UFJ

Aspiring to be a premier comprehensive global financial group

ANNUAL REPORT 2005

Year ended March 31, 2005

UFJ Holdings, Inc.

On October 1, 2005, UFJ Holdings, Inc. and Mitsubishi Tokyo Financial Group, Inc. (MTFG) will merge to form Mitsubishi UFJ Financial Group, Inc. The new group will be one of the world's largest financial services organizations in terms of assets as well as the diversity of its business activities.

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FINANCIAL HIGHLIGHTS

	UFJ Bank[1] and UFJ Trust[2] (Non-consolidated)		
	Billions of Yen		Billions of U.S. Dollars[3]
Fiscal Years ended March 31	**2005**	2004	**2005**
Gross Operating Profit[4]	**¥ 1,299.1**	¥1,362.3	**$12.1**
Net Interest Income	**738.3**	780.2	**6.9**
Net Fees and Commissions	**249.4**	220.4	**2.3**
Trust Fees[4]	**60.2**	66.6	**0.6**
General and Administrative Expenses	**531.5**	567.7	**4.9**
Business Profit before Net Transfer to General Reserve[4]	**767.5**	794.6	**7.1**
Net Transfer to General Reserve	**6.5**	342.3	**0.1**
Business Profit[4]	**760.9**	452.2	**7.1**
Net Gains (Losses) on Stocks and Other Equity Securities	**(225.2)**	327.5	**(2.1)**
Credit Costs[4]	**(1,061.7)**	(1,048.9)	**(9.9)**
Ordinary Profit (Loss)	**(729.5)**	(427.2)	**(6.8)**
Net Income (Loss)	**(681.9)**	(375.5)	**(6.3)**
Net Income (Loss) of UFJ Holdings (Consolidated)	**(554.5)**	(402.8)	**(5.1)**

1. UFJ Bank's result includes the results of UFJ Strategic Partner Co., Ltd. and UFJ Equity Investments Co., Ltd.
2. UFJ Trust's result includes the results of UFJ Trust Equity Co., Ltd.
3. Converted into U.S. dollars at ¥107.39 to $1.
4. Including trust account (loan trust and jointly operated designated money trust with principal indemnification clause).

CAPITAL RATIO (CONSOLIDATED)

As of March 31	**2005**	2004
UFJ Holdings	**10.39%**	9.24%
UFJ Bank	**10.48%**	8.36%
UFJ Trust*	**11.93%**	12.34%

* UFJ Trust applies domestic standards. The consolidated capital ratio based on uniform international standards would be 12.94% as of March 31, 2005 and 12.87% as of March 31, 2004.

CREDIT RATINGS

As of June 30, 2005	UFJ Bank	UFJ Trust
Moody's (Long Term)	A1	A1
Standard & Poor's (Long Term)	A	A

To Our Shareholders

UFJ Holdings will merge with Mitsubishi Tokyo Financial Group (MTFG) on October 1, 2005 subject to relevant regulatory approval. UFJ shareholders approved this merger in June 2005. Both the UFJ Group and MTFG are now completing the necessary preparations for the integration of their businesses.

The mergers between UFJ Trust Bank Limited and The Mitsubishi Trust and Banking Corporation, and between UFJ Tsubasa Securities Co., Ltd. and Mitsubishi Securities Co., Ltd. are scheduled for October 1, 2005. The merger between our respective bank subsidiaries, UFJ Bank Limited and The Bank of Tokyo-Mitsubishi, Ltd., is scheduled to take place three months later, on January 1, 2006.

While we greatly regret any inconvenience caused by rescheduling the merger of bank subsidiaries, especially inconvenience to customers, we have concluded this is necessary to achieve the highest possible level of safety and stability in the post-integration business systems of the merged bank.

This is the last annual report of UFJ Holdings as a separate organization. I would like to use this opportunity to discuss our accomplishments in the past fiscal year, and to explain the basic goals of the new Mitsubishi UFJ Financial Group.

Ryosuke Tamakoshi
President and
Chief Executive Officer

A YEAR OF CHALLENGES AND ACHIEVEMENTS

During the fiscal year that ended March 31, 2005, our highest priority was regaining the public's trust. The UFJ Group's reputation was tarnished in the prior fiscal year by our large net loss and by improper responses to inspections by the Financial Services Agency. To deal with these issues, we concentrated on resolving the problem loan issue and reinforcing our internal management framework. At the same time, we worked on becoming more profitable by offering services that meet the expectations of our customers.

RESOLVING THE PROBLEM LOAN ISSUE

I believe that the lack of decisive actions to deal with problem loans was the primary reason that this crisis became so serious and drawn out. We mistakenly adopted a policy of trying to rehabilitate borrowers over an extended period of time. In the past fiscal year, we were much more resolute. Radical restructuring measures were executed for every large borrower experiencing financial difficulties. To preserve the objectivity and transparency of this process, we adopted the views of external sponsors and the Industrial Revitalization Corporation of Japan with regard to financial and business issues at these borrowers.

Due to these measures, problem loans fell to 4.12% of total loans at the end of March 2005, 4.38 percentage points less than one year earlier. We were therefore able to meet the goal of halving problem loans as stated in the Program for Financial Revival announced by the Japanese government. Naturally, we recorded substantial credit-related expenses to achieve a reduction of this scale. The result was a consolidated net loss of ¥554.5 billion. By taking these difficult, but decisive, actions, we have moved much closer to our objectives of financial soundness and consistent profitability.

We continue to monitor closely the progress of restructuring at borrowers. We are also becoming even more vigilant with regard to credit risk management in order to prevent another problem loan crisis. Actions reflect the lessons we have learned. We will reinforce adherence to limits on the amount of credit extended to a specific industry or borrower. We will upgrade our readiness to respond promptly when the first warning signs appear at a borrower, devising the best solutions without delay in order to limit the occurrence of problem loans.

STRENGTHENING INTERNAL CONTROLS

In June 2004, the UFJ Group received administrative actions from the Financial Services Agency for improper responses to inspections. UFJ Bank as well as former executive officers were convicted of violating provisions of Japan's banking law. UFJ Holdings has constantly worked to build solid corporate governance and internal control systems. Unfortunately, the inadequacy of these very systems was partly to blame for the June 2004 administrative actions. We viewed this as a matter with serious implications for the UFJ Group.

Since these problems surfaced, we have examined our past shortcomings to establish a fair and just group management framework firmly rooted in the spirit of compliance with all laws and regulations. UFJ Bank, for example, has enhanced the objectivity and transparency of its management through steps such as the addition of external directors and a realignment of its organization, including reconstitution of the Audit & Compliance Committee. Through these measures, the UFJ Group is bolstering its internal controls.

We are already seeing a definite shift in the mindset of our executives and employees even though many of these actions were started only recently. As the CEO, I pledge to take the lead in this process by keeping a tight focus on taking every step needed to regain the confidence of the public.

BECOMING MORE PROFITABLE

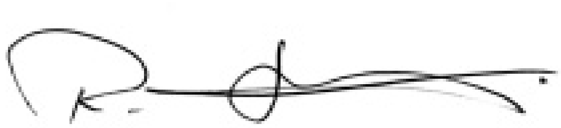
Our drive to raise earnings has many elements. One goal is increasing housing loans and small and medium-sized enterprise (SME) loans. Another is to earn more fees and commissions, mainly through ATMs, asset management services and other means to enhance retail services, and through expanding settlements, derivatives, trusts and other business categories to enhance corporate services. We are already seeing steady growth in earnings in these areas. Business profit before net transfer to general reserve was higher in both Retail Banking and Corporate Banking in the past fiscal year.

LOOKING AHEAD TO THE MITSUBISHI UFJ FINANCIAL GROUP

The Mitsubishi UFJ Financial Group will be Japan's leading financial group. It will have many competitive advantages. Among them will be an enormous and varied base of retail and corporate customers; an extensive service network in Japan and overseas; group companies offering a broad array of services; and soundness in terms of asset quality and capital. I am convinced that combining the resources of the UFJ Group and MTFG will provide the best possible platform for maximizing shareholder value in the coming years.

We want our shareholders and customers to reap the benefits of this merger. Smoothly integrating our businesses is essential to accomplishing this. Just as important, though, is fully leveraging the knowledge and other resources, including corporate cultures, of the two groups. The UFJ Group's greatest strength is the willingness to take on new challenges with an open mind, and then carry through with concrete actions. We created many groundbreaking services for customers. UFJ24, for instance, set a new precedent for convenience in access to banking functions. We are determined to instill this same spirit in the new group. This will enable the Mitsubishi UFJ Financial Group to offer an even broader selection of financial services, giving all customers a chance to enjoy directly the benefits of the merger. We believe this spirit will also play a central role in maximizing shareholder value.

The executives and employees of the UFJ Group are excited about becoming an integral part of one of the world's leading financial groups. In sum, the UFJ Group is about to advance to a new stage that holds the promise of even greater benefits for our customers, and greater rewards for our shareholders.



Ryosuke Tamakoshi
President and Chief Executive Officer
UFJ Holdings, Inc.

August 31, 2005

Aspiring to be a Premier Comprehensive Global Financial Group

The UFJ Group and Mitsubishi Tokyo Financial Group (MTFG) will merge to create the Mitsubishi UFJ Financial Group in October 2005. By strictly adhering to the principle of putting the customer first, the new group aims to earn the strong support of customers and become a premier comprehensive global financial group.

■ *New holding company*

Mitsubishi UFJ Financial Group

■ *New bank**	■ *New trust bank*	■ *New securities company*
Bank of Tokyo-Mitsubishi UFJ	Mitsubishi UFJ Trust and Banking	Mitsubishi UFJ Securities

**To be created by merger on January 1, 2006.*

In addition to the bank, trust bank and securities company, the new group will have top-class credit card, consumer finance, leasing and asset management companies, as well as a U.S. bank and other subsidiaries.

A Premier Comprehensive Global Financial Group

SUMMARY OF INTEGRATION

Resolutions to integrate the UFJ Group and MTFG in October 2005 were approved at the June 2005 shareholder meetings of the holding companies of these two groups.

● New Holding Company

Name:	Mitsubishi UFJ Financial Group, Inc.
Merger Date:	October 1, 2005
Senior Executives:	Ryosuke Tamakoshi, Chairman
	Haruya Uehara, Deputy Chairman
	Nobuo Kuroyanagi, President
Head Office:	7-1 Marunouchi 2-chome, Chiyoda-ku, Tokyo (current head office of Bank of Tokyo-Mitsubishi)
Stock Exchange Listings:	Tokyo, Osaka, Nagoya, New York, London
Merger Ratio:	0.62 MTFG ordinary share for each UFJ Holdings ordinary share

● New Bank

Name:	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Merger Date:	January 1, 2006
Senior Executives:	Shigemitsu Miki, Chairman
	Ryosuke Tamakoshi, Deputy Chairman
	Nobuo Kuroyanagi, President
Head Office:	7-1 Marunouchi 2-chome, Chiyoda-ku, Tokyo (current head office of Bank of Tokyo-Mitsubishi)
Merger Ratio:	0.62 Bank of Tokyo-Mitsubishi ordinary share for each UFJ Bank ordinary share

● New Trust Bank

Name:	Mitsubishi UFJ Trust and Banking Corporation
Merger Date:	October 1, 2005
Senior Executives:	Akio Utsumi, Chairman
	Haruya Uehara, President
Head Office:	4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo (current head office of Mitsubishi Trust and Banking)
Merger Ratio:	0.62 Mitsubishi Trust and Banking ordinary share for each UFJ Trust Bank ordinary share

New Securities Company

Name:	Mitsubishi UFJ Securities Co., Ltd.
Merger Date:	October 1, 2005
Senior Executives:	Yasumasa Gomi, Chairman
	Koichi Kane, Deputy Chairman
	Kimisuke Fujimoto, President
Head Office:	4-1 Marunouchi 2-chome, Chiyoda-ku, Tokyo (current head office of Mitsubishi Securities)
Merger Ratio:	0.42 Mitsubishi Securities ordinary shares for each UFJ Tsubasa Securities ordinary share

THE GROUP MANAGEMENT PHILOSOPHY

The new group's management philosophy has been established to provide the basis for achieving its goals. The values below represent fundamental guidelines for conducting all the business activities of the new group. Furthermore, this management philosophy serves as the foundation for management decisions, including the formulation of strategies and business plans, by defining the spirit of all employees. The new group's holding company, bank, trust bank and securities company will adopt this management philosophy for their own operations, enabling the entire group to adhere to the same principles.

Group's Management Philosophy

1. We will respond promptly and accurately to the diverse needs of our customers around the world and seek to inspire their trust and confidence.
2. We will offer innovative and high-quality financial services by actively pursuing the cultivation of new business areas and developing new technologies.
3. We will comply strictly with all laws and regulations and conduct our business in a fair and transparent manner to gain the public's trust and confidence.
4. We will seek to inspire the trust of our shareholders by enhancing corporate value through continuous business development and appropriate risk management, and by disclosing corporate information in a timely and appropriate manner.
5. We will contribute to progress toward a sustainable society by assisting with development in the areas in which we operate and conducting our business activities with consideration for the environment.
6. We will provide the opportunities and work environment necessary for all employees to enhance their expertise and make full use of their abilities.

CORPORATE IDENTITY

The new group, through close coordination among its bank, trust bank and securities company, aims to become a premier comprehensive global financial group. The group is dedicated to working as an integrated unit to provide comprehensive and flexible responses to all the financial needs of its customers. This common group identity is symbolized by the new group symbol shown below.

MUFG

A TOP-FIVE FINANCIAL GROUP

The objective is to become a leading comprehensive global financial group. The Mitsubishi UFJ Financial Group will have a well-balanced and extensive network in Japan and overseas along with a broad customer base. In addition to the bank, trust bank and securities company, the new group will have top-class credit card, consumer finance, leasing and asset management companies, as well as Union Bank of California and other subsidiaries. By leveraging these resources, the new group will earn the strong support of customers as a source of outstanding products and services. At the same time, by greatly enhancing its profitability, the new group aims to become one of the world's premier comprehensive financial groups. With this in mind, the group has established the target of becoming one of the world's five largest financial groups in terms of market capitalization by fiscal 2008, the year ending March 2009.

BUSINESS PLAN OF THE NEW GROUP

Fiscal 2008 Financial Targets

UFJ Holdings and MTFG established the following financial targets for the new group in fiscal 2008. The aim is to become one of the world's five largest financial groups in terms of market capitalization.

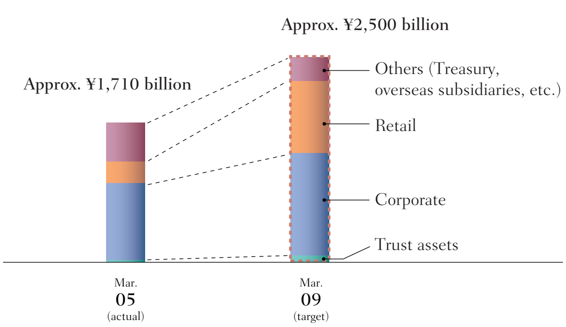
Years ending March 31	2009	2005[1]
Consolidated net operating profit[2]	Approx. ¥2,500 billion	Approx. ¥1,710 billion
Consolidated expense ratio	40% to 45%	Approx. 50%
Consolidated net income	Approx. ¥1,100 billion	Loss of ¥216.1 billion
Consolidated ROE	Approx. 17%	Approx. negative 4.8%

1. Simple sum of both groups' operating results
2. Consolidated net operating profit before consolidation adjustments (management accounting basis, excluding dividend income from subsidiaries)

Underlying macroeconomic assumptions

Years ending March 31	2006	2007	2008	2009
3-month Tibor (average for period)	0.13%	0.29%	0.41%	0.46%
10-year JGB (average for period)	1.81%	2.22%	2.29%	2.29%
Yen-US dollar (end of period)	¥105	¥105	¥105	¥105
Real GDP growth (annual)	1.1%	1.9%	1.0%	1.8%

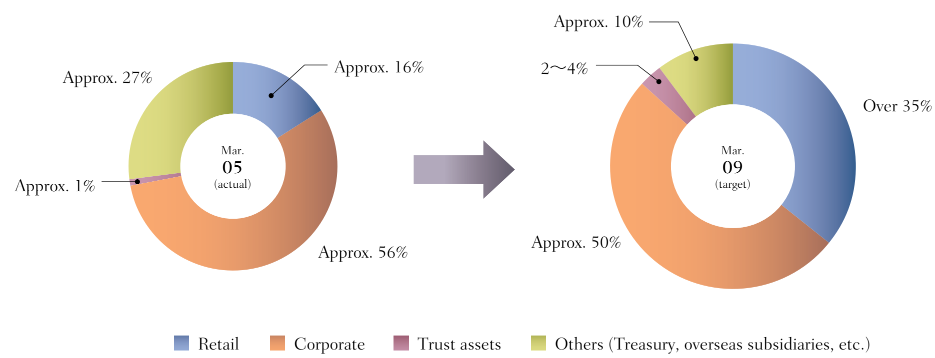
Consolidated Net Operating Profit Target (image)



BUSINESS PORTFOLIO OF THE NEW GROUP

The new group plans to further strengthen its three core business lines (retail, corporate and trust assets) with the goal of raising their combined net operating profit to 85% to 90% of total consolidated net operating profit by fiscal 2008. In the retail business segment, which serves a market where growth is expected to continue, the goal is to achieve a net operating profit share of at least 35%. Reaching these goals will give the new group a well-balanced business portfolio that can sustain a high level of profitability.

Projected Change in New Group's Business Portfolio



INTEGRATION EFFECT (SYNERGIES)

Earnings Synergies

By fiscal 2008, the new group aims to achieve a net increase of about ¥40.0 billion in gross operating profit. During the first year or two after the integration, the negative effect of integration, such as reductions in corporate loans due to the share adjustments of customers who have loans from both UFJ and MTFG, will exceed contributions to earnings from synergies. However, the new group will work on raising its earnings while enhancing customer services. Initiatives will include increasing sales of comprehensive cards and investment products, and leveraging the core strengths of the constituent groups: the strong global network of MTFG and the domestic settlement capabilities of the UFJ Group. Through these measures, the new group plans to achieve a net benefit from integration effects as quickly as possible.

• *Earnings Synergies from Integration Effects*

	Retail	Corporate	Trust Assets
Areas targeted for major synergies	Sale of investment products, housing loans, consumer finance, others	Business with small and medium-sized enterprises (SMEs), settlement business, overseas business, others	Enhanced product development capabilities, outsourcing business (asset management for regional banks), others

Net increase of about ¥40.0 billion in gross operating profit (target for fiscal 2008 improvement in gross operating profit due to net integration effects)

Cost Synergies

The goal is to lower annual expenses by approximately ¥240.0 billion (net reduction of approximately ¥180.0 billion) in fiscal 2008. During the first year or two after the integration, expenses associated with the integration are expected to temporarily exceed cost savings.

The new group plans to achieve total reductions and reassignments of about 10,000 employees. This will primarily involve the streamlining of back office operations, chiefly at the head office. By fiscal 2008, employees are to be reduced by approximately 6,000 and about 4,000 are to be reassigned to strategic business areas.

The integration of systems involving treasury activities and overseas activities is to be completed by the integration date. The completion of integration of the domestic accounting and information systems is scheduled for the end of March 2008.

Regarding the branch office network, about 170 retail branches and 100 corporate offices in Japan are to be consolidated with other branches by March 2009. Overseas, about 30 offices will be consolidated with other bases.

In addition to these measures, the new group will work constantly on cutting head office expenses and other components of operating expenses.

• *Cost Synergies from Integration Effects*

	Personnel	Systems	Branch Consolidations	Head Office Expenses	Subsidiaries
Major savings* ▶	Approx. ¥40 billion	Approx. ¥80~90 billion	Approx. ¥20 billion	Approx. ¥60 billion	Approx. ¥30 billion

Total saving of approximately ¥240.0 billion
(annual reduction in expenses in fiscal 2008)

*All figures are simple totals for the new bank, trust bank and securities company, except the estimated saving for subsidiaries.

During the five-year period ending in March 2010, the new group expects to incur annual expenses of about ¥60.0 billion for system integrations, branch office consolidations and other temporary integration-related expenses. In addition to these expenses, the new group expects to post charges of about ¥360.0 billion as other expenses and extraordinary losses resulting from the write-off of systems, the unification of standards for the self-assessment of loans and reserve ratios, and other items in fiscal 2005, the year ending March 2006.

CORPORATE GOVERNANCE

The Mitsubishi UFJ Financial Group will have a highly stable and effective corporate governance framework. The group will have directors and corporate auditors, incorporate the viewpoints of outsiders, and use voluntarily established committees. For the purpose of enhancing management transparency and accountability to shareholders, the following three viewpoints of outsiders will be incorporated.

1. Election of Several Outside Directors and Voluntary Establishment of Committees

The new holding company will have several outside directors. In addition, the internal audit and compliance, nomination and compensation committees under the Board of Directors will be chaired by outside directors and be made up of a majority of outside personnel. This will heighten the participation in the group's management of individuals from outside the group.

The Internal Audit and Compliance Committee will receive reports from the Internal Audit Unit, examine important matters concerning internal audits and compliance, and propose necessary improvements to the Board of Directors. This is intended to ensure sufficient independence of the Internal Audit Unit from business operations. The holding company also aims to enhance the effectiveness of internal audits conducted by corporate auditors and continuously improve the internal audit function. This is to be achieved by using the Internal Audit and Compliance Committee to increase coordination between corporate auditors and the Internal Audit Unit.

2. Majority of Outside Auditors on Board of Corporate Auditors

Three of the five corporate auditors will be from outside the group. As a result, more than 30% of the individuals attending meetings of the Board of Directors will be outsiders.

3. Establishment of Advisory Board

An Advisory Board made up of experts from outside the group will provide advice from an independent standpoint concerning business strategies, plans and other important issues concerning the group's management.

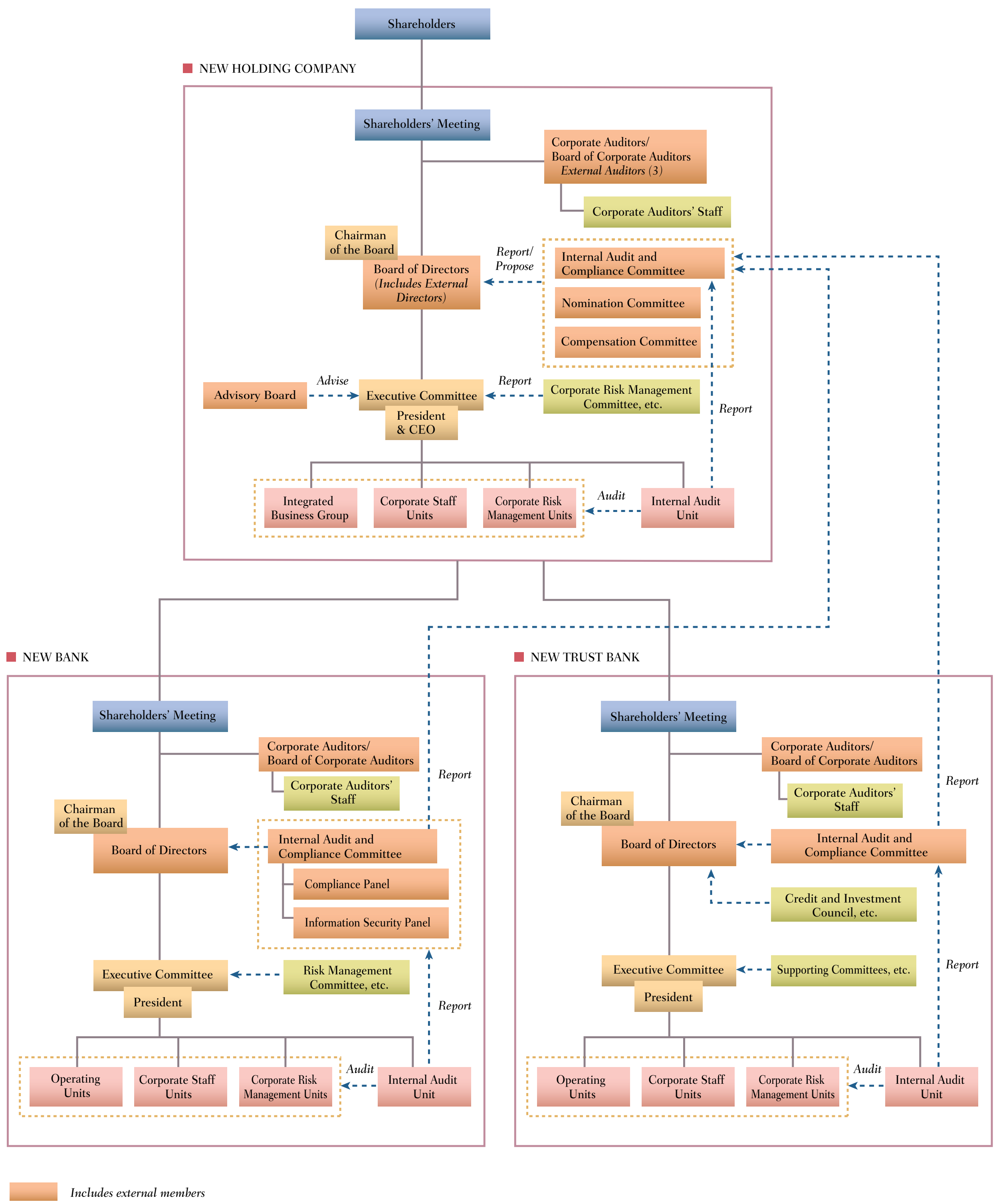
The new holding company will also put in place a group-wide corporate structure that is appropriate for a premier comprehensive global financial group. This will be accomplished through measures such as implementing group-wide risk management and internal audit systems and sending holding company executives to serve as senior executives at major subsidiaries.

Governance of Bank and Trust Bank

At the group's bank and trust bank as well, outsiders will account for the majority of the internal audit and compliance committee members. Deliberations of these committees concerning internal audits and compliance will provide greater management transparency.

The bank will establish a compliance panel and an information security panel as specialist units to deliberate on important matters and work with the Internal Audit and Compliance Committee. The aim is to establish a sophisticated compliance and information security management structure and deal with related issues in a suitable manner.

Corporate Governance Framework after Integration



INTERNAL CONTROLS

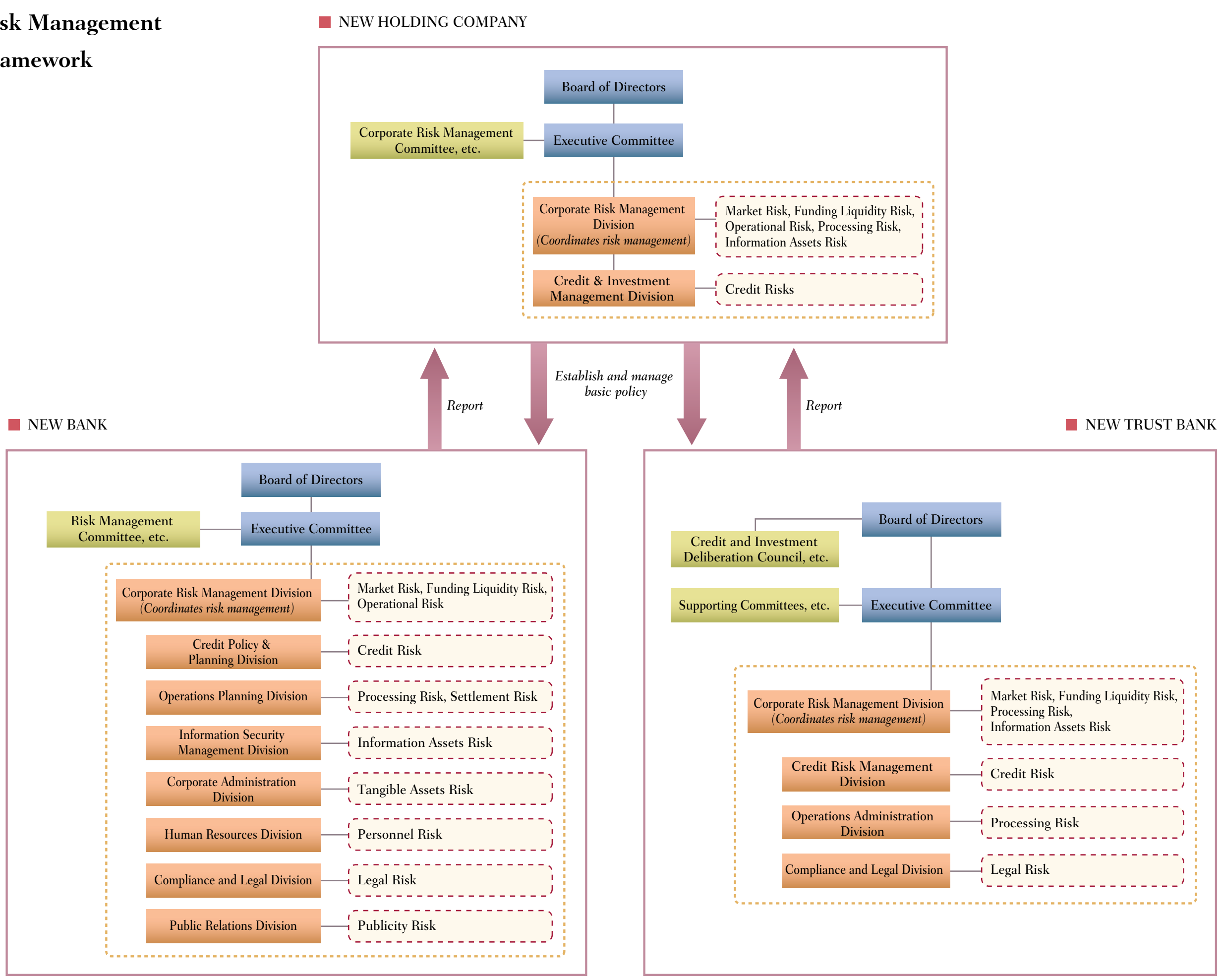
The new group will be a comprehensive financial group that is the world's largest in terms of assets and is engaged in a broad range of businesses. The group is committed to managing operations in an appropriate and precise manner in order to earn the absolute trust and confidence of customers, shareholders and society at large. The group will therefore have internal control and risk management systems based on the framework of the Committee of Sponsoring Organizations of Treadway Commission (COSO), the U.S. Sarbanes-Oxley Act of 2002, and the U.S. Securities and Exchange Commission (SEC) requirements, since the holding company's shares will be listed on the New York Stock Exchange and will conform to the new BIS regulations.

The group will take steps to strengthen departments engaged in risk management, compliance and internal audits.

Risk Management Framework

To oversee risk management activities, the new holding company, the new bank and the new trust bank will each have a Corporate Risk Management Division. The holding company will determine fundamental policies for group-wide risk management activities. Group companies will establish their own risk management systems and conduct risk management activities in line with these policies.

Risk Management Framework



The holding company will have a Corporate Risk Management Committee to discuss group risk management policies and important items concerning the establishment of risk management systems.

Compliance Framework

The new holding company, bank and trust bank will each have a Compliance Division. At the bank, a Compliance Panel composed of external experts will be established to hold deliberations focused on compliance issues. Having a unit dedicated exclusively to compliance will make it possible to build an even more effective compliance framework and to provide appropriate and timely responses to the compliance needs of group companies.

• ***Ethical Framework***

1. Establishment of trust

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

2. Putting customers first

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

3. Strict observance of laws, regulations, and internal rules

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

4. Respect for human rights and the environment

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

5. Disavowal of antisocial elements

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

Internal Audit Framework

The new holding company, bank and trust bank will each have an auditing department. Each auditing department will submit reports on important items concerning internal audits directly to the holding company Audit Committee, which will be composed mainly of outside directors and experts from outside the group.

PERSONNEL SYSTEMS

The new group will establish separate personnel systems for its bank, trust bank and securities company so that the systems can reflect the nature of business activities and cost structure of each company. Concurrently, the group will have a uniform personnel platform so that employees can be managed in a consistent manner at all group companies. This platform will thus support the effective execution of group-wide strategies, contribute to integrating employees into a cohesive team, and help establish a new corporate culture.

A personnel framework that emphasizes merit and professional skills

The bank, trust bank and securities company will all use merit and professional skills as the fundamental principles for their respective personnel systems.

A personnel system that facilitates the movement of employees among group companies

Each group company will adopt a personnel system incorporating job performance evaluations, personal assessments and other elements that promote the smooth movement of employees among group companies.

A link between group-wide strategic targets and individual performance evaluations

The personnel system will be designed to improve the execution and probability of success of group strategies by encouraging group employees to understand and contribute to these strategies, and by linking this aspect of performance to employee evaluations.

Personnel training and evaluations that are consistent with the group management philosophy

To foster a new corporate culture within the group, the group management philosophy will be incorporated in the employee training and evaluation systems of each group company.

• Reason for Change of the Scheduled Date of the Planned Merger of Bank of Tokyo-Mitsubishi and UFJ Bank

Bank of Tokyo-Mitsubishi and UFJ Bank have been preparing assiduously for the integration of their computer systems and other matters, in order to complete their merger and start business under the name "The Bank of Tokyo-Mitsubishi UFJ, Ltd." on October 1, 2005.

However, due to the tremendous social impact of the planned merger of the two banks, we have been thoroughly examining all possible risk reduction measures from every angle, in order to minimize any risks arising from the integration of the banks and their business systems. As a result of this examination, we have concluded that we should engage in additional tests, rehearsals and training sessions for the integration of the systems of the two banks in order to achieve the highest possible level of safety and stability in the new post-integration systems of the new merged bank.

In order to complete these activities and secure the highest possible level of safety and stability, we have concluded that it is appropriate to postpone the scheduled date of the planned merger of the subsidiary banks by three months, to January 1, 2006.

New Approaches to the Provision

The UFJ Group was formed in April 2001 through the integration of Sanwa Bank, Tokai Bank and Toyo Trust. From the outset, innovation has defined the group. All group members have focused on devising new approaches to the provision of financial services. UFJ Bank and other companies acted quickly to make full use of innovative office formats, call centers, the Internet, automated systems and other channels to raise customer convenience. While enhancing customer services, the UFJ Group also focused on raising core earnings, cutting costs and boosting efficiency. These endeavors have positioned the UFJ Group to play a vital role in realizing the primary goal of the Mitsubishi UFJ Financial Group: becoming a premier comprehensive global financial group.

# of Financial Services

● *Core Skills for a Premier Comprehensive Global Financial Group*

Innovation in Services for Retail Customers

Redefining the provision of financial services has been a central objective of the UFJ Group. UFJ Bank and other group companies have achieved many advances in this respect, including broader product selections, faster responses and service outlets tailored to specific customer needs. ***UFJ24*** Launched in September 2003, UFJ24 is a series of initiatives designed to enhance the quality and convenience of services for customers. ***24-Hour Operations*** One of the most visible actions was the start of 24-hour ATM services on a significant scale, a first among Japanese banks. Call centers now operate 24 hours a day, too. Evening and weekend banking services were started by opening new types of branches and TV service windows. ***More Innovations to Enhance Convenience*** Other UFJ24 advances include the immediate issuance of ATM cards at all branches, the rapid expansion of UFJ Bank's infrastructure to handle IC cards, and a system for making appointments for selected services at bank branches. These and other initiatives have firmly positioned UFJ Bank as a trendsetter in customer convenience.

Steady Growth in Loans to Consumers

The UFJ Group has taken many actions to enlarge loan and other credit-related services for customers as part of a drive to expand retail banking. Consumer loans, housing loans and credit cards are areas of particular interest. ***Housing Loans*** UFJ Bank has housing loan offices at about 140 of its locations nationwide that maintain close ties with real estate brokers and housing contractors. This network is instrumental to UFJ Bank's ranking among Japan's largest originators of housing loans. ***MOBIT*** MOBIT Co., Ltd., a unique consumer finance company, was jointly established by Sanwa Bank (now UFJ Bank) and two consumer credit companies. This company combines the expertise and strengths of both a bank and a consumer credit company. Customer response has been strong, with loans and accounts growing rapidly. MOBIT's loans increased 17.9% year on year to ¥201 billion at March 31, 2005. ***UFJ NICOS*** Already one of Japan's major credit card issuers, the UFJ Group will further solidify its presence in this industry with the October 2005 merger of UFJ Card and Nippon Shinpan, one of Japan's largest consumer credit companies. The new company, to be called UFJ NICOS Co., Ltd., will be Japan's premier credit card issuer, serving about 20 million cardholders and handling annual transactions of about ¥3.7 trillion.

A Commitment to Growth in SME Loans

UFJ Bank has expanded and deepened ties with small and medium-sized enterprises (SMEs), carrying on a tradition started by its predecessors. Loans to these customers are taking on greater importance as Japan's large corporations restructure and the economy relies more on innovative smaller companies for growth. ***UFJ Business Loan*** This innovative SME loan product features quick processing of applications along with the ability to obtain credit without collateral or guarantees. Additionally, the UFJ Business Loan helps UFJ Bank to structure a sound loan portfolio in which credit risk is spread over a large number of small borrowers. ***BIZWAY*** A new concept in corporate credit cards, BIZWAY serves individual proprietorships and small businesses by combining credit card and loan functions in a single card. ***More Funding Divesity for SMEs*** Demonstrating its commitment to new approaches, UFJ Bank has made available to SME clients many of the funding schemes traditionally used only by large corporations. Among the options offered are CLOs, private placements of bonds and syndicated loans.

RESTORING THE PUBLIC'S TRUST

The UFJ Group is taking many actions to restore the confidence of its customers and investors by rapidly tackling financial issues and reinforcing internal controls. This section explains initiatives concerning financial soundness, including solving the problem loan issue and enhancing capital, as well as measures to strengthen corporate governance.

■ PROBLEM LOANS

The UFJ Group has been dedicated to quickly resolving the problem loan issue, which was the group's most urgent issue. In addition to increasing coverage and reserves for these loans, the group provided support that borrowers needed to return to financial health and worked on achieving the final disposition of loans to these borrowers.

The following discussion primarily covers the status of problem loans in the fiscal year ended March 31, 2005. This discussion also includes the UFJ Group's position concerning the establishment of a loan portfolio capable of producing stable earnings from a medium- to long-term perspective.

● REPORT FOR YEAR ENDED MARCH 31, 2005

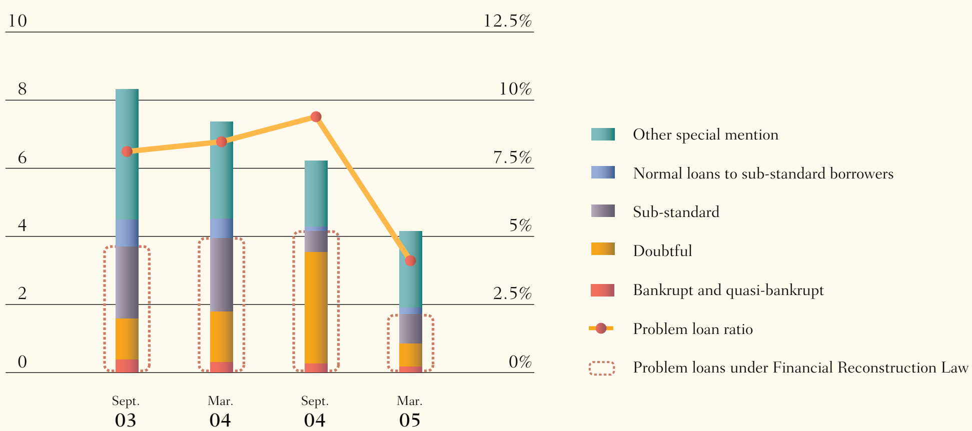
(UFJ Bank, UFJ Trust and UFJ Strategic Partners, UFJ Equity Investments, and UFJ Trust Equity combined, non-consolidated)

PROBLEM LOANS OUTSTANDING

Measures to deal with problem loans were stepped up during the year ended March 31, 2005 with the goal of achieving a final resolution of the problem loan issue. Particular emphasis was placed on decisive measures concerning large borrowers, including extensive reviews of plans for assisting borrowers. As a result, problem loans totaled ¥1,716.2 billion as of

Problem Loan Balance and Ratio

Trillions of Yen



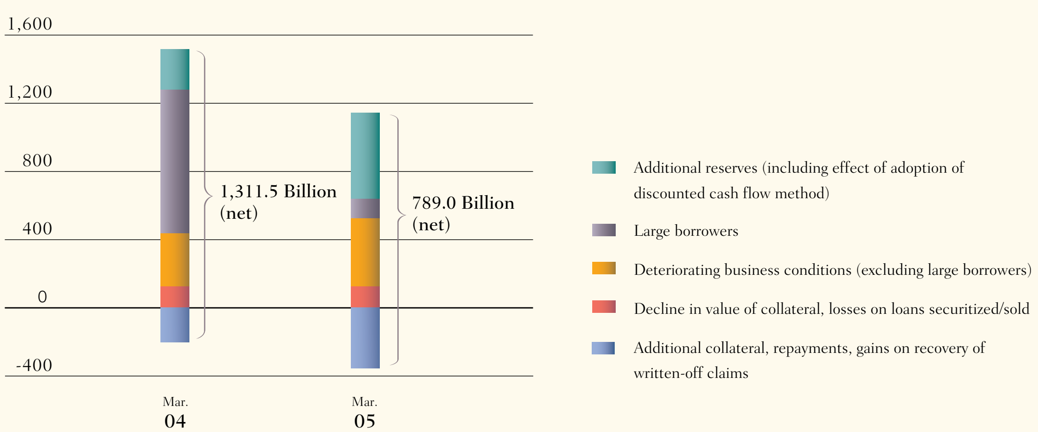
March 31, 2005, ¥2,438.0 billion less than as of September 30, 2004. As a percentage of total loans, problem loans were down 5.3 percentage points to 4.12%. Due to these improvements, the UFJ Group met its goal of reducing problem loans by half as stated in the Program for Financial Revival announced by the Japanese government.

CREDIT-RELATED EXPENSES

In the fiscal year ended March 31, 2005, credit-related expenses were ¥789.0 billion, ¥522.5 billion less than in the previous fiscal year. The large decline was mainly attributable to the completion in the previous fiscal year of establishing most of the additional reserves needed to prepare for the final resolution of loans to large borrowers. However, credit-related expenses remained high because of additional reserves required as the historical loss ratio rose in association with reductions in large borrower credit ratings conducted during the previous fiscal year and the six-month period ended September 30, 2004. UFJ Holdings expects that the historical loss ratio will begin to decline because actions to resolve problems associated with large borrowers have been effectively completed during the fiscal year ended March 31, 2005. A large decrease in credit-related expenses is therefore expected.

Credit-Related Expenses

Billions of Yen



Balance of Problem Loans under Financial Reconstruction Law

			Billions of Yen
	March 31, 2005	September 30, 2004	March 31, 2004
Bankrupt and Quasi-Bankrupt	**¥ 175.7**	¥ 259.5	¥ 304.4
Doubtful	**677.3**	3,270.9	1,483.6
Sub-Standard	**863.2**	623.8	2,161.2
Total Problem Loans	**1,716.2**	4,154.3	3,949.3
Normal	**39,915.7**	39,909.2	42,463.3
Normal Loans to Sub-Standard Borrowers	**190.2**	133.9	570.3
Normal Loans to Other Special Mention Borrowers	**2,258.4**	1,955.2	2,850.9
Total Loans	**¥41,632.0**	¥44,063.6	¥46,412.7

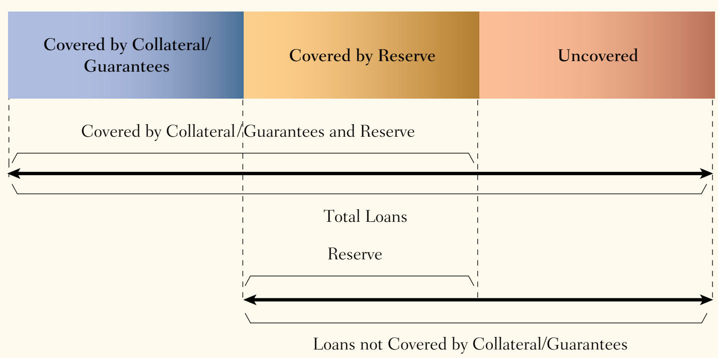
Includes figures of UFJ Strategic Partner and jointly operated designated money trust account and loan trust account with principal indemnification clauses.

COVERAGE AND RESERVES FOR PROBLEM LOANS

In recent years, the UFJ Group has been increasing coverage and reserves as one means of resolving the problem loan issue. As of March 31, 2005, the coverage ratio, including collateral, guarantees and reserves, for problem loans was 73.41%, the same level as one year earlier. Furthermore, loans to borrowers classified sub-standard or lower, and thus having a comparatively high degree of credit risk, that are not covered by collateral, guarantees and allowances totaled ¥0.5 trillion as of March 31, 2005 compared with ¥1.1 trillion one year earlier. These uncovered loans are now less than the combined business profit of UFJ Bank and UFJ Trust.

The reserve ratios for loans to borrowers classified as normal and other special mention, including the portion of loans covered by collateral and guarantees, were 0.26% and 19.91%, respectively, as of March 31, 2005.

Coverage Ratio and Reserve Ratio for Problem Loans under Financial Reconstruction Law



$$\text{Coverage Ratio (\%)} = \frac{\text{Collateral/Guarantees} + \text{Reserve}}{\text{Total Loans}} \times 100$$

$$\text{Reserve Ratio (\%)} = \frac{\text{Reserve}}{\text{Loans not Covered by Collateral/Guarantees}} \times 100$$

Coverage Ratio for Problem Loans under Financial Reconstruction Law

%

	March 31, 2005	September 30, 2004	March 31, 2004
Bankrupt and Quasi-Bankrupt	**100.00**	100.00	100.00
Doubtful	**83.31**	71.52	89.58
Sub-Standard*	**62.61**	72.42	62.82
Total Problem Loans	**73.41**	73.40	74.11

Reserve Ratio for the Portion of Loans not Covered by Collateral/Guarantees

%

	March 31, 2005	September 30, 2004*	March 31, 2004
Bankrupt and Quasi-Bankrupt	**100.00**	100.00	100.00
Doubtful	**73.65**	62.85	81.38
Sub-Standard*	**52.04**	52.32	48.54
Reserve Ratio for Other Special Mention Borrowers	**19.91**	13.44	7.62
Reserve Ratio for Normal Borrowers	**0.26**	0.30	0.26

* Reserve ratio for all loans to sub-standard borrowers, including loans to same class of borrower, which are not classified as sub-standard.

MEASURES TO QUICKLY RESOLVE THE PROBLEM LOAN ISSUE

To achieve a rapid resolution of the problem loan issue, the UFJ Group is moving problem loans off its balance sheet and stepping up assistance to help borrowers return to financial health. The group extends support to borrowers by drawing on its collective resources in cases where the decision is made that a borrower, although having an excessive amount of liabilities, is sufficiently competitive in its core businesses to return to financial health through restructuring and other initiatives.

INITIATIVES FOR LARGE BORROWERS

At large borrowers where the UFJ Group is the primary source of financial services, the group took extensive actions during the fiscal year ended March 31, 2005. By concentrating on measures involving these borrowers, using the Industrial Revitalization Corporation Japan and working with external sponsors, the group made significant progress concerning the revitalization of large borrowers.

INITIATIVES FOR SMALL AND MEDIUM-SIZED COMPANIES

In March 2003, UFJ Bank and Merrill Lynch established UFJ Strategic Partner for the purpose of rehabilitating small and medium-sized companies categorized as doubtful or lower, and dealing with problem loans to these borrowers. Beginning in July 2004, the activities of UFJ Strategic Partner were extended to include other loans to small and medium-sized companies, chiefly those to borrowers classified as “sub-standard,” to assist more companies returning to financial health.

UFJ Strategic Partner uses the expertise of UFJ Bank as well as many external specialists to provide clients with advice on formulating and executing rehabilitation plans. Since its establishment, UFJ Strategic Partner has used rehabilitation and other means to reduce problem loans of more than ¥700 billion to less than ¥100 billion as of March 31, 2005.

ACHIEVING THE FINAL DISPOSITION OF LOANS FASTER

In cases where the best efforts of a borrower and the UFJ Group are not enough to give the borrower a viable operating base, the group proceeds with the final disposal of loans. Actions include the sale of loans and other measures to minimize losses. To collect amounts due, the expertise of Frontier Servicer, a UFJ Group company, is fully utilized. While this company was established initially to collect retail loans of the UFJ Group, in the fiscal year ended March 2003, it also began handling corporate loans. In June 2004, this company began collecting loans on behalf of funds that purchase loans.

PREVENTING THE OCCURRENCE OF NEW PROBLEM LOANS

To prevent the occurrence of new problem loans, branch offices and credit administration departments and other head office departments act quickly at the first signs of a need at borrowers for help in improving and restructuring their operations and financial positions. The initial step is formulation of a First Action Plan, whereby UFJ Bank openly discusses problems with the borrower. This leads to recommendations and concrete support for improving the borrower’s financial condition and business strategies. If necessary, a management consulting company is brought in to help achieve the needed improvements. UFJ Bank has an alliance with consulting firm Nihon Business Support Co., Limited, which specializes in the formulation and execution of revitalization plans for small and medium-sized companies. To extend a full line of support, Nihon Business Support has numerous specialists in areas such as accounting, tax planning and, through an alliance partner, manufacturing consulting.

● IMPROVING THE QUALITY OF THE LOAN PORTFOLIO

Resolving the problem loan issue demands both actions to deal with existing problem loans as well as efforts from a medium- to long-term perspective aimed at improving the quality of the loan portfolio. Based on lessons learned in the past, the UFJ Group banks have been taking various steps in this regard. One theme is improving credit analysis by thoroughly focusing on the creditworthiness of each loan applicant without undue reliance on the value of collateral. Currently, the banks are focusing on two high-priority issues to upgrade the overall quality of their loan portfolios: resetting loan interest rates at levels that accurately reflect credit risk, and eliminating excessive concentrations of credit risk in a single borrower or group of companies. The UFJ Group also places priority on better responding to changes in the financial positions of borrowers, providing assistance for the restructuring and rehabilitation of borrowers, and accelerating the final resolution of problem loans.

INTEREST RATES THAT REFLECT ASSOCIATED CREDIT RISKS

As the provision of loans entails the assumption of credit risk, there will inevitably be some non-performing loans. To structure a loan portfolio that generates a suitable level of earnings, banks must set interest rates that reflect credit risk so as to cover credit-related expenses in the fiscal period in which they occur. Based on this principle, UFJ Bank has been taking steps to gain the understanding of customers for the need to match interest rates with risk. Negotiations are continuing along with explanations of how UFJ Bank evaluates each borrower and where interest rates should be set based on that evaluation. Such discussions often form the basis for proposals to borrowers on how to improve profitability or financial strength, thus contributing to better asset quality for UFJ Bank.

ELIMINATION OF EXCESSIVE CONCENTRATIONS OF CREDIT RISK

To minimize risks associated with the concentration of loans, guarantees and other forms of credit, in particular borrowers, the UFJ Group has established credit limit rules. The rules place a cap on credit extensions to individual borrowers and corporate groups in accordance with their individual internal credit ratings. Enforcing these rules allows the UFJ Group to build a balanced loan portfolio in which risks are spread among many types of borrowers.

CREDIT RATING CATEGORIES

Credit Rating System

Problem Loans

Internal Rating		Self-Assessment: Borrower Category	Self-Assessment: Asset Classification	Classification under the Financial Reconstruction Law	Credits Other than Loans and Bills Discounted (for acceptances and guarantees, etc.)	Classification under the Risk Monitored Loans
1A 1B 1C	Excellent	Normal	Category I	Normal		
2 3 4 5 6 7	Prime Good Above Standard Standard Below Standard Acceptable					
8A 8B 8C 8D	Special Mention Past Due 1 Month or More Past Due 3 Months or More Restructured	Special Mention	II	Sub-Standard		Restructured Past Due 3 Months or More
9	Doubtful	Doubtful	III	Doubtful		Other Delinquent
10A	Quasi-Bankrupt	Quasi-Bankrupt	IV	Bankrupt and Quasi-Bankrupt		
10B	Bankrupt	Bankrupt				Bankrupt

Other special mention borrowers   Sub-standard borrowers

■ ***Internal Rating:***

Ratings are assigned based on the credit risks of each borrower.

■ ***Self-Assessment:***

Borrower Category

Each borrower is placed in one of five categories according to its financial condition, cash flows, profitability and other parameters.

Normal: Borrowers whose performance is sound and for whom there are no specific concerns regarding their financial situation.

Special Mention: Borrowers whose loan terms and conditions have been eased or whose loan repayment performance is poor; and borrowers posting a loss, or whose performance is sluggish or unstable.

Doubtful: Borrowers who are not bankrupt at present, but for whom the possibility of bankruptcy in the near future is high.

Quasi-Bankrupt: Borrowers who are essentially bankrupt. Although there is no legal or formal evidence of bankruptcy, the borrower is in serious financial difficulties and there is no prospect of revitalization.

Bankrupt: Borrowers who are legally or formally bankrupt, including borrowers in the process of bankruptcy procedures, liquidation, reorganization, suspension of banking business or similar actions.

Asset Classification

Loans and other forms of credit are classified according to the possibility of loss or devaluation.

Category I: Credits that have no identifiable risk of loss or devaluation.

Category II: Credits for which collection risks are above the normal level.

Category III: Credits for which there are fears of devaluation or

Borrower Category and Asset Classification

	Category I	Category II	Category III	Category IV
Normal	All credit			
Special Mention	Amount secured with high-grade collateral/guarantees	All other amounts		
Doubtful	Amount secured with high-grade collateral/guarantees	Amount secured with general collateral/guarantees	All other amounts	
Quasi-Bankrupt Bankrupt	Amount secured with high-grade collateral/guarantees	Amount deemed collectable with collateral/guarantees	Amount where collection through collateral is in doubt	All other amounts (Expected loss)

serious doubt as to their complete collection. The possibility of incurring a loss is high, but it is difficult to estimate the amount accurately.

Category IV: Credits that have no value or for which there is no possibility of collection.

■ *Classification under the Financial Reconstruction Law*

Normal: Loans and other credit extended to borrowers categorized as "normal" and extended to "special mention" borrowers if not past due for three months or more and if the terms and conditions have not been eased.

Sub-Standard: Loans and other credit extended to "special mention" borrowers if past due for three months or more or if the terms and conditions have been eased for the purpose of facilitating a restructuring, reorganization or similar support.

Doubtful: Loans and other credit extended to borrowers classified as "doubtful."

Bankrupt and Quasi-Bankrupt: Loans and other credit extended to borrowers classified as "bankrupt" or "quasi-bankrupt."

■ *Reserve Standards*

Claims against normal borrowers: General reserve established in the amount of expected loss, calculated by multiplying the loan amount by the expected loss ratio. The expected loss ratio is the average of actual loss ratios for one-year holding periods observed every six months from the end of September 2000 to the end of September 2004.

Claims against special mention borrowers (excluding sub-standard borrowers): Large borrowers (¥10 billion or more) upgraded from sub-standard or below: General reserve established in the amount of expected loss, calculated by the discounted cash flow method.

Other borrowers (Less than ¥10 billion): General reserve established in the same manner as for claims against normal borrowers, except using three-year holding periods to calculate the actual loss ratio instead of a one-year period.

Claims against sub-standard borrowers: Large borrowers (¥10 billion or more): General reserve established in the same manner as for claims against large borrowers (¥10 billion or more) upgraded from sub-standard or below, categorized as special mention borrowers.

Other borrowers (Less than ¥10 billion): General reserve established in the same manner as for claims against other borrowers (less than ¥10 billion) categorized as special mention borrowers.

If, however, a loss can be estimated rationally based on planned assistance such as debt forgiveness, and an estimated loss is approved by management, the provision is equal to this estimated loss.

In addition, if a loan is to be sold, the provision is equal to the anticipated loss amount.

Claims against doubtful borrowers: Same as claims against sub-standard borrowers, except that the amount is recorded in the specific reserve rather than the general reserve. The reserve amount is determined by multiplying the expected loss ratio by the amount of Category III credits.

Even though a loan has not been approved by management for sale, if the potential sale price of a claim in this category can be reasonably estimated, such as being based on a purchase price indicated by a buyer, the difference between the carrying value of such claims and the potential sale price is set aside in the specific reserve.

Claims against bankrupt and quasi-bankrupt borrowers: Claims that fall under Category III or IV are written off or transferred to the specific reserve.

INITIATIVES TO STRENGTHEN INTERNAL CONTROLS

The UFJ Group is taking many steps to significantly strengthen its corporate governance framework. External viewpoints are being incorporated to raise the objectivity and transparency of management and a system is being established that facilitates the effective functioning of mutual checks.

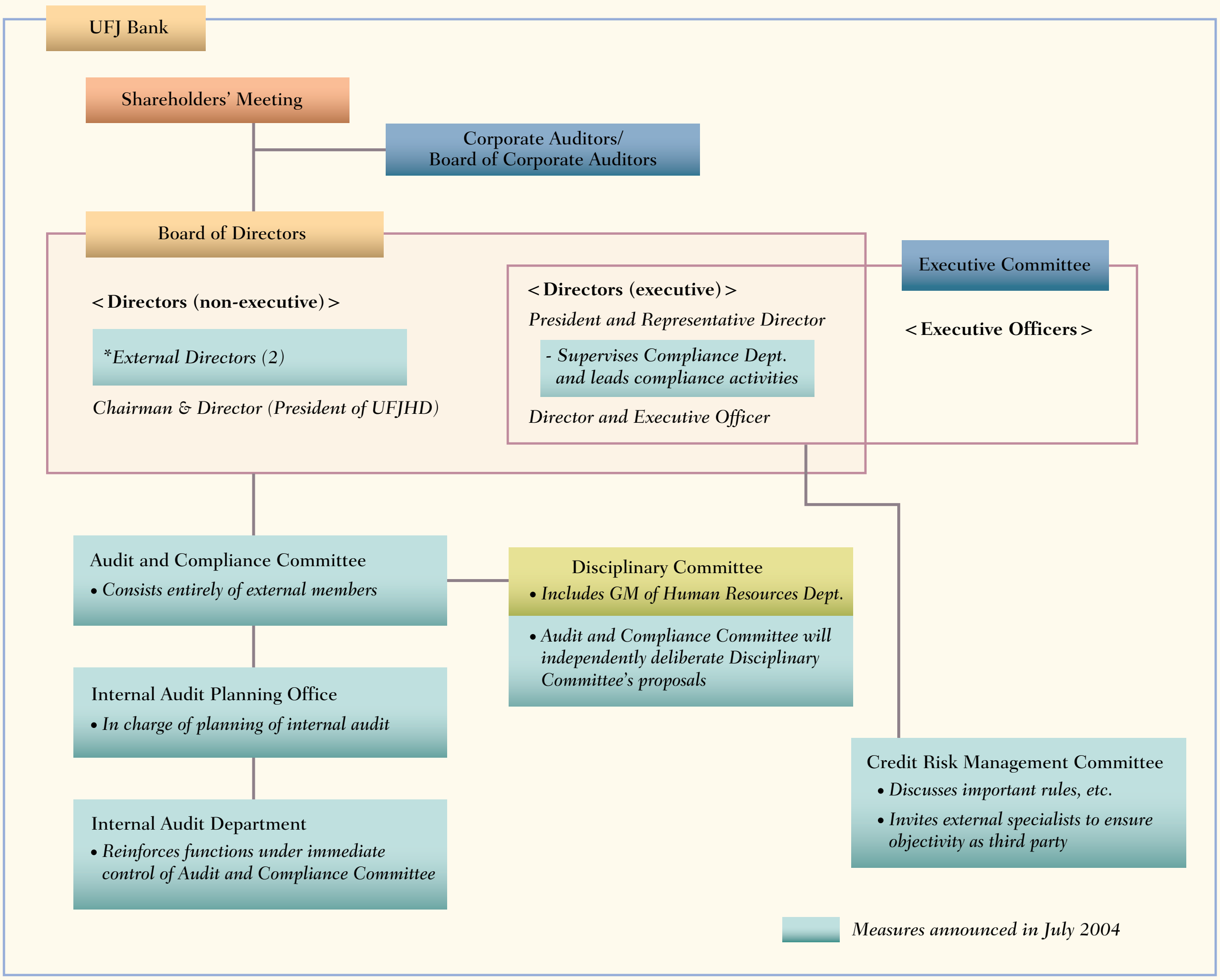
At UFJ Bank, two external directors have been appointed and the composition of the Audit & Compliance Committee has been completely changed so that the committee is now made up of only the two external directors and external specialists. This committee has been given complete authority to supervise and direct internal audit departments. In addition, the Audit & Compliance Committee, from a perspective independent of departments engaged in business activities, submits reports on risk management, compliance and internal audits to the board of directors and regulatory authorities and approves proposals for actions by the Disciplinary Committee.

In addition to these actions, UFJ Bank has conducted a reorganization to reinforce its internal management systems. The Internal Audit Planning Office has been established to perform administrative functions for the Audit & Compliance Committee. Moreover, the Internal Audit Department has been placed under the direct control of the Audit & Compliance Committee. By completely separating this department from departments engaged in business activities, UFJ Bank has a more powerful system of checks for operating units. UFJ Bank has established a Credit Risk Management Committee made up entirely of external specialists for the purpose of ensuring the objectivity and transparency of credit risk standards. In another move, UFJ Bank established the Financial Accounting Department to ensure the autonomy of earnings announcements and other financial announcements. This department is made up of the accounting and tax units that were previously in the Corporate Planning Department and certain other units.

UFJ Bank is also concentrating on strengthening systems for ensuring compliance with laws and regulations. All directors who also serve as executive officers, including the president, and other executive officers are required to submit a compliance oath to the Audit & Compliance Committee. In addition, the president directly supervises departments in charge of managing compliance. Through these and other initiatives, UFJ Bank has established a framework in which senior executives serve as models for other employees with regard to compliance.

The Compliance Department has been designated as the unit to work with regulatory authorities concerning inspections. This move provides for a stronger monitoring function to be certain that UFJ Bank cooperates with these inspections as required.

Reform of Corporate Governance Framework of UFJ Bank



* As stipulated in Commercial Law Article 188-2-7-2

STOCKHOLDERS' EQUITY

The UFJ Group increased equity to prepare for the large net loss projected for the six-month period that ended September 30, 2004, the result of actions taken to achieve a final resolution of the problem loan issue. During this six-month period, UFJ Bank issued ¥700.0 billion of preferred stock to Mitsubishi Tokyo Financial Group, Inc. This action was taken as one means to achieve the goals of the integration of the UFJ Group and this group, and to maximize the benefits of this integration.

In September 2004, the UFJ Group reallocated capital from UFJ Trust to UFJ Bank. This action was taken to more effectively utilize capital within the group and to enhance the capital of UFJ Bank. This capital realignment was accomplished through the issue by UFJ Bank to UFJ Holdings of ¥80 billion of preferred stock, and the provision funds by UFJ Trust to UFJ Holdings. Furthermore, UFJ Holdings subscribed to ¥50 billion of preferred stock issued by UFJ Bank in March 2005.

Due to these actions, the consolidated capital ratio of UFJ Holdings as of March 31, 2005 based on BIS standards was 10.39%, 115 basis points higher than one year earlier. The consolidated capital ratio of UFJ Bank increased 212 basis points to 10.48% as of March 31, 2005 and the consolidated capital ratio of UFJ Trust decreased 41 basis points to 11.93% as of March 31, 2005.

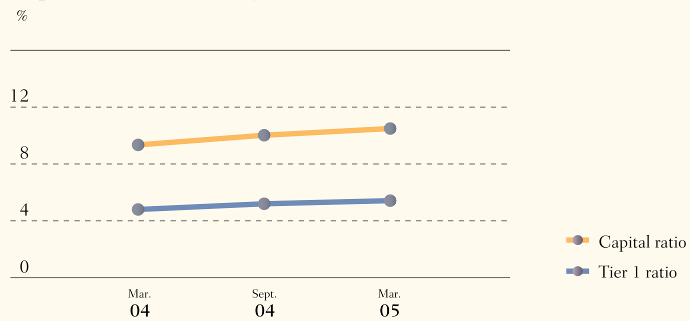
Consolidated Capital Ratio

Billions of Yen

	March 31, 2005			September 30, 2004			March 31, 2004		
	UFJ Holdings	UFJ Bank	UFJ Trust	UFJ Holdings	UFJ Bank	UFJ Trust	UFJ Holdings	UFJ Bank	UFJ Trust
Total Capital	**¥ 4,513.1**	**¥ 4,161.5**	**¥ 363.9**	¥ 4,288.2	¥ 3,957.4	¥ 307.1	¥ 4,268.6	¥ 3,500.3	¥ 507.1
Tier 1 Capital	**2,313.4**	**2,124.0**	**309.3**	2,203.9	2,021.1	245.6	2,175.2	1,789.0	361.0
Tier 2 Capital	**2,278.6**	**2,110.9**	**143.2**	2,159.1	2,006.8	145.8	2,175.2	1,789.0	150.4
Risk-weighted Assets	**43,405.9**	**39,680.0**	**3,050.8**	43.207.7	39,419.1	3,480.7	46,185.9	41,849.9	4,109.8
Capital Ratio	**10.39%**	**10.48%**	**11.93%**	9.92%	10.03%	8.82%	9.24%	8.36%	12.34%
Tier 1 Ratio	**5.33%**	**5.35%**	**10.14%**	5.10%	5.12%	7.05%	4.70%	4.27%	8.78%

UFJ Trust figures are based on domestic standards.
Based on international standards, the capital ratios for March 31, 2005, September 30, 2004 and March 31, 2004 would be 12.94%, 9.49% and 12.87%, respectively.

Capital Ratios (UFJ Holdings, Consolidated)

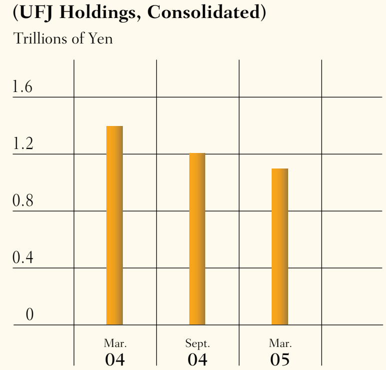


DEFERRED TAX ASSETS

As of March 31, 2005, consolidated net deferred tax assets totaled ¥1,093.6 billion, ¥302.1 billion less than one year earlier. On a non-consolidated basis, net deferred tax assets were ¥953.9 billion at UFJ Bank and ¥137.0 billion at UFJ Trust. Strict rules are applied in line with generally accepted accounting methods in the recognition of deferred tax assets.

UFJ Holdings expects that deferred tax assets will continue to decline as taxable earnings are recorded due to reductions in problem loans and growth in earnings.

Deferred Tax Assets
(UFJ Holdings, Consolidated)



ANALYSIS OF OPERATIONS AND FINANCIAL POSITION FOR FISCAL YEAR ENDED MARCH 31, 2005

RESULTS OF OPERATIONS OF UFJ BANK AND UFJ TRUST (NON-CONSOLIDATED)

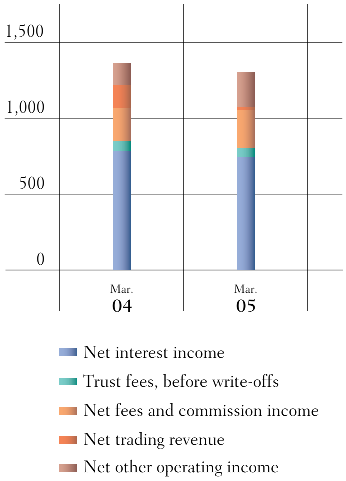
All figures in this section are the sum of the non-consolidated results of operations of UFJ Bank, including UFJ Strategic Partner and UFJ Equity Investments, and UFJ Trust, including UFJ Trust Equity.

Gross operating profit decreased ¥63.2 billion to ¥1,299.1 billion. One reason was a ¥41.8 billion decrease in net interest income to ¥738.3 billion. This decrease was mainly attributable to a decline in loans outstanding because of progress in achieving the final resolution of problem loans, and to pressure on housing loan interest rates from intense competition. Trust fees, before write-offs, decreased ¥6.3 billion to ¥60.2 billion because of a decrease in the balance of loan trusts despite growth in other trust-related income. Net fees and commissions increased ¥29.0 billion to ¥249.4 billion. This was mainly a reflection of strong performances by investment banking operations involving privately placed bonds, sales of asset management products, chiefly annuity insurance policies, real estate-related businesses, and the corporate agency business. Net trading revenue fell ¥126.4 billion. Losses were recorded on certain foreign currency-denominated derivative transactions due to changes in foreign exchange rates. However, corresponding gains on foreign exchange transactions were recorded in other operating income. As a result, net other operating income increased ¥82.3 billion to ¥230.7 billion even though there was a ¥45.5 billion decline in gains and losses on bonds.

General and administrative expenses decreased ¥36.1 billion to ¥531.5 billion. This was mainly attributable to a substantial decline in personnel expenses, mainly the result of a sharp reduction in bonuses and continuing workforce reductions.

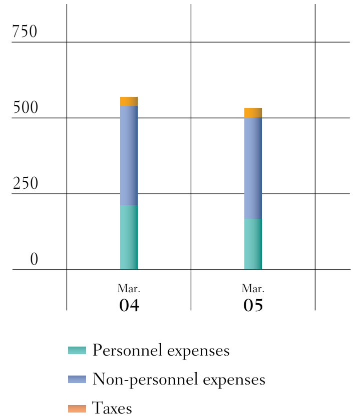
Gross Operating Profit

Billions of Yen



General and Administrative Expenses

Billions of Yen



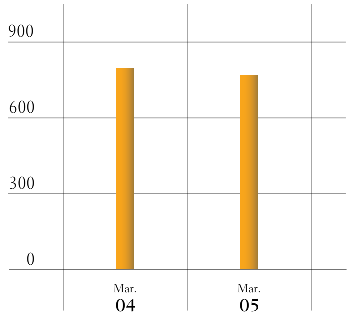
Business profit before net transfer to the general reserve and trust account write-offs decreased ¥27.1 billion to ¥767.5 billion. Business profit after net transfer to the general reserve but prior to trust account write-offs was ¥760.9 billion.

Net other expenses totaled ¥1,490.5 billion, the result of aggressive measures to deal with problem loans, especially those to large borrowers. This loss includes a loss of ¥225.2 billion on stocks and other equity securities, ¥552.7 billion less than the gain in the previous fiscal year. One reason was a decline in gains on sales of stocks and other equity securities. There was also a large increase in revaluation expenses associated with reductions in the carrying value of preferred stock issued by large borrowers.

Due to these items, there was an ordinary loss of ¥729.5 billion. After the inclusion of extraordinary gains of ¥322.8 billion, which included a reversal from reserve for credit losses, a gain on the collection of written-off claims, and gains on the sale of premises and equipment, including the sale of the UFJ Tokyo head office building, there was a net loss of ¥681.9 billion.

Business Profit

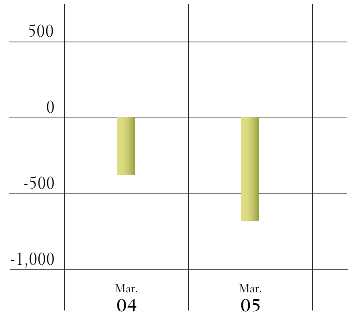
Billions of Yen



Before write-offs in trust account (loan trust and jointly operated designated money trust with principal indemnification clause).

Net Income/Loss

Billions of Yen



RESULTS BY BUSINESS UNIT (NON-CONSOLIDATED)

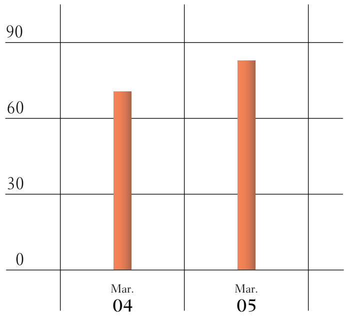
In the Retail Banking operations of UFJ Bank, gross operating profit increased ¥3.4 billion to ¥292.0 billion. There was an increase in non-interest income due to strong sales of variable annuity insurance policies and other asset management products and other factors. In addition, net interest income was higher mainly because of growth in the balance of housing loans. Expenses decreased ¥8.8 billion to ¥209.1 billion, resulting in a ¥12.2 billion increase in business profit to ¥82.8 billion.

In the Corporate Banking operations of UFJ Bank, gross operating profit increased ¥13.5 billion to ¥535.9 billion. There was a decline in net interest income because of a downturn in loans outstanding as progress continued in reducing problem loans. A narrowing interest margin also impacted earnings. Offsetting these negative factors was growth in non-interest income, primarily from derivative transactions and investment banking operations. As expenses decreased ¥4.4 billion to ¥198.8 billion, business profit increased ¥17.9 billion to ¥337.0 billion.

In the Global Banking and Trading operations of UFJ Bank, gross operating profit decreased ¥18.9 billion to ¥171.5 billion. In market-related activities, gross operating profit was down ¥16.3 billion, but UFJ Bank continued to generate higher earnings from the sale of derivative products and from structured finance transactions. Expenses decreased ¥1.3 billion to ¥46.9 billion, resulting in a business profit of ¥124.7 billion, ¥17.6 billion less than in the previous fiscal year.

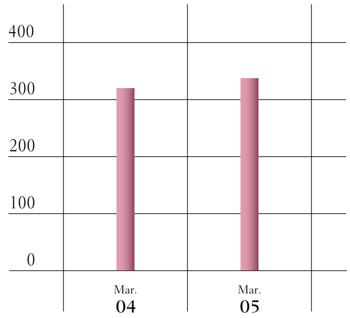
Retail Banking
(UFJ Bank, Non-Consolidated)
Business Profit

Billions of Yen



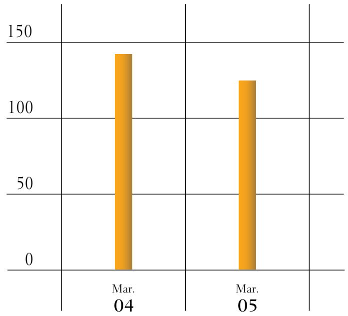
Corporate Banking
(UFJ Bank, Non-Consolidated)
Business Profit

Billions of Yen



Global Banking and Trading
(UFJ Bank, Non-Consolidated)
Business Profit

Billions of Yen



The Planning & Administration operations of UFJ Bank include asset-liability management, bond investments and the operations of the Corporate Advisory Group, UFJ Strategic Partner and UFJ Equity Investments. Gross operating profit from bond investments were ¥108.6 billion, down ¥40.8 billion compared with the strong performance of the previous fiscal year. This decline was mainly responsible for the ¥40.4 billion decrease in business profit to ¥135.7 billion.

At UFJ Trust, including UFJ Trust Equity, gross operating profit decreased ¥5.3 billion to ¥158.7 billion. Although earnings from loan trusts were lower, there was an increase of ¥8.3 billion in earnings from other trust-related business, a field where UFJ Trust is highly competitive. Expenses decreased ¥6.2 billion to ¥71.5 billion, resulting in a ¥0.7 billion increase in business profit to ¥87.2 billion.

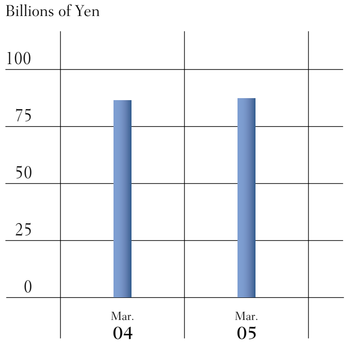
RESULTS OF OPERATIONS OF UFJ HOLDINGS (CONSOLIDATED)

Consolidated gross operating profit decreased ¥47.3 billion to ¥1,577.8 billion. This was mainly the result of decline in gains on bonds, but all the other business sectors performed steadily. However, UFJ Holdings posted net other expenses of ¥1,344.2 billion, the result of aggressive measures to deal with problem loans, mainly those to large borrowers. The result was a consolidated net loss of ¥554.5 billion.

RESULTS OF OPERATIONS AT UFJ HOLDINGS (NON-CONSOLIDATED)

The value of shares held by UFJ Holdings in UFJ Bank and UFJ Trust fell sharply because of the large losses reported by these two banks. Due to impairment losses on these shares, as well as other factors, UFJ Holdings had a non-consolidated net loss of ¥2,827.4 billion.

UFJ Trust (Non-Consolidated*)
Business Profit



*Includes figures for UFJ Trust Equity.

RESULTS OF OPERATIONS AT MAJOR SUBSIDIARIES

UFJ Tsubasa Securities (Consolidated)

Net operating revenues decreased ¥1.4 billion to ¥85.2 billion, the net result of growth in fees from stock underwriting and sales, a reflection of strong market conditions for stock offerings and sales, and lower revenues from trading activities. As a result, operating profit was down ¥5.4 billion to ¥16.3 billion.

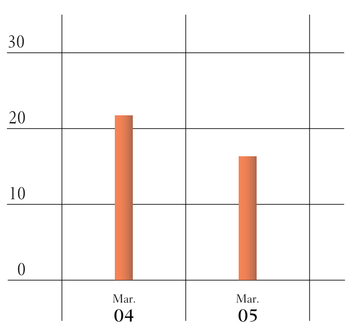
UFJ Asset Management

Net operating revenues were about the same as one year earlier at ¥2.3 billion as the volume of assets under management remained level at ¥1.3 trillion. However, due to cost reduction initiatives, operating profit increased ¥0.3 billion to ¥0.5 billion.

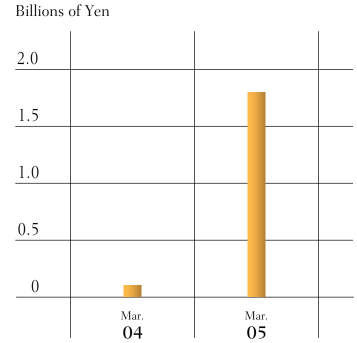
UFJ Partners Asset Management

Operating income increased ¥1.7 billion to ¥1.8 billion, the result of growth in assets in stock investment trusts due to greater use of UFJ Group sales channels.

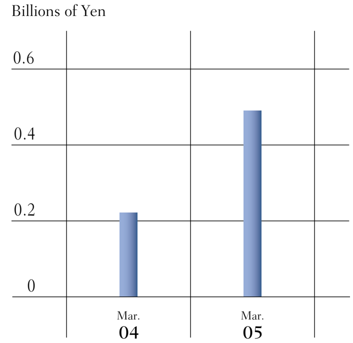
UFJ Tsubasa Securities (Consolidated)
Operating Income
Billions of Yen



UFJ Partners Asset Management
Operating Income
Billions of Yen



UFJ Asset Management
Operating Income
Billions of Yen



ASSETS AND LIABILITIES

Assets and Liabilities of UFJ Bank and UFJ Trust (Non-Consolidated)

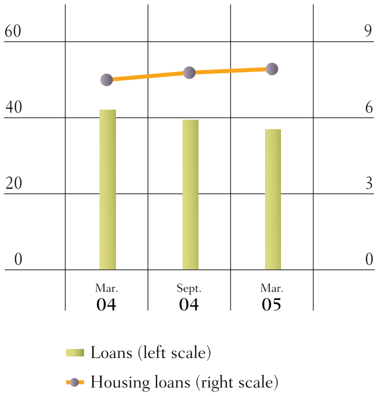
As of March 31, 2005, loans at UFJ Bank and UFJ Trust, including loans in the trust account, totaled ¥36,858.0 billion, ¥5,193.5 billion less than one year earlier. Growth in housing loans, a market the UFJ Group is aggressively targeting for expansion, continued as housing loans newly extended during the fiscal year totaled ¥1,559.0 billion. This raised the balance of housing loans to ¥7,910.6 billion. Loans to small and medium-sized companies, a category that also includes loans to individuals, decreased ¥2,163.3 billion to ¥24,884.5 billion due to weak demand for loans and the final disposition of problem loans, as well as the securitization of loans.

Equity investments, on a consolidated basis for UFJ Holdings, decreased ¥426.8 billion to ¥2,567.4 billion. The UFJ Group has been reducing its equity investments to prevent fluctuations in stock prices from having a material impact on bank earnings and equity. During the past fiscal year, UFJ Bank and UFJ Trust (including UFJ Equity Investments and UFJ Trust Equity) sold equities valued at approximately ¥550.0 billion. There were also valuation losses of ¥406.5 billion on equity investments, primarily preferred stock issued by large borrowers.

Domestic deposits and trust account products decreased ¥2,870.4 billion to ¥48,563.1 billion. This included a ¥1,127.7 billion decrease in domestic deposits by individuals to ¥25,626.5 billion.

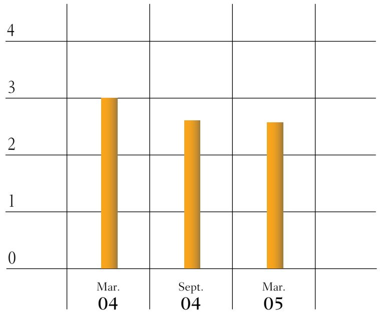
Loans and Housing Loans

Trillions of Yen



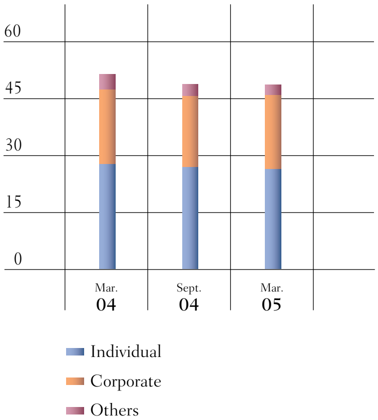
Equity Investments (Consolidated)

Trillions of Yen



Domestic Deposits and Trust Account Products

Trillions of Yen



Including trust account (loan trust and jointly operated designated money trust with principal indemnification clause).

THE UFJ GROUP MANAGEMENT SYSTEM

The UFJ Group has a corporate governance system that is centered on the clear separation of responsibilities for governance and business execution. Through this system, the group aims to provide fair and transparent management.

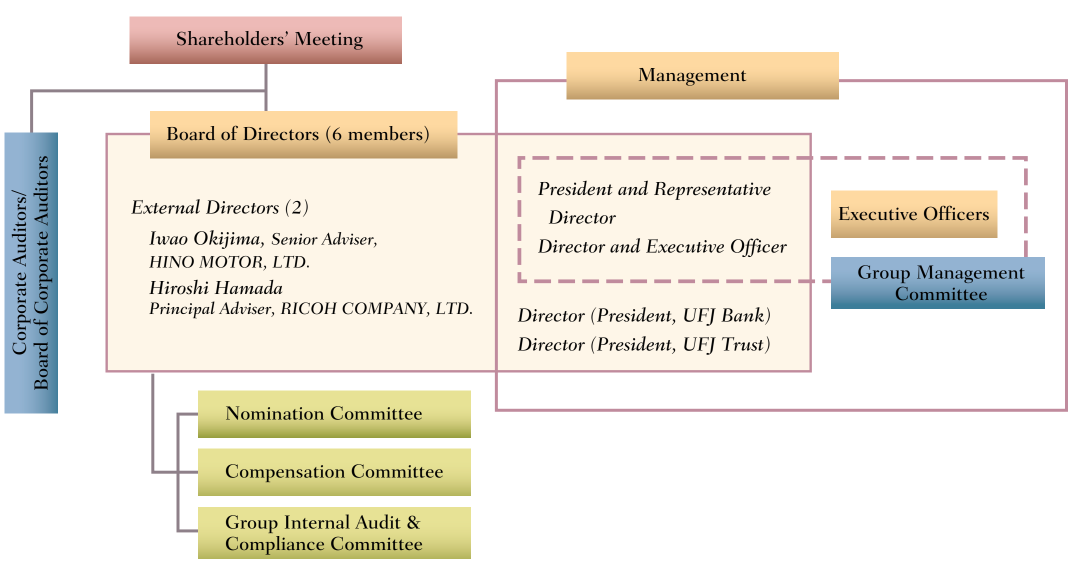
FRAMEWORK OF CORPORATE GOVERNANCE

The Board of Directors of UFJ Holdings has six members, two of whom are external directors. Directors refine and reach decisions on proposals regarding management policies and strategies prepared by the president and CEO and other executive officers. The Board of Directors also motivates these executives to maximize the group's value by monitoring and evaluating their performance, making appointments and setting remuneration.

The Board of Directors has three sub-committees. The Nomination Committee and the Compensation Committee, which are both made up entirely of external directors, ensure that the systems and decision-making processes for appointing directors and executive officers and determining their compensation are fair and transparent. The third sub-committee, the Group Internal Audit & Compliance Committee, assists the Board of Directors in overseeing internal management systems and the strict compliance with laws and regulations at the holding company and all group companies. This committee is made up of external directors and a highly trained professional (an attorney) from outside the group.

The Board of Corporate Auditors has five members, two of whom are outside auditors. To audit activities of the entire group, all three internal auditors concurrently serve as corporate auditors at UFJ Holdings, UFJ Bank and UFJ Trust, working closely together to share information and opinions. They also work with compliance and internal auditing departments as well as the independent accountants. The two outside auditors conduct audits from a standpoint that is even more objective and independent.

In addition, the president and CEO of UFJ Holdings serves as the non-executive chairman of UFJ Bank to reinforce internal control on UFJ Bank.



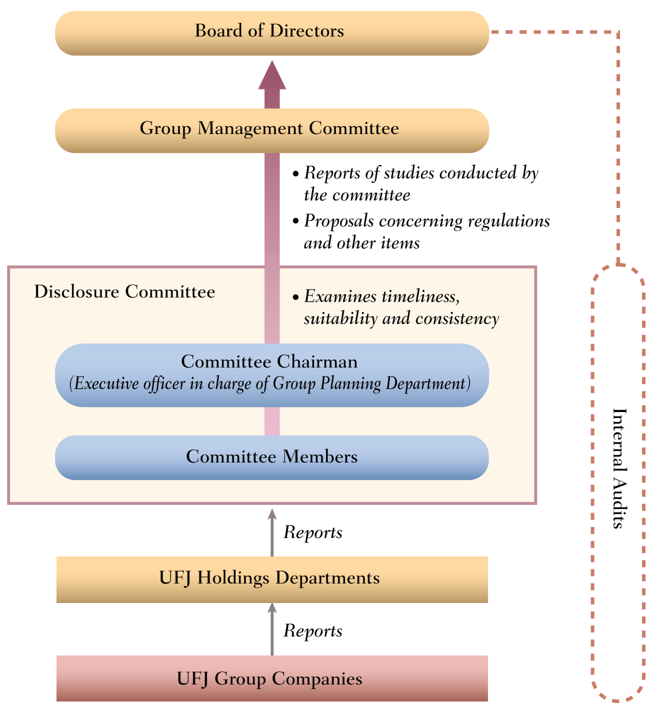
EXECUTION OF BUSINESS ACTIVITIES

To strengthen the execution of business activities, UFJ Holdings has adopted the executive officer system under which the president serves as the chief executive officer. The president is assisted by the Group Management Committee, giving UFJ Holdings a speedy management system.

ESTABLISHMENT OF DISCLOSURE COMMITTEE

For the purpose of strengthening the internal management of disclosure activities, the UFJ Group established a Disclosure Committee and prepared regulations for its activities in July 2004. This committee evaluates the effectiveness of the internal management of information disclosure and takes steps to improve the effectiveness of disclosure activities. The committee also examines the timeliness, suitability and consistency of information disclosure and submits reports to the UFJ Holdings Board of Directors. The Disclosure Committee is made up of the UFJ Holdings executive officer in charge of the Group Planning Department, and the general managers of departments engaged in disclosure activities at UFJ Holdings as well as the two banks, thereby strengthening the internal oversight system for all group information disclosure activities.

Internal Management Framework for Group Information Disclosure Activities



ROLE OF THE HOLDING COMPANY

To conduct the business activities of the UFJ Group, UFJ Holdings allocates resources to group companies that conduct each activity and sets performance targets and policies for these companies. The holding company also monitors and evaluates the operations of each group company, with the ultimate aim of managing the group so as to increase stockholder value.

Executive officers from UFJ Holdings are assigned to serve as non-executive directors at major group companies to increase the effectiveness of management and supervisory functions.

(Reference) Outline of Committees of the UFJ Group

Committee	*Members*	*Role*
Board of Directors	6 directors, including 2 external directors	Final decision-making involving the group's management policies, strategies, plans and other important matters; monitoring of the management of business activities
Nomination Committee	2 external directors	Holds discussions regarding personnel in senior management positions and submits reports to the Board of Directors.
Compensation Committee	2 external directors	Holds discussions regarding the evaluation and compensation of senior management and submits reports to the Board of Directors. Also evaluates the performance of the holding company president and submits reports to the Board of Directors.
Group Internal Audit & Compliance Committee	2 external directors and 1 attorney at law	Monitors the status of internal control systems and compliance at the holding company and group companies and submits reports to the Board of Directors on significant problems and other important matters.
Group Management Committee	Holding company president, executive officers in charge of risk management and compliance, and group company presidents and others as required	Serves as an advisory body to the holding company president, deliberating group management policies and strategies, overall plans and other matters.

INDICATORS FOR MANAGING GROUP ACTIVITIES

To heighten the fairness and objectivity of group management functions, three clearly defined management indicators have been established. Risk and Cost Adjusted Return (RACAR), Risk-Adjusted Profit Ratio and Economic Profit. These indicators are used to monitor the profitability of individual businesses and ensure the group's business portfolio management fully reflects the associated risks and costs.

■ *Risk and Cost Adjusted Return (RACAR)*

Maximizing returns compared with risk

This figure represents earnings after adjustments for expenses and expected credit losses. The UFJ Group uses RACAR to maximize returns in relation to risks.

■ *Risk-Adjusted Profit Ratio (similar to ROE)*

Pursuing the efficient use of capital

The Risk-Adjusted Profit Ratio, which is similar to ROE, is obtained by dividing RACAR by the applicable risk capital. By using this indicator, the UFJ Group strives to conduct business activities efficiently in relation to the amount of risk capital allocated from the holding company.

■ *Economic Profit*

Creating and maximizing corporate value

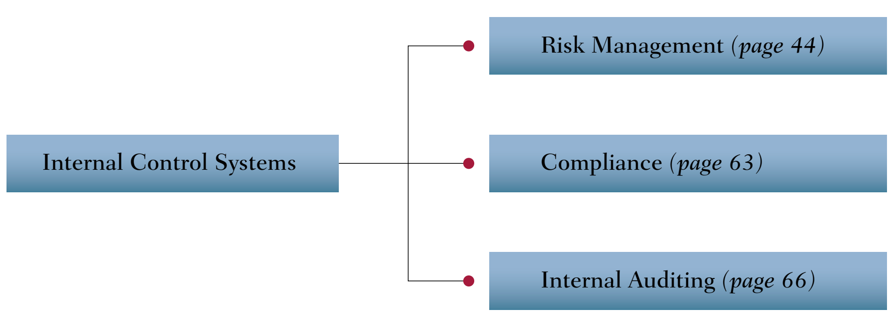
Economic Profit is the amount of value created from the standpoint of stockholders. This figure is obtained by deducting the cost of capital, which is calculated by multiplying equity and stockholders' expected return, from net income. Using this indicator, the UFJ Group will create and maximize corporate value by conducting business activities in a manner that reflects the cost of capital.

INTERNAL CONTROL SYSTEMS OF THE UFJ GROUP

The strengthening of internal control systems such as risk management, compliance and internal audits is one of the highest priorities of UFJ Holdings.

The UFJ Holdings Board of Directors, which functions as a decision-making and management supervisory body, approves fundamental guidelines governing all risk management, compliance and internal audit activities and periodically reviews these guidelines. Based on these policies, internal control is clearly positioned as one of the most important activities in the day-to-day management of the UFJ Group. The Group Risk Management Committee, Risk Management Department and Compliance Department serve as the primary system of checks for the execution of business activities, and the Internal Audit Department provides a secondary check. To heighten the effectiveness of these control functions, the Group Monitoring Committee has been established as a sub-committee of the Board of Directors. This committee is charged with monitoring the status of the group's internal control systems.

Each UFJ Group company maintains and refines its respective risk management and compliance frameworks, which are structured to reflect the unique nature of each company's activities, while complying with the key policies and guidelines set by UFJ Holdings. Companies must first consult with UFJ Holdings with regard to items of particular importance, such as those that have a material impact on the operations of the group. Group companies regularly submit reports on their risk exposure and compliance issues to UFJ Holdings.



RISK MANAGEMENT AT THE UFJ GROUP

As a purveyor of a broad range of financial services, the UFJ Group, in the process of conducting its business activities in pursuit of maximizing corporate value, takes on various forms of risk, namely credit risk, market risk, funding liquidity risk and operational risk. The UFJ Group's objective is not to avoid exposure to risk, but rather to control risk exposure in an appropriate and efficient manner. From this standpoint, the UFJ Group's philosophy regarding risk management is to identify, control and manage individual as well as aggregate risks appropriately under an effective internal control framework so as to preserve the group's capital base and promote the group's operating efficiency.

To achieve these objectives, the UFJ Group has developed its risk management framework with a view not only to the sophistication of the approach but also to the consistency and integrity of the framework throughout the group. It has formulated a consistent risk management policy and procedure framework for all types of risk for the purpose of identifying, measuring and controlling the relevant risks appropriately.

The group also continuously seeks to adopt more advanced risk management methodologies such as value-at-risk and the risk capital management framework. In this manner, the UFJ Group aims to contribute to the establishment of a global standard for risk management.

RISK FACTORS

The UFJ Group defines "risk" as "factors that potentially cause unexpected financial losses and cause losses to the capital of the group." Depending on the different characteristics of those factors, the UFJ Group classifies and defines risk factors as follows.

Type of Risk		*Definition*
Credit Risk		Credit risk refers to the risk of financial losses in credit assets caused by deterioration in the credit conditions of any counterparty. This category also includes settlement risk, which refers to the risk of financial losses that a firm incurs when it does not receive funds or instruments from its counterparties at the expected time.
Market Risk		Market risk refers to the risk of financial losses in the value of a financial position held or executed due to an adverse financial market movement.
Funding Liquidity Risk		Funding liquidity risk refers to the risk of insolvency in financing assets held or the risk of financial losses caused by a higher interest rate of funding due to deterioration in the ability to procure funds. This category also includes settlement risk, which refers to the risk of financial losses incurred when a company does not receive funds or instruments from its counterparties at the expected time.
Operational Risk		Operational risk refers to the risk of direct and indirect losses resulting from inadequate or failed internal processes, people and systems, or from external events. Due to the different causes of operational risk, it is subdivided into the following sub-factors.
	Processing Risk	Processing risk refers to the risk of financial and/or credibility losses from failed processing due to mistakes, negligence, accidents or fraud by directors, staff and other personnel within the organization.
	System Risk	System risk refers to the risk of financial losses due to systems and telecommunications failure, including temporary systems shutdowns, system malfunctions, system hacking and system disruptions caused by external events.
	Human Resources Risk	Human resources risk refers to the risk of financial losses due to the loss of key personnel or failure to maintain staff morale, and due to the failure to act or prevent actions (excluding those that are covered by other risk categories) that are problematic from the perspective of compliance with laws by directors, staff and other members of relevant organizations.
	Tangible Asset Risk	Tangible asset risk refers to the risk of financial loss arising from loss or damage to tangible assets or from degradation of the working environment caused by natural disasters or facility management failures. Tangible assets refer to self-owned/rented real estate/movables such as land, buildings and accompanying equipment or fixtures/fittings.
	Regulatory Risk	Regulatory risk refers to the risk of financial losses due to a change in the regulatory environment, including tax systems, accounting systems or regulatory treatment.
	Reputational Risk	Reputational risk refers to the risk of financial losses from the adverse impact of unfounded rumors upon a company's reputation among customers or the market.

This table lists primary risk factors. There are more risks that the UFJ Group identifies, which are either sub-categories of the generic risks or composite risks of multiple primary risk factors. For example, the UFJ Group manages interest rate risk, which is a sub-category of market risk. Another example is settlement risk, which is the composite of credit risk and funding liquidity risk.

RISK MANAGEMENT ORGANIZATION

To ensure proper implementation of risk management activities throughout the group, the UFJ Group has established a risk management organization and functions, and assigned particular roles and responsibilities for each type of risk management. The following organizations and functions have been established at UFJ Holdings, UFJ Bank and UFJ Trust.

Executive Officer Responsible for Risk Management

The executive officer in charge of risk management is responsible for identifying and monitoring individual and total risks taken on by the three companies, as well as for the appropriate management of that risk. This officer is also responsible for submitting risk reports to senior management and, as necessary, making risk management recommendations. The officer's responsibilities also include monitoring risk capital management.

Risk Management Committee

Risk management committees at each company provide advice to the executive officer for risk management so as to ensure appropriate management of the relevant risks. At UFJ Holdings, for example, a Group Risk Management Committee discusses risk management issues at the group level.

Risk Management Department

At UFJ Holdings, the Risk Management Department monitors and manages all types of risk, including credit risk, market risk, funding liquidity risk and operational risk, at the group level. It has responsibility to articulate the risk management framework, policy and procedures for group-wide risk management activities. The Public Relations Department is responsible for managing reputational risk because this risk is closely tied to public relations activities.

At UFJ Bank, the Risk Management Department supervises and coordinates risk management activities for the bank, and there are sections in charge of risk management dedicated to the management of each type of risk.

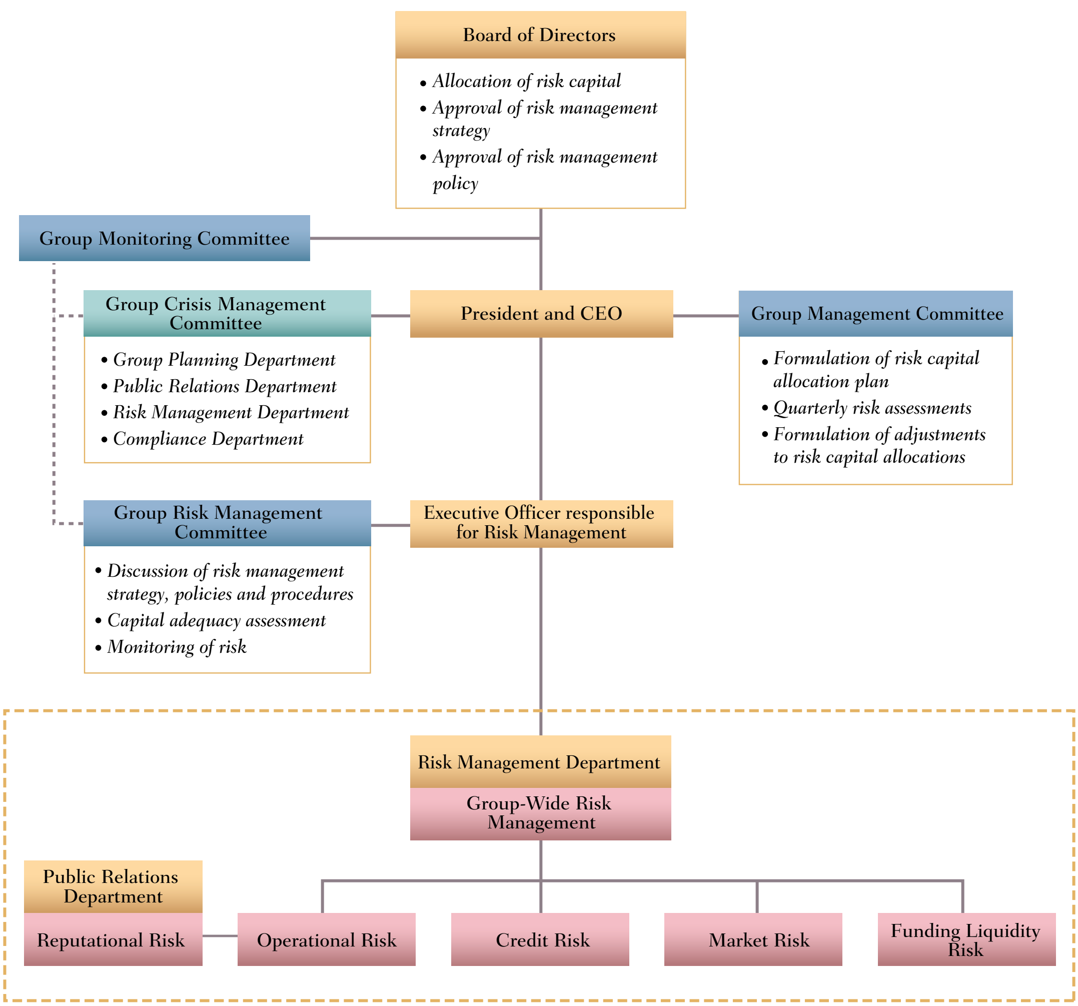
At UFJ Trust, the Comprehensive Risk Management and Compliance Department supervises and coordinates risk management activities. The Asset Management Supervision Office, which is part of this department, manages risks associated with UFJ Trust's fiduciary duty as trustee for trust accounts.

CRISIS MANAGEMENT

In addition to normal risk management activities, the UFJ Group conducts "crisis management" separately. A "crisis" is regarded as an extreme case of relevant risk events that can potentially cause critical damage to the operations of the UFJ Group, financially and/or physically. The UFJ Group has established a core policy and set clear standards to deal with crisis events.

The crisis management framework is designed to minimize the impact of a crisis on the UFJ Group's customers and the markets. It is also intended to minimize business disruptions, to restore normal operations smoothly and to implement effective contingency planning. Crisis management oversight at the group level is the responsibility of the Group Crisis Management Committee at UFJ Holdings. At each of the major group companies, the Crisis Management Committee is responsible for crisis management oversight. Each company has set its contingency plans which cover natural catastrophes, system failures and other potential crises, and periodic drills have been performed to improve the effectiveness of contingency plans.

Risk Management Framework of the UFJ Group



INTEGRATED MANAGEMENT OF RISK AND RETURN

The UFJ Group utilizes an integrated management framework for the purpose of maintaining the proper balance between the risks and returns associated with its business activities. The risk capital management framework, which controls risk in individual business activities, is implemented in a uniform manner at UFJ Bank, UFJ Trust and other major group companies based on the "Risk Capital Management Policy."

Risk Capital Management

Risk capital management is used to control the scale of specific business activities that entail risk by allocating a suitable amount of risk capital. This process is a means of verifying and monitoring the capital adequacy of the group as well as of providing a warning when the risk of degradation in capital increases. The risk capital management framework provides a supplementary means of ensuring financial soundness.

The amount of allocated risk capital is determined based on the maximum possible loss that could result from the risk factors associated with each business. As a key index to integrate risk and return, risk capital calculations provide the basis for a variety of management information. Specifically, capital adequacy is verified by monitoring the sum of utilized risk capital and the allocated risk capital compared to the actual available stockholders' equity. The usage of risk capital by each business unit is monitored against the allocated risk capital. By allocating risk capital to each business unit, the UFJ Group ensures that the scale of each business unit remains within the scope of the group's financial resources and that each unit seeks to generate earnings that are commensurate with the associated risks.

In the event of a sudden change in markets or other events that could rapidly undermine the group's capital base, a "Group Trigger" and "Management Alert Limit" are used to provide a supplementary alarm mechanism. These facilities help senior management to make quick decisions in terms of risk capital management, such as a reduction of capital, reallocation, or other actions.

Allocation of Risk Capital and Profitability Indicators

Risk capital also provides the basis for calculating business unit performance indicators such as the risk-adjusted profit ratio and economic profit. In this manner, risk capital calculations play a key role in the efficient operation of business activities. Numerical plans for risk capital allocation and profitability indicators are determined by the Board of Directors as part of a comprehensive management plan.

CREDIT RISK MANAGEMENT

The UFJ Group conducts credit risk management not simply for the purpose of avoiding credit risk, but to take on risk while controlling credit risk at a suitable level in relation to the group's financial strength and maintaining adequate coverage and profitability relative to the level of risk. Based on this policy, the group conducts credit risk management and improvement of its organization for the purpose of controlling credit risk and maximizing risk adjusted returns.

Organization and Framework

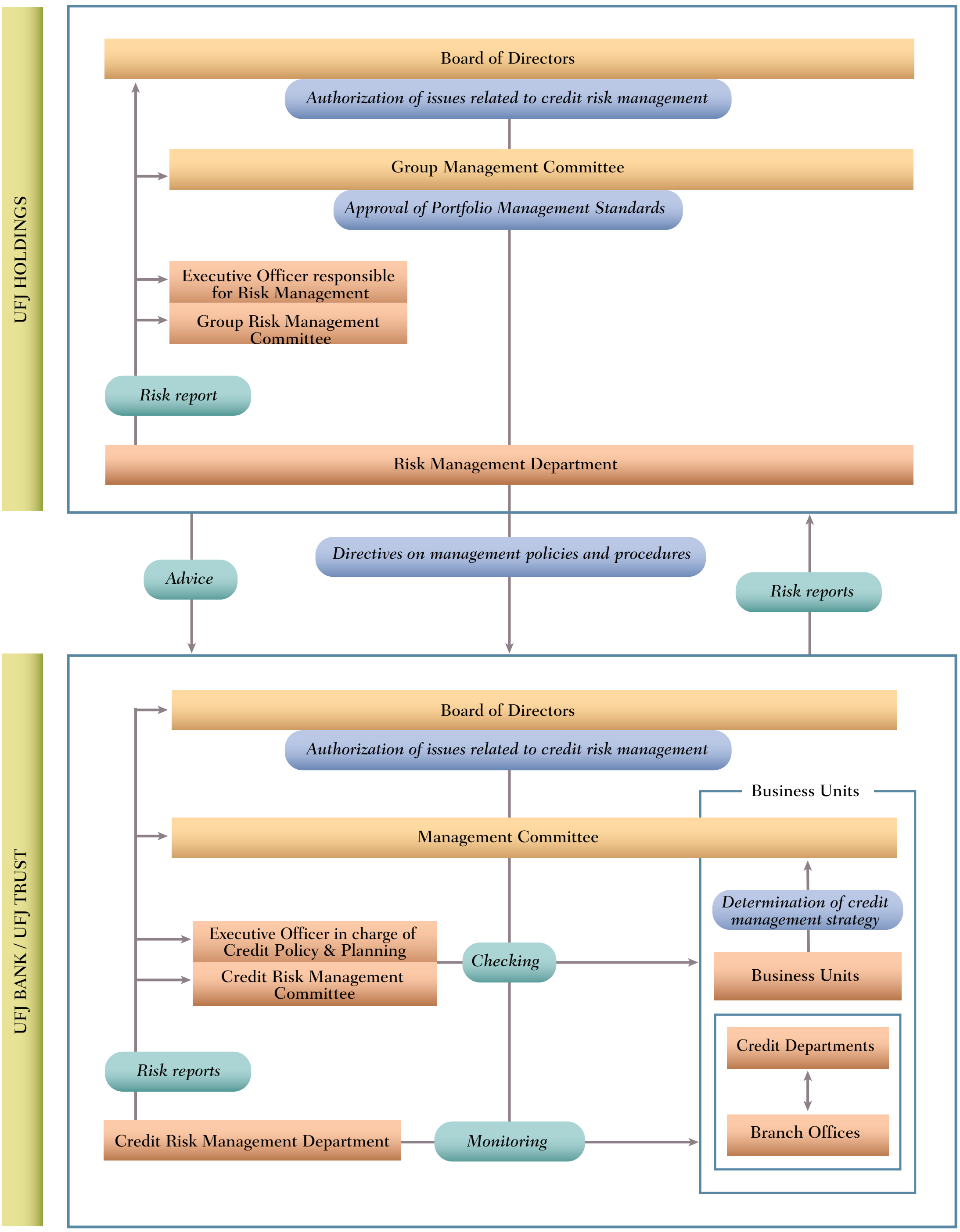
Credit risk management and monitoring at the group level are performed by UFJ Holdings. The results of monitoring activities are reported periodically to the Board of Directors, the Group Management Committee and senior management.

UFJ Bank and UFJ Trust each conducts credit risk management suited to the characteristics of its portfolio. These programs are implemented in accordance with group-wide policies and standards. UFJ Holdings monitors the combined portfolio and credit risk management of the two banks. UFJ Holdings provides guidance and advice for making decisions regarding important credit risk issues.

UFJ Bank has established a Credit Risk Management Committee to strengthen risk management systems. Made up of experts from outside the UFJ Group, this committee examines the suitability of regulations, standards and other items involving credit risk. These activities are then incorporated in the decisions reached by the Board of Directors and other management bodies.

Through this process, the entire UFJ Group can maintain a consistent and uniform credit risk management system while enabling the two banks to conduct credit risk management as required by their respective business activities. A similar risk management system has been established for other major companies within the UFJ Group.

Credit Risk Management Framework of the UFJ Group



Credit Risk Management Policy Framework

UFJ Holdings has established a Credit Risk Management Policy to create a framework for the management of credit risk at the UFJ Group. Based on this policy, the two UFJ Group banks establish their own policies, standards and procedures for credit risk management. The two UFJ Group banks have a unified credit policy and standards for credit rating, country rating, self-assessment and credit risk quantification methodology.

• *Credit Rating Framework*

The credit rating system is the basis for all credit risk management activities. Under this framework, the financial status of current and prospective borrowers is evaluated from three perspectives. First is safety, which includes the equity ratio, retained earnings to total assets ratio, debt to total assets and room for more financing. Second is profitability, which includes the EBT ratio and EBITA ratio. Third is the ability to repay debts and the years to repay debts. In addition to these quantitative measures, credit ratings include qualitative items such as a company's base of operations and the condition of the entire industry. The result is the assignment of a credit rating on a scale of one to ten. Including subdivisions, there are 16 ratings in total. Ratings undergo an annual ordinary review as well as additional reviews depending on changes in a borrower's status. This system makes it possible to monitor the current status of individual borrowers and strengthen credit assessment capabilities, both of which are crucial for credit risk management. Furthermore, the credit rating system is the foundation for management systems that utilize the quantification of credit risk.

Credit Rating System

<table>
<tr><th colspan="2">Rating</th><th>Borrower Category</th><th>Classification under the Financial Reconstruction Law</th></tr>
<tr><td>1A
1B
1C</td><td>Excellent</td><td rowspan="2">Normal</td><td rowspan="5">Normal</td></tr>
<tr><td>2
3
4
5
6
7</td><td>Prime
Good
Above Standard
Standard
Below Standard
Acceptable</td></tr>
<tr><td>8A</td><td>Special Mention</td><td rowspan="4">Special Mention</td></tr>
<tr><td>8B</td><td>Past Due 1 Month or More</td></tr>
<tr><td>8C</td><td>Past Due 3 Months or More</td></tr>
<tr><td>8D</td><td>Restructured</td><td>Sub-Standard</td></tr>
<tr><td>9</td><td>Doubtful</td><td>Doubtful</td><td>Doubtful</td></tr>
<tr><td>10A</td><td>Quasi-Bankrupt</td><td>Quasi-Bankrupt</td><td rowspan="2">Bankrupt and Quasi-Bankrupt</td></tr>
<tr><td>10B</td><td>Bankrupt</td><td>Bankrupt</td></tr>
</table>

• *Country Rating Framework*

Country rating measures the risk of a change in the status of credit caused by political, economic or social developments in a country. Such changes in status include the inability to remit funds, losses on foreign exchange movements, defaults, interest-rate reductions, debt forgiveness and other events. There are eight grades in country rating, and ten altogether, including subdivisions. Country rating is an important risk measuring system at the UFJ Group for managing the concentration of credit risk, establishing country ceilings applied to credit rating, and monitoring and analyzing the quality of the overall non-Japanese portfolio.

• *Self-Assessment Framework*

Self-assessments of credit standing are, as a rule, conducted at the end of each fiscal period and the results are reported to senior management. The primary assessment is performed by branch offices and head office divisions engaged in business promotion. The secondary assessment is performed by credit administration departments. After that, self-assessments are examined by the Internal Audit Department, which is independent of the departments engaged in the business promotion and credit administration.

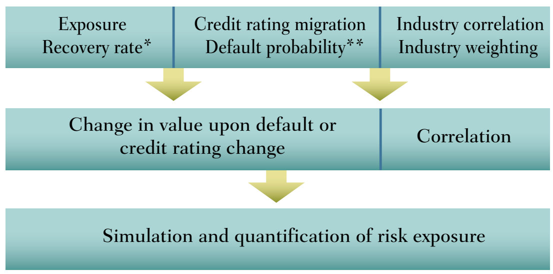
• *Credit Risk Measurement*

The UFJ Group employs the internal rating framework to quantify credit risk for use in credit risk management. Quantifying risk entails the use of statistical analysis of the credit portfolio to calculate expected future losses, which correspond to the risk exposure, related to the inability of borrowers to meet their obligations. Using historical financial data about borrowers to obtain a default probability for each credit rating category, the distribution of probable losses is then calculated based on simulations. From these computations, the group obtains two figures expressing the total risk of the portfolio. One is the average expected loss, which represents the average expected loss that may be incurred over a one-year period. The other is the maximum loss, which is the largest possible loss that may occur over the same one-year period.

These estimates cover loans, guarantees, foreign exchange assets, off-balance-sheet transactions, bonds and other items. Furthermore, they are applicable to domestic and foreign corporations, individuals and financial institutions. The main advantage of this quantification process is the ability to determine the precise effects of concentrating and diversifying credit risk.

Quantifying and Managing Credit Risk

The Quantification Process



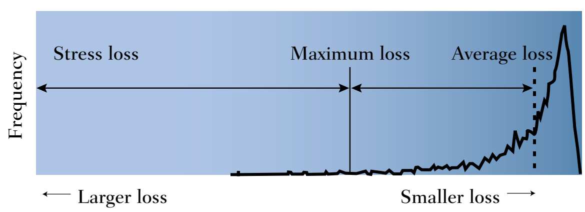
Past data are employed to calculate probable losses over the following one-year using a statistical technique.

* Separate recovery rates are established for each type of collateral.

**The default probability is based on past financial data.

The portfolio loss depends on which borrowers default. Therefore, the probabilities of portfolio losses are calculated based on a simulation using 100,000 scenarios for all borrowers.

Example of the Diversification of Losses in a Sample Credit Portfolio



Average loss: Weighted average of all projected losses

Maximum loss: Highest probable loss (99% level)

Stress loss: Losses exceeding the assumptions used for quantification

Credit risk management places priority on controlling the difference between the average and maximum losses.

Portfolio Risk Management

Under this system, risk exposure is evaluated on a single portfolio basis. This makes it possible to search for any excessive concentration of risk based on such parameters as individual borrowers, industries and regions. To prevent such concentrations and to diversify credit risk, the UFJ Group establishes credit limits for each borrower, industry and country.

Credit Management System

A Risk and Cost Adjusted Return (RACAR) is calculated for each loan and customer by deducting the expected credit losses, which is the average expected loss, and other operational costs from the gross revenues. RACAR is then used to set lending rates that account for the associated risks and cost of each loan.

Credit Risk Capital Management

The average expected loss, a figure that should be covered by revenues, is deducted from the maximum loss to yield the credit risk exposure, or “unexpected loss,” that should be covered by capital. This exposure is then monitored so as to remain within the allocated credit risk capital under the risk capital management framework described above. In addition, credit risk capital is used as a performance indicator to achieve the optimum balance between risk and return.

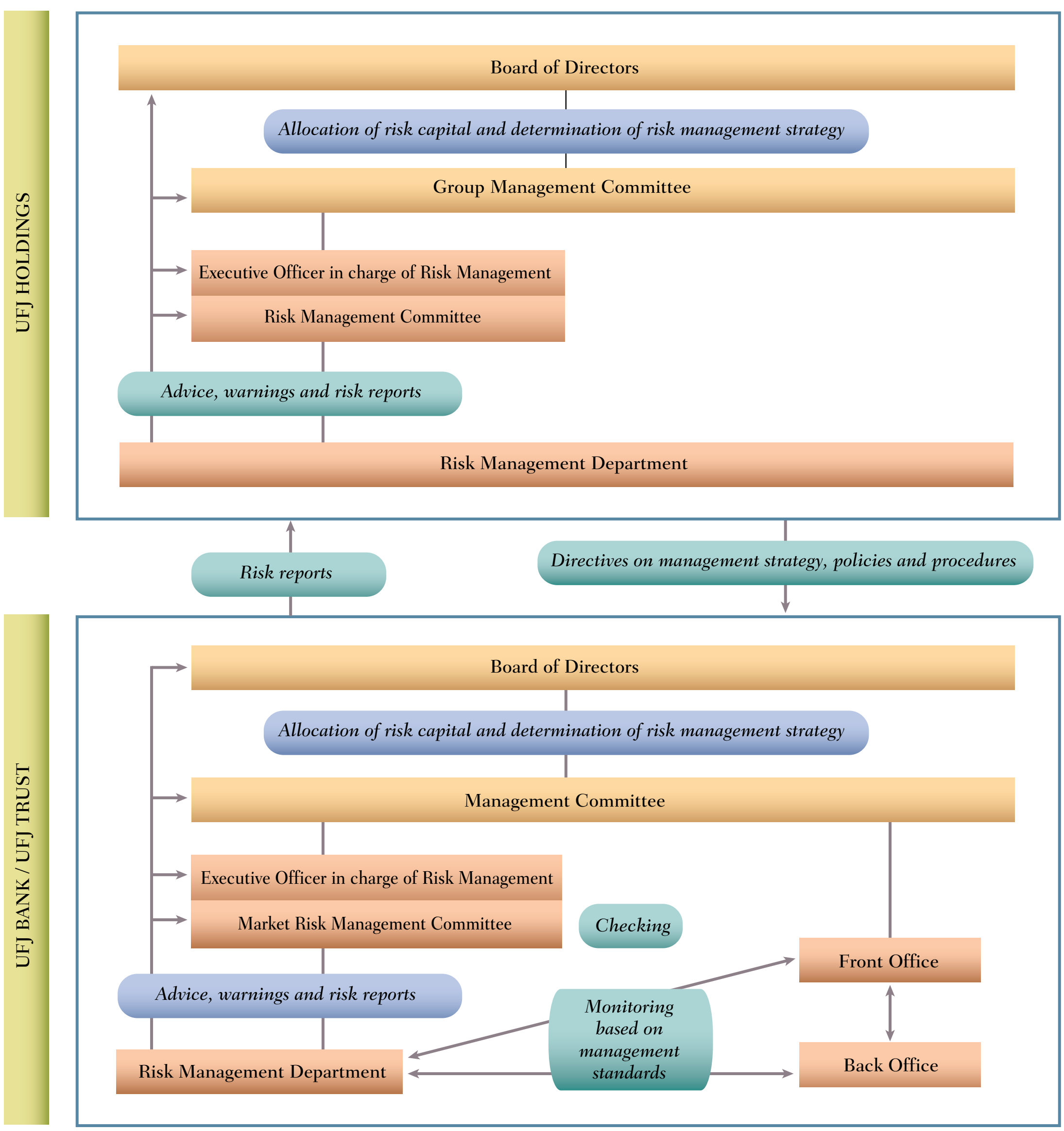
MARKET RISK MANAGEMENT

The UFJ Group has established a framework for managing market risk in a comprehensive, consistent and coordinated manner that is consistent with the group's risk policies.

• *Market Risk Management Framework*

The two UFJ Group banks have risk management departments that are independent of front-office activities and are responsible for the objective monitoring of market risk in accordance with systematic and comprehensive risk management policy and procedures. The main objectives are to ensure the efficient allocation of resources and preserve a highly responsive market risk management framework. Furthermore, these departments conduct research to add risk management systems for new financial instruments and introduce more sophisticated risk management tools.

Market Risk Management Framework of the UFJ Group



Reporting

Risk exposure, performance and other items related to the market risk monitoring process are reported on a daily basis by the Risk Management Department to the UFJ Holdings Executive Officer in charge of risk management. The risk management-related committees of UFJ Holdings and the two banks discuss market risk management activities and implement specific measures to ensure the effectiveness of these frameworks.

• ***Market Risk Management Methodology***

Market risk at all UFJ Group companies is managed as required in accordance with the scale, nature, complexity and other characteristics of the applicable risks.

Establishment and Monitoring of Limit Structure

The UFJ Group has established limits for market risk exposure and losses. Managing these limits enables the group to keep market risk exposure and possible unexpected losses within the amount of applicable risk capital.

In addition to these market risk limits, a warning-line guideline (Management Alert Limit) with regard to the performance of equity holdings and other investment activities in the banking book has been established and is monitored daily at UFJ Group banks. This guideline is created to deal with the risk of a decline in the group's equity to a level that would hinder operations in subsequent fiscal years. At the group level, UFJ Holdings monitors a similar guideline called the "Group Trigger" within its risk capital management framework. This creates a mechanism whereby a warning can be sent to senior management when needed.

Value at Risk (VaR)

The UFJ Group employs VaR–a means of calculating the maximum expected loss with a one-day holding period and one-tailed confidence interval of 99% as its common yardstick to measure market risk in the trading book. To supplement VaR methodology, the group performs a variety of other forms of risk analysis. Among them are stress tests that assume extreme market volatility, interest rate sensitivity analysis, scenario analysis and earnings-at-risk (EaR) measurements for ALM.

• ***Measurement of Value at Risk***

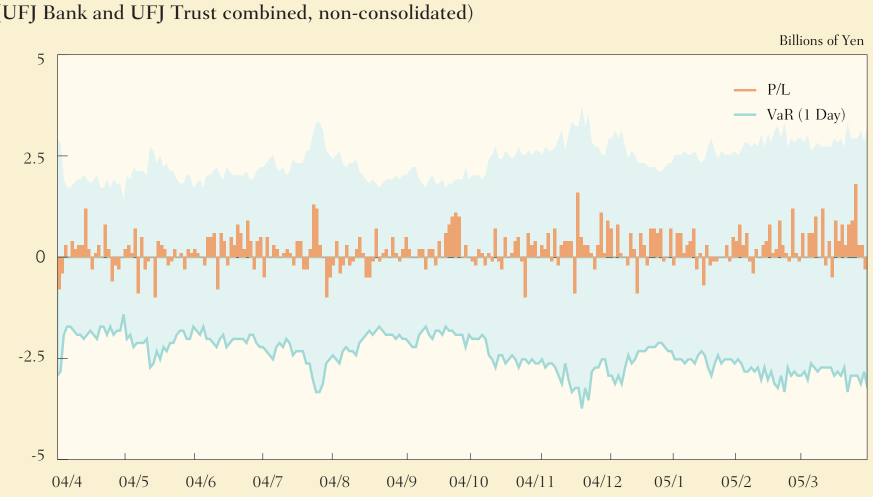
Two methods are employed to measure VaR at the UFJ Group. With the historical simulation method, VaR is calculated by performing simulations based on past market volatility data. With the variance-covariance method, VaR is calculated based on the assumption that the markets will fluctuate in relation to its statistical standard deviation. UFJ Bank employs the historical simulation method, while UFJ Trust employs the variance-covariance method. Risk exposure in all markets was calculated based on a one-day holding period, a one-tailed confidence interval of 99%, and a three-year look-back period for UFJ Bank and a two-year period for UFJ Trust.

• *Market Risk Profile for Fiscal Year Ended March 31, 2005*

During the year ended March 31, 2005, market-related profits and losses at domestic and overseas branches and the status of equity and yen-denominated bonds in the banking book, based on VaR methodology, were as shown in the graph below.

VaR is an estimate of the maximum expected loss that would occur at a statistical probability of 1% if, for example, a bond or foreign exchange instrument were held continuously for one day and interest rates or other markets moved in unfavorable directions. The VaR amount does not necessarily represent the loss that would actually occur.

VaR and Actual Profit or Loss
(UFJ Bank and UFJ Trust combined, non-consolidated)



Maximum, minimum and average VaR figures for the past fiscal year for market-related activities (one-day holding period) at the two UFJ Group banks and for equity and yen-denominated bonds (10-day holding period) in the banking book were as follows.

Trading Account

			Billions of Yen
	Maximum	Minimum	Average
UFJ Bank	3.7	1.4	2.4
UFJ Trust	0.0	0.0	0.0

*Banking Book Equity Holdings**

			Billions of Yen
	Maximum	Minimum	Average
UFJ Bank	177.1	89.8	123.6
UFJ Trust	28.2	19.6	23.4

* Risk shown is for equities with a market value.

Yen-Denominated Bond Holdings

			Billions of Yen
	Maximum	Minimum	Average
UFJ Bank	163.6	47.2	105.4
UFJ Trust*	33.5	15.0	22.3

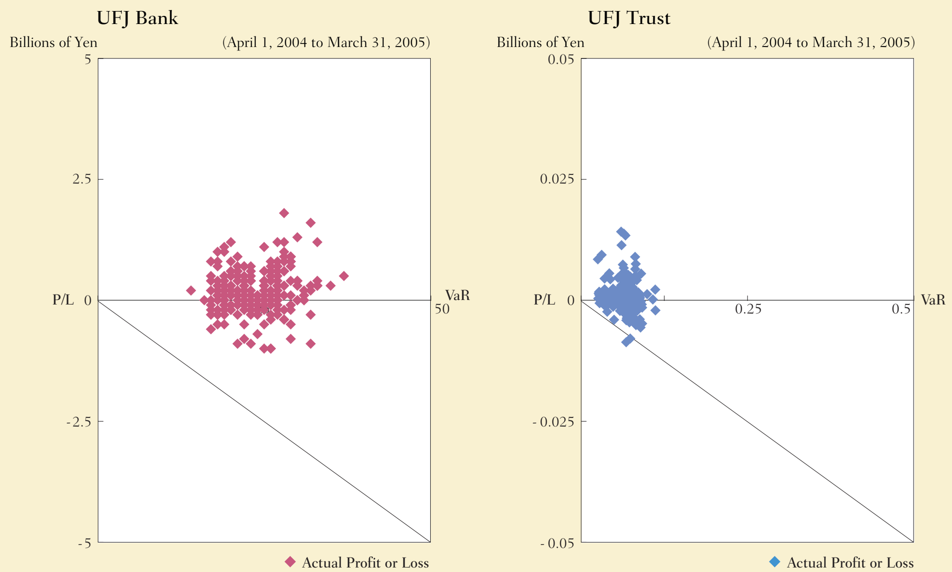
* Figures for UFJ Trust include bonds in foreign currency and investment trust portfolios.

• *Daily Value at Risk and Actual Profit and Loss*

Backtesting is used to evaluate the accuracy of risk calculations by comparing the VaR with actual gains and losses over a specific period. The reliability of the risk measurement model can be verified if the number of times gains and losses exceed VaR is within the forecast range.

The graphs below show daily fluctuations in VaR and gains and losses in market value. Dots below the diagonal lines represent values that exceed VaR. During the year ended March 31, 2005, losses that exceeded VaR were within the expected range, demonstrating that the risk measurement model (one-tailed confidence interval of 99%) is sufficiently accurate to measure market risk exposure.

VaR and Actual Profit or Loss



• ***Stress Testing***

As described earlier, VaR is the maximum expected loss estimated using the 99th percentile. However, this is an estimated value when the normal market assumption stands. So the UFJ Group must still consider the possibility that sudden, abnormal movements in factors affecting markets could lead to significant losses that are not predictable by VaR calculations. The group therefore supplements VaR with stress testing. Stress testing uses historical market data and hypothetical scenarios to measure potential losses in the event of extreme market movements. The group conducts constant safety checks through both VaR and stress testing, allowing the group to ensure that losses under any conditions stay within the scope of stockholders' equity.

FUNDING LIQUIDITY RISK MANAGEMENT

The UFJ Group regards the implementation of a suitable funding liquidity risk management program as essential to the sound management of the entire group. As such, the group has a comprehensive framework for funding liquidity risk management, both for Japanese yen and foreign currencies.

Based on the fundamental policy of preserving the stability of fund procurement activities, all related departments, led by risk management departments, work together to ensure the suitable management of funding liquidity risk. This stance allows the group to conduct business activities with confidence in fund procurement activities in yen or foreign currencies.

Risk Phase

To create a unified risk management framework for the entire group, the UFJ Group has categorized the environment for fund procurement into four risk phases – normal, caution, constrained and emergency – depending on the probability that risks will actually materialize. The UFJ Group banks have established clear management methods, including contingency plans, for each of these risk phases.

Preservation of Stable Cash Flows

The UFJ Group establishes limits for the estimated volume of funds that will need to be procured on the following business day, and for other related items. These limits prevent the group from developing an over-reliance on short-term funding. The group also work together to preserve consistently adequate levels of cash flows and liquidity by holding a sufficient volume of Japanese government bonds, U.S. treasuries and other highly liquid instruments for fund procurement in the event of a crisis.

• *Funding Liquidity Risk Management Framework*

The UFJ Group banks have separate liquidity management departments for yen and foreign currency procurement activities. Risk management-related departments are responsible for the comprehensive management of funding liquidity risk.

Action plans are in place to respond to changes in market conditions and other events. Contingency plans are activated in the event of instability in financial systems or other unforeseen problems, enabling the group to respond to a liquidity crisis immediately. In all, the group is adequately prepared for rapid changes in the operating environment.

• *Funding Liquidity Risk Management Monitoring*

Departments responsible for funding liquidity risk management monitor liquidity on a daily basis to confirm strict compliance to rules (liquidity risk limits and others). Risk management-related committees periodically monitor funding liquidity risk, discuss necessary policies and submit reports to management.

OPERATIONAL RISK MANAGEMENT

Operational risk management at financial institutions is becoming increasingly important due to the diversification of their products and services and the growing use of IT systems and networks. Further underscoring the importance of managing this risk are instances outside Japan of the fraudulent use of systems and, in Japan, large-scale system failures and related problems associated with the integration of banks and other events. In addition, due to regulatory demands, such as BIS capital requirements, banks are being required to apply increasingly sophisticated quantitative management techniques along with the existing management activities that are centered mainly on qualitative items.

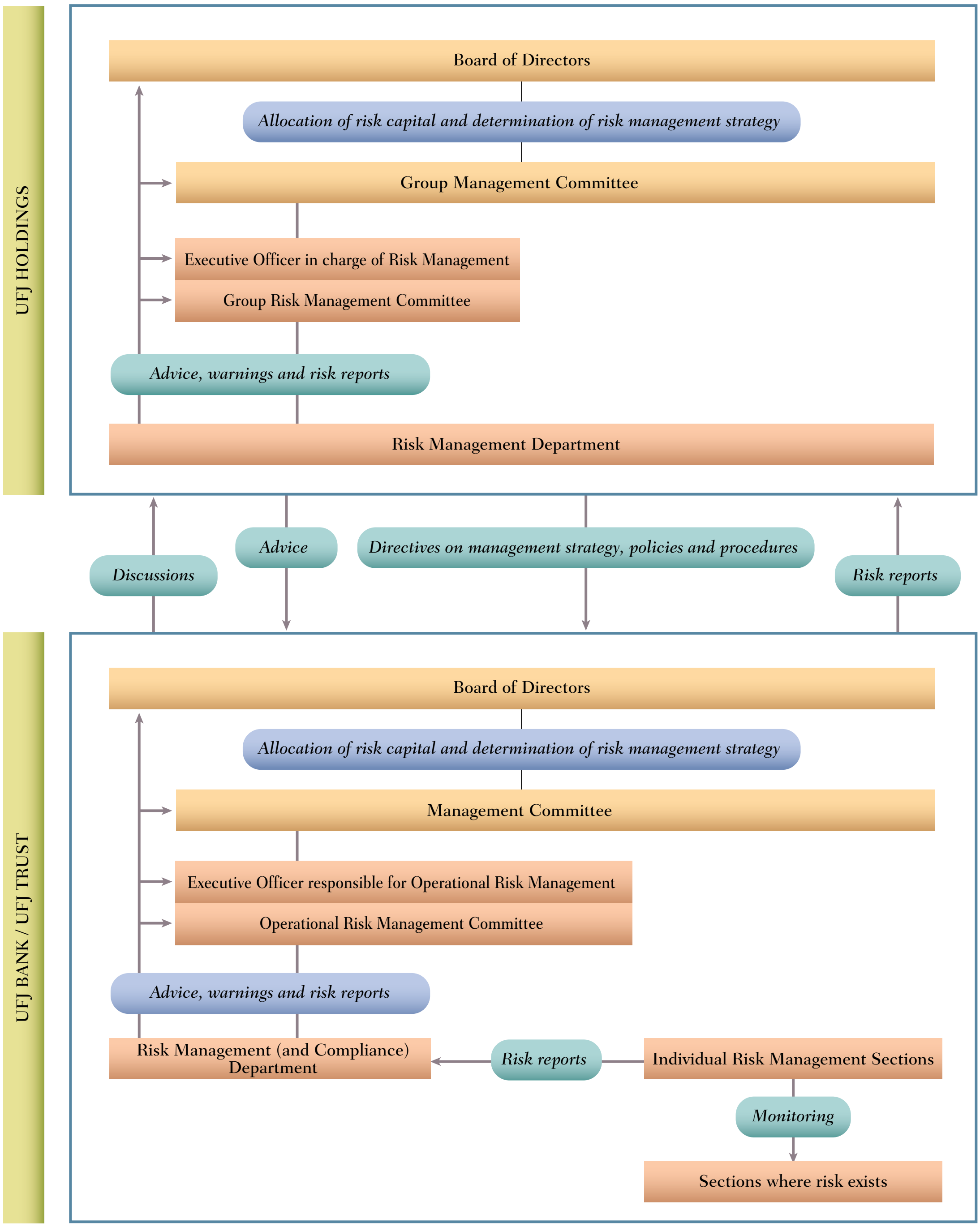
The UFJ Group has been constantly taking steps to make its operational risk management framework more comprehensive and sophisticated since 1998, when the group began to study ways to manage processing risk and system risk in a quantitative manner. The UFJ Group was among the first financial services organizations in Japan to assemble and begin operating an integrated operational risk management system that combines qualitative and quantitative elements.

Organization and Framework

At the UFJ Group, the Risk Management Department of UFJ Holdings is responsible for managing and monitoring operational risk for the entire group. The status of risk and other items are reported to senior management periodically at meetings of the Board of Directors, the Group Risk Management Committee and other management units. By determining policies and standards for the entire group and providing group companies with guidance and advice, the Risk Management Department provides a framework that facilitates unified and coordinated operational risk management for the entire group.

At the two banks, departments responsible for managing each category of risk monitor departments where processing risk, system risk and other categories of operational risk exist. Results are reported periodically to the UFJ Bank Risk Management Department or UFJ Trust's Risk Management and Compliance Department, which supervise all forms of risk. These two risk management departments periodically report on the status of each category of risk to the management at meetings of the Board of Directors and risk-related committees..

Operational Risk Management Framework of the UFJ Group

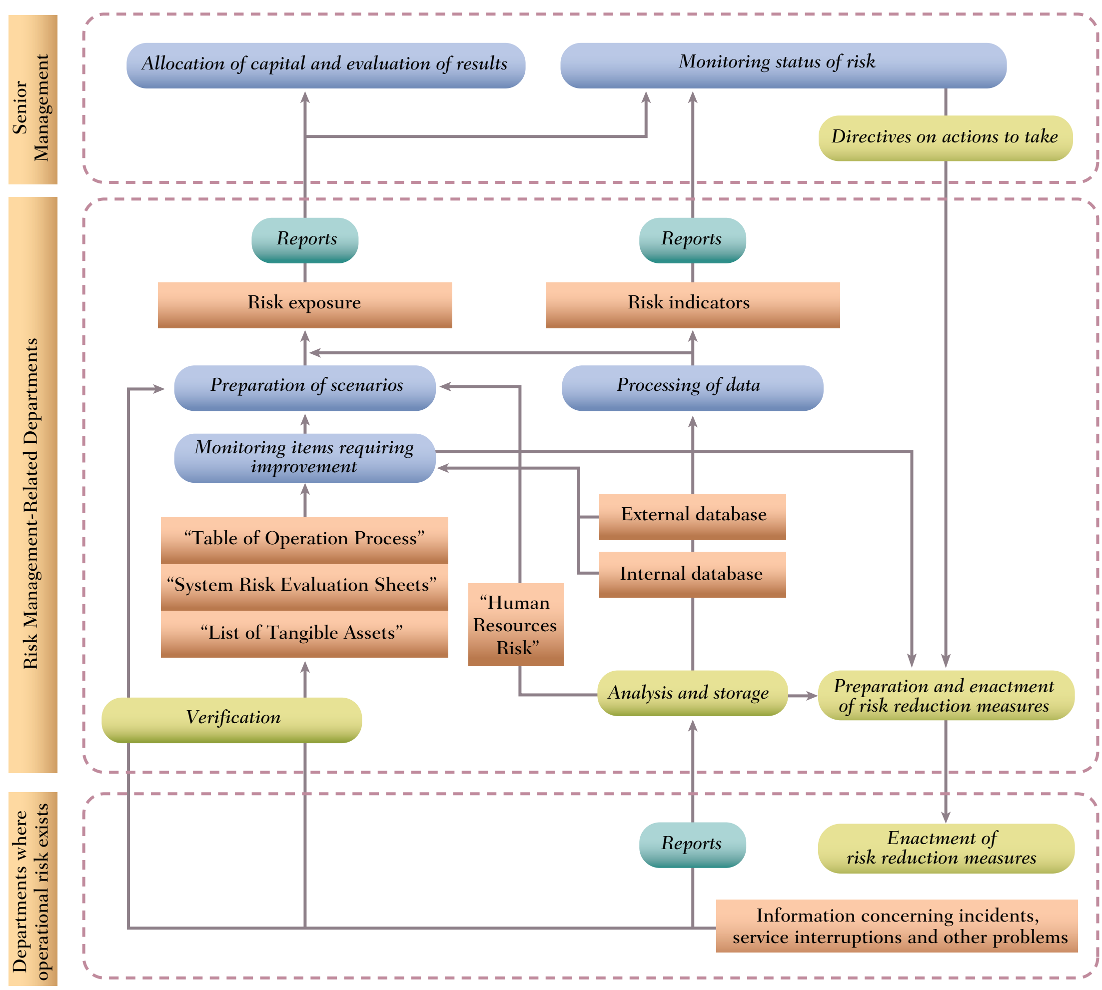


Structure of Risk Management Framework

In establishing its operational risk management framework to provide ongoing recognition, evaluation, control and reporting of risks, the UFJ Group has chosen a combination of qualitative assessment and quantitative approaches consistently throughout the entire group. Proprietary tools such as "Table of Operation Process," "System Risk Evaluation Sheets" and "List of Tangible Assets" are developed and implemented to identify the area, type and size of risk within the group. The result of the risk assessment helps, in the form of an integrated scoring system, to identify the area where weakness lies in terms of operational risk. This assessment process enables the UFJ Group to take immediate action to control and mitigate the applicable risks in the problem area. It also becomes the basis of the quantitative approach described above.

Information gathered, along with risk indicators at major group companies, such as processing errors and IT system malfunctions, are reported periodically to senior management.

Operational Risk Management Framework of the UFJ Group



Measures to Upgrade Operational Risk Management

The UFJ Group has established a method for the quantification of operational risk and is working on increasing its effectiveness. The method is based on scenarios formulated by using historical loss experience associated with processing risk, system risk and tangible asset risk (involving the occurrence of processing errors, accidents, computer malfunctions and damage to tangible assets) and by evaluating the nature of each process, system, building and other item. Areas that require attention are identified and improvements made, thereby preventing problems from occurring while facilitating quantitative judgments concerning the effectiveness of these improvements. Results of these quantitative analyses are also used to efficiently allocate resources among the group's operating activities. With regard to human resources risk (risk regarding compliance), the group is quantifying risks based on various scenarios involving compensation for losses and other disputes resulting from litigation, and is extending the scope of this quantification process.

Concerning other risks linked to external factors, regulatory risk is managed by monitoring revisions to laws and regulations and verifying that the proper actions have been taken in response. Regarding reputational risk, UFJ Holdings and the UFJ Group banks have a Reputational Risk Management Policy. To ensure that the group quickly learns of information affecting its reputation and takes suitable actions, a Code for Public Relations Activities has been established and other means are employed to make all employees of the UFJ Group aware of reputational risk. Responsibility for managing reputational risk is centralized in the Public Relations Department of UFJ Holdings.

The UFJ Group's "Operational Risk Management Policy" defines the fundamental thinking regarding these operational risk management activities as well as fundamental items concerning the risk management organization and systems.

Risk Monitoring at UFJ Group Companies

The UFJ Group has formulated a unified set of standards for managing these risks for the purpose of establishing a consistent risk management system across the entire group. In accordance with these standards, all major UFJ Group companies submit quarterly reports to the UFJ Holdings Board of Directors and Group Risk Management Committee concerning the status of operational risk.

RESPONSE TO BASEL II

The Basel Committee on Banking Supervision of the Bank for International Settlements sets BIS guidelines that prescribe capital adequacy standards for all internationally active banks.

In June 2004, a new international agreement called Basel II was announced upon the completion of a major revision of the original guidelines. Basel II has three core elements, or "Pillars": requiring regulatory capital in line with the risks at each financial institution; supervisory reviews by national banking regulators; and market discipline through the disclosure of information. Basel II is thus based on the belief that these three "pillars" will collectively ensure the stability and soundness of financial systems.

To reflect the nature of risks at each bank more closely, Basel II has a menu of options under which a bank can choose to calculate the amount of capital it requires based on its own risk profile and risk management methodology.

In the case of credit risk, for example, banks can choose either the standardized approach or the internal rating-based approach. For operational risk, which has been newly included in the required capital framework, banks can choose from many approaches.

In response to this international agreement, in March 2005, Japan announced its proposal for the revised regulations. Work is proceeding on finalizing the contents of this proposal. The new regulations are expected to become effective in March 2007 (March 2008 for banks using the advanced approaches for credit risk and operational risk).

As an internationally active financial group, the UFJ Group is playing an active role in the process of revising the BIS regulations. The group believes that the proposed approach will contribute to fostering strong risk management practices and to encouraging ongoing improvements in banks' risk assessment capabilities. Accordingly, the UFJ Group has started work to conform to the proposed regulations. This includes the selection of a more advanced approach in the proposed menu in line with the group's risk profiles. Furthermore, the group is actively submitting comments regarding this proposal through banking organizations in Japan and overseas to contribute to this new development in the global financial industry.

COMPLIANCE ACTIVITIES AT THE UFJ GROUP

UFJ GROUP'S APPROACH TO COMPLIANCE

The UFJ Group positions compliance activities as one of its highest management priorities. The group adopts a broad view of compliance, ensuring strict observance of rules and social standards as well as laws.

The UFJ Group believes that compliance activities are essential to achieving its management vision, which is "to be an innovative financial group with a deep commitment to society, growing together with customers." Although the group has executed a compliance program based on this approach, UFJ Holdings and UFJ Bank received administrative actions announced by the Financial Services Agency in June 2004 concerning four items. In April 2005, UFJ Bank and several former directors were found guilty of violating provisions of Japan's Banking Law. Management is fully committed to responding to these actions in every way, as they indicate the existence of serious deficiencies in the internal management systems of both companies. Management extends its sincere apologies to customers, shareholders and investors for the confusion and concerns caused by this matter. Sweeping initiatives are being taken to strengthen the compliance framework to prevent a reoccurrence of this problem and restore the public's trust.

COMPLIANCE PHILOSOPHY AND BASIC POLICIES

The UFJ Group has established "transparency and fairness" as the core philosophy for the execution of compliance programs. The group is conducting many activities to foster a culture in which this philosophy is the basis for the actions of all employees.

Furthermore, the UFJ Group has established the following basic policy to guide decisions and activities concerning compliance activities, and is working to raise awareness of this policy among all employees.

BASIC COMPLIANCE POLICY AND CODE OF CONDUCT FOR EMPLOYEES

Conducting yourself in a spirit of transparency and fairness by strictly adhering to this basic policy is essential to realizing the UFJ Group's management vision.

1. At all times, be aware of the social responsibility and the mission of the UFJ Group as a comprehensive financial group. Work to earn the unconditional trust of society by properly conducting business operations.
2. Maintain solid lines of communications with the public, in particular through the consistent and fair disclosure of accurate information regarding operations. The goal is to earn a reputation among the public as an organization with highly transparent management.
3. Strictly observe all laws and regulations, conduct business activities that are sincere, fair and comply with accepted ethical standards of behavior.
4. Contribute to local and global economies and societies by fulfilling the UFJ Group's mission as a responsible corporate citizen that upholds high ethical standards which prevail in the global society.
5. Reject all anti-social influences that are disruptive or pose a threat to society.

UFJ GROUP COMPLIANCE SYSTEMS AND PROGRAMS

UFJ Holdings has a Compliance Department that prescribes and executes basic measures relating to compliance of all group companies. This department also monitors and oversees the compliance activities of group companies. In addition, each member of the group has a department that is in charge of compliance, providing a means of conducting compliance activities at each company. Important matters at group companies are reported to the Compliance Department of UFJ Holdings so that the entire group can respond to issues when necessary.

UFJ HOLDINGS GROUP MONITORING COMMITTEE

The UFJ Holdings Group Monitoring Committee is a sub-committee of the Board of Directors and is responsible for the oversight of internal management and compliance of all activities at UFJ Holdings and group companies. Members of this committee are non-executive directors and external specialists such as attorneys. To achieve an internal management system with a high degree of transparency, the committee examines and verifies the suitability of the UFJ Group's internal management activities. Serious issues are reported to the Board of Directors.

(See diagram on following page.)

PREPARATION AND DISTRIBUTION OF COMPLIANCE MANUAL

To provide a basic reference for compliance activities, a group compliance manual has been prepared that sets standards for behavior and rules applicable to everyone who works at the UFJ Group. This manual is distributed to all employees of group companies.

In addition, each group company prepares its own compliance manual containing rules specific to its operations that every employee should follow. This system makes it possible for employees to conduct their work in line with compliance rules that apply even more directly to their respective jobs.

PREPARATION OF COMPLIANCE PROGRAM

UFJ Group companies periodically prepare and monitor the execution of compliance programs, which contain action plans for the establishment of compliance frameworks, training programs and other activities. Each company's board of directors is responsible for preparing these programs and monitoring their execution.

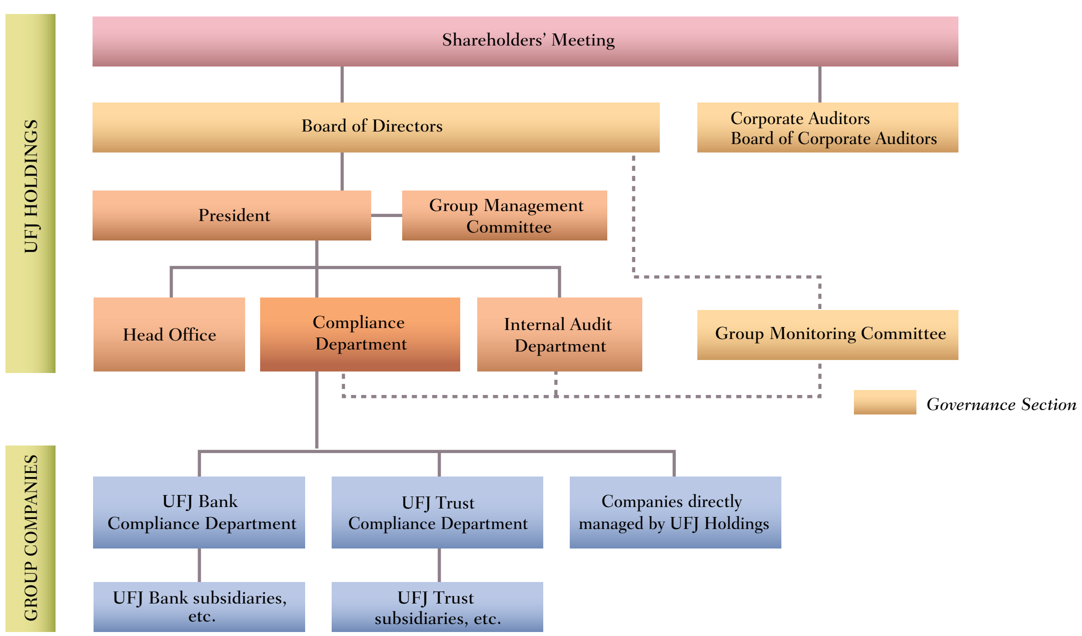
RESPONSES TO NEW ISSUES

The UFJ Group is constantly taking steps to improve its compliance activities by responding quickly and appropriately to new issues, such as changes in the operating environment and new and revised laws and regulations.

A whistle-blower system is currently being established at group companies for two purposes. First is to prevent the occurrence of illegal actions by group employees. Second is to quickly identify and strengthen the group's ability to deal with illegal actions should they occur. This system involves establishing a hotline at the compliance departments of each group company, or outside the company, so that problems can be identified and solved before they become serious. Such a system is already in place at UFJ Holdings, UFJ Bank, UFJ Trust and other major group companies. Progress is continuing in setting up this system at other group companies.

The UFJ Holdings Compliance Department gathers and analyzes information concerning new and revised laws and regulations that could significantly affect the activities of the group. The department also examines ways for the group to respond to these events. This system provides for the suitable execution of business activities in accordance with laws and regulations for the entire group.

Compliance Framework of UFJ Holdings and Group Companies



INTERNAL AUDITING SYSTEMS OF THE UFJ GROUP

INTERNAL AUDITS

At the UFJ Group, internal audits are conducted for the purpose of contributing to the soundness and fairness of the management of the UFJ Group. The objective is to gain the confidence of customers and markets and to maximize the value of the group through the process of verification and evaluation from an independent standpoint. Internal audits are used to verify and evaluate internal control systems, including compliance and risk management, and to confirm that these systems are appropriate and effective.

Based on these internal audits, reports and recommendations are submitted to the group's management.

UFJ Holdings has prepared an Internal Audit Policy in which the purpose, authority and responsibilities for internal audit activities are defined. UFJ Bank, UFJ Trust and all other group companies conduct their auditing activities in conformity with this policy.

Although the UFJ Group has consistently worked on strengthening its internal audit functions, UFJ Holdings and UFJ Bank received administrative actions from the Financial Services Agency in June 2004 concerning their internal controls system. As one means of preventing the reoccurrence of this problem, the Audit & Compliance Committees of UFJ Bank and UFJ Trust have been given the authority to supervise internal audit departments and provide guidance. This action further strengthens the independence of the internal audit departments from the departments that they audit.

SUMMARY OF GROUP INTERNAL AUDIT DEPARTMENTS

UFJ Holdings has an Internal Audit Department overseen by an executive officer who has no other responsibilities. This department supervises, monitors and evaluates the internal audit functions of the entire group and performs audits of all departments at UFJ Holdings. As part of measures to monitor UFJ Bank and UFJ Trust, the Internal Audit Department of UFJ Holdings is represented in their Audit and Compliance committees. These two companies have an Audit Planning Office, which plans and manages internal audits and functions as the secretariat for the Audit & Compliance Committee, and an Internal Audit Department, which is responsible for performing internal audits. Both of these units are supervised and controlled by the Audit & Compliance Committee, which is overseen by the Board of Directors. This framework is used to audit the headquarters and branch offices of UFJ Bank and UFJ Trust, their subsidiaries and other units. The internal audit departments monitor credit ratings, self-assessments, write-offs and reserves, and the process for calculating capital ratios. Audits are also performed to check compliance with financial control and disclosure control processes and compliance with relevant regulations, rules and procedures.

At UFJ Bank, there are units under the direct supervision of the Internal Audit Department at offices in London, Singapore, Hong Kong and New York to ensure an effective internal auditing framework for overseas operations. In addition, there is an audit team dedicated exclusively to large borrowers within the Internal Audit Department to strengthen the system of checks and balances with regard to credit risk management for large borrowers, which is an important management issue.

At other UFJ Group companies, internal audit departments are established as required in consideration of the nature and scale of business activities, the types of risks that exist, and other factors.

EFFECTIVENESS OF INTERNAL AUDITS

Internal audit departments at the UFJ Group perform audits in accordance with the appropriate evaluation of risks. Consequently, the frequency, thoroughness and other aspects of internal auditors depend on the nature and scale of risks that exist at each department in order to conduct audits that are effective and efficient. In addition, data and materials related to each audited unit are monitored off-site at internal audit offices so that changes in risks can be monitored on a real-time basis.

The UFJ Group takes rigorous measures to conduct highly effective audits that reflect the level of risk exposure. Targeted audits are conducted in a timely manner for the purpose of auditing all units involved with a particular audit theme. These audits focus on the upcoming integration with MTFG and on other matters of particular importance. Moreover, audit manuals have been prepared and are used by the internal audit departments of UFJ Group companies for the purpose of performing all group internal audits in a uniform manner and in accordance with the same standards.

CORPORATE CITIZENSHIP

The UFJ Group is firmly committed to fulfilling its role as a responsible corporate citizen. Listed on these pages are some examples how the Group is supporting cultural, charitable and other worthwhile programs in various ways.

SUPPORT FOR VENTURE BUSINESSES

The UFJ High-Tech Venture Development Foundation, formerly the Sanwa High-Tech Venture Development Foundation, was established in 1983 as Japan's first private-sector foundation to support venture companies. Since its establishment, the foundation has provided a total of 207 grants amounting to ¥670 million for research into seminal technologies and the development of new products, as well as 264 guarantees for loans totaling ¥7,810 million to finance venture businesses. Through the UFJ New Frontier Company Development Foundation, UFJ Bank extends financial support for the development of new products, technologies and services. By conducting these activities, the UFJ Group is supporting companies and entrepreneurs who have innovative ideas for new products, technologies and business models.

PARTICIPATION IN INTERNATIONAL PROGRAMS

Through the UFJ Foundation, the UFJ Group promotes international understanding mainly by providing scholarships, bringing foreign students to Japan, supplying research grants and extending assistance for international exchange activities. This foundation has played a pioneering role in the establishment of a scholarship system for Asian countries. Over the past 21 years, scholarships have been given to a total of 6,431 students. Today, many scholarship recipients are playing important roles in government, the private sector and other areas. During the fiscal year ending in March 2005, the foundation plans to give scholarships to 322 students from 18 universities in seven Asian countries.

Through the overseas bases of UFJ Bank, the foundation has sponsored visits to Japan for a total of 115 students from 17 countries who have a special interest in Japan. The foundation also supports painting exhibitions called *Asia Drawn by Children*. Other support is extended to help preserve ancient ruins in Cambodia, and for lectures and concerts. In the research sector, the foundation supports the development of overseas specialists in fields related to Japan. Many recipients of these grants from the United States, Europe and Australia have become academic, political and economic experts on Japan.

COMMUNITY ACTIVITIES USING TRUSTS

Charitable Trusts

UFJ Trust offers a full line of services and support for the establishment of charitable trusts, which are often used by individuals and companies to support worthy causes including financial assistance with scholarships, research fees, and cultural and welfare activities. Services include consultations concerning the establishment of a trust, assistance in obtaining government approval, and the management of trust assets and operation of trust affairs in accordance with its objectives.

Specified Donation Trusts

These trusts are established by a family member or other benefactor for the purpose of providing financial support for individuals with severe disabilities. For these trusts, UFJ Trust manages assets to provide regular payments for the medical expenses and other needs of these individuals. When these trusts are used, there is no gift tax on trust distributions to beneficiaries of up to ¥60 million.

SUPPORT FOR REFUGEES

• ***Assistance for the UNHCR***

UFJ Bank offers customers in Japan a special savings account that automatically sets aside a portion of the interest earned for donation to the Office of the United Nations High Commissioner for Refugees (UNHCR).

IN THE COMMUNITY

• ***The Money Museum of UFJ Bank***

The Money Museum of UFJ Bank, which opened in 1961, has on display approximately 10,000 rare coins from around the world, with related information on each one. It is renowned for having the largest private coin collection in Japan. The collection includes rare items that illustrate the history of money, such as the largest gold coin in the world, the world's oldest coin made of a seashell, coins from ancient Greece and Rome, and a silver Egyptian coin with the image of Cleopatra. The museum attracts large numbers of visitors, including students from more than 200 elementary and junior high schools every year.

• ***UFJ Trust Cultural Foundation***

The UFJ Trust Cultural Foundation was formed in November 1989 to commemorate the 30th anniversary of UFJ Trust, formerly Toyo Trust. The foundation extends financial assistance to various organizations in all regions of Japan involved in music, art, theater and traditional performing arts. Since its establishment, 742 organizations, representing 321 municipalities in all 47 Japanese prefectures, have received a total of ¥439 million.

ENVIRONMENTAL ACTIVITIES

The UFJ Group is strengthening its activities with regard to environmental issues in order to help create a sustainable society. Group companies share environmental information throughout the group and study measures to reduce the group's environmental risk and impact. In addition, the group conducts research concerning ways to provide customers with advice concerning environmental matters.

MEASURES TAKEN THROUGH BUSINESS ACTIVITIES

Public interest in global warming and other environmental issues has increased following the February 2005 enforcement of the 1997 Kyoto Protocol on Climate Change. In July 2002, UFJ Bank and UFJ Institute held seminars in Tokyo, Osaka and Nagoya on trading in greenhouse gas emission rights. Attracting a total of about 250 participants, the seminars featured presentations by experts in various fields on a variety of global warming countermeasures. UFJ Bank continues to conduct surveys and research concerning global warming. The bank is conducting projects to reduce greenhouse gas emissions (such as the CDM business) and considering the development and provision of services involving the trading of emission rights.

UFJ Bank has been conducting studies and taking actions in response to tighter regulations on soil pollution associated with the 2002 enforcement of the Soil Contamination Countermeasures Law. The bank is considering the provision of services involving advice regarding soil contamination and introducing companies skilled in this area to customers to meet a variety of needs.

UFJ Bank provides syndicated loans for a variety of environmental projects, including wind power generation and other forms of clean energy, recycling facilities and private finance initiatives (PFI). In October 2004, UFJ Bank joined with the Bank of Tokyo-Mitsubishi and Development Bank of Japan to arrange a syndicate that provided financing to build an incineration ash recycling facility in Saitama Prefecture.

UFJ Partners Asset Management established and manages the Eco Partners Fund, an investment trust that invests in companies with a strong commitment to dealing with environmental issues. UFJ Institute assists in identifying suitable companies for this fund.

ENVIRONMENTAL ACTIONS AT UFJ BANK OFFICES

UFJ Bank has programs designed to reduce electricity consumption and increase the use of recycled paper at all of its offices. To cut power requirements, the bank installs energy-efficient equipment when updating facilities, uses late-night electricity, reduces the number of lights in use and takes other actions. At UFJ Bank's Mita Building in Tokyo, a renovation project completed in April 2005 installed a comprehensive system for monitoring, controlling and measuring energy conservation. In all, this technology will cut annual energy consumption at this building by more than 7%. The renovation project was selected as a project using efficient building and energy management systems, making it eligible for a grant from the New Energy and Industrial Technology Development Organization (NEDO). UFJ Bank employs recycled paper wherever possible, including for the immense volume of forms and envelopes used by customers, as well as documents and other forms used by bank employees. In addition, UFJ Bank uses kenaf tree-free paper instead of wood-based paper for business cards and is using other environmentally sensitive materials.

ENVIRONMENTAL PROTECTION ACTIVITIES

The UFJ Environment Foundation conducts many activities that protect the environment and contribute to activities involving nature, communities and culture. Major activities include planting trees at various facilities, environmental education programs and the protection of forested areas that supply water.

AFFORESTATION AND GREENERY AT PUBLIC FACILITIES

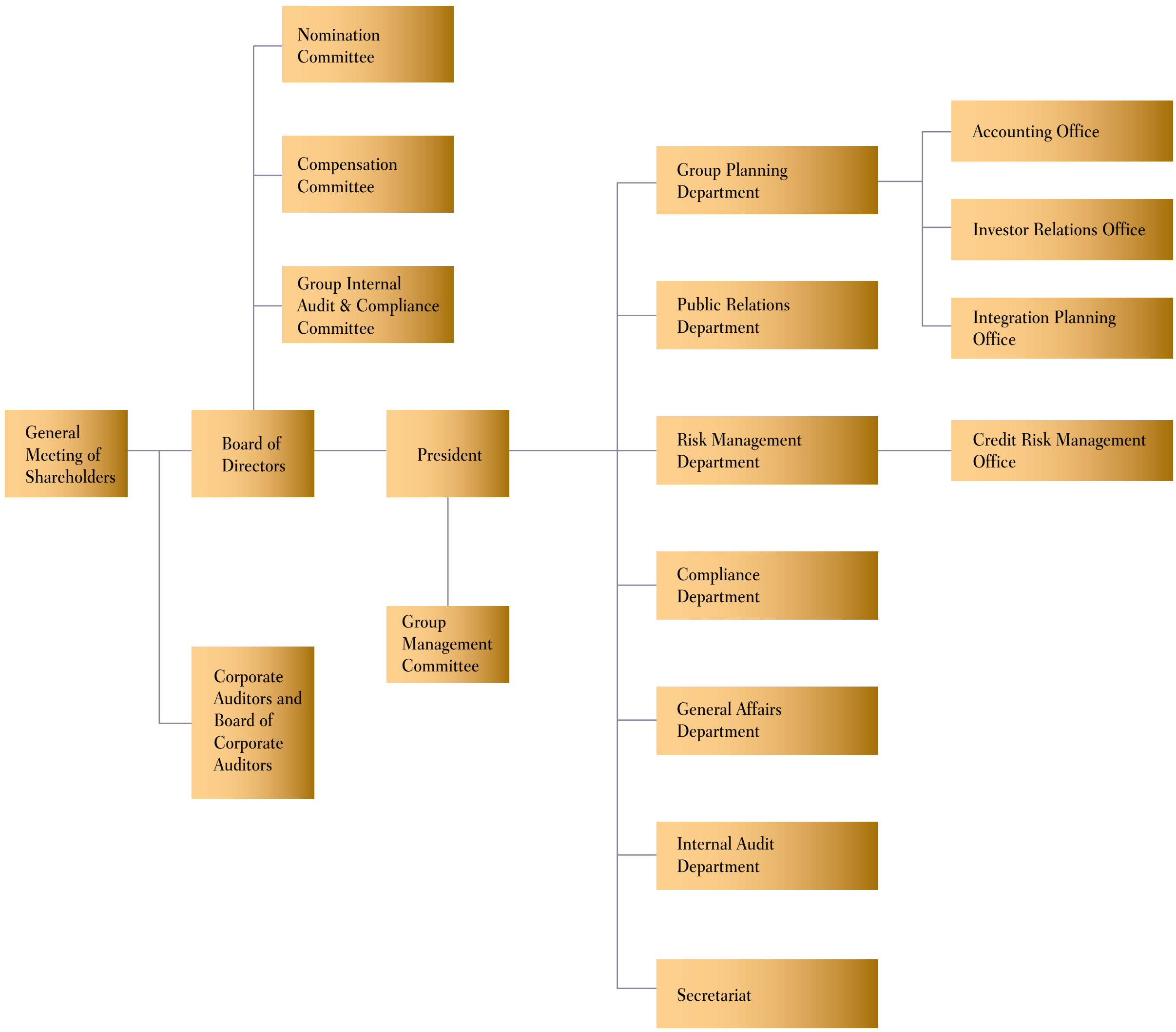
The foundation has planted trees along riverbanks and at schools, parks and other public facilities. Since its inception, the foundation has donated more than 900,000 trees that have been planted at about 13,600 locations throughout Japan. This activity is performed through ties with community groups and government agencies. UFJ Bank and UFJ Trust Bank also provide information on deserving projects. Another activity is the creation of "biotopes" at schools that can serve as a means of teaching students about the environment. Thus far, 39 "biotopes" have been set up at elementary and junior high schools in Japan. In addition, the foundation supports a program in Japan that enables the public to participate in the protection of forests and native animals.

ENVIRONMENTAL EDUCATION ACTIVITIES

In 2005, the UFJ Environment Foundation sponsored the 30th annual Pictures of Green children's art contest. In April 2004, Japan's Ministry of the Environment gave the foundation an award in recognition of its contribution over many years to giving children the opportunity to feel closer to nature and learn about its beauty and importance. The foundation holds an academic course on environmental issues for a university and shows films with environmental themes. Activities also include programs to raise awareness of the need for environmental protection, such as the publication and distribution of a botanical picture book series, guidebooks on birds and the mountains of Central Japan, and many other publications.

Through the Japanese government's corporate forest program, the UFJ Environment Foundation has become the sponsor of a forest near the headwaters of the Tone River that is a valuable source of water. Along with measures to protect this resource, the foundation conducts tours and lessons to give the public and children an opportunity to learn about forests.

ORGANIZATION OF UFJ HOLDINGS



(As of July 1, 2005)

MANAGEMENT

BOARD OF DIRECTORS

NON EXECUTIVE DIRECTORS

Directors

Iwao Okijima
Senior Advisor to the Board, Hino Motors, Ltd.

Hiroshi Hamada
Principal Advisor, RICOH COMPANY, LTD.

EXECUTIVE DIRECTORS

President and CEO

Ryosuke Tamakoshi
Chairman of UFJ Bank

Director and Senior Executive Officer

Toshihide Mizuno
Director of UFJ Trust

DIRECTORS

Directors

Takamune Okihara
President & CEO of UFJ Bank

Shintaro Yasuda
President of UFJ Trust

CORPORATE AUDITORS

Masateru Nakamura

Hideo Fujino

Haruo Matsuki

Kunie Okamoto
President of Nippon Life Insurance Company

Yoshiharu Hayakawa
Representative of KASUMI EMPOWERMENT RESEARCH INSTITUTE

EXECUTIVE OFFICERS

Kazuhiro Shimanuki

Tsuyoshi Ogasawara

Ichiro Hamakawa

(As of August 19, 2005)

UFJ HOLDINGS' MAJOR SUBSIDIARIES AND AFFILIATES

	Country or Region	Capital	Main Business	Percentage of UFJ Holdings' Ownership (Note)
Consolidated				
UFJ Bank Limited	Japan	¥1,258,582 million	Banking	100.0
UFJ Trust Bank Limited	Japan	¥280,536 million	Trust and banking	100.0
The Senshu Bank, Ltd.	Japan	¥44,575 million	Banking	69.1 (69.1)
UFJ Credit Co., Ltd.	Japan	¥100 million	Credit guarantee operations	99.9 (99.9)
Toyo Hosho Services Co., Ltd.	Japan	¥2,000 million	Credit guarantee operations	100.0 (100.0)
UFJ Strategic Partner Co., Ltd.	Japan	¥60,010 million	Finance	100.0 (100.0)
UFJ Equity Investments Co., Ltd.	Japan	¥150,000 million	Stock investment and management	100.0 (100.0)
UFJ Trust Equity Co., Ltd.	Japan	¥100 million	Stock investment and management	100.0 (100.0)
NBL Co., Ltd.	Japan	¥10,000 million	Leasing	79.7 (79.7)
UFJ Business Finance Co., Ltd.	Japan	¥1,180 million	Factoring	73.5 (73.5)
Toyo Trust Total Finance Co., Ltd.	Japan	¥100 million	Leasing	100.0 (100.0)
UFJ Tsubasa Securities Co., Ltd.	Japan	¥25,107 million	Securities	73.1 (7.8)
UFJ Partners Asset Management Co., Ltd.	Japan	¥15,174 million	Investment trust management	100.0
UFJ Asset Management Co., Ltd.	Japan	¥2,526 million	Investment advisory	100.0
UFJ Capital Co., Ltd.	Japan	¥2,200 million	Venture capital investment	59.2 (59.2)
UFJ Institute Ltd.	Japan	¥1,200 million	Research, consulting	66.1 (66.1)
UFJ Card Co., Ltd.	Japan	¥1,399 million	Credit card	99.9 (99.9)
UFJ Bank Canada	Canada	C$153 million	Banking	100.0 (100.0)
PT Bank UFJ Indonesia	Indonesia	Rp817,449 million	Banking	96.2 (96.2)
UFJ Bank Nederland N.V.	The Netherlands	EUR 51 million	Banking	100.0 (100.0)
Sanwa Capital Finance 1 Limited	Cayman Islands	¥50,000 million	Finance	100.0
Sanwa Capital Finance 2 Limited	Cayman Islands	¥130,000 million	Finance	100.0
UFJ Capital Finance 1 Limited	Cayman Islands	¥90,000 million	Finance	100.0
UFJ Capital Finance 2 Limited	Cayman Islands	¥118,000 million	Finance	100.0
UFJ Capital Finance 3 Limited	Cayman Islands	¥10,000 million	Finance	100.0

	Country or Region	Capital	Main Business	Percentage of UFJ Holdings' Ownership (Note)
UFJ Capital Finance 4 Limited	Cayman Islands	¥111,000 million	Finance	100.0
UFJ Preferred Capital 1 Limited	Cayman Islands	¥509,002 million	Finance	100.0 (100.0)
Tokai Preferred Capital Holdings Inc.	U.S.A.	US$125 million	Finance	100.0 (100.0)
Tokai Preferred Capital Company L.L.C.	U.S.A.	US$1,125 million	Finance	100.0 (100.0)
UFJ Finance Aruba A.E.C.	Aruba	US$10,000	Finance	100.0 (100.0)
Tokai Finance (Curaçao) N.V.	The Netherlands Antilles	US$0.2 million	Finance	100.0 (100.0)
TTB Finance Cayman Limited	Cayman Islands	US$1,000	Finance	100.0 (100.0)
Sanwa Cayman Treasury Fund Limited	Cayman Islands	US$50,000	Finance	100.0 (100.0)
Sanwa Cayman Monetary Fund Limited	Cayman Islands	US$50,000	Finance	100.0 (100.0)
Sanwa Cayman International Investment Limited	Cayman Islands	US$50,000	Finance	100.0 (100.0)
Sanwa Cayman Securities Investment Limited	Cayman Islands	US$50,000	Finance	100.0 (100.0)
UFJ International plc	U.K.	Stg£384 million	Securities	100.0 (100.0)
UFJ Australia Limited	Australia	A$93 million	Finance	100.0 (100.0)
62 other companies				
Affiliates Accounted for Under the Equity Method				
The Chukyo Bank, Ltd.	Japan	¥31,844 million	Banking	39.8 (39.8)
The Gifu Bank, Ltd.	Japan	¥18,321 million	Banking	21.4 (21.4)
The Taisho Bank, Ltd.	Japan	¥2,689 million	Banking	25.9 (25.9)
kabu.com Securities Co., Ltd.	Japan	¥7,132 million	Securities	28.6 (28.6)
UFJ Central Leasing Co., Ltd.	Japan	¥6,567 million	Leasing	26.8 (26.8)
The Master Trust Bank of Japan, Ltd.	Japan	¥10,000 million	Trust and banking	29.0 (29.0)
Mobit Co., Ltd.	Japan	¥20,000 million	Consumer finance	50.0 (50.0)
M&T Information Technology Co., Ltd.	Japan	¥5,010 million	System development	50.0 (50.0)
18 other companies				

(As of March 31, 2005)

Note: ( ) indicates the percentage of ownership by subsidiaries.

UFJ GROUP OVERSEAS NETWORK

THE AMERICAS

U.S.A.

New York Branch
Park Avenue Plaza, 55 East 52nd Street,
New York, NY 10055, U.S.A.
Tel: 1-212-339-6300
Fax: 1-212-754-1851

Chicago Branch
10 South Wacker Drive, 18th Floor,
Chicago, IL 60606, U.S.A.
Tel: 1-312-368-3000
Fax: 1-312-346-6677

Houston Representative Office
1200 Smith Street,
Houston, TX 77002, U.S.A.
Tel: 1-713-654-9970
Fax: 1-713-654-1462

Los Angeles Branch
601 South Figueroa Street, W5-2,
Los Angeles, CA 90017, U.S.A.
Tel: 1-213-533-7400
Fax: 1-213-533-7494

San Francisco Branch
One Front Street, 18th Floor,
San Francisco, CA 94111, U.S.A.
Tel: 1-415-981-9180
Fax: 1-415-788-5459

Kentucky Representative Office
7310 Turfway Road, Suite 210 Florence,
KT 41042, U.S.A.
Tel: 1-859-746-1800
Fax: 1-859-746-1799

UFJ Futures L.L.C.
141 West Jackson Boulevard, Suite 1755,
Chicago, IL 60604, U.S.A.
Tel: 1-312-341-6530
Fax: 1-312-922-7194
http://www.ufjfutures.com/

UFJ Trust Company of New York
666 Fifth Avenue, 33rd Floor,
New York, NY 10103-3395, U.S.A.
Tel: 1-212-307-3450
Fax: 1-212-307-3498 Swift: TTNY US 33

CANADA

UFJ Bank Canada
Toronto Head Office
BCE Place, Canada Trust Tower,
P.O. Box 525, Suite 4400,
161 Bay Street, Toronto,
Ontario M5J 2S1, Canada
Tel: 1-416-366-2583
Fax: 1-416-366-8599

BRAZIL

Banco Bradesco S.A.
Av. Paulista 1450, 5 Andar, Sao Paulo,
SP, Federative Republic of Brazil
Tel: 55-11-2178-4604
Fax: 55-11-2178-4503, 4504
http://corporatebradesco.com.br/

EUROPE AND THE MIDDLE EAST

UNITED KINGDOM

London Branch
P.O. Box 36, City Place House,
55 Basinghall Street, London EC2V 5DL,
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Tel: 44-20-7330-5000
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UFJ International plc
One Exchange Square,
London EC2A 2JL, United Kingdom
Tel: 44-20-7638-6030
Fax: 44-20-7588-5875
http://www.ufji.com

UFJ Deutsche Asset Management Limited
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London EC2A 2UU, United Kingdom
Tel: 44-20-7545-0565
Fax: 44-20-7545-0552

UFJ Baillie Gifford Asset Management Limited
1 Rutland Court,
Edinburgh EH3 8EY, United Kingdom
Tel: 44-131-222-4000
Fax: 44-131-222-4487

THE NETHERLANDS

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Keizersgracht 452, 1016 GD,
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Fax: 31-20-624-1872

GERMANY

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3rd Floor, Wehrhahn Center,
Oststrasse 10, 40211 Düsseldorf,
Federal Republic of Germany
Tel: 49-211-160000
Fax: 49-211-359703

UFJ Leasing Deutschland GmbH
Wehrhahn Center, Oststrasse 10,
40211 Düsseldorf,
Federal Republic of Germany
Tel: 49-211-1600037
Fax: 49-211-359703

SWITZERLAND

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Fax: 41-1-296-1494

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6th Floor,
The Hong Kong Club Building,
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Fax: 852-2877-0538

IRAN

Tehran Representative Office
4th Floor of a Building Registered
Under No. 6933/6985,
No. 34/1 Haghani Expressway, Tehran,
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Tel: 98-21-879-1105
Fax: 98-21-879-1106

CHINA

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Fax: 86-21-5879-3816~7

Tianjin Branch
Room 811, Tianjin International Building,
75 Nanjing Lu, Tianjin,
The People's Republic of China
Tel: 86-22-2330-4852
Fax: 86-22-2330-4660

Beijing Branch
Room 410, Office Tower 2,
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Tel: 86-10-6518-2780
Fax: 86-10-6518-2770

Dalian Branch
13th Floor, Senmao Building 147,
Zhongshan Road, Dalian,
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Fax: 86-411-8360-3377

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Shenzhen International Financial Building,
2022 Jian She Road, Shenzhen,
Guangdong Province,
The People's Republic of China
Tel: 86-755-8220-2202
Fax: 86-755-8222-8135, 8225-2255

Guangzhou Representative Office
Room No. 510, China Hotel Office Tower,
Liu Hua Lu, Guangzhou,
The People's Republic of China
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Fax: 86-20-8667-7720

United Leasing Company, Limited
Room 2007, 20th Floor, Union Building,
100 Yanan Road (East), Shanghai,
The People's Republic of China
Tel: 86-21-6328-7295
Fax: 86-21-6320-2813

HONG KONG

Hong Kong Branch
Fairmont House, 8 Cotton Tree Drive,
Central, Hong Kong
Tel: 852-2843-3888
Fax: 852-2840-0730

Kowloon Sub-Branch
Room 1701, Miramar Tower,
132 Nathan Road, Tsimshatsui,
Kowloon, Hong Kong
Tel: 852-2378-5111
Fax: 852-2730-3566

Dah Sing Financial Holdings Limited
36th Floor, Dah Sing Financial Centre,
108 Gloucester Road, Hong Kong
Tel: 852-2507-8866
Fax: 852-2598-5052
http://www.dahsing.com.hk/

Asia Financial Holdings Limited
Asia Financial Centre,
120 Des Voeux Road, Central, Hong Kong
Tel: 852-2853-4600
Fax: 852-2541-0009

TAIWAN

Taipei Branch
33F Shin Kong Life Tower 66, Section 1,
Chung-Hsiao West Road, Taipei, Taiwan
Tel: 886-2-2371-8888
Fax: 886-2-2371-8000

ASIA AND OCEANIA

REPUBLIC OF KOREA

Seoul Branch
Lotte Building, 22nd Floor,
1 Sogong-Dong, Chung-ku, Seoul,
Republic of Korea
Tel: 82-2-752-7321
Fax: 82-2-754-3870

SINGAPORE

Singapore Branch
6 Raffles Quay,
#24-01, Singapore 048580,
Republic of Singapore
Tel: 65-6538-4838, 6535-8222
Fax: 65-6538-4636, 6532-5453

MALAYSIA

Labuan Branch
Level 10 (D) Main Office Tower,
Financial Park, Labuan,
Jalan Merdeka, 87000,
Federal Territory of Labuan, Malaysia
Tel: 60-87-419200~1, 411203
Fax: 60-87-419202, 410204

Kuala Lumpur Marketing Office
Menara Dion 27, Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia
Tel: 60-3-2032-4722, 2031-5234
Fax: 60-3-2032-4733, 2031-5239

Bumiputra-Commerce Bank Berhad
22nd Floor, 6 Jalan Tun Perak,
50050 Kuala Lumpur, Malaysia
Tel: 60-3-2693-1722
Fax: 60-3-2693-3136
http://www.bcb.com.my/

THAILAND

Bangkok International Banking Facility
179/117-119 28th Floor,
Bangkok City Tower, South Sathorn Road,
Thungmahamek, Sathorn, Bangkok 10120,
Kingdom of Thailand
Tel: 66-2684-0900, 66-2287-3411
Fax: 66-2287-3412

Bangkok UFJ Limited
179/117-119 28th Floor,
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Thungmahamek, Sathorn, Bangkok 10120,
Kingdom of Thailand
Tel: 66-2-684-0999
Fax: 66-2-287-3374

SCB Leasing Company Limited
15th & 27th Floor,
130-132 Sindhorn Building Tower 3,
Wittayu Road, Lumpini, Patumwan,
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Tel: 66-2263-2990
Fax: 66-2263-2991

Bangkok Central Leasing Co., Ltd.
16th Floor, Sethiwan Tower,
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Bangkok 10500, Kingdom of Thailand
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Fax: 66-2-237-4492

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115 Nguyen Hue Street, District 1,
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Fax: 84-8-8278-021

INDONESIA

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PermataBank Tower I, 4th & 5th Floors,
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Tel: 62-21-250-0401
Fax: 62-21-250-0410

Bekasi Sub-Branch
EJIP Center, EJIP Industrial Park,
Lemahabang, Bekasi 17550,
Republic of Indonesia
Tel: 62-21-897-5148
Fax: 62-21-897-5159

MM2100 Industrial Town Sub-Branch
Ruko Mega Mall D-12,
MM2100 Industrial Town,
Cibitung, Bekasi 17520,
Republic of Indonesia
Tel: 62-21-898-1167
Fax: 62-21-898-1168

Karawang Sub-Branch
Graha KIIC, Kawasan Industri KIIC,
Jl. Permata Raya Lot C 1B,
Karawang 41361, Republic of Indonesia
Tel: 62-21-8910-8288
Fax: 62-21-8910-8289

Sunter Sub-Branch
Graha Kirana Building,
Jl. Yos Sudarso No. 88,
Jakarta Utara 14350,
Republic of Indonesia
Tel: 62-21-6531-1010
Fax: 62-21-6531-1110

Cenkareng Sub-Branch
Wisma Soewarna 3rd Floor,
Suite 3W, Soewarna Business Park,
Block E Lot 1&2,
Soekarno-Hatta International Airport,
Jakarta 19110, Republic of Indonesia
Tel: 62-21-5591-3600
Fax: 62-21-5591-3601

Cikampek Sub-Branch
Wisma Bukit Indah 1st Floor,
Blok L. Kota Bukit Indah,
Purwakarta 41181, Republic of Indonesia
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Fax: 62-264-350-531

Surabaya Branch
Gedung Bumi Mandiri, 8th Floor,
Jl. Basuki Rakhmat 129-137,
Surabaya 60271, Republic of Indonesia
Tel: 62-31-531-9135
Fax: 62-31-531-9144

PT UFJ-BRI Finance Head Office
Wisma 46, 6th Floor, Kota BNI,
Jl. Jend. Sudirman Kav. 1,
Jakarta 10220, Republic of Indonesia
Tel: 62-21-574-5333, 4545, 5454
Fax: 62-21-574-5444

Surabaya Branch
6th Floor, Bumi Mandiri,
Jl. Basuki Rakhmat 129-137,
Surabaya 60271, Republic of Indonesia
Tel: 62-31-531-9121
Fax: 62-31-531-6756

PT U Finance Indonesia Head Office
PRO Motor Building, 3rd Floor,
Jl. Teuku Nyak Arif No. 14 Simprug,
Jakarta, Selatan 12240,
Republic of Indonesia
Tel: 62-21-7279-2888
Fax: 62-21-7279-1955

Bandung Branch
Jl. Lodaya No. 111, Bandung 40264,
Republic of Indonesia
Tel: 62-22-730-6308
Fax: 62-22-730-5021

Surabaya Branch
Jl. Bali No. 12, Surabaya 60281,
Republic of Indonesia
Tel: 62-31-503-7377
Fax: 62-31-503-7378

PHILIPPINES

Rizal Commercial Banking Corporation
Yuchengco Tower, RCBC Plaza,
6819 Ayala Avenue, Makati City 0727,
Republic of the Philippines
Tel: 63-2-844-8909
Fax: 63-2-878-3491
http://www.rcbc.com/

Metropolitan Bank and Trust Company
METRO BANK PLAZA 8F,
Sen. Gil J. Puyat Avenue, Makati City,
Republic of the Philippines
Tel: 63-2-812-5242
Fax: 63-2-817-6249

INDIA

New Delhi Branch
Upper Ground Floor, Mercantile House,
15 Kasturba Gandhi Marg,
New Delhi 110001, India
Tel: 91-11-2331-8008, 4100, 3333
Fax: 91-11-2331-5162

AUSTRALIA

UFJ Australia Limited
Suite 11.01, 135 King Street, Sydney,
N.S.W. 2000, Australia
Tel: 61-2-9238-6400
Fax: 61-2-9238-6490

(As of June 30, 2005)

FURTHER INFORMATION

UFJ HOLDINGS, INC.
Registered Head Office: 5-6, Fushimimachi 3-chome, Chuo-ku, Osaka 541-0044, Japan
Tokyo Headquarters: 1-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8114, Japan
Nagoya Head Office: 21-24, Nishiki 3-chome, Naka-ku, Nagoya 460-8660, Japan

CAPITAL STOCK:
¥1 trillion

NUMBER OF SHARES ISSUED:
Common Stock: 5,165,292.70
Preferred Shares: 706,551.00

STOCK EXCHANGE LISTINGS:
Common Stock: Tokyo, Osaka, Nagoya, London

STOCK TRANSFER AGENT:
UFJ Trust Bank Limited

TEN LARGEST SHAREHOLDERS:

Shareholders	Number of Shares	Percentages of Total Shares Outstanding
Japan Trustee Services Bank, Ltd. (Trust Account)	258,227.00	4.99%
THE CHASE MANHATTAN BANK, N.A. LONDON	218,054.00	4.22%
The Master Trust Bank of Japan, Ltd. (Trust Account)	158,019.00	3.05%
Nippon Life Insurance Company	140,000.89	2.71%
TOYOTA MOTOR CORPORATION	137,149.05	2.65%
STATE STREET BANK AND TRUST COMPANY	132,562.00	2.56%
Daido Life Insurance Company	98,751.74	1.91%
STATE STREET BANK AND TRUST COMPANY 505103	76,798.00	1.48%
MORGAN STANLEY & CO. INTERNATIONAL LIMITED	69,152.00	1.33%
BNY FOR GCM CLIENT ACCOUNTS(E) ISG	59,899.00	1.15%

(As of March 31, 2005)

FINANCIAL SECTION

• AUDITED FINANCIAL STATEMENTS

• SUPPLEMENTARY INFORMATION

REPORT OF INDEPENDENT AUDITORS

ChuoAoyama PricewaterhouseCoopers

PricewaterhouseCoopers

Kasumigaseki Bldg. 32nd Floor
3-2-5, Kasumigaseki, Chiyoda-ku,
Tokyo 100-6088, Japan

To the Board of Directors of
UFJ Holdings, Inc.

We have audited the accompanying consolidated balance sheets of UFJ Holdings, Inc. and its consolidated subsidiaries as of March 31, 2005 and 2004, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the years then ended, all expressed in Japanese Yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of UFJ Holdings, Inc. and its consolidated subsidiaries as of March 31, 2005 and 2004, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

As discussed in Note 38(b) to the consolidated financial statements, UFJ Holdings, Inc. and Mitsubishi Tokyo Financial Group, Inc. and their respective subsidiaries have been pursuing preparations for their management integration on October 1, 2005, subject to the approval of relevant authorities. On August 12, 2005, UFJ Holdings, Inc., Mitsubishi Tokyo Financial Group, Inc., UFJ Bank Limited and The Bank of Tokyo-Mitsubishi, Ltd. have decided, however, to change the scheduled date of the planned merger of their respective bank subsidiaries, UFJ Bank Limited and The Bank of Tokyo-Mitsubishi, Ltd. to January 1, 2006. There will be no change in the schedule date of October 1, 2005 for the respective mergers between UFJ Holdings, Inc., and Mitsubishi Tokyo Financial Group, Inc., between UFJ Trust Bank Limited and The Mitsubishi Trust and Banking Corporation and between UFJ Tsubasa Securities Co., Ltd. and Mitsubishi Securities Co., Ltd.

The amounts expressed in U.S. dollars in the accompanying consolidated financial statements are provided solely for the convenience of readers outside Japan. We have also recomputed the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been prepared in accordance with the basis set forth in Note 1 to the accompanying consolidated financial statements.

ChuoAoyama PricewaterhouseCoopers

ChuoAoyama PricewaterhouseCoopers

Tokyo, Japan
June 29, 2005, except for Note 38(b), as to which the date is August 12, 2005.

UFJ Holdings, Inc. and Consolidated Subsidiaries

CONSOLIDATED BALANCE SHEETS

As of March 31, 2005 and 2004	Millions of Yen 2005	Millions of Yen 2004	Millions of U.S. Dollars (Note 1) 2005
ASSETS:			
Cash and Due from Banks (Notes 9, 33 and 34)	**¥ 5,930,442**	¥ 4,476,660	**$ 55,223**
Call Loans	**365,723**	292,119	**3,406**
Receivables under Resale Agreements	**1,778,607**	632,784	**16,562**
Cash Collateral Pledged for Bonds Borrowed	**2,404,996**	2,269,420	**22,395**
Monetary Receivables Bought (Note 34)	**398,136**	304,500	**3,707**
Trading Assets (Notes 3, 9 and 34)	**5,298,794**	2,792,948	**49,342**
Money Held in Trust (Note 34)	**57,019**	132,524	**531**
Securities (Notes 4, 9 and 34)	**21,770,762**	22,025,991	**202,726**
Loans and Bills Discounted (Notes 5 and 9)	**37,354,415**	42,462,644	**347,839**
Foreign Exchanges (Note 6)	**653,615**	613,382	**6,086**
Other Assets (Notes 7 and 9)	**2,155,598**	2,753,638	**20,073**
Premises and Equipment (Notes 8 and 9)	**648,145**	678,113	**6,035**
Deferred Tax Assets (Note 31)	**1,122,422**	1,413,766	**10,452**
Goodwill	**3,076**	9,229	**29**
Customers' Liabilities for Acceptances and Guarantees (Note 17)	**4,088,890**	3,398,200	**38,075**
Reserve for Credit Losses	**(1,472,861)**	(2,120,260)	**(13,715)**
Reserve for Losses on Securities	**(4,125)**	(1,217)	**(38)**
Total Assets	**¥82,553,660**	¥82,134,447	**$768,728**
LIABILITIES, MINORITY INTERESTS AND STOCKHOLDERS' EQUITY:			
Liabilities:			
Deposits (Notes 9 and 10)	**¥54,583,597**	¥58,490,143	**$508,275**
Call Money (Note 9)	**4,765,662**	4,863,792	**44,377**
Payables under Repurchase Agreements (Note 9)	**2,906,021**	669,520	**27,060**
Cash Collateral Received for Bonds Loaned (Note 9)	**2,261,850**	1,764,098	**21,062**
Commercial Paper (Note 9)	**97,638**	297,079	**909**
Trading Liabilities (Note 11)	**3,753,343**	2,167,596	**34,951**
Borrowed Money (Notes 9 and 12)	**1,384,986**	1,495,260	**12,897**
Foreign Exchanges (Note 13)	**148,942**	187,987	**1,387**
Bonds and Notes (Note 14)	**3,028,535**	2,756,367	**28,201**
Borrowed Money from Trust Account	**1,241,919**	1,754,077	**11,565**
Other Liabilities (Notes 9 and 15)	**1,457,546**	1,668,144	**13,572**
Reserve for Employee Bonus	**9,895**	17,016	**92**
Reserve for Possible Losses Related to Land Trust	**14,522**	—	**135**
Reserve for Retirement Benefits (Note 30)	**13,537**	14,354	**126**
Reserve for Losses on Supports of Specific Borrowers	**—**	5,057	**—**
Other Reserves (Note 16)	**322**	295	**3**
Deferred Tax Liabilities (Note 31)	**28,784**	17,985	**268**
Deferred Tax Liabilities for Revaluation Reserve for Land	**75,230**	76,958	**701**
Acceptances and Guarantees (Note 17)	**4,088,890**	3,398,200	**38,075**
Total Liabilities	**79,861,227**	79,643,938	**743,656**
Minority Interests:			
Minority Interests	**1,512,334**	825,410	**14,083**
Stockholders' Equity:			
Capital Stock (Note 20)	**1,000,000**	1,000,000	**9,312**
Capital Surplus (Note 20)	**1,233,741**	1,233,725	**11,488**
Retained Earnings (Accumulated Deficit)	**(1,325,433)**	(760,566)	**(12,342)**
Revaluation Reserve for Land, Net of Taxes	**110,534**	112,964	**1,029**
Net Unrealized Gain (Loss) on Available-for-sale Securities, Net of Taxes (Note 34)	**257,526**	172,640	**2,398**
Foreign Currency Translation Adjustments	**(93,579)**	(91,434)	**(871)**
Treasury Stock	**(2,691)**	(2,231)	**(25)**
Total Stockholders' Equity	**1,180,098**	1,665,098	**10,989**
Total Liabilities, Minority Interests and Stockholders' Equity	**¥82,553,660**	¥82,134,447	**$768,728**

The accompanying notes are an integral part of these consolidated financial statements.

UFJ Holdings, Inc. and Consolidated Subsidiaries

CONSOLIDATED STATEMENTS OF OPERATIONS

Fiscal Years ended March 31, 2005 and 2004	Millions of Yen 2005	2004	Millions of U.S. Dollars (Note 1) 2005
REVENUES:			
Interest Income:			
Interest on Loans and Bills Discounted	**¥ 728,580**	¥ 771,488	**$ 6,784**
Interest on and Dividends from Securities	**210,231**	174,723	**1,958**
Other Interest Income (Note 21)	**78,363**	81,305	**730**
Trust Fees	**51,236**	49,408	**477**
Fees and Commissions (Note 22)	**496,579**	454,711	**4,624**
Trading Gains, Net (Note 23)	**55,578**	188,019	**518**
Other Operating Income (Note 24)	**447,650**	492,556	**4,168**
Other Income (Note 25)	**548,499**	477,698	**5,108**
Total Revenues	**2,616,719**	2,689,911	**24,367**
EXPENSES:			
Interest Expenses:			
Interest on Deposits	**78,802**	71,859	**734**
Interest on Borrowings and Rediscounts	**22,728**	24,299	**212**
Other Interest Expenses (Note 26)	**112,210**	106,345	**1,045**
Fees and Commissions (Note 27)	**71,308**	66,914	**664**
Trading Losses, Net (Note 23)	**1,648**	—	**15**
Other Operating Expenses (Note 28)	**212,486**	334,458	**1,979**
General and Administrative Expenses	**730,478**	773,036	**6,802**
Provision for Credit Losses	—	838,372	—
Other Expenses (Note 29)	**1,621,598**	806,370	**15,100**
Total Expenses	**2,851,262**	3,021,656	**26,551**
Income (Loss) before Income Taxes and Minority Interests	**(234,542)**	(331,745)	**(2,184)**
Income Taxes (Note 31)**:**			
Provision for Income Taxes	**17,871**	14,127	**166**
Deferred Income Taxes	**280,121**	36,929	**2,609**
	297,993	51,056	**2,775**
Minority Interests in Net Income (Loss)	**21,995**	20,003	**205**
Net Income (Loss)	**¥ (554,532)**	¥ (402,806)	**$ (5,164)**

	Yen 2005	2004	U.S. Dollars 2005
Net Income (Loss) per Common Share:			
Basic	**¥(108,332.60)**	¥(82,174.74)	**$(1,008.78)**
Diluted	—	—	—
Dividends Declared per Share:			
Class I Preferred Share	—	37,500	—
Class II Preferred Share	—	15,900	—
Class III Preferred Share	/	68,750	/
Class IV Preferred Share	—	18,600	—
Class V Preferred Share	—	19,400	—
Class VI Preferred Share	—	5,300	—
Class VII Preferred Share	—	11,500	—
Common Stock	—	—	—

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Fiscal Years ended March 31, 2005 and 2004	Millions of Yen 2005	Millions of Yen 2004	Millions of U.S. Dollars (Note 1) 2005
Capital Stock:			
Balance, at Beginning of the Fiscal Year	**¥ 1,000,000**	¥1,000,000	**$ 9,312**
Net Change during the Fiscal Year	—	—	—
Balance, at End of the Fiscal Year	**¥ 1,000,000**	¥1,000,000	**$ 9,312**
Capital Surplus:			
Balance, at Beginning of the Fiscal Year	**¥ 1,233,725**	¥1,233,702	**$ 11,488**
Gain (Loss) on Sales of Treasury Stock	**15**	23	**0**
Balance, at End of the Fiscal Year	**¥ 1,233,741**	¥1,233,725	**$ 11,488**
Retained Earnings (Accumulated Deficit):			
Balance, at Beginning of the Fiscal Year	**¥ (760,566)**	¥ (359,380)	**$ (7,082)**
Reversal of Revaluation Reserve for Land	**2,528**	8,651	**24**
Net Income (Loss)	**(554,532)**	(402,806)	**(5,164)**
Cash Dividends	**(12,861)**	(7,028)	**(120)**
Bonuses to Directors	**(2)**	(2)	**0**
Balance, at End of the Fiscal Year	**¥(1,325,433)**	¥ (760,566)	**$(12,342)**
Revaluation Reserve for Land, Net of Taxes:			
Balance, at Beginning of the Fiscal Year	**¥ 112,964**	¥ 121,792	**$ 1,052**
Reversal of Revaluation Reserve for Land	**(2,528)**	(8,651)	**(24)**
Other	**99**	(176)	**1**
Balance, at End of the Fiscal Year	**¥ 110,534**	¥ 112,964	**$ 1,029**
Net Unrealized Gain (Loss) on Available-for-sale Securities, Net of Taxes:			
Balance, at Beginning of the Fiscal Year	**¥ 172,640**	¥ (65,722)	**$ 1,608**
Net Change during the Fiscal Year	**84,885**	238,362	**790**
Balance, at End of the Fiscal Year	**¥ 257,526**	¥ 172,640	**$ 2,398**
Foreign Currency Translation Adjustments:			
Balance, at Beginning of the Fiscal Year	**¥ (91,434)**	¥ (64,132)	**$ (851)**
Net Change during the Fiscal Year	**(2,144)**	(27,301)	**(20)**
Balance, at End of the Fiscal Year	**¥ (93,579)**	¥ (91,434)	**$ (871)**
Treasury Stock:			
Balance, at Beginning of the Fiscal Year	**¥ (2,231)**	¥ (1,913)	**$ (21)**
Net Change during the Fiscal Year	**(459)**	(317)	**(4)**
Balance, at End of the Fiscal Year	**¥ (2,691)**	¥ (2,231)	**$ (25)**

The accompanying notes are an integral part of these consolidated financial statements.

UFJ Holdings, Inc. and Consolidated Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

Fiscal Years ended March 31, 2005 and 2004	Millions of Yen 2005	Millions of Yen 2004	Millions of U.S. Dollars (Note 1) 2005
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income (Loss) before Income Taxes and Minority Interests	**¥ (234,542)**	¥ (331,745)	**$ (2,184)**
Depreciation	**21,182**	22,856	**197**
Amortization of Goodwill	**2,549**	3,643	**24**
Equity in Earnings of Affiliates	**(3,355)**	(6,974)	**(31)**
Increase (Decrease) in Reserve for Credit Losses	**(634,594)**	445,608	**(5,909)**
Increase (Decrease) in Reserve for Losses on Securities	**2,963**	(107)	**27**
Increase (Decrease) in Reserve for Contingent Liabilities Related to Loans Sold	**—**	(18,807)	**—**
Increase (Decrease) in Reserve for Losses on Supports of Specific Borrowers	**(5,057)**	5,057	**(47)**
Increase (Decrease) in Reserve for Retirement Benefits	**1,653**	117,884	**15**
Increase (Decrease) in Reserve for Employee Bonus	**(6,307)**	(6,339)	**(59)**
Increase (Decrease) in Reserve for Possible Losses Related to Land Trust	**14,522**	—	**135**
Interest Income	**(1,017,174)**	(1,027,517)	**(9,472)**
Interest Expenses	**213,741**	202,504	**1,990**
Net (Gain) Loss on Securities	**58,748**	(360,417)	**547**
Net (Gain) Loss on Money Held in Trust	**19,273**	406	**179**
Net (Gain) Loss on Foreign Currency Translation	**(76,371)**	164,411	**(711)**
Net (Gain) Loss on Sales of Premises and Equipment	**(39,975)**	20,834	**(372)**
(Gain) Loss from Contribution of Securities to Employee Retirement Benefit Trust	**—**	(40,887)	**—**
Net (Increase) Decrease in Trading Assets	**(2,481,032)**	231,346	**(23,103)**
Net Increase (Decrease) in Trading Liabilities	**1,550,355**	215,460	**14,437**
Net (Increase) Decrease in Loans and Bills Discounted	**4,978,360**	1,682,714	**46,358**
Net Increase (Decrease) in Deposits	**(2,252,840)**	1,882,377	**(20,978)**
Net Increase (Decrease) in Negotiable Certificates of Deposit	**(1,656,527)**	585,522	**(15,425)**
Net Increase (Decrease) in Borrowed Money (Non-Subordinated)	**118,140**	6,764	**1,100**
Net (Increase) Decrease in Due from Banks other than Due from Central Banks	**(197,708)**	122,062	**(1,841)**
Net (Increase) Decrease in Call Loans and Monetary Receivables Bought	**(1,280,224)**	(19,027)	**(11,921)**
Net (Increase) Decrease in Cash Collateral Pledged for Bonds Borrowed	**(135,576)**	169,084	**(1,263)**
Net Increase (Decrease) in Call Money and Other Funding Related to Operating Activities	**2,116,641**	(1,064,614)	**19,710**
Net Increase (Decrease) in Commercial Paper	**(200,090)**	(58,325)	**(1,863)**
Net Increase (Decrease) in Cash Collateral Received for Bonds Loaned	**497,752**	(1,145,080)	**4,635**
Net (Increase) Decrease in Foreign Exchange Assets	**(40,230)**	(46,918)	**(375)**
Net Increase (Decrease) in Foreign Exchange Liabilities	**(39,052)**	98,054	**(364)**
Net Increase (Decrease) in Corporate Bonds and Notes (Non-Subordinated) from Issuance, Redemption and Repurchase	**298,945**	289,293	**2,784**
Net Increase (Decrease) in Borrowed Money from Trust Account	**(512,158)**	503,831	**(4,769)**
Interest Received	**1,009,581**	1,076,042	**9,401**
Interest Paid	**(206,116)**	(221,657)	**(1,919)**
Other, Net	**(184,693)**	2,338	**(1,719)**
Subtotal	**(299,219)**	3,499,683	**(2,786)**
Income Taxes Paid	**(14,110)**	(5,620)	**(132)**
Net Cash Provided by (Used in) Operating Activities	**(313,329)**	3,494,062	**(2,918)**

Fiscal Years ended March 31, 2005 and 2004	Millions of Yen 2005	2004	Millions of U.S. Dollars (Note 1) 2005
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of Securities	**¥(51,209,102)**	¥(54,413,577)	**$(476,852)**
Proceeds from Sales of Securities	**35,222,409**	36,081,218	**327,986**
Proceeds from Maturities of Securities	**16,897,698**	14,631,033	**157,349**
Increase in Money Held in Trust	**(101,293)**	(180,066)	**(943)**
Decrease in Money Held in Trust	**157,510**	83,064	**1,467**
Purchases of Premises and Equipment	**(117,118)**	(26,472)	**(1,090)**
Proceeds from Sales of Premises and Equipment	**152,153**	15,563	**1,417**
Purchases of Consolidated Subsidiaries	**(2,761)**	—	**(26)**
Proceeds from Sales of Consolidated Subsidiaries	**4,563**	955	**42**
Other, Net	**—**	(4)	**—**
Net Cash Provided by (Used in) Investing Activities	**1,004,061**	(3,808,285)	**9,350**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from Issuance of Subordinated Debts	**—**	33,500	**—**
Repayment of Subordinated Debts	**(54,145)**	(7,500)	**(504)**
Proceeds from Issuance of Subordinated Bonds and Notes	**43,063**	331,760	**401**
Redemption and Repurchase of Subordinated Bonds and Notes	**(79,723)**	(90,363)	**(743)**
Proceeds from Issuance of Capital Stocks to Minority Interests Holders	**700,000**	—	**6,518**
Dividends Paid	**(12,861)**	(7,028)	**(120)**
Dividends Paid to Minority Interests Holders	**(27,206)**	(27,020)	**(253)**
Acquisition of Treasury Stock	**(897)**	(534)	**(8)**
Proceeds from Sales of Treasury Stock	**45**	70	**0**
Other, Net	**(142)**	(3,244)	**(1)**
Net Cash Provided by (Used in) Financing Activities	**568,132**	229,638	**5,290**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**1,201**	(1,519)	**12**
Net Increase (Decrease) in Cash and Cash Equivalents	**1,260,065**	(86,103)	**11,734**
Cash and Cash Equivalents at Beginning of the Fiscal Year	**3,617,827**	3,703,931	**33,688**
Cash and Cash Equivalents at End of the Fiscal Year	**¥ 4,877,893**	¥ 3,617,827	**$ 45,422**

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The accompanying consolidated financial statements include the accounts of UFJ Holdings, Inc. ("UFJ Holdings") and its consolidated subsidiaries (together "UFJ Group") after the elimination of all material intercompany transactions. These statements have been prepared in conformity with accounting principles and practices generally accepted in Japan, including the standards and statements issued by the Accounting Standards Board of Japan and the Business Accounting Council, the Financial Statements Regulation and the Consolidated Financial Statements Regulation issued by the Cabinet Office, and industry practices for banks in Japan.

Accounting principles and practices generally accepted in Japan are different from International Financial Reporting Standards in certain respects as to application and disclosure requirements. Accordingly, the accompanying consolidated financial statements are not intended to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

The accompanying consolidated balance sheets, the related consolidated statements of operations and cash flows have been compiled from the consolidated financial statements, which were filed with the Financial Services Agency as required by the Securities and Exchange Law of Japan. The consolidated statements of changes in stockholders' equity are not required as part of the basic financial statements in Japan and are prepared solely for the benefit of readers outside Japan.

For the convenience of readers outside Japan, certain items presented in the consolidated financial statements filed with the Financial Services Agency have been reclassified. Furthermore, certain Japanese yen balances are converted into U.S. dollars at ¥107.39 to $1, the effective exchange rate prevailing as of March 31, 2005. This conversion, however, should not be construed as implying that the Japanese yen amounts have been, or could have been, translated, realized, or settled in U.S. dollars at that or any other exchange rate.

The amounts in Japanese yen are presented in millions of yen by rounding down figures. Accordingly, the sum of each amount appearing in the accompanying consolidated financial statements and the notes thereto may not be equal to the sum of the individual account balances.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidation

(i) Scope of Consolidation

The scope of consolidation is determined based on UFJ Holdings' control and influence over the decision-making body of investees as well as its voting shares as described below:

Subsidiaries

Subsidiaries are, in general, companies in which UFJ Holdings holds (1) directly and/or indirectly, more than 50% of the voting shares, or (2) directly and/or indirectly, 40% or more of the voting shares and has effective control over the decision-making body responsible for the business policies and financial and operating matters through personnel, finance, and other relationships, unless evidence to the contrary exists which shows that UFJ Holdings does not have such control.

The number of subsidiaries as of March 31, 2005 was 100, of which 100 subsidiaries were consolidated.

Major consolidated subsidiaries were:

UFJ Bank Limited ("UFJ Bank") (Japan)
UFJ Trust Bank Limited ("UFJ Trust") (Japan)
UFJ Tsubasa Securities Co., Ltd. ("UFJ Tsubasa") (Japan)
The Senshu Bank, Ltd. (Japan)
UFJ Partners Asset Management Co., Ltd. (Japan)
UFJ International plc (United Kingdom)

Affiliates

Affiliates are companies other than subsidiaries in which UFJ Holdings holds (1) directly and/or indirectly, 20% or more of the voting shares, or (2) directly and/or indirectly, 15% or more of voting shares and is able to influence decision-making to a significant degree through personnel, finance, and other relationships, unless evidence to the contrary exists which shows that UFJ Holdings does not have such influence.

As of March 31, 2005, the number of affiliates was 30, of which 26 affiliates were accounted for under the equity method, and 4 non-material affiliates were carried at cost, less amounts written-off, if any.

Major affiliates accounted for under the equity method were:

The Chukyo Bank, Limited (Japan)
UFJ Central Leasing Co., Limited (Japan)

As of March 31, 2005 and 2004, investments in non-consolidated subsidiaries and affiliates not accounted for under the equity method were ¥82 million ($1 million) and ¥82 million, respectively. These investments are included in "Securities" and "Other Assets" in the accompanying consolidated balance sheets.

The number of subsidiaries and affiliates as of March 31, 2005 and 2004 was as follows:

	2005	2004
Consolidated subsidiaries	**100**	111
Non-consolidated subsidiaries	—	109
Affiliates (accounted for under the equity method)	**26**	27
Affiliates (not accounted for under the equity method)	**4**	4

(ii) Balance Sheet Date of Subsidiaries

The accompanying consolidated financial statements include the accounts of consolidated subsidiaries, some of which have fiscal year ends other than March 31. The fiscal year ends of such subsidiaries are principally December 31, and the accounts of these subsidiaries have been included after making appropriate adjustments for any material transactions during the period between January 1 and March 31.

(iii) Goodwill

Goodwill associated with the acquisition of The Senshu Bank, Ltd. is amortized over 5 years, and other goodwill is normally charged to the consolidated statements of operations in the fiscal year of acquisition.

(iv) Translation of Financial Statements of Overseas Subsidiaries

Financial statements of overseas subsidiaries denominated in foreign currencies are generally translated into Japanese yen using the exchange rate prevailing at each subsidiary's balance sheet date, except for items in "Stockholders' Equity" which are translated at historical rates. The resulting differences are recorded in "Minority Interests" and "Foreign Currency Translation Adjustments" in Stockholders' Equity.

(b) Foreign Currency Translation and Revaluation

UFJ Holdings' consolidated domestic banking subsidiaries maintain their accounting records in Japanese yen. Assets and liabilities denominated in foreign currencies are translated into Japanese yen using the exchange rates prevailing at each balance sheet date, except for certain accounts translated at historical rates.

(c) Cash and Cash Equivalents

For the purpose of preparing the consolidated statement of cash flows, "Cash and Cash Equivalents" consists of cash and due from central banks included in "Cash and Due from Banks" in the consolidated balance sheets.

Reconciliation between "Cash and Cash Equivalents" and "Cash and Due from Banks" is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Cash and Due from Banks	**¥5,930,442**	¥4,476,660	**$55,223**
Less: Due from Banks other than Central Banks	**(1,052,549)**	(858,832)	**(9,801)**
Cash and Cash Equivalents	**¥4,877,893**	¥3,617,827	**$45,422**

(d) Transactions for Trading Purposes

Transactions for trading purposes are those seeking to capture gains arising from short-term market movements or from the differences between markets, interest rates or foreign exchange rates. Such transactions are reported as "Trading Assets" or "Trading Liabilities" in the consolidated balance sheets on a trade date basis. Gains and losses on the transactions for trading purposes are shown as "Trading Gains, Net" or "Trading Losses, Net" in the consolidated statements of operations on a trade date basis.

Trading account securities, monetary receivables and other financial instruments held for trading purposes are stated at market value at the fiscal year end. Trading-related financial derivatives such as swaps, futures and options are valued on the assumption that they were settled at the fiscal year end.

In the case of securities, monetary receivables and other financial instruments held for trading purposes, "Trading Gains, Net" and "Trading Losses, Net" include interest received and paid, and valuation gains and losses during the fiscal year. For trading-related financial derivatives, "Trading Gains, Net" and "Trading Losses, Net" include interest received and paid, and valuation gains and losses based on the assumption that transactions were settled at the fiscal year end.

Transactions entered into by consolidated subsidiaries for trading purposes are accounted for principally in a similar manner as described above.

(e) Financial Instruments

(i) Securities

Securities other than those classified as trading securities and equity securities of affiliates accounted for under the equity method are classified into three categories: "Held-to-maturity Debt Securities," "Investments in Non-consolidated Subsidiaries and Affiliates" that are not accounted for under the equity method, and "Available-for-sale Securities," as defined in the Accounting Standard for Financial Instruments issued by the Business Accounting Council.

“Held-to-maturity Debt Securities” are carried at amortized cost, using the moving-average method. “Investments in Non-consolidated Subsidiaries and Affiliates” that are not accounted for under the equity method are carried at moving average cost, less any amounts written-off for impairment. “Available-for-sale Securities” with readily determinable market values are carried at market value and the net unrealized gains and losses are reported as “Net Unrealized Gain (Loss) on Available-for-sale Securities, Net of Taxes” in the consolidated balance sheets. “Available-for-sale Securities” without readily determinable market values are stated at moving average cost or amortized cost, less any amounts written-off for impairment. Securities included in money held in trust primarily for the purpose of investing in securities, are carried at market value.

(ii) Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are carried at market value, with changes in market value included in the consolidated statements of operations of the period in which they arise, except for derivatives that are designated as hedging instruments and qualify for hedge accounting.

Interest Rate Risk Management

As for the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, the consolidated domestic banking subsidiaries apply deferred hedge accounting, using in accordance with the provisions of the JICPA Accounting Committee Report No.14, *Practical Guidelines for Accounting for Financial Instruments*.

The deferred hedge gains and losses recorded on the consolidated balance sheet as of March 31, 2005, are recognized as income or expenses over the remaining lives of the hedging instruments. Such deferred gains and losses are based on a macro hedge strategy that had been applied in order to manage overall interest rate risk arising from various financial assets and liabilities, such as loans and deposits, using derivatives pursuant to *Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry* (JICPA Industry Audit Committee Report No.15).

As of March 31, 2005, the gross amounts of deferred hedge gains and losses based on the macro hedge methodology were ¥73,128 million ($681 million) and ¥62,446 million ($581 million), respectively.

Foreign Currency Risk Management

The consolidated domestic banking subsidiaries adopted the JICPA Industry Audit Committee Report No. 25, and funding related swap transactions and currency swap transactions that are used to hedge currency risks of lending and borrowing in different currencies are accounted for using the deferral method of hedge accounting.

In applying hedge accounting to hedging instruments for foreign currency denominated assets and liabilities, such as loans and deposits, the hedge effectiveness is assessed by checking (1) whether the risk exposures from hedged items have been reduced and (2) the notional amounts of hedging instruments are compared with the balances of the hedged items to confirm there is no overhedging. In applying hedge accounting to hedging instruments for foreign currency denominated securities (other than debt securities), the foreign currency denominated securities being hedged must be designated as hedged items at inception, and spot or forward exchange rate exposure of the liabilities is sufficient to offset the acquisition cost of the securities denominated in foreign currencies. The qualified hedges are designated as a portfolio hedge and accounted for under either of the deferral method or the fair value method of hedging accounting.

Intercompany/Internal Transactions

Derivatives transactions (interest swap transactions and currency swap transactions) between consolidated subsidiaries or internal transactions between trading accounts and other accounts are not eliminated and the unrealized gains and losses are recognized in the statement of operations or deferred under hedge accounting because these derivatives transactions are covered with outside third parties and are designated as hedging instruments by adopting the strict hedging policy in accordance with the JICPA Industry Audit Committee Report Nos. 24 and 25.

For certain other assets and liabilities, the consolidated domestic banking subsidiaries apply the deferral method of hedge accounting, the fair value method of hedging accounting or an accrual method specifically allowed for certain interest swaps.

(iii) Repurchase and Resale Agreements (gensaki transactions)

Securities purchased and sold under agreements to resell or repurchase are accounted for as financing transactions, and recorded in “Receivables under Resale Agreements” or “Payables under Repurchase Agreements” in the consolidated balance sheets.

(iv) Bills Discounted

Bills Discounted are accounted for as financial transactions in accordance with the JICPA Industry Audit Committee Report No. 24. Consolidated domestic banking subsidiaries have rights to sell or (re)pledge commercial bills discounted and foreign exchanges bought, which the bank accepted, without restrictions.

(f) Premises and Equipment

(i) Premises and Equipment

Buildings are depreciated principally using the straight-line method. Equipment is depreciated principally using the declining-balance method. The range of useful lives is from 3 years to 60 years for premises, and from 2 years to 20 years for equipment.

Major consolidated overseas subsidiaries capitalize finance lease equipment in accordance with accounting principles and practices generally accepted in their respective countries.

(ii) Land Revaluation

In accordance with the Law Concerning Revaluation of Land enacted on March 31, 1998 (amended on March 31, 1999), the land owned and used by consolidated domestic banking subsidiaries was revalued principally on March 31, 1998. Unrealized gain (net of taxes) from the revaluation is recorded as "Revaluation Reserve for Land, Net of Taxes" in Stockholders' Equity, and related deferred tax liability is recorded as "Deferred Tax Liabilities for Revaluation Reserve for Land" in Liabilities. Such revaluation, however, is permitted only once under the Law Concerning Revaluation of Land.

The fair value of the land used by consolidated domestic banking subsidiaries as of March 31, 2005 was below the carrying amount by ¥83,262 million ($775 million), adjusted for one-time revaluation.

(g) Software

Software used by UFJ Holdings and its consolidated domestic subsidiaries is amortized using the straight-line method based on the estimated useful life (principally five years) and is included in "Other Assets."

(h) Reserve for Credit Losses

"Reserve for Credit Losses" of consolidated domestic banking subsidiaries is provided as follows in accordance with internal criteria regarding write-offs and reserves for credit losses:

1) The reserve for claims on debtors who are legally or substantially bankrupt is provided based on the remaining amount of the claims after the write-off described below and the deductions of the amount expected to be collected through the disposal of collateral or the execution of guarantees.
2) The reserve for claims on debtors who are currently not legally bankrupt, but are likely to become bankrupt is provided based on the amount necessary, given the overall solvency assessment of the debtors after deducting the amount expected to be collected through the disposal of collateral or the execution of guarantees.
3) The reserve for claims on debtors other than the above is provided primarily based on the default rate, which is based on actual defaults over a certain historical period.
4) The specific reserve for loans to certain countries is provided based on the expected loss amount, considering the political and economic situations of such countries.

All claims are assessed by the operating divisions based on the internal standards for self-assessment on credit quality. Subsequently, audit divisions for credit assessment, which are independent of the operating divisions, review the self-assessments, and the reserves are provided based on the results of the self-assessments.

With respect to the claims with collateral or guarantees on debtors who are legally or substantially bankrupt, the remaining amount of the claims, after deducting amounts deemed collectible through disposal of collateral or execution of guarantees, was written-off against the respective claims. The amount of accumulated write-off was ¥1,204,706 million ($11,218 million) and ¥1,498,233 million as of March 31, 2005 and 2004, respectively.

Other consolidated subsidiaries provide for General Reserve for Credit Losses based principally on historical credit loss experience and "Specific Reserve for Credit Losses" based on a solvency analysis of specific borrowers.

(i) Reserve for Losses on Securities

"Reserve for Losses on Securities" is provided for losses on securities and other investments deemed necessary given the overall solvency assessment of issuers and investees, after deducting amounts expected to be collected through the disposal of collateral or execution of guarantees.

(j) Reserve for Employee Bonus

"Reserve for Employee Bonus" is provided for the payment of bonuses to employees based on estimated amounts of future payments attributable to the current fiscal year.

(k) Reserve for Possible Losses Related to Land Trust

"Reserve for Possible Losses Related to Land Trust" is provided for estimated losses deemed necessary for potential damages on the compensation rights being acquired, when a burden on liability reimbursement, as a trustee of land trust, is incurred due to the land trust business circumstances in the future.

(l) Employee Retirement Benefits

UFJ Holdings and its major domestic subsidiaries have defined benefit plans (an employee pension fund plan and tax qualified pension plans) and lump-sum severance indemnity plans.

"Reserve for Retirement Benefits" is provided for future pension and lump-sum severance indemnity payments to employees based on the projected benefit obligations and plan assets. The unrecognized net transitional obligation at the adoption of the new accounting standard for retirement benefits is amortized principally over five years using the straight-line method. The unrecognized net transitional obligation amount was ¥161,067 million ($1,500 million) and ¥162,817 million as of March 31, 2005 and 2004, respectively. Unrecognized net actuarial gains or losses and prior service costs are amortized using the straight-line method over the average remaining service period of the employees.

(m) Reserve for Contingent Liabilities Related to Loans Sold

"Reserve for Contingent Liabilities related to Loans Sold" is provided for estimated losses on loans sold to the Cooperative Credit Purchasing Company, Limited, taking into account the fair value of collateral on the loans sold.

(n) Reserve for Losses on Supports of Specific Borrowers

"Reserve for Losses on Supports of Specific Borrowers" is provided based on the amount expected to be necessary to provide financial support to specific borrowers undergoing restructuring or those already supported by consolidated domestic banking subsidiaries.

(o) Lease Transactions

As for lessees, UFJ Holdings and its consolidated domestic subsidiaries account for finance lease transactions, other than those in which the ownership of the leased equipment is deemed to have transferred to lessees, as operating leases.

(p) Appropriation of Retained Earnings

"Cash Dividends" and "Bonuses to Directors and Corporate Auditors" are reported in the consolidated statements of changes in stockholders' equity in the fiscal year in which a proposed appropriation of retained earnings is approved by the board of directors and/or the general meeting of stockholders.

(q) Net Income (Loss) per Common Share

"Basic Net Income (Loss) per Common Share" is computed as Net Income (Loss) less preferred share dividends divided by the weighted average number of shares of common stock outstanding during the fiscal year, excluding treasury stock held by UFJ Holdings and its consolidated subsidiaries.

"Diluted Net Income (Loss) per Common Share" reflects the potential dilution that could occur if convertible preferred shares and other similar securities or contracts were fully converted into common stock. "Diluted Net Income per Common Share" for the fiscal years ended March 31, 2005 and 2004, however, is not presented since a net loss was reported for the fiscal years.

(r) Treasury Stock

Gains or losses from sales of treasury stock are credited or charged to capital surplus in accordance with the Business Accounting Standard No. 1, *Accounting Standards for Treasury Stock and Transfers of Capital Surplus*.

(s) Recently Issued Accounting Pronouncement

(i) Impairment of Fixed Assets

On August 9, 2002, the Business Accounting Council in Japan issued *Accounting Standard for Impairment of Fixed Assets*. The standard requires that fixed assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. An impairment loss should be recognized in the consolidated statements of operations by reducing the carrying amount of impaired assets or a group of assets to the recoverable amount to be measured as the higher of net selling price or value in use. The standard is effective from the fiscal year ending March 31, 2006. Although application of the standard prior to the effective date is permitted, UFJ Group has not applied for early adoption or determined the impact of adoption in the consolidated financial statements.

(ii) Limited Liability Partnerships

In previous years, equity interests in limited liability partnerships (LLPs), and those in voluntary partnerships under the Civil Code and silent partnerships under the Commercial Code whose characteristics are similar to those of LLPs were included in "Other assets." Beginning April 1, 2004, LLPs had been included in "Others" of "Securities" as they are defined as securities under the Securities and Exchange Law by the *Partial Revision of Securities and Exchange Law* (Law No.97, dated June 9, 2004).

(iii) Pro Forma Standard Tax

With the promulgation of "The Law for Partial Amendments to Local Tax Law" (Law No.9) on March 31, 2003, a portion of the taxation basis of enterprise taxes was changed (a pro forma standard taxation basis introduced), and "added value component" and "capital component" were newly added to the taxation basis from the fiscal years beginning April 1, 2004. As a result, from this fiscal year UFJ Holdings and its consolidated domestic subsidiaries included the portion of enterprise taxes amounts calculated based on "added value component" and "capital component" in "General and Administrative Expenses" in the consolidated statements of income pursuant to *Practical Treatment for Presentation of Pro Forma Standard Taxation Portion of Enterprise Tax on Corporation in the Statement of Income* (Accounting Standards Board of Japan, Practice Report No.12).

3. TRADING ASSETS

Trading Assets as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Trading Securities	**¥4,515,619**	¥2,217,811	**$42,049**
Derivatives on Trading Securities	**10,336**	7,220	**96**
Derivatives on Securities used for Hedging Trading Transactions	**152**	606	**2**
Derivatives used for other than Trading Securities	**382,312**	380,925	**3,560**
Other Trading Assets	**390,373**	186,385	**3,635**
Total	**¥5,298,794**	¥2,792,948	**$49,342**

4. SECURITIES

Securities as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Japanese National Government Bonds	**¥13,719,800**	¥13,464,948	**$127,757**
Japanese Local Government Bonds	**143,445**	290,881	**1,336**
Japanese Corporate Bonds and Notes	**2,420,639**	2,022,339	**22,540**
Japanese Equities	**2,635,445**	3,047,427	**24,541**
Other Securities	**2,851,431**	3,200,393	**26,552**
Total	**¥21,770,762**	¥22,025,991	**$202,726**

Other Securities consisted mainly of foreign government bonds.

5. LOANS AND BILLS DISCOUNTED

Loans and Bills Discounted as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Bills Discounted	**¥ 274,470**	¥ 321,785	**$ 2,556**
Loans on Notes	**3,566,140**	5,405,545	**33,207**
Loans on Deeds	**28,409,931**	30,277,775	**264,549**
Overdrafts	**4,936,081**	6,297,491	**45,964**
Receivables, including Leases	**167,791**	160,045	**1,563**
Total	**¥37,354,415**	¥42,462,644	**$347,839**

Note: "Bills Discounted" are accounted for as financial transactions pursuant to the JICPA Industry Audit Committee Report No. 24. UFJ Bank has rights to sell or (re)pledge as collateral commercial bills discounted and foreign exchange bought without restrictions. Such commercial bills discounted and foreign exchange bought had total face value of ¥663,002 million ($6,174 million) as of March 31, 2005 and ¥714,088 million as of March 31, 2004.

Problem loans held by consolidated subsidiaries, as defined by the Japanese Banking Law, as of March 31, 2005 and 2004 were as follows (before deducting "Reserves for Credit Losses"):

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Loans to Bankrupt Companies*1	**¥ 35,850**	¥ 84,132	**$ 334**
Other Delinquent Loans*2	**842,779**	1,704,330	**7,848**
Loans Past Due 3 Months or More*3	**52,242**	88,531	**486**
Restructured Loans*4	**961,427**	2,206,052	**8,953**
Total	**¥1,892,299**	¥4,083,048	**$17,621**

*1 "Loans to Bankrupt Companies" are loans to legally bankrupt borrowers. The recognition of accrued interest has been suspended in accordance with the results of the self-assessment of credit quality.

*2 "Other Delinquent Loans" are loans on which the recognition of accrued interest has been suspended in accordance with the results of the self-assessment of credit quality, other than "Loans to Bankrupt Companies."

*3 "Loans Past Due 3 Months or More" are loans on which principal and/or interest are past due 3 months or more, other than "Loans to Bankrupt Companies" and "Other Delinquent Loans."

*4 "Restructured Loans" are loans with concessionary interest rates, as well as loans with re-negotiated terms regarding the timing of principal and interest payments.

"Loans to Bankrupt Companies" and "Other Delinquent Loans" include loans entrusted to the Resolution and Collection Corporation of ¥6,765 million ($63 million) and ¥21,118 million as of March 31, 2005 and 2004, respectively, for the purpose of restructuring borrowers and disposing of such loans.

6. FOREIGN EXCHANGES (ASSETS)

Foreign Exchanges (Assets) as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Due from Foreign Banks	**¥154,241**	¥104,593	**$1,436**
Foreign Exchange Bills Bought	**386,553**	389,502	**3,599**
Foreign Exchange Bills Receivable	**112,820**	119,286	**1,051**
Total	**¥653,615**	¥613,382	**$6,086**

7. OTHER ASSETS

Other Assets as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Accrued Income	**¥ 201,890**	¥ 176,352	**$ 1,880**
Prepaid Expenses	**3,578**	3,591	**33**
Financial Derivatives	**203,806**	342,390	**1,898**
Leased Assets	**297,372**	417,364	**2,769**
Other	**1,448,951**	1,813,940	**13,493**
Total	**¥2,155,598**	¥2,753,638	**$20,073**

8. PREMISES AND EQUIPMENT

Premises and Equipment, net of accumulated depreciation of ¥413,963 million ($3,855 million) and ¥431,894 million as of March 31, 2005 and 2004, respectively, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Land	**¥332,038**	¥343,238	**$3,092**
Buildings	**173,203**	174,816	**1,613**
Equipment	**43,283**	52,353	**403**
Other	**99,620**	107,703	**927**
Total	**¥648,145**	¥678,113	**$6,035**

9. PLEDGED ASSETS

The carrying amounts of assets pledged as collateral and the collateralized debts as of March 31, 2005 and 2004 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Cash and Due from Banks	**¥ —**	¥ 176	**$ —**
Trading Assets	**3,114,489**	1,430,654	**29,002**
Securities	**6,588,532**	4,439,202	**61,351**
Loans and Bills Discounted	**930,021**	1,011,681	**8,660**
Other Assets	**30,586**	30,763	**285**
Total	**¥10,663,629**	¥6,912,476	**$99,298**
Deposits	**¥ 693,361**	¥ 681,035	**$ 6,456**
Call Money	**3,792,895**	3,225,363	**35,319**
Payables under Repurchase Agreements	**2,652,108**	633,528	**24,696**
Cash Collateral Received for Bonds Loaned	**1,658,838**	1,222,982	**15,447**
Borrowed Money	**346,470**	367,399	**3,226**
Other Liabilities	**12,450**	14,375	**116**
Total	**¥ 9,156,124**	¥6,144,684	**$85,260**

The following assets were pledged or deposited in connection with foreign exchange settlements and derivatives as of March 31, 2005 and 2004:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Cash and Due from Banks	**¥ 13,856**	¥ 13,731	**$ 129**
Trading Assets	**—**	6,704	**—**
Securities	**2,025,611**	2,456,769	**18,862**
Loans and Bills Discounted	**313,238**	999,911	**2,917**
Other Assets	**86,070**	42,864	**802**
Total	**¥2,438,776**	¥3,511,178	**$22,710**

In addition, the following assets were pledged or deposited as of March 31, 2005 and 2004:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Security Deposits (included in Premises and Equipment)	**¥ 99,617**	¥106,960	**$ 928**
Deposits for Futures Transactions (included in Other Assets)	**17,440**	15,010	**162**
Total	**¥117,058**	¥121,970	**$1,090**

As of March 31, 2004, uncollateralized securities loaned for which the borrowers have a right to sell or pledge (bonds loaned transactions) of ¥97,589 million ($924 million), are included in "Securities" under "Japanese National Government Bonds".

As of March 31, 2005, of the uncollateralized securities borrowed (bonds borrowed transactions), securities purchased under resale agreements and bonds borrowed versus cash transactions that can be sold or pledged, ¥746,417 million ($6,951 million) of securities were pledged, and ¥262,415 million ($2,444 million) of securities were not pledged or loaned. As of March 31, 2004, of the uncollateralized securities borrowed (bonds borrowed transactions), securities purchased under resale agreements and bonds borrowed versus cash transactions that can be sold or pledged, ¥756,183 million of securities were pledged, and ¥263,911 million of securities were not pledged or loaned.

10. DEPOSITS

Deposits as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Demand Deposits	**¥ 4,875,447**	¥ 4,247,208	**$ 45,400**
Saving Deposits	**24,995,713**	25,557,922	**232,756**
Deposits at Notice*	**524,593**	607,680	**4,885**
Time Deposits	**17,311,530**	18,537,517	**161,203**
Other Deposits	**3,018,437**	4,025,413	**28,107**
Subtotal	**50,725,723**	52,975,742	**472,351**
Negotiable Certificates of Deposit	**3,857,874**	5,514,401	**35,924**
Total	**¥54,583,597**	¥58,490,143	**$508,275**

* Deposits at Notice are deposits that are not redeemable for one week, but can be withdrawn at anytime thereafter with two days prior notice.

11. TRADING LIABILITIES

Trading Liabilities as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Securities Sold, but not yet Purchased	**¥3,505,932**	¥1,957,730	**$32,647**
Derivatives on Trading Securities	**1,526**	7,255	**14**
Derivatives on Securities used for Hedging Trading Transactions	**230**	684	**2**
Derivatives used for other than Trading Securities	**245,653**	201,926	**2,288**
Total	**¥3,753,343**	¥2,167,596	**$34,951**

12. BORROWED MONEY

Borrowed Money as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars	Average Rate
	2005	2004	**2005**	**2005**
Borrowings from Financial Institutions	**¥1,384,986**	¥1,495,260	**$12,897**	**1.24%**
Total	**¥1,384,986**	¥1,495,260	**$12,897**	**1.24%**

The average rates presented above represent the weighted average rates based on the balances as of March 31, 2005.

Borrowed Money included subordinated borrowings in the amount of ¥527,933 million ($4,916 million) and ¥581,778 million as of March 31, 2005 and 2004, respectively.

Annual maturities of Borrowings from Financial Institutions as of March 31, 2005 are as follows:

Fiscal Year Ending March, 31	Millions of Yen	Millions of U.S. Dollars
2006	¥ 694,744	$ 6,469
2007	82,967	773
2008	38,666	360
2009	39,750	370
2010	16,821	157
2011 and Thereafter	512,037	4,768
Total	¥1,384,986	$12,897

13. FOREIGN EXCHANGES (LIABILITIES)

Foreign Exchanges (Liabilities) as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Due to Foreign Banks	**¥131,781**	¥181,035	**$1,227**
Foreign Exchange Bills Sold	**4,268**	1,707	**40**
Foreign Exchange Bills Payable	**12,891**	5,244	**120**
Total	**¥148,942**	¥187,987	**$1,387**

14. BONDS AND NOTES

Bonds and Notes as of March 31, 2005 and 2004 consisted of the following:

Issuer	Description of Bonds and Notes	Millions of Yen 2005	Millions of Yen 2004	Millions of U.S.Dollars 2005	Rate 2005
UFJ Holdings	Subordinated Bonds, perpetual, payable in Yen	**¥ 100,000**	¥ 100,000	**$ 931**	**1.41%**
UFJ Bank	Straight Bonds, due in 2005 to 2014, payable in Yen	**1,442,300**	1,537,800	**13,430**	**0.58%–2.17%**
	Short-term Corporate Bonds, due in 2005, payable in Yen	**464,200**	70,000	**4,323**	**0.03%**
	Subordinated Notes, due in 2013, payable in Yen	**58,000**	64,300	**540**	**1.30%**
	Subordinated Notes, due in 2010 to 2013, payable in Yen	**117,000**	154,500	**1,089**	**0.66%–1.27%**
	Subordinated Notes, due in 2011, payable in US Dollars	**213,523**	210,476	**1,988**	**7.40%**
UFJ Trust	Subordinated Bonds, due in 2010 to 2014, payable in Yen	**68,700**	69,800	**640**	**0.87%–2.20%**
The Senshu Bank, Ltd.	Subordinated Bonds, due in 2015, payable in Yen	**10,000**	—	**93**	**1.45%**
UFJ Finance Aruba A.E.C.	Notes Guaranteed by UFJ Bank on a Subordinated Basis, due in 2009 to 2013, payable in US Dollars	**291,413**	286,941	**2,714**	**6.75%–8.35%**
	Notes Guaranteed by UFJ Bank on a Subordinated Basis, perpetual, payable in US Dollars	**63,875**	61,191	**595**	**8.75%**
	Notes Guaranteed by UFJ Bank on a Subordinated Basis, due in 2010 to 2014, payable in Yen	**21,400**	27,700	**199**	**0.22%–3.00%**
	Notes Guaranteed by UFJ Bank on a Subordinated Basis, perpetual, payable in Yen	**81,600**	81,600	**760**	**3.62%–4.15%**
Tokai Finance (Curaçao) N.V.	Notes Guaranteed by UFJ Bank on a Subordinated Basis, due in 2010 to 2011, payable in Yen	**53,700**	50,000	**500**	**0.57%–4.90%**
	Notes Guaranteed by UFJ Bank on a Subordinated Basis, perpetual, payable in Yen	**22,200**	22,200	**207**	**0.42%–4.03%**
TTB Finance Cayman Limited	Notes Guaranteed by UFJ Trust on a Subordinated Basis, due in 2011 to 2012, payable in Yen	**4,500**	4,500	**42**	**3.15%–4.00%**
Other Subsidiaries	Other Corporate Bonds and Notes Issued by Subsidiaries, due in 2005 to 2023	**16,122**	15,356	**150**	**0.60%–21.00%**
Total		**¥3,028,535**	¥2,756,367	**$28,201**	—

Annual maturities of Bonds and Notes as of March 31, 2005 were as follows:

Fiscal Year Ending March, 31	Millions of Yen	Millions of U.S. Dollars
2006	¥ 866,113	$ 8,065
2007	348,212	3,242
2008	346,918	3,230
2009	281,801	2,624
2010	207,965	1,937
2011 and Thereafter	977,522	9,103
Total	¥3,028,535	$28,201

15. OTHER LIABILITIES

Other Liabilities as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Accrued Expenses	**¥ 165,567**	¥ 114,232	**$ 1,542**
Unearned Income	**159,310**	151,780	**1,483**
Income Taxes Payable	**16,551**	12,324	**154**
Securities Borrowed in Trading Account	**162,689**	339,747	**1,515**
Financial Derivatives	**142,117**	223,210	**1,323**
Deferred Hedging Gain	**41,700**	95,728	**388**
Other	**769,609**	731,121	**7,167**
Total	**¥1,457,546**	¥1,668,144	**$13,572**

16. OTHER RESERVES

Other Reserves as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Reserves for:			
Contingent Liabilities from Brokering of Securities Transactions	**¥322**	¥295	**$3**
Total	**¥322**	¥295	**$3**

"Reserve for Contingent Liabilities from Brokering of Securities Transactions" was computed on the basis prescribed by the Securities and Exchange Law of Japan.

17. ACCEPTANCES AND GUARANTEES

Acceptances and Guarantees as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Acceptances	**¥ 41,802**	¥ 31,485	**$ 389**
Letters of Credit	**214,568**	196,456	**1,998**
Guarantees	**3,832,519**	3,170,258	**35,688**
Total	**¥4,088,890**	¥3,398,200	**$38,075**

18. GUARANTEE FOR TRUST PRINCIPAL

The outstanding balances of trust accounts managed by UFJ Trust as of March 31, 2005 and 2004, which are contractually indemnified, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Money Trust	**¥1,080,716**	¥1,534,085	**$10,063**
Loan Trust	**604,689**	845,353	**5,631**
Total	**¥1,685,406**	¥2,379,439	**$15,694**

19. COMMITMENT LINE

A commitment line is a contract whereby UFJ Holdings' subsidiaries are obligated individually to advance funds up to a predetermined amount to a customer upon request, provided that the customer has met the terms and conditions of the contract. The total balance of unused commitment lines was ¥24,713,890 million ($230,132 million) and ¥23,514,588 million as of March 31, 2005 and 2004, respectively, of which commitment lines whose maturities are less than one year or whose contracts can be terminated at any time without any conditions at the subsidiaries' option were ¥21,968,645 million ($204,569 million) and ¥21,831,037 million as of March 31, 2005 and 2004, respectively.

Many of these commitment line contracts mature without the subsidiaries advancing any funds to the customers. As such, the total balance of unused commitment lines does not necessarily impact the subsidiaries' future cash flows. Furthermore, many commitment lines contain provisions that allow the subsidiaries to refuse to advance funds to the customers or reduce the contract amount of the commitment lines under certain conditions.

The subsidiaries may also request customers to provide collateral, if necessary, such as real estate or securities on the execution date of the contract. After the execution date, the subsidiaries periodically monitor the customers' creditworthiness over the term of the contracts in accordance with internal policies, and take measures to manage the credit exposures such as revising the terms of the contracts, if necessary.

20. CAPITAL STOCK AND CAPITAL SURPLUS

Common Stock and Preferred Shares "authorized," and "issued and outstanding" of UFJ Holdings as of March 31, 2005 were as follows:

	Number of shares	
	Authorized	Issued and Outstanding
Common Stock	18,000,000	5,165,292.70
Class I Preferred Share	6,543	6,543
Class II Preferred Share	200,000	200,000
Class III Preferred Share	/	/
Class IV Preferred Share	150,000	150,000
Class V Preferred Share	150,000	150,000
Class VI Preferred Share	8	8
Class VII Preferred Share	200,000	200,000
Class VIII Preferred Share	700,000	—
Class IX Preferred Share	700,000	—

Preferred Shares as of March 31, 2005 consisted of the following:

Class I Preferred Share

The preferred shareholders are entitled, with priority over any payment of dividends and distributions upon liquidation of UFJ Holdings over common stockholders, to receive annual non-cumulative dividends of ¥37,500 per preferred share and a distribution of ¥3,000,000 per preferred share.

The preferred shares are convertible at the election of the holders from and including the day of establishment of UFJ Holdings to and including July 31, 2005, except during certain excluded periods, into fully paid shares of common stock of UFJ Holdings. The conversion price as of March 31, 2005 is ¥750,000 per common stock, subject to adjustment in certain events. The conversion price was subject to reset on August 1 of 2001, 2003 and 2004 to the average market price of the common stock for a certain period preceding each reset date, if such average market price is less than the conversion price prior to such reset, but will not be less than ¥750,000. All preferred shares outstanding on August 1, 2005 will be mandatorily converted into common stock at a conversion ratio of ¥3,000,000 divided by the higher of (x) the average market price of the common stock for a certain period preceding August 1, 2005 and (y) ¥750,000.

Class II Preferred Share

The preferred shareholders are entitled, with priority over any payment of dividends and distributions upon the liquidation of UFJ Holdings over common stockholders, to receive annual non-cumulative dividends of ¥15,900 per preferred share and a distribution of ¥3,000,000 per preferred share.

The preferred shares are convertible at the election of the holders from and including July 1, 2001 to and including July 31, 2008, except during certain excluded periods, into fully paid shares of common stock of UFJ Holdings. The conversion price as of March 31, 2005 is ¥1,050,000 per common stock, subject to adjustment in certain events. The conversion price was/is subject to reset annually on August 1 between 2001 and 2007 to the average market price of the common stock for a certain period preceding each reset date multiplied by 1.025, but will not be less than ¥1,050,000. All preferred shares outstanding on August 1, 2008 will be mandatorily converted into common stock at a conversion ratio of ¥3,000,000 divided by the higher of (x) the average market price of the common stock for a certain period preceding August 1, 2008 and (y) ¥750,000.

Class IV Preferred Share

The preferred shareholders are entitled, with priority over any payment of dividends and distributions upon the liquidation of UFJ Holdings over common stockholders, to receive annual non-cumulative dividends of ¥18,600 per preferred share and a distribution of ¥2,000,000 per preferred share.

The preferred shares are convertible at the election of the holders from and including July 1, 2002 to and including March 30, 2009, except during certain excluded periods, into fully paid shares of common stock of UFJ Holdings. The conversion ratio as of March 31, 2005 is 3.543 common stocks per preferred share, subject to adjustment in certain events. The conversion ratio was/is subject to reset annually on October 5 between 2002 and 2008 to ¥2,000,000 divided by the average market price of the common stock for a certain period preceding each reset date multiplied by 1.035, but will not be more than 3.543. All preferred shares outstanding on March 31, 2009 will be mandatorily converted into common stock at a conversion ratio of ¥2,000,000 divided by the higher of (x) the average market price of the common stock for a certain period preceding March 31, 2009 and (y) ¥564,500.

Class V Preferred Share

The preferred shareholders are entitled, with priority over any payment of dividends and distributions upon the liquidation of UFJ Holdings over common stockholders, to receive annual non-cumulative dividends of ¥19,400 per preferred share and a distribution of ¥2,000,000 per preferred share.

The preferred shares are convertible at the election of the holders from and including July 1, 2003 to and including March 30, 2009, except during certain excluded periods, into fully paid shares of common stock of UFJ Holdings. The conversion ratio as of March 31, 2005 is 3.543 common stocks per preferred share, subject to adjustment in certain events. The conversion ratio is subject to reset annually on October 5 between 2003 and 2008 to ¥2,000,000 divided by the average market price of the common stock for a certain period preceding each reset date multiplied by 1.035, but will not be more than 3.543. All preferred shares outstanding on March 31, 2009 will be mandatorily converted into common stock at a conversion ratio of ¥2,000,000 divided by the higher of (x) the average market price of the common stock for a certain period preceding March 31, 2009 and (y) ¥564,500.

Class VI Preferred Share

The preferred shareholders are entitled, with priority over any payment of dividends and distributions upon the liquidation of UFJ Holdings over common stockholders, to receive annual non-cumulative dividends of ¥5,300 per preferred share and a distribution of ¥1,000,000 per preferred share.

The preferred shares are convertible at the election of the holders from and including the day of establishment of UFJ Holdings to and including July 31, 2014, except during certain excluded periods, into fully paid shares of common stock of UFJ Holdings. The conversion price as of March 31, 2005 is ¥569,600 per common stock, subject to adjustment in certain events. The conversion price was/is subject to reset annually on August 1 between 2001 and 2013 to the average market price of the common stock for a certain period preceding each reset date, if such average market price is less than the conversion price prior to such reset, but will not be less than ¥569,600. All preferred shares outstanding on August 1, 2014 will be mandatorily converted into common stock at a conversion ratio of ¥1,000,000 divided by the higher of (x) the average market price of the common stock for a certain period preceding August 1, 2014 and (y) ¥497,600.

Class VII Preferred Share

The preferred shareholders are entitled, with priority over any payment of dividends and distributions upon the liquidation of UFJ Holdings over common stockholders, to receive annual non-cumulative dividends of ¥11,500 per preferred share and a distribution of ¥1,000,000 per preferred share.

The preferred shares are convertible at the election of the holders from and including the day of establishment of UFJ Holdings to and including July 31, 2009, except during certain excluded periods, into fully paid shares of common stock of UFJ Holdings. The conversion price as of March 31, 2005 is ¥493,500 per common stock, subject to adjustment in certain events. The conversion price was/is subject to reset annually on June 30 between 2001 and 2008 to the average market price of the common stock for a certain period preceding each reset date, if such average market price is less than the conversion price prior to such reset, but will not be less than ¥493,500. All preferred shares outstanding on August 1, 2009 will be mandatorily converted into common stock at a conversion ratio of ¥1,000,000 divided by the higher of (x) the average market price of the common stock for a certain period preceding August 1, 2009 and (y) ¥493,000.

All outstanding Class III Preferred Shares were mandatorily converted into Common Stock on October 1, 2004.

In addition, UFJ Holdings has 700,000 Class VIII Preferred Shares and Class IX Preferred Shares authorized, respectively. As of March 31, 2005, UFJ Holdings had no Class VIII and Class IX Preferred Shares issued.

21. OTHER INTEREST INCOME

The composition of Other Interest Income for the fiscal years ended March 31, 2005 and 2004 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Interest on Receivables under Resale Agreements	**¥18,594**	¥11,990	**$173**
Interest on Due from Banks	**17,703**	18,307	**165**
Interest on Interest Rate Swaps	**17,237**	33,138	**161**
Other Interest Income	**24,828**	17,869	**231**
Total	**¥78,363**	¥81,305	**$730**

22. FEES AND COMMISSIONS (INCOME)

The composition of Fees and Commissions (Income) for the fiscal years ended March 31, 2005 and 2004 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Wire Transfer Service Charges	**¥ 97,964**	¥ 97,264	**$ 912**
Other	**398,614**	357,446	**3,712**
Total	**¥496,579**	¥454,711	**$4,624**

23. TRADING GAINS, NET / TRADING LOSSES, NET

The composition of Trading Gains, Net for the fiscal years ended March 31, 2005 and 2004 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Gains on Trading Securities and Derivatives	**¥52,886**	¥ 33,801	**$493**
Gains on Trading Securities and Derivatives to Hedge Trading Transactions	**1,423**	972	**13**
Gains on Derivatives other than Trading Securities	**—**	151,796	**—**
Other Trading Gains	**1,268**	1,448	**12**
Total	**¥55,578**	¥188,019	**$518**

The composition of Trading Losses, Net for the fiscal years ended March 31, 2005 and 2004 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Losses on Derivatives other than Trading Securities	**¥1,648**	¥ —	**$15**
Total	**¥1,648**	¥ —	**$15**

24. OTHER OPERATING INCOME

The composition of Other Operating Income for the fiscal years ended March 31, 2005 and 2004 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Foreign Exchange Transaction Gains, Net	**¥129,945**	¥ 13,690	**$1,210**
Gains on Sales of Bonds	**142,046**	221,103	**1,323**
Gains on Redemption of Bonds	**252**	173	**2**
Lease Related Income	**130,595**	190,532	**1,216**
Other	**44,810**	67,056	**417**
Total	**¥447,650**	¥492,556	**$4,168**

25. OTHER INCOME

The composition of Other Income for the fiscal years ended March 31, 2005 and 2004 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Gains on Sales of Equities and Equity Derivatives	**¥179,724**	¥306,590	**$1,674**
Gains on Money Held in Trust	**132**	35	**1**
Equity in Earnings of Affiliates	**4,011**	7,887	**37**
Gains on Sales of Premises and Equipment	**50,361**	703	**469**
Collection of Written-off Claims	**50,902**	54,993	**474**
Gains from Contribution of Securities to Employee Retirement Benefit Trust	**—**	40,887	**—**
Gains from Reversal of Reserve for Losses on Supports of Specific Borrowers	**0**	—	**0**
Refund of Tokyo Metropolitan Government's tax	**—**	25,695	**—**
Gains from Reversal of Securities from Employee Retirement Benefit Trust	**38,325**	—	**357**
Gains from Reversal of Reserve for Credit Losses	**171,755**	—	**1,600**
Other	**53,284**	40,905	**496**
Total	**¥548,499**	¥477,698	**$5,108**

26. OTHER INTEREST EXPENSES

The composition of Other Interest Expenses for the fiscal years ended March 31, 2005 and 2004 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Interest on Payables under Repurchase Agreements	**¥ 22,316**	¥ 11,607	**$ 208**
Interest on Corporate Bonds and Notes	**69,434**	61,298	**647**
Other Interest Expenses	**20,458**	33,439	**190**
Total	**¥112,210**	¥106,345	**$1,045**

27. FEES AND COMMISSIONS (EXPENSES)

The composition of Fees and Commissions (Expenses) for the fiscal years ended March 31, 2005 and 2004 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Wire Transfer Service Charges	**¥15,981**	¥19,352	**$149**
Other	**55,327**	47,561	**515**
Total	**¥71,308**	¥66,914	**$664**

28. OTHER OPERATING EXPENSES

The composition of Other Operating Expenses for the fiscal years ended March 31, 2005 and 2004 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Losses on Sales of Bonds	**¥ 65,120**	¥ 97,650	**$ 606**
Losses on Redemption of Bonds	**1,047**	2,036	**10**
Revaluation Loss on Bonds	**1,228**	356	**12**
Amortization of Bond Issue Cost	**3**	413	**0**
Lease Related Expenses	**120,166**	194,495	**1,119**
Other	**24,919**	39,506	**232**
Total	**¥212,486**	¥334,458	**$1,979**

29. OTHER EXPENSES

The composition of Other Expenses for the fiscal years ended March 31, 2005 and 2004 was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Write-off of Loans	**¥ 554,791**	¥426,304	**$ 5,166**
Losses on Sales of Stocks and Equity Derivatives	**37,616**	55,139	**350**
Revaluation Losses on Stocks and Equity Derivatives	**275,759**	12,267	**2,568**
Losses on Money Held in Trust	**19,406**	442	**181**
Amortization of Goodwill	**2,549**	3,643	**24**
Losses on Sales of Loans to the Cooperative Credit Purchasing Company, Limited	**—**	717	**—**
Losses on Delinquent Loans Sold	**196,327**	97,681	**1,828**
Losses from Financial Support Provided to Customers	**357,640**	52,973	**3,330**
Provision for Losses on Supports of Specific Borrowers	**—**	5,057	**—**
Losses on Sales of Premises and Equipment	**10,385**	21,537	**97**
Amortization of Net Transitional Obligations for Employee Retirement Benefits	**26,366**	26,692	**246**
Losses in Settlement of Land Trust Project for Osaka City	**—**	9,000	**—**
Costs related to integration	**9,034**	—	**84**
Other	**131,720**	94,912	**1,226**
Total	**¥1,621,598**	¥806,370	**$15,100**

30. EMPLOYEE RETIREMENT BENEFITS

UFJ Holdings and its major domestic subsidiaries have defined benefit plans including employee pension fund plan, tax qualified pension plans and lump-sum severance indemnity plans. The following tables show funded status, components of pension costs, and major assumptions used in determining these amounts.

Funded Status of Pension Plans:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Projected Benefit Obligation	**¥(738,558)**	¥(687,109)	**$(6,877)**
Fair Value of Plan Assets	**544,619**	515,828	**5,071**
Securities Held in Trust	**241,341**	381,053	**2,247**
Funded Status	**47,402**	209,772	**441**
Unrecognized Net Transitional Assets	**(55,395)**	(197,057)	**(516)**
Unrecognized Net Transitional Obligation	**3,382**	30,336	**32**
Unrecognized Net Actuarial Losses	**281,929**	366,297	**2,625**
Unrecognized Prior Service Costs	**(17,183)**	(20,577)	**(160)**
Net Asset	**260,135**	388,771	**2,422**
Prepaid Pension Costs	**273,673**	403,125	**2,548**
Reserve for Retirement Benefits	**¥ (13,537)**	¥ (14,354)	**$ (126)**

Components of Pension Costs:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Service Costs	**¥ 13,621**	¥ 19,908	**$ 127**
Interest Costs	**13,459**	18,567	**125**
Expected Return on Plan Assets	**(16,654)**	(17,930)	**(155)**
Amortization of Prior Service Costs	**(1,693)**	(4,699)	**(16)**
Amortization of Actuarial Losses	**24,376**	38,684	**227**
Amortization of Net Transitional Obligation	**26,704**	26,541	**249**
Other Costs	**2,460**	10,643	**23**
Net Periodic Benefit Costs	**62,272**	91,714	**580**
Gains from Cancellation of Employee Retirement Benefit Trust	**(38,325)**	—	**(357)**
Total	**¥ 23,947**	¥ 91,714	**$ 223**

Major Assumptions:

	2005	2004
Discount Rate	**2.0%–3.0%**	2.0%–3.0%
Expected Rate of Return on Plan Assets	**0.0%–4.0%**	0.0%–4.5%
Recognition Period of Prior Service Costs	**Principally 12 years**	Principally 11 years
Recognition Period of Actuarial Gain / Loss	**Principally 12 years**	Principally 11 years

UFJ Holdings and UFJ Bank amended their employees' pension plan in January 2004 and the corporate portion of the Employees' Pension Fund will be transferred to a funded contributory defined benefit pension plan. In accordance with the ASB Guideline No. 1, *Accounting Treatment for the Transition Period of the Retirement Benefit Plan*, the amendment resulted in a decrease of ¥59,152 million of the projected benefit obligation.

Additional retirement payments, which are not included in the actuarial calculation for the projected benefit obligation and other figures, may be paid to employees under certain circumstances, such as early retirement. Additional retirement payments expected to be paid over the next twelve months included in "Other Liabilities" in the consolidated balance sheets amounted to ¥243 million ($2 million) at March 31, 2005 and ¥3,605 million at March 31, 2004.

Certain consolidated domestic subsidiaries apply the simplified method of accounting for pension obligations related to defined benefit pension plans, whereby pension costs are expensed as incurred and included in "General and Administrative Expenses" in the consolidated statements of operations.

Pension assets in the Employees' Pension Fund (the integrated type with more than 3,000 members) not included in Fair Value of Plan Assets by Funded Status of Pension Plans amount to ¥2,605 million ($24 million) at March 31, 2005 and ¥38,315 million at March 31, 2004.

On June 29, 2004, UFJ Bank recorded an extraordinary gain of ¥38,235 million relating to the partial restitution of trust asset of the Employees' Pension Fund.

The accounting treatment was based on the procedure set forth in the JICPA Accounting Committee Report No. 13, *Practical Guidelines for Accounting for Retirement Benefits (Interim Report)* (October 4, 2004), because the restitution of the trust asset occurred prior to the announcement of the report.

31. ACCOUNTING FOR INCOME TAXES

Deferred Tax Assets and Liabilities reflect the temporary differences in the accounting and tax bases of recognized assets and liabilities. The significant temporary differences as of March 31, 2005 and 2004 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Deferred Tax Assets:			
Reserve for Credit Losses	**¥ 870,014**	¥1,228,118	**$ 8,102**
Loss Carryforwards	**1,125,798**	820,506	**10,483**
Revaluation Loss on Securities	**1,241,741**	174,012	**11,563**
Other	**359,671**	138,563	**3,349**
Subtotal	**3,597,227**	2,361,201	**33,497**
Valuation Allowance	**(2,290,767)**	(755,145)	**(21,331)**
Total	**1,306,459**	1,606,056	**12,166**
Deferred Tax Liabilities:			
Net Unrealized Gain (Loss) on Available-for-sale Securities, Net of Taxes	**(140,000)**	(125,497)	**(1,304)**
Gain from Contribution of Securities to Employee Retirement Benefit Trust and Others	**(72,820)**	(84,778)	**(678)**
Total	**(212,820)**	(210,275)	**(1,982)**
Net Deferred Tax Assets	**¥ 1,093,638**	¥1,395,780	**$ 10,184**

A reconciliation between the effective statutory tax rate for the fiscal years ended March 31, 2005 and 2004, and the actual effective tax rates reflected in the consolidated statements of operations were as follows:

	2005	2004
Effective Statutory Tax Rate	**40.6%**	42.0%
Valuation Allowance	**(159.5)**	(39.3)
Elimination of Intercompany Profits	—	(11.6)
Change in Tax Rate due to the Merger of Consolidated Subsidiaries	—	4.7
Other, Net	**(8.1)**	(11.1)
Actual Effective Income Tax Rate	**(127.0)%**	(15.3)%

32. LEASE TRANSACTIONS

(a) Finance Leases

Information on finance lease transactions, other than those in which the ownership of the leased equipment is deemed to have been transferred to the lessee, was as follows:

(1) **Lessee**

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Estimated Cost	**¥145,598**	¥54,849	**$1,356**
Estimated Accumulated Depreciation	**97,410**	26,555	**907**
Net Estimated Balance	**¥ 48,187**	¥28,294	**$ 449**

Total Future Lease Payments to be Paid:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Due Within One Year	**¥20,956**	¥ 7,425	**$195**
Due More than One Year	**50,663**	22,713	**472**
Total	**¥71,619**	¥30,138	**$667**

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Lease Payment	**¥24,181**	¥7,920	**$225**
Estimated Depreciation	**21,324**	9,594	**199**
Estimated Interest Payment	**2,201**	1,519	**20**

Estimated depreciation was computed using the declining balance method over the lease contract term in accordance with accounting principles and practices generally accepted in Japan, and estimated interest expense was computed using the effective interest method.

(2) **Lessor**

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Acquisition Cost	**¥504,140**	¥754,852	**$4,695**
Accumulated Depreciation	**211,754**	389,115	**1,972**
Net Balance	**¥292,385**	¥365,737	**$2,723**

Total Future Lease Payments to be Received:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Due Within One Year	**¥ 86,836**	¥123,372	**$ 809**
Due More than One Year	**215,483**	263,740	**2,006**
Total	**¥302,320**	¥387,112	**$2,815**

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Lease Receipt	**¥106,783**	¥154,665	**$994**
Depreciation	**96,203**	140,849	**896**
Estimated Interest Receipt	**12,649**	12,445	**118**

Estimated interest income was computed using the effective interest method.

(b) Operating Leases

Information on operating lease transactions was as follows:

(1) **Lessee**

Total Future Lease Payments to be Paid:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Due Within One Year	**¥10,067**	¥ 10,536	**$ 94**
Due More than One Year	**46,691**	105,144	**435**
Total	**¥56,759**	¥115,681	**$529**

(2) **Lessor**

Total Future Lease Payments to be Received:

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Due Within One Year	**¥ 120**	¥ 1,606	**$ 1**
Due More than One Year	**1,218**	9,699	**11**
Total	**¥1,339**	¥11,305	**$12**

33. SIGNIFICANT TRANSACTIONS RELATED TO CASH FLOWS

Significant non-cash transactions related to cash flows for the fiscal year ended March 31, 2005 were as follows:

Assets and liabilities of UFJ Business Finance Co., Ltd., and common stock of UFJ Central Leasing Co., Ltd., which were exchanged through the transfer of leasing business, were as follows:

	Millions of Yen	Millions of U.S. Dollars
	2005	**2005**
Assets (Total)	**¥ 181,204**	**$ 1,687**
Other Assets	**179,152**	**1,668**
Liabilities (Total)	**(177,338)**	**(1,651)**
Borrowed Money	**(135,228)**	**(1,259)**
Common Stock	**¥ 3,865**	**$ 36**

There were no significant transactions related to cash flows for the fiscal year ended March 31, 2004.

34. MARKET VALUES OF SECURITIES AND MONEY HELD IN TRUST

For the Fiscal Year ended March 31, 2005

(a) Securities

"Securities" include trading securities, securities used for hedging trading transactions, negotiable due from banks and commercial paper in "Trading Assets," negotiable due from banks in "Cash and Due from Banks," and the commodity fund in "Monetary Receivables Bought."

(1) Trading Securities

	Millions of Yen	
	2005	
	Book Value	Valuation Gain (Loss)
Securities in Trading Account	**¥4,905,992**	**¥32,982**

	Millions of U.S. Dollars	
	2005	
	Book Value	Valuation Gain (Loss)
Securities in Trading Account	**$45,684**	**$307**

(2) Held-to-maturity Debt Securities with market values

	Millions of Yen				
	2005				
			Unrealized Gain (Loss)		
	Book Value	Market Value	Net	Gain	Loss
Other	**¥22,063**	**¥22,221**	**¥158**	**¥223**	**¥64**
Total	**¥22,063**	**¥22,221**	**¥158**	**¥223**	**¥64**

	Millions of U.S. Dollars				
	2005				
			Unrealized Gain (Loss)		
	Book Value	Market Value	Net	Gain	Loss
Other	**$205**	**$207**	**$1**	**$2**	**$1**
Total	**$205**	**$207**	**$1**	**$2**	**$1**

Note: Market values are primarily calculated by using the closing prices at the balance sheet date.

(3) Available-for-sale Securities with market values

	Millions of Yen				
	2005				
			Unrealized Gain (Loss)		
	Aggregate Cost	Market Value	Net	Gain	Loss
Japanese Equities	**¥ 1,467,619**	**¥ 1,921,960**	**¥454,340**	**¥507,409**	**¥ 53,068**
Japanese National Government Bonds	**13,749,227**	**13,719,800**	**(29,427)**	**22,871**	**52,298**
Japanese Local Government Bonds	**130,595**	**134,730**	**4,135**	**4,164**	**29**
Japanese Corporate Bonds and Notes	**113,941**	**116,337**	**2,395**	**2,400**	**4**
Other	**2,707,312**	**2,674,856**	**(32,455)**	**38,044**	**70,500**
Total	**¥18,168,696**	**¥18,567,685**	**¥398,988**	**¥574,891**	**¥175,902**

	Millions of U.S. Dollars				
	2005				
			Unrealized Gain (Loss)		
	Aggregate Cost	Market Value	Net	Gain	Loss
Japanese Equities	**$ 13,666**	**$ 17,897**	**$4,231**	**$4,725**	**$ 494**
Japanese National Government Bonds	**128,031**	**127,757**	**(274)**	**213**	**487**
Japanese Local Government Bonds	**1,216**	**1,255**	**38**	**39**	**0**
Japanese Corporate Bonds and Notes	**1,061**	**1,083**	**22**	**22**	**0**
Other	**25,210**	**24,908**	**(302)**	**354**	**657**
Total	**$169,184**	**$172,900**	**$3,715**	**$5,353**	**$1,638**

Notes: 1. Market values for Japanese Equities are calculated by using the average market prices during the final month of the fiscal year.
Market values for securities other than Japanese Equities are primarily calculated by using the closing prices at the balance sheet date.

2. Available-for-sale Securities with readily determinable market values are considered to be impaired if their market value declines significantly below its acquisition cost or amortized cost, and also if such a decline is considered to be other than temporary. Available-for-sale Securities with readily determinable market values are carried at market value in the consolidated balance sheets, and the difference between the market value and the acquisition or amortized cost is written off as an impairment loss in the current year's consolidated statements of operations. The impairment loss arising from securities recognized in the year ended March 31, 2005 was ¥2,301 million ($21 million). The standards to be applied in determining a "significant decline" in the market value of Available-for-sale securities are based on the classification of issuers used in the self-assessment of the credit quality of UFJ Holdings Group's assets as follows:

Bankrupt, Quasi-Bankrupt and Doubtful	Market value declines by 30% or more from the acquisition cost or amortized cost
Special Mention	Market value declines by 40% or more from the acquisition cost or amortized cost
Normal	Market value declines by 50% or more from the acquisition cost or amortized cost

The "Bankrupt" category represents issuers who are legally or formally bankrupt or in liquidation. The "Quasi-Bankrupt" category represents issuers who are substantially bankrupt. The "Doubtful" category represents issuers who are currently not in bankruptcy, but are likely to be bankrupt in the future. The "Special Mention" category represents issuers who require close monitoring going forward. The "Normal" category represents issuers who are not in any of the other categories described above.

(4) Available-for-sale Securities sold during the fiscal year ended March 31, 2005

	Millions of Yen		
	2005		
	Proceeds from Sales	Realized Gain	Realized Loss
Available-for-sale Securities	**¥37,657,309**	**¥307,593**	**¥83,026**

	Millions of U.S. Dollars		
	2005		
	Proceeds from Sales	Realized Gain	Realized Loss
Available-for-sale Securities	**$350,659**	**$2,864**	**$773**

(5) Held-to-maturity Debt Securities and Available-for-sale Securities whose market values are not readily determinable

	Millions of Yen
	2005
	Book Value
Available-for-sale Securities:	
Unlisted Japanese Bonds	¥2,313,016
Unlisted Japanese Equities other than Over-the-counter	645,472

	Millions of U.S. Dollars
	2005
	Book Value
Available-for-sale Securities:	
Unlisted Japanese Bonds	$21,538
Unlisted Japanese Equities other than Over-the-counter	6,011

(6) Redemption schedule of Held-to-maturity Debt Securities and Available-for-sale Securities with maturity

	Millions of Yen			
	2005			
(year)	1 or less	Over 1 to 5	Over 5 to 10	Over 10
Japanese National Government Bonds	¥9,242,121	¥1,247,964	¥2,670,614	¥ 559,100
Japanese Local Government Bonds	5,592	36,040	96,935	4,876
Japanese Corporate Bonds and Notes	216,743	1,310,219	815,811	77,864
Other	484,211	568,912	533,932	535,809
Total	¥9,948,669	¥3,163,137	¥4,117,293	¥1,177,650

	Millions of U.S. Dollars			
	2005			
(year)	1 or less	Over 1 to 5	Over 5 to 10	Over 10
Japanese National Government Bonds	$86,061	$11,621	$24,868	$ 5,206
Japanese Local Government Bonds	52	336	903	46
Japanese Corporate Bonds and Notes	2,019	12,200	7,597	725
Other	4,509	5,298	4,972	4,989
Total	$92,641	$29,455	$38,340	$10,966

(b) Money Held in Trust

(1) Money Held in Trust for Trading Purposes

	Millions of Yen	
	2005	
	Book Value	Valuation Gain (Loss)
Money Held in Trust for Trading Purposes	¥52,056	¥(10,185)

	Millions of U.S. Dollars	
	2005	
	Book Value	Valuation Gain (Loss)
Money Held in Trust for Trading Purposes	$485	$(95)

(2) Other Money Held in Trust

	Millions of Yen				
	2005				
			Unrealized Gain (Loss)		
	Aggregate Cost	Market Value	Net	Gain	Loss
Other	**¥4,930**	**¥4,963**	**¥32**	**¥32**	**—**

	Millions of U.S. Dollars				
	2005				
			Unrealized Gain (Loss)		
	Aggregate Cost	Market Value	Net	Gain	Loss
Other	**$46**	**$46**	**—**	**—**	**—**

(c) Net Unrealized Gain (Loss) on Available-for-sale Securities, Net of Taxes

Unrealized Gain (Loss) on Available-for-sale Securities, Net of Taxes, was reported as a separate component of Stockholders' Equity as of March 31, 2005 as follows:

	Millions of Yen	Millions of U.S. Dollars
	2005	**2005**
Net Unrealized Gain	**¥399,021**	**$3,715**
Deferred Tax Assets	**88**	**1**
Less: Deferred Tax Liabilities	**141,677**	**1,319**
Net Unrealized Gain on Available-for-sale Securities (Before Adjustment for Minority Interests)	**257,431**	**2,397**
Less: Minority Interests	**4,906**	**46**
Parent Company's Interests in Net Unrealized Gain on Available-for-sale Securities Held by Affiliates Accounted for under the Equity Method	**5,000**	**47**
Net Unrealized Gain (Loss) on Available-for-sale Securities, Net of Taxes	**¥257,526**	**$2,398**

For the Fiscal Year ended March 31, 2004

(a) Securities

"Securities" include trading securities, securities used for hedging trading transactions, negotiable due from banks and commercial paper in "Trading Assets," negotiable due from banks in "Cash and Due from Banks", and the commodity fund in "Monetary Receivables Bought".

(1) Trading Securities

	Millions of Yen	
	2004	
	Book Value	Valuation Gain (Loss)
Securities in Trading Account	¥2,404,196	¥784

(2) Held-to-maturity Debt Securities with market values

	Millions of Yen				
	2004				
			Unrealized Gain (Loss)		
	Book Value	Market Value	Net	Gain	Loss
Other	¥18,422	¥18,686	¥263	¥294	¥30
Total	¥18,422	¥18,686	¥263	¥294	¥30

Note: Market values are primarily calculated by using the closing prices at the balance sheet date.

(3) Available-for-sale Securities with market values

	Millions of Yen				
	2004				
			Unrealized Gain (Loss)		
	Aggregate Cost	Market Value	Net	Gain	Loss
Japanese Equities	¥ 1,764,291	¥ 2,122,914	¥358,622	¥429,967	¥ 71,345
Japanese National Government Bonds	13,531,746	13,464,948	(66,797)	44,731	111,528
Japanese Local Government Bonds	276,291	281,283	4,991	5,095	103
Japanese Corporate Bonds and Notes	208,934	213,092	4,158	4,446	287
Other	3,117,229	3,114,569	(2,659)	33,472	36,132
Total	¥18,898,493	¥19,196,809	¥298,316	¥517,714	¥219,397

Notes: 1. Market values for Japanese Equities are calculated by using the average market prices during the final month of the fiscal year.
Market values for securities other than Japanese Equities are primarily calculated by using the closing prices at the balance sheet date.

2. Available-for-sale Securities with readily determinable market values are considered to be impaired if their market value declines significantly below its acquisition cost or amortized cost, and also if such a decline is considered to be other than temporary. Available-for-sale Securities with readily determinable market values are carried at market value in the consolidated balance sheets, and the difference between the market value and the acquisition or amortized cost is written off as an impairment loss in the current year's consolidated statements of operations. The impairment loss arising from securities recognized in the year ended March 31, 2004 was ¥2,793 million. The standards to be applied in determining a "significant decline" in the market value of Available-for-sale securities are based on the classification of issuers used in the self-assessment of the credit quality of UFJ Holdings Group's assets as follows:

Bankrupt, Quasi-Bankrupt and Doubtful	Market value declines by 30% or more from the acquisition cost or amortized cost
Special Mention	Market value declines by 40% or more from the acquisition cost or amortized cost
Normal	Market value declines by 50% or more from the acquisition cost or amortized cost

The "Bankrupt" category represents issuers who are legally or formally bankrupt or in liquidation. The "Quasi-Bankrupt" category represents issuers who are substantially bankrupt. The "Doubtful" category represents issuers who are currently not in bankruptcy, but are likely to be bankrupt in the future. The "Special Mention" category represents issuers who require close monitoring going forward. The "Normal" category represents issuers who are not in any of the other categories described above.

(4) Available-for-sale Securities sold during the fiscal year ended March 31, 2004

	Millions of Yen		
	2004		
	Proceeds from Sales	Realized Gain	Realized Loss
Available-for-sale Securities	¥37,171,549	¥494,839	¥156,217

(5) Held-to-maturity Debt Securities and Available-for-sale Securities whose market values are not readily determinable

	Millions of Yen
	2004
	Book Value
Held-to-maturity Debt Securities:	
Unlisted Foreign Securities	¥ 44
Available-for-sale Securities:	
Unlisted Japanese Bonds	1,818,799
Unlisted Japanese Equities other than Over-the-counter	871,321

(6) Redemption schedule of Held-to-maturity Debt Securities and Available-for-sale Securities with maturity

	Millions of Yen			
	2004			
(year)	1 or less	Over 1 to 5	Over 5 to 10	Over 10
Japanese National Government Bonds	¥5,576,606	¥3,349,551	¥4,173,814	¥364,976
Japanese Local Government Bonds	13,299	29,709	242,276	5,596
Japanese Corporate Bonds and Notes	110,841	1,217,714	581,190	112,543
Other	951,520	1,006,601	297,876	253,695
Total	¥6,652,267	¥5,603,576	¥5,295,157	¥736,811

(b) Money Held in Trust

	Millions of Yen	
	2004	
	Book Value	Valuation Gain (Loss)
Money Held in Trust for Trading Purposes	¥132,524	¥(396)

(c)Net Unrealized Gain (Loss) on Available-for-sale Securities, Net of Taxes

Unrealized Gain (Loss) on Available-for-sale Securities, Net of Taxes, was reported as a separate component of Stockholders' Equity as of March 31, 2004 as follows:

	Millions of Yen
	2004
Net Unrealized Gain	¥298,316
Deferred Tax Assets	181
Less: Deferred Tax Liabilities	126,025
Net Unrealized Gain on Available-for-sale Securities (Before Adjustment for Minority Interests)	172,472
Less: Minority Interests	3,987
Parent Company's Interests in Net Unrealized Gain on Available-for-sale Securities Held by Affiliates Accounted for under the Equity Method	4,155
Net Unrealized Gain (Loss) on Available-for-sale Securities, Net of Taxes	¥172,640

35. DERIVATIVE FINANCIAL INSTRUMENTS

1. Details Related to Transactions

(Details)

Derivative instruments conducted by UFJ Group are as follows:

- Interest Rate Derivatives
  Interest Rate Futures
  Interest Rate Options
  Interest Rate Swaps
  FRAs (Forward Rate Agreements)
  Interest Rate Caps, etc.
- Currency Derivatives
  Currency Futures
  Currency Options
  Currency Swaps
  Foreign Exchange Forwards
  FXAs (Forward Exchange Agreements), etc.
- Bond and Equity Derivatives
  Bond Futures
  Options on Bond Futures
  OTC Bond Options
  Equity Index Futures
  Options on Equity Index Futures
  OTC Equity Index Options, etc.
- Commodity Derivatives
  Commodity Swaps
  Commodity Caps, etc.
- Credit Derivatives
  Credit Default Swaps
  Credit Default Options, etc.
- Other Derivatives
  Weather Options, etc.

(Policy)

Low transaction costs and ease of entering into derivative contracts provide the users of derivatives with tools to manage risks in a particular transaction. UFJ Group actively provides derivative instruments to its customers, and also engages in derivative transactions to manage its own risks and for trading purposes.

(Purpose)

Derivative transactions are delineated between those which are used for trading purposes and purposes other than trading. Transactions for trading purposes refer to transactions for which the goal is to earn profit from price differences among markets and short-term market movements. In addition, covered trades and trades to meet the needs of our customers are included.

Transactions for non-trading purposes are conducted for the purpose of achieving stable mid- and long-term interest income, managing asset and liability interest rate exposures with the combination of on-balance sheet transactions or as a supplement to on-balance sheet transactions, and for hedging purposes. Derivatives embedded in loans and deposits, covered transactions against those embedded derivatives and transactions controlling credit risk are also included.

Hedge accounting is applied to hedging transactions evaluated as effective hedges. The "designated hedges" are applicable when hedged items and hedging instruments are specifically identified. The methods of identifying hedged items and hedging instruments, hedging policy and evaluating hedge effectiveness are as follows:

- Hedging by means of interest rate swaps and other derivatives as hedges of long-term fixed rate loans, deposits, bonds, borrowed money and other instruments. UFJ Holdings and its consolidated domestic subsidiaries evaluate the effectiveness of the hedges at inception by matching the principal, maturity, and interest rate index of the hedging instruments with the hedged items. On an on-going basis, hedge effectiveness is assessed semiannually. UFJ Holdings concludes that the hedges have high effectiveness if the principal, maturity and interest rate index of the hedging instruments are approximately matched with the hedged items at inception, and takes such a conclusion in place of the subsequent verification.

(Risks and Risk Management Framework)

In recent years, the volume of derivative transactions, such as options and swaps, has increased. Because derivative transactions involve various market and credit risks, it is imperative that these risks are managed properly.

UFJ Holdings assesses potential volatilities in the results of its operations by utilizing the Value at Risk (VaR) methodology along with daily analysis of mark-to-market valuation and seeks to contain volatilities in earnings within certain pre-established limits. In particular, UFJ Holdings manages risks unique to options by establishing limits on delta, gamma, vega, and theta, respectively.

Counterparty risk in derivative transactions varies with changes in their market values, which may increase from future changes in market conditions. As with the case of ordinary loans, these credit risks can potentially result in losses due to the counterparty's financial insolvency, bankruptcy and other conditions; thus necessitating active management in responding to the changes in creditworthiness of the counterparties.

UFJ Holdings monitors the credit risks associated with the derivative transactions with financial institutions based on the amount of credit risk at present (current exposure) and the amount of risk potentially incurred in the future (potential exposure), together with on-balance sheet transactions.

Some credit derivative transactions are not subject to mark-to-market valuation, the majority of which are traded to hedge credit risk undertaken by UFJ Group. Other transactions that incur credit risk, e.g., credit-linked loans, are aggregated with the relevant on-balance sheet transactions and subject to credit risk management.

The following applies in regards to the amount of risk:

Market Risk

(1) Period of the VaR calculation

Period of Observation: From April 1, 2004 to March 31, 2005

Assumption

Confidence Interval: One Side 99%

Holding Period: 1 Business Day (Trading Account)

(2) VaR

From April 1, 2004 to March 31, 2005

			Billions of Yen
	Maximum Value	Minimum Value	Average Value
UFJ Bank	**¥3.7**	**¥1.4**	**¥2.4**
UFJ Trust	**0**	**0**	**0**

From April 1, 2004 to March 31, 2005

			Millions of U.S. Dollars
	Maximum Value	Minimum Value	Average Value
UFJ Bank	**$34**	**$13**	**$22**
UFJ Trust	**0**	**0**	**0**

- The VaR calculation incorporates market risks of the subsidiary banks and their principal subsidiaries such as UFJ International plc.
- In addition to VaR, market risk limits have been established for trading and banking accounts.

Credit Exposure

	Billions of Yen	Millions of U.S. Dollars
	2005	**2005**
Interest Rate Swaps	**¥ 2,279.1**	**$ 21,223**
Currency Swaps	**466.6**	**4,345**
Foreign Exchange Forward Contracts	**149.4**	**1,392**
Interest Rate Options Purchased	**158.3**	**1,474**
Currency Options Purchased	**331.9**	**3,091**
Other Derivative Instruments	**155.4**	**1,447**
Netting Effect through Master Netting Agreements	**(1,516.3)**	**(14,120)**
Total	**¥ 2,024.5**	**$ 18,852**

The above calculations are on a consolidated basis based on the capital adequacy ratio as determined in accordance with the Bank for International Settlements uniform standard, utilizing the current exposure method in calculating the equivalent credit exposure. In addition, we apply netting on derivative transactions, offsetting by counterparty the mark-to-market values of all off-balance sheet transactions, and adopting the amount after offsetting as credit exposure.

(Risk Management Structure)

UFJ Holdings has established the Risk Management Department, which is in charge of monitoring and managing both market risk and credit risk of the UFJ Group's entire portfolio. UFJ Holdings has strengthened the UFJ Group management structure by establishing specialized risk management sections, independent of operating sections, at principal subsidiaries such as UFJ Bank, UFJ Trust and UFJ International plc.

UFJ Holdings limits its potential losses within the pre-established limits by carrying out daily VaR analysis, reviewing daily revenues and positions.

UFJ Holdings quantifies and manages credit risk of off-balance sheet transactions, the same as on-balance sheet transactions under the credit rating framework, establishing credit limits for each borrower, limits for credit risk exposure and loss limits for post dealing transactions in order to limit its losses within a pre-defined loss amount.

2. Information on Market Values of Derivative Financial Instruments

For the Fiscal Year ended March 31, 2005

Contractual or notional amounts, market values or estimated market values and unrealized gain (loss) on derivative financial instruments as of March 31, 2005, are shown in the following tables:

(a) Interest Rate Derivatives

	Millions of Yen			
	2005			
	Contractual or Notional Amounts	Over One Year	Market Values	Unrealized Gain (Loss)
Listed:				
Interest Rate Futures				
Sold	¥10,705,628	¥ 2,839,077	¥ 17,533	¥ 17,533
Bought	10,328,993	2,769,313	(18,138)	(18,138)
Interest Rate Options				
Sold	10,371,820	—	1,011	58
Bought	12,481,881	—	947	(138)
Over-the-counter:				
Forward Rate Agreements				
Sold	361,411	—	139	139
Bought	378,452	—	(95)	(95)
Interest Rate Swaps				
Receipts Fixed / Payments Fixed	26,048	20,316	858	858
Receipts Fixed / Payments Floating	74,855,772	56,577,089	1,030,629	1,030,629
Receipts Floating / Payments Fixed	76,684,810	55,979,971	(930,833)	(930,833)
Receipts Floating / Payments Floating	9,954,127	7,294,875	6,184	6,184
Other				
Sold	6,719,953	4,523,809	49,714	(2,016)
Bought	8,110,563	6,710,502	80,981	37,566
Total			¥ 137,480	¥ 141,748

	Millions of U.S. Dollars			
	2005			
	Contractual or Notional Amounts	Over One Year	Market Values	Unrealized Gain (Loss)
Listed:				
Interest Rate Futures				
Sold	**$ 99,689**	**$ 26,437**	**$ 163**	**$ 163**
Bought	**96,182**	**25,787**	**(169)**	**(169)**
Interest Rate Options				
Sold	**96,581**	—	**9**	**1**
Bought	**116,229**	—	**9**	**(1)**
Over-the-counter:				
Forward Rate Agreements				
Sold	**3,365**	—	**1**	**1**
Bought	**3,524**	—	**(1)**	**(1)**
Interest Rate Swaps				
Receipts Fixed / Payments Fixed	**243**	**189**	**8**	**8**
Receipts Fixed / Payments Floating	**697,046**	**526,838**	**9,597**	**9,597**
Receipts Floating / Payments Fixed	**714,078**	**521,277**	**(8,668)**	**(8,668)**
Receipts Floating / Payments Floating	**92,691**	**67,929**	**58**	**58**
Other				
Sold	**62,575**	**42,125**	**463**	**(19)**
Bought	**75,524**	**62,487**	**754**	**350**
Total	/	/	**$ 1,280**	**$ 1,320**

Notes: 1. The above transactions are revalued at the end of the fiscal year and the unrealized gains and losses are included in the consolidated statements of operations. Derivatives transactions to which hedge accounting is applied are excluded.

2. Market values for listed products are calculated primarily by using the closing prices on the Tokyo International Financial Futures Exchange at the balance sheet date. Market values for over-the-counter transactions are based primarily on discounted present values and option pricing calculation models.

(b) Currency Derivatives

	Millions of Yen			
	2005			
	Contractual or Notional Amounts	Over One Year	Market Values	Unrealized Gain (Loss)
Over-the-counter:				
Currency Swaps	¥6,796,784	¥5,204,339	¥ 62,228	¥ 62,228
Foreign Exchange Forward Contracts				
Sold	4,596,007	83,921	18,033	18,033
Bought	4,100,421	291,856	(22,636)	(22,636)
Currency Options				
Sold	3,865,137	1,742,018	186,986	64,369
Bought	2,911,000	359,821	190,082	48,495
Total	/	/	¥ 60,720	¥170,490

	Millions of U.S. Dollars			
	2005			
	Contractual or Notional Amounts	Over One Year	Market Values	Unrealized Gain (Loss)
Over-the-counter:				
Currency Swaps	$63,291	$48,462	$ 579	$ 579
Foreign Exchange Forward Contracts				
Sold	42,797	781	168	168
Bought	38,183	2,718	(211)	(211)
Currency Options				
Sold	35,992	16,221	1,741	599
Bought	27,107	3,351	1,770	453
Total	/	/	$ 565	$1,588

Notes: 1. The above transactions are revalued at the end of the fiscal year and the unrealized gains and losses are included in the consolidated statements of operations. Derivatives transactions to which hedge accounting is applied are excluded. Certain transactions are excluded since they are included in receivables/payables which are reflected in the consolidated balance sheet, or eliminated in the consolidation process.

2. Market values for over-the-counter transactions are based primarily on discounted present values.

(c) Equity Derivatives

	Millions of Yen			
	2005			
	Contractual or Notional Amounts	Over One Year	Market Values	Unrealized Gain (Loss)
Listed:				
Equity Index Futures				
Sold	**¥ 158,877**	**¥ —**	**¥ 738**	**¥ 738**
Bought	**309,277**	**—**	**4,356**	**4,356**
Equity Index Options				
Sold	**2,109,302**	**1,042,062**	**150,580**	**(12,404)**
Bought	**2,006,505**	**893,284**	**151,726**	**(10,888)**
Equity Options				
Sold	**543,434**	**126**	**555**	**252**
Bought	**320,339**	**28,605**	**7,433**	**(119)**
Over-the-counter:				
Equity Forward Contracts				
Sold	**163,798**	**—**	**(17,990)**	**(17,990)**
Bought	**783**	**—**	**(23)**	**(23)**
Equity-related Options				
Sold	**158,427**	**125,701**	**16,070**	**(12,944)**
Bought	**175,470**	**138,491**	**11,773**	**7,802**
Equity-related Index Swaps				
Receipts or Payments Based on the Equity Price	**157,434**	**6,661**	**7,878**	**7,878**
Total			**¥ (1,315)**	**¥(33,344)**

	Millions of U.S. Dollars			
	2005			
	Contractual or Notional Amounts			
		Over One Year	Market Values	Unrealized Gain (Loss)
Listed:				
Equity Index Futures				
Sold	**$ 1,479**	**$ —**	**$ 7**	**$ 7**
Bought	**2,880**	**—**	**41**	**41**
Equity Index Options				
Sold	**19,642**	**9,704**	**1,402**	**(116)**
Bought	**18,684**	**8,318**	**1,413**	**(101)**
Equity Options				
Sold	**5,060**	**1**	**5**	**2**
Bought	**2,983**	**266**	**69**	**(1)**
Over-the-counter:				
Equity Forward Contracts				
Sold	**1,525**	**—**	**(168)**	**(168)**
Bought	**7**	**—**	**(0)**	**(0)**
Equity-related Options				
Sold	**1,475**	**1,171**	**150**	**(120)**
Bought	**1,634**	**1,290**	**110**	**73**
Equity-related Index Swaps				
Receipts or Payments Based on the Equity Price	**1,466**	**62**	**73**	**73**
Total	／	／	**$ (12)**	**$(310)**

Notes: 1. The above transactions are revalued at the end of the fiscal year and the unrealized gains and losses are included in the consolidated statements of operations. Derivatives transactions to which hedge accounting is applied are excluded.

2. Market values for listed products are calculated primarily using the closing prices of the Tokyo Stock Exchange at the balance sheet date. Market values for over-the-counter transactions are based primarily on discounted present values and option pricing calculation models.

(d) Bond Derivatives

	Millions of Yen			
	2005			
	Contractual or Notional Amounts	Over One Year	Market Values	Unrealized Gain (Loss)
Listed:				
Bond Futures				
Sold	¥2,008,201	¥—	¥(2,206)	¥(2,206)
Bought	2,038,483	—	1,851	1,851
Bond Futures Options				
Sold	542,706	—	587	585
Bought	460,500	—	1,047	(497)
Total			¥ 105	¥ (266)

	Millions of U.S. Dollars			
	2005			
	Contractual or Notional Amounts	Over One Year	Market Values	Unrealized Gain (Loss)
Listed:				
Bond Futures				
Sold	$18,700	$—	$(21)	$(20)
Bought	18,982	—	17	17
Bond Futures Options				
Sold	5,054	—	5	5
Bought	4,288	—	10	(4)
Total			$ 1	$ (2)

Notes: 1. The above transactions are revalued at the end of the fiscal year and the unrealized gains and losses are included in the consolidated statements of operations. Derivatives transactions to which hedge accounting is applied are excluded.

2. Market values for listed products are calculated using the closing prices of the Tokyo Stock Exchange at the balance sheet date.

(e) Commodity Derivatives

	Millions of Yen			
	2005			
	Contractual or Notional Amounts			
		Over One Year	Market Values	Unrealized Gain (Loss)
Over-the-counter:				
Commodity Swaps	**¥280,700**	**¥278,274**	**¥4,270**	**¥ 4,270**
Commodity Options				
Sold	**14,089**	**14,089**	**1,792**	**(1,226)**
Bought	**14,089**	**14,089**	**1,939**	**1,695**
Total	/	/	**¥4,417**	**¥ 4,738**

	Millions of U.S. Dollars			
	2005			
	Contractual or Notional Amounts			
		Over One Year	Market Values	Unrealized Gain (Loss)
Over-the-counter:				
Commodity Swaps	**$2,614**	**$2,591**	**$40**	**$ 40**
Commodity Options				
Sold	**131**	**131**	**17**	**(11)**
Bought	**131**	**131**	**18**	**15**
Total	/	/	**$41**	**$ 44**

Notes: 1. The above transactions are revalued at the end of the fiscal year and the unrealized gains and losses are included in the consolidated statements of operations. Derivatives transactions to which hedge accounting is applied are excluded.
2. Market values are calculated by using the quoted prices of the commodity, contractual term or other contractual elements.
3. Commodity relates to fuel and metals.

(f) Credit Derivatives

	Millions of Yen			
	2005			
	Contractual or Notional Amounts	Over One Year	Market Values	Unrealized Gain (Loss)
Over-the-counter:				
Credit Default Swaps				
Sold	**¥ 248,934**	**¥ 89,000**	**¥ 389**	**¥ 389**
Bought	**1,183,491**	**118,876**	**799**	**799**
Credit Default Options				
Sold	**5,000**	**2,000**	**17**	**(17)**
Bought	—	—	—	—
Total	/	/	**¥1,171**	**¥1,171**

	Millions of U.S. Dollars			
	2005			
	Contractual or Notional Amounts	Over One Year	Market Values	Unrealized Gain (Loss)
Over-the-counter:				
Credit Default Swaps				
Sold	**$ 2,318**	**$ 829**	**$ 4**	**$ 4**
Bought	**11,020**	**1,107**	**7**	**7**
Credit Default Options				
Sold	**47**	**19**	**0**	**(0)**
Bought	—	—	—	—
Total	/	/	**$11**	**$11**

Notes: 1. The above transactions are revalued at the end of the fiscal year and the unrealized gains and losses are included in the consolidated statements of operations. Derivatives transactions to which hedge accounting is applied are excluded.
2. Market values are based primarily on the discounted present values.
3. 'Sold' means the underwriting of credit risk and 'Bought' means the transferring of credit risk.

(g) Other Derivatives

	Millions of Yen			
	2005			
	Contractual or Notional Amounts	Over One Year	Market Values	Unrealized Gain (Loss)
Over-the-counter:				
Weather Options				
Sold	**¥280**	**¥85**	**¥20**	**¥19**
Bought	**160**	—	**25**	**23**
Total	/	/	**¥ 4**	**¥42**

	Millions of U.S. Dollars			
	2005			
	Contractual or Notional Amounts	Over One Year	Market Values	Unrealized Gain (Loss)
Over-the-counter:				
Weather Options				
Sold	**$3**	**$1**	**$0**	**$0**
Bought	**1**	—	**0**	**0**
Total	/	/	**$0**	**$0**

Notes: 1. The above transactions are revalued at the end of the fiscal year and the unrealized gains and losses are included in the consolidated statements of operations. Derivatives transactions to which hedge accounting is applied are excluded.
2. Market values are based primarily on option pricing models.

For the Fiscal Year ended March 31, 2004

Contractual or notional amounts, market values or estimated market values and unrealized gain (loss) on derivative financial instruments as of March 31, 2004, are shown in the following tables:

(a) Interest Rate Derivatives

	Millions of Yen			
	2004			
	Contractual or Notional Amounts	Over One Year	Market Values	Unrealized Gain (Loss)
Listed:				
Interest Rate Futures				
Sold	¥21,636,413	¥ 3,141,362	¥ (109,428)	¥ (109,428)
Bought	22,386,609	3,154,514	112,570	112,570
Interest Rate Options				
Sold	12,587,851	148,436	5,163	62
Bought	11,354,057	26,680	4,725	405
Over-the-counter:				
Forward Rate Agreements				
Sold	244,110	—	452	452
Bought	391,084	—	(539)	(539)
Interest Rate Swaps				
Receipts Fixed / Payments Fixed	28,325	28,325	949	949
Receipts Fixed / Payments Floating	72,807,671	50,699,743	1,319,161	1,319,161
Receipts Floating / Payments Fixed	71,041,134	50,489,371	(1,129,799)	(1,129,799)
Receipts Floating / Payments Floating	9,206,279	6,681,755	4,625	4,625
Other				
Sold	7,291,563	5,376,444	45,632	(3,602)
Bought	5,735,764	4,070,211	64,923	31,240
Total	/	/	¥ 216,844	¥ 226,096

Notes: 1. Certain transactions are included in the above table "2004" since they are revalued at March 31, 2004 and their gains and losses are recorded in the consolidated statement of operations.

2. The above transactions are revalued at the end of the fiscal year and the unrealized gains and losses are included in the consolidated statements of operations. Derivatives transactions to which hedge accounting is applied are excluded.

3. Market values for listed products are calculated primarily by using the closing prices on the Tokyo International Financial Futures Exchange at the balance sheet date. Market values for over-the-counter transactions are based primarily on discounted present values and option pricing calculation models.

(b) Currency Derivatives

	Millions of Yen			
	2004			
	Contractual or Notional Amounts			
		Over One Year	Market Values	Unrealized Gain (Loss)
Over-the-counter:				
Currency Swaps	¥6,225,292	¥4,765,009	¥ 41,295	¥ 41,295
Foreign Exchange Forward Contracts				
Sold	5,196,548	82,683	(56,878)	(56,878)
Bought	5,061,551	224,751	95,480	95,480
Currency Options				
Sold	4,342,269	844,634	128,685	25,923
Bought	3,936,141	158,988	150,241	50,599
Total	/	/	¥101,453	¥156,419

Notes: 1. The above transactions are revalued at the end of the fiscal year and the unrealized gains and losses are included in the consolidated statements of operations. Derivatives transactions to which hedge accounting is applied are excluded. Certain transactions are excluded since they are included in receivables/payables which are reflected in the consolidated balance sheet, or eliminated in the consolidation process.

2. Market values for over-the-counter transactions are based primarily on discounted present values.

3. Foreign exchange forward contracts, currency options and certain other transactions that are revalued at the end of the fiscal year are included. In addition, certain currency swaps are excluded since such currency swaps have been accounted for using the deferral method of hedge accounting in accordance with the JICPA Industry Audit Committee Report No. 25.

(c) Equity Derivatives

	Millions of Yen			
	2004			
	Contractual or Notional Amounts	Over One Year	Market Values	Unrealized Gain (Loss)
Listed:				
Equity Index Futures				
Sold	¥215,943	¥ —	¥ (6,381)	¥ (6,381)
Bought	206,404	—	4,428	4,428
Equity Index Options				
Sold	763,165	284,259	78,197	(8,440)
Bought	839,376	306,536	59,165	(7,493)
Equity Options				
Sold	28,825	6,018	2,738	(423)
Bought	63,516	27,987	6,441	(1,365)
Over-the-counter:				
Equity Forward Contracts				
Sold	33,708	—	(3,614)	(3,614)
Bought	2,078	—	159	159
Equity-related Options				
Sold	119,496	62,677	11,510	(4,017)
Bought	138,586	59,778	9,373	2,624
Equity-related Index Swaps				
Receipts Fixed / Payments Dividend Equivalents	12,847	12,847	5,259	5,259
Receipts Dividend Equivalents / Payments Fixed	6,116	—	(402)	(402)
Receipts or Payments Based on the Equity Price	87,782	—	(3,584)	(3,584)
Total			¥(21,600)	¥(23,250)

Notes: 1. The above transactions are revalued at the end of the fiscal year and the unrealized gains and losses are included in the consolidated statements of operations. Derivatives transactions to which hedge accounting is applied are excluded.

2. Market values for listed products are calculated primarily using the closing prices of the Tokyo Stock Exchange and others at the balance sheet date. Market values for over-the-counter transactions are based primarily on discounted present values and option pricing calculation models.

(d) Bond Derivatives

	Millions of Yen			
	2004			
	Contractual or Notional Amounts	Over One Year	Market Values	Unrealized Gain (Loss)
Listed:				
Bond Futures				
Sold	¥1,645,446	¥ —	¥4,742	¥4,742
Bought	1,528,796	—	1,760	1,760
Bond Futures Options				
Sold	630,903	—	1,541	580
Bought	378,371	—	1,472	(472)
Over-the-counter:				
Bond Options				
Sold	200,000	—	2,034	(617)
Bought	165,000	—	416	(290)
Total			¥4,816	¥5,703

Notes: 1. The above transactions are revalued at the end of the fiscal year and the unrealized gains and losses are included in the consolidated statements of operations. Derivatives transactions to which hedge accounting is applied are excluded.
2. Market values for listed products are calculated using the closing prices of the Tokyo Stock Exchange at the balance sheet date. Market values for over-the-counter transactions are based primarily on the option pricing calculation models.

(e) Commodity Derivatives

	Millions of Yen			
	2004			
	Contractual or Notional Amounts	Over One Year	Market Values	Unrealized Gain (Loss)
Over-the-counter:				
Commodity Swaps (Fuel)	¥129,909	¥129,759	¥2,891	¥2,891
Commodity Options (Fuel)				
Sold	7,113	7,113	420	(64)
Bought	7,113	7,113	419	299
Total			¥2,890	¥3,126

Notes: 1. The above transactions are revalued at the end of the fiscal year and the unrealized gains and losses are included in the consolidated statements of operations. Derivatives transactions to which hedge accounting is applied are excluded.
2. Market values are calculated by using the quoted prices of the commodity, contractual term or other contractual elements.

(f) Credit Derivatives

	Millions of Yen			
	2004			
	Contractual or Notional Amounts	Over One Year	Market Values	Unrealized Gain (Loss)
Over-the-counter:				
Credit Default Swaps				
Sold	¥ 238,412	¥ 225,993	¥319	¥319
Bought	1,137,302	1,101,501	639	639
Credit Default Options				
Sold	6,000	6,000	29	(29)
Bought	1,000	—	0	0
Total	/	/	¥930	¥930

Notes: 1. The above transactions are revalued at the end of the fiscal year and the unrealized gains and losses are included in the consolidated statements of operations. Derivatives transactions to which hedge accounting is applied are excluded.
2. Market values are based primarily on the discounted present values.
3. 'Sold' means the underwriting of credit risk and 'Bought' means the transferring of credit risk.

(g) Other Derivatives

	Millions of Yen			
	2004			
	Contractual or Notional Amounts	Over One Year	Market Values	Unrealized Gain (Loss)
Over-the-counter:				
Weather Options				
Sold	¥183	¥10	¥6	¥28
Bought	—	—	—	—
Total	/	/	¥6	¥28

Notes: 1. The above transactions are revalued at the end of the fiscal year and the unrealized gains and losses are included in the consolidated statements of operations. Derivatives transactions to which hedge accounting is applied are excluded.
2. Market values are based primarily on option pricing models.

36. SEGMENT INFORMATION

(a) Segment Information by Business Lines

The following tables present profits and assets of UFJ Group by business lines, based on internal management reporting.

Millions of Yen

	2005				
	Banking / Trust Business	Other	Total	Eliminations	Consolidated
Ordinary Income:					
Outside Customers	**¥ 1,901,140**	**¥ 404,232**	**¥ 2,305,373**	**¥ —**	**¥ 2,305,373**
Inter-Business Transfers	**30,476**	**56,240**	**86,717**	**(86,717)**	**—**
	1,931,617	**460,473**	**2,392,091**	**(86,717)**	**2,305,373**
Ordinary Expenses	**2,487,346**	**414,084**	**2,901,430**	**(99,225)**	**2,802,204**
Ordinary Profit (Loss)	**¥ (555,728)**	**¥ 46,389**	**¥ (509,339)**	**¥ (12,508)**	**¥ (496,830)**
Assets	**¥76,057,429**	**¥14,286,455**	**¥90,343,885**	**¥(7,790,225)**	**¥82,553,660**
Depreciation	**49,071**	**10,107**	**59,178**	**—**	**59,178**
Capital Expenditures	**154,549**	**16,474**	**171,024**	**—**	**171,024**

Millions of Yen

	2004					
	Banking / Trust Business	Leasing	Other	Total	Eliminations	Consolidated
Ordinary Income:						
Outside Customers	¥ 2,101,926	¥209,823	¥ 254,931	¥ 2,566,680	¥ —	¥ 2,566,680
Inter-Business Transfers	132,247	15,343	57,735	205,326	(205,326)	—
	2,234,174	225,166	312,666	2,772,007	(205,326)	2,566,680
Ordinary Expenses	2,566,340	219,031	283,144	3,068,516	(104,181)	2,964,335
Ordinary Profit (Loss)	¥ (332,165)	¥ 6,134	¥ 29,522	¥ (296,509)	¥ (101,145)	¥ (397,654)
Assets	¥79,037,411	¥808,038	¥9,661,804	¥89,507,254	¥(7,372,807)	¥82,134,447
Depreciation	47,297	1,231	6,147	54,676	—	54,676
Capital Expenditures	60,362	1,786	8,977	71,125	—	71,125

Millions of U.S. Dollars

	2005				
	Banking / Trust Business	Other	Total	Eliminations	Consolidated
Ordinary Income:					
Outside Customers	**$ 17,703**	**$ 3,764**	**$ 21,467**	**$ —**	**$ 21,467**
Inter-Business Transfers	**284**	**524**	**808**	**(808)**	**—**
	17,987	**4,288**	**22,275**	**(808)**	**21,467**
Ordinary Expenses	**23,162**	**3,856**	**27,018**	**(924)**	**26,094**
Ordinary Profit (Loss)	**$ (5,175)**	**$ 432**	**$ (4,743)**	**$ (116)**	**$ (4,627)**
Assets	**$708,236**	**$133,033**	**$841,269**	**$(72,541)**	**$768,728**
Depreciation	**457**	**94**	**551**	**—**	**551**
Capital Expenditures	**1,439**	**154**	**1,593**	**—**	**1,593**

Notes: 1. Ordinary Income represents "Total Revenues" less certain items such as "Gains on Sales of Premises and Equipment" and "Collection of Written-off Claims." Ordinary Expense represents "Total Expenses" less certain items such as "Losses on Sales of Premises and Equipment" and "Amortization of Net Transitional Obligation for Employee Retirement Benefits."

2. "Other" business lines include leasing, securities, credit card, financing, venture capital, investment trust management and Investment advisory businesses.

3. Change in business lines

For the fiscal year ended March 31, 2005

For the fiscal year ended March 31, 2005, the "Leasing" business, which had been a separate segment until the previous fiscal year, is no longer treated as a separate segment and is included in "Other" business. This is due to a transfer of the leasing business from UFJ Business Finance Co., Ltd., which is a consolidated subsidiary, to UFJ Central Leasing Co., Ltd., which is an equity-method affiliate.

As a result, the effects in "Other" business, compared with the former segmentation, are as follows;

"Ordinary Income" increased by ¥133,466 million ($1,243 million)
"Ordinary Profit" increased by ¥2,334 million ($22 million)
"Assets" increased by ¥370,306 million ($3,448 million)
"Depreciation" increased by ¥1,611 million ($15 million)
"Capital Expenditures" increased by ¥1,567 million ($15 million)

4. Change in accounting standards

For the fiscal year ended March 31, 2004

(1) Foreign Currency Translation and Revaluation

From the fiscal year ended March 31, 2004, funding related swap transactions and currency swap transactions, which are originated for the purpose of hedging the foreign exchange risk of funding transactions, are accounted for using the deferral method of hedge accounting. Funding related swap transactions and currency swap transactions, which were accounted for on an interest accrual basis, are valued at fair values and related unrealized gains and losses are recognized on a net basis in the balance sheet. As a result, "Assets" decreased by ¥23,943 million for Banking/Trust business. In addition, unrealized gains and losses arising from the revaluation of other forward foreign exchange contracts, which were included in assets or liabilities on a net basis, are included in assets or liabilities on a gross basis. As a result, "Assets" increased by ¥126,232 million for Banking/Trust business.

(b) Segment Information by Geographic Areas

The following tables present profits and assets relating to international and domestic operations of UFJ Group by major geographic areas, as determined by proximity, similarity of economic activities, and relationships of operations by location.

Millions of Yen

	2005						
	Japan	Americas	Europe	Asia / Oceania Excluding Japan	Total	Eliminations	Consolidated
Ordinary Income:							
Outside Customers	**¥ 2,145,534**	**¥ 56,872**	**¥ 55,965**	**¥ 47,000**	**¥ 2,305,373**	**¥ —**	**¥ 2,305,373**
Inter-Regional Transfers	**53,687**	**63,357**	**28,588**	**2,329**	**147,963**	**(147,963)**	**—**
	2,199,222	**120,230**	**84,554**	**49,330**	**2,453,337**	**(147,963)**	**2,305,373**
Ordinary Expenses	**2,754,746**	**83,595**	**82,005**	**37,343**	**2,957,690**	**(155,485)**	**2,802,204**
Ordinary Profit (Loss)	**¥ (555,524)**	**¥ 36,634**	**¥ 2,549**	**¥ 11,987**	**¥ (504,352)**	**¥ (7,521)**	**¥ (496,830)**
Assets	**¥77,529,846**	**¥2,845,783**	**¥6,064,954**	**¥2,237,623**	**¥88,678,207**	**¥(6,124,547)**	**¥82,553,660**

Millions of Yen

	2004						
	Japan	Americas	Europe	Asia / Oceania Excluding Japan	Total	Eliminations	Consolidated
Ordinary Income:							
Outside Customers	¥ 2,379,749	¥ 65,322	¥ 56,835	¥ 64,773	¥ 2,566,680	¥ —	¥ 2,566,680
Inter-Regional Transfers	75,007	66,704	25,120	5,520	172,354	(172,354)	—
	2,454,757	132,026	81,956	70,294	2,739,034	(172,354)	2,566,680
Ordinary Expenses	2,819,343	120,405	98,792	74,963	3,113,504	(149,169)	2,964,335
Ordinary Profit (Loss)	¥ (364,586)	¥ 11,621	¥ (16,836)	¥ (4,668)	¥ (374,469)	¥ (23,184)	¥ (397,654)
Assets	¥79,764,300	¥3,118,486	¥3,376,740	¥2,249,628	¥88,509,155	¥(6,374,708)	¥82,134,447

Millions of U.S. Dollars

	2005						
	Japan	Americas	Europe	Asia / Oceania Excluding Japan	Total	Eliminations	Consolidated
Ordinary Income:							
Outside Customers	**$ 19,979**	**$ 530**	**$ 521**	**$ 437**	**$ 21,467**	**$ —**	**$ 21,467**
Inter-Regional Transfers	**500**	**590**	**266**	**22**	**1,378**	**(1,378)**	**—**
	20,479	**1,120**	**787**	**459**	**22,845**	**(1,378)**	**21,467**
Ordinary Expenses	**25,652**	**779**	**763**	**348**	**27,542**	**(1,448)**	**26,094**
Ordinary Profit (Loss)	**$ (5,173)**	**$ 341**	**$ 24**	**$ 111**	**$ (4,697)**	**$ (70)**	**$ (4,627)**
Assets	**$721,947**	**$26,500**	**$56,476**	**$20,836**	**$825,759**	**$(57,031)**	**$768,728**

Notes: 1. Ordinary Income represents "Total Revenues" less certain items such as "Gains on Sales of Premises and Equipment" and "Collection of Written-off Claims." Ordinary Expense represents "Total Expenses" less certain items such as "Losses on Sales of Premises and Equipment" and "Amortization of Net Transitional Obligation for Employee Retirement Benefits."

2. "Americas" includes the United States and Canada. "Europe" includes United Kingdom and Germany. "Asia/Oceania Excluding Japan" includes Hong Kong, Singapore and Australia.

3. Change in accounting standards

For the fiscal year ended March 31, 2004

(1) **Foreign Currency Translation and Revaluation**

From the fiscal year ended March 31, 2004, funding related swap transactions and currency swap transactions, which are originated for the purpose of hedging the foreign exchange risk of funding transactions, are accounted for using the deferral method of hedge accounting. Funding related swap transactions and currency swap transactions, which were accounted for on an interest accrual basis, are valued at fair values and related unrealized gains and losses are recognized on a net basis in the balance sheet. As a result, "Assets" of "Europe" and "Asia/Oceania Excluding Japan" decreased by ¥23,489 million and ¥454 million, respectively. In addition, unrealized gains and losses arising from the revaluation of other forward foreign exchange contracts, which were included in assets or liabilities on a net basis, are included in assets or liabilities on a gross basis. As a result, "Assets" of "Japan" increased by ¥108,065 million, "Assets" of "Americas" increased by ¥269 million, "Assets" of "Europe" increased by ¥12,274 million and "Assets" of "Asia/Oceania Excluding Japan" increased by ¥5,622 million, respectively.

(c) Ordinary Income from Overseas Operations

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Ordinary Income from Overseas Operations	**¥ 159,839**	¥ 186,931	**$ 1,488**
Consolidated Ordinary Income	**2,305,373**	2,566,680	**21,467**
Ratio of Ordinary Income from Overseas Operations to Consolidated Ordinary Income	**6.9%**	7.2%	**6.9%**

Notes: 1. Ordinary Income from Overseas Operations is presented as a substitute for "Overseas Sales" utilized by non-financial companies.

2. Ordinary Income from Overseas Operations primarily includes ordinary income from domestic transactions in foreign currencies, and from transactions of the UFJ Bank's overseas branches and of consolidated overseas subsidiaries (excluding ordinary income from intercompany transactions). Segment Information for Ordinary Income from Overseas Operations by location is not presented since the counterparties to the large number of transactions are not classified by location.

37. UFJ HOLDINGS (PARENT COMPANY ONLY)

The following tables present the non-consolidated financial information of UFJ Holdings:

Non-consolidated Balance Sheets

	Millions of Yen		Millions of U.S. Dollars
As of March 31, 2005 and 2004	**2005**	2004	**2005**
ASSETS:			
Current Assets:			
Cash and Due from Banks	**¥ 509**	¥ 532	**$ 5**
Prepaid Expenses	**455**	—	**4**
Deferred Tax Assets	**133**	80	**1**
Other	**1,362**	2,749	**13**
Total Current Assets	**2,460**	3,362	**23**
Non-current Assets:			
Tangible Fixed Assets			
Equipment and Furniture	**76**	119	**1**
Intangible Fixed Assets			
Trademarks	**172**	200	**1**
Software	**317**	26	**3**
Software in Progress	**—**	339	**—**
Investments and Other Assets			
Investments in Securities	**19,355**	13,176	**180**
Investments in Subsidiaries (Stocks)	**1,913,465**	4,191,691	**17,818**
Bonds of Subsidiaries	**100,000**	100,000	**931**
Deferred Tax Assets	**—**	1,257	**—**
Other	**3,007**	18	**28**
Reserve for Credit Losses	**(248)**	—	**(2)**
Reserve for Losses on Securities	**(397,069)**	—	**(3,697)**
Total Non-current Assets	**1,639,077**	4,306,830	**15,263**
Deferred Charges:			
Organization Costs	**300**	600	**3**
Total Deferred Charges	**300**	600	**3**
Total Assets	**¥1,641,838**	¥4,310,792	**$15,289**
LIABILITIES AND STOCKHOLDERS' EQUITY:			
Liabilities:			
Current Liabilities:			
Short-term Loan Payable	**¥ 50,900**	¥ 18,000	**$ 474**
Long-term Loan Due Within One Year	**80,000**	—	**745**
Accounts Payable	**1,376**	213,958	**13**
Accrued Expenses	**132**	125	**1**
Accrued Income Taxes	**28**	320	**0**
Accrued Consumption Taxes	**16**	30	**0**
Other	**16**	6	**0**
Total Current Liabilities	**132,470**	232,441	**1,233**
Non-current Liabilities:			
Bonds	**100,000**	100,000	**931**
Long-term Loan Payable	**50,000**	—	**466**
Long-term Loan Payable from Subsidiary	**238,835**	24,835	**2,225**
Deferred Tax Liability	**4,550**	—	**42**
Reserve for Retirement Benefits	**49**	40	**0**
Total Non-current Liabilities	**393,435**	124,876	**3,664**
Total Liabilities	**525,905**	357,318	**4,897**
Stockholders' Equity:			
Capital Stock	**1,000,000**	1,000,000	**9,312**
Capital Surplus	**1,882,953**	1,882,953	**17,533**
Other Capital Surplus	**1,000,000**	1,000,000	**9,312**
Gain (Loss) from Sales of Treasury Stock	**1,737**	1,722	**16**
Retained Earnings (Accumulated Deficit)	**(2,773,875)**	66,478	**(25,830)**
Net Unrealized Gain (Loss) on Available-for-sale Securities, Net of Taxes	**6,875**	3,211	**64**
Treasury Stock	**(1,759)**	(891)	**(16)**
Total Stockholders' Equity	**1,115,932**	3,953,474	**10,391**
Total Liabilities and Stockholders' Equity	**¥1,641,838**	¥4,310,792	**$15,289**

Non-consolidated Statements of Operations

Fiscal Years Ended March 31, 2005 and 2004	Millions of Yen 2005	Millions of Yen 2004	Millions of U.S. Dollars 2005
Operating Revenues:			
Dividends on Investments in Subsidiaries (Stocks)	**¥ 2,305**	¥15,593	**$ 21**
Management Fees from Subsidiaries	**4,367**	4,404	**41**
Interest on Investments in Subsidiaries (Bonds)	**916**	418	**8**
Total Operating Revenues	**7,588**	20,416	**70**
Operating Expenses:			
General and Administrative Expenses	**3,025**	2,372	**28**
Interest on Bonds	**916**	418	**8**
Total Operating Expenses	**3,941**	2,791	**36**
Operating Income	**3,647**	17,625	**34**
Non-operating Revenues:			
Dividends on Investments in Securities	**156**	168	**1**
Fees and Commissions	**9**	5	**0**
Other	**97**	11	**1**
Total Non-operating Revenues	**263**	186	**2**
Non-operating Expenses:			
Interest Expenses	**5,882**	924	**55**
Amortization of Organization Costs	**300**	300	**3**
Revaluation Losses on Investments in Subsidiaries	**2,424,581**	8,464	**22,577**
Provision for Losses on Securities	**397,069**	—	**3,697**
Other	**321**	—	**3**
Total Non-operating Expenses	**2,828,154**	9,688	**26,335**
Income (Loss) Before Income Taxes	**(2,824,244)**	8,123	**(26,299)**
Income Taxes:			
Provision for Income Taxes	**8**	967	**0**
Deferred Income Taxes	**3,239**	(3,489)	**30**
	3,248	(2,522)	**30**
Net Income (Loss)	**(2,827,492)**	10,646	**(26,329)**
Retained Earnings at Beginning of the Fiscal Year	**66,478**	62,860	**619**
Cash Dividends	**12,861**	7,028	**120**
Retained Earnings at End of the Fiscal Year	**(2,773,875)**	66,478	**(25,830)**

	Yen 2005	Yen 2004	U.S. Dollars 2005
Net Income (Loss) Per Common Share:			
Basic	**¥(552,099.53)**	¥(437.71)	**$(5,141.07)**
Diluted	—	—	—

38. SUBSEQUENT EVENTS

(a) UFJ Holdings and Mitsubishi Tokyo Financial Group, Inc. (MTFG), UFJ Bank Limited and The Bank of Tokyo-Mitsubishi, Ltd., UFJ Trust Bank Limited and The Mitsubishi Trust and Banking Corporation and, UFJ Tsubasa Securities Co., Ltd. and Mitsubishi Securities Co., Ltd., have been preparing for the two group's management integration in October 2005, subject to the approval of their shareholders and relevant authorities, and respectively signed relevant merger agreements on April 20, 2005.

Main terms of the merger agreement, etc.

1. New Holding Company

(1) *Company name:*

Japanese Name: Kabushiki Kaisha Mitsubishi UFJ Financial Group

English Name: Mitsubishi UFJ Financial Group, Inc.

(2) *Merger structure:*

Merger, whereby MTFG will be the surviving entity and UFJ Holdings will be the dissolving entity.

(3) *Date of the shareholders' meetings to approve the merger:*

General meetings will be held on June 29, 2005

(4) *Date of the merger:*

October 1, 2005

(5) *Date from which dividends on the shares of common stock to be allotted and delivered in connection with the merger shall be calculated:*

October 1, 2005

(6) *Representatives:*

Chairman: Ryosuke Tamakoshi

Deputy Chairman: Haruya Uehara

President & CEO: Nobuo Kuroyanagi

(7) *Merger ratio:*

0.62 share of MTFG common stock for each share of UFJ Holdings common stock.

One Class 8, Class 9, Class 10, Class 11 and Class 12 share of preferred stock of MTFG for each Class II, Class IV, Class V, Class VI and Class VII share of preferred stock of UFJ Holdings.

(8) *Number of new shares to be issued in connection with the merger:*

The number of shares to be issued is obtained by multiplying (x) the total number of shares of UFJ Holdings held by the shareholders entered or recorded in the shareholder register as of the day immediately preceding the date of the merger by (y) the above merger ratio.

However, allotment will not be made for shares of common stock held by MTFG and treasury stock held by UFJ Holdings. (The number of new shares to be issued in connection with the merger is not decided as the preferred shares of UFJ Holdings may be converted to common stock by the date of the merger.)

Note: Total number of issued shares of UFJ Holdings as of March 31, 2005

Shares of common stock: 5,165,292.70 shares

Class I shares of preferred stock: 6,543 shares

Class II shares of preferred stock: 200,000 shares

Class IV shares of preferred stock: 150,000 shares

Class V shares of preferred stock: 150,000 shares

Class VI shares of preferred stock: 8 shares

Class VII shares of preferred stock: 200,000 shares

Note: Class 1 shares of preferred stock that have not been converted by July 31, 2005 shall be converted into shares of common stock on August 1, 2005.

(9) *Merger-related cash distribution:*

No cash distribution will be made.

2. New Bank

(1) *Company name:*

Japanese Name: Kabushiki Kaisha Mitsubishi Tokyo UFJ Ginko

English Name: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

(2) *Merger structure:*

Merger, whereby The Bank of Tokyo-Mitsubishi, Ltd. (BTM) will be the surviving entity and UFJ Bank Limited (UFJ Bank) will be the dissolving entity.

(3) *Dates of the shareholders' meetings to approve the merger:*

BTM: June 28, 2005

UFJ Bank: June 29, 2005

(4) *Date of the merger:*

October 1, 2005

(5) *Date from which dividends on the shares of common stock to be allotted and delivered in connection with the merger shall be calculated:*

October 1, 2005

(6) *Representatives:*

Chairman: Shigemitsu Miki

Deputy Chairman: Ryosuke Tamakoshi

President: Nobuo Kuroyanagi

(7) Merger ratio:

0.62 shares of BTM common stock for each share of UFJ Bank common stock.

One Class 3 of Series 1, Class 4 of Series 1 and Class 5 of Series 1 share of preferred stock of BTM for each Class A Series 1, Class D Series 1 and Class D Series 2 share of preferred stock of UFJ Bank.

0.34 shares of BTM common stock for each of Class E Series 1, Class G Series 1 and Class G Series 2 share of preferred stock of UFJ Bank.

3.44 shares of BTM common stock for each Class H Series 1 share of preferred stock of UFJ Bank.

As for Class E Series 1 preferred shares, if the conversion right has been exercised to convert to Class F shares of preferred stock, 0.34 shares of BTM common stock will be allotted and delivered for each Class F share of preferred stock.

(8) Number of new shares to be issued in connection with the merger:

The number of shares to be issued is obtained by multiplying (x) the total number of shares of UFJ Bank held by the shareholders entered or recorded in the shareholder register as of the day immediately preceding the date of the merger by (y) the above merger ratio.

(The number of new shares to be issued in connection with the merger is not decided as the preferred shares of UFJ Bank may be converted to common stock by the date of the merger.)

Note: Number of total issued shares of UFJ Bank as of March 31, 2005
Shares of common stock: 4,598,911,452 shares
Series 1 shares of preferred stock: 6,543,000 shares
Class A Series 1 shares of preferred stock: 200,000,000 shares
Class D Series 1 shares of preferred stock: 150,000,000 shares
Class D Series 2 shares of preferred stock: 150,000,000 shares
Class E Series 1 shares of preferred stock: 3,500,000,000 shares
Class G Series 1 shares of preferred stock: 400,000,000 shares
Class G Series 2 shares of preferred stock: 20,000,000 shares
Class H Series 1 shares of preferred stock: 25,000,000 shares

Note: Shares of Series 1 preferred stock that have not been converted by July 31, 2005 shall be converted into shares of common stock on August 1, 2005.

(9) Merger-related cash distribution:

No cash distribution will be made.

3. New Trust Bank

(1) Company name:

Japanese Name: Mitsubishi UFJ Shintaku Ginko Kabushiki Kaisha

English Name: Mitsubishi UFJ Trust and Banking Corporation

(2) Merger structure:

Merger, whereby The Mitsubishi Trust and Banking Corporation (MTB) will be the surviving entity and UFJ Trust Bank Limited (UFJ Trust) will be the dissolving entity.

(3) Date of the shareholders' meetings to approve the merger:

MTB: June 28, 2005

UFJ Trust: June 29, 2005

(4) Date of the merger:

October 1, 2005

(5) Date from which dividends on the shares of common stock to be allotted and delivered in connection with the merger shall be calculated:

October 1, 2005

(6) Representatives:

Chairman: Akio Utsumi

President: Haruya Uehara

(7) Merger ratio:

0.62 shares of MTB common stock for each share of UFJ Trust common stock.

One Class 3 of Series 1 and one Class 3 of Series 2 shares of preferred stock of MTB for each Class 1 of Series 1 and Class 1 of Series 2 shares of preferred stock of UFJ Trust.

(8) Number of new shares to be issued in connection with the merger:

The number of shares to be issued is obtained by multiplying (x) the total number of shares of UFJ Trust held by the shareholders entered or recorded in the shareholder register as of the day immediately preceding the date of the merger by (y) the above merger ratio.

(The number of new shares to be issued in connection with the merger is not decided as the preferred shares of UFJ Trust may be converted to common stock by the date of the merger.)

Note: Number of total issued shares of UFJ Trust as of March 31, 2005
Shares of common stock: 1,231,281,875 shares
First Class First Series shares of preferred stock: 8,000 shares
First Class Second Series shares of preferred stock: 200,000,000 shares

(9) Merger-related cash distribution:

No cash distribution will be made.

4. New Securities Company

(1) Company name:

Japanese Name: Mitsubishi UFJ Shoken Kabushiki Kaisha
English Name: Mitsubishi UFJ Securities Co., Ltd.

(2) Merger structure:

Merger, whereby Mitsubishi Securities Co., Ltd. (Mitsubishi Securities) will be the surviving entity and UFJ Tsubasa Securities Co., Ltd. (UFJ Tsubasa) will be the dissolving entity.

(3) Dates of the shareholders' meetings to approve the merger:

June 29, 2005

(4) Date of the merger:

October 1, 2005

(5) Date from which dividends on the shares of common stock to be allotted and delivered in connection with the merger shall be calculated:

April 1, 2005

(6) Representatives:

Chairman & CEO: Yasumasa Gomi
Deputy Chairman: Koichi Kane
President & COO: Kimisuke Fujimoto

(7) Merger ratio:

0.42 shares of Mitsubishi Securities common stock for each share of UFJ Tsubasa common stock.

(8) Number of new shares to be issued following the merger:

The number of shares to be issued is obtained by multiplying (x) the total number of shares of UFJ Tsubasa held by the shareholders entered or recorded in the shareholder register as of the day immediately preceding the date of the merger by (y) the above merger ratio.

Note: Total number of issued shares of UFJ Tsubasa as of March 31, 2005
Shares of common stock: 603,243,089 shares

(9) Merger-related cash distribution:

No cash distribution will be made.

(10) Transfer of Stock Acquisition Rights:

UFJ Tsubasa granted stock options (exercise price: 593 yen, exercise period: until March 31, 2006) to officers and employees following the resolution of the board of directors held on June 29, 2000. However, as these stock options are based on the stock subscription rights method prescribed by the provision under the previous Japanese Commercial Code (and that provision is not currently applicable), they cannot be succeeded to or assumed by the new securities company. Therefore, UFJ Tsubasa and the new securities company will issue and grant stock acquisition rights which will have the same commercial effect as the stock subscription rights which will be waived, and necessary procedures for the transfer of such rights will be taken.

(b) UFJ Holdings and MTFG and their respective subsidiaries have been pursuing preparations for their management integration on October 1, 2005, subject to the approval of relevant authorities. On August 12, 2005, UFJ Holdings, MTFG, UFJ Bank and BTM have decided, however, to change the scheduled date of the planned merger of their respective bank subsidiaries, UFJ Bank and BTM to January 1, 2006.
There will be no change in the schedule date of October 1, 2005 for the respective mergers between UFJ Holdings and MTFG, between UFJ Trust and MTB and between UFJ Tsubasa and Mitsubishi Securities.

UFJ Bank Limited

NON-CONSOLIDATED BALANCE SHEETS

As of March 31, 2005 and 2004	Millions of Yen 2005 UFJ Bank	2004 UFJ Bank	Millions of U.S. Dollars 2005 UFJ Bank
ASSETS:			
Cash and Due from Banks	**¥ 5,639,164**	¥ 4,191,074	**$ 52,511**
Call Loans	**488,125**	301,393	**4,545**
Cash Collateral Pledged for Bonds Borrowed	**952,354**	966,711	**8,868**
Monetary Receivables Bought	**157,981**	100,978	**1,471**
Trading Assets	**1,107,776**	861,683	**10,315**
Money Held in Trust	**5,013**	50	**47**
Securities	**19,893,126**	20,455,305	**185,242**
Loans and Bills Discounted	**33,745,516**	37,876,399	**314,234**
Foreign Exchanges	**644,439**	603,630	**6,001**
Other Assets	**1,351,442**	1,865,196	**12,585**
Premises and Equipment	**503,480**	522,770	**4,688**
Deferred Tax Assets	**953,903**	1,173,952	**8,883**
Customers' Liabilities for Acceptances and Guarantees	**4,096,865**	3,698,224	**38,149**
Reserve for Credit Losses	**(1,289,645)**	(1,850,723)	**(12,009)**
Reserve for Losses on Securities	**(65,501)**	(54,062)	**(610)**
Total Assets	**¥68,184,043**	¥70,712,583	**$634,920**
LIABILITIES AND STOCKHOLDERS' EQUITY:			
Liabilities:			
Deposits	**¥50,436,990**	¥54,129,852	**$469,662**
Call Money	**4,569,153**	4,548,178	**42,547**
Payables under Repurchase Agreements	**947,629**	226,051	**8,824**
Cash Collateral Received for Bonds Loaned	**873,986**	796,698	**8,138**
Commercial Paper	—	185,400	—
Trading Liabilities	**185,283**	167,211	**1,725**
Borrowed Money	**1,750,953**	1,814,574	**16,305**
Foreign Exchanges	**151,016**	189,607	**1,407**
Bonds and Notes	**2,449,980**	2,242,280	**22,814**
Other Liabilities	**881,547**	1,055,397	**8,210**
Reserve for Employee Bonus	**1,553**	6,792	**14**
Reserve for Contingent Liabilities Related to Loans Sold	—	—	—
Reserve for Losses on Supports of Specific Borrowers	—	5,057	—
Other Reserves	—	—	—
Deferred Tax Liabilities for Revaluation Reserve for Land	**67,661**	69,291	**630**
Acceptances and Guarantees	**4,096,865**	3,698,224	**38,149**
Total Liabilities	**66,412,622**	69,134,617	**618,425**
Stockholders' Equity:			
Capital Stock	**1,258,582**	843,582	**11,720**
Capital Surplus	**893,324**	806,184	**8,318**
Other Capital Surplus	—	—	—
Retained Earnings (Accumulated Deficit)	**(624,897)**	(331,858)	**(5,819)**
Revaluation Reserve for Land, Net of Taxes	**98,787**	101,166	**920**
Net Unrealized Gain on Available-for-sale Securities, Net of Taxes	**145,622**	158,889	**1,356**
Total Stockholders' Equity	**1,771,420**	1,577,965	**16,495**
Total Liabilities and Stockholders' Equity	**¥68,184,043**	¥70,712,583	**$634,920**

UFJ Bank Limited

NON-CONSOLIDATED STATEMENTS OF OPERATIONS

	Millions of Yen		Millions of U.S. Dollars
	2005	2004	**2005**
Fiscal Years ended March 31, 2005 and 2004	UFJ Bank	UFJ Bank	UFJ Bank
REVENUES:			
Interest Income:			
Interest on Loans and Discounts	**¥ 634,172**	¥ 662,358	**$ 5,905**
Interest on and Dividends from Securities	**204,751**	192,269	**1,907**
Other Interest Income	**54,865**	64,626	**511**
Fees and Commissions	**289,713**	267,818	**2,698**
Trading Gains, Net	**19,410**	143,667	**181**
Other Operating Income	**287,197**	239,533	**2,674**
Other Income	**523,266**	419,130	**4,872**
Total Revenues	**2,013,377**	1,989,404	**18,748**
EXPENSES:			
Interest Expenses:			
Interest on Deposits	**68,734**	58,794	**640**
Interest on Borrowings and Rediscounts	**73,335**	69,227	**683**
Other Interest Expenses	**50,199**	56,269	**468**
Fees and Commissions	**99,654**	96,816	**928**
Trading Losses, Net	—	—	—
Other Operating Expenses	**63,910**	98,218	**595**
General and Administrative Expenses	**479,678**	528,880	**4,467**
Provision for Credit Losses	—	854,207	—
Other Expenses	**1,576,414**	552,174	**14,679**
Total Expenses	**2,411,927**	2,314,590	**22,460**
Income (Loss) before Income Taxes	**(398,549)**	(325,185)	**(3,712)**
Income Taxes:			
Provision for Income Taxes	**1,220**	(833)	**11**
Deferred Income Taxes	**227,505**	15,908	**2,119**
	228,726	15,074	**2,130**
Net Income (Loss)	**(627,276)**	(340,260)	**(5,842)**
Retained Earnings (Accumulated Deficit) at Beginning of the Fiscal Year	**(331,858)**	(484,372)	**(3,090)**
Reversal of Revaluation Reserve for Land	**2,378**	8,401	**22**
Transfer from Capital Surplus	**331,858**	39,372	**3,090**
Transfer from Other Capital Surplus	—	445,000	—
Retained Earnings (Accumulated Deficit) at End of the Fiscal Year	**¥ (624,897)**	¥ (331,858)	**$ (5,820)**

	Yen		U.S. Dollars
Net Income (Loss) per Common Share:			
Basic	**¥(137.83)**	¥(75.84)	**$(1.28)**
Diluted	—	—	—

UFJ Trust Bank Limited

NON-CONSOLIDATED BALANCE SHEETS

As of March 31, 2005 and 2004	Millions of Yen 2005	Millions of Yen 2004	Millions of U.S.Dollars 2005
ASSETS:			
Cash and Due from Banks	**¥ 322,604**	¥ 384,889	**$ 3,004**
Call Loans	**—**	40,000	**—**
Monetary Receivables Bought	**47,395**	44,827	**441**
Trading Assets	**33,767**	16,229	**314**
Securities	**1,961,203**	1,975,235	**18,262**
Loans and Bills Discounted	**2,456,773**	3,274,497	**22,877**
Foreign Exchanges	**518**	703	**5**
Other Assets	**138,500**	145,504	**1,290**
Premises and Equipment	**40,114**	42,450	**374**
Deferred Tax Assets	**137,082**	195,660	**1,276**
Customers' Liabilities for Acceptances and Guarantees	**79,065**	85,469	**736**
Reserve for Credit Losses	**(60,622)**	(107,628)	**(564)**
Reserve for Losses on Securities	**(372)**	—	**(3)**
Total Assets	**¥5,156,030**	¥6,097,839	**$48,012**
LIABILITIES AND STOCKHOLDERS' EQUITY:			
Liabilities:			
Deposits	**¥3,237,711**	¥3,468,863	**$30,149**
Call Money	**42,912**	229,025	**400**
Payables under Repurchase Agreements	**—**	999	**—**
Cash Collateral Received for Bonds Loaned	**57,981**	—	**540**
Trading Liabilities	**5,937**	8,535	**55**
Borrowed Money	**48,500**	57,501	**452**
Foreign Exchanges	**0**	0	**0**
Bonds and Notes	**69,900**	69,900	**651**
Borrowed Money from Trust Account	**1,241,919**	1,754,077	**11,564**
Other Liabilities	**20,616**	39,067	**192**
Reserve for Employee Bonus	**431**	1,034	**4**
Reserve for Retirement Benefits	**220**	153	**2**
Reserve for Losses related to Land Trust	**14,522**	—	**135**
Acceptances and Guarantees	**79,065**	85,469	**736**
Total Liabilities	**4,819,719**	5,714,630	**44,880**
Stockholders' Equity:			
Capital Stock	**280,536**	280,536	**2,612**
Capital Surplus	**57,699**	57,699	**537**
Retained Earnings	**(18,608)**	57,106	**(173)**
Revaluation Reserve for Land, Net of Taxes	**(1,674)**	(1,590)	**(15)**
Net Unrealized Gain (Loss) on Available-for-sale Securities, Net of Taxes	**18,358**	(10,542)	**171**
Total Stockholders' Equity	**336,311**	383,209	**3,132**
Total Liabilities and Stockholders' Equity	**¥5,156,030**	¥6,097,839	**$48,012**

UFJ Trust Bank Limited

NON-CONSOLIDATED STATEMENTS OF OPERATIONS

Fiscal Years ended March 31, 2005 and 2004	Millions of Yen 2005	Millions of Yen 2004	Millions of U.S.Dollars 2005
REVENUES:			
Trust Fees	**¥ 51,381**	¥ 49,691	**$ 478**
Interest Income:			
Interest on Loans and Discounted	**31,793**	40,211	**296**
Interest on and Dividends from Securities	**12,714**	15,065	**118**
Other Interest Income	**744**	410	**7**
Fees and Commissions	**69,247**	55,670	**645**
Trading Gains, Net	**860**	3,018	**8**
Other Operating Income	**9,855**	9,896	**92**
Other Income	**17,477**	74,655	**163**
Total Revenues	**194,075**	248,619	**1,807**
EXPENSES:			
Interest Expenses:			
Interest on Deposits	**5,064**	7,302	**47**
Interest on Borrowings and Rediscounts	**2,102**	2,585	**20**
Other Interest Expenses	**8,419**	7,657	**78**
Fees and Commissions	**10,369**	7,204	**97**
Other Operating Expenses	**2,355**	2,774	**22**
General and Administrative Expenses	**76,259**	82,533	**710**
Provision for Credit Losses	**38,173**	—	**355**
Other Expenses	**78,709**	86,440	**733**
Total Expenses	**221,453**	196,498	**2,062**
Income (Loss) before Income Taxes	**(27,377)**	52,121	**(255)**
Income Taxes:			
Provision for Income Taxes	**35**	85	**0**
Deferred Income Taxes	**46,081**	18,887	**429**
	46,117	18,973	**429**
Net Income (Loss)	**(73,494)**	33,148	**(684)**
Retained Earnings at Beginning of the Fiscal Year	**57,106**	(56,903)	**532**
Transfer from Capital Surplus	**—**	80,629	**—**
Reversal of Reserve for Land	**84**	232	**1**
Cash Dividends	**(2,305)**	—	**(22)**
Retained Earnings at End of the Fiscal Year	**¥ (18,608)**	¥ 57,106	**$ (173)**

	Yen 2005	Yen 2004	U.S.Dollars 2005
Net Income (Loss) per Common Share:			
Basic	**¥(59.87)**	¥25.62	**$(0.56)**
Diluted	**—**	15.69	**—**

UFJ Trust Bank Limited

NON-CONSOLIDATED BALANCE SHEETS

Trust Account

As of March 31, 2005 and 2004	Millions of Yen 2005 (Unaudited)	2004 (Unaudited)	Millions of U.S.Dollars 2005 (Unaudited)
ASSETS:			
Loans and Bills Discounted	**¥ 634,442**	¥ 813,690	**$ 5,908**
Securities	**3,885,173**	3,370,580	**36,178**
Beneficiary Rights in Trust	**12,110,135**	12,482,661	**112,768**
Securities in Trust	**373,768**	307,821	**3,480**
Securities Lent	**498,000**	623,100	**4,637**
Money Claims	**3,244,668**	3,005,587	**30,214**
Premises and Equipment	**2,612,337**	1,736,919	**24,326**
Superficies	**16,525**	8,887	**154**
Leasing Rights on Land	**14,837**	23,456	**138**
Other Claims	**484,608**	149,164	**4,513**
Call Loans	**21,695**	145,654	**202**
Lending Money to Banking Account	**1,241,919**	1,754,077	**11,564**
Cash and Due from Banks	**376,678**	719,433	**3,508**
Total Assets	**¥25,514,790**	¥25,141,034	**$237,590**
LIABILITIES:			
Money Trust	**¥ 5,048,345**	¥ 5,238,745	**$ 47,009**
Pension Trust	**7,250**	7,267	**67**
Property Formation Trusts	**4,413**	4,453	**41**
Loan Trusts	**525,630**	731,876	**4,895**
Investment Trusts	**12,102,382**	12,473,690	**112,696**
Money in Trust other than Money Trusts	**71,189**	78,136	**663**
Securities in Trust	**1,615,656**	1,600,276	**15,045**
Money Claims in Trust	**3,342,421**	3,120,649	**31,124**
Equipment in Trust	**63,452**	117,118	**591**
Real Estate in Trust	**63,450**	93,674	**591**
Leasing Rights on Land in Trust	**260**	255	**2**
Composite Trusts	**2,670,338**	1,674,890	**24,866**
Other Trusts	**0**	0	**0**
Total Liabilities	**¥25,514,790**	¥25,141,034	**$237,590**

Notes: 1. The total amount of Co-operative Trusts with other trust companies administrated were ¥17,001,878 million ($158,319 million) and ¥17,908,758 million as of March 31, 2005 and 2004, respectively.

2. Total amounts of loans in trust account with principal indemnification of clause were ¥546,021 million ($5,084 million) and ¥747,727 million as of March 31, 2005 and 2004, respectively.
Problem Loans in trust account with principal indemnification of clause were as follows.

As of March 31, 2005 and 2004	Millions of Yen 2005	2004	Millions of U.S.Dollars 2005
Loans to Bankrupt Companies	**¥ 83**	¥ 5,587	**$ 1**
Other Delinquent Loans	**6,842**	13,963	**64**
Loans Past Due 3 Months or More	**826**	1,750	**7**
Restructured Loans	**10,000**	20,883	**93**
Total	**¥17,753**	¥42,184	**$165**

Trust Account

<Reference>

The total amount of Co-operative Trusts administrated with other trust companies includes the trust assets of the Service-Shared Co-Trusteeship with The Master Trust Bank of Japan (MTBJ), amounting to ¥11,144,061 million ($103,772 million) and ¥11,987,997 million as of March 31, 2005 and 2004, respectively.

The Balance Sheets of Trust Assets which are obtained by adding up Trust Assets under Service-Shared Co-Trusteeship are as follows.

As of March 31, 2005 and 2004	Millions of Yen 2005 (Unaudited)	Millions of Yen 2004 (Unaudited)	Millions of U.S.Dollars 2005 (Unaudited)
ASSETS:			
Loans and Bills Discounted	**¥ 634,442**	¥ 813,690	**$ 5,908**
Securities	**13,296,589**	13,040,481	**123,816**
Beneficiary Rights in Trust	**12,110,135**	12,492,721	**112,768**
Securities in Trust	**386,783**	326,674	**3,602**
Securities Lent	**498,000**	623,100	**4,637**
Money Claims	**3,274,654**	3,017,933	**30,493**
Premises and Equipment	**2,612,337**	1,736,919	**24,326**
Superficies	**16,525**	8,887	**154**
Leasing Rights on Land	**14,837**	23,456	**138**
Other Claims	**819,269**	545,925	**7,629**
Call Loans	**426,775**	486,666	**3,974**
Lending Money to Banking Account	**1,337,922**	1,953,808	**12,458**
Cash and Due from Banks	**705,656**	1,114,558	**6,571**
Total Assets	**¥36,133,931**	¥36,184,823	**$336,474**
LIABILITIES:			
Money Trust	**¥ 7,888,147**	¥ 8,485,883	**$ 73,453**
Pension Trust	**4,015,523**	4,167,629	**37,392**
Property Formation Trusts	**4,413**	4,453	**41**
Loan Trusts	**525,630**	731,876	**4,895**
Investment Trusts	**12,102,382**	12,473,690	**112,696**
Money in Trust other than Money Trusts	**916,822**	706,699	**8,537**
Securities in Trust	**1,628,671**	1,619,130	**15,166**
Money Claims in Trust	**3,342,421**	3,120,649	**31,124**
Equipment in Trust	**63,452**	117,118	**591**
Real Estate in Trust	**63,450**	93,674	**591**
Leasing Rights on Land in Trust	**260**	255	**2**
Composite Trusts	**5,582,755**	4,663,763	**51,986**
Other Trusts	**0**	0	**0**
Total Liabilities	**¥36,133,931**	¥36,184,823	**$336,474**

CAPITAL ADEQUACY

UFJ Group's capital ratio is subject to the capital adequacy guidelines issued by the Financial Services Agency which closely follow the risk-weighted approach proposed by the Bank for International Settlements (BIS).
The following table presents the components of the capital and the risk-weighted assets used to calculate UFJ Group's capital ratio under the guidelines.

	Millions of Yen	
As of March 31, 2005 and 2004	**2005**	2004
Tier I (Core Capital):		
Common Stock	**¥ 1,000,000**	¥ 1,000,000
Capital Surplus	**1,233,741**	1,233,725
Retained Earnings	**(1,327,168)**	(774,906)
Minority Interests (*)	**1,507,428**	821,423
Less: Treasury Stock	**2,691**	2,231
Foreign Currency Translation Adjustments	**(93,579)**	(91,434)
Less: Goodwill	**4,275**	11,308
Total Tier I Capital	**¥ 2,313,454**	¥ 2,175,269
Tier II (Supplementary Capital):		
Net Unrealized Gain on Available-for-sale Securities, after 55% Discount	**183,256**	137,281
Revaluation Reserve for Land, after 55% Discount	**83,525**	85,438
Reserve for Credit Losses, excluding Specific Reserve	**542,574**	577,324
Subordinated Debts	**1,559,022**	1,671,808
Total Tier II Capital	**¥ 2,368,380**	¥ 2,471,853
Tier II Capital included as Qualifying Capital	**¥ 2,278,660**	¥ 2,175,269
Deductions	**78,936**	81,921
Total Capital	**¥ 4,513,178**	¥ 4,268,616
Risk-Weighted Assets:		
Credit Risk Related Items:	**42,505,285**	45,262,948
Market Risk Related Items	**900,710**	923,041
Total Risk-Weighted Assets	**¥43,405,996**	¥46,185,989
Capital Ratio (%)	**10.39%**	9.24%

* "Minority Interests" in the above table includes the preference shares issued by UFJ Holdings' consolidated subsidiaries. The total balance of such preference shares was ¥613,210 million and ¥616,100 million as of March 31, 2005 and 2004, respectively. The outlines of the preference shares are described in the following pages.

OUTLINES OF PREFERENCE SHARES

	[1]	[2]
Issuer(s)	Sanwa Capital Finance 1 Limited	Sanwa Capital Finance 2 Limited
	Both incorporated with limited liability in the Cayman Islands	
Relation to UFJ Holdings	100% subsidiaries	
Business of the Issuer(s)	The principal purposes of the Issuers are to issue the Offered Shares to investors and to purchase the preferred shares of UFJ Preferred Capital 1 Limited which is a 100% subsidiary of UFJ Bank.	
Offered Securities	5,000 Floating Rate Non-cumulative Preference Shares, with a par value and liquidation preference of ¥10,000,000 per share (the "Offered Shares").	13,000 Floating Rate Non-cumulative Preference Shares, with a par value and liquidation preference of ¥10,000,000 per share (the "Offered Shares").
	The Offered Shares were privately placed. The Offered Shares are intended to provide holders with rights to liquidation preferences that are similar to those provided by UFJ Holdings' most senior preferred shares, and rights to dividends as described below under "Dividend Distribution Policy".	
Amount	¥50 billion	¥130 billion
Issuing Date	March 18, 1999	March 25, 1999
Maturity Date	Perpetual	
Redemption	The Offered Shares may be redeemed in whole or in part on any Dividend Payment Date commencing in July 2004 at the option of the Issuer. The Offered Shares may not be redeemed prior thereto except in whole upon the occurrence of certain tax events or capital events. Any redemption of the Offered Shares is subject to compliance with applicable regulatory requirements, including the prior approval of the Japanese regulatory authorities if then required.	The Offered Shares may be redeemed in whole or in part on any Dividend Payment Date commencing in July 2009 at the option of the Issuer. The Offered Shares may not be redeemed prior thereto except in whole upon the occurrence of certain tax events or capital events. Any redemption of the Offered Shares is subject to compliance with applicable regulatory requirements, including the prior approval of the Japanese regulatory authorities if then required.
Dividend Rate	Non-cumulative dividends are payable at a floating rate (with a step-up rate of 100bp for each dividend period starting from and after July 2009).	Non-cumulative dividends are payable at a floating rate (with no step-up rate).
Dividend Payment Dates	January 25 and July 25 of each year (or if such day is not a Business Day on the immediately succeeding Business Day unless such day would fall in the next calendar month in which case such day shall be the immediately preceding Business Day).	
Dividend Distribution Policy	The Offered Shares provide holders with rights to dividends as follows: (1) If UFJ Holdings pays any dividends on its common shares for any fiscal year, dividends will be paid on the subsequent two Dividend Payment Dates ("Mandatory Dividend Payment Dates"). (2) If a Dividend Payment Date is not a Mandatory Dividend Payment Date, UFJ Holdings may determine in its discretion to reduce or eliminate dividends. If UFJ Holdings declares less than 100% of dividends payable on its most senior preferred shares for any fiscal year, dividends on the Offered Shares for the subsequent two Dividend Payment Dates will be limited to the same percentage. Notwithstanding (1) or (2), dividends will be reduced or eliminated if UFJ Holdings has insufficient distributable profits as described below, and no dividends will be payable if UFJ Holdings is insolvent or in liquidation ("Liquidation Period") or fails to meet applicable capital requirements ("Supervisory Period").	

Loss Absorption Event	As Loss Absorption Events, dividends will not be paid if UFJ Holdings delivers to the Issuers a certificate stating that UFJ Holdings is Insolvent or in a Supervisory Period. Insolvent means (a) UFJ Holdings is not able or will not be able to pay its debts as they become due (meaning insolvent, *shiharai-funo*, within the meaning of the Japanese Bankruptcy Law (Law No. 75 of 2004 as amended) or its liabilities (other than certain core capital related loan and similar liabilities) exceed its assets or (b) the Japanese regulatory authorities have taken any statutory action in relation to UFJ Holdings based upon their determination that UFJ Holdings is insolvent. Supervisory Period means any period during which a Supervisory Event has occurred and is continuing. A Supervisory Event shall be deemed to have occurred if UFJ Holdings' risk-adjusted total capital ratio or risk-adjusted core capital ratio, calculated in accordance with each applicable standard set forth in the Japanese banking regulations as of the end of any annual or semi-annual period, were to decline below the minimum percentages required by Japanese banking regulations. (Japanese banking regulations currently require Japanese bank holding companies engaged in international operations to maintain a minimum risk-adjusted total capital ratio of at least 8.0 percent and a minimum risk-adjusted core capital ratio of at least 4.0 percent.)
Liquidation Event	Dividends will not be paid during any period when a Liquidation Event has occurred and is continuing ("Liquidation Period"). A Liquidation Event shall be deemed to occur if (a) liquidation proceedings (*seisan*) in respect of UFJ Holdings under the laws of Japan (including the special liquidation proceeding (*tokubetsu seisan*) of UFJ Holdings under the Japanese Commercial Code (Law No. 48 of 1899 as amended)) are commenced or (b) a competent court in Japan shall have (i) adjudicated the commencement of bankruptcy proceedings (*hasan*) of UFJ Holdings pursuant to the provisions of the Japanese Bankruptcy Law (Law No. 75 of 2004 as amended) or (ii) approved a preparation of a reorganization plan for liquidation (*seisanteki-kaisha-kosei*) of UFJ Holdings pursuant to the provisions of the Japanese Corporate Reorganization Law (Law No. 154 of 2002 as amended).
Limitation by Distributable Profit	On any Dividend Payment Date, the Issuers may not pay more than an amount equal to UFJ Holdings' distributable profits (as determined under applicable Japanese law) for the fiscal year of UFJ Holdings most recently ended, after deducting as of the date immediately preceding such Dividend Payment Date (a) any dividends (other than interim dividends, if any) which have been declared, finally and conclusively, to be paid in relation to any class of preferred shares of UFJ Holdings in respect of its then most recently ended fiscal year, (b) any dividends and other distributions which have been declared since the end of such fiscal year of UFJ Holdings in relation to securities issued by UFJ Holdings' subsidiaries ranking on a parity with any class of UFJ Holdings' preferred shares as to dividend rights and (c) any dividends which have been declared since the end of such fiscal year of UFJ Holdings in relation to any parity shares issued by the Issuers.

	[3]	[4]	[5]
Issuer(s)	UFJ Capital Finance 1 Limited	UFJ Capital Finance 2 Limited	UFJ Capital Finance 3 Limited
	Each incorporated with limited liability in the Cayman Islands		
Relation to UFJ Holdings	100% subsidiaries		
Business of the Issuer(s)	The principal purposes of the Issuers are to issue the Offered Shares to investors and to purchase the preferred shares of UFJ Preferred Capital 1 Limited which is a 100 % subsidiary of UFJ Bank.		
Offered Securities	9,000 Floating Rate Non-cumulative Preference Shares, with a par value and liquidation preference of ¥10,000,000 per share (the "Offered Shares").	11,800 Floating Rate Non-cumulative Preference Shares, with a par value and liquidation preference of ¥10,000,000 per share (the "Offered Shares").	1,000 Fixed Rate Non-cumulative Preference Shares, with a par value and liquidation preference of ¥10,000,000 per share (the "Offered Shares").
	The Offered Shares were privately placed. The Offered Shares are intended to provide holders with rights to liquidation preferences that are similar to those provided by UFJ Holdings' most senior preferred shares, and rights to dividends as described below under "Dividend Distribution Policy".		
Amount	¥90 billion	¥118 billion	¥10 billion
Issuing Date	October 24, 2001	November 8, 2001	November 8, 2001
Maturity Date	Perpetual		
Redemption	The Offered Shares may be redeemed in whole or in part on any Dividend Payment Date commencing in January 2007 at the option of the Issuer. The Offered Shares may not be redeemed prior thereto except in whole upon the occurrence of certain tax events or capital events. Any redemption of the Offered Shares is subject to compliance with applicable regulatory requirements, including the prior approval of the Japanese regulatory authorities if then required.		
Dividend Rate	Non-cumulative dividends are payable at a floating rate (with no step-up rate).		Non-cumulative dividends are payable at a fixed rate (with no step-up rate).
Dividend Payment Dates	January 25 and July 25 of each year (or if such day is not a Business Day on the immediately succeeding Business Day unless such day would fall in the next calendar month in which case such day shall be the immediately preceding Business Day).		
Dividend Distribution Policy	The Offered Shares provide holders with rights to dividends as follows: (1) If UFJ Holdings pays any dividends on its common shares for any fiscal year, dividends will be paid on the subsequent two Dividend Payment Dates ("Mandatory Dividend Payment Dates"). (2) If a Dividend Payment Date is not a Mandatory Dividend Payment Date, UFJ Holdings may determine in its discretion to reduce or eliminate dividends. If UFJ Holdings declares less than 100% of dividends payable on its most senior preferred shares for any fiscal year, dividends on the Offered Shares for the subsequent two Dividend Payment Dates will be limited to the same percentage. Notwithstanding (1) or (2), dividends will be reduced or eliminated if UFJ Holdings has insufficient distributable profits as described below, and no dividends will be payable if UFJ Holdings is insolvent or in liquidation ("Liquidation Period") or fails to meet applicable capital requirements ("Supervisory Period").		

Loss Absorption Event	As Loss Absorption Events, dividends will not be paid if UFJ Holdings delivers to the Issuers a certificate stating that UFJ Holdings is Insolvent or in a Supervisory Period. Insolvent means (a) UFJ Holdings is not able or will not be able to pay its debts as they become due (meaning insolvent, *shiharai-funo*, within the meaning of the Japanese Bankruptcy Law (Law No. 75 of 2004 as amended) or its liabilities (other than certain core capital related loan and similar liabilities) exceed its assets or (b) the Japanese regulatory authorities have taken any statutory action in relation to UFJ Holdings based upon their determination that UFJ Holdings is insolvent. Supervisory Period means any period during which a Supervisory Event has occurred and is continuing. A Supervisory Event shall be deemed to have occurred if UFJ Holdings' risk-adjusted total capital ratio or risk-adjusted core capital ratio, calculated in accordance with each applicable standard set forth in the Japanese banking regulations as of the end of any annual or semi-annual period, were to decline below the minimum percentages required by Japanese banking regulations. (Japanese banking regulations currently require Japanese bank holding companies engaged in international operations to maintain a minimum risk-adjusted total capital ratio of at least 8.0 percent and a minimum risk-adjusted core capital ratio of at least 4.0 percent.)
Liquidation Event	Dividends will not be paid during any period when a Liquidation Event has occurred and is continuing ("Liquidation Period"). A Liquidation Event shall be deemed to occur if (a) liquidation proceedings (*seisan*) in respect of UFJ Holdings under the laws of Japan (including the special liquidation proceeding (*tokubetsu seisan*) of UFJ Holdings under the Japanese Commercial Code (Law No. 48 of 1899 as amended)) are commenced or (b) a competent court in Japan shall have (i) adjudicated the commencement of bankruptcy proceedings (*hasan*) of UFJ Holdings pursuant to the provisions of the Japanese Bankruptcy Law (Law No. 75 of 2004 as amended) or (ii) approved a preparation of a reorganization plan for liquidation (*seisanteki-kaisha-kosei*) of UFJ Holdings pursuant to the provisions of the Japanese Corporate Reorganization Law (Law No. 154 of 2002, as amended).
Limitation by Distributable Profit	On any Dividend Payment Date, the Issuers may not pay more than an amount equal to UFJ Holdings' distributable profits (as determined under applicable Japanese law) for the fiscal year of UFJ Holdings most recently ended, after deducting as of the date immediately preceding such Dividend Payment Date (a) any dividends (other than interim dividends, if any) which have been declared, finally and conclusively, to be paid in relation to any class of preferred shares of UFJ Holdings in respect of its then most recently ended fiscal year, (b) any dividends and other distributions which have been declared since the end of such fiscal year of UFJ Holdings in relation to securities issued by UFJ Holdings' subsidiaries ranking on a parity with any class of UFJ Holdings' preferred shares as to dividend rights and (c) any dividends which have been declared since the end of such fiscal year of UFJ Holdings in relation to any parity shares issued by the Issuers.

	[6]		
Issuer	UFJ Capital Finance 4 Limited		
	Incorporated with limited liability in the Cayman Islands		
Relation to UFJ Holdings	100% subsidiary		
Business of the Issuer(s)	The principal purposes of the Issuer are to issue the Offered Shares to investors and to purchase the preferred shares of UFJ Preferred Capital 1 Limited which is a 100% subsidiary of UFJ Bank.		
Offered Securities	9,450 Series A Floating Rate Non-cumulative Preference Shares, with a par value and liquidation preference of ¥10,000,000 per share (the "Offered Shares").	1,150 Series B Fixed Rate Non-cumulative Preference Shares, with a par value and liquidation preference of ¥10,000,000 per share (the "Offered Shares").	500 Series C Floating Rate Non-cumulative Preference Shares, with a par value and liquidation preference of ¥10,000,000 per share (the "Offered Shares").
	The Offered Shares were privately placed. The Offered Shares are intended to provide holders with rights to liquidation preferences that are similar to those provided by UFJ Holdings' most senior preferred shares, and rights to dividends as described below under "Dividend Distribution Policy".		
Amount	¥94.5 billion	¥11.5 billion	¥5 billion
Issuing Date	September 26, 2002	September 26, 2002	September 26, 2002
Maturity Date	Perpetual		
Redemption	The Offered Shares may be redeemed in whole or in part on any Dividend Payment Date commencing in January 2008 at the option of the Issuer. The Offered Shares may not be redeemed prior thereto except in whole upon the occurrence of certain tax events or capital events. Any redemption of the Offered Shares is subject to compliance with applicable regulatory requirements, including the prior approval of the Japanese regulatory authorities if then required.		The Offered Shares may be redeemed in whole or in part on any Dividend Payment Date commencing in January 2010 at the option of the Issuer. The Offered Shares may not be redeemed prior thereto except in whole upon the occurrence of certain tax events or capital events. Any redemption of the Offered Shares is subject to compliance with applicable regulatory requirements, including the prior approval of the Japanese regulatory authorities if then required.
Dividend Rate	Non-cumulative dividends are payable at a floating rate (with no step-up rate).	Non-cumulative dividends are payable at a fixed rate (with no step-up rate).	Non-cumulative dividends are payable at a floating rate (with no step-up rate).
Dividend Payment Dates	January 25 and July 25 of each year (or if such day is not a Business Day on the immediately succeeding Business Day unless such day would fall in the next calendar month in which case such day shall be the immediately preceding Business Day).		
Dividend Distribution Policy	The Offered Shares provide holders with rights to dividends as follows: (1) If UFJ Holdings pays any dividends on its common shares for any fiscal year, dividends will be paid on the subsequent two Dividend Payment Dates ("Mandatory Dividend Payment Dates"). (2) If a Dividend Payment Date is not a Mandatory Dividend Payment Date, UFJ Holdings may determine in its discretion to reduce or eliminate dividends. If UFJ Holdings declares less than 100% of dividends payable on its most senior preferred shares for any fiscal year, dividends on the Offered Shares for the subsequent two Dividend Payment Dates will be limited to the same percentage. Notwithstanding (1) or (2), dividends will be reduced or eliminated if UFJ Holdings has insufficient distributable profits as described below, and no dividends will be payable if UFJ Holdings is insolvent or in liquidation ("Liquidation Period") or fails to meet applicable capital requirements ("Supervisory Period").		

Loss Absorption Event	As Loss Absorption Events, dividends will not be paid if UFJ Holdings delivers to the Issuers a certificate stating that UFJ Holdings is Insolvent or in a Supervisory Period. Insolvent means (a) UFJ Holdings is not able or will not be able to pay its debts as they become due (meaning insolvent, *shiharai-funo*, within the meaning of the Japanese Bankruptcy Law (Law No. 75 of 2004 as amended) or its liabilities (other than certain core capital related loan and similar liabilities) exceed its assets or (b) the Japanese regulatory authorities have taken any statutory action in relation to UFJ Holdings based upon their determination that UFJ Holdings is insolvent. Supervisory Period means any period during which a Supervisory Event has occurred and is continuing. A Supervisory Event shall be deemed to have occurred if UFJ Holdings' risk-adjusted total capital ratio or risk-adjusted core capital ratio, calculated in accordance with each applicable standard set forth in the Japanese banking regulations as of the end of any annual or semi-annual period, were to decline below the minimum percentages required by Japanese banking regulations. (Japanese banking regulations currently require Japanese bank holding companies engaged in international operations to maintain a minimum risk-adjusted total capital ratio of at least 8.0 percent and a minimum risk-adjusted core capital ratio of at least 4.0 percent.)
Liquidation Event	Dividends will not be paid during any period when a Liquidation Event has occurred and is continuing ("Liquidation Period"). A Liquidation Event shall be deemed to occur if (a) liquidation proceedings (*seisan*) in respect of UFJ Holdings under the laws of Japan (including the special liquidation proceeding (*tokubetsu seisan*) of UFJ Holdings under the Japanese Commercial Code (Law No. 48 of 1899 as amended)) are commenced or (b) a competent court in Japan shall have (i) adjudicated the commencement of bankruptcy proceedings (*hasan*) of UFJ Holdings pursuant to the provisions of the Japanese Bankruptcy Law (Law No. 75 of 2004 as amended) or (ii) approved a preparation of a reorganization plan for liquidation (*seisanteki-kaisha-kosei*) of UFJ Holdings pursuant to the provisions of the Japanese Corporate Reorganization Law (Law No. 154 of 2002 as amended).
Limitation by Distributable Profit	On any Dividend Payment Date, the Issuers may not pay more than an amount equal to UFJ Holdings' distributable profits (as determined under applicable Japanese law) for the fiscal year of UFJ Holdings most recently ended, after deducting as of the date immediately preceding such Dividend Payment Date (a) any dividends (other than interim dividends, if any) which have been declared, finally and conclusively, to be paid in relation to any class of preferred shares of UFJ Holdings in respect of its then most recently ended fiscal year, (b) any dividends and other distributions which have been declared since the end of such fiscal year of UFJ Holdings in relation to securities issued by UFJ Holdings' subsidiaries ranking on a parity with any class of UFJ Holdings' preferred shares as to dividend rights and (c) any dividends which have been declared since the end of such fiscal year of UFJ Holdings in relation to any parity shares issued by the Issuers.

	[7]
Issuer	Tokai Preferred Capital Company L.L.C.
	Incorporated with limited liability in the State of Delaware
Relation to UFJ Bank	100% indirect subsidiary. UFJ Bank owns entire shares of the common securities of the Issuer through Tokai Preferred Capital Holdings Inc., which is a wholly owned subsidiary of UFJ Bank.
Business of the Issuer	The principal purpose of the Issuer is to issue the Offered Securities to investors and to hold and acquire a perpetual Credit-Linked Note issued by UFJ Bank.
Offered Securities	Non-cumulative Preferred Securities, Series A, liquidation preference of $1,000 per share (the "Offered Securities") representing preferred limited liability interest in the Issuer.
	The Offered Securities are intended to provide holders with rights to liquidation preferences that are substantially *pari passu* to those provided by UFJ Bank's most senior class of preferred shares, and rights to dividends as described below.
Amount	$1 billion
Issuing Date	March 26, 1998
Maturity Date	Perpetual
Redemption	The Offered Securities may be redeemed in whole or in part on any Dividend Payment Date commencing in June 2008 at the option of the Issuer at the redemption price of $1,000 per security plus unpaid dividends therein. Any redemption of the Offered Securities is subject to compliance with applicable regulatory requirements, including the prior approval of the Financial Services Agency of Japan if then required.
Dividend Rate	Non-cumulative dividends are payable at a fixed rate per annum on the liquidation preference of $1,000 per security through the Dividend Payment Date in June 2008 and thereafter, at a floating rate with a step-up based on the London interbank offered rate for US$ deposits with a maturity of six months.
Dividend Payment Dates	The last day of June and December of each year or, if such day is not a Business Day, the immediately preceding Business Day. A "Dividend Period" commences and includes such Dividend Payment Date and ends on but does not include the next succeeding Dividend Payment Date.
Dividends	Dividends will become irrevocably due and payable on each Dividend Payment Date unless either a Regulatory Event has occurred and is continuing or the Issuer receives (or deems to receive) a notice from the holder of the common securities instructing not to pay dividends on such Dividend Payment Date (the "Dividend Shift Notice"), in which case no dividend shall become due and payable on such Dividend Payment Date; provided, however, that if the Dividend Payment Date as to which such Dividend Shift Notice is delivered is a Compulsory Dividend Payment Date, then such Dividend Shift Notice will apply to the first Dividend Payment Date thereafter that is not a Compulsory Dividend Payment Date. "Regulatory Event" means an event where UFJ Bank's total risk-based capital ratio or Tier I risk-based capital ratio, calculated on a consolidated basis as of the end of any period in respect of which UFJ Bank submits financial statements to the Financial Services Agency of Japan, declines below the minimum percentage required by Japanese banking regulation. If UFJ Bank pays any dividends on any of its capital stock with respect to any fiscal year of UFJ Bank, then the Issuer will be required to pay full dividends on the Offered Securities on the Dividend Payment Dates that occur in December of the calendar year in which such fiscal year ends and June of the next succeeding calendar year (irrespective of whether a Regulatory Event has occurred or a Dividend Shift Notice has been delivered) upon which Dividend Payment Dates the Issuer is required to pay full dividends ("Compulsory Dividends") on the Offered Securities.

Liquidation Event	A "Liquidation Event" shall be deemed to occur if (a) a liquidation proceeding (*seisan*) under the laws of Japan (including the special liquidation proceeding (*tokubetsu seisan*) of UFJ Bank under the Commercial Code (Law No.48 of 1899, as amended)) is commenced by or against UFJ Bank (for the avoidance of doubt, otherwise than for the purpose of or pursuant to any merger or amalgamation of UFJ Bank under the Commercial Code or the Special Law regarding Merger Procedures of Bank for Bank Holding Company (Law No.121 of 1997), the terms of which are approved by UFJ Bank's shareholders and where the continuing company or the company formed as a result of which has effectively succeeded to all or substantially all of the assets of UFJ Bank and assumes the entire obligation of UFJ Bank under the Credit-Linked Note and the Parent Contribution Agreement), or (b) a competent court in Japan shall have either (x) adjudicated UFJ Bank to be bankrupt (*hasan*) pursuant to the provisions of the Japanese Bankruptcy Law (Law No. 75 of 2004 as amended) or (y) approved the preparation of a reorganization plan for liquidation (*seisan-o-naiyotosuru-keikaku*) of UFJ Bank pursuant to the provisions of the Japanese Corporate Reorganization Law (Law No. 154 of 2002 as amended).
Parent Contribution Agreement	Pursuant to the Parent Contribution Agreement, UFJ Bank will be obligated to contribute (or cause to be contributed) to the Issuer such additional funds as are necessary for the payment of Compulsory Dividends, except that, as long as the Credit-Linked Note is outstanding, (i) if UFJ Bank is not in default under the Credit-Linked Note on either such Compulsory Dividend Payment Date on which such Compulsory Dividends are payable, dividends so payable by the Issuer on such Dividend Payment Date will be limited to amounts received by the Issuer under the Credit-Linked Note, and (ii) the amount UFJ Bank is obligated to contribute to the Issuer during any Dividend Period, together with interest payments actually made by UFJ Bank under the Credit-Linked Note, shall not exceed the scheduled amount of interest payments under the Credit-Linked Note due during such Dividend Period.
Credit-Linked Note	The Issuer acquired and holds the Credit-Linked Note having a principal amount of $1,125,000,000 issued by UFJ Bank. The Credit-Linked Note generates net income for distribution to the holders of the Offered Securities and its common securities. The Credit-Linked Note evidences a subordinated perpetual obligation of UFJ Bank under which UFJ Bank will make payments only of interest and not principal. The Credit-Linked Note will provide that, if a Liquidation Event occurs and for so long as it continues, (i) the obligation of UFJ Bank to make payments of interest under the Credit-Linked Note will be suspended, (ii) the obligation of UFJ Bank to make payments under the Parent Contribution Agreement will be suspended and (iii) the Credit-Linked Note will evidence a subordinated claim in the liquidation of UFJ Bank and the Issuer will have no other financial claim against or interest in UFJ Bank under the Credit-Linked Note. The subordinated claim evidenced by the Credit-Linked Note will entitle the Issuer to substantially the same liquidating distributions in the liquidation of UFJ Bank that the Issuer would be entitled to if the Credit-Linked Note were *pari passu* to the most senior class of preferred stock of UFJ Bank having an aggregate liquidation preference at least equal to the aggregate liquidation preference of the Offered Securities.

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Forward-Looking Statements

This annual report contains forward-looking statements with respect to the financial condition, results of operations and businesses of UFJ Holdings, Inc., UFJ Bank Limited, UFJ Trust Bank Limited (collectively hereinafter, "the UFJ Group") and their group companies. These forward-looking statements involve certain risks and uncertainties resulting from changes in the UFJ Group's business environment.

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