

(j) Prepaid pension cost and Accrued pension liability: Reflects the adjustment to remeasure the fair value of UFJ Holdings projected benefit obligation and plan assets.

(k) Interest-bearing deposits: Fair value of time deposits is determined using the discounted cash flow method based on rates offered for deposits with similar maturities.

(l) Long-term debt: Fair value is determined based on discounted cash flows based on current rates for issues of similar maturity and credit quality.

(D) Adjustments to eliminate UFJ Holdings historical shareholders equity.

Unaudited Pro Forma Combined Condensed Statements of Income

(A) Adjustments to eliminate income and expenses from transactions between MTFG and UFJ Holdings.

(B) Adjustments to consolidate statements of income of companies that will be controlled by the combined entity after the proposed merger in which the investments of both MTFG and UFJ Holdings are accounted for by the equity method.

(C) Includes the adjustments related to the difference between the carrying values and fair values of UFJ Holdings loans, deposits, long-term debt, pension liabilities, and premises acquired, as follows:

- Interest income on loans: The adjustment will be recognized over the estimated remaining life of the loan portfolio of eight years. The impact of this adjustment is to reduce pre-tax interest income by ¥21,889 million and ¥10,944 million for the fiscal year ended March 31, 2004 and six months ended September 30, 2004, respectively.

- Interest expense on deposits: The adjustment will be recognized over the estimated remaining life of the deposit liability portfolio of one year. The impact of this adjustment is to reduce pre-tax interest expense by ¥25,454 million for the fiscal year ended March 31, 2004.

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Interest expense on long-term debt: The adjustment will be recognized over the estimated remaining life of the long-term debt liabilities over three to four years. The impact of this adjustment is to reduce pre-tax interest expense by ¥41,252 million and ¥20,626 million for the fiscal year ended March 31, 2004 and six months ended September 30, 2004, respectively.

- Pension expense: The amounts of amortization of unrecognized prior service cost and the amortization of net actuarial loss recorded in the historical statements of operations of UFJ are eliminated. The impact of the adjustment is to decrease pre-tax salaries and employee benefits by ¥19,141 million and will increase by ¥2,998 million for the fiscal year ended March 31, 2004 and six months ended September 30, 2004, respectively.

- Depreciation expense on premises: The adjustment will be recognized over the estimated remaining life of the premises of twenty two years. The impact of this adjustment is to increase pre-tax occupancy expense by ¥1,758 million and ¥ 879 million for the fiscal year ended March 31, 2004 and six months ended September 30, 2004, respectively.

NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED

FINANCIAL INFORMATION (Continued)

(D) Adjustments to record the tax effect of the pro forma adjustments using a statutory tax rate of approximately 40.6%.

(E) Adjustments to amortization expense related to the acquired intangible assets was ¥139,653 million and ¥69,826 million for the fiscal year ended March 31, 2004 and six months ended September 30, 2004, respectively. The estimated useful lives of the intangible assets are as follows:

Core deposit intangible	10 years
Overdraft relationships	9 years
Credit card relationships UFJ	13 years
Credit card relationships Nippon Shinpan	7 years
Co-brand contract rights UFJ	13 years
Co-brand contract rights Nippon Shinpan	Indefinite life
Trust customer relationships	13 years
Asset management relationships	40 years
Broker dealer customer relationships (Retail)	11 years
Broker dealer customer relationships (Wholesale)	30 years
Information technology	5 years
Trade name UFJ	22 years
Trade name UFJ Tsubasa	11 years
Trade name Nippon Shinpan	Indefinite life

(F) To derive the combined pro forma income from continuing operations available to common shareholders, combined pro forma income from continuing operations has been reduced by income allocable to preferred shareholders. For income allocable to preferred shareholders, amounts recorded in the historical statements of operations are used without adjustment. No payment of dividends on MTFG preferred stock can be made unless the combined entity has sufficient retained earnings and, in the case of annual preferred dividends, the shareholders at the relevant ordinary general meeting of shareholders or, in the case of the preferred interim dividends, the board of directors, resolves to distribute the retained earnings.

	For the six months ended September 30, 2004	For the fiscal year ended March 31, 2004
	(in millions)	
Combined pro forma income from continuing operations available to common stockholders Basic	¥ 339,914	¥ 1,401,721
Add back: Income from continuing operations allocable to preferred shareholders	6,239	27,368
Dilutive securities of MTFG s subsidiaries	(587)	(1,501)
Combined pro forma income from continuing operations available to common stockholders Diluted	¥ 345,566	¥ 1,427,588

Weighted average shares used for the computation of basic income from continuing operations per share of the combined entity were calculated using the historical weighted average shares outstanding of MTFG and UFJ Holdings for the year ended March 31, 2004 and six months ended

September 30, 2004, adjusted using the exchange ratio.

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NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED

FINANCIAL INFORMATION (Continued)

Weighted average shares used for the computation of diluted income from continuing operations per share of the combined entity were calculated as follows:

	For the six months ended September 30, 2004	For the fiscal year ended March 31, 2004
	(in thousands)	
Basic weighted average shares outstanding	9,649	9,486
Convertible preferred stock	651	1,380
Diluted weighted average shares outstanding	10,300	10,866

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SELECTED UNAUDITED PRO FORMA PER SHARE DATA OF MTFG AND UFJ HOLDINGS

The following table sets forth historical unaudited pro forma and pro forma equivalent information with respect to income from continuing operations per share and dividends per share for the fiscal year ended March 31, 2004 and the six months ended September 30, 2004 and net book value per share as of September 30, 2004 for MTFG and UFJ Holdings. The historical information for MTFG and UFJ Holdings has been prepared under U.S. GAAP. The information that follows should be read in conjunction with the unaudited pro forma combined condensed financial information and related notes included elsewhere in this prospectus, together with the historical U.S. GAAP consolidated financial statements of MTFG and UFJ Holdings included in this prospectus.

The comparative pro forma and pro forma equivalent per share data has been included for comparative purposes only and do not purport to be indicative of (1) the actual results of operations or financial position which would have been obtained if the merger had been completed at the beginning of the earliest period presented or as of the date indicated or (2) the results of operations or financial position which may be obtained in the future.

	For the fiscal year ended March 31, 2004			
	UFJ Holdings		MTFG	
	Historical(1)	Pro Forma Equivalent(2)	Historical(1)	Pro Forma
Cash dividends per share(3)	¥	¥ 2,480.00	¥ 4,000.00	¥ 4,000.00
Income from continuing operations per share:				
Basic	115,227.05	91,614.50	128,443.00	147,765.32
Diluted	86,803.31	81,455.73	125,123.73	131,380.21

	For the six months ended September 30, 2004			
	UFJ Holdings		MTFG	
	Historical(1)	Pro Forma Equivalent(2)	Historical(1)	Pro Forma
Net book value per share (as of the end of the period)	¥ 152,105.47	¥ 460,199.15	¥ 549,725.57	¥ 742,256.70
Cash dividends per share(3)		3,720.00	6,000.00	6,000.00
Income from continuing operations per share:				
Basic	42,527.48	21,842.08	19,850.94	35,229.16
Diluted	33,605.00	20,800.86	19,743.30	33,549.77

(1) Calculated using the weighted average number of shares outstanding for the period.
(2) Pro forma equivalent per share amounts were calculated by multiplying the pro forma income from continuing operations per share, pro forma net book value per share and pro forma cash dividends per share by the share exchange ratio, which is each share of common stock of UFJ Holdings to 0.62 shares of common stock of MTFG.
(3) Cash dividends per share reflect those paid during each of the periods indicated.

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EXCHANGE RATES

The table below sets forth, for each period indicated, the noon buying rate in New York City for cable transfers in Japanese yen as certified for customs purposes by the Federal Reserve Bank of New York, expressed in Japanese yen per $1.00. On February 28, 2005, the noon buying rate was $1.00 equals ¥104.25 and the inverse noon buying rate was ¥100 equals $0.96.

	High	Low	Period End	Average of Month-end Rates
	(yen per dollar)			
Fiscal year ended March 31, 2000	124.55	101.53	102.73	110.02
Fiscal year ended March 31, 2001	125.23	104.19	125.54	111.65
Fiscal year ended March 31, 2002	134.77	115.89	132.70	125.64
Fiscal year ended March 31, 2003	133.40	115.71	118.07	121.10
Fiscal year ended March 31, 2004	120.55	104.18	104.18	112.75
Fiscal year ending March 31, 2005 (through February 28)	114.30	102.26	104.25	107.28
Six months ended September 30, 2004	114.30	103.70	110.20	110.10
October 2004	111.34	106.04	106.04	n.a.
November 2004	106.91	102.58	103.04	n.a.
December 2004	105.59	102.56	102.68	n.a.
January 2005	104.93	102.26	103.55	n.a.
February 2005	105.84	103.70	104.25	n.a.

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MARKET PRICE AND DIVIDEND INFORMATION

The primary market for MTFG s common stock is the Tokyo Stock Exchange. MTFG s common stock is also listed on the Osaka Securities Exchange in Japan and on the Official List of the UK Listing Authority and traded on the market for listed securities on the London Stock Exchange in the United Kingdom. Application has been made to list MTFG s common stock on the Nagoya Stock Exchange in Japan. ADSs, each representing one one-thousandth of a share of common stock, are listed on the NYSE under the symbol MTF .

The primary market for shares of UFJ Holdings common stock is the Tokyo Stock Exchange. In Japan, UFJ Holdings common stock is also listed and traded on the Osaka Securities Exchange and the Nagoya Stock Exchange. UFJ Holdings common stock is also listed on the Official List of the UK Listing Authority and traded on the market for listed securities on the London Stock Exchange in the United Kingdom.

The following table sets forth, for the periods indicated, the reported high and low sale prices for shares of MTFG common stock and UFJ Holdings common stock on the Tokyo Stock Exchange. The following table also sets forth, for the periods indicated, the reported high and low sales prices per ADS of MTFG ADSs traded on the NYSE.

	MTFG common stock		UFJ Holdings common stock		MTFG ADS	
	Price Per Share		Price Per Share		Price Per ADS	
	High	Low	High	Low	High	Low
Fiscal year ended March 31, 2002	¥ 1,350,000	¥ 688,000	¥ 979,000	¥ 225,000	$ 11.27	$ 5.15
Fiscal year ended March 31, 2003	1,060,000	438,000	392,000	86,000	8.31	3.65
Fiscal year ended March 31, 2004	1,080,000	351,000	673,000	85,200	10.11	2.98
Six months ended September 30, 2004	1,230,000	800,000	794,000	405,000	10.40	7.12
Fiscal year ended March 31, 2003:						
First quarter	1,060,000	770,000	392,000	269,000	8.31	5.91
Second quarter	925,000	700,000	332,000	228,000	7.64	5.98
Third quarter	901,000	620,000	306,000	86,000	7.34	5.08
Fourth quarter	737,000	438,000	174,000	102,000	6.20	3.65
Fiscal year ended March 31, 2004:						
First quarter	548,000	351,000	180,000	85,200	4.63	2.98
Second quarter	747,000	475,000	498,000	181,000	6.60	4.04
Third quarter	929,000	672,000	576,000	354,000	8.42	6.31
Fourth quarter	1,080,000	770,000	673,000	401,000	10.11	7.34
Fiscal year ended March 31, 2005						
First quarter	1,110,000	800,000	794,000	473,000	10.40	7.12
Second quarter	1,230,000	889,000	556,000	405,000	10.40	8.11
Third quarter	1,040,000	858,000	622,000	463,000	10.24	8.02
Fourth quarter (through February 28)	1,060,000	938,000	625,000	558,000	10.26	8.95
Month of:						
September 2004	996,000	889,000	556,000	440,000	9.10	8.11
October 2004	972,000	858,000	513,000	463,000	8.84	8.02
November 2004	1,010,000	877,000	565,000	474,000	9.66	8.40
December 2004	1,040,000	947,000	622,000	531,000	10.24	9.05

January 2005	1,060,000	971,000	625,000	590,000	10.26	9.40
February 2005	1,010,000	938,000	616,000	558,000	9.66	8.95

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On February 28, 2005 the last reported official sale price of MTFG shares on the Tokyo Stock Exchange was ¥954,000 per share, and the last reported official sale price of UFJ Holdings shares on the Tokyo Stock Exchange was ¥578,000 per share. On February 28, 2005 the last reported sale price of MTFG ADSs traded on the NYSE was $9.17 per ADS.

Set forth below are the closing prices of MTFG shares and ADSs and UFJ Holdings shares on February 18, 2005 and , 2005. February 18, 2005 was the last full trading day prior to the companies entering into and announcing the integration agreement after close of trading on February 18, 2005. The table also presents implied equivalent value per share of UFJ Holdings common stock on each date by multiplying the last reported official sale price per share of MTFG common stock on the Tokyo Stock Exchange on that day by 0.62. The implied equivalent value per share of UFJ Holdings common stock indicates what UFJ Holdings would be worth to its shareholders if the merger had occurred on the relevant date and those shareholders had received 0.62 shares of MTFG common stock for each UFJ Holdings share they held, in terms of the number of MTFG shares they would receive.

	UFJ Holdings common stock (historical)	UFJ Holdings common stock (implied equivalent value)	MTFG common stock (historical)	MTFG ADSs (historical)
February 18, 2005	¥ 579,000	¥ 597,060	¥ 963,000	$ 9.18
, 2005				

Following the merger, shares of common stock of the combined entity are expected to be listed and traded on the Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange in Japan and on the market for listed securities on the London Stock Exchange in the United Kingdom. ADSs representing shares of common stock of the combined entity are expected to be listed on the NYSE.

Dividend Information

The following table sets out the dividends per share declared on MTFG common stock and UFJ Holdings common stock during each period indicated.

	MTFG	UFJ Holdings
Fiscal year ended March 31,		
2000	¥ 8,255.25	n.a.(1)
2001	8,255.25	n.a.(1)
2002	4,127.63	
2003	6,000.00	
2004	4,000.00	

(1) UFJ Holdings was formed on April 1, 2001.

For the fiscal year ended March 31, 2005, MTFG has announced that it intends to declare dividends of ¥6,000 per share of common stock, and UFJ Holdings has announced that it intends to pay no dividends to its common shareholders.

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GENERAL MEETING OF UFJ HOLDINGS SHAREHOLDERS

General

UFJ Holdings will distribute mail-in voting cards to its shareholders of record as of March 31, 2005 (or their standing proxies, as appropriate) who have voting rights for use at its annual general meeting of shareholders, which is scheduled to be held at a.m. on June , 2005 (Japan time) at the office of UFJ Holdings in Tokyo, Japan. UFJ Holdings is distributing the voting cards, together with the notice of convocation of the meeting and reference documents concerning the exercise of voting rights, by mail to its shareholders who have voting rights. For shareholders who are not resident in Japan and have a standing proxy in Japan with respect to UFJ Holdings shares, UFJ Holdings will distribute the voting cards and notice of convocation to their standing proxies in Japan, who will then transmit those materials to the shareholders according to the terms of the respective proxy agreements. Shareholders who are not resident in Japan and who have purchased UFJ Holdings shares through a securities broker located outside Japan can contact their broker to obtain the materials from the broker s custodian or standing proxy in Japan.

The purpose of the annual general meeting of shareholders will be, among other things:

- to consider and to vote upon the approval of the terms of the merger agreement;
- to consider and to vote upon the election of the board of directors for the combined entity; and
- to transact such other business related to such proposals as may properly come before the annual general meeting.

Voting

Voting Rights

A shareholder generally has one voting right for each whole share. The common shares stated below are not entitled to voting rights and such common shares are not counted in the number of shares when determining whether a quorum exists:

- treasury shares;
- shares held by a company in which UFJ Holdings and its subsidiaries own 25% or more of the total voting rights; and
- shares issued after the record date as a result of conversion of convertible stock, exercise of stock acquisition rights, conversion of convertible stock and fractional shareholders becoming a shareholder of a whole share.

Holders of UFJ Holdings class I, class II, class IV, class V, class VI and class VII preferred shares will be entitled to vote, together with the common shareholders, at UFJ Holdings general meeting of shareholders in June 2005 at the ratio of one vote for one preferred share because a proposal to pay the full amount of preferential dividends on those preferred shares is not included in the agenda for that meeting. In addition, holders of UFJ Holdings common shares and class I, class II, class IV, class V, class VI and class VII preferred shares will be entitled to vote separately to approve the merger as a class at their respective class shareholders meeting.

All of the outstanding class I preferred shares are held by a special purpose trust, and all of the outstanding class VI preferred shares are held by a separate special purpose trust. The trustee of each trust will exercise the voting rights with respect to the class I preferred shares and class VI preferred shares on behalf of the respective trust. Under the terms of the trust deeds, the holders of preferred share units issued by each trust are entitled to instruct the relevant trustee on how it should vote at the general shareholders meeting when the class I preferred shares and class VI preferred shares are being voted together with the common shares and other preferred shares. Conversely, holders of preferred share units will not be entitled to instruct the relevant trustee on how to vote at the separate preferred shareholders meetings for the class I preferred shares and class VI preferred shares. Under the terms of both trust deeds, the trustees will, on each resolution on which a vote is required at the class I and class VI preferred shareholders meetings, vote the shares in accordance with the outcome of the vote at the general shareholders meeting. The trustees are required to vote the class I and class VI preferred shares in this manner, because they will obtain a legal opinion to the effect that the rights of the class I preferred shareholders and class VI preferred shareholders with respect to dividends, liquidation distributions and conversion rights will remain substantially equivalent after the merger.

Record Date

In accordance with its articles of incorporation, UFJ Holdings fixed March 31, 2005 as the record date for determining the holders of its capital stock entitled to exercise voting rights at the annual general meeting of shareholders discussed above. As of March 31, 2005, there were shares of UFJ Holdings common stock issued, excluding shares of treasury stock. Of those, shares, representing % of the issued shares, were held of record by residents of the United States, and shares, representing % of the issued shares, were held of record by UFJ Holdings directors and corporate auditors.

As of September 30, 2004, the following preferred shares of UFJ Holdings were issued and outstanding:

- 12,989 class I preferred shares;
- 200,000 class II preferred shares;
- 150,000 class IV preferred shares;
- 150,000 class V preferred shares;
- 1,008 class VI preferred shares; and
- 200,000 class VII preferred shares.

Additionally, all 12,237 class III preferred shares outstanding as of September 30, 2004 were mandatorily converted into UFJ Holdings common stock on October 1, 2004.

As of September 30, 2004, the Resolution and Collection Corporation held all of the issued and outstanding class II, class IV, class V and class VII preferred shares issued by UFJ Holdings.

Vote Required

The required quorum for a vote on the terms of the merger agreement at the general meeting of UFJ Holdings shareholders is one-third of the aggregate of the above common and preferred shares with voting rights at the general meeting. In determining the required quorum for the shareholders meetings for UFJ Holdings, shares without voting rights are not counted. The affirmative vote of shareholders comprising two-thirds of the common and preferred shares with voting rights represented at the general meetings of shareholders of UFJ Holdings is required to approve the terms of the merger agreement. See Voting Rights above. In addition, the terms of the merger agreement are also required to be approved at the class shareholders meetings for each class of UFJ Holdings shares, namely the common shares and the class I, class II, class IV, class V, class VI and class VII preferred shares, by the affirmative vote of two-thirds of the issued shares of the relevant class with voting rights represented at each class shareholders meeting. The required quorum at the common share class shareholders meeting is a majority of the issued common shares with voting rights, and the required quorum at each of the preferred class shareholders meetings is a majority of the total issued shares with voting rights for the relevant class of preferred shares.

Use of Voting Cards

Holders of shares of common stock entitled to exercise voting rights at the annual general meeting of shareholders may exercise their voting rights by using the voting card that will be distributed by mail to those holders or their standing proxies in Japan.

Voting cards will allow shareholders to indicate a for or against vote with respect to each proposal to be voted on at the meeting, including approval of the terms of the merger agreement. The face of each voting card will state that if the voting card is returned without indicating a vote for or against any of the proposals referred to in the voting card, the shares represented by that voting card will be deemed to have voted in favor of those proposals.

In accordance with applicable Japanese law and practice, UFJ Holdings intends to:

- count toward the quorum requirements for its shareholders meeting any shares represented by voting cards that are returned to it, including voting cards that do not indicate a for or against vote for any of the proposals; and
- count the shares represented by voting cards without indicating a for or against vote for any of the proposals as votes in favor of approval of the terms of the merger agreement and the other proposals referred to in the voting cards.

Internet Voting

A UFJ Holdings shareholder is entitled to exercise voting rights through the Internet by accessing UFJ Holdings website and inputting an exercise code and password. Internet voting is available only on UFJ Holdings Japanese-language website.

Revocation

Any person who votes by the Internet or who submits a voting card may revoke the vote by voting in person, or through another shareholder who has voting rights and who is appointed as that person s attorney-in-fact and present, at the annual general meeting of shareholders. A shareholder may also change a vote previously submitted via the Internet or a voting card by submitting a subsequent vote via the Internet. If a shareholder submits more than one vote via the Internet, the last vote submitted will be counted.

No Solicitation of Proxies, Consents or Authorizations

UFJ Holdings will not solicit any separate form of proxy, consent or authorization from the mail-in voting cards distributed in accordance with the Commercial Code of Japan. MTFG and UFJ Holdings have, however, retained Innisfree M&A Incorporated and Georgeson Shareholder Communications Inc. as their respective agents for the purpose of soliciting overseas shareholders approval of the merger.

Agenda

The following proposals are expected to be presented at the annual general meeting of shareholders:

- special resolution approving the merger agreement between MTFG and UFJ Holdings, including resolutions electing the directors and corporate auditors of the combined entity, as nominated jointly by MTFG and UFJ Holdings; and

- special resolution amending UFJ Holdings articles of incorporation.

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THE MERGER

This section of the prospectus describes material aspects of the proposed merger, including the integration agreement and the merger agreement. The summary may not contain all of the information that is important to you. You should carefully read this entire prospectus for a more complete understanding of the merger. You may obtain additional information about MTFG and UFJ Holdings included in the registration statement on Form F-4 filed with the SEC without charge by following the instructions in the section entitled Where You Can Obtain More Information.

General

Holders of record of UFJ Holdings common stock having voting rights as of March 31, 2005 will receive a notice of convocation of the annual general meeting of shareholders of UFJ Holdings, including the voting materials that contain the terms and conditions of the merger agreement. Shareholders outside Japan who have a standing proxy in Japan will receive the materials through their standing proxies in Japan. Shareholders outside Japan who purchased UFJ Holdings shares through a broker located outside Japan can ask their broker to obtain the notice of convocation from the broker s standing proxy or custodian in Japan, or to otherwise make proper arrangements.

An English translation of the integration agreement, dated February 18, 2005, is included in this prospectus as Annex A. An English translation of the merger agreement, dated , 2005, is included in this prospectus as Annex B.

Background to the Merger

Overview

In recent years, the deregulation of the Japanese financial markets, structural reforms in the regulation of the financial industry, difficult market conditions and an increasingly rigorous regulatory climate have resulted in dramatic changes for Japanese banks. Deregulation and structural reforms in the financial industry have increased competition for many Japanese banks from both other financial institutions and new market entrants. Meanwhile, adverse market conditions in many sectors of the Japanese economy have exacerbated asset quality problems and led to a marked deterioration in the financial condition and capital base of many Japanese banks.

Deregulation and structural reforms in the financial industry have eliminated barriers between different types of Japanese financial institutions, thereby intensifying the competition for many Japanese banks. For example, under the new regulatory framework, not only are banks permitted to engage in the securities business by establishing or otherwise owning domestic and overseas securities subsidiaries with the approval of the Financial Services Agency, other financial institutions such as securities and insurance companies are permitted to engage in new areas of permissible activities. New market entrants have begun to offer various banking services, often through non-traditional distribution channels. These structural changes have also facilitated the entry and expansion of various large foreign financial institutions in the Japanese domestic market.

The foregoing developments, along with the 1998 amendment to the Banking Law of Japan that allowed the establishment of bank holding companies, have been a major factor behind the consolidation and reorganization of Japanese banks and financial institutions, as many major Japanese banks decided to merge or reorganize their operations to maintain their competitiveness and financial stability. These include the predecessor institutions to MTFG and UFJ Holdings. This continuing industry-wide consolidation in the Japanese banking sector has in turn further increased competition.

The Japanese government s efforts to reduce non-performing loans have led to a marked deterioration in the financial condition and capital base of many Japanese banks. Continued financial difficulties facing borrowers in many sectors of the Japanese economy, as evidenced in part by the high level of recent corporate restructurings and bankruptcies in Japan, and continuing declines in real estate prices have also increased asset quality problems for Japanese banks and forced them to record additional write-offs and agree to loan forgiveness proposals.

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The management of MTFG and UFJ Holdings have continually monitored the position of their respective banking groups in light of the changing competitive environment of the Japanese banking industry, the Japanese government s stance on problem loans and other regulatory developments and market conditions in order to determine available options for increasing their competitiveness and enhancing shareholder value.

UFJ Holdings Financial Results for the Year Ended March 31, 2004

In this uncertain economic environment in Japan, the Financial Services Agency has, since 2000, undertaken a series of inspections focusing in particular on the classification of large borrowers by Japan s major banking institutions. The Financial Services Agency also established a requirement, in its program for financial revival announced in October 2002, that major banks reduce by half their percentage of non-performing loans as disclosed under Japanese banking regulation by March 2005. As they worked to address large troubled borrowers, most major Japanese banks recorded large net losses under Japanese GAAP for the years ended March 31, 2002 and 2003.

During the year ended March 31, 2004, UFJ Bank continued to have a highly concentrated exposure to a limited number of borrowers undergoing restructuring, even in comparison to Japan s other major banks. Over the course of their inspections, the Financial Services Agency determined that the management of UFJ Bank had obstructed the Financial Services Agency s investigation into the classification of certain of these borrowers. In June 2004, the Financial Services Agency issued a series of administrative orders including requests to UFJ Holdings to strengthen its internal controls and to update its business revitalization plan. In the course of addressing large troubled borrowers, UFJ Holdings made further downward revisions to its previous estimates of its Japanese GAAP results for the year ended March 31, 2004 and on May 24, 2004 announced large additional losses in its Japanese GAAP financial statements with respect to the year ended March 31, 2004.

The additional losses recorded by UFJ Holdings and the continuing restructuring of major borrowers created a significant risk that UFJ Holdings would be unable to maintain the 8% capital adequacy ratio (calculated in accordance with Japanese banking regulations and based on Japanese GAAP financial statements) required of Japanese banks with international operations as of September 30, 2004. In evaluating the risks such a failure would entail for UFJ Holdings and its shareholders in preparing the required update to its business revitalization plan, the management of UFJ Holdings concluded that significant strengthening of the capital base of UFJ Holdings before September 30, 2004 was of utmost importance. As a result, UFJ Holdings began actively studying options to improve its financial condition, including through the sale of assets, a business combination or the issuance of securities.

Discussions of Transfer of UFJ Trust to Sumitomo Trust & Banking Co. Ltd.

UFJ Holdings announced on May 21, 2004 that it had reached a basic agreement to transfer the operations of UFJ Trust, other than its corporate lending business, to Sumitomo Trust & Banking Co., Ltd. UFJ Holdings and its advisers then engaged in a process of due diligence and negotiation of terms with Sumitomo Trust. In the course of those negotiations the management of UFJ Holdings concluded that the proposed transaction with Sumitomo Trust would likely be insufficient to address the increasing risk UFJ Holdings faced with respect to maintaining its capital adequacy ratio above required levels as of September 30, 2004. Following a series of internal meetings in early July 2004, the management of UFJ Holdings presented these conclusions to the board of directors. UFJ Holdings informed Sumitomo Trust of its decision to terminate further discussions on July 13, 2004.

Discussions of Business Integration between MTFG and UFJ Holdings

On July 14, 2004, MTFG received a request from UFJ Holdings to discuss the possibility of integrating the management of the two financial groups. On July 16, 2004, MTFG President and CEO Nobuo Kuroyanagi and

UFJ Holdings President and CEO Ryosuke Tamakoshi announced that they had agreed to commence discussions regarding the possible integration of MTFG and UFJ Holdings. In connection with the commencement of discussions regarding a management integration, MTFG and UFJ Holdings signed a memorandum of understanding, which, among other things, contained MTFG s commitment to commence negotiations toward the management integration and to cooperate in strengthening UFJ Holdings capital. The board of directors of UFJ Holdings met on July 16, 2004 to approve the execution of the memorandum of understanding.

On July 27, 2004, discussions on the proposed management integration were postponed temporarily due to a ruling by the Tokyo District Court granting a preliminary injunction in favor of Sumitomo Trust against UFJ Holdings, UFJ Bank and UFJ Trust Bank. The preliminary injunction prevented UFJ Holdings from engaging in discussions with any third party involving the merger or sale of UFJ Trust Bank. UFJ Holdings, UFJ Bank and UFJ Trust Bank filed an objection against the ruling on July 28, 2004.

On August 4, 2004, the Tokyo District Court approved its previous preliminary injunction ruling dated July 27, 2004 in favor of Sumitomo Trust preventing UFJ Holdings from engaging in discussions with any third party involving the merger or sale of UFJ Trust Bank. UFJ Holdings, UFJ Bank and UFJ Trust Bank appealed this ruling to the Tokyo High Court.

On August 11, 2004, the Tokyo High Court overturned the Tokyo District Court s August 4, 2004 ruling. Immediately after the Tokyo High Court s decision, MTFG, UFJ Holdings, Bank of Tokyo-Mitsubishi and UFJ Bank concluded a basic agreement relating to MTFG s cooperation in strengthening UFJ Holdings capital by September 30, 2004.

On August 12, 2004, MTFG, UFJ Holdings, Bank of Tokyo-Mitsubishi, UFJ Bank, Mitsubishi Trust Bank, UFJ Trust Bank, Mitsubishi Securities Co., Ltd. and UFJ Tsubasa Securities Co., Ltd. also concluded a basic agreement with regard to the management integration of the holding companies, banks, trust banks, and securities companies of the two groups. The board of directors of UFJ Holdings met on August 11 and 12 to discuss and approve the terms of the agreements.

On August 20, 2004, MTFG and UFJ Holdings announced the establishment of the Integration Committee and the Group Integration Policy. The Integration Committee assumed responsibility for coordinating business and management strategy between MTFG and UFJ Holdings and for overseeing the ongoing negotiations and due diligence process relating to the planned capital injection and wider business integration. The board of directors of UFJ Holding met on August 20, 2004 to discuss and approve the formation of the Integration Committee.

On August 24, 2004, UFJ Holdings received a management integration proposal from Sumitomo Mitsui Financial Group, Inc. The terms of the proposal included a merger ratio of one share of Sumitomo Mitsui Financial Group common stock for each share of UFJ Holdings common stock. UFJ Holdings announced that it had not changed its basic policy of pursuing a management integration with MTFG, and that it would review Sumitomo Mitsui Financial Group s proposal.

On August 27, 2004, Bank of Tokyo-Mitsubishi, UFJ Bank, Mitsubishi Trust Bank, UFJ Trust Bank, Mitsubishi Securities and UFJ Tsubasa Securities established Bank, Trust and Securities Integration Committees, as well as various sub-committees, to address details relating to the management integration of the commercial banks, trust banks and the securities companies of the two groups. The board of directors of UFJ Holdings met on August 27, 2004 to discuss and approve the establishment of the additional integration committees, and to receive a report from management on the progress of integration discussions.

On August 30, 2004, the Supreme Court of Japan confirmed and upheld the conclusion of the August 11, 2004 ruling of the Tokyo High Court.

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On August 30, 2004, UFJ Holdings received a proposal from Sumitomo Mitsui Financial Group regarding the provision of a capital injection to UFJ Holdings. UFJ Holdings announced that it would review Sumitomo Mitsui Financial Group s proposal with the help of its advisors.

At a series of board meetings between August 30, 2004 and September 10, 2004, the directors of UFJ Holdings received reports from management as to the progress of negotiations of the capital injection from MTFG and the overall integration with MTFG. At such meetings, the board also evaluated the potential for raising capital from other sources, including through the offer extended by Sumitomo Mitsui Financial Group, and the negative consequences to UFJ Holdings and its shareholders of failing to complete a transaction by September 30, 2004. The UFJ Holdings board on September 10, 2004 unanimously approved the capital injection from MTFG and the continuation of the overall integration process with MTFG. On September 10, 2004, MTFG and UFJ Holdings and UFJ Bank concluded an agreement, based on the basic agreement announced on August 11, 2004, regarding MTFG s cooperation in strengthening the UFJ group s capital. Under the terms of the agreement, MTFG agreed to purchase ¥700 billion of Series 1 class E preferred shares from UFJ Bank. On September 17, 2004, the capital injection of ¥700 billion announced on September 10, 2004 was completed. Significant terms of the preferred shares issued are discussed under Related Transactions below.

On September 24, 2004, UFJ Holdings received a letter from Sumitomo Mitsui Financial Group extending the deadline for replying to Sumitomo Mitsui Financial Group s August 24, 2004 merger proposal to June 2005. UFJ Holdings announced that it had not changed its basic policy of pursuing a management integration with MTFG, and that it was still reviewing Sumitomo Mitsui Financial Group s merger proposal.

On October 28, 2004, Sumitomo Trust filed a lawsuit in the Tokyo District Court against UFJ Holdings, UFJ Bank and UFJ Trust Bank, claiming that it had exclusive rights to hold long-term negotiations with UFJ Holdings regarding any acquisition of UFJ Trust Bank, and therefore MTFG and UFJ Holdings should halt talks on merging their trust bank operations.

From the end of October 2004, MTFG and UFJ Holdings conducted legal, financial and business due diligence on each other s operations.

On January 31, 2005, the board of UFJ Holdings convened a special meeting, which was also attended by members of senior management, as well as outside legal and financial advisors. The board received reports from management on the results of their due diligence review of MTFG. The board discussed and confirmed with management and the legal and financial advisors the company s strategic objectives and conditions in negotiating a merger ratio and related terms of the integration agreement.

On February 4, 2005, the board of UFJ Holdings reconvened and the board reconfirmed with management and the legal and financial advisors to UFJ Holdings the objectives they had discussed in their meeting of January 31, 2005 and requested that management and the financial advisors prepare detailed financial analyses to inform their deliberations as soon as practicable following provision by UFJ Holdings and MTFG of all information necessary for the financial advisors to perform their financial analyses.

Between February 4 and February 13, 2005, UFJ Holdings and MTFG negotiated the terms of the integration agreement.

On February 14, 2005, the UFJ Holdings board of directors held a special meeting and received management s report on the status of negotiations. The board also reviewed and discussed analyses of the expected synergies from the merger prepared by management, received the joint report of JPMorgan and Merrill Lynch summarizing their financial analyses and discussed with the legal advisors to UFJ Holdings the legal standards applicable to the board s decision and the proposed terms of the integration agreement. JPMorgan and Merrill Lynch did not, and were not asked to, opine as to any proposed merger ratio at this meeting.

Between February 14 and February 18, 2005, UFJ Holdings and MTFG continued to negotiate on the merger ratio and other terms of the integration agreement.

On February 18, 2005, the UFJ Holdings board of directors held a special meeting to consider the proposed final terms of the integration agreement. At this meeting, which was also attended by members of senior management, and outside legal and financial advisors, management reviewed with the board of directors the strategic considerations relating to the transaction and the progress of the negotiations regarding the merger ratio. JPMorgan and Merrill Lynch reviewed their joint financial analyses regarding the proposed merger ratio with the board and rendered to the board their respective oral opinions (subsequently confirmed in writing) that, as of that date of their respective opinions and based on and subject to the considerations in their respective written opinions, the proposed merger ratio was fair, from a financial point of view, to holders of UFJ Holdings common stock. Following further review and discussion among the members of the UFJ Holdings board of directors, the board of directors voted unanimously to approve the integration agreement with MTFG.

On the same day, the MTFG board of directors also held a special meeting to consider the terms of the integration agreement including the merger ratio with its outside legal and financial advisors present. The board reviewed and discussed the negotiation process and terms of the integration agreement, as well as the results of the financial and legal due diligence on UFJ Holdings, management s views of the expected strategic benefits and synergies of the integration and the analysis of the merger ratio conducted by the financial advisors. The financial advisors, Nomura Securities Co., LTD, Morgan Stanley Japan Limited and Lazard Frères & Co. LLC, rendered to the board and solely for the board s benefit their respective written opinions, stating that as of the date of their respective opinions and based on and subject to the assumptions and qualifications in each opinion the merger ratio with respect to MTFG common stock and UFJ Holdings common stock was fair from a financial point of view to MTFG. The financial advisors opinions did not express any opinion or recommendation as to how holders of MTFG common stock or UFJ common stock should vote at the shareholders meetings to be held in connection with the merger. After overall review and discussion, the MTFG board of directors unanimously approved the merger ratio and the execution of the integration agreement.

On February 25, 2005, UFJ Holdings received a notice from Sumitomo Mitsui Financial Group stating that it had withdrawn its previous proposal for integration with UFJ Holdings and its previously proposed merger ratio.

Reasons for the Merger

As the needs of customers in Japan and abroad diversify and become increasingly sophisticated, MTFG and UFJ Holdings aim, through the merger, to create a leading comprehensive financial group that is competitive on a global basis and provides a broad range of financial products and services to a worldwide client base. MTFG and UFJ Holdings believe that their business operations and domestic and global branch networks are highly complementary. By leveraging the respective strengths of each group, creating synergies through the merger and reinforcing a customer-focused management philosophy, the combined entity will seek to become Japan s premier comprehensive global financial group. The combined entity will have what the parties believe is the largest market value among Japanese financial institutions, and it will be the largest bank in the world when measured by assets. The combined entity will also have a strong presence in core financial business areas, including:

- banking;
- trust banking;
- securities;
- investment trusts;
- credit cards and consumer finance;
- leasing; and
- international banking.

Specifically, the merger will enable the combined entity to leverage the two groups industry-leading domestic and overseas networks and comprehensive financial services capabilities to provide new ideas, strategies and competitive products to large corporate customers. With respect to small- and medium-sized

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corporate customers, the merger will strengthen the combined entity s lineup of lending-related products and services and enable it to adopt a more regionally focused sales approach. With regard to individual customers, the combined entity will aim to improve customer convenience through the provision of one-stop shopping while fully mobilizing the two groups combined strengths to provide high-quality financial products and services matched to customer needs.

Competitive Strengths

MTFG and UFJ Holdings believe that the integration of the two groups will result in the following significant competitive advantages for the combined entity, which are described in greater detail in Business Business Strategy of Mitsubishi UFJ Financial Group Competitive Strengths of the Combined Entity:

- *Japan s pre-eminent global banking network.*
- *Strong business foundation based on retail deposits and diverse customer base.*
- *Strong financial and capital base.*
- *Highly complementary businesses and networks.*
- *Strong corporate governance and transparency.*

Determination of UFJ Holdings Board of Directors

On February 18, 2005 the board of directors of UFJ Holdings unanimously determined that the integration agreement and related transactions were advisable and in the best interests of UFJ Holdings and its shareholders. Over the course of negotiations leading up to this decision, the UFJ Holdings board of directors consulted with management as well as financial and legal advisors. Throughout this process, the board of directors of UFJ Holdings sought both to secure the financial condition of UFJ Holdings and to enter into a business combination that would offer long-term strategic benefits to UFJ Holdings and its shareholders. The UFJ Holdings board believes that the merger with MTFG will offer significant benefits in both respects.

With respect to financial condition, the board considered that MTFG:

- is alone among Japan s four largest banking groups in having repaid all public funds, and
- has a lower problem loan ratio and lower ratio of deferred tax assets to Tier I capital than Japan s other major banking groups.

With respect to long-term strategic opportunities, the board considered that:

- MTFG s strengths in the Tokyo metropolitan area and overseas markets complement UFJ Holdings prominent position in the Chubu and Kansai regions of Japan,

- MTFG s corporate client base is complementary to the focus of UFJ Holdings on retail customers and small- and medium-sized enterprises, and

- the integration committee established by the two groups has developed plans for the realization of cost savings and revenue enhancements following the merger.

At the time of approving the integration agreement, the board of UFJ Holdings also considered the following factors as generally supporting its decision to enter into the agreement:

- its understanding of the businesses, operations, financial condition, earnings and prospects of both UFJ Holdings and MTFG (including the report of management of UFJ Holdings on the results of their due diligence review of MTFG and its subsidiaries),

- its understanding of the current and prospective economic, market and industry environment in which UFJ Holdings and MTFG operate, including global, national and local economic conditions, and the changing competitive landscape for financial services in Japan, including the trend toward consolidation,

- the implied value of the merger ratio provided for in the integration agreement relative to the current and historical trading prices of the common stock of each of UFJ Holdings and MTFG and relative to the valuation analyses prepared by JPMorgan and Merrill Lynch of comparative valuations for each of UFJ Holdings and MTFG and the theoretical value created by the merger for the holders of UFJ Holdings common shares,

- the opinions delivered to the UFJ Holdings board of directors by each of JPMorgan and Merrill Lynch to the effect that, as of the date of the opinion and based upon and subject to the assumptions and considerations in their respective opinions, the proposed merger ratio was fair, from a financial point of view, to the holders of UFJ Holdings common stock,

- the complementary nature of the businesses of UFJ Holdings and MTFG and the potential synergies as noted above, and

- the applicable provision in the integration agreement that the key leadership of the combined entity after completion of the merger will be drawn from senior executives from each of UFJ Holdings and MTFG.

In August and September of 2004, following the announcement of integration discussions with MTFG, UFJ Holdings received Sumitomo Mitsui Financial Group s unsolicited proposal for both a capital injection and a merger. At the time of approving a ¥700 billion issuance of UFJ Bank preferred stock to MTFG on September 10, 2004, the UFJ Holdings board of directors considered the potential benefit to UFJ Holdings shareholders from the specific merger ratio then proposed by Sumitomo Mitsui Financial Group, as well as the risk of issuing preferred stock, which includes put rights that could discourage other merger partners, to MTFG without an agreed merger ratio with MTFG, against:

- the relatively higher certainty of receiving a capital injection from MTFG and the overall progress in negotiations with MTFG,

- the execution risk of beginning discussions with a new counterparty with no guarantee of success,

- the potential severity of the financial risk to UFJ Holdings and its shareholders of not securing additional capital prior to September 30, 2004 and the very limited time available, and

- relative strategic disadvantages of a combination with Sumitomo Mitsui Financial Group, including:

  - uncertainty that would be created by a combined entity s high dependence on public funds and deferred tax assets, and

  - greater customer and geographic overlap that might limit growth opportunities.

Based on all the information available at that time, the board of UFJ Holdings decided to agree to the capital injection from MTFG and continue integration discussions with MTFG. In the course of considering approval of the integration agreement, the board of UFJ Holdings confirmed its belief that integration with MTFG continues to offer greater strategic benefits and that UFJ Holdings has, following the conduct of due diligence and easing of market concerns around its financial condition, been able to agree to a merger ratio that it considers advisable and in the best interests of UFJ Holdings and its shareholders. Press reports concerning the asset quality of Sumitomo Mitsui Financial Group and Sumitomo Mitsui s integration discussions with Daiwa Securities also strengthened the board s belief that integration discussions with Sumitomo Mitsui Financial Group would entail greater uncertainty and execution risk.

The UFJ Holdings board of directors also considered potential risks associated with the merger with MTFG in connection with its deliberations regarding the integration agreement, including:

- the challenges of integrating the businesses, operations and workforces of the two groups, both of which are large and complex financial institutions,

- the risk that anticipated cost savings and other expected synergies may not be achieved,
- the costs that are expected to be incurred in connection with completing the merger, and
- that the fixed merger ratio would not be adjusted for subsequent changes in the market prices of the shares of UFJ Holdings and MTFG.

In view of the wide variety of factors considered in connection with its evaluation of the integration agreement and the complexity of these matters, the UFJ Holdings board did not find it useful, and did not attempt, to quantify, rank or otherwise assign relative weights to these factors. In considering the factors described above, individual members of the UFJ Holdings board may have given different weight to different factors. The UFJ Holdings board conducted an overall analysis of the factors described above, including discussions with management and the legal and financial advisors of UFJ Holdings, and considered the factors overall to be favorable to, and to support, its determination. The UFJ Holdings board also relied on the experience and expertise of JPMorgan and Merrill Lynch, its financial advisors, for quantitative analyses of the financial terms of the merger. See Advice of UFJ Holdings Financial Advisors below.

Advice of UFJ Holdings Financial Advisors

Opinion of Merrill Lynch

Merrill Lynch Japan Securities Co., Ltd. has acted as one of the financial advisors to UFJ Holdings in connection with the merger and has assisted the board of directors of UFJ Holdings in its examination of the fairness, from a financial point of view, of the merger ratio to the holders of UFJ Holdings common shares.

On February 18, 2005, Merrill Lynch rendered its oral opinion in Japanese to the board of directors of UFJ Holdings that, based upon and subject to the factors and assumptions set forth in its written opinion, matters considered and limits of review set forth therein, as of such date, the merger ratio was fair, from a financial point of view, to the holders of UFJ Holdings common shares. Merrill Lynch confirmed its oral opinion by delivering to the UFJ Holdings board of directors a written opinion, in Japanese, dated February 18, 2005.

The full text of an English translation of Merrill Lynch s opinion, dated February 18, 2005, which contains many of the assumptions Merrill Lynch made, the matters it considered and the limitations on the review it undertook in connection with the delivery of its opinion, is included in Annex H to this prospectus and is incorporated by reference into this prospectus. Merrill Lynch s opinion is directed to the board of directors of UFJ Holdings and addresses only the fairness of the merger ratio from a financial point of view to the holders of UFJ Holdings common shares. It does not address any other aspect of the merger and does not constitute a recommendation to any UFJ Holdings shareholder as to how that shareholder should vote at the general meeting of the shareholders with respect to the proposed merger or any other matter. It also does not express any opinion as to the prices at which the common shares of UFJ Holdings or the common shares of MTFG will trade following the announcement of the merger nor the prices at which the common shares of the combined entity will trade following the consummation of the merger. In addition, UFJ Holdings board of directors did not ask Merrill Lynch to address, and the opinion does not address, the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of UFJ Holdings, other than the holders of the UFJ Holdings common shares. The following summary of Merrill Lynch s opinion set forth below is qualified in its entirety by reference to the full text of such opinion. The holders of UFJ Holdings common shares are urged to read the Merrill Lynch opinion carefully and in its entirety.

In connection with its opinion, Merrill Lynch, among other things:

- reviewed certain publicly available business and financial information relating to UFJ Holdings and MTFG that Merrill Lynch deemed to be relevant;

- reviewed certain information, including financial forecasts, relating to the businesses, earnings, cash flow, assets, liabilities and prospects of UFJ Holdings and MTFG furnished to Merrill Lynch by the senior management of UFJ Holdings and MTFG, as well as the amount and timing of the cost savings, revenue enhancement and related expenses expected to result from the merger (the Expected Synergies) furnished to Merrill Lynch by senior management of UFJ Holdings and MTFG;

- conducted discussions with members of senior management of UFJ Holdings and MTFG concerning the matters described above, as well as their respective businesses and prospects before and after giving effect to the merger and the Expected Synergies;

- reviewed the market prices and valuation multiples for the common shares of UFJ Holdings and the common shares of MTFG and compared them with those of certain publicly traded companies that Merrill Lynch deemed to be relevant;

- reviewed the publicly reported financial condition and results of operations of UFJ Holdings and MTFG and compared them with those of certain publicly traded companies that Merrill Lynch deemed to be relevant;

- participated in certain discussions and negotiations among representatives of UFJ Holdings and MTFG and their financial and legal advisors;

- reviewed the potential pro forma impact of the merger;

- reviewed a draft dated February 17, 2005 of the integration agreement; and

- reviewed such other financial studies, analyses and professional reports and took into account such other matters as Merrill Lynch deemed necessary, including its assessment of general economic, market and monetary conditions.

In preparing its opinion, Merrill Lynch assumed and relied on the accuracy and completeness of all information supplied or otherwise made available to it, discussed with or reviewed by or for it, or publicly available, and Merrill Lynch did not assume any responsibility for independently verifying such information or undertake an independent evaluation or appraisal of any assets or liabilities of UFJ Holdings, MTFG or their subsidiaries and affiliates, including any loan portfolios, deferred tax assets, valuation allowance or hedge or derivative positions, nor been furnished with any such evaluation or appraisal. Merrill Lynch is not an expert in the evaluation of the adequacy of allowances for loan losses, and it neither made an independent evaluation of the adequacy of allowances for loan losses of UFJ Holdings or MTFG, nor reviewed any individual credit files of UFJ Holdings, MTFG or their subsidiaries and affiliates and, as a result, Merrill Lynch assumed that the aggregate allowance for loan losses for each of UFJ Holdings and MTFG is adequate to cover such losses and will be adequate on a pro forma basis for the combined entity. Merrill Lynch did not evaluate the solvency or fair value of UFJ Holdings or MTFG under any local or national laws relating to bankruptcy, insolvency or similar matters. In addition, Merrill Lynch did not conduct, or assume any obligation to conduct, any physical inspection of the properties or facilities of UFJ Holdings, MTFG or their subsidiaries and affiliates.

With respect to the financial and operating information, including, without limitation, financial forecasts, valuation of contingencies, projections regarding risk-weighted assets and capital as defined under relevant Japanese regulations, under-performing or non-performing assets, net charge-offs, adequacy of reserves, future economic conditions, and the Expected Synergies, furnished to or discussed with Merrill Lynch by UFJ Holdings or MTFG, Merrill Lynch assumed that they were reasonably prepared and, at that time, reflected the best available estimates and judgment of senior management of UFJ Holdings and MTFG as to the expected future financial performance of UFJ Holdings, MTFG and the combined entity and the Expected Synergies.

Merrill Lynch assumed that shares of class II preferred shares, class IV preferred shares, class V preferred shares, class VI preferred shares and class VII preferred shares of UFJ Holdings (collectively, the UFJ Holdings Preferred Shares) will be exchanged for preferred shares, to be newly issued by MTFG (collectively, the New

MTFG Preferred Shares), as set forth in the integration agreement. Merrill Lynch also assumed that the terms of the New MTFG Preferred Shares will be substantially the same as the terms of the respective UFJ Holdings Preferred Shares, other than the adjustment to the conversion price of the UFJ Holdings Preferred Shares to reflect the merger ratio. To the extent Merrill Lynch s opinion takes into consideration dilution that would result from the conversion of the UFJ Holdings Preferred Shares, Merrill Lynch assumed that the UFJ Holdings Preferred Shares will be converted in accordance with the respective conversion price or assumed conversion price of the UFJ Holdings Preferred Shares. Merrill Lynch expressed no opinion as to whether or when holders of the UFJ Holdings Preferred Shares or the New MTFG Preferred Shares may elect to convert such shares.

Merrill Lynch further assumed that the merger will be accounted for as a pooling of interests under generally accepted accounting principles in Japan, which differ in certain respects from accounting principles generally accepted in other countries, and that it will qualify as a tax-free reorganization for Japanese income tax purposes. Merrill Lynch s opinion is based upon financial information in accordance with generally accepted accounting principles in Japan which was supplied or otherwise made available to Merrill Lynch, discussed with or reviewed by or for Merrill Lynch, or publicly available. Merrill Lynch did not review any financial information prepared by UFJ Holdings or MTFG under generally accepted accounting principles in the United States and did not take account of any differences between generally accepted accounting principles in Japan and those in the United States.

Merrill Lynch also assumed that the final form of the integration agreement was substantially similar to the last draft reviewed by it.

Merrill Lynch s opinion was necessarily based upon market, economic and other conditions as they existed and could be evaluated on, and upon the information made available to Merrill Lynch as of, the date of the opinion, and Merrill Lynch was under no obligation to update its opinion. Merrill Lynch assumed that in the course of obtaining the necessary regulatory or other consents or approvals (contractual or otherwise) for the merger, no restrictions, including any divestiture requirements or amendments or modifications, will be imposed that will have a material adverse effect on the contemplated benefits of the merger.

In connection with the preparation of the opinion, Merrill Lynch was not authorized by UFJ Holdings or its board of directors to solicit, nor did Merrill Lynch solicit, third-party indications of interest for the acquisition of all or any part of UFJ Holdings. Merrill Lynch noted that UFJ Holdings received an unsolicited merger proposal from Sumitomo Mitsui Financial Group, Inc. (SMFG). Because UFJ Holdings determined not to engage in any discussions with any person regarding a transaction that might be an alternative to the merger and Merrill Lynch did not discuss, nor was Merrill Lynch asked to discuss, the SMFG merger proposal with SMFG or its representatives, Merrill Lynch was not able to evaluate the SMFG merger proposal, including any cost savings, revenue enhancement and related expenses expected to result from the SMFG merger proposal, on the same basis on which it evaluated the merger. As a result, Merrill Lynch was not in the position to express any opinion as to the relative merits of the merger with MTFG and the SMFG merger proposal.

The summary set forth above and under Financial Analyses Used By Merrill Lynch and JPMorgan does not purport to be a complete description of the analyses or data presented by Merrill Lynch. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Merrill Lynch believes that the summary set forth above and its analyses must be considered as a whole and that selecting portions thereof, without considering all of its analyses, could create an incomplete view of the processes underlying its analyses and opinion.

Merrill Lynch is an internationally recognized investment banking firm and, as a part of its investment banking business, is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions. The board of directors of UFJ Holdings selected Merrill Lynch as its financial advisor because of Merrill Lynch s experience, expertise and familiarity with UFJ Holdings and its business.

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Merrill Lynch is acting as financial advisor to UFJ Holdings and UFJ Bank, a subsidiary of UFJ Holdings, in connection with the merger and the issuance of the Series 1 class E preferred shares of UFJ Bank to MTFG. In connection with such services, UFJ Holdings and UFJ Bank have paid to Merrill Lynch a fee of ¥1,240,000,000 and will, contingent upon the consummation of the merger, pay an additional fee of ¥10,000,000. In addition, UFJ Holdings and UFJ Bank have agreed to indemnify Merrill Lynch for certain liabilities arising out of its engagement. Merrill Lynch has, in the past, provided other financial advisory and financing services to UFJ Holdings, UFJ Bank and MTFG and may continue to do so, and has received, and may receive, fees for the rendering of such services.

Merrill Lynch also directly or indirectly has an equity interest in, and provides know-how and expertise to, UFJ Strategic Partner Co., Ltd., a subsidiary of UFJ Bank, and Genesis Capital K.K., a joint venture with UFJ Bank and UFJ Strategic Partner Co., Ltd., both of which are engaged in the management of non-performing loans. Merrill Lynch may obtain profit through its direct or indirect equity interest in UFJ Strategic Partner Co., Ltd. and Genesis Capital K.K. Upon the merger of UFJ Bank with and into Bank of Tokyo-Mitsubishi, contemplated by UFJ Holdings and MTFG to occur contemporaneously with the merger, Merrill Lynch will become entitled to obtain control of UFJ Strategic Partner Co., Ltd. and to accelerate the return of its original investment and its receipt of profits relating to such investments. However, the merger ratio will not affect the amount of Merrill Lynch s profits from its investments in UFJ Strategic Partner Co., Ltd. and Genesis Capital K.K.

In addition, in the ordinary course of its business, Merrill Lynch and its affiliates may actively trade the common shares of UFJ Holdings and other securities of UFJ Holdings and its subsidiaries and affiliates, as well as the common shares of MTFG and other securities of MTFG and its subsidiaries and affiliates, for their own account and for the accounts of their customers and, accordingly, may at any time hold a long or short position in such securities.

Opinion of JPMorgan

UFJ Holdings board of directors has retained J.P. Morgan Securities Asia Pte. Limited, Tokyo Branch as one of its financial advisors in connection with the proposed transaction. In connection with this engagement, UFJ Holdings requested that JPMorgan evaluate the fairness, from a financial point of view, to the holders of UFJ Holdings common stock of the merger ratio in the proposed transaction.

At the February 18, 2005 meeting of UFJ Holdings board of directors, JPMorgan rendered its oral opinion, that, as of such date, based upon and subject to the factors and assumptions set forth in its written opinion, the merger ratio in the proposed transaction was fair, from a financial point of view, to the holders of UFJ Holdings common stock. JPMorgan confirmed its oral opinion by delivering to the UFJ Holdings board of directors a written opinion dated February 18, 2005.

The full text of the written opinion of JPMorgan dated February 18, 2005, which sets forth the assumptions made, matters considered and limits on the review undertaken, is attached to this prospectus as Annex I and is incorporated in this prospectus by reference. UFJ Holdings stockholders are urged to read the opinion in its entirety. JPMorgan s written opinion is addressed to UFJ Holdings board of directors, is directed only to the merger ratio in the proposed transaction and does not constitute a recommendation to any stockholder of UFJ Holdings as to how such stockholder should vote at the UFJ Holdings general shareholders meeting or on any other matter. In addition, UFJ Holdings board of directors did not ask JPMorgan to address, and the opinion does not address, the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of UFJ Holdings, other than the holders of the UFJ Holdings common stock. The summary of the opinion of JPMorgan set forth in this prospectus is qualified in its entirety by reference to the full text of such opinion.

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In arriving at its opinion, JPMorgan, among other things:

- reviewed the basic agreement dated August 12, 2004;
- reviewed the February 17, 2005 draft of the integration agreement;
- reviewed certain publicly available business and financial information concerning UFJ Holdings, MTFG, SMFG and the industries in which they operate;
- compared the proposed financial terms of the proposed transaction with the publicly available financial terms of SMFG s proposal of a merger with UFJ Holdings;
- compared the financial and operating performance of UFJ Holdings and MTFG with publicly available information concerning SMFG and certain other companies JPMorgan deemed relevant and reviewed the current and historical market prices of UFJ Holdings common stock, MTFG common stock, SMFG common stock and certain publicly traded securities of such other companies;
- reviewed certain internal financial analyses and forecasts prepared by the managements of UFJ Holdings and MTFG relating to their respective businesses, as well as the estimated amount and timing of the cost savings and related expenses and synergies expected to result from the proposed transaction;
- reviewed certain due diligence reports prepared by advisors to UFJ Holdings; and
- performed such other financial studies and analyses and considered such other information as JPMorgan deemed appropriate for the purposes of its opinion.

JPMorgan did not have an opportunity to review any non-public business or financial information concerning SMFG.

JPMorgan also held discussions with certain members of the management of UFJ Holdings and MTFG with respect to certain aspects of the proposed transaction, and the past and current business operations of UFJ Holdings and MTFG, the financial condition and future prospects and operations of UFJ Holdings and MTFG, the effects of the proposed transaction on the financial condition and future prospects of UFJ Holdings and MTFG, and certain other matters JPMorgan believed necessary or appropriate to its inquiry. As instructed by the board of directors of UFJ Holdings, JPMorgan conducted only limited due diligence on the financial and operating performance and condition of UFJ Holdings and MTFG. As further instructed by the board of directors of UFJ Holdings, JPMorgan did not have any discussions with any representatives of SMFG concerning SMFG s public proposal of a merger with UFJ Holdings. As a result, the analysis requested by the board of directors of UFJ Holdings and JPMorgan s opinion are limited to the extent of the information that was made available to JPMorgan.

JPMorgan relied upon and assumed, without independent verification, the accuracy and completeness of all information that was publicly available or that was furnished to it by UFJ Holdings and MTFG or otherwise reviewed by it, and JPMorgan has not assumed any responsibility or liability therefor. JPMorgan did not conduct any valuation or appraisal of any assets or liabilities, nor were any valuations or appraisals provided to JPMorgan. JPMorgan did not evaluate the solvency of UFJ Holdings or MTFG or any of their respective subsidiaries under laws of any jurisdiction relating to bankruptcy, insolvency or similar matters. In addition, JPMorgan is not an expert in the evaluation of loan and lease portfolios for purposes of assessing the adequacy of the allowances for losses with respect thereto and, accordingly, JPMorgan assumed that such allowances for losses are in the aggregate adequate to cover such losses. JPMorgan did not review individual credit files nor did JPMorgan make an independent evaluation or appraisal of the assets and liabilities (including any derivative or off-balance-sheet assets and liabilities including, but not limited to, valuation allowances) of UFJ Holdings or MTFG or any of their respective subsidiaries, and JPMorgan was not furnished with any such evaluation or appraisal. In relying on financial analyses and forecasts provided to it, including the synergies referred to above, JPMorgan assumed that they were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of the company to which such forecasts relate.

JPMorgan further assumed that the proposed transaction will be accounted for as a pooling of interests under generally accepted accounting principles in Japan, which differ in certain respects from accounting principles generally accepted in other countries, and that the proposed transaction will qualify as a tax-free reorganization for Japanese income tax purposes. JPMorgan s opinion is based on financial information in accordance with Japanese GAAP which was supplied or otherwise made available to it, discussed with or reviewed by it or publicly available. JPMorgan did not review any financial information prepared by UFJ Holdings or MTFG under generally accepted accounting principles in the United States and did not take account of any differences between Japanese GAAP and U.S. GAAP.

In addition, JPMorgan assumed that shares of class II preferred shares, class IV preferred shares, class V preferred shares, class VI preferred shares and class VII preferred shares of UFJ Holdings will be exchanged for the preferred shares to be newly issued by MTFG, as set forth in the integration agreement. JPMorgan also assumed that the terms of the new MTFG preferred shares will be substantially the same as the terms of the related UFJ Holdings preferred shares, other than the adjustment to the conversion price of the UFJ Holdings preferred shares to reflect the merger ratio. To the extent JPMorgan s opinion takes into consideration dilution that would result from the conversion of the UFJ Holdings preferred shares, JPMorgan assumed that the UFJ Holdings preferred shares would be converted into UFJ Holdings common stock, as the case may be, in accordance with the respective conversion prices or assumed conversion prices of the UFJ Holdings preferred shares. JPMorgan expressed no opinion as to whether or when holders of the UFJ Holdings preferred shares or the new MTFG preferred shares may elect to convert such shares.

JPMorgan relied as to all legal matters relevant to rendering its opinion upon the advice of counsel. JPMorgan assumed that the definitive integration agreement will not differ in any material respect from the draft integration agreement furnished to it. JPMorgan further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the proposed transaction will be obtained without any adverse effect on UFJ Holdings or MTFG or on the contemplated benefits of the proposed transaction.

JPMorgan s opinion is based on economic, market and other conditions as in effect on, and the information made available to JPMorgan as of, the date of its opinion. Subsequent developments may affect the written opinion dated February 18, 2005, and JPMorgan does not have any obligation to update, revise or reaffirm its opinion. JPMorgan s opinion is limited to the fairness, from a financial point of view, to the holders of UFJ Holdings common stock of the merger ratio in the proposed transaction, and JPMorgan expressed no opinion as to the underlying decision by UFJ Holdings to engage in the proposed transaction. JPMorgan expressed no opinion as to the price at which MTFG common stock will trade at any future time. In addition, JPMorgan expressed no opinion with respect to any other transaction contemplated in the basic agreement or the integration agreement.

JPMorgan was not authorized to and did not solicit any expressions of interest from any other parties with respect to the proposed transaction or any other alternative transaction. In addition, JPMorgan was not permitted by the board of directors of UFJ Holdings to engage in any discussions or negotiations with representatives of SMFG concerning SMFG s public proposal of a merger with UFJ Holdings. JPMorgan s financial analysis of SMFG s public proposal of a merger with UFJ Holdings was subject to the limitations described above. JPMorgan expressed no opinion as to fairness, from a financial point of view, of the SMFG merger ratio, the relative merits, from a financial point of view, of SMFG s public proposal of a merger with UFJ Holdings and the proposed transaction or as to whether any alternative transaction might produce consideration for UFJ Holdings shareholders in an amount in excess of that contemplated in the proposed transaction.

The summary set forth above and under Financial Analyses Used By Merrill Lynch and JPMorgan does not purport to be a complete description of the analyses or data presented by JPMorgan. The preparation of a

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fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. JPMorgan believes that the summary set forth above and its analyses must be considered as a whole and that selecting portions thereof, without considering all of its analyses, could create an incomplete view of the processes underlying its analyses and opinion. JPMorgan based its analyses on assumptions that it deemed reasonable, including assumptions concerning general business and economic conditions and industry-specific factors. The other principal assumptions upon which JPMorgan based its analyses are set forth above under the description of each such analysis. JPMorgan s analyses are not necessarily indicative of actual values or actual future results that might be achieved, which values may be higher or lower than those indicated. Moreover, JPMorgan s analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be bought or sold. As described above, the opinion of JPMorgan was among many factors taken into consideration by UFJ Holdings board of directors in making its determination to approve the basic agreement, the integration agreement and the proposed transaction.

As a part of its investment banking business, JPMorgan and its affiliates are continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements, and valuations for estate, corporate and other purposes. JPMorgan was selected to advise UFJ Holdings with respect to the proposed transaction on the basis of such experience and its familiarity with UFJ Holdings.

For services rendered in connection with the proposed transaction, UFJ Holdings and UFJ Bank have agreed to pay JPMorgan a fee if the proposed transaction is consummated. In addition, UFJ Holdings has agreed to reimburse JPMorgan for its expenses incurred in connection with its services, including the fees and disbursements of counsel, and will indemnify JPMorgan against certain liabilities, including liabilities arising under the Federal securities laws.

JPMorgan and its affiliates have, from time to time, provided financial advisory and financing services to UFJ Holdings, UFJ Bank, MTFG and their affiliates for which they have received customary compensation. JPMorgan acted as financial advisor to UFJ Holdings and UFJ Bank in connection with the issuance of Series 1 class E preferred shares of UFJ Bank and received a fee for such services. JPMorgan or one of its affiliates may also provide other financial advisory and financing services to UFJ Holdings, UFJ Bank, MTFG and their affiliates in the future and may receive fees for such services. In the ordinary course of their businesses, JPMorgan and its affiliates may actively trade the debt and equity securities of UFJ Holdings, MTFG, UFJ Tsubasa Securities, Mitsubishi Securities or SMFG for their own accounts or for the accounts of customers and, accordingly, they may at any time hold long or short positions in such securities.

Financial Analyses Used by Merrill Lynch and JPMorgan

The following is a summary of the material financial analyses presented by Merrill Lynch and JPMorgan in Japanese to the board of directors of UFJ Holdings on February 14, 2005 in connection with the merger. These analyses, as updated through February 17, 2005, also provided in substantial part the basis for their respective opinions. However, it does not purport to be a complete description of the analyses performed by Merrill Lynch and JPMorgan or of their presentations to the board of directors of UFJ Holdings. The following summary includes information presented in tabular format. In order to understand fully the financial analyses used by Merrill Lynch and JPMorgan, these tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. The following quantitative information, to the extent it is based on market data, is, except as otherwise indicated, based on market data as they existed at or prior to February 17, 2005 and is not necessarily indicative of current or future market conditions. All IBES estimates used in the analyses described below are median estimates of research analysts compiled by the Institutional Brokers Estimate System (IBES).

The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analyses and the application of those methods to the

particular circumstances and, therefore, such an opinion is not readily susceptible to partial analysis or summary description. No company, business or transaction used in those analyses as a comparison is identical to UFJ Holdings, MTFG or the merger, nor is an evaluation of the results of those analyses entirely mathematical; rather, it involves complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the transactions, public trading or other values of the companies, business segments or transactions being analyzed. The estimates contained in those analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual results or values or predictive of future results or values, which may be significantly more or less favorable than those suggested by those analyses. In addition, analyses relating to the value of businesses or securities are not appraisals and may not reflect the prices at which businesses, companies or securities actually may be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty.

Merrill Lynch and JPMorgan explained in their presentation to the board of directors of UFJ Holdings their assumptions concerning the merger, including earnings estimates prepared by UFJ Holdings and MTFG management and by research analysts compiled by IBES as well as expected synergies estimated by UFJ Holdings and MTFG management. With respect to (1) the financial and operating information, including, without limitation, financial forecasts, valuation of contingencies, projections regarding risk-weighted assets and capital as defined under relevant Japanese regulations, under-performing or non-performing assets, net charge-offs, adequacy of reserves, future economic conditions, furnished to or discussed with Merrill Lynch and JPMorgan by UFJ Holdings or MTFG, (2) the amount and timing of the Expected Synergies furnished to or discussed with Merrill Lynch and JPMorgan by UFJ Holdings or MTFG and (3) the amount and timing of the cost savings, revenue enhancement and related expenses expected to result from the proposed SMFG merger furnished to or discussed with Merrill Lynch and JPMorgan by UFJ Holdings without discussion with or conducting due diligence on SMFG (the SMFG Expected Synergies), Merrill Lynch and JPMorgan assumed that they were reasonably prepared and reflect the best then available estimates and judgment of senior management of UFJ Holdings and MTFG, as to the expected future financial performance of UFJ Holdings, MTFG or the combined entity of UFJ Holdings and MTFG and the Expected Synergies, or of UFJ Holdings, as to the expected future financial performance of the combined entity of UFJ Holdings and SMFG and the SMFG Expected Synergies.

Merrill Lynch and JPMorgan further assumed that both the merger and the proposed SMFG merger would be accounted for as a pooling of interests under generally accepted accounting principles in Japan, which differ in certain respects from accounting principles generally accepted in other countries, and that each would qualify as a tax-free reorganization for Japanese income tax purposes. Merrill Lynch s and JPMorgan s analyses are based upon financial information prepared in accordance with generally accepted accounting principles in Japan which was supplied or otherwise made available to Merrill Lynch and JPMorgan, discussed with or reviewed by or for Merrill Lynch and JPMorgan, or publicly available. Merrill Lynch and JPMorgan did not review any financial information prepared by UFJ Holdings, MTFG or SMFG under generally accepted accounting principles in the United States and have not taken into account any differences between generally accepted accounting principles in Japan and those in the United States.

In performing financial analyses of UFJ Holdings and SMFG, Merrill Lynch and JPMorgan assumed that all outstanding convertible preferred shares issued by UFJ Holdings or SMFG will be converted into common shares of UFJ Holdings or SMFG, respectively, in accordance with the respective conversion price or assumed conversion price of such preferred shares.

In arriving at their respective opinions, Merrill Lynch and JPMorgan made qualitative judgments as to the significance and relevance of each analysis and factor considered by them. Accordingly, Merrill Lynch and JPMorgan believe that their analyses must be considered as a whole and that selecting portions of their analyses and factors, without considering all analyses and factors, could create an incomplete view of the processes underlying such analyses and their respective opinions. In their analyses, Merrill Lynch and JPMorgan made numerous assumptions with respect to UFJ Holdings, MTFG, SMFG, industry performance and regulatory environment, general business, economic, market and financial conditions, as well as other matters, many of which are beyond the control of UFJ Holdings and involve the application of complex methodologies and educated judgment.

The following is a summary of each of the material financial analyses performed by Merrill Lynch and JPMorgan in connection with their respective opinions dated February 18, 2005.

Calculation of Transaction Value and Ownership of Combined Entity

Merrill Lynch and JPMorgan reviewed MTFG s proposed merger ratio of 0.62 of a common share of MTFG for each UFJ Holdings common share. Assuming that UFJ Holdings has 7,386,379 common shares issued on a fully-diluted basis and MTFG has 6,542,001 common shares issued on a fully-diluted basis, at the February 17, 2005 price of MTFG common shares of ¥973,000, the implied offer price for each of UFJ Holdings common shares is ¥603,260, the fully-diluted transaction value is ¥4,455,907 million and UFJ Holdings fully-diluted ownership of the combined entity will be 41.2%.

UFJ Holdings Common Shares

Analysis of Historical Stock Price of UFJ Holdings Common Shares. Merrill Lynch and JPMorgan reviewed the recent trading performance of UFJ Holdings common shares and compared this to the per share price of ¥603,260 implied by MTFG s proposed merger ratio of 0.62 of a MTFG common share for each UFJ Holdings common share. The per share closing price trading data for the previous day, one-week average and one-month average for each of (1) February 18, 2005, (2) July 30, 2004, which is the date on which the SMFG merger proposal became public, and (3) July 14, 2005, which is the date on which the merger discussions with MTFG became public, is summarized in the table below.

	Reference Date		
	February 18, 2005	Leak of SMFG Merger Proposal (July 30, 2004)	Leak of Merger Discussions with MTFG (July 14, 2004)
Previous Day	¥ 569,000	¥ 405,000	¥ 472,000
1 Week Average	565,250	431,000	453,000
1 Month Average	590,364	454,045	490,045

Comparable Companies Analysis. Merrill Lynch and JPMorgan reviewed certain publicly available financial, operating and stock market information for the four largest financial groups in Japan. These companies were: UFJ Holdings, MTFG, SMFG and Mizuho Financial Group, Inc.

For each of these companies, Merrill Lynch and JPMorgan calculated the ratio of the closing stock price on February 17, 2005 to estimated earnings per share for the fiscal years ending March 31, 2006 and March 31, 2007 using IBES estimates and actual book value per share as of December 31, 2004 and then derived ranges of imputed valuations for UFJ Holdings common shares. The results of this analysis are set forth below:

	February 17, 2005		Price-to-Earnings Ratio (IBES)(1)		Price-to-Book Ratio
	Price	Market Capitalization	2006 Estimates	2007 Estimates	December 31, 2004 Actual
		(in billions)			
UFJ Holdings	¥ 569,000	¥ 2,938	15.3x	11.1x	3.31x
MTFG	973,000	6,369	15.4x	13.4x	1.49x
SMFG	714,000	4,456	14.2x	12.1x	2.33x
Mizuho Financial Group	504,000	6,020	18.3x	15.8x	2.29x

(1) In each case, estimates are for the fiscal year ending March 31 of the year indicated.

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	Multiple		Per Share Value	
	Minimum	Maximum	UFJ Holdings	
Price-to-earnings multiple[1] (2006 IBES and UFJ Holdings Estimates)	13.0x	15.0x	¥ 484,900	¥ 654,609
Price-to-earnings multiple[1] (2007 IBES and UFJ Holdings Estimates)	10.0x	12.0x	489,447	612,479
Price-to-book value multiple (December 31, 2004 Actual)	1.5x	2.5x	258,083	430,138

(1) In each case, estimates are for the fiscal year ending March 31 of the year indicated.

By multiplying each of UFJ Holdings estimated earnings per share for the fiscal year ending March 31, 2006, as estimated by IBES and UFJ Holdings, by the minimum and maximum multiples derived from the comparable companies estimated price-to-earnings multiples for the fiscal year ending March 31, 2006, Merrill Lynch and JPMorgan derived a range of imputed valuations for holders of UFJ Holdings common shares of ¥484,900 to ¥654,609. By multiplying each of UFJ Holdings estimated earnings per share for the fiscal year ending March 31, 2007, as estimated by IBES and UFJ Holdings, by the minimum and maximum multiples derived from the comparable companies estimated price-to-earnings multiples for the fiscal year ending March 31, 2006, Merrill Lynch and JPMorgan derived a range of imputed valuations for holders of UFJ Holdings common shares of ¥489,447 to ¥612,479. By multiplying UFJ Holdings actual book value per share as of December 31, 2004 by the minimum and maximum multiples derived from the comparable companies actual book value per share as of December 31, 2004, Merrill Lynch and JPMorgan derived a range of imputed valuations for UFJ Holdings common shares of ¥258,083 to ¥430,138.

Discounted Cash Flow Analysis. Merrill Lynch and JPMorgan performed a discounted cash flow analysis using the dividend discount model to estimate a range of present values per UFJ Holdings common share assuming UFJ Holdings continued to operate as a stand-alone entity and compared these to the per share price of ¥603,260 implied by MTFG s proposed merger ratio of 0.62 of a MTFG common share for each UFJ Holdings common share. This range was determined by adding (1) the present value of the stream of dividends that UFJ Holdings can pay to shareholders over the next five years while maintaining its target ratio of Tier I capital to risk-weighted assets and (2) the present value of the terminal value, calculated by applying price-to-earnings multiples to forecasted earnings for the fiscal year ending March 31, 2010. Merrill Lynch and JPMorgan assumed a target ratio of Tier I capital ranging from 5.5% to 7.5%. In calculating a terminal value, Merrill Lynch and JPMorgan applied price-to-earnings multiples ranging from 11.0x to 13.0x to forecasted earnings for the fiscal year ending March 31, 2010. The dividend stream and terminal values were then discounted using discount rates ranging from 8.0% to 10.0%. Merrill Lynch and JPMorgan viewed these rates as the appropriate range of discount rates for a company with UFJ Holdings risk characteristics and based upon an analysis of the comparable cost of equity for UFJ Holdings and other comparable financial groups. For the purposes of such analysis, Merrill Lynch and JPMorgan utilized estimates of UFJ Holdings senior management of risk-weighted assets, estimates of UFJ Holdings senior management of earnings for the period from the fiscal year ending March 31, 2006 to the fiscal year ending March 31, 2010 and IBES estimates of earnings for the period from the fiscal year ending March 31, 2006 to the fiscal year ending March 31, 2009. Merrill Lynch and JPMorgan further assumed earnings growth of 10% per year for the fiscal year ending March 31, 2010 from the fiscal year ending March 31, 2009 to derive IBES earnings estimates for the fiscal year ending March 31, 2010. In all cases, Merrill Lynch and JPMorgan deducted ¥700 billion, as the amount of Series 1 class E preferred shares of UFJ Bank, from the aggregate sum of the present value of the stream of dividends and the present value of the terminate value. Based on this analysis, Merrill Lynch and JPMorgan derived an implied valuation per UFJ Holdings common share of ¥480,221 to ¥631,956 using IBES earnings estimates and ¥514,973 to ¥674,796 using UFJ Holdings management s earnings estimates.

MTFG Common Shares

Analysis of Historical Stock Price of MTFG Common Shares. Merrill Lynch and JPMorgan reviewed the recent trading performance of MTFG common shares. The per share closing price trading data for the previous

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day, one-week average and one-month average for each of (1) February 18, 2005, (2) July 30, 2004, which is the date on which the SMFG merger proposal became public, and (3) July 14, 2005, which is the date on which the merger discussions with MTFG became public, is summarized in the table below.

	Reference Date		
	February 18, 2005	Leak of SMFG Merger Proposal (July 30, 2004)	Leak of Merger Discussions with MTFG (July 14, 2004)
Previous Day	¥ 973,000	¥ 1,040,000	¥ 959,000
1 Week Average	988,750	1,034,000	938,000
1 Month Average	985,500	1,012,136	958,545

Comparable Companies Analysis. Merrill Lynch and JPMorgan reviewed certain publicly available financial, operating and stock market information for the four largest financial groups in Japan. These companies were: UFJ Holdings, MTFG, SMFG and Mizuho Financial Group, Inc.

For each of these companies, Merrill Lynch and JPMorgan calculated the ratio of the closing stock price on February 17, 2005 to estimated earnings per share for the fiscal years ending March 31, 2006 and March 31, 2007 using IBES estimates and actual book value per share as of December 31, 2004 and then derived ranges of imputed valuations for MTFG common shares. The results of this analysis are set forth below:

	February 17, 2005		Price-to-Earnings Ratio (IBES)[1]		Price-to-Book Ratio
	Price	Market Capitalization	2006 Estimates	2007 Estimates	December 31, 2004 Actual
		(in billions)			
UFJ Holdings	¥ 569,000	¥ 2,938	15.3x	11.1x	3.31x
MTFG	973,000	6,369	15.4x	13.4x	1.49x
SMFG	714,000	4,456	14.2x	12.1x	2.33x
Mizuho Financial Group	504,000	6,020	18.3x	15.8x	2.29x

(1) In each case, estimates are for the fiscal year ending March 31 of the year indicated.

	Multiple		Per Share Value	
	Minimum	Maximum	MTFG	
Price-to-earnings multiple[1] (2006 IBES and MTFG Estimates)	15.0x	17.0x	¥ 755,827	¥ 1,077,037
Price-to-earnings multiple[1] (2007 IBES and MTFG Estimates)	13.0x	15.0x	858,116	1,087,991
	1.5x	2.5x	981,129	1,635,216

Price-to-book value multiple (December 31, 2004 Actual)	

(1) In each case, estimates are for the fiscal year ending March 31 of the year indicated.

By multiplying each of MTFG s estimated earnings per share for the fiscal year ending March 31, 2006, as estimated by IBES and MTFG, by the minimum and maximum multiples derived from the comparable companies estimated price-to-earnings multiples for the fiscal year ending March 31, 2006, Merrill Lynch and JPMorgan derived a range of imputed valuations for holders of MTFG common shares of ¥755,827 to ¥1,077,037. By multiplying each of MTFG s estimated earnings per share for the fiscal year ending March 31, 2007, as estimated by IBES and MTFG, by the minimum and maximum multiples derived from the comparable companies estimated price-to-earnings multiples for the fiscal year ending March 31, 2007, Merrill Lynch and JPMorgan derived a range of imputed valuations for holders of MTFG common shares of ¥858,116 to ¥1,087,991. By multiplying MTFG s actual book value per share as of December 31, 2004 by the minimum and maximum multiples derived from the comparable companies actual book value per share as of December 31, 2004, Merrill Lynch and JPMorgan derived a range of imputed valuations for MTFG common shares of ¥981,129 to ¥1,635,216.

Discounted Cash Flow Analysis. Merrill Lynch and JPMorgan performed a discounted cash flow analysis using the dividend discount model to estimate a range of present values per MTFG common share assuming MTFG continued to operate as a stand-alone entity. This range was determined by adding (1) the present value of the stream of dividends that MTFG can pay to shareholders over the next five years while maintaining its target ratio of Tier I capital to risk-weighted assets and (2) the present value of the terminal value, calculated by applying price-to-earnings multiples to forecasted earnings for the fiscal year ending March 31, 2010. Merrill Lynch and JPMorgan assumed a target ratio of Tier I capital ranging from 5.5% to 7.5%. In calculating a terminal value of MTFG common shares, Merrill Lynch and JPMorgan applied price-to-earnings multiples ranging from 11.0x to 13.0x to forecasted earnings for the fiscal year ending March 31, 2010. The dividend stream and terminal values were then discounted using discount rates ranging from 7.0% to 9.0%. Merrill Lynch and JPMorgan viewed these rates as the appropriate range of discount rates for a company with MTFG s risk characteristics and based upon an analysis of the comparable cost of equity for MTFG and other comparable financial groups. For the purposes of such analysis, Merrill Lynch and JPMorgan utilized estimates of MTFG s senior management of risk-weighted assets, estimates of MTFG s senior management of earnings for the period from the fiscal year ending March 31, 2006 to the fiscal year ending March 31, 2010 and IBES earnings estimates for the period from the fiscal year ending March 31, 2006 to the fiscal year ending March 31, 2009. Merrill Lynch and JPMorgan further assumed earnings growth of 10% per year for the fiscal year ending March 31, 2010 from the fiscal year ending March 31, 2009 to derive IBES earnings estimates for the fiscal year ending March 31, 2010. In all cases, Merrill Lynch and JPMorgan deducted ¥372.1 billion, as the aggregate amount of Class 1 and First Series Class 3 preferred shares of MTFG, from the aggregate sum of the present value of the stream of dividends and the present value of the terminal value. Based on this analysis, Merrill Lynch and JPMorgan derived an implied valuation per MTFG common share of ¥1,031,534 to ¥1,299,584 using IBES earnings estimates and ¥899,141 to ¥1,156,196 using earnings estimates of MTFG senior management.

Analysis of MTFG s Proposal

Based on their assessments of the fair value of UFJ Holdings common shares and MTFG common shares, Merrill Lynch and JPMorgan determined implied merger ratio ranges and the implied premium of the merger ratio of 0.62 of a MTFG common share per UFJ Holdings common share proposed by MTFG. Merrill Lynch and JPMorgan also assessed MTFG s proposed merger ratio of 0.62 of a MTFG common share for each UFJ Holdings common share using several additional methodologies, including a contribution analysis, a pro forma earnings-per-share accretion/dilution analysis and a value creation analysis.

Implied Merger Ratio Based on Stock Price. Merrill Lynch and JPMorgan determined implied merger ratios based on their reviews of the recent trading performance of UFJ Holdings common shares and MTFG common shares and compared these implied merger ratio ranges with the proposed merger ratio of 0.62 of a MTFG common share per UFJ Holdings common share. The merger ratios implied by the per share closing price trading data for the previous day, one-week average and one-month average for each of (1) February 18, 2005, (2) July 30, 2004, which is the date on which the SMFG merger proposal became public, and (3) July 14, 2005, which is the date on which the merger discussions between UFJ Holdings and MTFG became public, is summarized in the table below.

	Reference Date		
	February 18, 2005	**Leak of SMFG Merger Proposal (July 30, 2004)**	**Leak of UFJ Holdings/MTFG Merger Discussions (July 14, 2004)**
Previous Day	0.58	0.39	0.49
1 Week Average	0.57	0.42	0.48

1 Month Average	0.60	0.45	0.51

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Implied Premium of Proposed MTFG Merger Ratio. Merrill Lynch and JPMorgan determined the implied premium of the proposed merger ratio of 0.62 of a MTFG common share per UFJ Holdings common share for the UFJ Holdings common shares based on the recent trading performance of UFJ Holdings common shares and MTFG common shares. The implied premium based on the per share closing price trading data for the previous day, one-week average and one-month average for each of (1) February 18, 2005, (2) July 30, 2004, which is the date on which the SMFG merger proposal became public, and (3) July 14, 2005, which is the date on which the merger discussions between UFJ Holdings and MTFG became public, is summarized in the table below.

	Reference Date		
	February 18, 2005	**Leak of SMFG Merger Proposal (July 30, 2004)**	**Leak of UFJ Holdings/MTFG Merger Discussions (July 14, 2004)**
Previous Day	6.0%	59.2%	26.0%
1 Week Average	8.5	48.7	28.4
1 Month Average	3.5	38.2	21.3

Contribution Analysis. Merrill Lynch and JPMorgan compared UFJ Holdings and MTFG common shareholders respective percentage ownership of the combined entity of 41.2% and 58.8%, respectively, to UFJ Holdings and MTFG s respective contribution (and the implied ownership based on such contribution) to the combined entity using estimates of net income of both the respective companies management and IBES for the fiscal years ending March 31, 2006 and March 31, 2007, actual BIS capital as of December 31, 2004, actual book value as of December 31, 2004, actual adjusted book value as of September 30, 2004 and market capitalization on a fully-diluted basis of UFJ Holdings and MTFG as of February 17, 2005. The results of this analysis are summarized in the table below.

	Total Value Contribution (Fully Diluted)		
	UFJ Holdings	**MTFG**	**UFJ Holdings/MTFG Ratio Per Share**
Net Income (2006 Estimated IBES)[1]	39.9%	60.1%	0.59
Net Income (2007 Estimated IBES)[1]	44.3	55.7	0.70
Net Income (2006 Estimated Company)[1]	49.4	50.6	0.87
Net Income (2007 Estimated Company)[1]	45.6	54.4	0.74
BIS Capital (December 31, 2004 Actual)	43.5	56.5	0.68
Book Value (December 31, 2004 Actual)	22.9	77.1	0.26
Adjusted Book Value (September 30, 2004 Actual)	18.1	81.9	0.20
Market Capitalization (February 17, 2005)	39.8	60.2	0.58

(1) In each case, estimates are for the fiscal year ending March 31 of the year indicated.

Pro Forma Earnings-Per-Share Accretion/Dilution Analysis. Merrill Lynch and JPMorgan analyzed the financial impact of the merger on the estimated earnings per share for MTFG common shares, using the estimated after-tax synergies expected by UFJ Holdings and MTFG senior management to result from the merger as well as UFJ Holdings and MTFG earnings estimates for the fiscal year ending March 31, 2006 through the fiscal year ending March 31, 2009 based on UFJ Holdings and MTFG management and IBES earnings forecasts. This analysis indicated that with after-tax synergies, the merger would be approximately 34.7% dilutive to management s estimate of MTFG s fully-diluted earnings per share for the fiscal year ending March 31, 2006, approximately 0.8% accretive to management s estimate of MTFG s fully-diluted earnings per share for the fiscal year ending March 31, 2007, approximately 10.5% accretive to management s estimate of MTFG s fully-diluted earnings per share for the fiscal year ending March 31, 2008 and approximately 23.1% accretive to management s estimate of MTFG s fully-diluted earnings per share for the fiscal year ending March 31, 2009. This analysis also indicated that with after-tax synergies, the merger would be approximately 42.7% dilutive to IBES estimates of MTFG s fully-diluted earnings per share for the fiscal year ending March 31, 2006,

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approximately 1.1% dilutive to the IBES estimates of MTFG s fully-diluted earnings per share for the fiscal year ending March 31, 2007, approximately 0.9% accretive to IBES estimates of MTFG s fully-diluted earnings per share for the fiscal year ending March 31, 2008 and approximately 14.2% accretive to IBES estimates of MTFG s fully-diluted earnings per share for the fiscal year ending March 31, 2009.

Value Creation Analysis. Merrill Lynch and JPMorgan analyzed the value created by the merger based on the February 17, 2005 share prices of UFJ Holdings common shares and MTFG common shares, in each case on a fully-diluted basis, and the net present value of after-tax synergies expected by UFJ Holdings and MTFG s management as a result of the merger. Based on the February 17, 2005 price of UFJ Holdings common shares of ¥569,000 and UFJ Holdings market capitalization on a fully-diluted basis of approximately ¥4,203 billion, the February 17, 2005 price of MTFG common shares of ¥973,000 and MTFG market capitalization on a fully-diluted basis of approximately ¥6,365 billion, and the net present value of the synergies expected by UFJ Holdings and MTFG s management calculated based upon a discount rate of 8.5% and a terminal earnings multiple of 12.0x, the combined entity s value per share will be ¥1,040,861 and the implied value per UFJ Holdings common share is ¥645,334 on a fully-diluted basis. Therefore, Merrill Lynch and JPMorgan calculated that the value created per UFJ Holdings common share will be ¥76,334 (13.4% of its February 17, 2005 market value) on a pro forma basis and that the value created per MTFG common share will be ¥67,861 (7.0% of its February 17, 2005 market value) on a pro forma basis.

Analysis of SMFG s Proposal

Merrill Lynch and JPMorgan also analyzed the unsolicited merger proposal, received by UFJ Holdings from SMFG on August 24, 2004, to combine UFJ Holdings and SMFG in which SMFG proposed an exchange ratio of 1.0 SMFG common share for each UFJ Holdings common share. The SMFG merger proposal contained no express condition regarding the Series 1 class E preferred shares of UFJ Bank, and publicly indicated that SMFG expected to realize net cost synergies from the merger of ¥200 billion (pre-tax).

Merrill Lynch s and JPMorgan s assessment of the SMFG merger proposal took into account the impact of the Series 1 class E preferred shares held by MTFG. In certain circumstances, MTFG has the right to put the class E series 1 preferred shares of UFJ Bank to UFJ Holdings or a third party, including:

- at 100% of the issue price in the event a third party acquires one-third or more of UFJ Holdings equity securities;
- at 100% of the issue price in the event the merger of MTFG and UFJ Holdings is not approved at two consecutive meetings of the holders of any class of UFJ Holdings shares (except in the event that such proposal is also not approved at a general meeting of UFJ Holdings shareholders); and
- at a price of 130% of the issue price in the event the merger of MTFG and UFJ Holdings is not approved at the general meeting of UFJ Holdings shareholders held with respect to the fiscal year ending March 31, 2005 and either such proposal is again rejected at a general shareholders meeting held after October 1, 2005, or a proposal from a third party is approved at a general shareholders meeting after October 1, 2005, in which case UFJ Holdings will also have the right to call the securities at 130% of the issued price.

As a result, if SMFG plans to merge with UFJ Holdings, SMFG has to be prepared to pay the premium of 30% (¥210 billion) to MTFG. For purposes of Merrill Lynch s and JPMorgan s valuation analysis, the premium payable to MTFG was considered as a one time extraordinary cost in the fiscal year ending March 31, 2006. Merrill Lynch and JPMorgan assumed a tax rate of 40% for such premium. The cost of the premium would represent approximately 27% of pro forma combined net income for the fiscal year ending March 31, 2006, based on combined IBES net income estimates for UFJ Holdings and SMFG, and there would be an immediate absolute reduction of 110 basis points in SMFG s current BIS capital ratio, based on SMFG s consolidated risk-weighted assets as of December 31, 2004.

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Merrill Lynch s and JPMorgan s analysis of the proposed SMFG merger ratio was of necessity less comprehensive than their analysis of the proposed MTFG merger ratio, because they were not able to evaluate the merger with SMFG, including any cost savings, revenue enhancements and related expenses expected to result from the merger with SMFG, on the same basis on which they evaluated the merger with MTFG, because: (1) UFJ Holdings agreed not to engage in any discussions with any person other than MTFG regarding a transaction of a type similar to the merger with MTFG, (2) UFJ Holdings instructed Merrill Lynch and JPMorgan not to engage in any such discussions with SMFG or its representatives and (3) neither UFJ Holdings nor Merrill Lynch or JPMorgan conducted due diligence on SMFG regarding its financial estimates and businesses to the same extent they conducted due diligence on MTFG.

Calculation of Transaction Value and Ownership of Combined Entity. Merrill Lynch and JPMorgan reviewed SMFG s proposed merger ratio of 1.0 common share of SMFG for each UFJ Holdings common share. Assuming that UFJ Holdings has 7,386,379 common shares issued on a fully-diluted basis and SMFG has 9,288,480 common shares issued on a fully-diluted basis, at the February 17, 2005 price of SMFG common shares of ¥714,000, the implied offer price for each of UFJ Holdings common shares is ¥714,000, the fully-diluted transaction value is ¥5,273,875 million and UFJ Holdings fully-diluted ownership of the combined entity will be 44.3%.

Comparative Analysis of Pro Forma Capital, Asset Quality and Business Statistics. Merrill Lynch and JPMorgan compared pro forma capital and asset quality in a combined UFJ Holdings-MTFG entity to that in a combined UFJ Holdings-SMFG entity. A combined UFJ Holdings-MTFG entity would be less dependent on public funds than a UFJ Holdings-SMFG entity, requiring ¥1.4 trillion and ¥2.5 trillion of public funds, respectively, representing 21.3% and 41.7% of combined Tier I capital, respectively. In addition, because MTFG has no convertible preferred shares outstanding and SMFG has preferred shares that may be converted into common shares in two years (for ¥2.5 trillion in the fiscal years ending March 31, 2009 and March 31, 2010), which, with the possible mandatory conversion of preferred shares of Mizuho Financial Group, Inc. and Resona Holdings, Inc. at approximately the same time, may result in an over-supply of Japanese bank shares in the market. A UFJ Holdings-MTFG combined entity would likely have an adequate capital level to redeem its Tier I trust preferred securities (¥0.57 trillion), while a UFJ Holdings-SMFG combined entity might require refinancing to redeem its ¥1.4 trillion of Tier I trust preferred securities outstanding. Finally, a UFJ Holdings-MTFG combined entity would have a lower dependency on deferred tax assets than a UFJ Holdings-SMFG combined entity (net deferred taxes representing 26.6% and 48.6%, respectively, of Tier I capital) and a lesser amount of non-performing loans than a UFJ Holdings-SMFG combined entity (¥4.285 trillion and ¥5.238 trillion, respectively, representing 4.70% and 5.24% of total loans, respectively).

Merrill Lynch and JPMorgan also compared certain business statistics for a combined UFJ Holdings-MTFG entity to those for a combined UFJ Holdings-SMFG entity. A combined UFJ Holdings-MTFG entity would have 77,896 employees, 728 domestic branches, 59 overseas branches and 38 overseas offices, while a combined UFJ Holdings-SMFG entity would have 76,283 employees, 867 domestic branches, 38 overseas branches and 23 overseas offices.

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SMFG Common Shares

Analysis of Historical Stock Price of SMFG Common Shares. Merrill Lynch and JPMorgan reviewed the recent trading performance of SMFG common shares. The per share closing price trading data for the previous day, one-week average and one-month average for each of (1) February 18, 2005, (2) July 30, 2004, which is the date on which the SMFG merger proposal became public, and (3) July 14, 2005, which is the date on which the merger discussions between UFJ Holdings and MTFG became public, is summarized in the table below.

	Reference Date		
	February 18, 2005	Leak of SMFG Merger Proposal (July 30, 2004)	Leak of UFJ Holdings/MTFG Merger Discussions (July 14, 2004)
Previous Day	¥ 714,000	¥ 670,000	¥ 714,000
1 Week Average	716,000	689,400	684,400
1 Month Average	714,409	704,045	722,909

Comparable Companies Analysis. Merrill Lynch and JPMorgan reviewed certain publicly available financial, operating and stock market information for the four largest financial groups in Japan. These companies were: UFJ Holdings, MTFG, SMFG and Mizuho Financial Group, Inc.

For each of these companies, Merrill Lynch and JPMorgan calculated the ratio of the closing stock price on February 17, 2005 to estimated earnings per share for the fiscal years ending March 31, 2006 and March 31, 2007 using IBES estimates and actual book value per share as of December 31, 2004 and then derived ranges of imputed valuations for SMFG common shares. The results of this analysis are set forth below:

	February 17, 2005		Price-to-Earnings Ratio (IBES)		Price-to-Book Ratio
	Price	Market Capitalization	2006 Estimates	2007 Estimates	December 31, 2004 Actual
		(in billions)			
UFJ Holdings	¥ 569,000	¥ 2,938	15.3x	11.1x	3.31x
MTFG	973,000	6,369	15.4x	13.4x	1.49x
SMFG	714,000	4,456	14.2x	12.1x	2.33x
Mizuho Financial Group	504,000	6,020	18.3x	15.8x	2.29x

(1) In each case, estimates are for the fiscal year ending March 31 of the year indicated

	Multiple		Per Share Value
	Minimum	Maximum	SMFG

Price-to-earnings multiple (2006 IBES Estimates)[1]	13.0x	15.0x	¥ 654,339	¥ 755,006
Price-to-earnings multiple (2007 IBES Estimates)[1]	10.0x	12.0x	590,086	708,103
Price-to-book value multiple (December 31, 2004 Actual)	1.5x	2.5x	459,127	765,212

(1) In each case, estimates are for the fiscal year ending March 31 of the year indicated.

By multiplying each of SMFG s estimated earnings per share for the fiscal years ending March 31, 2006 and March 31, 2007, in each case, as estimated by IBES, by the minimum and maximum multiples derived from the comparable companies estimated price-to-earnings multiples for the fiscal years ending March 31, 2006 and March 31, 2007, Merrill Lynch and JPMorgan derived a range of imputed valuations for SMFG common shares of ¥590,086 to ¥755,006. By multiplying SMFG s actual book value per share as of December 31, 2004 by the minimum and maximum multiples derived from the comparable companies actual book value per share as of December 31, 2004, Merrill Lynch and JPMorgan derived a range of imputed valuations for SMFG common shares of ¥459,127 to ¥765,212.

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Discounted Cash Flow Analysis. Merrill Lynch and JPMorgan performed a discounted cash flow analysis using the dividend discount model to estimate a range of present values per SMFG common share assuming SMFG continued to operate as a stand-alone entity. This range was determined by adding (1) the present value of the stream of dividends that SMFG can pay to shareholders over the next five years while maintaining its target ratio of Tier I capital to risk-weighted assets and (2) the present value of the terminal value, calculated by applying a multiple to forecasted earnings for the fiscal year ending March 31, 2010. Merrill Lynch and JPMorgan assumed a target ratio of Tier I capital ranging from 5.5% to 7.5%. In calculating a terminal value of SMFG common shares, Merrill Lynch and JPMorgan applied multiples ranging from 11.0x to 13.0x to forecasted earnings for the fiscal year ending March 31, 2010. The dividend stream and terminal values were then discounted using discount rates ranging from 8.0% to 10.0%. Merrill Lynch and JPMorgan viewed these rates as the appropriate range of discount rates for a company with SMFG s risk characteristics and based upon an analysis of the comparable cost of equity for SMFG and other comparable banks. For the purposes of such analysis, Merrill Lynch and JPMorgan utilized IBES estimates for earnings for the period from the fiscal year ending March 31, 2006 to the fiscal year ending March 31, 2009 and assumed earnings growth of 10% per year for the fiscal year ending March 31, 2010 over the fiscal year ending March 31, 2009 to derive IBES estimates for the fiscal year ending March 31, 2010. Merrill Lynch and JPMorgan further assumed (1) no growth of risk- weighted assets for the fiscal year ending March 31, 2005 over the risk-weighted assets as of September 30, 2004 to derive risk-weighted assets for the fiscal year ending March 31, 2005 and (2) 2% growth of risk-weighted assets per year from the fiscal year ending March 31, 2006 to the fiscal year ending March 31, 2010 to derive risk-weighted assets from the fiscal year ending March 31, 2006 to the fiscal year ending March 31, 2010. Based on this analysis, Merrill Lynch and JPMorgan derived an implied valuation per SMFG common share of ¥778,456 to ¥972,831.

Analysis of SMFG s Proposal

Based on their assessments of the fair value of UFJ Holdings common shares and SMFG common shares, Merrill Lynch and JPMorgan determined implied merger ratio ranges and the implied premium of the merger ratio of 1.0 SMFG common share per UFJ Holdings common share proposed by SMFG. Merrill Lynch and JPMorgan also assessed SMFG s proposed merger ratio of 1.0 SMFG common share for each UFJ Holdings common share using several additional methodologies, including a contribution analysis, a pro forma earnings-per-share accretion/dilution analysis and a value creation analysis.

Implied Merger Ratio Based on Stock Price. Merrill Lynch and JPMorgan determined implied merger ratios based on their reviews of the recent trading performance of UFJ Holdings common shares and SMFG common shares and compared these implied merger ratio ranges with the proposed merger ratio of 1.0 SMFG common share per UFJ Holdings common share. The merger ratios implied by the per share closing price trading data for the previous day, one-week average and one-month average for each of (1) February 18, 2005, (2) July 30, 2004, which is the date on which the SMFG merger proposal became public, and (3) July 14, 2005, which is the date on which the merger discussions between UFJ Holdings and MTFG became public, is summarized in the table below.

	Reference Date		
	February 18, 2005	**Leak of SMFG Merger Proposal (July 30, 2004)**	**Leak of UFJ Holdings/MTFG Merger Discussions (July 14, 2004)**
Previous Day	0.80	0.60	0.66
1 Week Average	0.79	0.63	0.66
1 Month Average	0.83	0.64	0.68

Implied Premium of SMFG s Proposal. Merrill Lynch and JPMorgan determined the implied premium of the proposed merger ratio of 1.0 SMFG common share per UFJ Holdings common share for the UFJ Holdings common shares based on the recent trading performance of UFJ Holdings common shares and SMFG common

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shares. The implied premium based on the per share closing price trading data for the previous day, one-week average and one-month average for each of (1) February 18, 2005, (2) July 30, 2004, which is the date on which the SMFG merger proposal became public, and (3) July 14, 2005, which is the date on which the merger discussions between UFJ Holdings and MTFG became public, is summarized in the table below.

Reference Date		
February 18, 2005	Leak of SMFG Merger Proposal (July 30, 2004)	Leak of UFJ Holdings/MTFG Merger Discussions (July 14, 2004)