

CITIGROUP INC
Form 424B2
November 19, 2018

The information in this preliminary pricing supplement is not complete and may be changed. This preliminary pricing supplement and the accompanying product supplement, underlying supplement, prospectus supplement and prospectus are not an offer to sell these securities, nor are they soliciting an offer to buy these securities, in any state where the offer or sale is not permitted.

Subject to Completion. Dated November 19, 2018

Filed Pursuant to Rule 424(b)(2)

Registration Statement Nos. 333-216372 and 333-216372-01
Citigroup Global Markets Holdings Inc.

\$
Buffered Digital MSCI EAFE® Index-Linked Notes due

All Payments Due from Citigroup Global Markets Holdings Inc.

Fully and Unconditionally Guaranteed by Citigroup Inc.

Unlike conventional debt securities, the notes offered by this pricing supplement do not pay interest and do not repay a fixed amount of principal at maturity. The amount that you will be paid on your notes on the maturity date (expected to be the second business day after the scheduled determination date) is based on the performance of the MSCI EAFE® Index (the “underlier”) as measured from the trade date to and including the determination date (expected to be between 24 and 27 months after the trade date). If the final underlier level on the determination date is greater than or equal to 85.64% to 83.15% of the initial underlier level (set on the trade date and may be higher or lower than the actual closing level of the underlier on the trade date), you will receive the threshold settlement amount of \$1,120.00 for each \$1,000 stated principal amount of your notes, which represents a contingent fixed return at maturity of 12.00%. **However, if the final underlier level declines from the initial underlier level by more than the 14.36% to 16.85% threshold amount (to be set on the trade date), the return on your notes will be negative and you will lose approximately 1.1677% to 1.2026% of the stated principal amount of your notes (to be set on the trade date) for every 1% by which the decline of the underlier exceeds the 14.36% to 16.85% threshold amount (to be set on the trade date). You could lose your entire investment in the notes.** In exchange for the potential to receive a contingent fixed return at maturity so long as the underlier does not decline by more than the 14.36% to 16.85% threshold amount (to be set on the trade date), investors in the notes must be willing to forgo (i) any return in excess of the contingent fixed return at maturity of 12.00% (which results from the threshold settlement amount of \$1,120.00 for each \$1,000 stated principal amount of your notes), (ii) any dividends paid on the stocks included in the underlier and (iii) interest on the notes.

To determine your payment at maturity, we will calculate the underlier return, which is the percentage increase or decrease in the level of the underlier from the initial underlier level (set on the trade date) to the final underlier level on the determination date. On the maturity date, for each \$1,000 stated principal amount note you then hold, you will receive an amount in cash equal to:

if the underlier return is *greater than* or *equal to* -14.36% to -16.85% (the final underlier level is *greater than* or *equal to* 85.64% to 83.15% of the initial underlier level) (to be set on the trade date), the threshold settlement amount;
or

if the underlier return is *below* -14.36% to -16.85% (the final underlier level is *less than* the initial underlier level by more than 14.36% to 16.85%) (to be set on the trade date), the *sum* of (i) \$1,000 *plus* (ii) the *product* of (a) approximately 116.77% to 120.26% (to be set on the trade date) *times* (b) the *sum* of the underlier return *plus* 14.36% to 16.85% (to be set on the trade date) *times* (c) \$1,000. **This amount will be less than \$1,000 and may be zero.**

The notes are unsecured senior debt securities issued by Citigroup Global Markets Holdings Inc. and guaranteed by Citigroup Inc. All payments on the notes are subject to the credit risk of Citigroup Global Markets Holdings Inc. and Citigroup Inc. If Citigroup Global Markets Holdings Inc. and Citigroup Inc. default on their obligations, you may not receive any amount due under the notes. The notes will not be listed on any securities exchange and may have limited or no liquidity.

Investing in the notes involves risks not associated with an investment in conventional debt securities. See “Summary Risk Factors” beginning on page PS-8.

	Issue Price ⁽¹⁾	Underwriting Discount ⁽²⁾	Net Proceeds to Issuer
Per Note:	\$1,000.00*	\$17.30	\$982.70
Total:	\$	\$	\$

(1) Citigroup Global Markets Holdings Inc. currently expects that the estimated value of the notes on the trade date will be between \$958.50 and \$978.50 per note, which will be less than the issue price. The estimated value of the notes is based on proprietary pricing models of Citigroup Global Markets Inc. (“CGMI”) and our internal funding rate. It is not an indication of actual profit to CGMI or other of our affiliates, nor is it an indication of the price, if any, at which CGMI or any other person may be willing to buy the notes from you at any time after issuance. See “Valuation of the Notes” in this pricing supplement.

(2) CGMI, an affiliate of the issuer, is the underwriter for the offering of the notes and is acting as principal. The total underwriting discount in the table above assumes that the underwriter receives an underwriting discount for each note sold in this offering. For more information on the distribution of the notes, see “Summary Information—Key Terms—Supplemental Plan of Distribution” in this pricing supplement. In addition to the underwriting discount, CGMI and its affiliates may profit from expected hedging activity related to this offering, even if the value of the notes declines. See “Use of Proceeds and Hedging” in the accompanying prospectus.

* The issue price will be between \$982.70 and \$1,000.00 for investors in certain fee-based advisory accounts, reflecting a foregone underwriting discount with respect to such notes. Please see “Supplemental plan of distribution” on page PS-4 of this pricing supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined that this pricing supplement and the accompanying product supplement, underlying supplement, prospectus supplement and prospectus are truthful or complete. Any representation to the contrary is a criminal offense.

The notes are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency, nor are they obligations of, or guaranteed by, a bank.

The notes are part of the Medium-Term Senior Notes, Series N of Citigroup Global Markets Holdings Inc. This pricing supplement is a supplement to the documents listed below and should be read together with such documents, which are available at the following hyperlinks:

Product Supplement No. EA-02-06 dated April 7, 2017

Underlying Supplement No. 7 dated July 16, 2018

Prospectus Supplement and Prospectus each dated April 7, 2017

Citigroup Global Markets Inc.

Pricing Supplement No. 2018-USNCH1692 dated-----, 2018

The issue price, underwriting discount and net proceeds listed above relate to the notes we sell initially. We may decide to sell additional notes after the date of this pricing supplement, at issue prices and with underwriting discounts and net proceeds that differ from the amounts set forth above. The return (whether positive or negative) on your investment in notes will depend in part on the issue price you pay for such notes.

CGMI may use this pricing supplement in the initial sale of the notes. In addition, CGMI or any other affiliate of Citigroup Inc. may use this pricing supplement in a market-making transaction in a note after its initial sale.

Buffered Digital MSCI EAFE® Index-Linked Notes due

INVESTMENT THESIS

- For investors who seek modified exposure to the performance of the underlier, with the opportunity to receive a contingent fixed return at maturity (which results from the threshold settlement amount) if the final underlier level is equal to or greater than 85.64% to 83.15% of the initial underlier level (to be set on the trade date).
- In exchange for the contingent fixed return feature, investors must be willing to forgo (i) participation in any appreciation of the underlier beyond the contingent fixed return, (ii) any dividends that may be paid on the stocks included in the underlier and (iii) interest on the notes. Investors must also be willing to lose some, and up to all, of their investment in the notes if the underlier depreciates by more than the threshold amount, with downside exposure to that depreciation on an accelerated basis to the extent the depreciation exceeds the threshold amount.
- Investors must be willing to accept the credit risk of Citigroup Global Markets Holdings Inc. and Citigroup Inc. and an investment that may have limited or no liquidity.

DETERMINING THE CASH SETTLEMENT AMOUNT

At maturity, for each \$1,000 stated principal amount note you then hold, you will receive (as a percentage of the stated principal amount):

- If the final underlier level is equal to or above 85.64% to 83.15% of the initial underlier level (to be set on the trade date): the threshold settlement amount of 112.00% of the stated principal amount; or
- If the final underlier level is below 85.64% to 83.15% of the initial underlier level (to be set on the trade date): 100.00% *minus* approximately 1.1677% to 1.2026% (to be set on the trade date) for every 1.00% that the underlier has declined below 85.64% to 83.15% of the initial underlier level (to be set on the trade date)

If the final underlier level declines by more than 14.36% to 16.85% from the initial underlier level (to be set on the trade date), the return on the notes will be negative and you could lose your entire investment in the notes.

KEY TERMS

Issuer: Citigroup Global Markets Holdings Inc., a wholly owned subsidiary of Citigroup Inc.

Guarantee: Payments due on the notes are fully and unconditionally guaranteed by Citigroup Inc.

Underlier: MSCI EAFE® Index (ticker symbol: "MXEA")

Stated

Principal Amount: In the aggregate; each note will have a stated principal amount equal to \$1,000

Trade Date:

Settlement Date: To be the fifth scheduled business day following the trade date. See "Supplemental plan of distribution" on page PS-4 in this pricing supplement for additional information.

Determination Date: the trade date and expected to be between 24 and 27 months after the trade date. The determination date is subject to postponement if such date is not a scheduled trading day or if certain market disruption events occur

Maturity Date: To be set on the trade date and expected to be the second business day after the scheduled determination date

Initial Underlier Level: To be set on the trade date and may be an intraday level which may be higher or lower than the actual closing level of the underlier on the trade date

Final Underlier Level: Closing level of the underlier on the determination date

Underlier Return: *Quotient* of (i) the final underlier level *minus* the initial underlier level divided by (ii) the initial underlier level, expressed as a positive or negative percentage

Threshold Level: 83.15% of the initial underlier level (equal to a -14.36% to -16.85% underlier return) (to be set on the trade date)

Threshold Amount: 14.36% to 16.85% (to be set on the trade date)

Buffer Ratio: *Quotient* of the initial underlier level *divided* by the threshold level, which equals approximately 116.77% to 109.26% (to be set on the trade date)

Threshold Settlement Amount: \$1,000 per \$1,000 stated principal amount note

CUSIP: 17326YAB2 / US17326YAB20

HYPOTHETICAL PAYMENT AT MATURITY*

Hypothetical Final Underlier Level (as % of Initial Underlier Level)	Hypothetical Cash Settlement Amount (as % of Stated Principal Amount)
200.000%	112.000%
175.000%	112.000%
150.000%	112.000%
112.000 %	112.000 %
105.000%	112.000%
100.000 %	112.000 %
95.000%	112.000%
85.640 %	112.000 %
75.000%	87.576%
50.000%	58.384%
25.000%	29.192%
0.000 %	0.000 %

* assumes the threshold level is set at the top of the threshold level range of between 85.64% and 83.15% of the initial underlier level

RISKS

Please read the section titled “Summary Risk Factors” in this pricing supplement as well as the more detailed description of risks relating to an investment in the notes contained in the section “Risk Factors Relating to the Securities” beginning on page EA-6 in the accompanying product supplement. You should also carefully read the risk factors included in the accompanying prospectus supplement and in the documents incorporated by reference in the accompanying prospectus, including Citigroup Inc.’s most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q, which describe risks relating to the business of Citigroup Inc. more generally.

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SUMMARY INFORMATION

The terms of the notes are set forth in the accompanying product supplement, prospectus supplement and prospectus, as supplemented by this pricing supplement. The accompanying product supplement, prospectus supplement and prospectus contain important disclosures that are not repeated in this pricing supplement. For example, certain events may occur that could affect your payment at maturity, such as market disruption events and other events affecting the underlier. These events and their consequences are described in the accompanying product supplement in the sections “Description of the Securities—Certain Additional Terms for Securities Linked to an Underlying Index—Consequences of a Market Disruption Event; Postponement of a Valuation Date” and “—Discontinuance or Material Modification of an Underlying Index,” and not in this pricing supplement. The accompanying underlying supplement contains important disclosures regarding the underlier that are not repeated in this pricing supplement. It is important that you read the accompanying product supplement, underlying supplement, prospectus supplement and prospectus together with this pricing supplement before deciding whether to invest in the notes. Certain terms used but not defined in this pricing supplement are defined in the accompanying product supplement. References to “securities” in the accompanying product supplement include the notes.

Key Terms

Issuer: Citigroup Global Markets Holdings Inc., a wholly owned subsidiary of Citigroup Inc.

Guarantee: all payments due on the notes are fully and unconditionally guaranteed by Citigroup Inc.

Underlier: the MSCI EAFE[®] Index (ticker symbol: “MXEA”), as maintained by MSCI Inc. (the “underlier sponsor”). The underlier is referred to as the “underlying index” and the underlier sponsor is referred to as the “underlying index publisher” in the accompanying product supplement.

Stated principal amount: each note will have a stated principal amount of \$1,000

Purchase at amount other than the stated principal amount: the amount we will pay you at the stated maturity date for your notes will not be adjusted based on the issue price you pay for your notes, so if you acquire notes at a premium (or discount) to the stated principal amount and hold them to the stated maturity date, it could affect your investment in a number of ways. The return on your investment in such notes will be lower (or higher) than it would have been had you purchased the notes at the stated principal amount. Also, the stated threshold level would not offer

the same measure of protection to your investment as would be the case if you had purchased the notes at the stated principal amount. Additionally, the threshold settlement amount would represent a lower (or higher) percentage return relative to your initial investment than would be the case if you had purchased the notes at the stated principal amount. See “Summary Risk Factors — If You Purchase Your Notes at a Premium to the Stated Principal Amount, the Return on Your Investment Will Be Lower Than the Return on Notes Purchased at the Stated Principal Amount and the Impact of Certain Key Terms of the Notes Will be Negatively Affected” on page PS-11 of this pricing supplement

Cash settlement amount (paid on the maturity date): on the maturity date, for each \$1,000 stated principal amount of notes you then hold, we will pay you an amount in cash equal to:

· if the final underlier level is *greater than* or *equal to* the threshold level, the threshold settlement amount; or

· if the final underlier level is *less than* the threshold level, the *sum* of (i) \$1,000 *plus* (ii) the product of (a) the buffer rate *times* (b) the *sum* of the underlier return *plus* the threshold amount *times* (c) \$1,000

Initial underlier level (to be set on the trade date, which may be an intraday level and which may be higher or lower than the actual closing level of the underlier on the trade date):

Final underlier level: the closing level of the underlier on the determination date, except in the limited circumstances described under “Description of the Securities — Certain Additional Terms for Securities Linked to an Underlying Index — Discontinuance or Material Modification of an Underlying Index” on page EA-25 of the accompanying product supplement and subject to adjustment as provided under “Description of the Securities — Certain Additional Terms for Securities Linked to an Underlying Index — Determining the Closing Level” and “Description of the Securities — Certain Additional Terms for Securities Linked to an Underlying Index — Consequences of a Market Disruption Event; Postponement of a Valuation Date” on page EA-20 of the accompanying product supplement.

Underlier return: the quotient of (i) the final underlier level minus the initial underlier level divided by (ii) the initial underlier level, expressed as a positive or negative percentage

Threshold settlement amount: \$1,120.00 per \$1,000 stated principal amount note

Threshold level (to be set on the trade date): 85.64% to 83.15% of the initial underlier level

Threshold amount (to be set on the trade date): 14.36% to 16.85%

Buffer rate (to be set on the trade date): the *quotient* of the initial underlier level *divided* by the threshold level, which equals approximately 116.77% to 120.26%

Trade date: -----. The trade date is referred to as the “pricing date” in the accompanying product supplement.

Original issue date (settlement date) (to be set on the trade date): expected to be the fifth scheduled business day following the trade date. See “Supplemental plan of distribution” below for additional information.

Determination date (to be set on the trade date): expected to be between 24 and 27 months after the trade date. The determination date is referred to as the “valuation date” in the accompanying product supplement and is subject to postponement if such date is not a scheduled trading day or if certain market disruption events occur, as described under

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“Description of the Securities — Certain Additional Terms for Securities Linked to an Underlying Index — Consequences of a Market Disruption Event; Postponement of a Valuation Date” on page EA-20 of the accompanying product supplement.

Maturity date (to be set on the trade date): expected to be the second business day after the scheduled determination date

No interest: the notes will not bear interest

No listing: the notes will not be listed on any securities exchange or interdealer quotation system

No redemption: the notes will not be subject to redemption before maturity

Business day: as described under “Description of the Securities — General” on page EA-19 in the accompanying product supplement.

Scheduled trading day: as described under “Description of the Securities — Certain Additional Terms for Securities Linked to an Underlying Index — Consequences of a Market Disruption Event; Postponement of a Valuation Date” on pages EA-22 and EA-23 of the accompanying product supplement.

Supplemental plan of distribution: Citigroup Global Markets Holdings Inc. expects to sell to CGMI, and CGMI expects to purchase from Citigroup Global Markets Holdings Inc., the aggregate stated principal amount of the offered notes specified on the front cover of this pricing supplement. CGMI proposes initially to offer the notes to the public at the issue price set forth on the cover page of this pricing supplement, and to certain unaffiliated securities dealers at such price less a concession not in excess of 1.73% of the stated principal amount. The issue price for notes purchased by certain fee-based advisory accounts will be between 98.27% and 100.00% of the stated principal amount, which reflects a foregone underwriting discount with respect to such notes (i.e., the underwriting discount specified on the cover of this pricing supplement with respect to such notes is 0.00%). In addition to the underwriting discount, CGMI and its affiliates may profit from expected hedging activity related to this offering, even if the value of the notes declines. See “Use of Proceeds and Hedging” in the accompanying prospectus.

CGMI is an affiliate of ours. Accordingly, this offering will conform with the requirements addressing conflicts of interest when distributing the securities of an affiliate set forth in Rule 5121 of the Financial Industry Regulatory Authority. Client accounts over which Citigroup Inc. or its subsidiaries have investment discretion will not be permitted to purchase the notes, either directly or indirectly, without the prior written consent of the client.

Secondary market sales of securities typically settle two business days after the date on which the parties agree to the sale. Because the settlement date for the notes is more than two business days after the trade date, investors who wish to sell the notes at any time prior to the second business day preceding the original issue date will be required to specify an alternative settlement date for the secondary market sale to prevent a failed settlement. Investors should consult their own investment advisors in this regard.

See “Plan of Distribution; Conflicts of Interest” in the accompanying product supplement and “Plan of Distribution” in each of the accompanying prospectus supplement and prospectus for additional information.

A portion of the net proceeds from the sale of the notes will be used to hedge our obligations under the notes. We expect to hedge our obligations under the notes through CGMI or other of our affiliates, or through a dealer participating in this offering or its affiliates. CGMI or such other of our affiliates or such dealer or its affiliates may profit from this expected hedging activity even if the value of the notes declines. This hedging activity could affect the closing level of the underlier and, therefore, the value of and your return on the notes. For additional information on the ways in which our counterparties may hedge our obligations under the notes, see “Use of Proceeds and Hedging” in the accompanying prospectus.

Prohibition of Sales to EEA Retail Investors

The notes may not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or
 - (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Directive 2003/71/EC; and

(b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the notes offered so as to enable an investor to decide to purchase or subscribe the notes.

ERISA: as described under “Benefit Plan Investor Considerations” on pages EA-49 and EA-50 in the accompanying product supplement.

Calculation Agent: CGMI

CUSIP: 17326YAB2

ISIN: US17326YAB20

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HYPOTHETICAL EXAMPLES

The table and chart below are provided for purposes of illustration only. They should not be taken as an indication or prediction of future investment results and are intended merely to illustrate the impact that various hypothetical underlier levels on the determination date could have on the cash settlement amount at maturity.

The table and chart below are based on a range of final underlier levels that are entirely hypothetical; no one can predict what the underlier level will be on any day throughout the life of your notes, and no one can predict what the final underlier level will be on the determination date. The underlier has been highly volatile in the past — meaning that the underlier level has changed considerably in relatively short periods — and its performance cannot be predicted for any future period. Investors in the notes will not receive any dividends on the stocks that constitute the underlier. The table and chart below do not show any effect of lost dividend yield over the term of the notes. See “Summary Risk Factors—Investing in the Notes Is Not Equivalent to Investing in the Underlier or the Stocks that Constitute the Underlier” below.

The information in the table and chart below reflects hypothetical returns on the notes assuming that they are purchased on the original issue date at the stated principal amount and held to the maturity date. If you sell your notes in a secondary market prior to the maturity date, your return will depend upon the value of your notes at the time of sale, which may be affected by a number of factors that are not reflected in the table or chart below such as interest rates, the volatility of the underlier and our and Citigroup Inc.’s creditworthiness. Please read “Summary Risk Factors—The Value of the Notes Prior to Maturity Will Fluctuate Based on Many Unpredictable Factors” in this pricing supplement. It is likely that any secondary market price for the notes will be less than the issue price.

The information in the table and chart also reflects the key terms and assumptions in the box below.

Key Terms and Assumptions

Stated principal amount	\$1,000
Threshold settlement amount	\$1,120.00 per \$1,000 stated principal amount note
Threshold level	85.64% of the initial underlier level
Buffer rate	approximately 116.77%
Threshold amount	14.36%

Neither a market disruption event nor a non-scheduled trading day occurs on the originally scheduled determination date

No change in or affecting any of the stocks comprising the underlier or the method by which the underlier sponsor calculates the underlier

Notes purchased on original issue date at the stated principal amount and held to the stated maturity date

Moreover, we have not yet set the initial underlier level that will serve as the baseline for determining the underlier return and the amount that we will pay on your notes, if any, at maturity. We will not do so until the trade date. As a result, the actual initial underlier level may differ substantially from the underlier level prior to the trade date and may be higher or lower than the closing level of the underlier on the trade date.

For these reasons, the actual performance of the underlier over the life of your notes, as well as the amount payable at maturity, if any, may bear little relation to the hypothetical examples shown below or to the historical underlier levels shown elsewhere in this pricing supplement. For information about the historical levels of the underlier during recent periods, see “The Underlier — Historical Closing Levels of the Underlier” below. Before investing in the offered notes, you should consult publicly available information to determine the levels of the underlier between the date of this pricing supplement and the date of your purchase of the offered notes.

The levels in the left column of the table below represent hypothetical final underlier levels and are expressed as percentages of the initial underlier level. The amounts in the right column represent the hypothetical cash settlement amounts, based on the corresponding hypothetical final underlier level (expressed as a percentage of the initial underlier level), and are expressed as percentages of the stated principal amount of a note (rounded to the nearest one-thousandth of a percent). Thus, a hypothetical cash settlement amount of 112.000% means that the value of the cash payment that we would deliver for each \$1,000 of the outstanding stated principal amount of the notes on the maturity date would equal 112.000% of the stated principal amount of a note, based on the corresponding hypothetical final underlier level (expressed as a percentage of the initial underlier level) and the assumptions noted above.

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Hypothetical Final Underlier Level (as Percentage of Initial Underlier Level)	Hypothetical Cash Settlement Amount (as Percentage of Stated Principal Amount)
200.000%	112.000%
175.000%	112.000%
150.000%	112.000%
112.000%	112.000%
105.000%	112.000%
100.000%	112.000%
95.000%	112.000%
85.640%	112.000%
75.000%	87.576%
50.000%	58.384%
25.000%	29.192%
0.000%	0.000%

If, for example, the final underlier level were determined to be 25.000% of the initial underlier level, the cash settlement amount that we would deliver on your notes at maturity would be approximately 29.192% of the stated principal amount of your notes, as shown in the table above. As a result, if you purchased your notes on the original issue date at the stated principal amount and held them to the maturity date, you would lose approximately 70.808% of your investment. In addition, if the final underlier level were determined to be 200.000% of the initial underlier level, the cash settlement amount that we would deliver on your notes at maturity would be capped at the threshold settlement amount (expressed as a percentage of the stated principal amount), or 112.000% of each \$1,000 stated principal amount of your notes, as shown in the table above. As a result, you would not benefit from any increase in the final underlier level over 85.640% of the initial underlier level.

The table above demonstrates the diminishing benefit of the buffer feature of the notes the lower the final underlier level. For example, if the final underlier level were determined to be 75.000% of the initial underlier level, the cash settlement amount that we would deliver on your notes at maturity would be approximately 87.576% of the stated principal amount of your notes, resulting in an effective buffer (i.e., the difference between the underlier return and your return on the notes) of approximately 12.576%. However, if the final underlier level were determined to be 50.000% of the initial underlier level, the cash settlement amount that we would deliver on your notes at maturity would be approximately 58.384% of the stated principal amount of your notes, resulting in an effective buffer of only approximately 8.384%. The lower the final underlier level, the lower the effective buffer provided by the notes will be.

The following chart also shows a graphical illustration of the hypothetical cash settlement amounts that we would pay on your notes on the maturity date, if the final underlier level (expressed as a percentage of the initial underlier level) were any of the hypothetical levels shown on the horizontal axis. The chart shows that any hypothetical final underlier level (expressed as a percentage of the initial underlier level) of less than 85.640% (the section left of the 85.640% marker on the horizontal axis) would result in a hypothetical cash settlement amount of less than 100.000% of the stated principal amount of your notes (the section below the 100.000% marker on the vertical axis) and, accordingly, in a loss of principal to the holder of the notes. The chart also shows that any hypothetical final underlier level (expressed as a percentage of the initial underlier level) of greater than or equal to 85.640% (the section right of the 85.640% marker on the horizontal axis) would result in a capped return on your investment.

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The cash settlement amounts shown above are entirely hypothetical; they are based on levels of the underlier that may not be achieved on the determination date. The actual cash settlement amount you receive on the maturity date may bear little relation to the hypothetical cash settlement amounts shown above, and these amounts should not be viewed as an indication of the financial return on an investment in the notes. The actual market value of your notes on the stated maturity date or at any other time, including any time you may wish to sell your notes, may bear little relation to the hypothetical cash settlement amounts shown above, and these amounts should not be viewed as an indication of the financial return on an investment in the offered notes. The hypothetical cash settlement amounts on notes held to the stated maturity date in the examples above assume you purchased your notes at their stated principal amount and have not been adjusted to reflect the actual issue price you pay for your notes. The return on your investment (whether positive or negative) in your notes will be affected by the amount you pay for your notes. If you purchase your notes for a price other than the stated principal amount, the return on your investment will differ from, and may be significantly lower than, the hypothetical returns suggested by the above examples. Please read “Summary Risk Factors — The Value of the Notes Prior to Maturity Will Fluctuate Based on Many Unpredictable Factors” on page PS-10 of this pricing supplement.

We cannot predict the actual final underlier level or what the value of your notes will be on any particular day, nor can we predict the relationship between the underlier level and the value of your notes at any time prior to the maturity date. The actual amount that you will receive, if any, at maturity and the return on the notes will depend on the actual initial underlier level and the threshold settlement amount, which we will set on the trade date, and the actual final underlier level determined by the calculation agent as described above. Moreover, the assumptions on which the hypothetical returns are based may turn out to be inaccurate. Consequently, the amount of cash to be paid in respect of your notes, if any, on the maturity date may be very different from the information reflected in the table and chart above.

SUMMARY RISK FACTORS

An investment in the notes is significantly riskier than an investment in conventional debt securities. The notes are subject to all of the risks associated with an investment in our conventional debt securities (guaranteed by Citigroup Inc.), including the risk that we and Citigroup Inc. may default on our obligations under the notes, and are also subject to risks associated with the underlier. Accordingly, the notes are suitable only for investors who are capable of understanding the complexities and risks of the notes. You should consult your own financial, tax and legal advisors as to the risks of an investment in the notes and the suitability of the notes in light of your particular circumstances.

The following is a summary of certain key risk factors for investors in the notes. You should read this summary together with the more detailed description of risks relating to an investment in the notes contained in the section “Risk Factors Relating to the Securities” beginning on page EA-6 in the accompanying product supplement. You should also carefully read the risk factors included in the accompanying prospectus supplement and in the documents incorporated by reference in the accompanying prospectus, including Citigroup Inc.’s most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q, which describe risks relating to the business of Citigroup Inc. more generally.

You May Lose Some or All of Your Investment

Unlike conventional debt securities, the notes do not repay a fixed amount of principal at maturity. Instead, your payment at maturity will depend on the performance of the underlier. If the underlier depreciates by more than the threshold amount, you will receive less than the stated principal amount of your notes at maturity. You should understand that any depreciation of the underlier beyond the threshold amount will result in a loss of more than 1% of the stated principal amount for each 1% by which the depreciation exceeds the threshold amount, which will progressively offset any protection that the threshold amount would offer. Accordingly, the lower the final underlier level, the less benefit you will receive from the buffer. There is no minimum payment at maturity, and you may lose up to all of your investment.

The Initial Underlier Level Will Be Determined at the Discretion of CGMI, as the Calculation Agent

The initial underlier level may be an intraday level of the underlier on the trade date, as determined by the calculation agent in its sole discretion, and may not be based on the closing level of the underlier on such trade date. The initial underlier level may be higher or lower than the actual closing level of the underlier on the trade date. Although the calculation agent will determine the initial underlier level in good faith, the discretion exercised by the calculation

agent in determining the initial underlier level could have an impact (positive or negative) on the value of your notes. The calculation agent is under no obligation to consider your interests as a holder of the notes in taking any actions that might affect the value of your notes, including the determination of the initial underlier level.

The Notes Do Not Pay Interest

Unlike conventional debt securities, the notes do not pay interest or any other amounts prior to maturity. You should not invest in the notes if you seek current income during the term of the notes.

Your Potential Return On the Notes Is Limited

Your potential total return on the notes at maturity is limited to a contingent fixed return at maturity that results from the threshold settlement amount. If the underlier appreciates by more than the contingent fixed return offered by the notes, the notes will underperform an alternative investment providing 1-to-1 exposure to the appreciation of the underlier. When any dividends paid on the underlier are taken into account, the notes may underperform such an alternative investment even if the underlier appreciates by less than the contingent fixed return, because holders of the notes will not receive those dividends.

The Determination Date of the Notes Is a Pricing Term and Will Be Determined by the Issuer on the Trade Date

We will not determine the determination date until the trade date, so you will not know the exact term of, or the maturity date for, the notes at the time that you make your investment decision. The term of the notes could be as short as the shorter end of the determination date range described on PS-3, and as long as the longer end of the determination date range. You should be willing to hold your notes until the latest possible maturity date contemplated by the determination date range. The determination date selected by us could have an impact on the value of the notes. Assuming no changes in other economic terms of the notes, the value of the notes would likely be lower if the term of the notes is at the longer end of the determination date range, rather than the shorter end of the determination date range.

Investing in the Notes Is Not Equivalent to Investing in the Underlier or the Stocks that Constitute the Underlier

You will not have voting rights, rights to receive dividends or other distributions or any other rights with respect to the stocks that constitute the underlier. As of November 15, 2018, the average dividend yield of the stocks that constitute the underlier was approximately 3.52% per year. While it is impossible to know the future dividend yield of the stocks that constitute the underlier, if this average dividend yield were to remain constant for the term of the notes, you

would be forgoing an aggregate yield of approximately 7.92% (assuming no reinvestment of dividends and assuming the determination date is set at the most distant date in the range set forth on the cover page) by investing in the notes instead of investing directly in the stocks that constitute the underlier or in another investment linked to the underlier that provides for a pass-through of dividends. The payment scenarios described in this pricing supplement do not show any effect of lost dividend yield over the term of the notes.

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Your Payment at Maturity Depends on the Closing Level of the Underlier on a Single Day

Because your payment at maturity depends on the closing level of the underlier solely on the determination date, you are subject to the risk that the closing level of the underlier on that day may be lower, and possibly significantly lower, than on one or more other dates during the term of the notes. If you had invested in another instrument linked to the underlier that you could sell for full value at a time selected by you, or if the payment at maturity were based on an average of closing levels of the underlier, you might have achieved better returns.

The Notes Are Subject to the Credit Risk of Citigroup Global Markets Holdings Inc. and Citigroup Inc.

If we default on our obligations under the notes and Citigroup Inc. defaults on its guarantee obligations, you may not receive anything owed to you under the notes.

The Notes Will Not Be Listed on Any Securities Exchange and You May Not Be Able to Sell Them Prior to Maturity

The notes will not be listed on any securities exchange. Therefore, there may be little or no secondary market for the notes. CGMI currently intends to make a secondary market in relation to the notes and to provide an indicative bid price for the notes on a daily basis. Any indicative bid price for the notes provided by CGMI will be determined in CGMI's sole discretion, taking into account prevailing market conditions and other relevant factors, and will not be a representation by CGMI that the notes can be sold at that price, or at all. CGMI may suspend or terminate making a market and providing indicative bid prices without notice, at any time and for any reason. If CGMI suspends or terminates making a market, there may be no secondary market at all for the notes because it is likely that CGMI will be the only broker-dealer that is willing to buy your notes prior to maturity. Accordingly, an investor must be prepared to hold the notes until maturity.

The Estimated Value of the Notes on the Trade Date, Based on CGMI's Proprietary Pricing Models and Our Internal Funding Rate, Will Be Less than the Issue Price

The difference is attributable to certain costs associated with selling, structuring and hedging the notes that are included in the issue price. These costs include (i) the selling concessions paid in connection with the offering of the notes, (ii) hedging and other costs incurred by us and our affiliates in connection with the offering of the notes and (iii) the expected profit (which may be more or less than actual profit) to CGMI or other of our affiliates in connection with hedging our obligations under the notes. These costs adversely affect the economic terms of the notes because, if

they were lower, the economic terms of the notes would be more favorable to you. The economic terms of the notes are also likely to be adversely affected by the use of our internal funding rate, rather than our secondary market rate, to price the notes. See “The Estimated Value of the Notes Would Be Lower if It Were Calculated Based on Our Secondary Market Rate” below.

The Estimated Value of the Notes Was Determined for Us by Our Affiliate Using Proprietary Pricing Models

CGMI derived the estimated value disclosed on the cover page of this pricing supplement from its proprietary pricing models. In doing so, it may have made discretionary judgments about the inputs to its models, such as the volatility of the underlier, dividend yields on the stocks that constitute the underlier and interest rates. CGMI’s views on these inputs may differ from your or others’ views, and as an underwriter in this offering, CGMI’s interests may conflict with yours. Both the models and the inputs to the models may prove to be wrong and therefore not an accurate reflection of the value of the notes. Moreover, the estimated value of the notes set forth on the cover page of this pricing supplement may differ from the value that we or our affiliates may determine for the notes for other purposes, including for accounting purposes. You should not invest in the notes because of the estimated value of the notes. Instead, you should be willing to hold the notes to maturity irrespective of the initial estimated value.

The Estimated Value of the Notes Would Be Lower if It Were Calculated Based on Our Secondary Market Rate

The estimated value of the notes included in this pricing supplement is calculated based on our internal funding rate, which is the rate at which we are willing to borrow funds through the issuance of the notes. Our internal funding rate is generally lower than our secondary market rate, which is the rate that CGMI will use in determining the value of the notes for purposes of any purchases of the notes from you in the secondary market. If the estimated value included in this pricing supplement were based on our secondary market rate, rather than our internal funding rate, it would likely be lower. We determine our internal funding rate based on factors such as the costs associated with the notes, which are generally higher than the costs associated with conventional debt securities, and our liquidity needs and preferences. Our internal funding rate is not an interest rate that we will pay to investors in the notes, which do not bear interest.

Because there is not an active market for traded instruments referencing our outstanding debt obligations, CGMI determines our secondary market rate based on the market price of traded instruments referencing the debt obligations of Citigroup Inc., our parent company and the guarantor of all payments due on the notes, but subject to adjustments that CGMI makes in its sole discretion. As a result, our secondary market rate is not a market-determined measure of our creditworthiness, but rather reflects the market’s perception of our parent company’s creditworthiness as adjusted for discretionary factors such as CGMI’s preferences with respect to purchasing the notes prior to maturity.

The Estimated Value of the Notes Is Not an Indication of the Price, if Any, at Which CGMI or Any Other Person May Be Willing to Buy the Notes From You in the Secondary Market

Any such secondary market price will fluctuate over the term of the notes based on the market and other factors described in the next risk factor. Moreover, unlike the estimated value included in this pricing supplement, any value of the notes determined for purposes of a secondary market transaction will be based on our secondary market rate, which will likely result in a lower value for the notes than if our internal funding rate were used. In addition, any secondary market price for the notes will be reduced by a bid-ask spread, which may vary depending on the aggregate stated principal amount of the notes to be purchased in the secondary market transaction, and the expected cost of unwinding related hedging transactions. As a result, it is likely that any secondary market price for the notes will be less than the issue price.

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The Value of the Notes Prior to Maturity Will Fluctuate Based on Many Unpredictable Factors

The value of your notes prior to maturity will fluctuate based on the level and volatility of the underlier and a number of other factors, including the price and volatility of the stocks that constitute the underlier, the dividend yields on the stocks that constitute the underlier, the volatility of the exchange rate between the U.S. dollar and each of the currencies in which the stocks that constitute the underlier trade, the correlation between those exchange rates and the level of the underlier, interest rates generally, the time remaining to maturity and our and Citigroup Inc.'s creditworthiness, as reflected in our secondary market rate. Changes in the level of the underlier may not result in a comparable change in the value of your notes. You should understand that the value of your notes at any time prior to maturity may be significantly less than the issue price.

If the Level of the Underlier Changes, the Market Value of Your Notes May Not Change in the Same Manner

Your notes may trade quite differently from the performance of the underlier. Changes in the level of the underlier may not result in a comparable change in the market value of your notes. We discuss some of the reasons for this disparity under “— The Value of the Notes Prior to Maturity Will Fluctuate Based on Many Unpredictable Factors” above.

Immediately Following Issuance, Any Secondary Market Bid Price Provided by CGMI, and the Value That Will Be Indicated on Any Brokerage Account Statements Prepared by CGMI or Its Affiliates, Will Reflect a Temporary Upward Adjustment

The amount of this temporary upward adjustment will steadily decline to zero over the temporary adjustment period. See “Valuation of the Notes” in this pricing supplement.

Fluctuations in Exchange Rates Will Affect the Level of the Underlier

Because the stocks that constitute the underlier are traded in foreign currencies and the level of the underlier is based on the U.S. dollar value of the stocks that constitute the underlier, holders of the notes will be exposed to currency exchange rate risk with respect to each of the currencies in which those stocks trade. Exchange rate movements for a particular currency are volatile and are the result of numerous factors specific to the relevant country, including the supply of, and the demand for, those foreign currencies, as well as government policy, intervention or actions, but are also influenced significantly from time to time by political or economic developments, and by macroeconomic factors and speculative actions related to each applicable region. If the U.S. dollar strengthens against the currencies in which

those stocks trade, the level of the underlier will be adversely affected for that reason alone and the payment at maturity on the notes may be reduced. Of particular importance to potential currency exchange risk are: governmental interventions; existing and expected rates of inflation; existing and expected interest rate levels; the balance of payments; and the extent of governmental surpluses or deficits in the applicable countries and the United States. All of these factors are in turn sensitive to the monetary, fiscal and trade policies pursued by the governments of the applicable countries and the United States and other countries important to international trade and finance.

The Underlying Index is Subject to Risks Associated with Non-U.S. Markets

Investments in securities linked to the value of non-U.S. stocks involve risks associated with the securities markets in those countries, including risks of volatility in those markets, governmental intervention in those markets and cross shareholdings in companies in certain countries. Also, there is generally less publicly available information about companies in some of these jurisdictions than about U.S. companies that are subject to the reporting requirements of the SEC. Further, non-U.S. companies are generally subject to accounting, auditing and financial reporting standards and requirements and securities trading rules that are different from those applicable to U.S. reporting companies. The prices of securities in foreign markets may be affected by political, economic, financial and social factors in those countries, or global regions, including changes in government, economic and fiscal policies and currency exchange laws. Moreover, the economies in such countries may differ favorably or unfavorably from the economy of the United States in such respects as growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency.

Our Offering of the Notes Does Not Constitute a Recommendation of the Underlier

The fact that we are offering the notes does not mean that we believe that investing in an instrument linked to the underlier is likely to achieve favorable returns. In fact, as we are part of a global financial institution, our affiliates may have positions (including short positions) in the stocks that constitute the underlier or in instruments related to the underlier or such stocks and may publish research or express opinions, that in each case are inconsistent with an investment linked to the underlier. These and other activities of our affiliates may affect the level of the underlier in a way that has a negative impact on your interests as a holder of the notes.

The Level of the Underlier May Be Adversely Affected by Our or Our Affiliates' Hedging and Other Trading Activities

We expect to hedge our obligations under the notes through CGMI or other of our affiliates, or through a dealer participating in this offering or its affiliates, who may take positions directly in the stocks that constitute the underlier and other financial instruments related to the underlier or such stocks and may adjust such positions during the term of the notes. Our affiliates also trade the stocks that constitute the underlier and other financial instruments related to the underlier or such stocks on a regular basis (taking long or short positions or both), for their accounts, for other accounts under their management or to facilitate transactions on behalf of customers. Any dealer participating in the

offering of the notes or its affiliates may engage in similar activities. These activities could affect the level of the underlier in a way that negatively affects the value of the notes. They could also result in substantial returns for us or our affiliates or any dealer or its affiliates while the value of the notes declines. If the dealer from which you purchase notes is to conduct hedging activities for us in connection with the notes, that dealer may profit in connection with such hedging activities and such profit, if any, will be in addition to the compensation that the dealer receives for the sale of the notes to you. You should be

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aware that the potential to earn fees in connection with hedging activities may create a further incentive for the dealer to sell the notes to you in addition to the compensation they would receive for the sale of the notes.

We and Our Affiliates May Have Economic Interests That Are Adverse to Yours as a Result of Our Affiliates' Business Activities

Our affiliates may currently or from time to time engage in business with the issuers of the stocks that constitute the underlier, including extending loans to, making equity investments in or providing advisory services to such issuers. In the course of this business, we or our affiliates may acquire non-public information about such issuers, which we will not disclose to you. Moreover, if any of our affiliates is or becomes a creditor of any such issuer, they may exercise any remedies against such issuer that are available to them without regard to your interests. Any dealer participating in the offering of the notes or its affiliates may engage in similar activities.

The Calculation Agent, Which Is an Affiliate of Ours, Will Make Important Determinations With Respect to the Notes

If certain events occur, such as market disruption events or the discontinuance of the underlier, CGMI, as calculation agent, will be required to make discretionary judgments that could significantly affect your payment at maturity. In making these judgments, the calculation agent's interests as an affiliate of ours could be adverse to your interests as a holder of the notes.

Adjustments to the Underlier May Affect the Value of Your Notes

The underlier sponsor may add, delete or substitute the stocks that constitute the underlier or make other methodological changes that could affect the level of the underlier. The underlier sponsor may discontinue or suspend calculation or publication of the underlier at any time without regard to your interests as holders of the notes.

We May Sell an Additional Aggregate Stated Principal Amount of the Notes at a Different Issue Price

At our sole option, we may decide to sell an additional aggregate stated principal amount of the notes subsequent to the date of this pricing supplement. The issue price of the notes in the subsequent sale may differ substantially (higher or lower) from the original issue price you paid as provided on the cover of this pricing supplement.

If You Purchase Your Notes at a Premium to the Stated Principal Amount, the Return on Your Investment Will Be Lower Than the Return on Notes Purchased at the Stated Principal Amount and the Impact of Certain Key Terms of the Notes Will be Negatively Affected

The cash settlement amount will not be adjusted based on the issue price you pay for the notes. If you purchase notes at a price that differs from the stated principal amount of the notes, then the return on your investment in such notes held to the stated maturity date will differ from, and may be substantially less than, the return on notes purchased at the stated principal amount. If you purchase your notes at a premium to the stated principal amount and hold them to the stated maturity date, the return on your investment in the notes will be lower than it would have been had you purchased the notes at the stated principal amount or a discount to the stated principal amount. In addition, the impact of the threshold level and the threshold settlement amount on the return on your investment will depend upon the price you pay for your notes relative to the stated principal amount. For example, if you purchase your notes at a premium to the stated principal amount, the threshold settlement amount will represent a lower percentage increase in your investment in the notes than would have been the case for notes purchased at the stated principal amount or a discount to the stated principal amount. Similarly, the threshold level, while still providing some protection for the return on the notes, will allow a greater percentage decrease in your investment in the notes than would have been the case for notes purchased at the stated principal amount or a discount to the stated principal amount.

The U.S. Federal Tax Consequences of an Investment in the Notes Are Unclear

There is no direct legal authority regarding the proper U.S. federal tax treatment of the notes, and we do not plan to request a ruling from the Internal Revenue Service (the “IRS”). Consequently, significant aspects of the tax treatment of the notes are uncertain, and the IRS or a court might not agree with the treatment of the notes as prepaid forward contracts. If the IRS were successful in asserting an alternative treatment of the notes, the tax consequences of the ownership and disposition of the notes might be materially and adversely affected. As described below under “United States Federal Tax Considerations,” in 2007 the U.S. Treasury Department and the IRS released a notice requesting comments on various issues regarding the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. Any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the notes, including the character and timing of income or loss and the degree, if any, to which income realized by non-U.S. persons should be subject to withholding tax, possibly with retroactive effect.

In addition, Section 871(m) of the Internal Revenue Code of 1986, as amended (the “Code”), imposes a withholding tax of up to 30% on “dividend equivalents” paid or deemed paid to non-U.S. investors in respect of certain financial instruments linked to U.S. equities. In light of Treasury regulations, as modified by an IRS notice, that provide a general exemption for financial instruments issued prior to January 1, 2021 that do not have a “delta” of one, as of the date of this preliminary pricing supplement the notes should not be subject to withholding under Section 871(m). However, information about the application of Section 871(m) to the notes will be updated in the final pricing supplement. Moreover, the IRS could challenge a conclusion that the notes should not be subject to withholding under Section 871(m). If withholding applies to the notes, we will not be required to pay any additional amounts with respect to amounts withheld.

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You should read carefully the discussion under “United States Federal Tax Considerations” and “Risk Factors Relating to the Securities” in the accompanying product supplement and “United States Federal Tax Considerations” in this pricing supplement. You should also consult your tax adviser regarding the U.S. federal tax consequences of an investment in the notes, as well as tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

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THE UNDERLIER

The MSCI EAFE[®] Index was developed by MSCI Inc. as an equity benchmark for international stock performance, and is designed to measure large- and mid-cap equity market performance in certain developed markets outside of North America. It is calculated, maintained and published by MSCI Inc. The MSCI EAFE[®] Index is reported by Bloomberg, L.P. under the ticker symbol “MXEA.” “MSCI EAFE[®] Index” is a trademark of MSCI Inc. and has been licensed for use by CGMI and certain of its affiliates. For more information, see “Equity Index Descriptions—The MSCI Indices—License Agreement” in the accompanying underlying supplement.

Please refer to the section “Equity Index Descriptions—The MSCI Indices” in the accompanying underlying supplement for important disclosures regarding the underlier. Additional information is available on the underlier sponsor’s website (including information regarding (i) the underlier’s top ten constituents, (ii) the underlier’s sector weightings and (iii) the underlier’s country weightings). We are not incorporating by reference the website or any material it includes in this document. Neither the issuer nor CGMI makes any representation that such publicly available information regarding the underlier is accurate or complete.

Historical Closing Levels of the Underlier

The closing level of the underlier has fluctuated in the past and may, in the future, experience significant fluctuations. Any historical upward or downward trend in the closing level of the underlier during the period shown below is not an indication that the level of the underlier is more or less likely to increase or decrease at any time during the life of your notes. Although the official closing levels of the MSCI EAFE[®] Index are published to three decimal places by the underlier sponsor, Bloomberg Financial Services reports the levels of the MSCI EAFE[®] Index to fewer decimal places.

You should not take the historical levels of the underlier as an indication of the future performance of the underlier. We cannot give you any assurance that the future performance of the underlier will result in your receiving an amount greater than the stated principal amount of your notes on the maturity date.

Neither we nor any of our affiliates make any representation to you as to the performance of the underlier. The actual performance of the underlier over the life of the notes, as well as the cash settlement amount, may bear little relation to the historical levels shown below.

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The graph below shows the closing level of the underlier for each day such level was available from January 1, 2013 to November 15, 2018. We obtained the closing levels from Bloomberg L.P., without independent verification.

The closing level of the underlier on November 15, 2018 was 1,807.10.

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UNITED STATES FEDERAL TAX CONSIDERATIONS

You should read carefully the discussion under “United States Federal Tax Considerations” and “Risk Factors Relating to the Securities” in the accompanying product supplement and “Summary Risk Factors” in this pricing supplement.

In the opinion of our counsel, Davis Polk & Wardwell LLP, which is based on current market conditions, a note should be treated as a prepaid forward contract for U.S. federal income tax purposes. By purchasing a note, you agree (in the absence of an administrative determination or judicial ruling to the contrary) to this treatment. There is uncertainty regarding this treatment, and the IRS or a court might not agree with it.

Assuming this treatment of the notes is respected and subject to the discussion in “United States Federal Tax Considerations” in the accompanying product supplement, the following U.S. federal income tax consequences should result under current law:

You should not recognize taxable income over the term of the notes prior to maturity, other than pursuant to a sale or exchange.

Upon a sale or exchange of a note (including retirement at maturity), you should recognize capital gain or loss equal to the difference between the amount realized and your tax basis in the note. Such gain or loss should be long-term capital gain or loss if you held the note for more than one year.

Subject to the discussions below under “Possible Withholding Under Section 871(m) of the Code” and in “United States Federal Tax Considerations” in the accompanying product supplement, if you are a Non-U.S. Holder (as defined in the accompanying product supplement) of the notes, you generally should not be subject to U.S. federal withholding or income tax in respect of any amount paid to you with respect to the notes, provided that (i) income in respect of the notes is not effectively connected with your conduct of a trade or business in the United States, and (ii) you comply with the applicable certification requirements.

In 2007, the U.S. Treasury Department and the IRS released a notice requesting comments on the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. The notice focuses in particular on whether to require holders of these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; whether short-term instruments should be subject to any such accrual regime; the relevance of factors such as the exchange-traded status of the instruments and the nature of the underlying property to which the instruments are linked; the degree, if any, to which income (including any mandated accruals) realized by non-U.S. investors should

be subject to withholding tax; and whether these instruments are or should be subject to the “constructive ownership” regime, which very generally can operate to recharacterize certain long-term capital gain as ordinary income and impose an interest charge. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the notes, including the character and timing of income or loss and the degree, if any, to which income realized by non-U.S. persons should be subject to withholding tax, possibly with retroactive effect.

Possible Withholding Under Section 871(m) of the Code. As discussed under “United States Federal Tax Considerations—Tax Consequences to Non-U.S. Holders” in the accompanying product supplement, Section 871(m) of the Code and Treasury regulations promulgated thereunder (“Section 871(m)”) generally impose a 30% withholding tax on dividend equivalents paid or deemed paid to Non-U.S. Holders with respect to certain financial instruments linked to U.S. equities (“U.S. Underlying Equities”) or indices that include U.S. Underlying Equities. Section 871(m) generally applies to instruments that substantially replicate the economic performance of one or more U.S. Underlying Equities, as determined based on tests set forth in the applicable Treasury regulations (a “Specified Security”). However, the regulations, as modified by an IRS notice, exempt financial instruments issued prior to January 1, 2021 that do not have a “delta” of one. Based on the terms of the notes and representations provided by us, our counsel is of the opinion that the notes should not be treated as transactions that have a “delta” of one within the meaning of the regulations with respect to any U.S. Underlying Equity and, therefore, should not be Specified Securities subject to withholding tax under Section 871(m).

A determination that the notes are not subject to Section 871(m) is not binding on the IRS, and the IRS may disagree with this treatment. Moreover, Section 871(m) is complex and its application may depend on your particular circumstances. For example, if you enter into other transactions relating to a U.S. Underlying Equity, you could be subject to withholding tax or income tax liability under Section 871(m) even if the notes are not Specified Securities subject to Section 871(m) as a general matter. You should consult your tax adviser regarding the potential application of Section 871(m) to the notes.

This information is indicative and will be updated in the final pricing supplement or may otherwise be updated by us in writing from time to time. Non-U.S. Holders should be warned that Section 871(m) may apply to the notes based on circumstances as of the pricing date for the notes and, therefore, it is possible that the notes will be subject to withholding tax under Section 871(m).

If withholding tax applies to the notes, we will not be required to pay any additional amounts with respect to amounts withheld.

You should read the section entitled “United States Federal Tax Considerations” in the accompanying product supplement. The preceding discussion, when read in combination with that section, constitutes the

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full opinion of Davis Polk & Wardwell LLP regarding the material U.S. federal tax consequences of owning and disposing of the notes.

(in billions, except for percentages)

At September 30,
2003

At March 31,

2004

At September 30,
2004

(Preliminary basis)

Tier I capital

¥3,683.7 ¥3,859.4 ¥4,025.9

Tier II capital

¥3,127.2 ¥3,157.8 ¥2,818.0

Tier III capital

¥29.9 ¥30.0

Deduction from total qualifying capital

¥51.0 ¥54.5 ¥894.3

Total qualifying capital

¥6,789.7 ¥6,992.7 ¥5,949.6

Risk-adjusted assets

¥54,543.3 ¥53,996.7 ¥54,457.1

Consolidated risk-adjusted capital ratio (based on applicable regulatory standards)

12.44% 12.95% 10.92%

Note) Tier II and Tier III capital represent amounts includable as qualifying capital.

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(Japanese GAAP)

Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries**Consolidated Balance Sheets**

	As of September 30,		As of March 31,				
	2004 (A)	2003 (B)	(A)	(B)	2004 (C)	(A)	(C)
(in millions of yen)							
Assets:							
Cash and due from banks	7,641,687	9,912,534	(2,270,847)		6,511,422	1,130,264	
Call loans and bills bought	343,348	937,576	(594,227)		893,805	(550,456)	
Receivables under resale agreements	951,074	521,366	429,708		1,336,995	(385,921)	
Receivables under securities borrowing transactions	4,637,860	5,763,393	(1,125,532)		5,572,154	(934,294)	
Commercial paper and other debt purchased	1,633,157	1,167,667	465,490		1,338,092	295,064	
Trading assets	7,626,950	6,460,498	1,166,452		6,572,110	1,054,840	
Money held in trust	451,935	470,220	(18,284)		469,377	(17,441)	
Investment securities	33,690,393	22,265,644	11,424,748		28,329,543	5,360,849	
Allowance for losses on investment securities	(1,262)	(2,937)	1,675		(1,948)	686	
Loans and bills discounted	47,420,986	46,420,701	1,000,284		46,590,131	830,854	
Foreign exchanges	653,654	589,994	63,659		559,382	94,272	
Other assets	2,997,373	4,394,439	(1,397,065)		3,217,991	(220,617)	
Premises and equipment	863,350	942,775	(79,425)		889,580	(26,229)	
Deferred tax assets	719,396	1,055,185	(335,789)		711,680	7,716	
Deferred tax assets on land revaluation loss		1,803	(1,803)				
Customers' liabilities for acceptances and guarantees	4,580,375	4,853,440	(273,065)		4,457,806	122,569	
Allowance for loan losses	(801,804)	(1,043,299)	241,494		(832,638)	30,834	
Total assets	113,408,478	104,711,005	8,697,473		106,615,487	6,792,991	
Liabilities:							
Deposits	67,082,418	65,186,659	1,895,759		66,097,591	984,826	
Negotiable certificates of deposit	3,896,695	3,729,540	167,155		2,819,588	1,077,106	
Debentures	30,752	516,603	(485,851)		265,056	(234,304)	
Call money and bills sold	9,083,330	4,334,966	4,748,363		6,879,141	2,204,189	
Payables under repurchase agreements	5,182,015	3,536,865	1,645,150		3,316,268	1,865,747	
Payables under securities lending transactions	4,221,383	4,558,290	(336,906)		3,415,952	805,431	
Commercial paper	632,079	717,989	(85,909)		637,006	(4,927)	
Trading liabilities	2,933,887	1,634,106	1,299,780		2,824,399	109,487	
Borrowed money	1,304,542	1,446,930	(142,388)		1,342,691	(38,148)	
Foreign exchanges	1,134,219	920,205	214,013		1,081,271	52,948	
Short-term corporate bonds	368,900	213,500	155,400		340,200	28,700	
Bonds and notes	3,818,578	3,830,193	(11,615)		3,734,610	83,967	
Bonds with warrants	49,165	50,528	(1,363)		50,000	(835)	
Due to trust account	1,367,460	1,336,541	30,919		1,380,268	(12,808)	
Other liabilities	2,794,984	3,517,798	(722,813)		3,079,852	(284,867)	
Reserve for employees' bonuses	19,727	17,231	2,495		16,881	2,846	
Reserve for employees' retirement benefits	38,320	32,473	5,846		34,932	3,388	
Reserve for expenses related to EXPO 2005 Japan	211	103	107		158	53	
Reserves under special laws	1,305	1,049	256		1,160	144	
Deferred tax liabilities	65,440	65,638	(197)		56,131	9,309	
Deferred tax liabilities on land revaluation excess	134,023	128,396	5,626		138,926	(4,902)	
Acceptances and guarantees	4,580,375	4,853,440	(273,065)		4,457,806	122,569	
Total liabilities	108,739,818	100,629,052	8,110,766		101,969,895	6,769,922	

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Minority interest	362,227	339,745	22,481	350,347	11,880
Shareholders' equity:					
Capital stock	1,258,052	1,258,052		1,258,052	
Capital surplus	931,154	931,304	(149)	931,309	(155)
Retained earnings	1,659,442	1,244,197	415,244	1,506,576	152,866
Land revaluation excess	151,260	186,364	(35,104)	158,044	(6,784)
Unrealized gains on securities available for sale	422,926	186,295	236,631	560,316	(137,390)
Foreign currency translation adjustments	(112,955)	(60,670)	(52,284)	(115,424)	2,468
Less treasury stock	(3,447)	(3,335)	(111)	(3,631)	183
Total shareholders' equity	4,306,432	3,742,207	564,225	4,295,243	11,188
Total liabilities, minority interest and shareholders' equity	113,408,478	104,711,005	8,697,473	106,615,487	6,792,991

See Notes to Consolidated Financial Statements.

(Japanese GAAP)

Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries**Consolidated Statements of Operations**

	For the six months				For the year ended March 31, 2004
	ended				
	September 30,				
	2004 (A)	2003 (B)	(A)	(B)	
(in millions of yen)					
Ordinary income:					
Interest income:					
Interest on loans and discounts	414,602	454,784	(40,182)		873,427
Interest and dividends on securities	165,661	178,509	(12,848)		340,494
Other interest income	109,401	123,071	(13,670)		203,802
Total interest income	689,664	756,365	(66,700)		1,417,724
Trust fees	46,115	36,452	9,662		86,461
Fees and commissions	273,568	234,025	39,542		487,786
Trading profits	51,609	76,177	(24,567)		135,647
Other business income	103,940	169,633	(65,693)		243,377
Other ordinary income	93,266	88,275	4,990		184,186
Total ordinary income	1,258,164	1,360,929	(102,765)		2,555,183
Ordinary expenses:					
Interest expense:					
Interest on deposits	87,029	84,492	2,536		161,921
Interest on debentures	348	2,310	(1,962)		4,030
Other interest expense	96,628	137,472	(40,843)		224,543
Total interest expense	184,006	224,276	(40,269)		390,496
Fees and commissions	32,249	38,224	(5,975)		66,102
Trading losses	1,362	4,136	(2,773)		
Other business expenses	62,232	108,115	(45,882)		152,803
General and administrative expenses	526,211	523,123	3,088		1,047,735
Other ordinary expenses	141,793	189,621	(47,827)		319,674
Total ordinary expenses	947,857	1,087,497	(139,639)		1,976,811
Ordinary profit	310,306	273,432	36,874		578,371
Special gains:					
Gains on sales of premises and equipment	2,584	2,316	268		4,376
Gains on loans charged-off	12,358	15,348	(2,990)		26,425
Reduction in reserve for contingent liabilities from brokering of financial futures transactions		26	(26)		26
Reversal of allowance for loan losses	11,340	163,548	(152,208)		239,965
Refund of enterprise taxes by the Tokyo Metropolitan Government		41,958	(41,958)		41,989
Gains on transfer of the substitutional portion of future pension obligations		26,503	(26,503)		26,503
Other special gains	512		512		

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Total Special gains	26,795	249,702	(222,906)	339,286
Special losses:				
Losses on sales of premises and equipment	5,107	9,572	(4,465)	15,773
Losses on impairment of fixed assets	3,978		3,978	21,586
Provision for reserve for contingent liabilities from brokering of securities transactions	144	276	(131)	387
Other special losses		4,952	(4,952)	7
Total Special losses	9,230	14,800	(5,570)	37,754
Income before income taxes and others	327,872	508,334	(180,461)	879,903
Income taxes-current	39,605	25,503	14,101	45,956
Income taxes-deferred	95,687	159,516	(63,829)	230,650
Minority interest	20,901	21,436	(534)	42,480
Net income	171,678	301,877	(130,199)	560,815

See Notes to Consolidated Financial Statements.

(Japanese GAAP)

Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries

Consolidated Statements of Capital Surplus and Retained Earnings

	For the six months			
	ended			
	September 30,		For the year ended	
	2004 (A)	2003 (B)	(A)	(B) March 31, 2004
(in millions of yen)				
Consolidated Statements of Capital Surplus				
Balance of capital surplus at beginning of fiscal year	931,309	932,016	(707)	932,016
Decrease:	(155)	(712)	557	(707)
Losses on sales of treasury stock, net of income taxes	(155)	(712)	557	(707)
Balance of capital surplus at end of (interim) fiscal year	931,154	931,304	(149)	931,309
Consolidated Statements of Retained Earnings				
Balance of retained earnings at beginning of fiscal year	1,506,576	962,347	544,228	962,347
Increase:	195,262	310,932	(115,669)	577,123
Net income	171,678	301,877	(130,199)	560,815
Reduction in land revaluation excess	6,782	9,054	(2,271)	16,286
Decrease in consolidated subsidiaries				22
Increase in companies accounted for by the equity method	16,802		16,802	
Decrease:	(42,396)	(29,082)	(13,314)	(32,895)
Cash dividends	(42,316)	(29,078)	(13,237)	(32,891)
Bonuses to directors of consolidated subsidiaries	(80)	(3)	(76)	(3)
Balance of retained earnings at end of (interim) fiscal year	1,659,442	1,244,197	415,244	1,506,576

See Notes to Consolidated Financial Statements.

(Japanese GAAP)

Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries**Consolidated Statements of Cash Flows**

	For the six months ended September 30,				For the year ended
	2004 (A)	2003 (B)	(A)	(B)	March 31, 2004
(in millions of yen)					
Cash flows from operating activities:					
Income before income taxes and others	327,872	508,334	(180,461)		879,903
Depreciation	53,131	46,061	7,070		106,495
Impairment losses	3,978		3,978		21,586
Goodwill amortization	1,586	(599)	2,186		551
Equity in loss (earnings) of affiliates	(7,573)	(1,232)	(6,340)		(3,595)
Increase (decrease) in allowance for loan losses	(30,563)	(253,853)	223,289		(455,972)
Increase (decrease) in allowance for losses on investment securities	(512)	1,121	(1,633)		1,194
Increase (decrease) in reserve for employees' bonuses	2,846	202	2,643		(147)
Increase (decrease) in reserve for employees' retirement benefits	3,110	(4,502)	7,613		(1,467)
Increase (decrease) in reserve for expenses related to EXPO 2005 Japan	53	53	0		107
Interest income recognized on statement of operations	(689,664)	(756,365)	66,700		(1,417,724)
Interest expenses recognized on statement of operations	184,006	224,276	(40,269)		390,496
Investment securities losses (gains)	(23,933)	10,035	(33,969)		20,149
Losses (gains) on money held in trust	918	(3,895)	4,813		(6,992)
Foreign exchange losses (gains)	(270,271)	302,701	(572,972)		495,113
Losses (gains) on sales of premises and equipment	2,522	7,721	(5,199)		11,395
Net decrease (increase) in trading assets	(1,043,781)	(831,976)	(211,805)		(966,983)
Net increase (decrease) in trading liabilities	101,583	53,836	47,747		1,260,653
Adjustment of unsettled trading accounts	46,792	(44,595)	91,388		140,034
Net decrease (increase) in loans and bills discounted	(787,427)	587,495	(1,374,922)		(41,889)
Net increase (decrease) in deposits	937,980	2,511,203	(1,573,223)		3,894,086
Net increase (decrease) in negotiable certificates of deposit	1,077,314	(317,583)	1,394,897		(1,224,926)
Net increase (decrease) in debentures	(234,304)	(119,456)	(114,847)		(371,003)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	(52,776)	(54,327)	1,551		(89,963)
Net decrease (increase) in due from banks (excluding cash equivalents)	(536,777)	244,440	(781,217)		597,067
Net decrease (increase) in call loans and bills bought and others	675,893	(589,857)	1,265,750		(1,592,137)
Net decrease (increase) in receivables under securities borrowing transactions	945,922	(3,284,170)	4,230,092		(3,152,785)
Net increase (decrease) in call money and bills sold and others	4,041,454	961,881	3,079,572		3,315,174
Net increase (decrease) in commercial paper	(6,196)	(54,575)	48,379		(117,078)
Net increase (decrease) in payables under securities lending transactions	791,198	667,873	123,324		(399,401)
Net decrease (increase) in foreign exchanges (assets)	(94,272)	19,949	(114,222)		50,562
Net increase (decrease) in foreign exchanges (liabilities)	52,948	387,258	(334,310)		548,324
Net increase (decrease) in issuance and redemption of short-term corporate bonds	28,700	203,500	(174,800)		330,200
Net increase (decrease) in issuance and redemption of unsubordinated bonds and notes	50,569	127,506	(76,937)		255,847
Net increase (decrease) in due to trust account	(12,808)	(65,076)	52,268		(21,349)
Interest income (cash basis)	722,444	810,788	(88,344)		1,466,611
Interest expenses (cash basis)	(193,029)	(272,624)	79,594		(442,499)
Other	64,899	(301,910)	366,809		(428,749)
Sub-total	6,133,834	719,638	5,414,196		3,050,886
Income taxes	(27,662)	(19,489)	(8,172)		(51,096)
Net cash provided by (used in) operating activities	6,106,171	700,148	5,406,023		2,999,790
Cash flows from investing activities:					

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Purchases of investment securities	(41,117,087)	(23,411,837)	(17,705,249)	(47,839,599)
Proceeds from sales of investment securities	19,947,002	17,576,271	2,370,731	29,004,862
Proceeds from maturities of investment securities	15,664,556	6,969,299	8,695,256	14,981,518
Increase in money held in trust	(29,075)	(61,595)	32,520	(65,949)
Decrease in money held in trust	48,374	5,043	43,330	9,349
Purchases of premises and equipment	(17,770)	(15,173)	(2,596)	(49,867)
Proceeds from sales of premises and equipment	14,460	32,040	(17,580)	59,827
Proceeds from sales of equity of subsidiaries resulting exclusion from consolidation		2,022	(2,022)	5,948
Additional purchases of equity of consolidated subsidiaries	(1,319)		(1,319)	
Net cash provided by (used in) investing activities	(5,490,858)	1,096,071	(6,586,929)	(3,893,910)
Cash flows from financing activities:				
Increase in subordinated borrowings	85,200	104,345	(19,145)	112,499
Decrease in subordinated borrowings	(77,150)	(139,845)	62,694	(174,999)
Increase in subordinated bonds and notes and bonds with warrants	67,306	191,642	(124,335)	304,155
Decrease in subordinated bonds and notes and bonds with warrants	(49,607)	(17,057)	(32,549)	(323,285)
Proceeds from issuance of common stock	4,581		4,581	10,000
Proceeds from issuance of common stock to minority shareholders		9,422	(9,422)	38,407
Dividend paid by the parent	(42,264)	(29,010)	(13,254)	(32,850)
Dividend paid by subsidiaries to minority shareholders	(11,607)	(13,372)	1,764	(5,678)
Purchases of treasury stock	(416)	(139)	(276)	(467)
Proceeds from sales of treasury stock	1,105	910	194	949
Purchases of treasury stock by consolidated subsidiaries	(8,176)		(8,176)	
Proceeds from sales of treasury stock by consolidated subsidiaries	259		259	
Net cash provided by (used in) financing activities	(30,770)	106,895	(137,665)	(71,269)
Effect of exchange rate changes on cash and cash equivalents	6,057	2,772	3,285	(49,616)
Net increase (decrease) in cash and cash equivalents	590,600	1,905,887	(1,315,287)	(1,015,005)
Cash and cash equivalents at beginning of fiscal year	3,034,525	4,049,530	(1,015,005)	4,049,530
Cash and cash equivalents at end of (interim) fiscal year	3,625,125	5,955,417	(2,330,292)	3,034,525

See Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

Notes related to the Consolidated Balance Sheet as of September 30, 2004 are as follows:

1. Basis of Presentation

The accompanying Consolidated Balance Sheet of Mitsubishi Tokyo Financial Group, Inc. (MTFG) and its subsidiaries is compiled as required by the Banking Law and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as compared to the application and disclosure requirements of International Accounting Standards. For the convenience of readers, the presentation is modified in certain respects from the original Japanese report. The amounts are presented in millions of yen and are rounded down to the nearest million.

2. Trading Assets and Liabilities

Transactions for trading purposes (for purposes of seeking to capture gains arising from short-term changes in interest rates, currency exchange rates or market prices of securities and other market-related indices or from gaps among markets) are included in Trading assets and Trading liabilities on a trade date basis.

Trading assets and Trading liabilities are stated at market value at interim fiscal year end.

3. Investment Securities

Debt securities being held to maturity are stated at amortized cost computed by the moving-average method (straight-line amortization). Other securities (securities available for sale) whose current value can be estimated are stated at market value at interim fiscal year end (sale cost is calculated by the moving-average method) and other non-marketable securities are stated at cost or amortized cost computed by the moving-average method. Unrealized gains and losses on securities available for sale are included in shareholders' equity, net of income taxes, other than the case that the securities embedding derivatives are measured at fair value in their entirety and the change in the fair value is recognized in current earnings.

4. Securities in Money Held in Trust

Securities included in Money held in trust of sole investment mainly for the purpose of security investment are stated at the same method as described in notes 2. and 3.

5. Derivatives

Derivatives for purposes other than trading are stated at market value in principle.

6. Premises and Equipment

Depreciation for buildings and equipment of MTFG and its domestic banking subsidiary and trust banking subsidiary is computed using the declining-balance method.

Principal estimated useful lives are as follows:

Buildings	15 years to 50 years
Equipment and furniture	4 years to 15 years

Depreciation for buildings and equipment of other consolidated subsidiaries is computed principally using the straight-line method based on the estimated useful lives.

7. Software

Costs of computer software developed or obtained for internal use are deferred and amortized using the straight-line method over the estimated useful lives of 5 to 10 years.

8. Bond Discount and Bond Issuance Cost

Bond discount is amortized over the remaining life of the bond.

Bond issuance cost is charged to expenses when incurred.

9. Translation of Foreign Currency Items

Foreign currency assets and liabilities and overseas branches' accounts of MTFG's domestic banking subsidiary and trust banking subsidiary are principally translated into yen equivalents at the exchange rates prevailing at interim fiscal year end, except equity securities of affiliated companies which are translated into yen equivalents at the exchange rates prevailing at the acquisition date for those securities.

Foreign currency assets and liabilities of other consolidated subsidiaries are principally translated into yen equivalents at the exchange rates prevailing at interim fiscal year end of each company.

10. Allowance for Loan Losses

An allowance for loan losses of MTFG's primary domestic consolidated subsidiaries is provided as detailed below, pursuant to the internal rules for self-assessment of asset quality and the internal rules for providing allowances for credit losses:

For claims to debtors who are legally bankrupt (due to bankruptcy, special liquidation, suspension of transactions with banks by the rules of clearing houses, etc.) or virtually bankrupt, an allowance is provided based on the amount of claims, after the charge-off as stated below, net of amounts expected to be collected through the disposal of collateral or execution of guarantees.

For claims to debtors who are likely to become bankrupt for which future cash flows could not be reasonably estimated, an allowance is provided for the amount considered to be necessary based on an overall solvency assessment performed for the amount of claims, net of amounts expected to be collected through the disposal of collateral or execution of guarantees.

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For claims to debtors who are likely to become bankrupt and to be closely watched for which future cash flows could be reasonably estimated, an allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate and the carrying value of the claim.

For other claims, an allowance is provided based on historical loan loss experience.

The allowance for loans to specific foreign borrowers is provided based on the amount of expected losses due to the political and economic situation of their respective countries.

All claims are assessed by the branches and credit supervision divisions based on the internal rules for self-assessment of asset quality. The credit examination divisions, which are independent from branches and credit supervision divisions, subsequently conduct audits of their assessments, and an allowance is provided based on audit results.

For collateralized or guaranteed claims to debtors who are legally bankrupt or virtually bankrupt, the amount of claims exceeding the estimated value of collateral or guarantees, which is deemed uncollectible, has been charged-off and the amount was ¥482,508 million.

An allowance for loan losses of other consolidated subsidiaries is provided based on historical loan losses experience or estimated collectibility of specific claims.

11. Allowance for Losses on Investment Securities

An allowance for losses on investment securities is provided based on the estimated losses on non-marketable debt securities.

12. Reserve for Employees Bonuses

A reserve for employees bonuses is provided for the payment of employees bonuses based on estimated amounts of the future payments attributed to the current interim fiscal year.

13. Reserve for Employees Retirement Benefits

A reserve for employees retirement benefits is provided for the payment of employees retirement benefits based on estimated amounts of the actuarial retirement benefit obligation and the related pension assets. Prior service cost is amortized using the straight-line method over 10 years. Net actuarial gain (loss) is amortized using the straight-line method over 10 years commencing from the next fiscal year of incurrence. The unrecognized net retirement benefit obligation at the adoption of new accounting standard is being amortized using the straight-line method over 5 years.

14. Equipment Used under Finance Lease Agreements

Equipment used under finance lease agreements is accounted for as equipment leased under operating leases, except for those leases which transfer ownership of leased equipment to the lessee, in which case the equipment is capitalized.

15. Hedge Accounting for Interest Rate Risks

With respect to hedge accounting for interest rate risks arising from financial assets and liabilities, MTFG's domestic banking subsidiary and trust banking subsidiary have principally adopted portfolio hedges or individual hedges prescribed in the Industry Audit Committee Report No. 24 and the Accounting Committee Report No. 14, "Practical Guidelines for Accounting for Financial Instruments" issued by the JICPA on January 31, 2000. The method of the hedge accounting is the deferral method.

In hedging activities to offset changes in the fair value of fixed rate deposits and loans etc., MTFG's domestic banking subsidiary and trust banking subsidiary distinguish hedged items by grouping the hedged items by their maturities and designate interest rate swap transactions etc. as hedging instruments individually or in accordance with the Industry Audit Committee Report No. 24. In hedging activities offsetting changes in the fair value of fixed rate bonds, they distinguish hedged items by individual bond or identical type of bonds and designate interest rate swap transactions etc. as hedging instruments.

In hedging activities to fix forecasted cash flows on variable rate or short-term fixed rate deposits and loans etc., MTFG's domestic banking subsidiary and trust banking subsidiary distinguish hedged items by grouping the hedged items by their index interest rates and repricing terms and designate interest rate swap transactions etc. as hedging instruments in accordance with the Industry Audit Committee Report No. 24. Since material terms related to the hedged items and hedging instruments are substantially identical, hedge relationship is deemed to be highly effective and the hedge effectiveness testing is substituted. Effectiveness is also tested by correlation of fluctuation factors in interest rates.

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Deferred hedge losses and deferred hedge gains recorded on the balance sheet as of March 31, 2003 as a result of the macro hedge accounting are realized as expenses or income over the remaining lives of the hedging instruments (at most 15 years from 2003). Deferred hedge losses and deferred hedge gains attributable to the macro hedge accounting as of September 30, 2004 were ¥140,550 million and ¥174,476 million, respectively.

16. Hedge Accounting for Foreign Exchange Risks

With respect to hedge accounting for foreign exchange risks attributable to foreign-currency-denominated financial assets and liabilities, MTFG's domestic banking subsidiary and trust banking subsidiary have applied the deferral hedge accounting by distinguishing hedged items by grouping the foreign-currency-denominated financial assets and liabilities by currencies and designating currency swap transactions and forward exchange contracts (funds swap transactions) as hedging instruments, pursuant to the Industry Audit Committee Report No. 25.

They also engage in portfolio hedge to hedge foreign exchange risk attributable to foreign-currency-denominated investments in affiliated companies and foreign-currency-denominated securities available for sale (other than bonds), using foreign-currency-denominated liabilities and forward exchange contracts under identical currency as hedging instruments. They apply the deferral hedge method to foreign-currency-denominated investments in affiliated companies and the fair value hedge method to foreign-currency-denominated securities available for sale (other than bonds).

17. Intercompany and Intracompany Swap Transactions

With respect to the intercompany and intracompany derivative transactions, realized gains (losses) or valuation gains (losses) on the interest rate swap transactions and currency swap transactions are reported in current earnings or deferred as assets or liabilities without elimination if mirror transactions with the third parties against these swap transactions designated as hedging instruments are appropriately conducted in conformity with the non-arbitrary and strict hedging policy in accordance with the Industry Audit Committee Report No. 24 and No. 25.

18. Consumption Taxes

The National Consumption Tax and the Local Consumption Tax are excluded from transaction amounts. The portion of the National Consumption Tax and the Local Consumption Tax, which were paid on the purchase of premises and equipment and which are not deductible as a tax credit, are charged to expenses when incurred.

19. Reserve for Expenses Related to EXPO 2005 Japan

A reserve for expenses related to EXPO 2005 Japan is provided for the expenses related to the participation in the EXPO 2005 Japan scheduled to be held in 2005 based on the estimated contractual participation expenses allocated over the period. The reserve is provided pursuant to Article 43 of the Commercial Code and includes the allowance provided pursuant to Article 68-52 of the Special Taxation Measures Law.

20. Reserves under Special Laws

Pursuant to Article 82 of the Financial Futures Transactions Law, a reserve for contingent liabilities from brokering of financial futures transactions of ¥31 million was provided.

Pursuant to Article 51 of the Securities and Exchange Law, a reserve for contingent liabilities from brokering of securities transactions of ¥1,274 million was provided.

21. Consolidated Corporate-tax System

MTFG and certain domestic consolidated subsidiaries adopt consolidated corporate-tax system, with MTFG being a parent company under the system.

22. Impairment of Fixed Assets

Effective April 1, 2003, the MTFG Group adopted Accounting Standards for Impairment of Fixed Assets issued by the Business Accounting Council on August 9, 2002 and Financial Accounting Standard Implementation Guidance No. 6, Implementation Guidance for Accounting Standard for Impairment of Fixed Assets issued by the Accounting Standards Board of Japan, ASBJ on October 31, 2003, because their early adoption in the fiscal year ended March 31, 2004 was permitted.

23. Due from Directors of MTFG

Due from directors of MTFG was ¥89 million.

24. Accumulated Depreciation

Accumulated depreciation on premises and equipment was ¥622,588 million.

25. Accumulated Deferred Gains on Sales of Real Estate

Accumulated deferred gains on sales of real estate of ¥45,484 million were deducted from the acquisition cost of newly acquired premises and equipment.

26. Nonaccrual Loans

Loans to customers in bankruptcy and past due loans are included in Loans and bills discounted, and the amounts were ¥33,746 million and ¥1,173,309 million, respectively. The amount of past due loans included loans of ¥610 million entrusted to the Resolution and Collection Corporation, which facilitates the removal of problem loans from balance sheet.

Loans are generally placed on nonaccrual status when substantial doubt is judged to exist as to ultimate collectibility of either principal or interest if they are past due for a certain period or for other reasons. Loans to customers in bankruptcy represent nonaccrual loans, after the partial charge-off of claims deemed uncollectible, to debtors who are legally bankrupt, which are defined in Article 96, Paragraph 1, Subparagraph 3 and 4 of Enforcement Ordinance for the Corporation Tax Law. Past due loans are nonaccrual loans other than loans to customers in bankruptcy and loans for which interest payments are deferred in order to assist the financial recovery of debtors in financial difficulties.

27. Accruing Loans Contractually Past Due 3 Months or More

Accruing loans contractually past due 3 months or more are included in Loans and bills discounted, and the amount was ¥11,898 million. Loans classified as loans to customers in bankruptcy or past due loans are excluded.

28. Restructured Loans

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Restructured loans are included in Loans and bills discounted, and the amount was ¥325,637 million. Such restructured loans are loans on which concessions (e.g., reduction of the stated interest rate, deferral of interest payment, extension of maturity date, reduction of the face amount or maturity amount of the debt or accrued interest) have been granted to debtors in financial difficulties to assist them in their financial recovery and eventually to be able to repay to creditors. Loans classified as loans to customers in bankruptcy, past due loans or accruing loans contractually past due 3 months or more are excluded.

29. Nonaccrual Loans, Accruing Loans Contractually Past Due 3 Months or More and Restructured Loans

Total amount of nonaccrual loans, accruing loans contractually past due 3 months or more and restructured loans was ¥1,544,591 million. The amount of past due loans included loans of ¥610 million entrusted to the Resolution and Collection Corporation, which facilitates the removal of problem loans from balance sheet.

The amounts reflected in Notes 26. to 29. represent the gross receivable amounts prior to reduction for the allowance for loan losses.

30. Bills Discounted

Bills discounted are accounted for as secured lending transactions in conformity with the Industry Audit Committee Report No.24. Bills accepted by other banks, commercial bills, bills of exchange, and foreign bills bought discounted by MTFG's domestic banking subsidiary and trust banking subsidiary are permitted to be sold or pledged and the total face value was ¥743,000 million.

31. Assets Pledged

Assets pledged as collateral were as follows:

Cash and due from banks	¥	1,876 million
Commercial paper and other debt purchased	¥	4,792 million
Trading assets	¥	177,297 million
Investment securities	¥	2,782,097 million
Loans and bills discounted	¥	4,528,666 million
Premises and equipment	¥	28,569 million

Liabilities related to the pledged assets were as follows:

Deposits	¥	232,475 million
Call money and bills sold	¥	6,969,200 million
Borrowed money	¥	28,898 million
Bonds and notes	¥	79,491 million
Other liabilities	¥	8,066 million
Acceptances and guarantees	¥	1,796 million

In addition, Cash and due from banks of ¥288,174 million, Commercial paper and other debt purchased of ¥17 million, Trading assets of ¥26,665 million, Investment securities of ¥5,176,425 million, Loans and bills discounted of ¥1,106,569 million and Other assets of ¥4,184 million were pledged as collateral for settlement of exchange or derivatives transactions or as valuation margin.

Commercial paper and other debt purchased of ¥28,189 million, Trading assets of ¥3,223,757 million and Investment securities of ¥3,569,278 million were sold under repurchase agreements or lent under secured lending transactions, and Payables under repurchase agreements of ¥4,196,452 million and Payables under securities lending transactions of ¥2,997,813 million were corresponding.

Bills rediscounted are accounted for secured borrowing transactions in conformity with the Industry Audit Committee Report No.24. The total face value of bills accepted by other banks, commercial bills, and bills of exchange rediscounted by MTFG's domestic banking subsidiary and trust banking subsidiary was ¥18,727 million.

32. Land Revaluation Excess

Pursuant to the Law concerning Revaluation of Land, March 31, 1998, land used for business operations of domestic subsidiaries has been revalued as of the following dates. Land revaluation excess is included in Shareholders' equity, net of income taxes. The land revaluation excess includes MTFG's ownership percentage of affiliated companies' land revaluation excess.

Date of the revaluation:

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Domestic banking subsidiary	March 31, 1998
Domestic trust banking subsidiary	March 31, 2002
Other domestic subsidiaries	December 31, 2001

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The method of the revaluation as set forth in Article 3, Paragraph 3 of the Law:

Pursuant to Article 2, Subparagraph 4 of the Enforcement Ordinance for the Law concerning Revaluation of Land, the

land price for the revaluation is determined based on the method established and published by the Director General of National Tax Agency in order to calculate the land value for a basis of determining the taxable amount subject to land value tax prescribed by Article 16 of the Land Value Tax Law, reflecting appropriate adjustments for land shape and timing of the assessment and based on real estate appraisal information defined by Paragraph 5 of the Law.

Land used for business operations of a certain affiliated company has been revalued as of March 31, 2002.

33. Subordinated Borrowings

Subordinated borrowings of ¥716,290 million were included in Borrowed money.

34. Subordinated Bonds

Subordinated bonds of ¥1,525,593 million were included in Bonds and notes.

35. Guaranteed Trusts

Principal amounts of Jointly operated designated money trusts and Loan trusts of MTFG's trust banking subsidiary, for which repayment of the principal to the customers is guaranteed, were ¥915,281 million and ¥1,004,308 million, respectively.

36. Net Assets per Common Share

Net assets per common share were ¥623,070.24.

37. Write Down of Investment Securities

Marketable securities other than trading securities are written down when a decline in the market value below the cost of the securities is substantial and the valuation differences are recognized as losses, based upon the judgment that the decline in market value is other than

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temporary at the current interim fiscal year-end. A substantial decline in the market value is recognized based on the classification of issuers as follows, pursuant to the internal rules for self-assessment of asset quality:

Issuers who are legally bankrupt, virtually bankrupt or likely to become bankrupt: Market value is lower than cost

Issuers who are to be closely watched: Market value is 30% or more lower than cost

Other issuers: Market value is 50% or more lower than cost

38. Market Value of Securities

Market value and valuation differences of securities were as follows. Securities below include trading securities, trading commercial paper and trading short-term corporate bonds classified as Trading assets, negotiable certificates of deposits classified as Cash and due from banks and investments in commodity investment trusts classified as Commercial paper and other debt purchased. The same definition is applied in Notes 39. to 41.

Trading securities

Balance sheet amount	¥ 6,805,250 million
Valuation profits included in Income before income taxes and others	¥ 8,428 million

Marketable debt securities being held to maturity

	(in millions of yen)				
	Balance sheet amount	Market value	Differences	Gains	Losses
Domestic bonds	1,792,718	1,806,309	13,590	13,590	
Government bonds	1,648,689	1,656,678	7,989	7,989	
Municipal bonds	100,005	103,744	3,738	3,738	
Corporate bonds	44,024	45,886	1,862	1,862	
Other securities	368,615	370,357	1,741	1,954	212
Foreign bonds	69,355	71,097	1,741	1,954	212
Other	299,259	299,259			
	2,161,334	2,176,667	15,332	15,544	212
Total	2,161,334	2,176,667	15,332	15,544	212

Marketable securities available for sale

(in millions of yen)

	Cost	Balance sheet amount	Valuation differences	Gains	Losses
Domestic equity securities	2,508,010	3,142,643	634,632	744,276	109,644
Domestic bonds	20,192,100	20,216,217	24,116	45,435	21,318
Government bonds	18,272,652	18,288,827	16,175	35,779	19,604
Municipal bonds	210,303	211,565	1,262	2,137	874
Corporate bonds	1,709,145	1,715,823	6,678	7,518	839
Other securities	7,642,773	7,689,726	46,952	100,044	53,091
Foreign equity securities	20,434	34,436	14,001	14,520	519
Foreign bonds	5,821,554	5,849,643	28,089	52,886	24,797
Other	1,800,783	1,805,646	4,862	32,637	27,775
Total	30,342,884	31,048,586	705,702	889,757	184,054

Among the valuation differences above, the amounts of shareholders' equity, net of income taxes were ¥705,558 million as a result of recognizing ¥143 million profits, which were related to the securities embedding derivatives and measured in their entirety, in current earnings. Those amounts, net of ¥285,590 million of related deferred tax liabilities, were ¥419,968 million. Net valuation differences, excluding minority interest of ¥700 million and adding MTFG's ownership percentage of affiliates' unrealized gains on securities available for sale of ¥2,257 million, were ¥422,926 million which were included in Unrealized gains on securities available for sale.

39. Securities Available for Sale Sold

Securities available for sale sold during the interim fiscal year were as follows:

(in millions)

Proceeds from sales	Gains	Losses
¥19,986,193	¥ 116,337	¥ 59,596

40. Securities Not Stated at Market Value

The balance sheet amounts of principal securities not stated at market value were as follows:

Balance sheet amount
Debt Securities being held to maturity

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Foreign bonds	¥ 13,574 million
Securities available for sale	
Domestic equity securities	¥ 1,015,921 million
Domestic corporate bonds	¥ 528,431 million
Foreign bonds	¥ 48,548 million

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41. Redemption Schedule of Bonds

Redemption schedule of bonds classified as securities available for sale and being held to maturity was as follows:

(in millions of yen)

	Due within	Due after 1 year	Due after 5 years	Due after
	1 year	through 5 years	through 10 years	10 years
Domestic bonds	12,023,151	7,842,279	1,631,717	1,044,415
Government bonds	11,356,231	6,120,586	1,427,602	1,033,095
Municipal bonds	69,242	158,562	87,967	
Corporate bonds	597,677	1,563,130	116,147	11,319
Other bonds	853,966	3,926,149	1,135,135	1,573,466
Foreign bonds	477,799	3,699,398	921,674	844,105
Other	376,167	226,750	213,460	729,361
Total	12,877,118	11,768,428	2,766,852	2,617,882

42. Money Held in Trust

Classification of Money held in trust was as follows:

Money held in trust for trading purposes

Balance sheet amount	¥ 335,105 million
Valuation gains included in Income before income taxes and others	¥ 11 million

Other Money held in trust

(in millions)

Cost	Balance sheet amount	Valuation differences	Gains	Losses
¥116,830	¥116,830			

43. Securities Lent/Borrowed

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Unsecured securities lent for which borrowers have rights of sale or pledge were included in Trading assets and Investment securities. The amount was ¥128 million and ¥733 million, respectively.

With respect to borrowed securities, received securities as collateral for call loans and purchased securities under resale agreements that are permitted to be sold or pledged, ¥2,625,073 million were pledged, ¥483,146 million were lent and ¥4,579,774 million were held at hand at this interim fiscal year end.

44. Loan Commitments

Contracts of overdraft facilities and loan commitment limits are contracts under which customers are lent to up to the prescribed limits in response to the customers' application for a loan as long as there is no violation of any condition in the contracts. The unused amount within the limits relating to these contracts was ¥30,979,116 million.

Since many of these commitments expire without being drawn, the unused amount does not necessarily represent a future cash requirement. Most of these contracts have conditions that allow MTFG and its consolidated subsidiaries to refuse the customers' application for a loan or decrease the contract limits with proper reasons (e.g., changes in financial situation, deterioration in customers' creditworthiness, etc.). At the inception of contracts, MTFG and its consolidated subsidiaries obtain real estate, securities, etc. as collateral if considered to be necessary. Subsequently, MTFG and its consolidated subsidiaries perform periodic reviews of the customers' business results based on internal rules, and take necessary measures to reconsider conditions in contracts and/or require additional collateral and guarantees.

Notes related to the Consolidated Statement of Operations for the six months ended September 30, 2004 are as follows:

1. Basis of Presentation

The accompanying Consolidated Statement of Operations is compiled as required by the Banking Law and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as compared to application and disclosure requirements of International Accounting Standards. For the convenience of readers, the presentation is modified in certain respects from the original Japanese report. The amounts are presented in millions of yen and are rounded down to the nearest million.

2. Net Income per Common Share

Net income per common share was ¥25,924.96.

3. Trading Profits and Losses

Profits and losses on trading transactions (dividends and interest, gains or losses on sales, and valuation gains or losses) are shown as Trading profits or Trading losses on a trade date basis.

4. Other Ordinary Income

Other ordinary income included gains on sales of equity securities of ¥42,943 million.

5. Other Ordinary Expenses

Other ordinary expenses included losses on sales or exchange of loans and other claims of ¥38,182 million, losses on equity securities charge-offs of ¥33,549 million, losses on loan charge-offs of ¥28,597 million and losses on sales of equity securities of ¥14,121 million .

6. Enterprise Taxes

With the implementation of the Revision of the Local Tax Law (Legislation No.9, March, 2003) on March 31, 2003, a part of tax basis of enterprise taxes was changed to amount of value-added and amount of capital in the fiscal year started April 1, 2004. MTFG and certain domestic consolidated subsidiaries have presented enterprise taxes computed based on amount of value-added and amount of capital in general and administrative expenses in the Consolidated Statement of Operations based on Practical Treatment of Presentation in Income Statement for

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Enterprise Taxes through External Standards Taxation (February 13, 2004, ASBJ-Report of Practical Issues No.12) .

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Note related to the Consolidated Statement of Capital Surplus and Retained Earnings for the six months ended September 30, 2004 is as follows:

1. Basis of Presentation

The accompanying Consolidated Statement of Capital Surplus and Retained Earnings is compiled as required by the Banking Law and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as compared to application and disclosure requirements of International Accounting Standards. For the convenience of readers, the presentation is modified in certain respects from the original Japanese report. The amounts are presented in millions of yen and are rounded down to the nearest million.

Notes related to the Consolidated Statement of Cash Flows for the six months ended September 30, 2004 are as follows:

1. Basis of Presentation

The accompanying Consolidated Statement of Cash Flows is compiled as required by the Banking Law and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as compared to application and disclosure requirements of International Accounting Standards. For the convenience of readers, the presentation is modified in certain respects from the original Japanese report. The amounts are presented in millions of yen and are rounded down to the nearest million.

2. Definition of Cash and Cash Equivalents

For the purpose of reporting cash flows, cash and cash equivalents are defined as those amounts included in Cash and due from banks excluding time deposits and negotiable certificates of deposits in other banks.

3. Reconciliation to the Cash and Cash Equivalents

The reconciliation of the Cash and due from banks in the Consolidated Balance Sheet to the Cash and cash equivalents at end of interim fiscal year is as follows:

	(in millions)
Cash and due from banks	¥ 7,641,687
Time deposits and negotiable certificates of deposit in other banks	(4,016,561)
Cash and cash equivalents at end of interim fiscal year	¥ 3,625,125

Mitsubishi Tokyo Financial Group, Inc., and Subsidiaries

Significant Policies in Preparation of Consolidated Financial Statements

1. Scope of Consolidation

- (1) Number of consolidated subsidiaries: 154

Significant companies

The Bank of Tokyo-Mitsubishi, Ltd.

The Mitsubishi Trust and Banking Corporation

- (2) Non-consolidated subsidiaries

Companies

KOKUSAI Europe Limited

KOKUSAI America Incorporated

Non-consolidated subsidiaries are excluded from the scope of consolidation since their assets, ordinary income, and our ownership percentage of their net income or retained earnings do not have a material impact on our results of operations or financial condition.

2. Application of the Equity Method

- (1) Number of affiliated companies accounted for by the equity method: 25

Significant companies

ACOM Co., Ltd.

Diamond Lease Co., Ltd.

The Master Trust Bank of Japan, Ltd.

Diamond Computer Service Co., Ltd.

M&T Information Technology Co., Ltd.

BOT Lease Co., Ltd.

MTBC Bank Deutschland GmbH

ACOM Co., Ltd. is included in affiliated companies accounted for by the equity method due to acquirement of shares from this fiscal year.

- (2) Non-consolidated subsidiaries and affiliated companies not accounted for by the equity method

Companies

KOKUSAI Europe Limited

KOKUSAI America Incorporated

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Non-consolidated subsidiaries and affiliated companies not accounted for by the equity method are excluded from the scope of the equity method since our ownership percentage of their net income or retained earnings do not have a material impact on our consolidated financial statements.

3. Interim Fiscal Year Ends of Consolidated Subsidiaries

- (1) Interim fiscal year ends of consolidated subsidiaries are as follows:

April 30	:	2 subsidiaries	August 31	:	1 subsidiary
June 30	:	100 subsidiaries	September 30	:	51 subsidiaries

- (2) Subsidiaries whose interim fiscal year ends are April 30 are consolidated based on their financial statements ended on July 31. Other subsidiaries are consolidated based on financial statements for their respective interim fiscal year ends. Significant transactions occurred during the intervening periods are reflected in the consolidated financial statements.

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Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries
Segment Information

I. Business segment information

<For the six months ended September 30, 2004>

(in millions of yen)

	Banking	Trust Banking	Securities	Other	Total	(Elimination)	Consolidated
Ordinary income:							
(1) Ordinary income from customers	881,408	223,290	83,743	69,721	1,258,164		1,258,164
(2) Internal ordinary income among segments	13,127	7,037	8,867	190,934	219,967	(219,967)	
Total ordinary income	894,535	230,327	92,611	260,656	1,478,131	(219,967)	1,258,164
Ordinary expenses	658,774	172,558	86,154	65,779	983,266	(35,409)	947,857
Ordinary profit	235,761	57,769	6,456	194,876	494,864	(184,557)	310,306

Notes:

- Other primarily includes credit card and leasing businesses.
- Ordinary profit for Other includes dividend of 183,257 million yen from MTFG's domestic banking subsidiary and trust banking subsidiary.

<For the six months ended September 30, 2003>

(in millions of yen)

	Banking	Trust Banking	Securities	Other	Total	(Elimination)	Consolidated
Ordinary income:							
(1) Ordinary income from customers	937,791	262,566	92,013	68,557	1,360,929		1,360,929
(2) Internal ordinary income among segments	11,140	9,811	6,063	45,841	72,857	(72,857)	
Total ordinary income	948,932	272,378	98,077	114,398	1,433,786	(72,857)	1,360,929

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Ordinary expenses	774,880	206,952	75,610	66,289	1,123,732	(36,235)	1,087,497
Ordinary profit	174,051	65,426	22,467	48,108	310,054	(36,621)	273,432

Notes:

1. Other primarily includes credit card and leasing businesses.
2. The derivatives, which were embedded in hybrid financial instruments and not required to be accounted separately from the host contracts, had been accounted for on an accrual basis together with the host contracts. Since the beginning of the current interim fiscal year, such embedded derivatives have been measured at market value and their valuation gains (losses) have been reported in current earnings if they are managed separately from the host contracts.

Such hybrid financial instruments had been risk adjusted in the macro hedge accounting. Since the beginning of the current interim fiscal year, MTFG's domestic banking subsidiary and trust banking subsidiary have adopted the standard treatments of the Industry Audit Committee Report No. 24 and, therefore, valuation gains (losses) on the derivatives which used to be risk adjusting instruments in the macro hedge accounting are reported in current earnings. In response to this change, they changed the accounting for the embedded derivatives, which had been accounted together with the host contracts, and measured them at market value and reported their valuation gains (losses) in current earnings if they are managed separately from the host contracts.

As a result, ordinary profit increased by 7,442 million yen, and its effect in the Banking segment and the Trust Banking segment was 4,519 million yen and 2,923 million yen, respectively.

<For the year ended March 31, 2004>

(in millions of yen)

	Banking	Trust Banking	Securities	Other	Total	(Elimination)	Consolidated
Ordinary income:							
(1) Ordinary income from customers	1,758,067	483,201	179,776	134,137	2,555,183		2,555,183
(2) Internal ordinary income among segments	26,576	15,920	16,177	73,836	132,510	(132,510)	
Total ordinary income	1,784,643	499,122	195,954	207,973	2,687,694	(132,510)	2,555,183
Ordinary expenses	1,392,766	368,205	152,144	129,868	2,042,984	(66,173)	1,976,811
Ordinary profit	391,877	130,916	43,810	78,104	644,709	(66,337)	578,371

Notes:

1. Other primarily includes credit card and leasing businesses.
2. The derivatives, which were embedded in hybrid financial instruments and not required to be accounted separately from the host contracts, had been accounted for on an accrual basis together with the host contracts. Since the beginning of the current fiscal year, such embedded derivatives have been measured at market value and their valuation gains (losses) have been reported in current earnings if they are managed separately from the host contracts.

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Such hybrid financial instruments had been risk adjusted items in the macro hedge accounting. Since the beginning of the current fiscal year, MTFG's domestic banking subsidiary and trust banking subsidiary have adopted the standard treatments of the Industry Audit Committee Report No. 24 and, therefore, valuation gains (losses) on the derivatives which used to be risk adjusting instruments in the macro hedge accounting are reported in current earnings. In response to this change, they changed the accounting for the embedded derivatives, which had been accounted together with the host contracts, and measured them at market value and reported their valuation gains (losses) in current earnings if they are managed separately from the host contracts. As a result, ordinary profit increased by 10,435 million yen, and its effect in the Banking segment and the Trust Banking segment was 8,885 million yen and 1,550 million yen, respectively.

3. In the current fiscal year, a part of derivative business for trading purpose of MTFG's domestic banking subsidiary is transplanted to Mitsubishi Securities Co., Ltd.. Therefore, ordinary profit and expenses for Securities includes that for the transplanted business.

Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries

2. Geographic segment information

<For the six months ended September 30, 2004>

(in millions of yen)

	Japan	North America	Latin America	Europe/ Mid. East	Asia/Oceania excl. Japan	Total	(Elimination)	Consolidated
Ordinary income:								
(1) Ordinary income from customers	884,694	227,208	5,739	94,441	46,079	1,258,164		1,258,164
(2) Internal ordinary income among segments	20,610	7,135	9,112	14,849	9,188	60,895	(60,895)	
Total ordinary income	905,304	234,343	14,852	109,291	55,267	1,319,059	(60,895)	1,258,164
Ordinary expenses	683,475	159,968	19,471	99,570	38,903	1,001,389	(53,532)	947,857
Ordinary profit (loss)	221,828	74,375	(4,618)	9,720	16,364	317,670	(7,363)	310,306

Note:

1. North America includes United States and Canada. Latin America primarily includes the Caribbean, Panama and Brazil. Europe/Middle East primarily includes United Kingdom, Germany and Netherlands. Asia/Oceania excluding Japan primarily includes Hong Kong, Singapore and China.

<For the six months ended September 30, 2003>

(in millions of yen)

	Japan	North America	Latin America	Europe/ Mid. East	Asia/Oceania excl. Japan	Total	(Elimination)	Consolidated
Ordinary income:								
(1) Ordinary income from customers	933,034	249,995	10,283	117,722	49,893	1,360,929		1,360,929
(2) Internal ordinary income among segments	33,041	1,780	10,000	21,139	4,760	70,722	(70,722)	

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Total ordinary income	966,076	251,776	20,283	138,861	54,653	1,431,652	(70,722)	1,360,929
Ordinary expenses	807,681	176,443	21,189	107,988	35,976	1,149,280	(61,783)	1,087,497
Ordinary profit (loss)	158,394	75,333	(906)	30,873	18,676	282,371	(8,938)	273,432

Notes:

1. North America includes United States and Canada. Latin America primarily includes the Caribbean, Panama and Brazil. Europe/Middle East primarily includes United Kingdom, Germany and Netherlands. Asia/Oceania excluding Japan primarily includes Hong Kong, Singapore and China.
2. The derivatives, which were embedded in hybrid financial instruments and not required to be accounted separately from the host contracts, had been accounted for on an accrual basis together with the host contracts. Since the beginning of the current interim fiscal year, such embedded derivatives have been measured at market value and their valuation gains (losses) have been reported in current earnings if they are managed separately from the host contracts.

Such hybrid financial instruments had been risk adjusted in the macro hedge accounting. Since the beginning of the current interim fiscal year, MTFG's domestic banking subsidiary and trust banking subsidiary have adopted the standard treatments of the Industry Audit Committee Report No. 24 and, therefore, valuation gains (losses) on the derivatives which used to be risk adjusting instruments in the macro hedge accounting are reported in current earnings. In response to this change, they changed the accounting for the embedded derivatives, which had been accounted together with the host contracts, and measured them at market value and reported their valuation gains (losses) in current earnings if they are managed separately from the host contracts.

As a result, ordinary profit increased by 7,442 million yen, and its effect in Japan and North America was 7,138 million yen and 304 million yen, respectively.

<For the year ended March 31, 2004>

(in millions of yen)

	Japan	North America	Latin America	Europe/ Mid. East	Asia/Oceania excl. Japan	Total	(Elimination)	Consolidated
Ordinary income:								
(1) Ordinary income from customers	1,791,099	445,309	12,734	212,057	93,982	2,555,183		2,555,183
(2) Internal ordinary income among segments	75,041	8,111	21,897	39,537	11,193	155,780	(155,780)	
Total ordinary income	1,866,140	453,420	34,632	251,594	105,176	2,710,964	(155,780)	2,555,183
Ordinary expenses	1,480,462	316,804	40,581	198,885	75,377	2,112,111	(135,299)	1,976,811
Ordinary profit (loss)	385,678	136,616	(5,949)	52,709	29,798	598,853	(20,481)	578,371

Notes:

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1. North America includes United States and Canada. Latin America primarily includes the Caribbean, Panama and Brazil. Europe/Middle East primarily includes United Kingdom, Germany and Netherlands. Asia/Oceania excluding Japan primarily includes Hong Kong, Singapore and China.
2. The derivatives, which were embedded in hybrid financial instruments and not required to be accounted separately from the host contracts, had been accounted for on an accrual basis together with the host contracts. Since the beginning of the current fiscal year, such embedded derivatives have been measured at market value and their valuation gains (losses) have been reported in current earnings if they are managed separately from the host contracts.

Such hybrid financial instruments had been risk adjusted items in the macro hedge accounting. Since the beginning of the current fiscal year, MTFG's domestic banking subsidiary and trust banking subsidiary have adopted the standard treatments of the Industry Audit Committee Report No. 24 and, therefore, valuation gains (losses) on the derivatives which used to be risk adjusting instruments in the macro hedge accounting are reported in current earnings. In response to this change, they changed the accounting for the embedded derivatives, which had been accounted together with the host contracts, and measured them at market value and reported their valuation gains (losses) in current earnings if they are managed separately from the host contracts. As a result, ordinary profit increased by 10,435 million yen, and its effect in Japan and North America was 9,974 million yen and 461 million yen, respectively.

Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries

3. Ordinary income from overseas operations

(in millions of yen)

	Ordinary income from overseas operations	Consolidated ordinary income	Ordinary income from overseas operations as a percentage of consolidated ordinary income
For the six months ended September 30, 2004	373,469	1,258,164	29.6%
For the six months ended September 30, 2003	427,894	1,360,929	31.4%
For the year ended March 31, 2004	764,083	2,555,183	29.9%

Note:

1. Ordinary income from overseas operations consists of income from transactions of the overseas branches of MTFG's domestic banking subsidiary and trust banking subsidiary, and MTFG's overseas subsidiaries (excluding internal ordinary income among consolidated companies).

Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries

Investment securities

Following tables include:

Investment securities

Trading securities, trading commercial paper and trading short-term corporate bonds in Trading assets

Negotiable certificates of deposits in Cash and due from banks

Beneficiary certificates of commodity investment trusts in Commercial Paper and other debt purchased .

1. Marketable debt securities being held to maturity

(in millions of yen)

As of September 30, 2003

	amount	Market value	Differences	Gains	Losses
Balance sheet					
Domestic bonds	180,862	187,271	6,408	6,411	2
Government bonds	3,269	3,408	138	138	
Municipal bonds	116,762	120,589	3,826	3,828	2
Corporate bonds	60,829	63,273	2,444	2,444	
Foreign bonds	74,926	78,892	3,966	3,967	0
Other	182,338	182,338			
Total	438,127	448,502	10,375	10,378	3

2. Marketable securities available for sale

(in millions of yen)

As of September 30, 2003

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	Balance sheet				
	Cost	amount	Valuation differences	Gains	Losses
Domestic equity securities	3,023,771	3,277,796	254,024	494,697	240,672
Domestic bonds	11,144,886	11,110,315	(34,570)	28,869	63,440
Government bonds	9,354,067	9,315,897	(38,169)	18,519	56,689
Municipal bonds	390,704	393,589	2,885	4,415	1,530
Corporate bonds	1,400,114	1,400,828	713	5,934	5,220
Foreign equity securities	16,764	34,512	17,748	18,089	340
Foreign bonds	6,162,404	6,252,956	90,552	121,124	30,571
Other	1,547,968	1,534,812	(13,155)	14,923	28,078
Total	21,895,795	22,210,394	314,599	677,703	363,104

3. Principal securities not stated at market value

(in millions of yen)	
As of September 30, 2003	
Balance sheet amount	
Debt securities being held to maturity	
Foreign bonds	20,442
Securities available for sale	
Domestic equity securities	170,093
Domestic corporate bonds	339,304
Foreign bonds	65,148

Money held in trust

Money held in trust other than trading purpose and being held to maturity

(in millions of yen)				
As of September 30, 2003				
Cost	Balance sheet amount	Valuation differences	Gains	Losses
134,190	134,508	317	317	

Unrealized gains (losses) on securities available for sale

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The classification of unrealized gains (losses) on securities available for sale on the consolidated balance sheet is as follows:

	(in millions of yen)
	As of September 30, 2003
Valuation differences	314,917
Securities available for sale	314,599
Money held in trust other than trading purpose and being held to maturity	317
Deferred tax liabilities	(127,093)
Net valuation differences	187,823
Minority interest	(2,528)
MTFG's ownership percentage of affiliates' unrealized gains on securities available for sale	1,000
Unrealized gains on securities available for sale	186,295

Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries

Investment securities

Following tables include:

Investment securities

Trading securities, trading commercial paper and trading short-term corporate bonds in Trading assets

Negotiable certificates of deposits in Cash and due from banks

Securities and beneficiary certificates of merchandise investment in Commercial Paper and other debt purchased .

1. Trading securities

(in millions of yen)

As of March 31, 2004	
Balance sheet amount	Valuation losses recognized on statement of operations
5,655,999	(3,823)

2. Marketable debt securities being held to maturity

(in millions of yen)

As of March 31, 2004				
Balance sheet amount	Market value	Differences	Gains	Losses
Domestic bonds	1,159,458	1,165,842	6,383	1,218

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Government bonds	998,942	999,449	507	1,724	1,217
Municipal bonds	108,526	112,230	3,703	3,704	0
Corporate bonds	51,988	54,162	2,173	2,173	
Foreign bonds	74,239	76,825	2,586	2,592	5
Other	168,118	168,152	34	34	
Total	1,401,815	1,410,820	9,004	10,228	1,224

3. Marketable securities available for sale

(in millions of yen)

As of March 31, 2004

	Cost	Balance sheet amount	Valuation differences	Gains	Losses
Domestic equity securities	2,768,443	3,553,772	785,328	891,328	105,999
Domestic bonds	15,703,795	15,707,190	3,394	40,723	37,328
Government bonds	13,989,184	13,986,921	(2,263)	31,617	33,880
Municipal bonds	243,459	244,981	1,522	2,734	1,212
Corporate bonds	1,471,150	1,475,286	4,136	6,371	2,235
Foreign equity securities	15,012	29,518	14,506	14,827	321
Foreign bonds	6,316,837	6,424,133	107,296	115,867	8,570
Other	1,475,136	1,512,124	36,987	51,846	14,858
Total	26,279,224	27,226,739	947,514	1,114,592	167,078

4. Securities available for sale sold

(in millions of yen)

For the year ended March 31, 2004

Proceeds	Gains	Losses
from sales	on sales	on sales
28,653,515	224,278	211,230

5. Principal securities not stated at market value

(in millions of yen)

As of March 31, 2004

Balance sheet amount

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Debt securities being held to maturity	
Foreign bonds	13,749
Securities available for sale	
Domestic equity securities	182,534
Domestic corporate bonds	410,366
Foreign bonds	18,935

6. Redemption schedules of bonds

(in millions of yen)

As of March 31, 2004				
	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Domestic bonds	8,211,601	6,917,038	1,020,579	1,132,321
Government bonds	7,818,442	5,246,113	793,757	1,127,550
Municipal bonds	92,371	168,187	97,475	
Corporate bonds	300,787	1,502,737	129,346	4,771
Foreign bonds	1,047,316	4,350,417	447,576	653,007
Other	261,669	232,304	188,395	501,545
Total	9,520,586	11,499,760	1,656,551	2,286,875

Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries

Money held in trust

1. Money held in trust for trading purpose

(in millions of yen)	
As of March 31, 2004	
Balance sheet amount	Valuation gains recognized on statement of operations
334,316	8,247

2. Money held in trust other than trading purpose and being held to maturity

(in millions of yen)				
As of March 31, 2004				
Cost	Balance sheet amount	Valuation differences	Gains	Losses
134,664	135,061	396	396	

Unrealized gains (losses) on securities available for sale

The classification of unrealized gains (losses) on securities available for sale on the consolidated balance sheet is as follows:

	(in millions of yen)
	As of March 31, 2004
Valuation differences	947,719
Securities available for sale	947,322
Money held in trust other than trading purpose and being held to maturity	396
Deferred tax liabilities	(386,457)
Net valuation differences	561,261

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Minority interest	(3,001)
MTFG's ownership percentage of affiliates unrealized gains on securities available for sale	<u>2,056</u>
Unrealized gains on securities available for sale	<u>560,316</u>

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Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries

Notional principal or contract amount, market value and valuation gains (losses) on derivatives

The publication is omitted in order to be disclosed by EDINET.

<Reference>

1. Derivatives qualified for hedge-accounting

	(in billions of yen)	
	As of September 30, 2004	
	Notional principal or contract amount	Market value
Interest rate futures	5,839.2	(1.2)
Interest rate swaps	30,054.3	104.8
Currency swaps	5,044.2	(37.0)
Other interest rate-related transactions	797.3	3.1
Others	0.8	(0.0)
Total		69.6

Note: Derivatives which are accounted for on an accrual basis based on Accounting standard for financial instruments are not included in the table above.

Notional principal by the remaining life of the interest rate swaps above is as follows.

	(in billions of yen)			
	As of September 30, 2004			
	Due within 1 year	Due after 1 year through 5 years	Due after 5 years	Total
Receive-fix/pay-floater	6,597.0	14,624.9	1,357.3	22,579.3
Receive-floater/pay-fix	3,373.1	2,462.2	1,629.5	7,464.9

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Receive-floater/pay-floater		10.0		10.0
		<hr/>	<hr/>	<hr/>
Total	9,970.2	17,097.2	2,986.8	30,054.3
	<hr/>	<hr/>	<hr/>	<hr/>

2. Deferred gains (losses)

	(in billions of yen)		
	As of September 30, 2004		
	Deferred gains	Deferred losses	Net gains (losses)
	(A)	(B)	(A) (B)
	<hr/>	<hr/>	<hr/>
Interest rate futures	10.5	11.0	(0.5)
Interest rate swaps	252.0	229.1	22.8
Currency swaps	23.2	21.0	2.2
Other interest rate-related transactions	1.2	0.2	0.9
Others	2.3	2.4	(0.1)
	<hr/>	<hr/>	<hr/>
Total	289.3	263.9	25.4
	<hr/>	<hr/>	<hr/>

Note: Deferred gains (losses) attributable to the macro hedge accounting as of September 30, 2004 are included in the above table.

Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries

<Reference>

1. Derivatives qualified for hedge-accounting

	(in billions of yen)	
	As of September 30, 2003	
	Notional principal	
	or contract amount	Market value
Interest rate futures	4,268.8	(6.4)
Interest rate swaps	26,448.7	81.5
Currency swaps	4,734.3	96.6
Other interest rate-related transactions	3.9	0.0
Others	350.7	(0.0)
Total		171.7

Note: Derivatives which are accounted for on an accrual basis based on Accounting standard for financial instruments are not included in the table above.

Notional principal by the remaining life of the interest rate swaps above is as follows.

	(in billions of yen)			
	As of September 30, 2003			
	Due within 1 year	Due after 1 year through 5 years	Due after 5 years	Total
Receive-fix/pay-floater	7,456.0	11,388.1	986.7	19,831.0
Receive-floater/pay-fix	2,763.3	2,662.7	1,167.2	6,593.3
Receive-floater/pay-floater	14.3		10.0	24.3
Total	10,233.8	14,050.8	2,164.0	26,448.7

2. Deferred gains (losses)

(in billions of yen)

As of September 30, 2003

	Deferred gains	Deferred losses	Net gains (losses)	
	(A)	(B)	(A)	(B)
Interest rate futures	31.5	29.9	1.5	
Interest rate swaps	448.3	445.2	3.1	
Currency swaps	41.4	35.8	5.5	
Other interest rate-related transactions	3.7	3.5	0.1	
Others	23.0	25.4	(2.4)	
Total	548.0	540.1	7.8	

Note: Deferred gains (losses) attributable to the macro hedge accounting as of September 30, 2003 are included in the above table.

Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries

<Reference>

1. Derivatives qualified for hedge-accounting

	(in billions of yen)	
	As of March 31, 2004	
	Notional principal or contract amount	Market value
Interest rate futures	5,921.2	2.4
Interest rate swaps	26,922.0	91.4
Currency swaps	3,994.9	17.9
Other interest rate-related transactions	3.8	0.0
Others	0.6	0.6
Total		112.5

Note: Derivatives which are accounted for on an accrual basis based on Accounting standard for financial instruments are not included in the table above.

Notional principal by the remaining life of the interest rate swaps above is as follows.

	(in billions of yen)			
	As of March 31, 2004			
	Due after 1 year			Total
Due within 1 year	through 5 years	Due after 5 years		
Receive-fix/pay-floater	6,089.5	12,283.2	1,318.4	19,691.2
Receive-floater/pay-fix	3,042.5	2,685.5	1,492.7	7,220.8
Receive-floater/pay-floater		10.0		10.0
Total	9,132.0	14,978.7	2,811.2	26,922.0

2. Deferred gains (losses)

(in billions of yen)

As of March 31, 2004			
	Deferred gains	Deferred losses	Net gains (losses)
	(A)	(B)	(A) (B)
Interest rate futures	17.7	13.8	3.8
Interest rate swaps	325.2	305.1	20.0
Currency swaps	37.2	39.1	(1.9)
Other interest rate-related transactions	0.1	0.1	
Others	4.0	4.4	(0.3)
Total	384.3	362.6	21.6

Note: Deferred gains (losses) attributable to the macro hedge accounting as of March 31, 2004 are included in the above table.

Interim Non-Consolidated Summary Report**<under Japanese GAAP>**

for the Fiscal Year Ending March 31, 2005

Date:	November 24, 2004
Company name (code number):	Mitsubishi Tokyo Financial Group, Inc. (8306) (URL http://www.mtfg.co.jp)
Stock exchange listings:	Tokyo, Osaka, New York, London
Headquarters:	Tokyo
Representative:	Nobuo Kuroyanagi, President & CEO
For inquiry:	Katsuhiko Ishizuka, Chief Manager Financial Policy Division (Phone) +81-3-3240-8211
Date of resolution of Board of Directors with respect to the interim non-consolidated financial statements:	November 24, 2004
Interim dividends policy:	Yes
Unit share system:	No

1. Non-consolidated financial data for the six months ended September 30, 2004**(1) Operating results**

(in millions of yen except per
share data and percentages)

	For the six months ended September 30,		For the year ended March 31, 2004
	2004	2003	
Operating income	187,924	42,493	69,321
Change from the previous year	342.2%	76.1%	
Operating profit	184,170	40,429	64,735
Change from the previous year	355.5%	80.4%	
Ordinary profit	183,263	40,269	64,426
Change from the previous year	355.1%	80.4%	
Net income	183,200	40,304	64,474
Change from the previous year	354.5%	82.8%	
Net income per common share	27,696.42	5,828.98	9,003.89

Notes:

1. Average number of shares outstanding:

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For the six months ended September 30, 2004:

<i>(common stock)</i>	<i>6,493,370</i>	<i>shares</i>
<i>(preferred stock class 1)</i>	<i>81,400</i>	<i>shares</i>
<i>(preferred stock class 2)</i>	<i>8,196</i>	<i>shares</i>

For the six months ended September 30, 2003:

<i>(common stock)</i>	<i>6,260,288</i>	<i>shares</i>
<i>(preferred stock class 1)</i>	<i>81,400</i>	<i>shares</i>
<i>(preferred stock class 2)</i>	<i>89,614</i>	<i>shares</i>

For the year ended March 31, 2004:

<i>(common stock)</i>	<i>6,350,814</i>	<i>shares</i>
<i>(preferred stock class 1)</i>	<i>81,400</i>	<i>shares</i>
<i>(preferred stock class 2)</i>	<i>58,039</i>	<i>shares</i>

2. *Changes in accounting policy: No*

(2) Payment of dividends

(in yen)

	For the six months ended September 30,					For the year ended March 31,		
	2004		2003			2004		
	Preferred		Preferred	Preferred		Preferred	Preferred	
	Common stock	stock class 1	Common stock	stock class 1	stock class 2	Common stock	stock class 1	stock class 2
Interim dividends per share	0	41,250	0	41,250	8,100			
Total dividends per share paid for the fiscal year						6,000	82,500	16,200

(3) Financial condition

(in millions of yen except per share data and percentages)

	As of September 30,		As of March 31,
	2004	2003	2004
	Total assets	5,129,492	4,284,607
Shareholders' equity	4,423,039	4,262,486	4,282,547
Shareholders' equity as a percentage of total liabilities and shareholders' equity	86.2%	99.5%	99.1%
Shareholders' equity per common share	640,735.04	613,905.15	618,015.33

Notes:

1. Number of shares outstanding as of:

<i>September 30, 2004:</i>	
<i>(common stock)</i>	6,516,705 shares
<i>(preferred stock-class 1)</i>	81,400 shares
<i>September 30, 2003:</i>	
<i>(common stock)</i>	6,356,150 shares
<i>(preferred stock-class 1)</i>	81,400 shares
<i>(preferred stock-class 2)</i>	56,200 shares

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March 31, 2004:

(common stock)	6,474,038 shares
(preferred stock-class 1)	81,400 shares
(preferred stock-class 2)	15,000 shares

2. Number of treasury stocks outstanding as of:

September 30, 2004:	2,442 shares
September 30, 2003:	1,711 shares
March 31, 2004:	2,061 shares

2. Earning projections for the fiscal year ending March 31, 2005

(in millions of yen)

Operating income	Ordinary profit	Net income
227,000	206,000	206,000

(in yen)

	For the six months ending March 31, 2005	For the year ending March 31, 2005
Dividends per share: Common stock	6,000	6,000
Preferred stock class 1	41,250	82,500

Projected net income per common share for the year ending March 31, 2005 (yen): 30,838.19

(Reference)

Formulas for computing ratios for the six months ended September 30, 2004 are as follows.

Net income per common share

$$\frac{\text{Net income} - \text{Total dividends on preferred stock}}{\text{Average number of common stock during the period}^*}$$

Shareholders' equity per common share

$$\frac{\text{Shareholders' equity at end of period} - \text{Deduction from shareholders' equity}^{**}}{\text{Number of common stock at end of period}^*}$$

Formula for computing projected earning ratio for the fiscal year ending March 31, 2005 is as follows.

Projected net income per common share

$$\frac{\text{Projected net income} - \text{Projected total dividends on preferred stock}}{\text{Number of common stock at end of period}^*}$$

* excluding treasury stock

** number of preferred stock at end of period × issue price + total dividends on preferred stock

This financial summary report and the accompanying financial highlights contain forward-looking statements and other forward-looking information relating to the company and/or the group as a whole (the "forward-looking statements"). The forward-looking statements are not historical facts and include, reflect or are otherwise based upon, among other things, the company's current estimations, projections, views, policies, business strategies, targets, expectations, assumptions and evaluations with respect to general economic conditions, its results of operations, its financial condition, its management in general and other future events. Accordingly, they are inherently susceptible to uncertainties, risks and changes in circumstances and are not guarantees of future performance.

Some forward-looking statements represent targets that the company's management will strive to achieve through the successful implementation of the company's business strategies. The company may not be successful in implementing its business strategy, and actual results may differ materially, for a wide range of possible reasons. Other forward-looking statements reflect the assumptions and estimations upon which the calculation of deferred tax assets has been based and are themselves subject to the full range of uncertainties, risks and changes in circumstances outlined above.

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In light of the many risks, uncertainties and possible changes, you are advised not to put undue reliance on the forward-looking statements. The company is under no obligation and expressly disclaims any obligation to update or alter the forward-looking statements, except as may be required by any applicable laws and regulations or stock exchange rules.

For detailed information relating to uncertainties, risks and changes regarding the forward-looking statements, please see the company's latest annual report and other disclosures.

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Mitsubishi Tokyo Financial Group, Inc.

Non-Consolidated Balance Sheets

(in millions of yen)	As of September 30,		As of March 31,		
	2003	2004	2004		
Assets:					
Current assets:					
Cash and bank deposits	41,721	36,867		57,571	
Accounts receivable	29,844	41,449		51,315	
Other	400	961		36	
Total current assets	71,966	79,278	1.7%	108,923	2.5%
Fixed assets:					
Premises and equipment	339	466		308	
Intangible assets	529	484		554	
Investments and other assets	4,210,912	5,048,746		4,210,914	
Investments in subsidiaries	4,210,347	4,348,217		4,210,347	
Investments securities		700,000			
Other	564	528		566	
Total fixed assets	4,211,781	5,049,697	98.3%	4,211,778	97.5%
Deferred charges	859	515	0.0%	687	0.0%
Total assets	4,284,607	5,129,492	100.0%	4,321,389	100.0%
Liabilities:					
Current liabilities:					
Short-term borrowings		400,000			
Accounts payable	21,873	5,576		38,703	
Reserve	73	137		74	
Other	174	739		64	
Total current liabilities	22,121	406,453	0.5%	38,842	0.9%
Long-term liabilities:					
Long-term liabilities		300,000			
Total long-term liabilities		300,000			5.9%
Total liabilities	22,121	706,453	0.5%	38,842	0.9%
Shareholders' equity:					
Capital stock	1,258,052	1,258,052	29.3%	1,258,052	29.1%
Capital surplus:					
Legal capital surplus	2,350,244	2,350,244		2,350,244	
Other capital surplus	599,960	599,968		599,962	
Total capital surplus	2,950,205	2,950,212	68.9%	2,950,207	68.3%
Retained earnings:					
Unappropriated	55,519	216,754		75,876	
Total retained earnings	55,519	216,754	1.3%	75,876	1.7%
Less treasury stock	(1,291)	(1,980)	(0.0)%	(1,589)	(0.0)%
Total shareholders' equity	4,262,486	4,423,039	99.5%	4,282,547	99.1%
Total liabilities and shareholders' equity	4,284,607	5,129,492	100.0%	4,321,389	100.0%



See Notes to Non-Consolidated Financial Statements.

Mitsubishi Tokyo Financial Group, Inc.

Non-Consolidated Statements of Income

(in millions of yen)	For the six months ended				For the year ended	
	September 30,				March 31, 2004	
	2003		2004			
Operating income	42,493	100.0%	187,924	100.0%	69,321	100.0%
Operating expenses	2,064	4.9%	3,754	2.0%	4,585	6.6%
Operating profit	40,429	95.1%	184,170	98.0%	64,735	93.4%
Non-operating income	12	0.0%	36	0.0%	35	0.0%
Non-operating expenses	172	0.4%	943	0.5%	344	0.5%
Ordinary profit	40,269	94.7%	183,263	97.5%	64,426	92.9%
Income before income taxes	40,269	94.7%	183,263	97.5%	64,426	92.9%
Income taxes-current	(75)		(54)		(84)	
Income taxes-deferred	40		116		36	
Total income taxes	(35)	(0.1)%	62	0.0%	(47)	(0.1)%
Net income	40,304	94.8%	183,200	97.5%	64,474	93.0%
Unappropriated retained earnings brought forward	15,215		33,553		15,215	
Interim cash dividends					3,812	
Unappropriated retained earnings at end of (interim) fiscal year	55,519		216,754		75,876	

See Notes to Non-Consolidated Financial Statements.

Notes to the Non-Consolidated Financial Statements for the six months ended September 30, 2004

The accompanying Non-Consolidated Financial Statements are compiled as required by the Securities and Exchange Law of Japan and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as compared to the application and disclosure requirements of International Accounting Standards. For the convenience of readers, the presentation is modified in certain respects from the original Japanese report. The amounts are presented in millions of yen and are rounded down to the nearest million.

Summary of significant accounting policies

1. Investments

Investments in subsidiaries, affiliates and securities not stated at market value are stated at cost determined by the moving-average method.

2. Depreciation for fixed assets

Depreciation for premises and equipment is computed using the declining-balance method based on the following estimated useful lives. The range of estimated useful lives is principally as follows:

Leasehold improvements	10 years to 50 years
Equipment and furniture	4 years to 15 years

Amortization for intangible assets is computed by the straight-line method over estimated useful lives. Costs of computer software developed or obtained for internal use are deferred and amortized using the straight-line method over the estimated useful lives of 5 years.

3. Reserve

A reserve for employees' bonuses is provided for the payment of employees' bonuses based on estimated amounts of the future payments attributed to the current term.

4. Consumption taxes

National Consumption Tax and the Local Consumption Tax are excluded from transaction amounts.

5. Consolidated Corporate-tax System

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MTFG has adopted consolidated corporate-tax system.

A note related to the Non-Consolidated Balance Sheet as of September 30, 2004 is as follows:

1.	Accumulated depreciation on premises and equipment	¥ 277 million
2.	MTFG indemnifies the Bankers Association of Deutschland for the deposit liability of the German branches of Bank of Tokyo Mitsubishi pursuant to regulation of the Deposit Insurance Corporation of Deutschland.	¥ 98,916 million

A note related to the Non-Consolidated Statement of Income for the six months ended September 30, 2004 is as follows:

1.	Principal item in Non-operating expenses is as follows:	
	Interest on borrowed money	¥ 771 million
2.	Depreciation expense	
	Depreciation expense for premises and equipment	¥ 62 million
	Amortization expense for intangible assets	¥ 76 million

A note related to securities is as follows:

Investments in subsidiaries and affiliates stated at market value

	<u>Balance sheet amount</u>	<u>Market value</u>	<u>Difference</u>
Investments in affiliates	¥ 137,870 million	¥ 141,394 million	¥ 3,524 million

Note: Fair value is based on market value as of September 30, 2004.

Fair value is not readily determinable for Investments in subsidiaries.

Additional information

1. Impairment of Fixed Assets

Effective April 1, 2003, the MTFG adopted Accounting Standards for Impairment of Fixed Assets issued by the Business Accounting Council on August 9, 2002 and Financial Accounting Standard Implementation Guidance No. 6, Implementation Guidance for Accounting Standard for Impairment of Fixed Assets issued by the Accounting Standards Board of Japan, ASBJ on October 31, 2003, because their early adoption in the fiscal year ended March 31, 2004 was permitted.

2. Enterprise Taxes

With the implementation of the Revision of the Local Tax Law (Legislation No.9, March, 2003) on March 31, 2003, a part of tax basis of enterprise taxes was changed to amount of value-added and amount of capital in the fiscal year started April 1, 2004. MTFG has presented enterprise taxes computed based on amount of value-added and amount of capital in operating expenses in the Statement of Operations based on Practical Treatment of Presentation in Income Statement for Enterprise Taxes through External Standards Taxation (February 13, 2004, ASBJ-Report of Practical Issues No.12).

Selected Interim Financial Information

under Japanese GAAP

For the Fiscal Year Ending March 31, 2005

Mitsubishi Tokyo Financial Group, Inc.

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1 Interim Consolidated Financial Highlights under Japanese GAAP for the Fiscal Year Ending March 31, 2005

1. Financial Results

	(in millions of yen)		
	Six months ended September 30, 2003 (A)	Six months ended September 30, 2004 (B)	Increase/ (Decrease) (B) (A)
Gross profits	898,929	885,955	(12,973)
Net interest income	533,116	506,567	(26,549)
Trust fees	36,452	46,115	9,662
Credit costs for trust accounts (1)	(8,432)	(2,336)	6,096
Net fees and commissions	195,801	241,318	45,517
Net trading profits	72,040	50,246	(21,793)
Net other business income	61,518	41,707	(19,810)
Net gains (losses) on debt securities	(2,701)	27,836	30,538
General and administrative expenses	489,543	499,388	9,845
Net business profits before credit costs for trust accounts and provision for formula allowance for loan losses	417,818	388,903	(28,915)
Provision for formula allowance for loan losses (2)			
Net business profits*	409,386	386,566	(22,819)
Net non-recurring losses	(135,953)	(76,260)	59,693
Credit related costs (3)	(91,889)	(65,402)	26,487
Losses on loan charge-offs	(49,840)	(28,597)	21,242
Provision for specific allowance for loan losses			
Losses on sales of loans to the Resolution and Collection Corporation	(13,878)	(852)	13,026
Provision for allowance for loans to specific foreign borrowers			
Other credit related costs	(28,171)	(35,953)	(7,781)
Net losses on equity securities	(9,070)	(4,728)	4,342
Gains on sales of equity securities	48,009	42,943	(5,065)
Losses on sales of equity securities	(53,429)	(14,121)	39,307
Losses on write down of equity securities	(3,649)	(33,549)	(29,899)
Equity in profit of affiliates	1,232	7,573	6,340
Other	(36,226)	(13,702)	22,523
Ordinary profit	273,432	310,306	36,874
Net special gains	234,901	17,565	(217,336)
Gain on loans charged-off (4)	15,348	12,358	(2,990)
Reversal of allowance for loan losses (5)	163,548	11,340	(152,208)
Losses on impairment of fixed assets		(3,978)	(3,978)
Income before income taxes and others	508,334	327,872	(180,461)
Income taxes-current	25,503	39,605	14,101
Income taxes-deferred	159,516	95,687	(63,829)
Minority interest	21,436	20,901	(534)

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Net income	301,877	171,678	(130,199)
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Note:

* Net business profits = The 2 Banks non-consolidated net business profits + Other consolidated entities gross profits - Other consolidated entities general and administrative expenses - Other consolidated entities provision for formula allowance for loan losses - Inter-company transactions

(Reference)

Total credit costs (1)+(2)+(3)+(5)	63,226	(56,398)	(119,625)
Total credit costs + Gain on loans charged-off (1)+(2)+(3)+(4)+(5)	78,575	(44,040)	(122,615)
Number of consolidated subsidiaries	176	154	(22)
Number of affiliated companies accounted for by the equity method	31	25	(6)

2. Valuation Differences on Securities

(1) Valuation method of securities

Trading securities	Market value (valuation differences are recorded as profits or losses)
Debt securities being held to maturity	Amortized cost
Securities available for sale	Market value (valuation differences are included in shareholders' equity, net of income taxes)

(Reference) Securities in money held in trust

Trading purposes	Market value (valuation differences are recorded as profits or losses)
Being held to maturity	Amortized cost
Other	Market value (valuation differences are included in shareholders' equity, net of income taxes)

(2) Valuation differences

(in millions of yen)

	As of September 30, 2004						As of September 30, 2003			As of March 31, 2004			
	Valuation differences						Valuation differences			Valuation differences			
	(A)	(A)	(B)	(A)	(C)	Gains	Losses	(B)	Gains	Losses	(C)	Gains	Losses
Debt securities being held to maturity	15,332	4,957	6,328	15,544	212	10,375	10,378	3	9,004	10,228	1,224		
Securities available for sale	705,702	391,102	(241,812)	889,757	184,054	314,599	677,703	363,104	947,514	1,114,592	167,078		
Domestic equity securities	634,632	380,607	(150,696)	744,276	109,644	254,024	494,697	240,672	785,328	891,328	105,999		
Domestic bonds	24,116	58,687	20,721	45,435	21,318	(34,570)	28,869	63,440	3,394	40,723	37,328		
Other	46,952	(48,192)	(111,837)	100,044	53,091	95,145	154,136	58,991	158,790	182,541	23,750		
Total	721,034	396,059	(235,484)	905,301	184,267	324,974	688,082	363,107	956,518	1,124,821	168,302		
Domestic equity securities	634,632	380,607	(150,696)	744,276	109,644	254,024	494,697	240,672	785,328	891,328	105,999		
Domestic bonds	37,707	65,869	27,928	59,025	21,318	(28,161)	35,281	63,443	9,778	48,325	38,546		
Other	48,694	(50,416)	(112,716)	101,999	53,304	99,111	158,103	58,991	161,411	185,167	23,755		

(3) Market Value Information for Securities in Trusts with Contracts for Compensating the Principal

Money Trusts (jointly operated designated money in trust)

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A. Market Value of Securities

(in millions of yen)

September 30, 2004

Trust Assets at interim-period end	Market Value	Valuation Gains
228,883	234,699	5,815

Note : A fair value is given where a fair value can be calculated for a market-value equivalent.

B. Valuation Gains of Derivative Transaction : 4,444 millions of yen

Loan Trusts

A. Market Value of Securities

(in millions of yen)

September 30, 2004

Trust Assets at interim-period end	Market Value	Valuation Gains
8,764	9,384	620

Note : A fair value is given where a fair value can be calculated for a market-value equivalent.

B. Valuation Gains of Derivative Transaction : 10,155 millions of yen

3. Risk-Adjusted Capital Ratio Based on the Standards of the BIS

(in billions of yen except percentages)

	As of September 30, 2004 (A) (Preliminary basis)	Increase/ (Decrease)		Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)	(A)	(C)		
(1) Risk-adjusted capital ratio	10.92%		(1.52)%		(2.02)%	12.44%	12.95%
(2) Tier 1 capital	4,025.9		342.1		166.4	3,683.7	3,859.4
(3) Tier 2 capital includable as qualifying capital	2,818.0		(309.1)		(339.8)	3,127.2	3,157.8
i) The amount of unrealized gains on investment securities, includable as qualifying capital	319.2		176.7		(108.8)	142.4	428.0
ii) The amount of land revaluation excess includable as qualifying capital	128.3		(12.4)		(5.2)	140.8	133.6
iii) Subordinated debt	2,004.4		(157.7)		10.4	2,162.1	1,993.9
(4) Tier 3 capital includable as qualifying capital			(29.9)		(30.0)	29.9	30.0
(5) Deductions from total qualifying capital	894.3		843.2		839.7	51.0	54.5
(6) Total qualifying capital (2)+(3)+(4)-(5)	5,949.6		(840.0)		(1,043.0)	6,789.7	6,992.7
(7) Risk-adjusted assets	54,457.1		(86.2)		460.3	54,543.3	53,996.7

4. Return on Equity

	Six months ended		
	Six months ended September 30, 2004 (A)	Increase/ (Decrease) (A) (B)	Six months ended September 30, 2003 (B)
ROE *	9.86	(10.17)	20.04

Note: * ROE is computed as follows:

$$(\text{Net income} - \text{Dividends on preferred stocks}) \times 2$$

$$\frac{\{(\text{Shareholders' equity at beginning of period} - \text{Number of preferred stocks at beginning of period} \times \text{Issue price} - \text{Land revaluation excess at beginning of period} - \text{Unrealized gains on securities available for sale at beginning of period}) + (\text{Shareholders' equity at end of period} - \text{Number of preferred stocks at end of period} \times \text{Issue price} - \text{Land revaluation excess at end of period} - \text{Unrealized gains on securities available for sale at end of period})\} / 2}{\text{Average Shareholders' equity}} \times 100$$

2 Loan Portfolio and Other

1. Risk-Monitored Loans

(Non-accrual loans, accruing loans contractually past due 3 months or more and restructured loans)

[Consolidated]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A) (B)	(A) (C)		
Loans to customers in bankruptcy	33,746	(40,799)	(12,392)	74,545	46,138
Past due loans	1,173,309	239,839	479,831	933,469	693,477
Accruing loans contractually past due 3 months or more	11,898	(5,784)	(362)	17,682	12,260
Restructured loans	325,637	(561,703)	(376,010)	887,341	701,648
Total	1,544,591	(368,448)	91,066	1,913,039	1,453,524
Amount of direct reduction	482,508	(122,864)	(45,830)	605,373	528,339
Loans and bills discounted	47,420,986	1,000,284	830,854	46,420,701	46,590,131

Percentage of total loans and bills discounted

Loans to customers in bankruptcy	0.07%	(0.08)%	(0.02)%	0.16%	0.09%
Past due loans	2.47%	0.46%	0.98%	2.01%	1.48%
Accruing loans contractually past due 3 months or more	0.02%	(0.01)%	(0.00)%	0.03%	0.02%
Restructured loans	0.68%	(1.22)%	(0.81)%	1.91%	1.50%
Total	3.25%	(0.86)%	0.13%	4.12%	3.11%

[Trust accounts]

(in millions of yen)

As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
	(A) (B)	(A) (C)		

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Loans to customers in bankruptcy	1,386	(1,790)	(201)	3,177	1,588
Past due loans	664	(846)	(627)	1,511	1,292
Accruing loans contractually past due 3 months or more	837	236	466	601	370
Restructured loans	24,944	(4,800)	(7,623)	29,745	32,568
Total	27,833	(7,201)	(7,985)	35,035	35,819
Loans and bills discounted	551,236	(211,816)	(70,739)	763,053	621,976

[Consolidated and Trust accounts]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease) (A) (B)	Increase/ (Decrease) (A) (C)	As of September 30, 2003 (B)	As of March 31, 2004 (C)
Loans to customers in bankruptcy	35,132	(42,590)	(12,594)	77,723	47,727
Past due loans	1,173,974	238,993	479,204	934,980	694,769
Accruing loans contractually past due 3 months or more	12,735	(5,548)	104	18,284	12,631
Restructured loans	350,582	(566,504)	(383,633)	917,086	734,216
Total	1,572,425	(375,649)	83,080	1,948,074	1,489,344
Loans and bills discounted	47,972,223	788,467	760,114	47,183,755	47,212,108

2. Classification of Risk-Monitored Loans

Classification by geographic area

[Consolidated]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Domestic*	1,256,864	(374,480)	130,785	1,631,344	1,126,078
Overseas*	287,727	6,032	(39,719)	281,694	327,446
Asia	34,020	(2,619)	7,363	36,639	26,656
Indonesia	3,526	(6,900)	(1,052)	10,426	4,578
Thailand	2,724	(5,934)	(7,838)	8,659	10,562
Hong Kong	22,148	14,873	17,431	7,274	4,717
Other	5,621	(4,657)	(1,176)	10,279	6,798
United States of America	192,908	30,153	(37,611)	162,754	230,520
Other	60,798	(21,501)	(9,471)	82,299	70,269
Total	1,544,591	(368,448)	91,066	1,913,039	1,453,524

Note:* Domestic and Overseas are classified by domicile of borrowers.

[Trust accounts]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Domestic	27,833	(7,201)	(7,985)	35,035	35,819

Classification by type of industry of borrowers

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[Consolidated]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Domestic*	1,256,864	(374,480)	130,785	1,631,344	1,126,078
Manufacturing	180,823	(3,357)	(6,587)	184,181	187,410
Construction	54,200	(160,938)	(28,319)	215,138	82,520
Wholesale and Retail	338,767	(5,507)	109,572	344,275	229,195
Banks and other financial institutions	66,247	53,820	44,723	12,426	21,523
Real estate	373,874	(11,759)	60,901	385,634	312,973
Services	123,772	(58,781)	(23,720)	182,554	147,493
Other industries	35,528	(43,718)	(19,264)	79,247	54,793
Consumer	83,648	(144,236)	(6,520)	227,885	90,168
Overseas*	287,727	6,032	(39,719)	281,694	327,446
Banks and other financial institutions	98,375	96,287	14,646	2,087	83,728
Commercial and industrial	166,869	(106,516)	(43,707)	273,385	210,576
Other	22,482	16,261	(10,658)	6,221	33,141
Total	1,544,591	(368,448)	91,066	1,913,039	1,453,524

Note:* Domestic and Overseas are classified by domicile of borrowers.

[Trust accounts]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Domestic	27,833	(7,201)	(7,985)	35,035	35,819
Manufacturing	435	(1,310)	(4,030)	1,746	4,465
Construction	60	(1,175)	(3)	1,235	63
Wholesale and Retail	1,710	(323)	(487)	2,033	2,197
Banks and other financial institutions					
Real estate	4,730	(1,017)	(1,163)	5,748	5,894
Services	694	(600)	(363)	1,294	1,057
Other industries	16,868	(1,208)	(104)	18,076	16,972
Consumer	3,334	(1,564)	(1,834)	4,899	5,168
Total	27,833	(7,201)	(7,985)	35,035	35,819

3. Allowance for Loan Losses

[Consolidated]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Allowance for loan losses	801,804	(241,494)	(30,834)	1,043,299	832,638
Formula allowance for loan losses	366,078	(317,877)	(236,185)	683,955	602,263
Specific allowance for loan losses	430,307	80,165	206,204	350,141	224,102
Allowance for loans to specific foreign borrowers	5,419	(3,783)	(853)	9,202	6,272

[Trust accounts]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Special internal reserves	5,483	(1,799)	(651)	7,283	6,135
Allowance for bad debts	613	(313)	(186)	926	799

4. Coverage Ratio against Risk-Monitored Loans

[Consolidated]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Allowance for loan losses (I)	801,804	(241,494)	(30,834)	1,043,299	832,638

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Risk-monitored loans (II)	1,544,591	(368,448)	91,066	1,913,039	1,453,524
Coverage ratio (I)/(II)	51.91%	(2.62)%	(5.37)%	54.53%	57.28%

5. Disclosed Claims under the Financial Reconstruction Law (the FRL)

[Banking and Trust accounts: Total of the 2 Banks]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Claims to bankrupt and substantially bankrupt debtors	107,873	(74,447)	(32,554)	182,320	140,428
Claims under high risk	1,168,029	422,282	626,719	745,746	541,309
Claims under close observation	356,623	(572,604)	(380,727)	929,227	737,350
Total (1)	1,632,526	(224,768)	213,438	1,857,295	1,419,088
Normal claims	48,097,849	1,673,126	1,210,414	46,424,722	46,887,434

6. Status of Secured Coverage on Disclosed Claims under the FRL

[Banking and Trust accounts: Total of the 2 Banks]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Secured coverage amount (2)	1,173,369	(220,448)	179,696	1,393,817	993,672
Allowance for loan losses	431,934	(29,973)	111,574	461,908	320,359
Reserve for financial assistance to specific borrowers					
Collateral, guarantees, etc.	741,434	(190,474)	68,122	931,909	673,312
Secured coverage ratio (2)/(1)	71.87%	(3.17)%	1.85%	75.04%	70.02%

Secured Coverage of Each Category of Disclosed Claims under the FRL

[Banking and Trust accounts: Total of the 2 Banks]

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(in millions of yen)

Category	Disclosed amount (A)	Allowance for loan losses (B)	Reserve for financial support to specific borrowers (C)	Collectable amount by collateralized and guaranteed loans (D)	Coverage ratio [(B)+(C)] / [(A)-(D)]	Coverage ratio [(B)+(C)+(D)] / (A)
Claims to bankrupt and substantially bankrupt debtors	107,873 [140,428]	11,926 [15,770]		95,947 [124,654]	100.00% [99.97]%	100.00% [99.99]%
Claims under high risk	1,168,029 [541,309]	376,083 [165,737]		441,134 [286,271]	51.73% [64.98]%	69.96% [83.50]%
Claims under close observation	356,623 [737,350]	43,924 [138,852]		204,352 [262,386]	28.84% [29.23]%	69.61% [54.41]%
Sub total (1)	1,632,526 [1,419,088]	431,934 [320,359]		741,434 [673,312]	48.47% [42.95]%	71.87% [70.02]%
Normal claims	48,097,849 [46,887,434]					
Total (2)	49,730,375 [48,306,522]					
Sub total (1) / Total (2)	3.28% [2.93]%					

Note: The upper figures are as of September 30, 2004. The lower figures with bracket are as of March 31, 2004.

7. Progress in the Disposal of Problem Assets [Banking and Trust accounts: Total of the 2 Banks]
(excluding claims under close observation)

(1) Assets categorized as problem assets as of September 30, 2000 based on the FRL

(in billions of yen)

	As of September 30, 2000	As of March 31, 2001	As of September 30, 2001	As of March 31, 2002	As of September 30, 2002	As of March 31, 2003	As of September 30, 2003	As of March 31, 2004 (a)	As of September 30, 2004 (b)	(b) (a)
Claims to bankrupt and substantially bankrupt debtors	513.6	280.6	274.1	213.9	253.7	68.7	34.9	23.0	11.4	(11.5)
Claims under high risk	1,580.2	1,400.4	1,141.3	840.1	378.5	37.4	33.2	8.7	7.7	(1.0)
Total	2,093.8	1,681.0	1,415.4	1,054.1	632.2	106.2	68.2	31.8	19.1(A)	(12.6)(B)

Progress in the disposal of problem assets

(in billions of yen)

First half of fiscal 2004

Disposition by borrowers liquidation	0.0
Re-constructive disposition	0.1
Improvements in financial status due to re-constructive disposition	
Loan sales to secondary market	0.1
Charge-off	8.3
Other	3.9
Collection of claims	3.9
Improvements in financial status	
Total	12.6(B)

Above (A) includes the following figures which facilitates the final disposal of problem assets.

(in billions of yen)

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	First half of fiscal 2004
Legal liquidation	4.5
Quasi-legal liquidation	
Split-off of problem loans	
Partial charge-off of smaller balance loans	3.6
Entrust through the managed trust method to the Resolution and Collection Corporation	0.6
Total	8.8

(2) Assets newly categorized as problem assets during second half of fiscal 2000 based on the FRL

(in billions of yen)

	As of March 31, 2001	As of September 30, 2001	As of March 31, 2002	As of September 30, 2002	As of March 31, 2003	As of September 30, 2003	As of March 31, 2004 (a)	As of September 30, 2004(b)	(b) (a)
Claims to bankrupt and substantially bankrupt debtors	117.9	103.8	99.2	46.9	28.6	27.1	17.6	15.4	(2.1)
Claims under high risk	769.0	693.0	538.9	346.0	79.4	55.7	30.9	25.6	(5.2)
Total	887.0	796.8	638.1	393.0	108.0	82.8	48.5	41.1(C)	(7.3)(D)

Progress in the disposal of problem assets

	(in billions of yen)
	First half of fiscal 2004
Disposition by borrowers liquidation	
Re-constructive disposition	0.0
Improvements in financial status due to re-constructive disposition	
Loan sales to secondary market	0.9
Charge-off	0.7
Other	5.6
Collection of claims	2.6
Improvements in financial status	2.9
Total	7.3(D)

Above (C) includes the following figures which facilitates the final disposal of problem assets.

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(in billions of yen)

First half of fiscal 2004

Legal liquidation	1.4
Quasi-legal liquidation	
Split-off of problem loans	
Partial charge-off of smaller balance loans	13.8
Entrust through the managed trust method to the Resolution and Collection Corporation	
Total	15.3

(3) Assets newly categorized as problem assets during first half of fiscal 2001 based on the FRL

(in billions of yen)

	As of September 30, 2001	As of March 31, 2002	As of September 30, 2002	As of March 31, 2003	As of September 30, 2003	As of March 31, 2004 (a)	As of September 30, 2004 (b)	(b) - (a)
Claims to bankrupt and substantially bankrupt debtors	30.2	42.1	27.9	19.3	12.3	7.3	6.1	(1.1)
Claims under high risk	337.1	170.3	101.6	53.7	31.7	19.4	14.9	(4.4)
Total	367.3	212.5	129.6	73.0	44.0	26.8	21.1(E)	(5.6)(F)

Progress in the disposal of problem assets

(in billions of yen)

	First half of fiscal 2004
Disposition by borrowers liquidation	(0.0)
Re-constructive disposition	0.0
Improvements in financial status due to re-constructive disposition	
Loan sales to secondary market	1.2
Charge-off	0.4
Other	3.9
Collection of claims	2.5
Improvements in financial status	1.4
Total	5.6(F)

Above (E) includes the following figures which facilitates the final disposal of problem assets.

(in billions of yen)

	First half of fiscal 2004
Legal liquidation	0.6
Quasi-legal liquidation	
Split-off of problem loans	
Partial charge-off of smaller balance loans	5.6

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Entrust through the managed trust method to the Resolution and Collection Corporation	
Total	6.2

(4) Assets newly categorized as problem assets during second half of fiscal 2001 based on the FRL

(in billions of yen)

	As of March 31, 2002	As of September 30, 2002	As of March 31, 2003	As of September 30, 2003	As of March 31, 2004 (a)	As of September 30, 2004 (b)	(b) (a)
Claims to bankrupt and substantially bankrupt debtors	63.6	44.4	22.3	17.1	6.8	6.0	(0.7)
Claims under high risk	384.0	190.9	113.7	55.2	32.0	26.3	(5.6)
Total	447.7	235.3	136.0	72.3	38.9	32.4(G)	(6.4)(H)

Progress in the disposal of problem assets

(in billions of yen)

First half of fiscal 2004

Disposition by borrowers liquidation	0.2
Re-constructive disposition	0.0
Improvements in financial status due to re-constructive disposition	
Loan sales to secondary market	0.0
Charge-off	0.4
Other	5.6
Collection of claims	2.2
Improvements in financial status	3.3
Total	6.4 (H)

Above (G) includes the following figures which facilitates the final disposal of problem assets.

(in billions of yen)

First half of fiscal 2004

Legal liquidation	0.9
Quasi-legal liquidation	0.2
Split-off of problem loans	

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Partial charge-off of smaller balance loans	5.1
Entrust through the managed trust method to the Resolution and Collection Corporation	
Total	6.2

(5) Assets newly categorized as problem assets during first half of fiscal 2002 based on the FRL

	(in billions of yen)					
	As of September 30, 2002	As of March 31, 2003	As of September 30, 2003	As of March 31, 2004 (a)	As of September 30, 2004 (b)	(b) (a)
Claims to bankrupt and substantially bankrupt debtors	28.9	35.2	30.1	20.4	15.0	(5.3)
Claims under high risk	369.4	179.5	98.5	58.5	44.9	(13.6)
Total	398.4	214.7	128.7	78.9	60.0(I)	(18.9)(J)

Progress in the disposal of problem assets

	(in billions of yen)
	First half of fiscal 2004
Disposition by borrowers liquidation	0.0
Re-constructive disposition	1.1
Improvements in financial status due to re-constructive disposition	
Loan sales to secondary market	3.8
Charge-off	0.8
Other	13.1
Collection of claims	5.9
Improvements in financial status	7.1
Total	18.9(J)

Above (I) includes the following figures which facilitates the final disposal of problem assets.

	(in billions of yen)
	First half of fiscal 2004
Legal liquidation	9.3
Quasi-legal liquidation	
Split-off of problem loans	
Partial charge-off of smaller balance loans	4.1

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Entrust through the managed trust method to the Resolution and Collection Corporation	
Total	13.4

(6) Assets newly categorized as problem assets during second half of fiscal 2002 based on the FRL

(in billions of yen)

	As of March 31, 2003	As of September 30, 2003	As of March 31, 2004 (a)	As of September 30, 2004 (b)	(b) (a)
Claims to bankrupt and substantially bankrupt debtors	52.1	46.0	41.2	35.5	(5.6)
Claims under high risk	567.4	320.5	177.4	71.1	(106.2)
Total	619.6	366.5	218.6	106.7(K)	(111.8)(L)

Progress in the disposal of problem assets

(in billions of yen)

	First half of fiscal 2004
Disposition by borrowers liquidation	0.4
Re-constructive disposition	(0.0)
Improvements in financial status due to re-constructive disposition	23.7
Loan sales to secondary market	2.0
Charge-off	2.2
Other	83.5
Collection of claims	27.0
Improvements in financial status	56.5
Total	111.8(L)

Above (K) includes the following figures which facilitates the final disposal of problem assets.

(in billions of yen)

	First half of fiscal 2004
Legal liquidation	6.1
Quasi-legal liquidation	
Split-off of problem loans	
Partial charge-off of smaller balance loans	8.3

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Entrust through the managed trust method to the Resolution and Collection Corporation	
Total	14.4

(7) Assets newly categorized as problem assets during first half of fiscal 2003 based on the FRL

	(in billions of yen)			
	As of September 30, 2003	As of March 31, 2004 (a)	As of September 30, 2004 (b)	(b) (a)
Claims to bankrupt and substantially bankrupt debtors	14.4	9.1	6.0	(3.1)
Claims under high risk	150.7	94.1	60.8	(33.3)
Total	165.1	103.3	66.9(M)	(36.4)(N)

Progress in the disposal of problem assets

	(in billions of yen)
	First half of fiscal 2004
Disposition by borrowers liquidation	0.1
Re-constructive disposition	0.5
Improvements in financial status due to re-constructive disposition	
Loan sales to secondary market	2.2
Charge-off	2.8
Other	30.5
Collection of claims	15.0
Improvements in financial status	15.5
Total	36.4(N)

Above (M) includes the following figures which facilitates the final disposal of problem assets.

	(in billions of yen)
	First half of fiscal 2004
Legal liquidation	1.5
Quasi-legal liquidation	
Split-off of problem loans	
Partial charge-off of smaller balance loans	4.3
Entrust through the managed trust method to the Resolution and Collection Corporation	
Total	5.9

(8) Assets newly categorized as problem assets during second half of fiscal 2003 based on the FRL

	(in billions of yen)		
	As of March 31, 2004 (a)	As of September 30, 2004 (b)	(b) (a)
Claims to bankrupt and substantially bankrupt debtors	14.7	6.9	(7.7)
Claims under high risk	120.0	59.5	(60.5)
Total	134.7	66.4(O)	(68.3)(P)

Progress in the disposal of problem assets

	(in billions of yen)
	First half of fiscal 2004
Disposition by borrowers liquidation	1.2
Re-constructive disposition	5.4
Improvements in financial status due to re-constructive disposition	
Loan sales to secondary market	19.3
Charge-off	2.7
Other	39.5
Collection of claims	32.7
Improvements in financial status	6.7
Total	68.3(P)

Above (O) includes the following figures which facilitates the final disposal of problem assets.

	(in billions of yen)
	First half of fiscal 2004
Legal liquidation	2.7
Quasi-legal liquidation	
Split-off of problem loans	
Partial charge-off of smaller balance loans	3.0
Entrust through the managed trust method to the Resolution and Collection Corporation	
Total	5.7

(9) Assets newly categorized as problem assets during first half of fiscal 2004 based on the FRL

	(in billions of yen)
	As of
	September 30, 2004
Claims to bankrupt and substantially bankrupt debtors	5.0
Claims under high risk	856.7
Total	861.8(Q)

Above (Q) includes the following figures which facilitates the final disposal of problem assets.

	(in billions of yen)
	First half of fiscal 2004
Legal liquidation	2.3
Quasi-legal liquidation	
Split-off of problem loans	
Partial charge-off of smaller balance loans	2.6
Entrust through the managed trust method to the Resolution and Collection Corporation	
Total	4.9

(10) Historical trend of problem assets based on the FRL

	(in billions of yen)									
	As of September 30, 2000	As of March 31, 2001	As of September 30, 2001	As of March 31, 2002	As of September 30, 2002	As of March 31, 2003	As of September 30, 2003	As of March 31, 2004 (a)	As of September 30, 2004 (b)	(b) (a)
Claims to bankrupt and substantially bankrupt debtors	513.6	398.6	408.1	419.0	402.1	226.4	182.3	140.4	107.8	(32.5)
Claims under high risk	1,580.2	2,169.5	2,171.4	1,933.5	1,386.6	1,031.3	745.7	541.3	1,168.0	626.7

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Total	2,093.8	2,568.1	2,579.6	2,352.6	1,788.7	1,257.8	928.0	681.7	1,275.9	594.1
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8. Classification of Loans by Type of Industry

(1) Loans by type of industry [Total of the 2 Banks]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Domestic offices (excluding loans booked at offshore markets)	40,121,843	2,205,807	1,159,980	37,916,036	38,961,862
Manufacturing	5,187,273	(175,136)	(116,939)	5,362,409	5,304,212
Agriculture	11,663	(2,450)	(697)	14,113	12,360
Forestry	4,784	(447)	(103)	5,231	4,887
Fishery	28,825	755	314	28,070	28,511
Mining	33,227	(7,424)	(1,558)	40,651	34,785
Construction	933,027	(195,473)	(35,428)	1,128,500	968,455
Utilities	371,904	(18,061)	(11,300)	389,965	383,204
Media and Communication	1,353,290	(137,493)	(104,621)	1,490,783	1,457,911
Wholesale and Retail	4,437,568	(405,330)	(143,174)	4,842,898	4,580,742
Banks and other financial institutions	5,094,164	1,002,299	880,243	4,091,865	4,213,921
Real estate	4,605,982	138,830	88,473	4,467,152	4,517,509
Services	4,517,182	(578,003)	(80,469)	5,095,185	4,597,651
Municipal government	483,159	(123,190)	(127,597)	606,349	610,756
Other industries	13,059,787	2,706,929	812,840	10,352,857	12,246,946
Overseas offices and loans booked at offshore markets	4,526,958	(295,068)	98,991	4,822,026	4,427,966
Total	44,648,801	1,910,738	1,258,972	42,738,063	43,389,829

(2) Domestic consumer loans [Total of the 2 Banks]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Total domestic consumer loans	8,330,435	323,503	213,100	8,006,932	8,117,335
Housing loans	7,894,458	380,030	238,979	7,514,428	7,655,479
Others	435,977	(56,526)	(25,878)	492,503	461,855

(3) Domestic loans to small and medium-sized companies [Total of the 2 Banks]

(in millions of yen)

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	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Domestic loans to small and medium-sized companies	20,472,628	277,947	372,254	20,194,680	20,100,373
Percentage to total domestic loans	51.02%	(2.23)%	(0.56)%	53.26%	51.58%

(4) Loans by type of industry [Trust accounts]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Domestic offices (excluding loans booked at offshore markets)	651,019	(244,575)	(84,853)	895,594	735,872
Manufacturing	34,053	(15,372)	(6,132)	49,425	40,185
Agriculture					
Forestry	19	(7)	(3)	26	22
Fishery	1,064	(161)	(64)	1,225	1,128
Mining	34	(43)	(27)	77	61
Construction	2,010	(3,463)	(234)	5,473	2,244
Utilities	79,905	(37,566)	(13,560)	117,471	93,465
Media and Communication	61,603	(45,466)	(14,384)	107,069	75,987
Wholesale and Retail	6,825	(3,847)	(1,533)	10,672	8,358
Banks and other financial institutions	42,296	(57,931)	(19,930)	100,227	62,226
Real estate	60,850	(10,425)	(4,220)	71,275	65,070
Services	24,635	(22,020)	(1,707)	46,655	26,342
Municipal government	34,777	(2,046)	(973)	36,823	35,750
Other industries	302,941	(46,227)	(22,085)	349,168	325,026
Overseas offices and loans booked at offshore markets					
Total	651,019	(244,575)	(84,853)	895,594	735,872

(5) Domestic consumer loans [Trust accounts]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Total domestic consumer loans	212,215	(34,778)	(15,874)	246,994	228,089
Housing loans	210,004	(34,045)	(15,553)	244,050	225,558
Others	2,210	(733)	(320)	2,943	2,530

(6) Domestic loans to small and medium-sized companies [Trust accounts]

(in millions of yen)

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	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
	<u> </u>	<u> </u>		<u> </u>	<u> </u>
		(A)	(B)	(A)	(C)
Domestic loans to small and medium-sized companies	423,058	(118,301)	(49,389)	541,359	472,447
Percentage to total domestic loans	64.98%	4.53%	0.78%	60.44%	64.20%

9. Foreign Loans

(1) Loans to specific foreign borrowers [Total of the 2 Banks]

(in millions of yen except number of countries)

	As of September 30, 2004 (A)	Increase/ (Decrease)		Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)	(A)	(C)		
Loan to specific foreign borrowers	36,540	(10,924)		(1,101)		47,464	37,641
Number of countries	7		(3)		(4)	10	11

(2) Loans to Asian countries [Total of the 2 Banks]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)	(A)	(C)		
Thailand	218,968		22,317		27,881	196,650	191,087
Indonesia	128,783		16,847		14,339	111,935	114,444
Malaysia	86,644		(26,353)		(1,198)	112,998	87,843
Philippines	56,194		(5,309)		(2,359)	61,504	58,554
South Korea	135,987		(37,248)		(24,525)	173,235	160,512
Singapore	247,730		25,377		(7,311)	222,352	255,041
Hong Kong	364,556		(14,768)		2,132	379,324	362,423
China	279,310		80,173		60,163	199,137	219,147
Taiwan	53,662		10,004		3,697	43,658	49,964
Others	46,611		6,340		4,923	40,270	41,687
Total	1,618,449		77,381		77,742	1,541,068	1,540,707

(3) Loans to Latin American countries [Total of the 2 Banks]

(in millions of yen)

As of September 30, 2004 (A)	Increase/ (Decrease)	Increase/ (Decrease)	As of September 30, 2003 (B)	As of March 31, 2004 (C)
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		(A)	(B)	(A)	(C)		
Argentina	8,716	(16,700)		(11,308)		25,416	20,024
Brazil	37,500	(31,686)		(8,817)		69,186	46,317
Mexico	73,208	(13,973)		7,508		87,182	65,700
Caribbean countries	399,750	35,061		44,713		364,688	355,036
Others	75,073	(27,559)		(9,738)		102,633	84,812
Total	594,249	(54,858)		22,356		649,108	571,893

10. Loans and Deposits [Total of the 2 Banks]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)	(A)	(C)		
Deposits (ending balance)	62,817,395	1,908,003	153,248	60,909,391	62,664,147		
Deposits (average balance)	62,076,676	2,204,808	1,823,169	59,871,867	60,253,507		
Loans (ending balance)	44,648,801	1,910,738	1,258,972	42,738,063	43,389,829		
Loans (average balance)	43,535,747	953,475	523,112	42,582,272	43,012,635		

11. Domestic Deposits [Total of the 2 Banks]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)	(A)	(C)		
Individuals	33,801,755	835,154	399,390	32,966,600	33,402,365		
Corporations and others	20,396,497	(514,359)	(178,651)	20,910,857	20,575,149		
Domestic deposits	54,198,253	320,795	220,738	53,877,458	53,977,514		

Note: Amounts do not include negotiable certificates of deposit, deposits of overseas offices and JOM accounts.

12. Number of Employees [Total of the 2 Banks]

	As of September 30, 2004 (A)	Increase/ (Decrease)		Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A) - (B)	(A) - (C)	(A) - (B)	(A) - (C)		
Number of employees	20,201	(953)	(122)	21,154	20,323		

13. Number of Offices [Total of the 2 Banks]

	As of September 30, 2004 (A)	Increase/ (Decrease)	Increase/ (Decrease)	As of September 30, 2003 (B)	As of March 31, 2004 (C)
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		(A)	(B)	(A)	(C)		
Domestic:	313		(10)		(2)	323	315
Head office and Branches	291		(11)		(5)	302	296
Sub-branches & Agencies	22		1		3	21	19
Overseas:	81					81	81
Branches	47				(1)	47	48
Sub-branches	15		1		1	14	14
Representative offices	19		(1)			20	19
Total	394		(10)		(2)	404	396

14. Status of Deferred Tax Assets

(1) Tax Effects of the Items Comprising Net Deferred Tax Assets

(Total of the two banks)

		(in billions of yen)	
		Sep. 30, 2004	
		vs. Mar. 31, 2004	
1	Deferred Tax Assets	1,020.5	(96.6)
2	Allowance for loan losses	356.4	2.5
3	Write down of investment securities	104.1	4.5
4	Net operating loss carryforwards	561.4	(101.3)
5	Reserve for employees' retirement benefits	39.4	3.5
6	Unrealized losses on securities available for sale		
7	Other	53.4	(1.9)
8	Valuation allowance	(94.4)	(4.0)
9	Deferred tax liabilities	308.8	(95.4)
10	Gains on placing trust for retirement benefits	7.3	
11	Unrealized gains on securities available for sale	295.6	(91.7)
12	Other	5.8	(3.6)
13	Net Deferred Tax Assets	711.7	(1.2)
(Consolidated)			
14	Net Deferred Tax Assets	653.9	(1.5)

(2) Balance of Net Deferred Tax Assets and % of Tier I Capital

(3) Net Business Profits before Credit Costs and Taxable Income (Current Fiscal Years)

(Total of the two banks)

		(in billions of yen)	
		Interim FY 2004	
15	Net business profits before credit costs	320.6	320.6
16	Credit related costs		50.1
17	Income before income taxes		240.6

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18	Reconciliation to taxable income	3.1
19	Taxable income	243.8

(4) Net Business Profits before Credit Costs and Taxable Income (Past Five Fiscal Years)

(Total of the two banks)

		(in billions of yen)				
		FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
20	Net business profits before credit costs	578.6	552.0	619.5	689.9	654.8
21	Credit related costs	652.4	730.5	666.3	485.9	(105.7)
22	Income before income taxes	409.4	(199.0)	(359.3)	(485.2)	719.0
23	Reconciliation to taxable income	(76.3)	304.4	142.0	(1,021.4)	(443.9)
24	Taxable income	333.1	105.3	(217.2)	(1,506.7)	275.0

(5) Comparison with Past Fiscal Years

(6) Classification Based on Prior Year Operating Results as Provided in the JICPA Audit Committee Report No. 66

Although we recorded taxable income for the six months ended September 30, 2004, we are classified as 4 described above since we have material net operating loss carryforwards. However, since we believe the net operating loss carryforwards are attributable to extraordinary factors such as changes in laws and regulations, we apply the exception to classification 4. (Five years future taxable income is estimable.)

(7) Extraordinary Factors Such as Changes in Laws and Regulations

Our net operating loss carryforwards were incurred due to, among other things, the followings: (i) we accelerated the final disposal of nonperforming loans in response to both the Emerging Economic Package, which provided guidance to major banks to remove from their balance sheets claims to debtors classified as likely to become bankrupt or below, and the Program for Financial Revival, which urged major banks to reduce the ratio of disclosed claims to total claims by about half; and (ii) we reduced our holdings of strategic equity investments under the Law Concerning Restriction, etc. of Banks Shareholdings etc.

(8) Realizability of Deferred Tax Assets at September 30, 2004 (Assumptions)

	(in billions of yen)
	Five year total (2004 2 nd half to 2009 1 st half)
1 Net business profits (based on our business plan) (*1)	4,940.0
2 Net business profits (basis of realizability determination) (*2)	3,990.0
3 Income before income taxes (basis of realizability determination)	3,250.0
4 Taxable income before adjustments (basis of realizability determination) (*3)	3,680.0
5 Temporary difference + net operating loss carryforwards (for which deferred tax assets shall be recognized)	2,508.0
6 Deferred tax assets at September 30, 2004 (*4)	1,023.0

(*1) Total of the two banks, before credit costs

(*2) Based on the scenario that current short-term interest rate level continues for the next five years

(*3) Before reversals of existing deductible temporary differences and net operating loss carryforwards

(*4) Line 5 multiplied by effective tax rate (consolidated corporate-tax basis)

(Reference) Assumptions for Business Plan

FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
---------	---------	---------	---------	---------	---------

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	<u>2nd half</u>	_____	_____	_____	_____	<u>1st half</u>
S/T interest rate (3 m/s TIBOR)	0.08%	0.13%	0.50%	0.57%	0.88%	1.12%
L/T interest rate (10 year JGB)	1.78%	1.90%	2.30%	2.03%	2.58%	2.95%
Exchange rate (USD/Yen)	¥ 105	¥ 105	¥ 105	¥ 105	¥ 105	¥ 105

15. Employees Retirement Benefits

(1) Benefit obligation

[Consolidated]

		(in millions of yen)
		As of
		September 30, 2004
Projected benefits obligation at beginning of the period	(A-B+C-D+E+H+K)	999,538
Discount rate:		
Domestic subsidiaries 1.1% to 2.2%, Overseas subsidiaries 5.4% to 6.25%		
Fair value of plan assets at beginning of the period	(A)	960,295
Prepaid pension cost at beginning of the period	(B)	189,588
Reserve for employees retirement benefits at beginning of the period	(C)	35,095
Unrecognized plan assets at beginning of the period	(D)	57,822
Unrecognized net obligation by the change of accounting policy at beginning of the period	(E)	16,330
Amortization for the current period (Amortized period mainly 5 years)	(F)	8,164
Unrecognized net obligation at end of the interim period	(G)	8,166
Unrecognized prior service cost at beginning of the period	(H)	(37,750)
Amortization for the current period (Amortized period mainly 10 years)	(I)	(2,097)
Unrecognized prior service cost at end of the interim period	(J)	(35,653)
Unrecognized net actuarial loss at beginning of the period	(K)	272,977
Amortization for the current period (Amortized period mainly 10 years)	(L)	15,470
Unrecognized net actuarial loss at end of the interim period	(M)	257,506
Net amount unrecognized at beginning of the period	(N)(E+H+K)	251,557
Net amount amortized during the interim period	(O)(F+I+L)	21,537
Net amount unrecognized at end of the interim period	(P)(N-O)	230,020

Note Discount rate : The Bank of Tokyo-Mitsubishi, Ltd. 2.1%, The Mitsubishi Trust and Banking Corporation 2.2%.

(2) Net periodic pension cost

[Consolidated]

(in millions of yen)

For the six months ended
September 30, 2004

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Net periodic cost of the employees' retirement benefits	32,242
Service cost	13,836
Interest cost	12,939
Expected return on plan assets	(20,883)
Amortization of net obligation by the change of accounting policy	8,164
Amortization of prior service cost	(2,097)
Amortization of net actuarial loss	15,470
Other	4,811

16. Earning Projections for the Fiscal Year Ending March 31, 2005

[Consolidated]

(in billions of yen)

	For the year ending March 31, 2005	For the six months ended September 30, 2004
Ordinary income	2,450.0	1,258.1
Ordinary profit	640.0	310.3
Net income	340.0	171.6

[Non-Consolidated]

(in billions of yen)

	For the year ending March 31, 2005	For the six months ended September 30, 2004
Operating income	227.0	187.9
Ordinary profit	206.0	183.2
Net income	206.0	183.2

Selected Interim Financial Information

under Japanese GAAP

For the Fiscal Year Ending March 31, 2005

The Bank of Tokyo-Mitsubishi, Ltd.

Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

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Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

1 Interim Financial Highlights under Japanese GAAP for the Fiscal Year Ending March 31, 2005

(Japanese GAAP)

1. Consolidated Balance Sheets

	As of September 30,		Increase/		Increase/
	2004 (A)	2003 (B)	(Decrease)	As of March 31,	(Decrease)
			(A)	2004 (C)	(A) - (C)
(in millions of yen)					
Assets:					
Cash and due from banks	7,144,855	9,157,554	(2,012,698)	5,840,013	1,304,842
Call loans and bills bought	405,014	947,232	(542,218)	953,941	(548,926)
Receivables under resale agreements	974,535	580,316	394,219	1,409,963	(435,427)
Receivables under securities borrowing transactions	3,902,533	4,633,877	(731,344)	4,603,993	(701,460)
Commercial paper and other debt purchased	1,570,449	1,144,590	425,858	1,297,241	273,208
Trading assets	7,309,032	6,093,002	1,216,029	6,296,997	1,012,034
Money held in trust	445,055	460,078	(15,022)	462,424	(17,368)
Investment securities	26,056,540	16,256,667	9,799,872	20,960,352	5,096,188
Allowance for losses on investment securities	(1,242)	(2,856)	1,614	(1,923)	680
Loans and bills discounted	39,469,702	37,933,075	1,536,626	38,017,560	1,452,142
Foreign exchanges	645,833	577,097	68,736	553,711	92,121
Other assets	2,416,794	3,331,415	(914,620)	2,450,786	(33,991)
Premises and equipment	698,431	764,385	(65,953)	721,219	(22,787)
Deferred tax assets	502,273	780,828	(278,554)	517,036	(14,762)
Customers' liabilities for acceptances and guarantees	4,374,092	4,501,685	(127,593)	4,233,353	140,738
Allowance for loan losses	(609,129)	(774,485)	165,356	(630,054)	20,924
Total assets	95,304,773	86,384,465	8,920,308	87,686,618	7,618,155
Liabilities:					
Deposits	56,961,748	54,991,383	1,970,364	55,910,135	1,051,612
Negotiable certificates of deposit	2,582,587	2,681,475	(98,888)	1,528,477	1,054,109
Debentures	30,752	517,498	(486,746)	265,957	(235,204)
Call money and bills sold	8,442,561	3,979,533	4,463,028	5,993,188	2,449,373
Payables under repurchase agreements	4,528,883	3,225,214	1,303,668	2,812,279	1,716,603
Payables under securities lending transactions	3,001,833	2,480,041	521,792	1,571,280	1,430,553
Commercial paper	308,479	295,989	12,490	241,006	67,472
Trading liabilities	2,871,997	1,550,401	1,321,596	2,751,586	120,411
Borrowed money	1,105,351	1,255,183	(149,832)	1,153,916	(48,564)
Foreign exchanges	1,130,384	903,761	226,622	1,068,413	61,970
Short-term corporate bonds	297,600	213,500	84,100	300,200	(2,600)
Bonds and notes	3,417,282	3,441,293	(24,011)	3,350,710	66,571
Bonds with warrants	49,165	50,528	(1,363)	50,000	(835)
Other liabilities	2,427,182	2,843,206	(416,023)	2,612,359	(185,177)
Reserve for employees' bonuses	15,848	13,340	2,507	13,050	2,797
Reserve for employees' retirement benefits	35,075	29,084	5,990	32,140	2,935

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Reserve for expenses related to EXPO 2005 Japan	131	64	66	97	33
Reserves under special laws	1,305	1,049	256	1,160	144
Deferred tax liabilities	65,440	65,586	(146)	56,137	9,302
Deferred tax liabilities on land revaluation excess	125,597	126,697	(1,099)	130,408	(4,810)
Acceptances and guarantees	4,374,092	4,501,685	(127,593)	4,233,353	140,738
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	91,773,299	83,166,517	8,606,782	84,075,860	7,697,438
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Minority interest	370,234	348,976	21,258	357,087	13,146
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Shareholder's equity:					
Capital stock	871,973	871,973		871,973	
Capital surplus	681,928	681,928		681,928	
Retained earnings	1,241,837	1,075,158	166,678	1,256,278	(14,440)
Land revaluation excess	160,611	186,667	(26,055)	167,631	(7,019)
Unrealized gains on securities available for sale	310,963	109,159	201,804	383,572	(72,609)
Foreign currency translation adjustments	(106,074)	(55,914)	(50,159)	(107,713)	1,639
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total shareholder's equity	3,161,239	2,868,971	292,268	3,253,670	(92,430)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, minority interest and shareholder's equity	95,304,773	86,384,465	8,920,308	87,686,618	7,618,155
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

(Japanese GAAP)

2. Consolidated Statements of Operations

	For the six months ended		Increase/ (Decrease)		For the year ended March 31, 2004
	September 30,				
	2004 (A)	2003 (B)	(A)	(B)	
(in millions of yen)					
Ordinary income:					
Interest income:	562,543	603,955	(41,412)		1,128,672
Interest on loans and discounts	363,263	402,930	(39,666)		768,626
Interest and dividends on securities	103,260	92,911	10,348		182,125
Trust fees	8,571	8,622	(50)		15,974
Fees and commissions	238,910	207,171	31,739		427,748
Trading profits	46,871	75,464	(28,593)		133,520
Other business income	85,036	124,903	(39,866)		193,403
Other ordinary income	77,454	63,680	13,773		145,941
Total ordinary income	1,019,388	1,083,798	(64,409)		2,045,260
Ordinary expenses:					
Interest expense:	152,366	180,704	(28,338)		312,949
Interest on deposits	73,005	70,975	2,029		134,327
Interest on debentures	348	2,312	(1,964)		4,035
Fees and commissions	25,743	31,144	(5,401)		52,843
Trading losses	1,403	5,389	(3,986)		
Other business expenses	39,788	81,745	(41,957)		112,499
General and administrative expenses	437,119	426,162	10,956		857,740
Other ordinary expenses	114,681	152,464	(37,782)		262,701
Total ordinary expenses	771,102	877,612	(106,509)		1,598,735
Ordinary profit	248,286	206,186	42,099		446,524
Special gains	18,219	239,472	(221,252)		326,824
Special losses	7,841	10,304	(2,463)		29,874
Income before income taxes and others	258,664	435,354	(176,689)		743,474
Income taxes-current	26,234	44,584	(18,350)		77,438
Income taxes-deferred	73,535	130,817	(57,282)		190,905
Minority interest	22,373	23,332	(958)		45,846
Net income	136,521	236,619	(100,097)		429,283



Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

(Japanese GAAP)

3. Consolidated Statements of Capital Surplus and Retained Earnings

	For the six months ended		Increase/		For the year ended March 31, 2004
	September 30,		(Decrease)		
	2004(A)	2003(B)	(A)	(B)	
(in millions of yen)					
Balance of capital surplus at beginning of fiscal year	681,928	681,928			681,928
Balance of capital surplus at end of (interim) fiscal year	681,928	681,928			681,928
Balance of retained earnings at beginning of fiscal year	1,256,278	858,177	398,100		858,177
Increase:	143,541	247,441	(103,900)		446,977
Net income	136,521	236,619	(100,097)		429,283
Reduction in land revaluation excess	7,020	10,822	(3,802)		17,694
Decrease:	(157,982)	(30,460)	(127,521)		(48,877)
Cash dividends	(157,907)	(30,457)	(127,449)		(48,873)
Bonuses to directors of consolidated subsidiaries	(75)	(3)	(71)		(3)
Balance of retained earnings at end of (interim) fiscal year	1,241,837	1,075,158	166,678		1,256,278

Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

(Japanese GAAP)

4. Non-Consolidated Balance Sheets

	As of September 30,		Increase/ (Decrease)		As of March 31,		Increase/ (Decrease)	
	2004 (A)	2003 (B)	(A)	(B)	2004 (C)	(A)	(C)	
(in millions of yen)								
Assets:								
Cash and due from banks	6,733,032	8,646,356	(1,913,323)		5,418,791	1,314,241		
Call loans	264,826	787,828	(523,002)		838,128	(573,302)		
Receivables under resale agreements	141,199	57,964	83,235		458,662	(317,462)		
Receivables under securities borrowing transactions	2,270,074	3,103,441	(833,366)		2,757,662	(487,587)		
Commercial paper and other debt purchased	528,302	286,902	241,399		457,187	71,115		
Trading assets	3,836,123	4,456,764	(620,640)		4,204,602	(368,478)		
Money held in trust	398,980	407,977	(8,996)		414,457	(15,476)		
Investment securities	25,876,278	16,038,996	9,837,282		20,766,910	5,109,368		
Allowance for losses on investment securities	(1,242)	(2,856)	1,614		(1,923)	680		
Loans and bills discounted	36,001,958	34,260,461	1,741,496		34,816,640	1,185,317		
Foreign exchanges	648,426	584,631	63,795		557,677	90,749		
Other assets	1,417,170	2,487,755	(1,070,584)		1,731,951	(314,780)		
Premises and equipment	562,409	612,419	(50,009)		580,409	(17,999)		
Deferred tax assets	502,196	786,838	(284,642)		527,692	(25,496)		
Customers' liabilities for acceptances and guarantees	3,551,691	3,708,476	(156,784)		3,377,138	174,552		
Allowance for loan losses	(455,266)	(579,522)	124,256		(468,577)	13,311		
Total assets	82,276,162	75,644,432	6,631,729		76,437,410	5,838,752		
Liabilities:								
Deposits	52,351,389	50,397,958	1,953,430		51,819,415	531,973		
Negotiable certificates of deposit	2,673,131	2,766,399	(93,267)		1,626,476	1,046,655		
Debentures	30,752	517,498	(486,746)		265,957	(235,204)		
Call money	2,096,530	1,669,275	427,254		2,456,412	(359,882)		
Payables under repurchase agreements	3,560,445	2,564,436	996,008		1,818,440	1,742,005		
Payables under securities lending transactions	806,530	1,014,511	(207,981)		386,061	420,469		
Bills sold	5,829,000	2,113,200	3,715,800		3,247,400	2,581,600		
Trading liabilities	770,563	921,379	(150,815)		800,207	(29,643)		
Borrowed money	1,303,162	1,592,983	(289,821)		1,344,764	(41,602)		
Foreign exchanges	1,131,446	905,401	226,044		1,068,964	62,481		
Short-term corporate bonds	297,600	213,500	84,100		300,200	(2,600)		
Bonds and notes	2,567,860	2,438,260	129,600		2,567,140	720		
Other liabilities	2,130,354	1,918,821	211,533		2,066,730	63,623		
Reserve for employees' bonuses	7,476	6,515	960		6,053	1,422		
Reserve for employees' retirement benefits	16,448	9,914	6,533		13,272	3,175		
Reserve for financial assistance to specific borrowers		1,371	(1,371)					
Reserve for expenses related to EXPO 2005 Japan	131	64	66		97	33		
Reserves under special laws	31	31			31			
Deferred tax liabilities on land revaluation excess	125,597	126,697	(1,099)		130,408	(4,810)		
Acceptances and guarantees	3,551,691	3,708,476	(156,784)		3,377,138	174,552		

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Total liabilities	79,250,142	72,886,696	6,363,445	73,295,173	5,954,968
Shareholder's equity:					
Capital stock	871,973	871,973		871,973	
Capital surplus	681,928	681,928		681,928	
Capital reserve	681,928	681,928		681,928	
Retained earnings	998,836	923,101	75,734	1,041,547	(42,710)
Revenue reserve	190,044	190,044		190,044	
Voluntary reserves	664,890	475,701	189,188	475,701	189,188
Unappropriated profit	143,901	257,355	(113,453)	375,801	(231,899)
Net income	108,176	229,764	(121,587)	359,754	(251,578)
Land revaluation excess	160,684	186,740	(26,056)	167,704	(7,020)
Unrealized gains on securities available for sale	312,597	93,992	218,605	379,082	(66,485)
Total shareholder's equity	3,026,020	2,757,736	268,284	3,142,236	(116,216)
Total liabilities and shareholder's equity	82,276,162	75,644,432	6,631,729	76,437,410	5,838,752

Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

(Japanese GAAP)

5. Non-Consolidated Statements of Operations

	For the six months ended		Increase/ (Decrease)		For the year ended March 31, 2004
	September 30,				
	2004 (A)	2003 (B)	(A)	(B)	
(in millions of yen)					
Ordinary income:					
Interest income:					
Interest on loans and discounts	441,852	457,325	(15,472)		887,752
Interest and dividends on securities	277,893	288,121	(10,228)		569,937
Fees and commissions	97,848	89,064	8,784		182,201
Trading profits	116,652	97,727	18,925		205,938
Other business income	30,934	33,116	(2,182)		57,961
Other ordinary income	92,045	128,722	(36,677)		205,278
	46,969	59,892	(12,923)		114,075
Total ordinary income	728,455	776,784	(48,329)		1,471,005
Ordinary expenses:					
Interest expense:					
Interest on deposits	127,890	138,823	(10,932)		255,402
Interest on debentures	65,064	55,706	9,357		110,763
Fees and commissions	348	2,312	(1,964)		4,035
Trading losses	24,067	24,369	(302)		52,541
Other business expenses	1,675	4,920	(3,245)		3,221
General and administrative expenses	57,696	82,393	(24,696)		122,362
Other ordinary expenses	254,026	256,642	(2,615)		505,343
	92,030	120,635	(28,604)		241,912
Total ordinary expenses	557,386	627,783	(70,397)		1,180,784
Ordinary profit	171,068	149,001	22,067		290,221
Special gains	11,322	246,160	(234,838)		325,586
Special losses	6,237	9,171	(2,933)		28,088
Income before income taxes and others	176,152	385,990	(209,838)		587,719
Income taxes-current	1,791	27,861	(26,070)		44,462
Income taxes-deferred	66,185	128,365	(62,180)		183,503
Net income	108,176	229,764	(121,587)		359,754
Unappropriated retained earnings brought forward	28,705	16,769	11,936		16,769
Reduction in land revaluation excess	7,020	10,822	(3,802)		17,694
Interim dividends					18,416
Unappropriated retained earnings	143,901	257,355	(113,453)		375,801



Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

(Japanese GAAP)

6. Notional Principal or Contract Amount, Market Value and Valuation Gains (Losses) on Derivatives

The publication is omitted in order to be disclosed by EDINET.

<Reference>

1. Derivatives qualified for hedge-accounting [Consolidated]

	(in billions of yen)	
	As of September 30, 2004	
	Notional principal	
	or contract amount	Market value
Interest rate futures	5,839.2	(1.2)
Interest rate swaps	23,769.1	96.4
Currency swaps	3,336.2	(20.8)
Other interest rate-related transactions	797.3	3.1
Others	0.8	(0.0)
Total		77.5

Note : Derivatives which are accounted for on an accrual basis based on Accounting standard for financial instruments are not included in the table above.

Notional principal by the remaining life of the interest rate swaps above is as follows:

(in billions of yen)

As of September 30, 2004

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	Due after 1 year			Total
	Due within 1 year	through 5 years	Due after 5 years	
Receive-fix/pay-floater	5,251.5	10,699.5	1,218.3	17,169.3
Receive-floater/pay-fix	3,173.6	1,977.9	1,438.1	6,589.7
Receive-floater/pay-floater		10.0		10.0
Total	8,425.1	12,687.4	2,656.4	23,769.1

2. Deferred gains (losses) [Consolidated]

(in billions of yen)

	As of September 30, 2004		
	Deferred gains	Deferred losses	Net gains (losses)
	(A)	(B)	(A) (B)
Interest rate futures	10.5	11.0	(0.5)
Interest rate swaps	206.7	184.9	21.8
Currency swaps	22.0	20.2	1.8
Other interest rate-related transactions	1.2	0.1	1.1
Others	2.3	2.4	(0.1)
Total	242.9	218.8	24.1

Note : Deferred gains (losses) attributable to the macro hedge accounting as of September 30, 2004 are included in the above table.

Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

7. Financial Results (The Bank of Tokyo-Mitsubishi, Ltd. and Consolidated Subsidiaries)

	(in millions of yen)		
	For the six months ended	For the six months ended	Increase/ (Decrease)
	September 30, 2003 (A)	September 30, 2004 (B)	(B) (A)
Gross profits	722,151	723,537	1,385
Net interest income	424,269	411,081	(13,187)
Trust fees	8,622	8,571	(50)
Net fees and commissions	176,026	213,167	37,140
Net trading profits	70,074	45,467	(24,607)
Net other business income	43,157	45,248	2,090
Net gains (losses) on debt securities	(16,876)	22,944	39,821
General and administrative expenses	401,872	420,693	18,821
Net business profits before provision for formula allowance for loan losses	320,278	302,843	(17,435)
Provision for formula allowance for loan losses (1)			
Net business profits*	320,278	302,843	(17,435)
Net non-recurring losses	(114,092)	(54,557)	59,535
Credit related costs (2)	(84,402)	(51,005)	33,397
Losses on loan charge-offs	(46,957)	(26,890)	20,067
Provision for specific allowance for loan losses			
Losses on sales of loans to the Resolution and Collection Corporation	(14,020)	(852)	13,168
Provision for allowance for loans to specific foreign borrowers			
Other credit related costs	(23,424)	(23,263)	161
Net gains (losses) on equity securities	(11,282)	560	11,842
Gains on sales of equity securities	30,464	37,991	7,527
Losses on sales of equity securities	(40,107)	(13,679)	26,428
Losses on write down of equity securities	(1,638)	(23,751)	(22,112)
Equity in profit (loss) of affiliates	(771)	943	1,714
Other	(17,635)	(5,055)	12,580
Ordinary profit	206,186	248,286	42,099
Net special gains	229,167	10,378	(218,789)
Gains on loans charged-off(3)	12,535	8,425	(4,110)
Reversal of allowance for loan losses (4)	166,175	6,849	(159,325)
Losses on impairment of fixed assets		(3,825)	(3,825)
Income before income taxes and others	435,354	258,664	(176,689)
Income taxes-current	44,584	26,234	(18,350)
Income taxes-deferred	130,817	73,535	(57,282)
Minority interest	23,332	22,373	(958)
Net income	236,619	136,521	(100,097)

Note:

* Net business profits = Net business profits of The Bank of Tokyo-Mitsubishi, Ltd. + Other consolidated entities gross profits Other consolidated entities general and administrative expenses Other consolidated entities provision for formula allowance for loan losses Inter-company transactions.

(Reference)

Total credit costs (1)+(2)+(4)	81,772	(44,156)	(125,928)
Total credit costs + Gains on loans charged-off (1)+(2)+(3)+(4)	94,307	(35,730)	(130,038)
Number of consolidated subsidiaries	144	132	(12)
Number of affiliated companies accounted for by the equity method	23	23	

Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

Financial Results (The Bank of Tokyo-Mitsubishi, Ltd.)

	(in millions of yen)		
	For the six months ended September 30, 2003 (A)	For the six months ended September 30, 2004 (B)	Increase/ (Decrease) (B) (A)
Gross profits	467,403	471,059	3,655
Domestic gross profits	222,433	290,999	68,565
Net interest income	208,647	217,119	8,472
Net fees and commissions	43,472	60,809	17,337
Net trading profits	1,782	(1,271)	(3,053)
Net other business income	(31,469)	14,340	45,809
Net gains (losses) on debt securities	(22,995)	17,385	40,380
Non-domestic gross profits	244,969	180,060	(64,909)
Net interest income	110,872	97,746	(13,126)
Net fees and commissions	29,884	31,775	1,890
Net trading profits	26,413	30,529	4,116
Net other business income	77,799	20,008	(57,790)
Net gains on debt securities	4,903	5,798	894
General and administrative expenses	232,351	237,600	5,248
Personnel expenses	89,505	89,256	(248)
Non-personnel expenses	130,279	135,867	5,587
Taxes	12,566	12,475	(90)
Net business profits before provision for formula allowance for loan losses	235,051	233,459	(1,592)
Provision for formula allowance for loan losses (1)			
Net business profits	235,051	233,459	(1,592)
Net non-recurring losses	(86,050)	(62,390)	23,660
Credit related costs (2)	(61,972)	(41,746)	20,225
Losses on loan charge-offs	(23,696)	(17,631)	6,064
Provision for specific allowance for loan losses			
Losses on sales of loans to the Resolution and Collection Corporation	(13,655)	(852)	12,802
Provision for allowance for loans to specific foreign borrowers			
Other credit related costs	(24,621)	(23,263)	1,358
Net gains (losses) on equity securities	5,930	(1,158)	(7,089)
Gains on sales of equity securities	50,030	36,154	(13,876)
Losses on sales of equity securities	(40,127)	(13,621)	26,505
Losses on write down of equity securities	(3,972)	(23,691)	(19,719)
Others	(30,009)	(19,484)	10,524
Ordinary profit	149,001	171,068	22,067
Net special gains	236,989	5,084	(231,905)
Gains on loans charged-off (3)	12,790	5,688	(7,102)

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Reversal of allowance for loan losses (4)	172,744	3,561	(169,183)
Losses on impairment of fixed assets		(2,657)	(2,657)
Income before income taxes	385,990	176,152	(209,838)
Income taxes-current	27,861	1,791	(26,070)
Income taxes-deferred	128,365	66,185	(62,180)
	<u>229,764</u>	<u>108,176</u>	<u>(121,587)</u>
Net income			
Total credit costs (1)+(2)+(4)	110,772	(38,185)	(148,957)
	<u>110,772</u>	<u>(38,185)</u>	<u>(148,957)</u>
Total credit costs + Gains on loans charged-off (1)+(2)+(3)+(4)	123,562	(32,497)	(156,059)
	<u>123,562</u>	<u>(32,497)</u>	<u>(156,059)</u>

Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

8. Average Interest Rate Spread

[Non-Consolidated]

	(percentage per annum)		
	For the six months ended September 30,		Increase/ (Decrease)
	2004(A)	2003(B)	(A) (B)
Total average interest rate on interest-earning assets (a)	1.36	1.55	(0.19)
Average interest rate on Loans and bills discounted	1.58	1.67	(0.08)
Average interest rate on Investment securities	0.82	0.94	(0.12)
Total average interest rate on interest-bearing liabilities (b)	1.05	1.17	(0.12)
Average interest rate on Deposits, NCD and Debentures	0.25	0.23	0.02
Average interest rate on external liabilities	0.46	0.98	(0.51)
Total average interest rate spread (a)-(b)	0.30	0.37	(0.07)
	(percentage per annum)		
Average interest rate spread in domestic business segment:			
Total average interest rate on interest-earning assets (a)	0.98	1.09	(0.10)
Average interest rate on Loans and bills discounted	1.38	1.46	(0.07)
Average interest rate on Investment securities	0.43	0.45	(0.02)
Total average interest rate on interest-bearing liabilities (b)	0.72	0.81	(0.09)
Average interest rate on Deposits, NCD and Debentures	0.03	0.03	(0.00)
Average interest rate on external liabilities	0.28	0.73	(0.44)
Total average interest rate spread (a)-(b)	0.26	0.28	(0.01)

9. Valuation Differences on Securities

(1) Valuation method of securities

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Trading securities	Market value (valuation differences are recorded as profits or losses)
Debt securities being held to maturity	Amortized cost
Stocks of subsidiaries and affiliates	Cost
Securities available for sale	Market value (valuation differences are included in shareholders' equity, net of income taxes)

(Reference) Securities in money held in trust

Trading purposes	Market value (valuation differences are recorded as profits or losses)
Being held to maturity	Amortized cost
Other	Market value (valuation differences are included in shareholders' equity, net of income taxes)

(2) Valuation differences

[Consolidated]

(in millions of yen)

	As of September 30, 2004						As of September 30, 2003			As of March 31, 2004			
	Valuation differences						Valuation differences			Valuation differences			
	(A)	(A)	(B)	(A)	(C)	Gains	Losses	(B)	Gains	Losses	(C)	Gains	Losses
Debt securities being held to maturity	9,331	7,377		7,357		9,332	0	1,954	1,955	0	1,974	3,197	1,223
Securities available for sale	518,369	333,687		(131,927)		668,300	149,931	184,682	482,353	297,671	650,296	792,943	142,647
Domestic equity securities	506,020	293,051		(101,523)		590,600	84,579	212,969	409,682	196,713	607,544	693,953	86,409
Domestic bonds	946	50,420		15,954		21,510	20,564	(49,474)	11,793	61,267	(15,007)	21,033	36,041
Other	11,402	(9,785)		(46,358)		56,189	44,787	21,187	60,878	39,690	57,760	77,955	20,195
Total	527,700	341,064		(124,570)		677,633	149,932	186,636	484,308	297,672	652,270	796,141	143,870
Domestic equity securities	506,020	293,051		(101,523)		590,600	84,579	212,969	409,682	196,713	607,544	693,953	86,409
Domestic bonds	8,839	58,314		23,459		29,403	20,564	(49,474)	11,793	61,267	(14,620)	22,638	37,259
Other	12,840	(10,300)		(46,506)		57,629	44,788	23,141	62,833	39,691	59,347	79,548	20,201

[Non-Consolidated]

(in millions of yen)

	As of September 30, 2004						As of September 30, 2003			As of March 31, 2004			
	Valuation differences						Valuation differences			Valuation differences			
	(A)	(A)	(B)	(A)	(C)	Gains	Losses	(B)	Gains	Losses	(C)	Gains	Losses
Debt securities being held to maturity	8,229	8,111		7,546		8,230	0	118	119	0	683	1,903	1,220
Stocks of subsidiaries and affiliates	496,074	104,142		2,565		496,074		391,931	391,992	60	493,508	493,517	8
Total	526,672	369,126		(111,637)		653,630	126,957	157,546	450,214	292,668	638,310	759,175	120,864

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Securities available for sale											
Domestic equity securities	498,363	289,874	(101,526)	582,605	84,242	208,488	404,742	196,253	599,889	674,637	74,747
Domestic bonds	960	50,435	15,998	21,501	20,540	(49,474)	11,792	61,267	(15,038)	21,002	36,041
Other	27,348	28,816	(26,110)	49,523	22,174	(1,467)	33,678	35,146	53,459	63,535	10,075
Total	1,030,976	481,379	(101,525)	1,157,934	126,958	549,596	842,325	292,729	1,132,502	1,254,596	122,094
Domestic equity securities											
Domestic equity securities	576,585	296,788	(194,396)	660,827	84,242	279,796	476,061	196,265	770,981	845,729	74,747
Domestic bonds	8,853	58,328	23,504	29,394	20,540	(49,474)	11,792	61,267	(14,651)	22,607	37,258
Other	445,537	126,262	69,365	467,712	22,174	319,275	354,471	35,196	376,171	386,259	10,087

Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

10. Risk-Adjusted Capital Ratio Based on the Standards of the BIS

[Consolidated]

(in billions of yen except percentages)

		As of		As of		
		September 30,		September 30,		
		2004 (A)		2003 (B)		
		(Preliminary basis)		2004 (C)		
		Increase/ (Decrease)		Increase/ (Decrease)		
		(A)	(B)	(A)	(C)	
(1)	Risk-adjusted capital ratio	10.56%	(1.33)%	(1.41)%	11.89%	11.97%
(2)	Tier 1 capital	3,005.3	123.1	129.3	2,882.2	2,876.0
(3)	Tier 2 capital includable as qualifying capital	2,178.4	(260.5)	(236.8)	2,438.9	2,415.3
i)	The amount of unrealized gains on investment securities, includable as qualifying capital	234.2	150.3	(59.7)	83.9	294.0
ii)	The amount of land revaluation excess includable as qualifying capital	128.7	(12.2)	(5.3)	140.9	134.0
iii)	Subordinated debt	1,507.8	(161.6)	(1.2)	1,669.4	1,509.0
(4)	Tier 3 capital includable as qualifying capital		(29.9)	(30.0)	29.9	30.0
(5)	Deductions from total qualifying capital	442.7	403.8	401.0	38.8	41.7
(6)	Total qualifying capital (2)+(3)+(4)-(5)	4,741.0	(571.1)	(538.5)	5,312.1	5,279.5
(7)	Risk-adjusted assets	44,893.6	247.4	799.7	44,646.1	44,093.8

[Non-Consolidated]

(in billions of yen except percentages)

		As of		As of		
		September 30,		September 30,		
		2004 (A)		2003 (B)		
		(Preliminary basis)		2004 (C)		
		Increase/ (Decrease)		Increase/ (Decrease)		
		(A)	(B)	(A)	(C)	
(1)	Risk-adjusted capital ratio	10.65%	(1.57)%	(1.53)%	12.23%	12.18%
(2)	Tier 1 capital	2,529.7	71.1	92.1	2,458.5	2,437.5
(3)	Tier 2 capital includable as qualifying capital	2,015.5	(213.4)	(216.7)	2,229.0	2,232.3
i)	The amount of unrealized gains on investment securities, includable as qualifying capital	236.9	165.8	(50.3)	71.0	287.3
ii)	The amount of land revaluation excess includable as qualifying capital	128.8	(12.2)	(5.3)	141.0	134.1
iii)	Subordinated debt	1,464.7	(156.6)	3.6	1,621.3	1,461.1
(4)	Tier 3 capital includable as qualifying capital		(18.7)	(12.4)	18.7	12.4
(5)	Deductions from total qualifying capital	404.3	399.2	399.7	5.0	4.5

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(6)	Total qualifying capital (2)+(3)+(4)-(5)	4,140.9	(560.3)	(536.7)	4,701.2	4,677.7
(7)	Risk-adjusted assets	38,853.3	416.4	477.9	38,436.9	38,375.3

Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

2 Loan Portfolio and Other

1. Risk-Monitored Loans

(Non-accrual loans, accruing loans contractually past due 3 months or more and restructured loans)

[Consolidated]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease) (A) (B)	Increase/ (Decrease) (A) (C)	As of September 30, 2003 (B)	As of March 31, 2004 (C)
Loans to customers in bankruptcy	17,068	(21,051)	(5,616)	38,119	22,684
Past due loans	903,212	217,058	384,103	686,154	519,109
Accruing loans contractually past due 3 months or more	11,886	(5,367)	(374)	17,253	12,260
Restructured loans	248,575	(452,925)	(260,337)	701,501	508,913
Total	1,180,742	(262,286)	117,775	1,443,028	1,062,966
Amount of direct reduction	274,321	(93,642)	(26,288)	367,964	300,610
Loans and bills discounted	39,469,702	1,536,626	1,452,142	37,933,075	38,017,560
Percentage of total loans and bills discounted					
Loans to customers in bankruptcy	0.04%	(0.05)%	(0.01)%	0.10%	0.05%
Past due loans	2.28%	0.47%	0.92%	1.80%	1.36%
Accruing loans contractually past due 3 months or more	0.03%	(0.01)%	(0.00)%	0.04%	0.03%
Restructured loans	0.62%	(1.21)%	(0.70)%	1.84%	1.33%
Total	2.99%	(0.81)%	0.19%	3.80%	2.79%

[Non-Consolidated]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Loans to customers in bankruptcy	11,389	(12,855)	(3,788)	24,244	15,177
Past due loans	849,379	264,538	404,255	584,840	445,124
Accruing loans contractually past due 3 months or more	10,816	(4,937)	(1,018)	15,753	11,835
Restructured loans	247,095	(451,906)	(260,345)	699,002	507,440
Total	1,118,680	(205,160)	139,102	1,323,841	979,578
Amount of direct reduction	229,046	(89,001)	(14,390)	318,047	243,437
Loans and bills discounted	36,001,958	1,741,496	1,185,317	34,260,461	34,816,640
Percentage of total loans and bills discounted					
Loans to customers in bankruptcy	0.03%	(0.03)%	(0.01)%	0.07%	0.04%
Past due loans	2.35%	0.65%	1.08%	1.70%	1.27%
Accruing loans contractually past due 3 months or more	0.03%	(0.01)%	(0.00)%	0.04%	0.03%
Restructured loans	0.68%	(1.35)%	(0.77)%	2.04%	1.45%
Total	3.10%	(0.75)%	0.29%	3.86%	2.81%

Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

2. Classification of Risk-Monitored Loans

Classification by geographic area

[Consolidated]

(in millions of yen)

	As of	Increase/		Increase/		As of	As of
	September 30,	(Decrease)		(Decrease)		September 30,	March 31,
	2004 (A)	(A)	(B)	(A)	(C)	2003 (B)	2004 (C)
Domestic*	937,168	(263,087)		129,493		1,200,256	807,675
Overseas*	243,574	801		(11,717)		242,772	255,291
Asia	33,070	(311)		10,424		33,382	22,645
Indonesia	3,065	(6,850)		(1,025)		9,916	4,090
Thailand	2,724	(4,737)		(5,138)		7,462	7,863
Hong Kong	22,148	15,504		17,431		6,643	4,717
Other	5,131	(4,228)		(842)		9,360	5,974
United States of America	160,888	19,974		(23,171)		140,913	184,060
Other	49,615	(18,861)		1,029		68,477	48,585
Total	1,180,742	(262,286)		117,775		1,443,028	1,062,966

Note:* Domestic and Overseas are classified by domicile of borrowers.

Classification by type of industry of borrowers

[Consolidated]

(in millions of yen)

	As of	Increase/		Increase/		As of	As of
	September 30,	(Decrease)		(Decrease)		September 30,	March 31,
	2004 (A)	(A)	(B)	(A)	(C)	2003 (B)	2004 (C)
Domestic*	937,168	(263,087)		129,493		1,200,256	807,675
Manufacturing	131,192	20,873		29,872		110,318	101,319

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Construction	39,606	(55,247)	(4,206)	94,854	43,813
Wholesale and Retail	266,476	(26,037)	76,844	292,514	189,632
Banks and other financial institutions	65,652	55,902	50,709	9,749	14,943
Real estate	270,747	(52,751)	(4,724)	323,498	275,472
Services	67,527	(39,050)	(14,425)	106,578	81,953
Other industries	21,118	(27,076)	723	48,194	20,394
Consumer	74,846	(139,700)	(5,300)	214,546	80,146
Overseas*	243,574	801	(11,717)	242,772	255,291
Banks and other financial institutions	94,673	93,258	14,085	1,415	80,588
Commercial and industrial	147,318	(89,762)	(19,110)	237,080	166,429
Other	1,582	(2,694)	(6,692)	4,276	8,274
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	1,180,742	(262,286)	117,775	1,443,028	1,062,966
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Note:* Domestic and Overseas are classified by domicile of borrowers.

Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

3. Allowance for Loan Losses

[Consolidated]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Allowance for loan losses	609,129	(165,356)	(20,924)	774,485	630,054
Formula allowance for loan losses	307,563	(236,986)	(170,527)	544,549	478,090
Specific allowance for loan losses	296,504	75,188	150,450	221,315	146,054
Allowance for loans to specific foreign borrowers	5,061	(3,558)	(847)	8,620	5,908

[Non-Consolidated]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Allowance for loan losses	455,266	(124,256)	(13,311)	579,522	468,577
Formula allowance for loan losses	185,052	(210,518)	(164,628)	395,571	349,680
Specific allowance for loan losses	265,151	89,821	152,164	175,330	112,987
Allowance for loans to specific foreign borrowers	5,061	(3,558)	(847)	8,620	5,908
Reserve for financial assistance to specific borrowers		(1,371)		1,371	

4. Coverage Ratio against Risk-Monitored Loans

[Consolidated]

(in millions of yen)

As of September 30, 2004 (A)	Increase/ (Decrease)	Increase/ (Decrease)	As of September 30, 2003 (B)	As of March 31, 2004 (C)

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		(A)	(B)	(A)	(C)	
Allowance for loan losses (a)	609,129	(165,356)		(20,924)	774,485	630,054
Risk-monitored loans (b)	1,180,742	(262,286)		117,775	1,443,028	1,062,966
Coverage ratio (a)/(b)	51.58%	(2.08)%		(7.68)%	53.67%	59.27%

[Non-Consolidated]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease) (A) (B)	Increase/ (Decrease) (A) (C)	As of September 30, 2003 (B)	As of March 31, 2004 (C)
Allowance for loan losses (a)	455,266	(124,256)	(13,311)	579,522	468,577
Risk-monitored loans (b)	1,118,680	(205,160)	139,102	1,323,841	979,578
Coverage ratio (a)/(b)	40.69%	(3.07)%	(7.13)%	43.77%	47.83%

Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

5. Disclosed Claims under the Financial Reconstruction Law (the FRL)

[Non-Consolidated]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)	(A)	(C)		
Claims to bankrupt and substantially bankrupt debtors	71,475	(52,468)	(19,490)	123,943	90,966		
Claims under high risk	902,042	395,933	519,506	506,108	382,536		
Claims under close observation	257,912	(456,843)	(261,363)	714,756	519,276		
Total (1)	1,231,430	(113,378)	238,651	1,344,808	992,778		
Normal claims	39,062,829	1,760,140	1,210,357	37,302,689	37,852,472		

6. Status of Secured Coverage on Disclosed Claims under the FRL

[Non-Consolidated]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)	(A)	(C)		
Secured coverage amount (2)	837,741	(152,112)	162,054	989,854	675,687		
Allowance for loan losses	296,779	(9,027)	86,397	305,806	210,381		
Reserve for financial assistance to specific borrowers							
Collateral, guarantees, etc.	540,962	(143,085)	75,656	684,047	465,305		
Secured coverage ratio (2)/(1)	68.02%	(5.57)%	(0.03)%	73.60%	68.06%		

Secured Coverage of Each Category of Disclosed Claims under the FRL

[Non-Consolidated]

(in millions of yen)

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Category	Disclosed amount (A)	Allowance for loan losses (B)	Reserve for financial assistance to specific borrowers (C)	Collectable amount by collateralized and guaranteed loans (D)	Coverage ratio [(B)+(C)] / [(A)-(D)]	Coverage ratio [(B)+(C)+(D)] / (A)
Claims to bankrupt and substantially bankrupt debtors	71,475 [90,966]	5,742 [5,283]		65,732 [85,683]	100.00% [100.00%]	100.00% [100.00%]
Claims under high risk	902,042 [382,536]	255,016 [105,087]		335,061 [210,741]	44.97% [61.17%]	65.41% [82.56%]
Claims under close observation	257,912 [519,276]	36,019 [100,011]		140,168 [168,880]	30.59% [28.54%]	68.31% [51.78%]
Sub total (1)	1,231,430 [992,778]	296,779 [210,381]		540,962 [465,305]	42.98% [39.88%]	68.02% [68.06%]
Normal claims	39,062,829 [37,852,472]					
Total (2)	40,294,260 [38,845,250]					
Sub total (1) / Total (2)	3.05% [2.55]%					

Note: The upper figures are as of September 30, 2004. The lower figures with bracket are as of March 31, 2004.

Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

7. Progress in the Disposal of Problem Assets [Non-Consolidated]
(excluding claims under close observation)

(1) Assets categorized as problem assets as of September 30, 2000 based on the FRL

(in billions of yen)

	As of September 30, 2000	As of March 31, 2001	As of September 30, 2001	As of March 31, 2002	As of September 30, 2002	As of March 31, 2003	As of September 30, 2003	As of March 31, 2004 (a)	As of September 30, 2004 (b)	(b)	(a)
Claims to bankrupt and substantially bankrupt debtors	274.3	144.3	150.6	144.9	210.9	38.7	19.0	14.9	6.3		(8.6)
Claims under high risk	1,053.5	944.9	758.4	538.4	193.6	13.5	10.3	7.4	7.1		(0.3)
Total	1,327.8	1,089.2	909.0	683.4	404.6	52.3	29.3	22.4	13.5(A)		(8.9)(B)

Progress in the disposal of problem assets

(in billions of yen)

	First half of fiscal 2004
Disposition by borrowers liquidation	(0.0)
Re-constructive disposition	0.1
Improvements in financial status due to re-constructive disposition	
Loan sales to secondary market	0.1
Charge-off	8.2
Other	0.3
Collection of claims	0.3
Improvements in financial status	
Total	8.9(B)

Above (A) includes the following figures which facilitates the final disposal of problem assets.

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(in billions of yen)

First half of fiscal 2004

Legal liquidation	0.6
Quasi-legal liquidation	
Split-off of problem loans	
Partial charge-off of smaller balance loans	2.4
Entrust through the managed trust method to the Resolution and Collection Corporation	
Total	3.1

(2) Assets newly categorized as problem assets during second half of fiscal 2000 based on the FRL

(in billions of yen)

	As of March 31, 2001	As of September 30, 2001	As of March 31, 2002	As of September 30, 2002	As of March 31, 2003	As of September 30, 2003	As of March 31, 2004 (a)	As of September 30, 2004 (b)	(b)	(a)
Claims to bankrupt and substantially bankrupt debtors	106.8	98.3	94.3	44.0	18.6	17.8	14.7	14.0		(0.6)
Claims under high risk	635.3	575.4	447.4	269.3	72.5	49.1	30.7	25.5		(5.2)
Total	742.2	673.7	541.8	313.3	91.2	67.0	45.5	39.6(C)		(5.8)(D)

Progress in the disposal of problem assets

(in billions of yen)

First half of fiscal 2004

Disposition by borrowers liquidation	
Re-constructive disposition	0.0
Improvements in financial status due to re-constructive disposition	
Loan sales to secondary market	0.4
Charge-off	0.0
Other	5.3
Collection of claims	2.3
Improvements in financial status	2.9
Total	5.8 (D)

Above (C) includes the following figures which facilitates the final disposal of problem assets.

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(in billions of yen)

First half of fiscal 2004

Legal liquidation	0.8
Quasi-legal liquidation	
Split-off of problem loans	
Partial charge-off of smaller balance loans	12.9
Entrust through the managed trust method to the Resolution and Collection Corporation	
Total	13.8

Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

(3) Assets newly categorized as problem assets during first half of fiscal 2001 based on the FRL

(in billions of yen)

	As of September 30, 2001	As of March 31, 2002	As of September 30, 2002	As of March 31, 2003	As of September 30, 2003	As of March 31, 2004 (a)	As of September 30, 2004 (b)	(b) (a)
Claims to bankrupt and substantially bankrupt debtors	27.1	25.6	26.4	17.8	11.4	6.7	5.5	(1.2)
Claims under high risk	257.0	140.1	79.9	47.2	27.9	17.7	14.2	(3.5)
Total	284.2	165.8	106.3	65.1	39.4	24.5	19.8 (E)	(4.7) (F)

Progress in the disposal of problem assets

(in billions of yen)

	First half of fiscal 2004
Disposition by borrowers liquidation	(0.0)
Re-constructive disposition	0.0
Improvements in financial status due to re-constructive disposition	
Loan sales to secondary market	1.2
Charge-off	0.1
Other	3.3
Collection of claims	2.3
Improvements in financial status	0.9
Total	4.7 (F)

Above (E) includes the following figures which facilitates the final disposal of problem assets.

(in billions of yen)

First half of fiscal 2004

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Legal liquidation	0.3
Quasi-legal liquidation	
Split-off of problem loans	
Partial charge-off of smaller balance loans	5.1
Entrust through the managed trust method to the Resolution and Collection Corporation	
Total	5.5

(4) Assets newly categorized as problem assets during second half of fiscal 2001 based on the FRL

(in billions of yen)

	As of March 31, 2002	As of September 30, 2002	As of March 31, 2003	As of September 30, 2003	As of March 31, 2004 (a)	As of September 30, 2004 (b)	(b)	(a)
Claims to bankrupt and substantially bankrupt debtors	57.3	35.4	14.7	12.3	4.7	4.6	(0.1)	
Claims under high risk	315.9	162.4	104.1	48.5	28.3	25.8	(2.4)	
Total	373.2	197.9	118.9	60.8	33.0	30.4 (G)	(2.6)	(H)

Progress in the disposal of problem assets

(in billions of yen)

	First half of fiscal 2004
Disposition by borrowers liquidation	0.2
Re-constructive disposition	0.0
Improvements in financial status due to re-constructive disposition	
Loan sales to secondary market	0.0
Charge-off	0.2
Other	2.0
Collection of claims	1.6
Improvements in financial status	0.3
Total	2.6 (H)

Above (G) includes the following figures which facilitates the final disposal of problem assets.

(in billions of yen)

First half of fiscal 2004

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Legal liquidation	0.8
Quasi-legal liquidation	
Split-off of problem loans	
Partial charge-off of smaller balance loans	3.7
Entrust through the managed trust method to the Resolution and Collection Corporation	
Total	4.6

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(The Bank of Tokyo-Mitsubishi, Ltd.)

(5) Assets newly categorized as problem assets during first half of fiscal 2002 based on the FRL

(in billions of yen)

	As of September 30, 2002	As of March 31, 2003	As of September 30, 2003	As of March 31, 2004 (a)	As of September 30, 2004 (b)	(b)	(a)
Claims to bankrupt and substantially bankrupt debtors	24.6	19.8	16.7	9.1	6.1		(3.0)
Claims under high risk	279.9	143.5	82.7	47.2	34.2		(13.0)
Total	304.5	163.3	99.5	56.4	40.3(I)		(16.0)(J)

Progress in the disposal of problem assets

(in billions of yen)

	First half of fiscal 2004
Disposition by borrowers liquidation	0.0
Re-constructive disposition	1.1
Improvements in financial status due to re-constructive disposition	
Loan sales to secondary market	1.5
Charge-off	0.8
Other	12.4
Collection of claims	5.4
Improvements in financial status	7.0
Total	16.0 (J)

Above (I) includes the following figures which facilitates the final disposal of problem assets.

(in billions of yen)

	First half of fiscal 2004
Legal liquidation	0.5
Quasi-legal liquidation	
Split-off of problem loans	

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Partial charge-off of smaller balance loans	3.7
Entrust through the managed trust method to the Resolution and Collection Corporation	
Total	4.3

(6) Assets newly categorized as problem assets during second half of fiscal 2002 based on the FRL

	(in billions of yen)				
	As of March 31, 2003	As of September 30, 2003	As of March 31, 2004 (a)	As of September 30, 2004 (b)	(b) (a)
Claims to bankrupt and substantially bankrupt debtors	26.7	32.0	22.0	19.5	(2.4)
Claims under high risk	390.7	169.1	115.7	59.3	(56.4)
Total	417.5	201.2	137.8	78.9(K)	(58.8)(L)

Progress in the disposal of problem assets

	(in billions of yen)
	First half of fiscal 2004
Disposition by borrowers liquidation	0.4
Re-constructive disposition	(0.0)
Improvements in financial status due to re-constructive disposition	20.4
Loan sales to secondary market	2.0
Charge-off	0.9
Other	35.1
Collection of claims	10.8
Improvements in financial status	24.2
Total	58.8 (L)

Above (K) includes the following figures which facilitates the final disposal of problem assets.

	(in billions of yen)
	First half of fiscal 2004
Legal liquidation	2.1
Quasi-legal liquidation	
Split-off of problem loans	
Partial charge-off of smaller balance loans	5.7

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Entrust through the managed trust method to the Resolution and Collection Corporation	
Total	7.9

Mitsubishi Tokyo Financial Group, Inc.

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(7) Assets newly categorized as problem assets during first half of fiscal 2003 based on the FRL

	(in billions of yen)			
	As of September 30, 2003	As of March 31, 2004 (a)	As of September 30, 2004 (b)	(b) (a)
Claims to bankrupt and substantially bankrupt debtors	14.3	8.8	4.9	(3.9)
Claims under high risk	118.2	73.3	53.1	(20.1)
Total	132.5	82.2	58.1(M)	(24.1)(N)

Progress in the disposal of problem assets

	(in billions of yen)
	First half of fiscal 2004
Disposition by borrowers liquidation	0.1
Re-constructive disposition	0.5
Improvements in financial status due to re-constructive disposition	
Loan sales to secondary market	2.2
Charge-off	0.9
Other	20.1
Collection of claims	8.6
Improvements in financial status	11.4
Total	24.1 (N)

Above (M) includes the following figures which facilitates the final disposal of problem assets.

	(in billions of yen)
	First half of fiscal 2004
Legal liquidation	1.5
Quasi-legal liquidation	
Split-off of problem loans	
Partial charge-off of smaller balance loans	3.4

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Entrust through the managed trust method to the Resolution and Collection Corporation	
Total	4.9

(8) Assets newly categorized as problem assets during second half of fiscal 2003 based on the FRL

	(in billions of yen)		
	As of March 31, 2004 (a)	As of September 30, 2004 (b)	(b) (a)
Claims to bankrupt and substantially bankrupt debtors	9.5	5.4	(4.1)
Claims under high risk	61.8	25.2	(36.5)
Total	71.3	30.6(O)	(40.7)(P)

Progress in the disposal of problem assets

	(in billions of yen)
	First half of fiscal 2004
Disposition by borrowers liquidation	1.2
Re-constructive disposition	3.2
Improvements in financial status due to re-constructive disposition	
Loan sales to secondary market	15.9
Charge-off	2.4
Other	17.8
Collection of claims	13.0
Improvements in financial status	4.7
Total	40.7 (P)

Above (O) includes the following figures which facilitates the final disposal of problem assets.

	(in billions of yen)
	First half of fiscal 2004
Legal liquidation	2.6
Quasi-legal liquidation	
Split-off of problem loans	
Partial charge-off of smaller balance loans	2.6
Entrust through the managed trust method to the Resolution and Collection Corporation	

Total	5.3
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Mitsubishi Tokyo Financial Group, Inc.

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(9) Assets newly categorized as problem assets during first half of fiscal 2004 based on the FRL

	(in billions of yen)
	As of September 30, 2004
Claims to bankrupt and substantially bankrupt debtors	4.7
Claims under high risk	657.2
Total	661.9(Q)

Above (Q) includes the following figures which facilitates the final disposal of problem assets.

	(in billions of yen)
	First half of fiscal 2004
Legal liquidation	2.0
Quasi-legal liquidation	
Split-off of problem loans	
Partial charge-off of smaller balance loans	2.6
Entrust through the managed trust method to the Resolution and Collection Corporation	
Total	4.6

(10) Historical trend of problem assets based on the FRL

	(in billions of yen)									
	As of September 30, 2000	As of March 31, 2001	As of September 30, 2001	As of March 31, 2002	As of September 30, 2002	As of March 31, 2003	As of September 30, 2003	As of March 31, 2004 (a)	As of September 30, 2004 (b)	(b) (a)
Claims to bankrupt and substantially bankrupt debtors	274.3	251.2	276.1	322.3	341.5	136.6	123.9	90.9	71.4	(19.4)

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Claims under high risk	1,053.5	1,580.2	1,590.9	1,442.0	985.3	772.0	506.1	382.5	902.0	519.5
Total	1,327.8	1,831.4	1,867.0	1,764.4	1,326.9	908.6	630.0	473.5	973.5	500.0

Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

8. Classification of Loans by Type of Industry

(1) Loans by type of industry [Non-Consolidated]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Domestic offices (excluding loans booked at offshore markets)	31,730,000	1,949,659	1,052,358	29,780,340	30,677,641
Manufacturing	4,081,650	(87,837)	(40,220)	4,169,487	4,121,870
Agriculture	10,050	(2,272)	(545)	12,322	10,595
Forestry	4,784	(447)	(103)	5,231	4,887
Fishery	2,663	89	210	2,574	2,453
Mining	29,418	(5,853)	(1,179)	35,271	30,597
Construction	773,380	(91,268)	(23,390)	864,648	796,770
Utilities	242,928	(19,959)	(5,608)	262,887	248,536
Media and Communication	556,887	(88,399)	(47,076)	645,286	603,963
Wholesale and Retail	3,827,219	(351,044)	(129,643)	4,178,263	3,956,862
Banks and other financial institutions	2,361,089	381,067	475,350	1,980,022	1,885,739
Real estate	3,524,956	83,743	69,852	3,441,213	3,455,104
Services	3,856,653	(566,691)	(41,549)	4,423,344	3,898,202
Municipal government	39,464	8,343	6,397	31,121	33,067
Other industries	12,418,859	2,690,187	789,862	9,728,671	11,628,996
Overseas offices and loans booked at offshore markets	4,271,958	(208,162)	132,959	4,480,120	4,138,998
Total	36,001,958	1,741,496	1,185,317	34,260,461	34,816,640

(2) Domestic consumer loans [Non-Consolidated]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Total domestic consumer loans	7,974,102	261,662	175,137	7,712,440	7,798,965
Housing loans	7,562,169	314,275	198,710	7,247,894	7,363,459
Others	411,933	(52,613)	(23,573)	464,546	435,506

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(3) Domestic loans to small and medium-sized companies [Non-Consolidated]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)	(A)	(C)		
Domestic loans to small and medium-sized companies	17,585,118	129,772		256,126		17,455,345	17,328,991
Percentage to total domestic loans	55.42%		(3.19)%		(1.06)%	58.61%	56.48%

Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

9. Loans and Deposits [Non-Consolidated]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Deposits (ending balance)	52,351,389	1,953,430	531,973	50,397,958	51,819,415
Deposits (average balance)	51,429,113	2,649,716	2,142,964	48,779,396	49,286,149
Loans (ending balance)	36,001,958	1,741,496	1,185,317	34,260,461	34,816,640
Loans (average balance)	35,015,495	641,784	355,059	34,373,711	34,660,436

10. Domestic Deposits [Non-Consolidated]

(in millions of yen)

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)		
Individuals	27,085,776	853,371	417,827	26,232,405	26,667,948
Corporations and others	17,676,984	(242,496)	(55,860)	17,919,481	17,732,845
Domestic deposits	44,762,761	610,874	361,967	44,151,886	44,400,794

Note: Amounts do not include negotiable certificates of deposit, deposits of overseas offices and JOM accounts.

11. Number of Employees [Non-Consolidated]

	As of September 30, 2004 (A)	Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A) - (B)	(A) - (C)		
Number of Employees	14,351	(711)	(117)	15,062	14,468

12. Number of Offices [Non-Consolidated]

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	As of September 30, 2004 (A)	Increase/ (Decrease)		Increase/ (Decrease)		As of September 30, 2003 (B)	As of March 31, 2004 (C)
		(A)	(B)	(A)	(C)		
Domestic	267		(6)			273	267
Head office and Branches	247		(7)		(2)	254	249
Sub-branches and Agencies	20		1		2	19	18
Overseas	73					73	73
Branches	42				(1)	42	43
Sub-branches	15		1		1	14	14
Representative offices	16		(1)			17	16
Total	340		(6)			346	340

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13. Status of Deferred Tax Assets [Non-Consolidated]

(1) Tax Effects of the Items Comprising Net Deferred Tax Assets

[Non-Consolidated]

	(in billions of yen)	
	Sep. 30, 2004	
	vs. Mar. 31, 2004	
Deferred Tax Assets	727.4	(73.9)
Allowance for loan losses	236.0	3.8
Write-down of investment securities	82.1	(1.2)
Net operating loss carryforwards	407.1	(78.0)
Reserve for employees' retirement benefits	31.9	1.6
Unrealized losses on securities available for sale		
Other	37.2	(0.4)
Valuation allowance	(67.1)	0.2
Deferred tax liabilities	225.2	(48.4)
Gains on placing trust for retirement benefits	7.3	
Unrealized gains on securities available for sale	213.9	(45.5)
Other	3.9	(2.9)
Net Deferred Tax Assets	502.1	(25.4)
[Consolidated]		
Net Deferred Tax Assets	436.8	(24.0)

(2) Net Business Profits before Credit Costs and Taxable Income (Current Interim Fiscal Year)

[Non-Consolidated]

	(in billions of yen)	
	Interim FY 2004	
Net business profits before credit costs	233.4	233.4
Credit related costs		38.1
Income before income taxes		176.1
Reconciliation to taxable income		10.3
Taxable income		186.5

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(3) Net Business Profits before Credit Costs and Taxable Income (Past Five Fiscal Years)

[Non-Consolidated]

	(in billions of yen)				
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Net business profits before credit costs	400.8	388.9	463.3	511.5	466.8
Credit related costs	504.5	554.0	484.8	341.0	(135.3)
Income before income taxes	279.9	(225.3)	(317.4)	(287.3)	587.7
Reconciliation to taxable income	82.1	393.0	137.3	(821.7)	(404.1)
Taxable income	362.1	167.6	(180.0)	(1,109.0)	183.5

(4) Classification Based on Prior Year Operating Results as Provided in the JICPA Audit Committee Report No.66

Although we recorded taxable income for the six months ended September 30, 2004, we are classified as 4 described above since we have material net operating loss carryforwards. However since we believe the net operating loss carryforwards are attributable to extraordinary factors such as changes in laws and regulations, we apply the exception to classification 4. (Five years future taxable income is estimable.)

[Extraordinary Factors Such as Changes in Laws and Regulations]

Our net operating loss carryforwards were incurred due to, among other things, the followings : (i) we accelerated the final disposal of nonperforming loans in response to both the Emerging Economic Package , which provided guidance to major banks to remove from their balance sheets claims to debtors classified as likely to become bankrupt or below, and the Program for Financial Revival , which urged major banks to reduce the ratio of disclosed claims to total claims by about half; and (ii) we reduced our holdings of strategic equity investments under the Law Concerning Restriction, etc. of Banks Shareholdings etc .

(5) Realizability of Deferred Tax Assets at September 30, 2004 (Assumptions)

	(in billions of yen)
	Five year total (2004 2 nd half to 2009 1 st half)
Net business profits (based on our business plan) (*1)	3,870.0
Net business profits (basis of realizability determination) (*2)	3,110.0
Income before income taxes (basis of realizability determination)	2,570.0
Taxable income before adjustments (basis of realizability determination) (*3)	2,890.0
Temporary difference + net operating loss carryforwards (for which deferred tax assets shall be recognized)	1,801.2
Deferred tax assets at September 30, 2004 (*4)	727.4

(*1) Before credit costs

(*2) Based on the scenario that current short-term interest rate level continues for the next five years

(*3) Before reversals of existing deductible temporary differences and net operating loss carryforwards

(*4) Temporary difference + net operating loss carryforwards (for which deferred tax assets shall be recognized) multiplied by effective tax rate

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(Reference) Assumptions for Business Plan

	FY 2004					FY 2009
	<u>2nd half</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY2008</u>	<u>1st half</u>
S/T interest rate (3 m/s TIBOR)	0.08%	0.13%	0.50%	0.57%	0.88%	1.12%
L/T interest rate (10 year JGB)	1.78%	1.90%	2.30%	2.03%	2.58%	2.95%
Exchange rate (USD/Yen)	¥ 105	¥ 105	¥ 105	¥ 105	¥ 105	¥ 105

Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

14. Employees Retirement Benefits

Benefit obligation

[Non-Consolidated]

		(in millions of yen)
		As of
		September 30, 2004
Projected benefits obligation at beginning of the period	(A-B+C+D+G+J)	577,647
Fair value of plan assets at beginning of the period	(A)	506,585
Prepaid pension cost at beginning of the period	(B)	54,442
Reserve for employees' retirement benefits at beginning of the period	(C)	13,376
Unrecognized net obligation by the change of accounting policy at beginning of the period	(D)	11,199
Amortization for the current period (Amortized period 5 years)	(E)	5,599
Unrecognized net obligation at end of the interim period	(F)	5,599
Unrecognized prior service cost at beginning of the period	(G)	(31,371)
Amortization for the current period (Amortized period 10 years)	(H)	(1,836)
Unrecognized prior service cost at end of the interim period	(I)	(29,535)
Unrecognized net actuarial loss at beginning of the period	(J)	132,299
Amortization for the current period (Amortized period 10 years)	(K)	8,820
Unrecognized net actuarial loss at end of the interim period	(L)	123,479
Net amount unrecognized at beginning of the period	(M)(D+G+J)	112,128
Net amount amortized for the current period	(N)(E+H+K)	12,583
Net amount unrecognized at end of the interim period	(O)(M-N)	99,544

Note : Discount rate is 2.1%.

Mitsubishi Tokyo Financial Group, Inc.

(The Bank of Tokyo-Mitsubishi, Ltd.)

15. Earning Projections for the Fiscal Year Ending March 31, 2005

[Consolidated]

	(in billions of yen)	
	For the year ending March 31, 2005	For the six months ended September 30, 2004
Ordinary income	2,000.0	1,019.3
Ordinary profit	525.0	248.2
Net income	275.0	136.5

[Non-Consolidated]

	(in billions of yen)	
	For the year ending March 31, 2005	For the six months ended September 30, 2004
Ordinary income	1,500.0	728.4
Ordinary profit	380.0	171.0
Net income	210.0	108.1
Net business profits before provision for formula allowance for loan losses	500.0	233.4

Selected Interim Financial Information

under Japanese GAAP

For the Fiscal Year Ending March 31, 2005

The Mitsubishi Trust and Banking Corporation

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Mitsubishi Tokyo Financial Group, Inc.

(The Mitsubishi Trust and Banking Corporation)

1 Interim Financial Highlights under Japanese GAAP for the Fiscal Year Ending March 31, 2005

(Japanese GAAP)

1. Consolidated Balance Sheets

	As of September 30,		Increase/ (Decrease)	As of March 31,		Increase/ (Decrease)
	2004 (A)	2003 (B)	(A) (B)	2004 (C)	(A) (C)	
(in millions of yen)						
Assets:						
Cash and due from banks	869,083	1,085,451	(216,367)	1,311,942	(442,858)	
Call loans and bills bought	210,627	112,593	98,033	211,800	(1,172)	
Receivables under securities borrowing transactions	964,561	1,931,532	(966,970)	1,042,049	(77,488)	
Commercial paper and other debt purchased	62,708	23,076	39,631	40,851	21,856	
Trading assets	319,373	376,341	(56,968)	277,967	41,406	
Money held in trust	6,880	10,142	(3,262)	6,953	(73)	
Investment securities	6,814,258	6,038,108	776,149	7,415,627	(601,369)	
Allowance for losses on investment securities	(19)	(81)	61	(25)	5	
Loans and bills discounted	8,660,203	8,499,575	160,627	8,588,926	71,276	
Foreign exchanges	9,946	12,925	(2,979)	10,717	(770)	
Other assets	546,230	1,082,852	(536,622)	790,162	(243,931)	
Premises and equipment	162,651	176,130	(13,479)	166,218	(3,567)	
Deferred tax assets	210,875	271,981	(61,106)	186,617	24,257	
Deferred tax assets on land revaluation losses		1,803	(1,803)			
Customers' liabilities for acceptances and guarantees	216,561	358,941	(142,379)	230,475	(13,913)	
Allowance for loan losses	(192,674)	(268,813)	76,138	(202,584)	9,909	
Total assets	18,861,266	19,712,561	(851,294)	20,077,700	(1,216,433)	
Liabilities:						
Deposits	10,506,179	10,531,669	(25,489)	10,846,664	(340,484)	
Negotiable certificates of deposit	1,348,808	1,088,064	260,744	1,348,411	397	
Call money and bills sold	907,398	477,683	429,715	1,157,889	(250,490)	
Payables under repurchase agreements	653,132	311,650	341,481	503,988	149,143	
Payables under securities lending transactions	1,472,245	2,939,215	(1,466,970)	1,991,528	(519,283)	
Commercial paper	323,600	422,000	(98,400)	396,000	(72,400)	
Trading liabilities	63,110	92,273	(29,163)	75,374	(12,264)	
Borrowed money	212,540	205,096	7,443	202,124	10,415	
Foreign exchanges	3,908	16,447	(12,539)	12,865	(8,957)	
Short-term corporate bonds	71,300		71,300	40,000	31,300	
Bonds and notes	402,199	388,900	13,299	383,899	18,300	
Due to trust account	1,367,460	1,336,541	30,919	1,380,268	(12,808)	
Other liabilities	370,684	703,136	(332,451)	504,940	(134,256)	
Reserve for employees' bonuses	3,741	3,817	(75)	3,756	(14)	
Reserve for employees' retirement benefits	1,302	1,884	(581)	1,068	233	
Reserve for expenses related to EXPO 2005 Japan	80	39	41	60	20	
Deferred tax liabilities		78	(78)	91	(91)	

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Deferred tax liabilities on land revaluation excess	8,425	1,699	6,726	8,517	(92)
Acceptances and guarantees	216,561	358,941	(142,379)	230,475	(13,913)
Total liabilities	17,932,681	18,879,140	(946,459)	19,087,926	(1,155,245)
Minority interest	4,376	3,815	561	4,499	(122)
Shareholder's equity:					
Capital stock	324,279	324,279		324,279	
Capital surplus	274,752	274,752		274,752	
Retained earnings	221,592	155,191	66,400	216,076	5,515
Land revaluation excess	(9,351)	(302)	(9,048)	(9,586)	235
Unrealized gains on securities available for sale	119,713	80,361	39,351	187,336	(67,623)
Foreign currency translation adjustments	(6,776)	(4,676)	(2,100)	(7,584)	807
Total shareholder's equity	924,208	829,605	94,603	985,273	(61,065)
Total liabilities, minority interest and shareholder's equity	18,861,266	19,712,561	(851,294)	20,077,700	(1,216,433)

Mitsubishi Tokyo Financial Group, Inc.

(The Mitsubishi Trust and Banking Corporation)

(Japanese GAAP)

2. Consolidated Statements of Operations

	For the six months ended				
	September 30,		Increase/ (Decrease)		For the year ended March 31, 2004
	2004 (A)	2003 (B)	(A)	(B)	
(in millions of yen)					
Ordinary income:					
Trust fees	37,573	27,829	9,743		70,487
Interest income:	131,221	160,205	(28,984)		300,665
(Interest on loans and discounts)	48,663	50,019	(1,355)		100,352
(Interest and dividends on securities)	62,687	85,527	(22,840)		158,415
Fees and commissions	36,239	29,020	7,218		63,582
Trading profits	4,554	2,243	2,311		2,612
Other business income	22,928	45,380	(22,452)		50,094
Other ordinary income	10,176	22,694	(12,517)		34,044
Total ordinary income	242,692	287,373	(44,680)		521,485
Ordinary expenses:					
Interest expense:	38,515	54,027	(15,511)		94,821
(Interest on deposits)	18,375	17,719	656		34,794
Fees and commissions	5,408	6,480	(1,071)		11,850
Trading losses					244
Other business expenses	25,982	27,131	(1,148)		40,419
General and administrative expenses	82,864	90,349	(7,484)		176,601
Other ordinary expenses	27,945	30,237	(2,292)		50,145
Total ordinary expenses	180,717	208,226	(27,509)		374,083
Ordinary profit	61,975	79,147	(17,171)		147,402
Special gains	8,929	13,210	(4,280)		16,486
Special losses	3,955	18,009	(14,053)		23,881
Income before income taxes and others	66,949	74,348	(7,399)		140,006
Income taxes-current	13,423	(19,007)	32,430		(31,401)
Income taxes-deferred	22,035	28,658	(6,622)		39,708
Minority interest	387	728			