

MITSUBISHI TOKYO FINANCIAL GROUP INC

Form 6-K

May 27, 2003

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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Form 6-K

Report of Foreign Issuer  
Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934

For the month of May, 2003

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MITSUBISHI TOKYO FINANCIAL GROUP, INC.  
(Translation of registrant's name into English)

4-1, Marunouchi 2-chome, Chiyoda-ku  
Tokyo 100-6326, Japan  
(Address of principal executive offices)

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[Indicate by check mark whether the registrant files or  
will file annual reports under cover Form 20-F or Form 40-F.]

Form 20-F        Form 40-F  
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[Indicate by check mark whether the registrant by furnishing the information  
contained in this Form is also thereby furnishing the information to the  
Commission pursuant to Rule 12g3-2(b) under the Securities  
Exchange Act of 1934.]

Yes            No      
                  -----                  -----

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the  
registrant has duly caused this report to be signed on its behalf by the  
undersigned, thereunto duly authorized.

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Date: May 26, 2003

MITSUBISHI TOKYO FINANCIAL GROUP, INC.

By: /s/ Atsushi Inamura

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 Name: Atsushi Inamura  
 Title: Chief Manager, General Affairs  
 Corporate Administration Division

Consolidated Summary Report  
 (under Japanese GAAP)  
 for the Fiscal Year Ended March 31, 2003

Date:	May 26, 2003
Company name (code number):	Mitsubishi Tokyo Financial Group, Inc. (URL <a href="http://www.mtfg.co.jp">http://www.mtfg.co.jp</a> )
Stock exchange listings:	Tokyo, Osaka, New York, London
Headquarters:	Tokyo
Representative:	Shigemitsu Miki, President & CEO
For inquiry:	Katsuhiko Ishizuka, Chief Manager - (Phone) +81-3-3240-8211
Date of resolution of Board of Directors with respect to the consolidated financial statements:	May 26, 2003
Trading accounts:	Established

1. Consolidated financial data for the year ended March 31, 2003

(1) Operating results

	(in millions of yen except)
	For the year
	2003
Ordinary income	2,772,52
Change from the previous year	(15.
Ordinary profit (loss)	(360,26
Change from the previous year	(161,49
Net income (loss)	(161,49
Change from the previous year	(30,238.6
Net income (loss) per common share	(30,238.6
Net income per common and common equivalent share	
Net income (loss) as a percentage of shareholders' equity	(6.
Ordinary profit (loss) as a percentage of total liabilities,	(0.

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minority interest and shareholders' equity

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 Ordinary profit (loss) as a percentage of ordinary income (13.)  
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Notes:

1. Equity in earnings (loss) of affiliates  
 for the year ended:

March 31, 2003: (3,532) milli  
 March 31, 2002: (10,612) milli

2. Average number of shares outstanding for  
 the year ended:

March 31, 2003:	(common stock)	5,616,357 shares
	(preferred stock-class 1)	81,021 shares
	(preferred stock-class 2)	100,000 shares
March 31, 2002:	(common stock)	5,554,666 shares
	(preferred stock-class 1)	81,400 shares
	(preferred stock-class 2)	100,000 shares

3. Changes in accounting policy: No

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(2) Balance sheet highlights

(in millions of yen except per s

	As of March	
	2003	2002
Total assets	99,175,319	
Shareholders' equity	3,046,420	
Shareholders' equity as a percentage of total liabilities, minority interest and shareholders' equity		3.1%
Shareholders' equity per common share	417,951.31	
Risk-adjusted capital ratio (based on the standards of the Bank for International Settlements, the "BIS")	(preliminary basis)	10.84%

Note: Number of shares outstanding as of:

March 31, 2003:

(common stock)  
 (preferred stock-class 1)  
 (preferred stock-class 2)

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March 31, 2002:

(common stock)  
(preferred stock-class 1)  
(preferred stock-class 2)

(3) Cash flows

	(in millions of yen)
	For the year ended March 31, 2003
Net cash provided by (used in) operating activities	4,636,714
Net cash provided by (used in) investing activities	(2,124,823)
Net cash provided by (used in) financing activities	(186,820)
Cash and cash equivalents at end of fiscal year	4,049,530

(4) Scope of consolidation and application of the equity method

Consolidated subsidiaries: 184      Affiliated companies accounted for by  
the equity method: 31

(5) Change in the scope of consolidation and application of the equity method

Consolidated subsidiaries:                      Newly included: 13      Excluded: 15  
Affiliated companies accounted for by  
the equity method:                      Newly included: 1      Excluded: 7

2. Earning projections for the fiscal year ending March 31, 2004

	(in million yen)	
	Ordinary income	Ordinary profit
For the six months ending September 30, 2003	1,395,000	150,000
For the year ending March 31, 2004	2,880,000	370,000

Projected net income per common share for the year ending March 31, 2004 (yen):  
29,165.01

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Formulas for computing ratios for the fiscal year ended March 31, 2003 are as follows.

Net income per common share

Net income attributable to common shareholders

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Average number of common stock for the fiscal year \*

Net income per common and common equivalent share

Net income attributable to common shareholders + Adjustments in net income

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Average number of common stock for the fiscal year \* + Common equivalent share

Net income as a percentage of shareholders' equity

Net income attributable to common shareholders

-----x 100

{[Shareholders' equity at the beginning of the fiscal year - Number of preferred stock at the beginning of the fiscal year x Issue price] + [Shareholders' equity at fiscal year end - Number of preferred stock at fiscal year end x Issue price]} / 2

Shareholders' equity per common share

Shareholders' equity at fiscal year end - Deduction from shareholders' equity\*\*

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Number of common stock at fiscal year end \*

Note: Since the current fiscal year, MTFG has adopted Financial Accounting Standard No.2 "Accounting Standard for Earnings Per Share" issued by the Accounting Standards Board of Japan (the "ASBJ") on September 25, 2002 and Financial Accounting Standards Implementation Guidance No.4 "Implementation Guidance for Accounting Standard for Earnings Per Share" issued by the ASBJ on September 25, 2002.

Formula for computing projected earning ratio for the fiscal year ending March 31, 2004 is as follows.

Projected net income per common share

Projected net income attributable to common shareholders

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Number of common stock at fiscal year end \*

\* excluding treasury stock and parent's common stock owned by subsidiaries

\*\* number of preferred stock at fiscal year end x issue price + total dividends on preferred stock

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This financial summary report and the accompanying financial highlights contain forward looking statements and other information relating to the Company (such statements and information are hereafter referred to as 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 projections, views, policies, business strategies, targets, expectations, assumptions and evaluations with respect to general economic

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conditions, the result of its operations, its financial condition, its management in general and other future events.

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. Accordingly, they are inherently susceptible to uncertainties, risks and changes in circumstances and are not guarantees of future performance. The Company may not be successful in implementing its business strategy, and actual results may differ materially, for a wide range of possible reasons. Please see "3. Results of Operations and Financial Condition - (1) Results of operations."

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 disclaim 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.

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### 1. Information on the Company

The Company is engaged primarily in the banking business and also conducts trust business, securities business, asset management business and other related financial businesses.

The Company's corporate governance structure and its major subsidiaries are as follows:

General Meeting of Shareholders			
Corporate Auditor			
Board of Corporate Auditors			
Advisory Board		Board of Directors	Compliance Adviso
Chief Planning Officer		Executive Committee	Other Committees
Corporate Administration Division	Corporate Policy Division	Financial Policy Division	Corporate Risk Management Division
Matters relating to the General Meeting of Shareholders, executive secretaries, human resources and general affairs	Matters relating to business strategy and business planning	Matters relating to raising capital, financial strategy and investment management	Matters relating to risk management

Major subsidiaries

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## 2. Management Policy

### (1) Principal management policy

The Company's management philosophy set forth below represents the core set of principles that forms the foundation for our strategies and decision-making process.

#### (Group Management Philosophy)

Founded on the key principles of trust and reliability,  
Mitsubishi Tokyo Financial Group  
contributes to the prosperity of its customers at home and abroad  
and of the communities it serves, and  
continuously creates social and economic value,  
by providing comprehensive financial services.

### (2) Basic policy regarding profit distribution

Given the public nature of a bank holding company, in order to strengthen the Company's corporate constitution and continue sound management, the Company endeavors to maintain stable dividends while maintaining the Company's overall strength.

With respect to the annual dividends to be paid at the end of the period, the Company plans to reduce the dividends per common share by (Yen)2,000 to (Yen)4,000 in order to bolster the Company's capital structure and strengthen the financial condition.

With respect to the preferred stock dividends to be paid for the end of the period, the Company plans on the following: With respect to Class 1 Preferred Stock, a dividend in the amount of (Yen)41,250 (which together with the interim dividend previously paid will total (Yen)82,500 per share for the fiscal year) and with respect to Class 2 Preferred Stock, a dividend in the amount of (Yen)8,100 (which together with the interim dividend previously paid will total (Yen)16,200 per share for the fiscal year).

### (3) Basic policy relating to the possible lowering of the minimum investment amount

With regard to the lowering of the minimum investment amount with respect to the Company's stock, we do not believe the Company needs to take action immediately. The Company, however, will continue to consider the possibility of lowering the minimum investment amount to meet investors' needs, taking into account the level of stock price, the number of shareholders, liquidity issues and the transaction costs and potential benefits of such an adjustment.

### (4) Management targets/1/

The Company has set the following management targets for the year ended March 31, 2006:

#### 1. ROE

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The Company is aiming to increase its ROE/2/ with a target of over 13%.

### 2. BIS

The Company is aiming to manage its assets and capital efficiently with a target BIS ratio of approximately 12%.

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1 The assumptions for these targets are that in the year ending March 31, 2006 the Euro-yen rate (3 months): 0.6% (period average); yen-dollar exchange rate: (Yen)120 (at the end of the period); actual GDP growth rate: 1.8%

2 ROE is calculated as follows:

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

3. Consolidated Operating Profit (gyomu juneki) (adjusted to exclude write-down on trust accounts and additions to general reserve for loan losses): (Yen)1,140 billion.

4. Consolidated Net Income: The Company would like to achieve a consolidated net income of (Yen)460 billion.

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### (5) Medium term management strategy

Through a further reform of its profit structure, the Company seeks to build swiftly a business structure that can achieve stable growth.

In order to strive to achieve this target, the Company aims to restructure the business model of the entire group by shifting to a more consolidated and integrated management of the group.

In rebuilding the business model, Bank of Tokyo-Mitsubishi, Mitsubishi Trust and Banking and Mitsubishi Securities will seek to reallocate their resources, including personnel and facilities, to further enhance the expertise of each group company, and to create a structure that can provide customers with higher quality and more comprehensive financial services.

#### 1. Retail business: Strengthening strategy and improving efficiency

The Company plans to strengthen operations and raise efficiency in the growing retail business area. By developing strategies and through integrating operations group-wide, the Company aims to achieve rapid and customer-friendly delivery of the best products and services to each customer through efficient channels.

#### 2. Standardizing and integrating operations and systems



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The Company further develops the standardization and integration of office operations and systems, and pursues reduction of total group costs while maintaining a high level of functionality, quality and dependability.

### 3. Increasing expertise and operational efficiency

The Company plans to consolidate skills and functions within the group to further increase expertise and raise operational efficiency and productivity.

### (6) Issues facing the company

The Japanese economy is in a deflationary state and the business environment could remain unstable. In this environment, the Company is striving to improve its business results by promptly addressing its non-performing loan and shareholdings issues and moving towards an "aggressive" business strategy.

In accordance with the Financial Services Agency's policy of halving the non-performing loan ratio by the end of fiscal 2004, which is highlighted in their "Program for Financial Revival", the Company aims to promote the disposal of non-performing loans and the reduction of shareholdings in order to strengthen its balance sheet. The Company seeks to increase its profitability by increasing loan volume to creditworthy borrowers and improving the risk-adjusted returns on the lending business, by expanding the offerings of fee-generating value-added financial services in business areas such as commercial banking, asset management and investment banking, and by promoting cost efficiency through further streamlining the branch network and personnel structure while maintaining and improving customer convenience.

In order to effectively carry out these business objectives, the Company intends to implement a consolidated, group management structure, while enhancing the relationship and cooperation with its subsidiaries. The Company will also review and modify functions and roles among the Company and its subsidiaries within its consolidated management framework.

### (7) Corporate governance principles and status of implementation of corporate governance changes

(Corporate Governance Principles)

The "Group Management Philosophy" is the basic policy for forming management strategies and all activities relating to the business decisions the Company makes. The Company also established the "MTFG Code of Ethics" which is a set of common values and ethical principles to be shared by the employees of the Company. The Company is committed to improving the corporate governance structure through the implementation of the "Group Management Philosophy" and "MTFG Code of Ethics."

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(MTFG Code of Ethics)

### .. Establishment of Trust

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Fully cognizant of the importance of the Group's social responsibilities and public role, we strive to maintain unwavering trust from society through the sound and proper management of our business activities, based

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on the principle of accountability.

### .. Serving Our Clients First

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We recognize that the satisfaction of our clients and their confidence in MTFG form the foundation of the Group's very existence. As such, we endeavor to always provide our clients with the highest quality products and services best suited to their needs.

### .. Sound and Transparent Management

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We endeavor to manage our affairs in a sound and transparent manner by maintaining appropriate and balanced relationships with all stakeholders, including clients, shareholders and others, while assuring fair, adequate and timely disclosure of corporate information.

### .. Strict Observance of Laws, Regulations, and Internal Rules

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We are committed to strictly observing relevant laws, regulations, and internal rules and to acting with fairness and integrity in conformity with the common values of society at large. As a diversified global financial services group, we also make continuous efforts to operate in ways that reflect internationally accepted standards.

### .. Respect for Human Rights and the Environment

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We respect human rights and the environment and seek to co-exist in harmony with society.

### .. Disavowal of Anti-Social Elements

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We stand firmly against supporting the activities of any group or individual that unlawfully threatens public order and safety.

(Status of Implementation of Corporate Governance Changes)

#### 1. Corporate governance structures for decision making, administration and supervision

The Board of Directors of the Company is comprised of ten directors, two of whom are outside directors. The Board of Directors decides the administration of affairs of the Company and supervises execution of duties of the officers. The Company has a Board of Corporate Auditors pursuant to the Japanese Commercial Code. The Board of Corporate Auditors of the Company is comprised of five corporate auditors, two of whom are from outside the Company. Pursuant to the audit policies and plans adopted by the Board of Corporate Auditors, each corporate auditor oversees the execution of duties by the officers by attending meetings, including the Board of Directors meetings, and by reviewing business performance and financial conditions of the Company.

Corporate Administration Division provides staffing support to all directors and corporate auditors, including the outside directors and outside corporate auditors.

Pursuant to the basic policies adopted by the Board of Directors, the Executive Committee comprised of the Chairman, President and three Senior Managing Directors, deliberates on and decides important management affairs of the Company.

The Company has also set up various committees, including five committees that serve as advisory bodies to the Executive Committee, the Compliance Advisory Committee comprised of external lawyers and accountants and the Advisory Board comprised of outside experts.

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- .. Management Planning Committee: The Management Planning Committee  
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deliberates on and follows up on overall group policies, capital policies and financial planning. The committee convenes on a quarterly basis.
- .. Business Planning Committee: The Business Planning Committee deliberates on  
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general management affairs and important issues related to business operations of the Company. The committee convenes as needed.
- .. Corporate Risk Management Committee: The Corporate Risk Management Committee  
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deliberates on important matters relating to risk management of the Company. The committee convenes on a quarterly basis.
- .. Audit & Compliance Committee: The Audit & Compliance Committee deliberates  
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on important matters relating to internal audits and legal compliance. The committee convenes on a quarterly basis.
- .. Disclosure Committee: The Disclosure Committee deliberates on the accuracy  
-----  
of disclosure and internal disclosure standards of the Company. The committee convenes at least four times a year.
- .. Compliance Advisory Committee: The Compliance Advisory Committee makes  
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compliance related proposals and advice to the Board to improve the effectiveness of the Company's compliance activities from an independent standpoint. The committee convenes on a quarterly basis.
- .. Advisory Board: The Advisory Board advises the Executive Committee on  
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all aspects of management from an independent standpoint. The committee convenes semi-annually.

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The Company's framework of operation and audit and the framework of internal control are as follows:

Shareholders (Overseas/Domestic, Institutional/Individual)				
Mitsubishi Tokyo Financial Group, Inc.				
Proposal/Advice				
Compliance Advisory Committee	Board of Directors	Board of Corporate Auditors		
	Outside Directors	Outside Auditors		
Advisory Board	Executive Committee	Other Committees		
Advice	Advice			
Corporate	Corporate	Financial	Corporate Risk	Audit &

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Administration Division	Policy Division	Policy Division	Management Division	Compliance Division
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The Company receives advice from external lawyers and accountants, if needed for execution of duties.

2. Summary of related party transactions between the company and outside corporate auditors and outside directors

The outside directors and outside corporate auditors have no personal ties with other directors and corporate auditors, and do not have related party transactions which are material or that are unusual in their nature or conditions with the Company.

Ryotaro Kaneko, an outside director, also serves as President of Meiji Life Insurance Company, with which the Company has a business relationship. Kunio Ishihara, an outside director, also serves as President of Tokio Marine & Fire Insurance Co., Ltd., with which the Company has a business relationship.

3. Implementation of measures to strengthen the corporate governance structure in the fiscal year ended March 2003

During fiscal year 2002, the Board of Directors met 15 times to decide the administration of affairs, and the Executive Committee met 44 times to deliberate on and decide important management affairs. The Board of Corporate Auditors met 20 times and decided audit policies and plans for the fiscal year. Pursuant to the audit policies and plans, each corporate auditor oversaw the execution of duties by the officers by attending key meetings, including the Board of Directors meetings, and by reviewing the business performance and financial conditions of the Company.

The Management Planning Committee and the Business Planning Committee each met three times during fiscal year 2002, and the Corporate Risk Management Committee and the Audit & Compliance Committee each met quarterly during fiscal year 2002, and all advised the Executive Committee. The Compliance Advisory Committee met quarterly during fiscal year 2002 and advised and made proposals to the Board. The Advisory Board met twice during fiscal year 2002 and advised the Executive Committee. The Disclosure Committee was established in May 2003, and has not met yet.

During fiscal year 2002, the Company took active steps with respect to the disclosure of corporate information, including public disclosure of quarterly financial information starting July, 2002, issuance of "Mini-Disclosure" reports for individual customers and disclosure of corporate information of the Company on its website.

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3. Results of Operations and Financial Condition

- (1) Results of operations

Although the European and United States economy began a recovery trend from the first half of the fiscal year, uncertainty about the future grew afterwards as international tensions heightened. During this period, steady economic growth continued in Asian countries, lead by China, supported by strong domestic demand in addition to strong exports. On the other hand, our economy in Japan showed signs of recovery lead by exports in the first half of the fiscal year but

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weakened in the latter half due to low levels of capital expenditures and individual consumption. Further, consumer prices continued to fall as deflation continued.

Regarding the financial environment during the fiscal year, the federal fund interest rate was reduced from 1.75% to 1.25% in the United States, and in Europe the interest rate was reduced twice. Furthermore, the Bank of Japan supplied more monetary liquidity and also began purchasing equity securities held by banks in September last year. During this time, short term interest rates remained near zero percent and long term interest rates markedly decreased. Moreover, stock prices were generally low throughout the fiscal year, and the yen appreciated against the U.S. dollar starting out at the beginning of the fiscal year in the (Yen)130 per U.S. dollar range and breaking below (Yen)120 per U.S. dollar by the end of the fiscal year.

The Company's consolidated gross profits were (Yen)1,747.3 billion, an increase of (Yen)35.6 billion over the previous fiscal year. There was a reduction in net interest income as loan volume decreased and a decrease in trust fees that resulted from transferring asset management operations to The Master Trust Bank of Japan, Ltd., which was jointly established by life insurance companies and trust banks, which was more than off set by increases in net fees and commissions and profits from treasury operations.

General and administrative expenses were (Yen)991.2 billion, which appears on its face to be a (Yen)24.3 billion increase over the previous fiscal year but in fact was a result of our newly consolidating Mitsubishi Securities Co., Ltd. as a subsidiary during the fiscal year. If the impact of that transaction is excluded, the Company's general and administrative expenses decreased (Yen)31.4 billion from the previous fiscal year.

Provision for formula allowance for loan losses was (Yen)38.2 billion, remaining similar level to the previous fiscal year. Although the discounted cash flow method of determining reserves for claims under close observation was made mandatory from this fiscal year, since the Company had already implemented the method the Company unaffected by the change.

With respect to credit related costs, losses on loan charge-offs and provision for specific allowance for loan losses decreased (Yen)301.0 billion, and total credit costs including provision for formula allowance for loan losses were (Yen)538.7 billion, fitting within the (Yen)764.2 billion of net business profits before credit related costs. On the other hand, since we maximized the acceleration of loan sales to the Resolution and Collection Corporation (the "RCC") seeking the final disposal of problem loans, and sold approximately (Yen)650 billion of loans on a book value basis, losses on the Company's sales to the RCC amounted to (Yen)75.2 billion. As a result of such aggressive dispositions, our consolidated risk-monitored loans decreased by (Yen)1,477.1 billion, a 37% decrease from the previous fiscal year to (Yen)2,569.4 billion. As a result of the sharp decline in stock prices, net losses on equity securities increased by (Yen)263.1 billion from the previous fiscal year to (Yen)488.0 billion primarily due to write-downs of equity securities of (Yen)348.7 billion. The Company also continued aggressive sales to an exchange-traded fund and as a result, recorded (Yen)219.6 billion of losses on sales of equity securities.

As a result of the above, ordinary loss were (Yen)360.2 billion and net loss, after income tax benefit (including deferred income taxes) of (Yen)181.1 billion, was (Yen)161.4 billion.

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In addition, ordinary loss by business segment is as follows: Banking segment was (Yen)156.3 billion, Trust Banking segment was (Yen)169.3 billion, and Securities segment was (Yen)34.1 billion. By geographic segment, whereas in North America, Europe/Middle East, Asia/Oceania excluding Japan, the Company recorded ordinary profit, in Japan and Latin America, the Company recorded ordinary loss.

During the next fiscal year, the Company believes that there will be little

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recovery in the economy. Interest rates will continue to be at their low levels and financial demand will continue to be weak. The Company seeks to increase its volume as well as interest spread (under the "Revitalizing the Lending Business Project") and increase income from lending business as well as strive to strengthen the fee income business. The Company believes that its efforts to aggressively dispose of problem loans will continue to reap positive results and credit related costs are declining. As a result of reducing the Company's stock holdings and exposure to stock price fluctuations, the Company believes that it will be able to reduce its losses on equity securities.

Taking into considerations these assumptions, we have the following projections for the year ending March 31, 2004.

Consolidated ordinary income	Consolidated ordinary profit	Consolidated net income
(Yen)2,880,000 million	(Yen)370,000 million	(Yen)190,000 million

(Reference)

1. Projected net income per common share (consolidated)		(Yen)29,
2. Projected net income per common share (non-consolidated)		(Yen)5,
3. Projected dividend per share (non-consolidated)	Common stock	(Yen)4,
	Preferred stock-class 1	(Yen)82,
	Preferred stock-class 2	(Yen)16,

The Company's business and results of operations may be materially affected for a wide range of possible reasons (which may include those material to investors), including:

- .. Deterioration of economic conditions in Japan or elsewhere in the world (especially in Asian and Latin American countries);
- .. Increase of problem loans and credit-related expenses;
- .. Further decline in stock prices in Japan or elsewhere in the world;
- .. Possible negative effects of other companies' efforts to reduce their shareholdings;
- .. Inability to maintain BIS capital ratios above minimum levels;
- .. Increase in competitive pressures;
- .. Decline in the results of operations and financial conditions of the Company's subsidiaries;
- .. Risks relating to trading and investment activities;
- .. Downgrade of the Company's credit ratings and the negative effect on the Company's treasury operations;

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- .. Fluctuations in foreign currency exchange rates;
- .. Changes in interest rates in Japan or elsewhere in the world;
- .. Risks relating to the increase in corporate credibility issues;
- .. Events that obligate the Company to compensate for losses in loan trusts and jointly operated designated money trusts;
- .. Risks accompanying the expansion of the Company's operation and the range of products and services;
- .. Ineffectiveness or failure of the Company's business strategies;
- .. Risks relating to the increase of the Company's pension obligations;
- .. Imposition of bank taxes or introduction of new taxes applicable to banks;
- .. Risks relating to regulatory developments or changes in laws, rules, including accounting rules, governmental policies and economic controls; and
- .. Risks inherent in the Company's holding company structure.

For a detailed discussion of these risks and other risks, please see the Company's public filings.

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### (2) Financial condition

Loans and bills discounted decreased (Yen)2,112.4 billion from the previous fiscal year end due to decreased overseas loans reflecting the stronger yen and final disposal of problem loans. Of the total decrease, overseas branches and subsidiaries accounted for (Yen)1,292.6 billion, disposal of problem loans accounted for (Yen)486.9 billion and charge-offs during the fiscal year accounted for (Yen)292.5 billion. As a result of aggressively promoting housing loans with an interest rate of 1%, housing loans increased (Yen)565.1 billion. As a result of acceleration of final disposal of problem loans, the problem loan ratio decreased from 8.1% to 5.3% and the Company is now getting closer to its 4% objective, which, if achieved, would be a reduction by half of the Company's problem loans.

Investment securities, primarily Japanese Government Bonds and foreign bonds, increased as a whole, but domestic equity securities decreased by (Yen)1,907.2 billion from the previous fiscal year end to (Yen)3,231.3 billion as a result of aggressive selling efforts and strict write downs relating to domestic equity securities.

Deferred tax assets increased by (Yen)330.5 billion from the previous fiscal year end, expecting an increase in tax savings in the future due to the adoption of consolidated corporate-tax system.

On the other hand, deposits increased by (Yen)2,716.9 billion from the previous fiscal year end mainly as a result of an increase in domestic individual deposits.

Total shareholders' equity decreased by (Yen)278.0 billion from the previous fiscal year end to (Yen)3,046.4 billion. Although we raised (Yen)223.1 billion through a public offering, total shareholders' equity decreased by (Yen)278.0 billion due to a net loss of (Yen)161.4 billion and a decrease in unrealized gains on securities available for sale of (Yen)307.4 billion.

Cash flows from operating activities recorded an increase of (Yen)4,636.7 billion primarily due to an increase in deposits, but cash flows from investing activities recorded a decrease of (Yen)2,124.8 billion primarily due to the

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purchases of investment securities. Cash flows from financing activities recorded a decrease of (Yen)186.8 billion primarily due to the redemption of subordinated bonds, which was partially off set by proceeds through public offering. As a result of the above, cash and cash equivalents at end of the fiscal year was (Yen)4,049.5 billion.

As a result of our efforts to bolster our capital and improve the risk-adjusted capital ratio by conducting a public offering of common stock as well as a secondary offering of common stock owned by the Company's subsidiary banks in March 2003, as of March 31, 2003 the Company's Tier I capital was (Yen)3,128.6 billion, an increase of (Yen)75.5 billion from September 30, 2002. Risk-adjusted assets declined by (Yen)2,140.6 billion from September 30, 2002 to (Yen)55,049.6 billion primarily due to removal of problem loans from balance sheet and disposal of stock holdings.

As a result, consolidated risk-adjusted capital ratio (based on the standards of the BIS) at March 31, 2003 was 10.84%, a 0.34% increase from September 30, 2002. The trend of consolidated risk-adjusted capital ratio for the fiscal year ended March 31, 2003 is as follows:

	(in billions of yen except Ma		
	March 31, 2002	September 30, 2002	Ma
Tier I capital	3,181.1	3,053.1	
Tier II capital (*)	3,145.3	2,942.8	
Tier III capital (*)	-	29.8	
Deductions from total qualifying capital	105.9	23.7	
Total qualifying capital	6,220.5	6,002.0	
Risk-adjusted assets	60,335.8	57,190.3	
Consolidated risk-adjusted capital ratio (based on the standards of the BIS)	10.30%	10.49%	

(\*) Tier II capital 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 March 31,
(in millions of yen)	2003 (A)      2002



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Assets:

Cash and due from banks	8,235,754	6,42
Call loans and bills bought	551,357	1,30
Receivables under resale agreements	482,776	1,04
Receivables under securities borrowing transactions	2,475,841	
Commercial paper and other debt purchased	500,614	46
Trading assets	5,612,937	5,34
Money held in trust	415,558	30
Investment securities	24,158,330	23,10
Allowance for losses on investment securities	(2,067)	(
Loans and bills discounted	46,950,363	49,06
Foreign exchanges	609,944	56
Other assets	3,213,143	5,65
Premises and equipment	988,407	98
Deferred debenture discounts and other costs	9	
Deferred tax assets	1,362,692	1,03
Deferred tax assets on land revaluation loss	1,593	
Customers' liabilities for acceptances and guarantees	4,915,353	5,87
Allowance for loan losses	(1,297,292)	(1,65

---

Total assets	99,175,319	99,49
--------------	------------	-------

---

Liabilities:

Deposits	62,624,363	59,90
Negotiable certificates of deposit	4,045,901	3,20
Debentures	636,060	2,27
Call money and bills sold	3,740,653	3,97
Payables under repurchase agreements	3,162,054	3,51
Payables under securities lending transactions	3,883,443	
Commercial paper	763,208	79
Trading liabilities	1,567,512	66
Borrowed money	1,512,729	1,84
Foreign exchanges	532,947	51
Short-term corporate bonds	10,000	
Bonds and notes	3,546,979	3,40
Convertible bonds	--	24
Bonds with warrants	50,528	
Due to trust account	1,401,617	2,28
Other liabilities	3,163,552	7,24
Reserve for employees' bonuses	17,028	1
Reserve for employees' retirement benefits	36,976	2
Reserve for losses on real estate-collateralized loans sold	--	
Reserve for expenses related to EXPO 2005 Japan	50	
Reserves under special laws	799	
Deferred tax liabilities	60,836	4
Deferred tax liabilities on land revaluation excess	133,649	12
Acceptances and guarantees	4,915,353	5,87

---

Total liabilities	95,806,248	95,97
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Minority interest

322,650	19
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Shareholders' equity:

Capital stock	1,258,052	1,14
Capital surplus	932,016	83
Retained earnings	962,347	1,18
Land revaluation excess	195,418	20
Unrealized gains (losses) on securities available for sale	(223,432)	8
Foreign currency translation adjustments	(73,499)	(2
Less treasury stock	(4,482)	(10

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Total shareholders' equity	3,046,420	3,32
Total liabilities, minority interest and shareholders' equity	99,175,319	99,49

See Notes to Consolidated Financial Statements.

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(Japanese GAAP)

Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries

Consolidated Statements of Operations

		200
(in millions of yen)		
Ordinary income:		
Interest income:		
Interest on loans and discounts		1,0
Interest and dividends on securities		3
Interest on call loans and bills bought		
Interest on receivables under resale agreements		
Interest on receivables under securities borrowing transactions		
Interest on due from banks		
Other interest income		1
Total interest income		1,6
Trust fees		1
Fees and commissions		4
Trading profits		
Other business income		2
Other ordinary income		1
Total ordinary income		2,7
Ordinary expenses:		
Interest expense:		
Interest on deposits		2
Interest on debentures and amortization of debenture discounts		
Interest on negotiable certificates of deposit		
Interest on call money and bills sold		
Interest on payables under repurchase agreements		
Interest on payables under securities lending transactions		
Interest on commercial paper		
Interest on borrowed money		
Interest on short-term corporate bonds		
Interest on bonds and notes		
Amortization of bond discounts		
Interest on convertible bonds		
Interest on bonds with warrants		
Other interest expense		1

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Total interest expense	6
Fees and commissions	
Trading losses	
Other business expenses	1
General and administrative expenses	1,0
Other ordinary expenses:	
Provision for allowance for loan losses	1
Other	1,1
-----	
Total other ordinary expenses	1,2
-----	
Total ordinary expenses	3,1
-----	
Ordinary loss	(3
-----	
Special gains:	
Gains on sales of premises and equipment	
Gains on loans charged-off	
Other special gains	
-----	
Total special gains	
-----	
Special losses:	
Losses on sales of premises and equipment	
Provision for reserve for contingent liabilities from brokering of securities transactions	
Other special losses	
-----	
Total special losses	
-----	
Loss before income taxes and others	(3
-----	
Income taxes-current	
Income taxes-deferred	(2
Minority interest	
-----	
Net loss	(1
-----	

See Notes to Consolidated Financial Statements.

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(Japanese GAAP)

Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries

Consolidated Statement of Capital Surplus and Retained Earnings

(in millions of yen)

Balance of capital surplus at beginning of fiscal year

Increase:

    Issuance of common stock due to capital increase

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Decrease:

Losses on sales of treasury stock, net of income taxes

-----  
Balance of capital surplus at end of fiscal year  
-----

Balance of retained earnings at beginning of fiscal year

Increase:

Change in ownership percentage to a consolidated subsidiary  
due to stock repurchase by the subsidiary

Decrease in companies accounted for by the equity method

Decrease:

Net loss

Cash dividends

Bonuses to directors of consolidated subsidiaries

Reduction in land revaluation excess

Change in ownership percentage to consolidated subsidiaries and

a company accounted for by the equity method due to their merger

Increase in consolidated subsidiaries and companies accounted for

by the equity method

-----  
Balance of retained earnings at end of fiscal year  
-----

See Notes to Consolidated Financial Statements.

Consolidated Statement of Retained Earnings

-----  
(in millions of yen)  
-----

Balance of retained earnings at beginning of fiscal year

Increase:

Reduction in land revaluation excess

Increase in companies accounted for by the equity method

Decrease:

Cash dividends

Bonuses to directors of consolidated subsidiaries

Change in ownership percentage to consolidated subsidiaries and

companies accounted for by the equity method due to business combination

Net loss

-----  
Balance of retained earnings at end of fiscal year  
-----

See Notes to Consolidated Financial Statements.

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(Japanese GAAP)

Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries

## Consolidated Statements of Cash Flows

	For t
(in millions of yen)	2003 (A)
<hr/>	
Cash flows from operating activities:	
Loss before income taxes and others	(340,7
Depreciation	86,2
Goodwill amortization	(3,9
Equity in loss (earnings) of affiliates	3,5
Increase (decrease) in allowance for loan losses	(355,0
Increase (decrease) in allowance for losses on investment securities	5
Increase (decrease) in reserve for losses on real estate-collateralized loans sold	(7,5
Increase (decrease) in reserve for employees' bonuses	7
Increase (decrease) in reserve for employees' retirement benefits	2
Increase (decrease) in reserve for expenses related to EXPO 2005 Japan	
Interest income recognized on statement of operations	(1,691,6
Interest expenses recognized on statement of operations	634,5
Investment securities losses (gains)	400,8
Losses (gains) on money held in trust	7,4
Foreign exchange losses (gains)	(32,7
Losses (gains) on sales of premises and equipment	20,6
Net decrease (increase) in trading assets	100,8
Net increase (decrease) in trading liabilities	848,3
Adjustment of unsettled trading accounts	(601,3
Net decrease (increase) in loans and bills discounted	1,668,9
Net increase (decrease) in deposits	3,077,7
Net increase (decrease) in negotiable certificates of deposit	863,8
Net increase (decrease) in debentures	(1,639,5
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	(304,0
Net decrease (increase) in due from banks (excluding cash equivalents)	477,5
Net decrease (increase) in call loans and bills bought and others	1,208,5
Net decrease (increase) in receivables under securities borrowing transactions	(217,2
Net increase (decrease) in call money and bills sold and others	(695,5
Net increase (decrease) in commercial paper	(75,4
Net increase (decrease) in payables under securities lending transactions	475,2
Net decrease (increase) in foreign exchanges (assets)	(49,1
Net increase (decrease) in foreign exchanges (liabilities)	19,0
Net increase (decrease) in issuance and redemption of short-term corporate bonds	10,0
Net increase (decrease) in issuance and redemption of unsubordinated bonds and notes	401,5
Net increase (decrease) in due to trust account	(880,6
Interest income (cash basis)	1,772,6
Interest expenses (cash basis)	(718,0
Other	215,2
<hr/>	
Sub-total	4,681,8
Income taxes	(45,1
<hr/>	

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Net cash provided by (used in) operating activities	4,636,7
Cash flows from investing activities:	
Purchases of investment securities	(44,807,1
Proceeds from sales of investment securities	27,103,1
Proceeds from maturities of investment securities	15,702,2
Increase in money held in trust	(162,4
Decrease in money held in trust	64,0
Purchases of premises and equipment	(42,7
Proceeds from sales of premises and equipment	19,0
Purchases of equity of newly consolidated subsidiaries	(9
	-----
Net cash provided by (used in) investing activities	(2,124,8
Cash flows from financing activities:	
Increase in subordinated borrowings	116,0
Decrease in subordinated borrowings	(137,8
Increase in subordinated bonds and notes and convertible bonds	
Increase in subordinated bonds and notes and bonds with warrants	189,7
Decrease in subordinated bonds and notes and convertible bonds	
Decrease in subordinated bonds and notes and bonds with warrants	(625,8
Proceeds from issuance of common stock	223,1
Proceeds from issuance of common stock to minority shareholders	16,1
Dividend paid by the parent	(46,7
Dividend paid by subsidiaries to minority shareholders	(3,4
Purchases of treasury stock	(9
Proceeds from sales of treasury stock	82,9
	-----
Net cash provided by (used in) financing activities	(186,8
	-----
Effect of exchange rate changes on cash and cash equivalents	(48,5
	-----
Net increase (decrease) in cash and cash equivalents	2,276,5
Cash and cash equivalents at beginning of fiscal year	1,741,7
Increase in cash and cash equivalents due to consolidation of new subsidiaries	34,8
Decrease in cash and cash equivalents due to deconsolidation of subsidiaries	(3,6
	-----
Cash and cash equivalents at end of fiscal year	4,049,5
	-----

See Notes to Consolidated Financial Statements.

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### Notes to Consolidated Financial Statements

Notes related to the Consolidated Balance Sheet as of March 31, 2003 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 and practices generally accepted in Japan, which are different in certain respects as compared to the application and disclosure requirements of International Accounting Standards. The Consolidated Balance Sheet is not intended to present the financial position in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan. For the convenience of readers,

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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 securities and monetary claims purchased for trading purposes are stated at market value at fiscal year end. Trading-related financial derivatives such as swaps, futures or options are stated at the estimated amounts that would be received or paid for settlement if such transactions were terminated at 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 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.

### 4. Securities in Money Held in Trust

Securities included in Money held in trust 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.

### 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	5 years to 20 years

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

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### 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 years.

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### 8. Discounts of Debentures and Bonds, and Issuance Costs of Bonds and Stock

Discounts of debentures and bonds are deferred and amortized using the straight-line method over the lives of the debentures and bonds. Issuance costs of bonds and stock are 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 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.

In the previous fiscal year, MTFG's domestic consolidated subsidiaries had adopted the Industry Audit Committee Report No.20, "Temporary Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in the Banking Industry", issued by the Japanese Institute of Certified Public Accountants (the "JICPA") on November 14, 2000. Since the current fiscal year, however, MTFG's domestic consolidated subsidiaries have adopted the Industry Audit Committee Report No.25, "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in the Banking Industry", issued by the JICPA on July 29, 2002.

In the current fiscal year, as MTFG's domestic consolidated subsidiaries have adopted the transitional applications described in the Industry Audit Committee Report No.25, "fund swap transactions", "currency swap transactions" and "treatment of internal contract method and intercompany transactions" are accounted for in the same method as before. The translation difference of forward exchange transactions and other relevant transactions are presented with the net balance of the related asset or liability.

For fund swap transactions of MTFG's domestic consolidated subsidiaries, the amounts on the balance sheet are net yen-conversions of the principal equivalents of assets and liabilities using the fiscal-year-end exchange rate. Differences between spot and forward rates in fund swap transactions are recorded in interest income or expense on an accrual basis for the period from the settlement date of spot foreign exchange to the settlement date of forward foreign exchange. Therefore, accrued interest income or expenses are recognized at fiscal year end.

Fund swap transactions are foreign exchange swaps, and consist of spot foreign exchange either bought or sold and forward foreign exchange either sold or bought. Such transactions are contracted for the purpose of funds lending or borrowing in a different currency. Fund swap transactions are used to convert the principal equivalent amount into spot foreign exchange bought or sold with regard to the corresponding funds borrowing or lending. Also, such transactions convert the corresponding principal equivalents and foreign currency equivalents to pay and receive, whose amounts and due dates are predetermined at the time of the transactions, into forward foreign exchange either bought or sold.

For currency swap transactions which are for the purpose of funds borrowing/lending in different currencies and for which spot/forward are flat type, which means that paying or receiving amounts at the time of the currency swap contract are equal to receiving or paying amounts at the currency swap maturity dates and the swap rate applied to principal and interest is the current market rate (including the currency swap transactions which are that the principal amount of one counterparty is revised in order to reflect each exchange rate at interest payment dates and are judged as spot/forward flat type for each interest payment date), the amounts on the balance sheet are net



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positions of financial asset and liability equivalents translated by using the fiscal-year-end exchange rate. The equivalent amounts of interest to exchange are recorded in interest income or expense on an accrual basis for the corresponding contract period. Therefore, accrued interest income or expenses are recognized at fiscal year end.

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

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### 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.

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 (Yen)711,669 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

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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 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.

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### 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. Method of Hedge Accounting

The method of hedge accounting is a "Macro Hedge" in which MTFG's domestic banking subsidiary and trust banking subsidiary manage interest rate risks as a whole arising from various financial assets and liabilities with derivatives transactions in conformity with the transitional applications described in the Industry Audit Committee Report No.24, "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry", issued by the JICPA on February 13, 2002. They apply risk adjustment approaches based on the Industry Audit Committee Report No.15, "Temporary Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry", issued by the JICPA on February 15, 2000. The effectiveness of the macro hedge is reviewed for a reduction in interest rate risk exposure and for the actual risk amount of derivatives within the permitted risk amount under their risk control policies.

They also apply deferral hedge accounting to the exchange risk of equity securities of affiliated companies in foreign currency and fair value hedge accounting to the exchange risk of securities available for sale in foreign currency (other than bonds) as "portfolio hedges" defined under "Accounting Standard for Financial Instruments" when the hedged foreign currency securities are specified prior to the inception of the transaction and spot and forward liabilities exist on a foreign currency basis that exceed acquisition costs of the foreign currency securities designated as hedged items.

Other consolidated subsidiaries apply deferral hedge accounting, fair value hedge accounting or exceptional treatments permitted for interest rate swaps for certain assets and liabilities.

### 16. Consumption Taxes

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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.

### 17. 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 to be held in Aichi Prefecture in 2005. The reserve is provided pursuant to Article 287-2 of the Commercial Code and includes the allowance provided pursuant to Article 68-52 of the Special Taxation Measures Law.

### 18. 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 (Yen)58 million was provided.

Pursuant to Article 51 of the Securities and Exchange Law, a reserve for contingent liabilities from brokering of securities transactions of (Yen)741 million was provided.

### 19. Consolidated Corporate-tax System

Since the current fiscal year, MTFG and certain domestic consolidated subsidiaries have adopted consolidated corporate-tax system, with MTFG being a parent company under the system.

### 20. Due from Directors of MTFG

Due from directors of MTFG was (Yen)86 million.

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### 21. Accumulated Depreciation

Accumulated depreciation on premises and equipment was (Yen)639,823 million.

### 22. Accumulated Deferred Gains on Sales of Real Estate

Accumulated deferred gains on sales of real estate of (Yen)59,433 million were deducted from the acquisition cost of newly acquired premises and equipment.

### 23. Leased Equipment

A portion of equipment, including computer equipment, used under lease agreements is not reflected on the Consolidated Balance Sheet.

### 24. Nonaccrual Loans

Loans to customers in bankruptcy and past due loans are included in Loans and bills discounted, and the amounts were (Yen)96,530 million and (Yen)1,208,106 million, respectively. The amount of past due loans included loans of (Yen)22,634 million entrusted through the managed trust method to the Resolution and Collection Corporation, which facilitates the removal of problem loans from balance sheet.

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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.

### 25. 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 (Yen)20,399 million. Loans classified as loans to customers in bankruptcy or past due loans are excluded.

### 26. Restructured Loans

Restructured loans are included in Loans and bills discounted, and the amount was (Yen)1,244,431 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.

### 27. 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 (Yen)2,569,468 million. The amount of past due loans included loans of (Yen)22,634 million entrusted through the managed trust method to the Resolution and Collection Corporation, which facilitates the removal of problem loans from balance sheet.

The amounts reflected in notes 24. to 27. represent the gross receivable amounts prior to reduction for the allowance for loan losses.

### 28. 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 (Yen)839,582 million.

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### 29. Assets Pledged

Assets pledged as collateral were as follows:

Cash and due from banks	(Yen)3,443 million
Trading assets	(Yen)138,398 million
Investment securities	(Yen)1,512,280 million
Loans and bills discounted	(Yen)1,565,131 million

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Premises and equipment (Yen)5,391 million

Liabilities related to the pledged assets were as follows:

Deposits	(Yen)192,829 million
Call money and bills sold	(Yen)1,449,700 million
Borrowed money	(Yen)277,403 million
Other liabilities	(Yen)60 million
Acceptances and guarantees	(Yen)3,611 million

In addition, Cash and due from banks of (Yen)217,213 million, Trading assets of (Yen)2,982 million, Investment securities of (Yen)2,596,994 million, Loans and bills discounted of (Yen)225,072 million and Other assets of (Yen)50,129 million were pledged as collateral for settlement of exchange or derivatives transactions or as valuation margin.

Trading assets of (Yen)1,998,660 million and Investment securities of (Yen)3,771,579 million were sold under repurchase agreements or lent under secured lending transactions, and Payables under repurchase agreements of (Yen)2,731,579 million and Payables under securities lending transactions of (Yen)2,307,636 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 (Yen)22,841 million.

### 30. Land Revaluation Excess

Pursuant to the Law concerning Revaluation of Land, promulgated on March 31,1998 and revised on March 31,2001, 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:	
Domestic banking subsidiary	March 31, 1998
Domestic trust banking subsidiary	March 31, 2002
Other domestic subsidiaries	December 31, 2001

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 Article 5 of the Law.

Difference between total revalued carrying amount and total fair value of lands revalued pursuant to Article 10 of the law at fiscal year end was (Yen)127,191 million.

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

31. Subordinated Borrowings

Subordinated borrowings of (Yen)770,607 million were included in Borrowed money.

32. Subordinated Bonds

Subordinated bonds of (Yen)1,552,437 million were included in Bonds and notes.

33. 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 (Yen)850,217 million and (Yen)1,560,989 million, respectively.

34. Net Assets per Common Share

Net assets per common share were (Yen)417,951.31.

35. 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 temporary at 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

36. 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 37. to 39.

Trading securities	
Balance sheet amount	(Yen)4,829,854 million
Valuation gains included in Loss before income taxes and others	(Yen)981 million

Marketable debt securities being held to maturity

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	Balance sheet amount	Market value	Differences	(in millions) Gains
Domestic bonds	192,446	203,873	11,427	11,427
Municipal bonds	122,238	129,778	7,539	7,539
Corporate bonds	70,207	74,095	3,887	3,887
Other securities	273,535	278,068	4,533	4,534
Foreign bonds	65,886	70,419	4,533	4,534
Other	207,649	207,649	-	-
<hr/>				
Total	465,981	481,942	15,960	15,961

Marketable securities available for sale

	Cost	Balance sheet amount	Valuation differences	(in millions) Gains
Domestic equity securities	3,517,001	3,089,757	(427,244)	191,051
Domestic bonds	12,150,041	12,271,912	121,780	124,182
Government bonds	10,490,464	10,592,432	101,968	103,523
Municipal bonds	431,003	439,162	8,159	8,184
Corporate bonds	1,228,573	1,240,316	11,742	12,474
Other securities	8,191,174	8,253,913	62,738	191,220
Foreign equity securities	19,813	34,455	14,642	15,072
Foreign bonds	6,821,736	6,968,748	147,012	158,634
Other	1,349,624	1,250,708	(98,916)	17,513
<hr/>				
Total	23,858,217	23,615,582	(242,635)	506,454

Valuation differences, net of (Yen)20,937 million of related deferred tax assets, were (Yen) (221,697) million. Net valuation differences, excluding minority interest of (Yen)2,200 million and adding MTFG's ownership percentage of affiliates' unrealized gains on securities available for sale of (Yen)465 million, were (Yen) (223,432) million and were included in Unrealized gains (losses) on securities available for sale.

37. Securities Available for Sale Sold

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

Proceeds from sales	Gains	(in millions) Losses
(Yen)27,610,331	(Yen)252,510	(Yen)280,803

38. Securities Not Stated at Market Value

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

Balance sheet amount

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Debt Securities being held to maturity	
Foreign bonds	(Yen)22,193 million
Securities available for sale	
Domestic equity securities	(Yen)121,170 million
Domestic corporate bonds	(Yen)310,530 million
Foreign bonds	(Yen)43,877 million

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### 39. Redemption Schedule of Bonds

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

	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due af 10 ye
	(in millions)			
Domestic bonds	3,186,171	6,736,050	2,568,077	290,6
Government bonds	2,785,137	5,188,677	2,329,234	289,3
Municipal bonds	63,063	378,861	125,528	
Corporate bonds	337,970	1,168,511	113,314	1,2
Other bonds	836,527	4,948,255	1,169,706	1,230,5
Foreign bonds	508,719	4,726,113	1,101,419	738,5
Other	327,808	222,141	68,287	492,0
<hr style="border-top: 1px dashed black;"/>				
Total	4,022,698	11,684,306	3,737,783	1,521,2

### 40. Money Held in Trust

Classification of Money held in trust was as follows:

Money held in trust for trading purposes	
Balance sheet amount	(Yen)309,800 million
Valuation losses included in Loss before income taxes and others	(Yen)(9,024) million
Other Money held in trust	

Cost	Balance sheet amount	Valuation differences	Gains	Losses
(Yen)105,757	(Yen)105,757	-	-	-

### 41. Securities Lent/Borrowed

Unsecured securities lent for which borrowers have rights of sale or pledge were included in Investment securities and the amount was (Yen)49,850 million. Securities lent for which borrowers have rights of pledge but no rights of sale were included in Investment securities and the amount were (Yen)43 million.

With respect to borrowed securities and purchased securities under resale agreements that are permitted to be sold or pledged, (Yen)2,857,893 million were pledged, (Yen)733,461 million were lent and (Yen)3,210,568 million were held at hand at this fiscal year end.



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### 42. 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 (Yen)29,033,916 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.

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### 43. Employees' Retirement Benefits

The funded status and amounts recognized in the Consolidated Balance Sheet were as follows:

(in millions of yen)

Projected benefit obligation	(1,206,507)
Fair value of plan assets	781,429
-----	
Projected benefit obligation in excess of plan assets	(425,078)
Unrecognized net obligation at transition	36,323
Unrecognized net actuarial loss	492,658
Unrecognized prior service cost	(50,179)
-----	
Net amount recognized in the Consolidated Balance Sheet	53,723
Prepaid pension costs	90,700
Reserve for employees' retirement benefits	(36,976)

### 44. Reduction of Legal Capital Surplus

Pursuant to Article 289, Paragraph 2 of the Commercial Code of Japan and Article 18, Paragraph 2 of the Banking Law, MTFG reduced Legal capital surplus and transferred to Other capital surplus during the current fiscal year. There is no effect to total Capital surplus attributable to the reduction.

### 45. External Standards Taxation on Banks

With the implementation of the "Metropolitan ordinance regarding the imposition of enterprise taxes through external standards taxation on banks in Tokyo" (Tokyo Metropolitan Ordinance No.145, 2000) (the "metropolitan ordinance"), enterprise taxes which were hitherto levied on income are now levied on gross business profit.

On October 18, 2000, MTFG's domestic banking subsidiary and trust banking subsidiary filed a lawsuit with the Tokyo District Court against the Tokyo metropolitan government and the Governor of Tokyo seeking to void the

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metropolitan ordinance. MTFG's domestic banking subsidiary and trust banking subsidiary won the case eventually entirely on March 26, 2002 with a decision of the Tokyo District Court in favor of MTFG's domestic banking subsidiary and trust banking subsidiary, on the grounds that the metropolitan ordinance was illegal. The District Court ordered the metropolitan government to return to MTFG's domestic banking subsidiary and trust banking subsidiary advance tax payments of (Yen)11,741 million and also awarded to MTFG's domestic banking subsidiary and trust banking subsidiary damages of (Yen)300 million. On March 29, 2002, the metropolitan government lodged an appeal with the Tokyo High Court against the decision, and on April 9, 2002, the plaintiff banks at the first trial, including MTFG's domestic banking subsidiary and trust banking subsidiary, also lodged an appeal. MTFG's domestic banking subsidiary and trust banking subsidiary won the second-trial case eventually on January 30, 2003 with a decision of the Tokyo High Court in the Bank's favor, on the grounds that the metropolitan ordinance was illegal. The High Court ordered the metropolitan government to return to MTFG's domestic banking subsidiary and trust banking subsidiary advance tax payments of (Yen)30,409 million. On February 10, 2003, the metropolitan government lodged a final appeal with the Supreme Court against the decision, and on February 13, 2003 the plaintiff banks at the first trial, including MTFG's domestic banking subsidiary and trust banking subsidiary also lodged a final appeal.

It is the opinion of MTFG's domestic banking subsidiary and trust banking subsidiary that the metropolitan ordinance is both unconstitutional and illegal. MTFG's domestic banking subsidiary and trust banking subsidiary have asserted this opinion in the courts and the matter is still in litigation. The fact that during this fiscal year MTFG's domestic banking subsidiary and trust banking subsidiary have applied the same treatment as in the previous fiscal year, accounting for enterprise taxes through external standards taxation on banks in Tokyo in accordance with the metropolitan ordinance, is because MTFG's domestic banking subsidiary and trust banking subsidiary have deemed it appropriate at this stage to continue with the same accounting treatment as before. This accounting treatment does not constitute in any way an admission on the part of MTFG's domestic banking subsidiary and trust banking subsidiary either of the constitutionality or of the legality of the metropolitan ordinance. With the implementation of the municipal ordinance, enterprise taxes relating to banks in Tokyo were recorded in Other ordinary expenses in the amount of (Yen)19,593 million this fiscal year. As a result, there was a respective increase in Ordinary loss of the same amount as compared with the previous standards under which enterprise taxes were levied on income. Since the enterprise taxes in question are not included in the calculations for accounting for tax effects, there was a decrease in Deferred tax assets of (Yen)102,488 million as compared with the amount that it would have been had the enterprise taxes been levied on income instead of gross profits. There were also a decrease in Deferred tax liabilities on land revaluation excess of (Yen)11,386 million, an increase in Land revaluation excess by the same amount and a decrease in Unrealized gains (losses) on securities available for sale of (Yen)12,994 million, respectively.

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With the implementation of the "Municipal Ordinance regarding the imposition of enterprise taxes through external standards taxation on banks in Osaka" (Osaka Municipal Ordinance No.131, 2000) ("the municipal ordinance"), enterprise taxes which were hitherto levied on income are now levied on gross business profit.

On April 4, 2002, MTFG's domestic banking subsidiary and trust banking subsidiary filed a lawsuit with the Osaka District Court against the Osaka municipal government and the Governor of Osaka seeking to void the municipal ordinance. With the implementation of the "Revision of Municipal Ordinance

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regarding the imposition of enterprise taxes through external standards taxation on banks in Osaka" (Osaka Municipal Ordinance No.77, 2002) ("the revised municipal ordinance 2002") on May 30, 2002, and the implementation of the "Revision of Municipal Ordinance regarding the imposition of enterprise taxes through external standards taxation on banks in Osaka" (Osaka Municipal Ordinance No.14, 2003) ("the revised municipal ordinance 2003") on April 1, 2003, the special treatment regarding the tax basis is to be applicable from the fiscal year beginning on April 1, 2003. The enterprise taxes which the banks should pay to Osaka municipal government this fiscal year are subject to the supplementary provision 2 of the revised municipal ordinance 2003, which provides the banks shall pay the enterprise taxes based on the lesser of gross business profit or income. MTFG's domestic banking subsidiary and trust banking subsidiary, therefore, filed and paid the enterprise taxes based on income. The fact that MTFG's domestic banking subsidiary and trust banking subsidiary filed and paid the enterprise taxes according to the revised municipal ordinance does not constitute in any way an admission on the part of MTFG's domestic banking subsidiary and trust banking subsidiary either of the constitutionality or of the legality of the revised municipal ordinance 2002 and 2003 as well as the municipal ordinance. Since the enterprise taxes in question are not included in the calculations for accounting for tax effects, there was a decrease in Deferred tax assets of (Yen)17,240 million as compared with the amount that it would have been had the enterprise taxes been levied on income instead of gross profits. There were also a decrease in Deferred tax liabilities on land revaluation excess of (Yen)1,919 million, an increase in Land revaluation excess by the same amount and a decrease in Unrealized gains (losses) on securities available for sale of (Yen)2,172 million, respectively.

### 46. Tax Basis of Enterprise Taxes

With the implementation of the "Revision of the Local Tax Law" (Legislation No.9, 2003) on March 31, 2003, the tax basis of enterprise taxes, which was stipulated as "income and liquidation income" by the 12th paragraph of Article 72 of the Local Tax Law before the revision, is to be a combination of "amount of added value", "amount of capital" and "income and liquidation income" from the fiscal year beginning on April 1, 2004. The enterprise taxes that have tax bases of the "amount of added value" and the "amount of capital" are not pertinent to the enterprise taxes that have tax bases of income-related amounts. The "Revision of the Local Tax Law" also stipulates that the metropolitan ordinance and the municipal ordinance are to be abolished from the fiscal year beginning on April 1, 2004.

In connection with the "Revision of the Local Tax Law", the effective statutory tax rates of MTFG, domestic banking subsidiary and trust banking subsidiary used in the calculations of deferred tax assets and liabilities from the fiscal year beginning on April 1, 2004 changed from 42.05% to 40.49%, from 37.98% to 40.46% and from 38.50% to 40.49%, respectively. As a result, there were an increase in Deferred tax assets of (Yen)65,874 million, a decrease in Deferred tax liabilities of (Yen)23 million and a decrease in Income taxes-deferred of (Yen)56,623 million, respectively. There were also an increase in Deferred tax assets on land revaluation loss of (Yen)78 million, an increase in Deferred tax liabilities on land revaluation excess of (Yen)7,733 million, a decrease in Land revaluation excess of (Yen)7,657 million and an increase in Unrealized gains (losses) on securities available for sale of (Yen)9,266 million, respectively.

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### 47. Adoption of Financial Accounting Standard No.1

Since the current fiscal year, MTFG has adopted Financial Accounting

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Standard No.1 "Accounting Standard for Treasury Stock and Reversal of Legal Reserves" issued by the Accounting Standards Board of Japan on February 21, 2002. As a result, Ordinary loss decreased by (Yen)21,444 million.

### 48. Change of Presentation

With the revision of the form prescribed by Ministerial Ordinance of the Banking Law, the presentations are changed as follows:

- (1) Receivables under securities borrowing transactions, included in Other assets in the previous fiscal year, are reported separately in the current fiscal year. Payables under securities lending transactions, included in Other liabilities in the previous fiscal year, are reported separately in the current fiscal year.
- (2) Paper-less commercial papers, issued pursuant to the "Law Concerning Transfers of Corporate Bonds" (Legislation No. 75, 2001) are reported separately as Short-term corporate bonds. Commercial papers issued as promissory notes are reported as Commercial paper.
- (3) Convertible bonds, reported separately in the previous fiscal year, are included in Bonds with warrants in the current fiscal year.

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Notes related to the Consolidated Statement of Operations for the year ended March 31, 2003 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 and practices generally accepted in Japan, which are different in certain respects as compared to application and disclosure requirements of International Accounting Standards. The Consolidated Statement of Operations is not intended to present the results of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan. 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 Loss per Common Share

Net loss per common share was (Yen)30,238.63.

#### 3. Trading Profits and Losses

Profits and losses on trading transactions are shown as Trading profits or Trading losses on a trade date basis.

The amounts of the above profits and losses presented are the sum of (1) the difference between the valuation gains or losses at the beginning and end of the current fiscal year in the case of securities and monetary claims purchased, and the difference between the amount of unrealized gains or losses at the beginning and end of current fiscal year in the case of trading-related financial derivatives, and (2) interest received or paid in cash during the fiscal year.

#### 4. Other Ordinary Income

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Other ordinary income included gains on sales of equity securities of (Yen)80,344 million and gains on sales of loans and other claims of (Yen)28,584 million.

### 5. Other Ordinary Expenses - Other

Other ordinary expenses - Other included losses on write down of equity securities of (Yen)348,719 million, losses on sales of equity securities of (Yen)219,654 million, losses on loan charge-offs of (Yen)211,059 million, and losses on sales of loans and other claims of (Yen)173,755 million.

### 6. Other Special Gains

Other special gains were gains on reversal of reserve for losses on real estate-collateralized loans sold.

### 7. Other Special Losses

Other special losses were valuation losses on premises and equipment.

### 8. Change of Presentation

With the revision of the form prescribed by Ministerial Ordinance of the Banking Law, the presentations are changed as follows:

- (1) Interest on receivables under securities borrowing transactions, included in Other interest income in the previous fiscal year, are reported separately in the current fiscal year. Interest on payables under securities lending transactions, included in Other interest expenses in the previous fiscal year, are reported separately in the current fiscal year.
- (2) Interest on paper-less commercial papers, issued pursuant to the "Law Concerning Transfers of Corporate Bonds" (Legislation No. 75, 2001) is reported separately as Interest on short-term corporate bonds. Interest on commercial papers issued as promissory notes is reported as Interest on commercial paper.
- (3) Interest on convertible bonds, reported separately in the previous fiscal year, is included in interest on bonds with warrants in the current fiscal year.

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Note related to the Consolidated Statement of Capital Surplus and Retained Earnings for the year ended March 31, 2003 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 and practices generally accepted in Japan, which are different in certain respects as compared to application and disclosure requirements of International Accounting Standards. The Consolidated Statement of Capital Surplus and Retained Earnings is not intended to present the results of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan. 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

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down to the nearest million.

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Notes related to the Consolidated Statement of Cash Flows for the year ended March 31, 2003 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 and practices generally accepted in Japan, which are different in certain respects as compared to application and disclosure requirements of International Accounting Standards. The Consolidated Statement of Cash Flows is not intended to present the results of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan. 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 fiscal year is as follows:

	(in millions)
Cash and due from banks	(Yen) 8,235,754
Time deposits and negotiable certificates of deposit in other banks	(4,186,224)
	-----
Cash and cash equivalents at end of fiscal year	(Yen) 4,049,530 =====

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Mitsubishi Tokyo Financial Group, Inc., and Subsidiaries

Critical Policies in Preparation of Consolidated Financial Statements

### 1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 184

Significant companies

The Bank of Tokyo-Mitsubishi, Ltd. The Mitsubishi Trust and Banking Corporation

(2) Number of non-consolidated subsidiaries: 3

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

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- (1) Number of affiliated companies accounted for by the equity method: 31  
Significant companies  
Diamond Lease Co., Ltd.                      The Master Trust Bank of Japan, Ltd.  
Diamond Computer Service Co., Ltd.        MTBC Bank Deutschland GmbH  
BOT Lease Co., Ltd.  
KOKUSAI Securities Co., Ltd., formerly an affiliated company accounted for by the equity method, had been excluded from the scope of the equity method due to its merger with Tokyo-Mitsubishi Securities Co., Ltd.  
Tokyo-Mitsubishi Personal Securities Co., Ltd. and Issei Securities Co., Ltd. and became a consolidated subsidiary named Mitsubishi Securities Co., Ltd.
- (2) Number of non-consolidated subsidiaries and affiliated companies not accounted for by the equity method: 3  
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) Although we own 29.3% of voting rights for Sanwa Tatemono Co., Ltd., we do not regard it as an affiliated company since we do not have the ability to exercise significant influence over the company due to its commencement of corporate rehabilitation proceedings pursuant to the Corporate Rehabilitation Law in June 1994.

### 3. Fiscal Year of Consolidated Subsidiaries

- (1) Fiscal year ends of consolidated subsidiaries are as follows:
- |             |   |                  |             |   |                 |
|-------------|---|------------------|-------------|---|-----------------|
| October 31  | : | 2 subsidiaries   | February 28 | : | 1 subsidiary    |
| December 31 | : | 110 subsidiaries | March 31    | : | 71 subsidiaries |
- (2) Due to the change in fiscal year ends for 5 consolidated subsidiaries (Eiraku Jitsugyo Co., Ltd., Diamond Properties Management Co., Ltd., Mitsubishi TB Information System Co., Ltd., Mitsubishi TB Business Co., Ltd. and Ryoshin Data Co., Ltd.), we consolidated 15 months financial statements for the subsidiaries from January 2002 to March 2003. The treatment does not have a material impact on our consolidated financial statements, considering their assets, ordinary income, and our ownership percentage of their net income or retained earnings.
- (3) Subsidiaries whose fiscal year ends are October 31 are consolidated based on their financial statements ended on January 31. Other subsidiaries are consolidated based on financial statements for their respective fiscal year ends. Significant transactions occurred during the intervening periods are reflected in the consolidated financial statements.

### 4. Valuation of Assets and Liabilities of Consolidated Subsidiaries

All assets and liabilities of consolidated subsidiaries are measured at fair value when they are included in the scope of consolidation.

### 5. Amortization of Goodwill

Goodwill is charged to expenses when incurred.

### 6. Appropriation of Capital Surplus and Retained Earnings

Consolidated Statements of Capital Surplus and Retained Earnings is prepared based on capital surplus and retained earnings appropriated during the fiscal year of consolidated financial statements.

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Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries

### Segment Information

1. Business segment information

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(For the year ended March 31, 2003)

	Banking	Trust Banking	Securities	Other	To
Ordinary income	2,009,207	586,449	97,789	181,959	2,8
Ordinary income from customers	1,975,522	569,401	86,953	140,650	2,7
Internal ordinary income among segments	33,684	17,048	10,835	41,309	1
Ordinary expenses	2,165,525	755,789	131,928	151,444	3,2
Ordinary profit (loss)	(156,318)	(169,339)	(34,139)	30,515	(3
Assets	77,204,126	20,366,715	4,185,210	1,726,646	103,4
Depreciation	61,738	14,207	8,331	1,964	
Capital expenditures	68,183	25,116	15,752	1,807	1

Notes:

1. Amounts are rounded down to the nearest million yen.
2. Other primarily includes credit card and leasing businesses.
3. With the implementation of the "Metropolitan ordinance regarding the imposition of enterprise taxes through external standards taxation on banks in Tokyo" (Tokyo Metropolitan Ordinance No.145, 2000) ("the metropolitan ordinance"), enterprise taxes which were hitherto levied on income are now levied on gross business profit.

On October 18, 2000, MTFG's domestic banking subsidiary and trust banking subsidiary filed a lawsuit with the Tokyo District Court against the Tokyo metropolitan government and the Governor of Tokyo seeking to void the metropolitan ordinance. MTFG's domestic banking subsidiary and trust banking subsidiary won the case eventually entirely on March 26, 2002 with a decision of the Tokyo District Court in favor of MTFG's domestic banking subsidiary and trust banking subsidiary, on the grounds that the metropolitan ordinance was illegal. The District Court ordered the metropolitan government to return to MTFG's domestic banking subsidiary and trust banking subsidiary advance tax payments of (Yen)11,741 million and also awarded to MTFG's domestic banking subsidiary and trust banking subsidiary damages of (Yen)300 million. On March 29, 2002, the metropolitan government lodged an appeal with the Tokyo High Court against the decision, and on April 9, 2002, the plaintiff banks at the first trial, including MTFG's domestic banking subsidiary and trust banking subsidiary, also lodged an appeal. MTFG's domestic banking subsidiary and trust banking subsidiary won the second-trial case eventually on January 30, 2003 with a decision of the Tokyo High Court in the Bank's favor, on the grounds that the metropolitan ordinance was illegal. The High Court ordered the metropolitan government to return to MTFG's domestic banking subsidiary and trust banking subsidiary advance tax payments of (Yen)30,409 million. On February 10, 2003, the metropolitan government lodged a final appeal with the Supreme Court against the decision, and on February 13, 2003 the plaintiff banks at the first trial, including MTFG's domestic banking subsidiary and trust banking subsidiary also lodged a final appeal.

It is the opinion of MTFG's domestic banking subsidiary and trust banking subsidiary that the metropolitan ordinance is both unconstitutional and illegal. MTFG's domestic banking subsidiary and trust banking subsidiary



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have asserted this opinion in the courts and the matter is still in litigation. The fact that during this fiscal year MTFG's domestic banking subsidiary and trust banking subsidiary have applied the same treatment as in the previous fiscal year, accounting for enterprise taxes through external standards taxation on banks in Tokyo in accordance with the metropolitan ordinance, is because MTFG's domestic banking subsidiary and trust banking subsidiary have deemed it appropriate at this stage to continue with the same accounting treatment as before. This accounting treatment does not constitute in any way an admission on the part of MTFG's domestic banking subsidiary and trust banking subsidiary either of the constitutionality or of the legality of the metropolitan ordinance. With the implementation of the municipal ordinance, enterprise taxes relating to banks in Tokyo were recorded in Other ordinary expenses in the amount of (Yen)19,593 million this fiscal year. As a result, there was a respective increase in Ordinary loss by the same amount as compared with the previous standards under which enterprise taxes were levied on income, and its effect in the Banking segment and the Trust Banking segment was (Yen)14,960 million and (Yen)4,633 million, respectively. Since the enterprise taxes in question are not included in the calculations for accounting for tax effects, there was a decrease in Assets of (Yen)102,488 million as compared with the amount that it would have been had the enterprise taxes been levied on income instead of gross profits, and its effect in the Banking segment and the Trust Banking segment was (Yen)99,307 million and (Yen)3,180 million, respectively. With the implementation of the "Municipal Ordinance regarding the imposition of enterprise taxes through external standards taxation on banks in Osaka" (Osaka Municipal Ordinance No.131, 2000) ("the municipal ordinance"), enterprise taxes which were hitherto levied on income are now levied on gross business profit. On April 4, 2002, MTFG's domestic banking subsidiary and trust banking subsidiary filed a lawsuit with the Osaka District Court against the Osaka municipal government and the Governor of Osaka seeking to void the municipal ordinance. With the implementation of the "Revision of Municipal Ordinance regarding the imposition of enterprise taxes through external standards taxation on banks in Osaka" (Osaka Municipal Ordinance No.77, 2002) ("the revised municipal ordinance 2002") on May 30, 2002, and the implementation of the "Revision of Municipal Ordinance regarding the imposition of enterprise taxes through external standards taxation on banks in Osaka" (Osaka Municipal Ordinance No.14, 2003) ("the revised municipal ordinance 2003") on April 1, 2003, the special treatment regarding the tax basis is to be applicable from the fiscal year beginning on April 1, 2003. The enterprise taxes which the banks should pay to Osaka municipal government this fiscal year are subject to the supplementary provision 2 of the revised municipal ordinance 2003, which provides the banks shall pay the enterprise taxes based on the lesser of gross business profit or income. MTFG's domestic banking subsidiary and trust banking subsidiary, therefore, filed and paid the enterprise taxes based on income. The fact that MTFG's domestic banking subsidiary and trust banking subsidiary filed and paid the enterprise taxes according to the revised municipal ordinance does not constitute in any way an admission on the part of MTFG's domestic banking subsidiary and trust banking subsidiary either of the constitutionality or of the legality of the revised municipal ordinance 2002 and 2003 as well as the municipal ordinance. Since the enterprise taxes in question are not included in the calculations for accounting for tax effects, there was a decrease in Assets of (Yen)17,240 million as compared with the amount that it would have been had the enterprise taxes been levied on income instead of gross profits, and its effect in the Banking segment and the Trust Banking segment was (Yen)16,722 million and (Yen)517 million.

4. With the implementation of the "Revision of the Local Tax Law" (Legislation No.9, 2003) on March 31, 2003, the tax basis of enterprise taxes, which was stipulated as "income and liquidation income" by the 12th paragraph of Article 72 of the Local Tax Law before the revision, is to be a combination of "amount of added value", "amount of capital" and "income and liquidation income" from the fiscal year beginning on April 1, 2004. The enterprise taxes that have tax bases of the "amount of added value" and the "amount of capital" are not pertinent to the enterprise taxes that have tax bases of income-related amounts. The "Revision of the Local Tax Law" also stipulates that the metropolitan ordinance and the municipal ordinance are to be abolished from the fiscal year beginning on April 1, 2004.
- In connection with the "Revision of the Local Tax Law", the effective statutory tax rates of MTFG, domestic banking subsidiary and trust banking subsidiary used in the calculations of deferred tax assets and liabilities from the fiscal year beginning on April 1, 2004 changed from 42.05% to 40.49%, from 37.98% to 40.46% and from 38.50% to 40.49%, respectively. As a result, there were an increase in Assets of (Yen)65,953 million and its effect in the Banking segment, Trust Banking segment, Securities segment and Other segment was an increase of (Yen)56,480 million, an increase of (Yen)9,491 million, a decrease of (Yen)18 million and a decrease of (Yen)0 million, respectively.
5. Since the current fiscal year, MTFG has adopted Financial Accounting Standard No.1 "Accounting Standard for Treasury Stock and Reversal of Legal Reserves" issued by the Accounting Standards Board of Japan on February 21, 2002. As a result, Ordinary loss decreased by (Yen)21,444 million, and its effect in the Banking segment and the Trust Banking segment was an increase of (Yen)15,445 million and a decrease of (Yen)36,889 million, respectively.
6. "Securities" segment is reported separately which had been included in "Other" segment in the previous fiscal year. Business segment information for the previous fiscal year whose Securities segment is reported separately is as follows:

(For the year ended March 31, 2002)

	Banking	Trust Banking	Securities	Other	To
Ordinary income	2,448,700	674,172	83,937	221,361	3,
Ordinary income from customers	2,406,894	647,836	74,151	133,465	3,
Internal ordinary income among segments	41,805	26,335	9,786	87,896	
Ordinary expenses	2,600,269	762,855	106,580	179,397	3,
Ordinary profit (loss)	(151,569)	(88,683)	(22,643)	41,964	(
Assets	79,359,749	20,198,569	3,481,608	1,759,291	104,
Depreciation	41,829	17,271	602	929	
Capital expenditures	97,611	26,290	2,464	3,780	

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(For the year ended March 31, 2002)

	Banking	Trust Banking	Other	Tot
Ordinary income	2,448,700	674,172	305,250	3,428,122
Ordinary income from customers	2,406,894	647,836	207,616	3,262,346
Internal ordinary income among segments	41,805	26,335	97,633	165,773
Ordinary expenses	2,600,269	762,855	285,932	3,649,056
Ordinary profit (loss)	(151,569)	(88,683)	19,318	(220,934)
Assets	79,359,749	20,198,569	5,240,633	104,798,951
Depreciation	41,829	17,271	1,532	60,632
Capital expenditures	97,611	26,290	6,245	130,146

**Notes:**

1. Amounts are rounded down to the nearest million yen.
2. Other primarily includes securities and credit card businesses.
3. With the implementation of the "Metropolitan ordinance regarding the imposition of enterprise taxes through external standards taxation on banks in Tokyo" (Tokyo Metropolitan Ordinance No.145, April 1, 2000) ("the metropolitan ordinance"), enterprise taxes which were hitherto levied on income are now levied on "gross business profit".

On October 18, 2000, MTFG's domestic banking subsidiary and trust banking subsidiary filed a lawsuit with the Tokyo District Court against the Tokyo metropolitan government and the Governor of Tokyo seeking to void the metropolitan ordinance. MTFG's domestic banking subsidiary and trust banking subsidiary won the case eventually entirely on March 26, 2002 with a decision of the Tokyo District Court in favor of MTFG's domestic banking subsidiary and trust banking subsidiary, on the grounds that the metropolitan ordinance was illegal. The District Court ordered the metropolitan government to return to MTFG's domestic banking subsidiary and trust banking subsidiary advance tax payments of (Yen)11,741 million and also awarded to MTFG's domestic banking subsidiary and trust banking subsidiary damages of (Yen)300 million. On March 29, 2002 the metropolitan government lodged an appeal with the Tokyo High Court against the decision.

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It is the opinion of MTFG's domestic banking subsidiary and trust banking subsidiary that the metropolitan ordinance is both unconstitutional and illegal. MTFG's domestic banking subsidiary and trust banking subsidiary have asserted this opinion in the courts and the matter is still in litigation. The fact that during this term MTFG's domestic banking subsidiary and trust banking subsidiary have applied the same treatment as in the previous term, accounting for enterprise taxes through external standards taxation on banks in Tokyo in accordance with the metropolitan ordinance, is because MTFG's domestic banking subsidiary and trust banking subsidiary have deemed it appropriate at this stage to continue with the same accounting treatment as before. This accounting treatment does not constitute in any way an admission on the part of MTFG's domestic banking subsidiary and trust banking subsidiary either of the constitutionality or

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of the legality of the metropolitan ordinance. With the implementation of the metropolitan ordinance, enterprise taxes relating to banks in Tokyo were recorded in Other ordinary expenses in the amounts of (Yen)18,637 million. As a result, there was an increase in Ordinary loss by the same amount as compared with the previous standards under which enterprise taxes were levied on income, and its effect in the Banking segment and the Trust Banking segment was (Yen)14,642 million and (Yen)3,994 million, respectively. Since the enterprise taxes in question are not included in the calculations for accounting for tax effects there was a decrease in Assets of (Yen)89,359 million as compared with the amount that it would have been had the enterprise taxes been levied on income instead of gross profits, and its effect in the Banking segment and the Trust Banking segment was (Yen)69,534 million and (Yen)19,824 million, respectively. With the implementation of the "Municipal ordinance regarding the imposition of enterprise taxes through external standards taxation on banks in Osaka" (Osaka Municipal Ordinance No.131, June 9, 2000) ("the municipal ordinance"), enterprise taxes which were hitherto levied on income are now levied on "gross business profit".

On April 4, 2002, MTFG's domestic banking subsidiary and trust banking subsidiary filed a lawsuit with the Osaka District Court against the Osaka municipal government and the Governor of Osaka seeking to void the municipal ordinance.

It is the opinion of MTFG's domestic banking subsidiary and trust banking subsidiary that the municipal ordinance is both unconstitutional and illegal. MTFG's domestic banking subsidiary and trust banking subsidiary have asserted this opinion in the Osaka District Court and the matter is still in litigation. The fact that during this term MTFG's domestic banking subsidiary and trust banking subsidiary have applied the treatment accounting for enterprise taxes through external standards taxation on banks in Osaka in accordance with the municipal ordinance, is because MTFG's domestic banking subsidiary and trust banking subsidiary have deemed it appropriate at this stage to apply the same accounting treatment to Osaka as to Tokyo.

This accounting treatment does not constitute in any way an admission on the part of MTFG's domestic banking subsidiary and trust banking subsidiary either of the constitutionality or of the legality of the municipal ordinance. With the implementation of the municipal ordinance, enterprise taxes relating to banks in Osaka were recorded in Other ordinary expenses in the amounts of (Yen)3,087 million. As a result, there was a increase in Ordinary loss by the same amount as compared with the previous standards under which enterprise taxes were levied on income, and its effect in the Banking segment and the Trust Banking segment was (Yen)2,438 million and (Yen)649 million, respectively. Since the enterprise taxes in question are not included in the calculations for accounting for tax effects there was a decrease in Assets of (Yen)14,947 million as compared with the amount that it would have been had the enterprise taxes been levied on income instead of gross profits, and its effect in the Banking segment and the Trust Banking segment was (Yen)11,724 million and (Yen)3,222 million, respectively.

### 2. Geographic segment information

(For the year ended March 31, 2003)

	Japan	North America	Latin America	Europe/ Mid. East	Asia/Oceania excl. Japan	
Ordinary income	1,900,135	578,572	66,937	302,172	145,117	2,
Ordinary income from customers	1,811,995	558,864	36,366	244,205	121,097	2,

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Internal ordinary income among segments	88,140	19,708	30,571	57,966	24,020	
Ordinary expenses	2,285,305	575,764	67,687	301,134	98,344	3,
Ordinary profit (loss)	(385,169)	2,808	(750)	1,038	46,772	(
Assets	84,626,818	14,753,060	1,668,179	8,452,586	4,981,919	114,

Notes:

1. Amounts are rounded down to the nearest million yen.
2. 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.
3. With the implementation of the "Metropolitan ordinance regarding the imposition of enterprise taxes through external standards taxation on banks in Tokyo" (Tokyo Metropolitan Ordinance No.145, 2000) ("the metropolitan ordinance"), enterprise taxes which were hitherto levied on income are now levied on gross business profit.  
 On October 18, 2000, MTFG's domestic banking subsidiary and trust banking subsidiary filed a lawsuit with the Tokyo District Court against the Tokyo metropolitan government and the Governor of Tokyo seeking to void the metropolitan ordinance. MTFG's domestic banking subsidiary and trust banking subsidiary won the case eventually entirely on March 26, 2002 with a decision of the Tokyo District Court in favor of MTFG's domestic banking subsidiary and trust banking subsidiary, on the grounds that the metropolitan ordinance was illegal. The District Court ordered the metropolitan government to return to MTFG's domestic banking subsidiary and trust banking subsidiary advance tax payments of (Yen)11,741 million and also awarded to MTFG's domestic banking subsidiary and trust banking subsidiary damages of (Yen)300 million. On March 29, 2002, the metropolitan government lodged an appeal with the Tokyo High Court against the decision, and on April 9, 2002, the plaintiff banks at the first trial, including MTFG's domestic banking subsidiary and trust banking subsidiary, also lodged an appeal. MTFG's domestic banking subsidiary and trust banking subsidiary won the second-trial case eventually on January 30, 2003 with a decision of the Tokyo High Court in the Bank's favor, on the grounds that the metropolitan ordinance was illegal. The High Court ordered the metropolitan government to return to MTFG's domestic banking subsidiary and trust banking subsidiary advance tax payments of (Yen)30,409 million. On February 10, 2003, the metropolitan government lodged a final appeal with the Supreme Court against the decision, and on February 13, 2003 the plaintiff banks at the first trial, including MTFG's domestic banking subsidiary and trust banking subsidiary also lodged a final appeal.

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It is the opinion of MTFG's domestic banking subsidiary and trust banking subsidiary that the metropolitan ordinance is both unconstitutional and illegal. MTFG's domestic banking subsidiary and trust banking subsidiary have asserted this opinion in the courts and the matter is still in litigation. The fact that during this fiscal year MTFG's domestic banking subsidiary and trust banking subsidiary have applied the same treatment as in the previous fiscal year, accounting for enterprise taxes through external standards taxation on banks in Tokyo in accordance with the metropolitan ordinance, is because MTFG's domestic banking subsidiary and

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trust banking subsidiary have deemed it appropriate at this stage to continue with the same accounting treatment as before. This accounting treatment does not constitute in any way an admission on the part of MTFG's domestic banking subsidiary and trust banking subsidiary either of the constitutionality or of the legality of the metropolitan ordinance. With the implementation of the municipal ordinance, enterprise taxes relating to banks in Tokyo were recorded in Other ordinary expenses in the amount of (Yen)19,593 million this fiscal year. As a result, there was a respective increase in Ordinary loss in Japan by the same amount as compared with the previous standards under which enterprise taxes were levied on income. Since the enterprise taxes in question are not included in the calculations for accounting for tax effects, there was a decrease in Assets of (Yen)102,488 million in Japan as compared with the amount that it would have been had the enterprise taxes been levied on income instead of gross profits.

With the implementation of the "Municipal Ordinance regarding the imposition of enterprise taxes through external standards taxation on banks in Osaka" (Osaka Municipal Ordinance No.131, 2000) ("the municipal ordinance"), enterprise taxes which were hitherto levied on income are now levied on gross business profit.

On April 4, 2002, MTFG's domestic banking subsidiary and trust banking subsidiary filed a lawsuit with the Osaka District Court against the Osaka municipal government and the Governor of Osaka seeking to void the municipal ordinance. With the implementation of the "Revision of Municipal Ordinance regarding the imposition of enterprise taxes through external standards taxation on banks in Osaka" (Osaka Municipal Ordinance No.77, 2002) ("the revised municipal ordinance 2002") on May 30, 2002, and the implementation of the "Revision of Municipal Ordinance regarding the imposition of enterprise taxes through external standards taxation on banks in Osaka" (Osaka Municipal Ordinance No.14, 2003) ("the revised municipal ordinance 2003") on April 1, 2003, the special treatment regarding the tax basis is to be applicable from the fiscal year beginning on April 1, 2003. The enterprise taxes which the banks should pay to Osaka municipal government this fiscal year are subject to the supplementary provision 2 of the revised municipal ordinance 2003, which provides the banks shall pay the enterprise taxes based on the lesser of gross business profit or income. MTFG's domestic banking subsidiary and trust banking subsidiary, therefore, filed and paid the enterprise taxes based on income. The fact that MTFG's domestic banking subsidiary and trust banking subsidiary filed and paid the enterprise taxes according to the revised municipal ordinance does not constitute in any way an admission on the part of MTFG's domestic banking subsidiary and trust banking subsidiary either of the constitutionality or of the legality of the revised municipal ordinance 2002 and 2003 as well as the municipal ordinance. Since the enterprise taxes in question are not included in the calculations for accounting for tax effects, there was a decrease in Assets of (Yen)17,240 million in Japan as compared with the amount that it would have been had the enterprise taxes been levied on income instead of gross profits.

4. With the implementation of the "Revision of the Local Tax Law" (Legislation No.9, 2003) on March 31, 2003, the tax basis of enterprise taxes, which was stipulated as "income and liquidation income" by the 12th paragraph of Article 72 of the Local Tax Law before the revision, is to be a combination of "amount of added value", "amount of capital" and "income and liquidation income" from the fiscal year beginning on April 1, 2004. The enterprise taxes that have tax bases of the "amount of added value" and the "amount of capital" are not pertinent to the enterprise taxes that have tax bases of income-related amounts. The "Revision of the Local Tax Law" also stipulates that the metropolitan ordinance and the municipal ordinance are to be abolished from the fiscal year beginning on April 1, 2004.

In connection with the "Revision of the Local Tax Law", the effective

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statutory tax rates of MTFG, domestic banking subsidiary and trust banking subsidiary used in the calculations of deferred tax assets and liabilities from the fiscal year beginning on April 1, 2004 changed from 42.05% to 40.49%, from 37.98% to 40.46% and from 38.50% to 40.49%, respectively. As a result, there was an increase in Assets of (Yen)65,953 million in Japan.

5. Since the current fiscal year, MTFG has adopted Financial Accounting Standard No.1 "Accounting Standard for Treasury Stock and Reversal of Legal Reserves" issued by the Accounting Standards Board of Japan on February 21, 2002. As a result, Ordinary loss in Japan decreased by (Yen)21,444 million.

(For the year ended March 31, 2002)

	Japan	North America	Latin America	Europe/ Mid. East	Asia/Oceania excl. Japan	T
Ordinary income	2,012,226	816,347	112,344	439,060	246,285	3,6
Ordinary income from customers	1,884,734	766,232	53,705	368,466	189,208	3,2
Internal ordinary income among segments	127,492	50,115	58,639	70,594	57,077	3
Ordinary expenses	2,406,741	732,106	98,922	447,191	208,766	3,8
Ordinary profit (loss)	(394,514)	84,240	13,421	(8,130)	37,519	(2
Assets	85,115,503	16,093,151	2,544,614	9,403,348	6,042,131	119,1

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### Notes:

1. Amounts are rounded down to the nearest million yen.
2. 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.
3. With the implementation of the "Metropolitan ordinance regarding the imposition of enterprise taxes through external standards taxation on banks in Tokyo" (Tokyo Metropolitan Ordinance No.145, April 1, 2000) ("the metropolitan ordinance"), enterprise taxes which were hitherto levied on income are now levied on "gross business profit". On October 18, 2000, MTFG's domestic banking subsidiary and trust banking subsidiary filed a lawsuit with the Tokyo District Court against the Tokyo metropolitan government and the Governor of Tokyo seeking to void the metropolitan ordinance. MTFG's domestic banking subsidiary and trust banking subsidiary won the case eventually entirely on March 26, 2002 with a decision of the Tokyo District Court in favor of MTFG's domestic banking subsidiary and trust banking subsidiary, on the grounds that the metropolitan ordinance was illegal. The District Court ordered the metropolitan government to return to MTFG's domestic banking subsidiary and trust banking subsidiary advance tax payments of (Yen)11,741 million and also awarded to MTFG's domestic banking subsidiary and trust banking subsidiary damages of (Yen)300 million. On March 29, 2002 the metropolitan government lodged an appeal

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with the Tokyo High Court against the decision.

It is the opinion of MTFG's domestic banking subsidiary and trust banking subsidiary that the metropolitan ordinance is both unconstitutional and illegal. MTFG's domestic banking subsidiary and trust banking subsidiary have asserted this opinion in the courts and the matter is still in litigation. The fact that during this term MTFG's domestic banking subsidiary and trust banking subsidiary have applied the same treatment as in the previous term, accounting for enterprise taxes through external standards taxation on banks in Tokyo in accordance with the metropolitan ordinance, is because MTFG's domestic banking subsidiary and trust banking subsidiary have deemed it appropriate at this stage to continue with the same accounting treatment as before. This accounting treatment does not constitute in any way an admission on the part of MTFG's domestic banking subsidiary and trust banking subsidiary either of the constitutionality or of the legality of the metropolitan ordinance. With the implementation of the metropolitan ordinance, enterprise taxes relating to banks in Tokyo were recorded in Other ordinary expenses in the amounts of (Yen)18,637 million. As a result, there was an increase in Ordinary loss in Japan by the same amount as compared with the previous standards under which enterprise taxes were levied on income. Since the enterprise taxes in question are not included in the calculations for accounting for tax effects there was a decrease in Assets of (Yen)89,359 million in Japan as compared with the amount that it would have been had the enterprise taxes been levied on income instead of gross profits.

With the implementation of the "Municipal ordinance regarding the imposition of enterprise taxes through external standards taxation on banks in Osaka" (Osaka Municipal Ordinance No.131, June 9, 2000) ("the municipal ordinance"), enterprise taxes which were hitherto levied on income are now levied on "gross business profit".

On April 4, 2002, MTFG's domestic banking subsidiary and trust banking subsidiary filed a lawsuit with the Osaka District Court against the Osaka municipal government and the Governor of Osaka seeking to void the municipal ordinance.

It is the opinion of MTFG's domestic banking subsidiary and trust banking subsidiary that the municipal ordinance is both unconstitutional and illegal. MTFG's domestic banking subsidiary and trust banking subsidiary have asserted this opinion in the Osaka District Court and the matter is still in litigation. The fact that during this term MTFG's domestic banking subsidiary and trust banking subsidiary have applied the treatment accounting for enterprise taxes through external standards taxation on banks in Osaka in accordance with the municipal ordinance, is because MTFG's domestic banking subsidiary and trust banking subsidiary have deemed it appropriate at this stage to apply the same accounting treatment to Osaka as to Tokyo. This accounting treatment does not constitute in any way an admission on the part of MTFG's domestic banking subsidiary and trust banking subsidiary either of the constitutionality or of the legality of the municipal ordinance. With the implementation of the municipal ordinance, enterprise taxes relating to banks in Osaka were recorded in Other ordinary expenses in the amounts of (Yen)3,087 million. As a result, there was a increase in Ordinary loss in Japan by the same amount as compared with the previous standards under which enterprise taxes were levied on income. Since the enterprise taxes in question are not included in the calculations for accounting for tax effects there was a decrease in Assets of (Yen)14,947 million in Japan as compared with the amount that it would have been had the enterprise taxes been levied on income instead of gross profits.

### 3. Ordinary income from overseas operations



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	Ordinary income from overseas operations	Consolidated ordinary income	Ordinary operat consol
For the year ended March 31, 2003	960,533	2,772,528	
For the year ended March 31, 2002	1,377,612	3,262,347	

Notes:

1. Amounts are rounded down to the nearest million yen.
2. 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).

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Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries

Investment securities

Following tables include:

- Investment securities
- Trading securities and negotiable certificates of deposits 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, 2002	
Balance sheet amount	Valuation losses recognized on statement of operations
5,092,795	(456)

2. Marketable debt securities being held to maturity

As of March 31, 2002		
Balance sheet amount	Market value	Differences

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Domestic bonds	216,074	224,947	8,872	
Government bonds	0	0	0	
Municipal bonds	127,660	132,349	4,688	
Corporate bonds	88,414	92,597	4,183	
Foreign bonds	142,140	146,795	4,655	
Other	254,746	254,746	-	
Total	612,962	626,489	13,527	1

3. Marketable securities available for sale

	As of March 31, 2002			
	Cost	Balance sheet amount	Valuation differen	Ga
Domestic equity securities	4,901,605	4,973,059	71,454	55
Domestic bonds	11,071,960	11,151,663	79,702	8
Government bonds	9,289,845	9,348,331	58,486	5
Municipal bonds	444,440	454,724	10,284	1
Corporate bonds	1,337,675	1,348,606	10,931	1
Foreign equity securities	28,559	54,553	25,994	2
Foreign bonds	4,838,160	4,839,041	880	6
Other	1,357,507	1,318,317	(39,189)	1
Total	22,197,793	22,336,635	138,842	74

4. Securities available for sale sold

(in millions of yen)

For the year ended March 31, 2002		
Proceeds from sales	Gains on sales	Losses on sales
28,137,984	255,369	300,345

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5. Principal securities not stated at market value

	(in millions of yen)
	As of March 31, 2002
	Balance sheet amount
Debt securities being held to maturity	
Foreign bonds	11,392
Securities available for sale	
Domestic equity securities	96,621
Domestic municipal bonds	45,287
Domestic corporate bonds	253,946
Foreign equity securities	11,918
Foreign bonds	25,984

6. Repayment schedules of securities

	(in millions of yen)			
	As of March 31, 2002			
	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Domestic bonds	3,715,867	6,716,062	1,233,198	1,785
Government bonds	3,505,091	4,941,208	902,032	-
Municipal bonds	16,034	406,601	205,036	-
Corporate bonds	194,742	1,368,252	126,128	1,785
Foreign bonds	709,418	2,819,025	1,084,232	403,764
Other	338,836	530,919	226,268	376,938
Total	4,764,122	10,066,007	2,543,700	782,487

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Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries

Money held in trust

1. Money held in trust for trading purpose

(in millions of yen)

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As of March 31, 2002

Balance sheet amount	Valuation gains recognized on statement of operations
219,026	3,338

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

(in millions of yen)

As of March 31, 2002				
Cost	Balance sheet amount	Valuation differences	Valuation differences	
			Gains	Losses
85,033	85,033	-	-	-

Unrealized gains on securities available for sale

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

(in millions of yen)

As of March 31, 2002	
Valuation differences	138,842
Securities available for sale	138,842
Deferred tax liabilities	(49,076)
Net valuation differences	89,765
Minority interest	(4,145)
MTFG's ownership percentage of affiliates' unrealized gains on securities available for sale	(1,603)
Unrealized gains on securities available for sale	84,016

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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

a. Interest rate-related transactions

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As of March 31,

		Notional principal or contract amount	with maturity of over 1 year	Ma
Exchange-traded				
Futures	sell	4,979,785	235,364	
	buy	6,782,908	660,290	
Options	sell	16,690,400	-	
	buy	22,234,614	8,124	
Over-the-counter				
FRAs	sell	702,374	452	
	buy	799,281	42,336	
Swaps	receive-fix/pay-floater	105,883,942	81,131,283	4
	receive-floater/pay-fix	104,900,874	79,166,025	(3)
	receive-floater/pay-floater	5,791,662	4,209,716	
	receive-fix/pay-fix	194,856	100,767	
Others	sell	7,270,211	4,439,813	
	buy	5,831,717	3,499,145	
Total				

Notes:

- Valuation gains (losses) are recognized in the consolidated statement of operations. Derivatives which qualify for hedge-accounting are not included in the above table.
- Market values of exchange-traded transactions are based on closing prices on the Tokyo International Financial Future Exchange, etc. Market values of over-the-counter transactions are based on discounted cash flow method, option pricing models, etc.

b. Foreign exchange-related transactions

				As of March 31, 2003
		Notional principal or contract amount	with maturity of over 1 year	Market value
Over-the-counter				

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Swaps		9,539,280	6,189,546	(109,996)
Forward	sell	23,912	-	(523)
contracts	buy	16,662	-	788
Options	sell	883	-	(6)
	buy	883	-	6
Total				(109,731)

Notes:

1. Valuation gains (losses) are recognized in the consolidated statement of operations. Derivatives which qualify for hedge-accounting and/or which are applicable to note 3. are not included in the above table.
2. Market values are based on discounted cash flow method, option pricing models, etc.
3. Currency swaps which are accounted for by an accrual basis are not included in the above table. Notional principal amount, market value and valuation gains of currency swaps which are accounted for by an accrual basis are as follows:

	(in millions of yen)		
	As of March 31, 2003		
	Notional principal amount	Market value	Valuation losses
Swaps	5,800,174	(47,725)	(47,725)

Other foreign exchange-related transactions such as forward exchange contracts and currency options, which valuation gains (losses) had been recognized in the consolidated statement of operations, are not included in the above table.

Notional principal or contract amounts of those foreign exchange-related transactions are as follows:

	(in millions of yen)	
	As of March 31, 2003	
	Notional principal or contract amount	
Exchange-traded		
Futures	sell	564

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		buy	2,985
-----			
Over-the-counter			
-----			
	Forward	sell	27,811,969
	contracts	buy	30,148,731
			-----
	Options	sell	4,991,663
		buy	4,705,518
-----			

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Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries

c. Equity-related transactions

		As of March 31, 2003		
		Notional principal or contract amount	with maturity of over 1 year	Market
-----				
Exchange-traded				
	Futures	sell	96,698	-
		buy	82	-
			-----	
	Options	sell	19,693	-
		buy	11,450	-
-----				
Over-the-counter				
	Options	sell	49,054	25,657
		buy	69,266	39,394
			-----	
	Swaps	receive-index swaps	38	38
		pay-index swaps	-	-
			-----	
	Index	sell	260	-
	forwards	buy	1,007	-
-----				
Total				
-----				

Notes:

1. Valuation gains (losses) are recognized in the consolidated statement of

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operations.

2. Market values of exchange-traded transactions are based on closing prices on the Tokyo Stock Exchange, etc.  
Market values of over-the-counter transactions are based on discounted cash flow method, option pricing models, etc.

d. Bond-related transactions

		As of March 31, 2003		
		Notional principal or contract amount	with maturity of over 1 year	Market value
Exchange-traded				
Futures	sell	539,459	27,604	(1,052)
	buy	551,546	22,762	1,025
Options	sell	88,630	37,431	(139)
	buy	202,912	37,431	276
Over-the-counter				
Options	sell	487,927	-	(3,661)
	buy	310,284	-	691
Total				(2,859)

Notes:

1. Valuation gains (losses) are recognized in the consolidated statement of operations. Derivatives which qualify for hedge-accounting are not included in the above table.
2. Market values of exchange-traded transactions are based on closing prices on the Tokyo Stock Exchange, etc.  
Market values of over-the-counter transactions are based on option pricing models, etc.

e. Commodity-related transactions

		As of March 31, 2003		
		Notional principal or contract amount	with maturity of over 1 year	Market value



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Exchange-traded

	sell	1,123	-	(4)
Futures	buy	3,491	3,224	15
Over-the-counter				
	receive-index swaps	138,709	71,273	(14,90)
Swaps	pay-index swaps	123,008	45,895	14,65
	sell	28,774	8,192	(1,88)
Options	buy	33,528	7,546	3,90
Total				1,89

Notes:

1. Valuation gains (losses) are recognized in the consolidated statement of operations.
2. Market values of exchange-traded transactions are based on closing prices on the International Petroleum Exchange, etc. Market values of over-the-counter transactions are based on the price of the commodities, contract terms, and other factors comprising the contract of transactions.
3. Commodities are mainly related to petroleum.

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Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries

f. Credit derivatives

		As of March 31, 2003		
		Notional principal or contract amount	with maturity of over 1 year	Market value
Over-the-counter				
Credit default	sell	342,536	275,427	29,452
options	buy	489,391	334,624	648
	sell	3,227	-	286
Others	buy	-	-	-
Total				30,386

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Notes:

1. Valuation gains are recognized in the consolidated statement of operations.
2. Market values are based on discounted cash flow method, option pricing models, etc.
3. In the above table, "sell" indicates credit risks assumed, and "buy" indicates credit risks transferred.

g. Others

		As of March 31, 2003		
		Notional principal or contract amount	with maturity of over 1 year	Market value
Over-the-counter				
Weather	sell	215	-	(8)
derivatives	buy	-	-	-
Total				(8)

Notes:

1. Valuation gains are recognized in the consolidated statement of operations.
2. Market values are based on option pricing models, etc.

(Reference)

Derivatives qualified for hedge-accounting

		As of March 31, 2003		
		Notional principal or contract amount	Market value	Deferred gains (A)
Interest rate futures		1,625.4	4.3	58.3
Interest rate swaps		42,409.9	206.0	669.6
Other interest rate-related transactions		291.7	(0.2)	0.7
Other		662.2	(3.3)	24.8
Total			206.8	753.5

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Notes:

1. Derivatives which are accounted for on an accrual basis based on "Accounting standard for financial instruments" are not included in the above table.
2. The transactions in the table above are reported on a mark-to-market basis on the consolidated balance sheet.

The valuation differences which do not correspond to the income/expenses accruing on hedged items are deferred asstes/liabilities.

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

As of March 31, 2003			
	Due within 1 year	Due after 1 year through 5 years	Due after 5 years
Receive-fix/pay-floater	12,411.5	14,407.5	1,178
Receive-floater/pay-fix	5,624.2	7,180.3	833
Receive-floater/pay-floater	306.2	414.8	53
Total	18,342.0	22,002.8	2,065

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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

a. Interest rate-related transactions

As of March 31, 2002			
	Notional principal or contract amount	with maturity of over 1 year	Market value
Exchange-traded			
Futures	sell	9,945,795	1,330,217
			(78,510)

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	buy	11,588,263	1,593,247	70,874
	sell	4,949,268	7,955	(5,837)
Options	buy	5,307,916	23,784	8,993
Over-the-counter				
	sell	201,257	1,333	(97)
FRAs	buy	190,629	42,136	(909)
	receive-fix/pay-floater	112,006,008	74,856,804	3,319,807
	receive-floater/pay-fix	113,791,761	74,335,547	(3,220,413)
Swaps	receive-floater/pay-floater	4,987,418	4,144,936	(3,115)
	receive-fix/pay-fix	289,172	176,939	(580)
	sell	7,329,000	4,488,747	(77,834)
Others	buy	5,993,942	4,073,644	79,061
Total				91,439

Notes:

- Valuation gains (losses) are recognized in the consolidated statement of operations. Derivatives which qualify for hedge-accounting are not included in the table above.
- Market values of exchange-traded transactions are based on closing prices on the Tokyo International Financial Future Exchange, etc. Market values of over-the-counter transactions are based on discounted cash flow method, option pricing models, etc.

b. Foreign exchange-related transactions

As of March 31, 2002			
	Notional principal amount	with maturity of over 1 year	Market value
Over-the-counter			
Swaps	9,241,514	6,560,260	(69,519)

Notes:

- Valuation losses are recognized in the consolidated statement of operations. Derivatives which qualify for hedge-accounting and/or which are applicable to note 3. are not included in the table above.

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2. Market values are based on the discounted cash flow method.
3. Currency swaps which are accounted for on an accrual basis are not included in the table above. Notional principal amount, market value and valuation gains (losses) on currency swaps which are accounted for on an accrual basis are as follows:

(in millions of yen)

---

As of March 31, 2002

---

	Notional principal amount	Market value	Valuation losses
Swaps	6,686,242	(99,647)	(99,647)

---

Other foreign exchange-related transactions such as forward exchange contracts and currency options, whose valuation gains (losses) have been recognized in the consolidated statement of operations, are not included in the table above.

Notional principal or contract amounts of such foreign exchange-related transactions are as follows:

(in millions of yen)

---

As of March 31, 2002

---

Notional principal or contract amount

---

Exchange-traded		
	sell	790
Futures		
	buy	1,314
Over-the-counter		
Forward	sell	33,994,202
contracts	buy	35,862,732
Options	sell	4,188,375
	buy	4,072,059

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Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries

c. Equity-related transactions

(in mill)

		As of March 31, 2002		
		Notional principal or contract amount	with maturity of over 1 year	Market value
Exchange-traded				
Futures	sell	166,279	-	2,112
	buy	6,134	-	37
Options	sell	6,692	-	(37)
	buy	8,512	-	232
Over-the-counter				
Options	sell	223,122	104,338	(42,827)
	buy	231,491	102,129	39,008
Swaps	receive-index swaps	2,422	-	(95)
	pay-index swaps	11,782	4,260	379
Total				(1,190)

## Notes:

- Valuation gains (losses) are recognized in the consolidated statement of operations.
- Market values of exchange-traded transactions are based on closing prices on the Osaka Stock Exchange, etc.

Market values of over-the-counter transactions are based on discounted cash flow method, option pricing models, etc.

## d. Bond-related transactions

		As of March 31, 2002		
		Notional principal or contract amount	with maturity of over 1 year	Market value
Exchange-traded				
Futures	sell	460,102	20,390	(672)
	buy	425,757	12,045	(18)

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Options	sell	493,731	-	(982)
	buy	228,111	14,811	521
Over-the-counter				
Options	sell	105,600	-	(733)
	buy	25,785	-	78
Total				(1,808)

Notes:

- Valuation gains (losses) are recognized in the consolidated statement of operations. Derivatives which qualify for hedge-accounting are not included in the table above.
- Market values of exchange-traded transactions are based on closing prices on the Tokyo Stock Exchange, etc. Market values of over-the-counter transactions are based on option pricing models, etc.

e. Commodity-related transactions

		(in millions of dollars)		
		As of March 31, 2002		
		Notional principal or contract amount	with maturity of over 1 year	Market value
Exchange-traded				
Futures	sell	2,631	326	220
	buy	5,193	2,415	(196)
Options	sell	2,883	-	(296)
	buy	2,003	-	56
Over-the-counter				
Swaps	receive-index swaps	166,734	58,269	(3,163)
	pay-index swaps	154,168	42,168	(7,786)
Options	sell	64,758	6,506	(3,332)
	buy	77,370	9,992	4,681
Total				(9,817)

Notes:

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1. Valuation gains (losses) are recognized in the consolidated statement of operations.
2. Market values of exchange-traded transactions are based on closing prices on the International Petroleum Exchange, etc.

Market values of over-the-counter transactions are based on the price of the commodities, contract terms, and other factors comprising the contract of transactions.

3. Commodities are mainly related to petroleum.

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Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries

f. Credit derivatives

		As of March 31, 2002		
		Notional principal or contract amount	with maturity of over 1 year	Marke
Over-the-counter				
Credit default options	sell	373,649	307,792	7
	buy	534,175	373,215	
Others	sell	-	-	
	buy	130,297	16,837	
Total				7

Notes:

1. Valuation gains (losses) are recognized in the consolidated statement of operations.
2. Market values are based on discounted cash flow method, option pricing models, etc.
3. In the table above, "sell" indicates credit risks assumed, and "buy" indicates credit risks transferred.

g. Others



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As of March 31, 2002

		Notional principal or contract amount	with maturity of over 1 year	Market value
Over-the-counter				
Weather	sell	146	-	8
derivatives	buy	-	-	-
Total				8

Notes:

1. Valuation gains are recognized in the consolidated statement of operations.
2. Market values are based on discounted cash flow method, option pricing models, etc.

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Non-Consolidated Summary Report  
(under Japanese GAAP)  
for the Fiscal Year Ended March 31, 2003

Date: May 26, 2003  
 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: Shigemitsu Miki, 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 non-consolidated financial statements: May 26, 2003  
 Date of the Ordinary General Meeting of Shareholders: June 27, 2003  
 Interim dividends policy: Yes  
 Unit share system: No

1. Non-consolidated financial data for the year ended March 31, 2003

(1) Operating results

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

	For the year ended March 31,	
	2003	2002

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Operating income	27,232	72,544
Change from the previous year	(62.5)%	--
Operating profit	23,991	68,378
Change from the previous year	(64.9)%	--
Ordinary profit	22,415	68,114
Change from the previous year	(67.1)%	--
Net income	23,389	67,871
Change from the previous year	(65.5)%	--
Net income per common share	2,610.44	10,367.98
Net income per common and common equivalent share	--	--
Net income as a percentage of shareholders' equity	0.4%	1.7%
Ordinary profit as a percentage of total liabilities and shareholders' equity	0.5%	1.6%
Ordinary profit as a percentage of operating income	82.3%	93.9%

Notes:

1. Average number of shares outstanding for the year ended:

March 31, 2003:	(common stock)	5,766,886 shares
	(preferred stock-class 1)	81,400 shares
	(preferred stock-class 2)	100,000 shares
March 31, 2002:	(common stock)	5,742,295 shares
	(preferred stock-class 1)	81,400 shares
	(preferred stock-class 2)	100,000 shares

2. Changes in accounting policy : No

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(2) Payment of dividends

(in millions of yen except per share data a

	For the year ended March 31,				
	2003	2002		2001	2000
	Common stock	Preferred stock-class 1	Preferred stock-class 2	Common stock	Preferred stock-class 1
Interim dividends per share	0	41,250	8,100	-	-
Term-end dividends per share	4,000	41,250	8,100	6,000	82,000

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Total dividends per share paid for the fiscal year	4,000	82,500	16,200	6,000	82,
Total dividends for the fiscal year	24,922	6,715	1,620	34,452	6,
Total dividends for the fiscal year as a percentage of net income				165.5%	
Total dividends for the fiscal year as a percentage of shareholders' equity				0.7%	

(3) Balance sheet highlights

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

	As of March 31,	
	2003	2002
Total assets	4,264,085	4,301,963
Shareholders' equity	4,251,306	4,052,733
Shareholders' equity as a percentage of total liabilities and shareholders' equity	99.7%	94.2%
Shareholders' equity per common share	609,704.98	628,435.11

Notes:

1. Number of shares outstanding as of:

March 31, 2003:	(common stock)	6,230,506 shares
	(preferred stock-class 1)	81,400 shares
	(preferred stock-class 2)	100,000 shares
March 31, 2002:	(common stock)	5,742,093 shares
	(preferred stock-class 1)	81,400 shares
	(preferred stock-class 2)	100,000 shares

2. Number of treasury stocks outstanding as of:

March 31, 2003:	1,655 shares
March 31, 2002:	374 shares

2. Earning projections for the fiscal year ending March 31, 2004

(in millions of yen except per share data)

	For the six months ending September 30, 2003	For the year ending March 31, 2004
Operating income	42,000	44,000
Ordinary profit	40,000	40,000

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Net income	40,000	40,000
-----		
Dividend per share: Common stock	-	4,000
-----		
Preferred stock-class 1	41,250	82,500
Preferred stock-class 2	8,100	16,200

Projected net income per common share for the year  
ending March 31, 2004 (yen): 5,082.17

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(Reference)

Formulas for computing ratios for the fiscal year ended March 31, 2003 are as follows.

Net income per common share

$$\frac{\text{Net income attributable to common shareholders}}{\text{Average number of common stock for the fiscal year}^*}$$

Net income per common and common equivalent share

$$\frac{\text{Net income attributable to common shareholders} + \text{Adjustments in net income}}{\text{Average number of common stock for the fiscal year}^* + \text{Common equivalent share}}$$

Net income as a percentage of shareholders' equity

$$\frac{\text{Net income attributable to common shareholders}}{\left\{ \frac{\text{Shareholders' equity at the beginning of the fiscal year} - \text{Number of preferred stock at the beginning of the fiscal year} \times \text{Issue price}}{2} + \frac{\text{Shareholders' equity at fiscal year end} - \text{Number of preferred stock at fiscal year end} \times \text{Issue price}}{2} \right\}} \times 100$$

Total dividends for the fiscal year as a percentage of net income

$$\frac{\text{Total dividends for the fiscal year on common stock}}{\text{Net income} - \text{Total dividends for the fiscal year on preferred stock}} \times 100$$

Total dividends for the fiscal year as a percentage of shareholders' equity

$$\frac{\text{Total dividends for the fiscal year on common stock}}{\text{Shareholders' equity at fiscal year end} - \text{Number of preferred stock at fiscal year end} \times \text{Issue price}} \times 100$$

Shareholders' equity per common share

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

Note: Since the current fiscal year, MTFG has adopted Financial Accounting Standard No.2 "Accounting Standard for Earnings Per Share" issued by

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the Accounting Standards Board of Japan (the "ASBJ") on September 25, 2002 and Financial Accounting Standards Implementation Guidance No.4 "Implementation Guidance for Accounting Standard for Earnings Per Share" issued by the ASBJ on September 25, 2002.

Formula for computing projected earning ratio for the fiscal year ending March 31, 2004 is as follows.

Projected net income per common share

Projected net income attributable to common shareholders

-----  
Number of common stock at fiscal year end\*

\* excluding treasury stock

\*\*number of preferred stock at fiscal year end x issue price + total dividends on preferred stock

This financial summary report and the accompanying financial highlights contain forward looking statements and other information relating to the Company (such statements and information are hereafter referred to as 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 projections, views, policies, business strategies, targets, expectations, assumptions and evaluations with respect to general economic conditions, the result of its operations, its financial condition, its management in general and other future events.

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. Accordingly, they are inherently susceptible to uncertainties, risks and changes in circumstances and are not guarantees of future performance. The Company may not be successful in implementing its business strategy, and actual results may differ materially, for a wide range of possible reasons. Please see "3. Results of Operations and Financial Condition - (1) Results of operations."

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 disclaim 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.

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(Japanese GAAP)

Mitsubishi Tokyo Financial Group, Inc.

Non-Consolidated Balance Sheets

-----  
(in millions of yen)

As of March 31,  
2002

-----  
Assets:

Current assets:

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Cash and bank deposits with banks	39,212		34
Deferred tax assets	50		
Accounts receivable	-		15
Other	16,037		1
Total current assets	55,300	1.3%	51
Fixed assets:			
Premises and equipment:			
Leasehold improvements	261		
Equipment and furniture	177		
Total premises and equipment	439		
Intangible assets:			
Trademarks	56		
Computer software	357		
Other	2		
Total intangible assets	415		
Investments and other assets:			
Investments in subsidiaries	4,000,070		4,210
Convertible bonds due from subsidiary	243,924		
Deferred tax assets	-		
Other	436		
Total investments and other assets	4,244,431		4,210
Total fixed assets	4,245,287	98.7%	4,211
Deferred charge:			
Organization cost	1,375		1
Total deferred charge	1,375	0.0%	1
<hr/>			
Total assets	4,301,963	100.0%	4,264
<hr/>			
Liabilities:			
Current liabilities:			
Accounts payable	250		12
Accrued expenses	2,772		
Accrued income taxes	109		
Other	59		
Reserve for employees' bonuses	75		
Total current liabilities	3,267	0.1%	12
Long-term liabilities:			
Convertible bonds	243,924		
Deferred tax liabilities	2,038		
Total long-term liabilities	245,962	5.7%	
<hr/>			
Total liabilities	249,230	5.8%	12
<hr/>			
Shareholders' equity:			
Capital stock	1,146,500	26.6%	1,258
Capital surplus:			
Legal capital surplus	2,838,692		2,350
Other capital surplus	-		600
Total capital surplus	2,838,692	66.0%	2,950
Retained earnings:			
Unappropriated	67,871		44
Total retained earnings	67,871	1.6%	44
<hr/>			
Total	4,053,064	94.2%	4,252
Less treasury stock	(331)	(0.0)%	(1)
<hr/>			
Total shareholders' equity	4,052,733	94.2%	4,251
<hr/>			
Total liabilities and shareholders' equity	4,301,963	100.0%	4,264
<hr/>			

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See Notes to Non-Consolidated Financial Statements.

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(Japanese GAAP)

Mitsubishi Tokyo Financial Group, Inc.

## Non-Consolidated Statements of Income

(in millions of yen)	For the year ended March 31, 2002		For M
<b>Operating income:</b>			
Dividends on investments in subsidiaries	67,577		22
Management fees from subsidiaries	4,967		5
Total operating income	72,544	100.0%	27
<b>Operating expenses:</b>			
General and administrative expenses	4,166		3
Total operating expenses	4,166	5.7%	3
Operating profit	68,378	94.3%	23
<b>Non-operating income:</b>			
Interest on deposits	7		
Interest on securities	7,137		4
Other	230		
Total non-operating income	7,374	10.1%	4
<b>Non-operating expenses:</b>			
Interest on borrowed money	27		
Interest on convertible bonds	7,137		4
Amortization of organization cost	343		
Amortization of stock issuance costs	-		1
Other	129		
Total non-operating expenses	7,638	10.5%	6
Ordinary profit	68,114	93.9%	22
<b>Special losses:</b>			
Losses on sales of fixed assets	-		
Losses on disposition of fixed assets	-		
Total special losses	-	-%	
Income before income taxes	68,114	93.9%	22
Income taxes-current	306		
Income taxes-deferred	(63)		(2)
Total income taxes	242	0.3%	(1)
Net income	67,871	93.6%	23

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Unappropriated retained earnings brought forward	-	25
Interim cash dividends	-	4
Unappropriated retained earnings at fiscal year end	67,871	44

See Notes to Non-Consolidated Financial Statements.

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### Notes to Non-Consolidated Financial Statements

The accompanying Non-Consolidated Financial Statements are compiled as required by the Securities and Exchange Law of Japan and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as compared to the application and disclosure requirements of International Accounting Standards. The Non-Consolidated Financial Statements are not intended to present the financial position and results of operation in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan. 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.

#### Critical accounting policies

1. **Investments**  
Investments in subsidiaries 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	3 years to 50 years
Equipment and furniture	3 years to 20 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. **Deferred charge**  
Organization cost is deferred and amortized using the straight-line method over 5 years pursuant to the Commercial Code of Japan.  
Stock issuance costs are charged to expenses when incurred.
4. **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 fiscal year.
5. **Consumption Taxes**  
The National Consumption Tax and the Local Consumption Tax are excluded from transaction amounts.
6. **Consolidated Corporate-tax System**  
Since the current fiscal year, MTFG has adopted consolidated corporate-tax



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system.

### Change in accounting policies

Since the current fiscal year, MTFG has adopted Financial Accounting Standard No.1 "Accounting Standard for Treasury Stock and Reversal of Legal Reserves" issued by the Accounting Standards Board of Japan (the "ASBJ") on February 21, 2002. There is no effect to profit (loss) during the current fiscal year or total shareholders' equity at fiscal year end attributable to this change.

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Notes related to the Non-Consolidated Balance Sheet are as follows:

1.	Accumulated depreciation on premises and equipment	(Yen)144 million
2.	Aggregated number of shares authorized to be issued	
	Common stock	22,000,000 shares
	Preferred stock	421,400 shares
	Aggregated number of shares issued	
	Common stock	6,232,161.72 shares
	Preferred stock	181,400 shares
3.	Treasury stock	
	Common stock	1,655.46 shares

Notes related to the Non-Consolidated Statement of Income are as follows:

1.	Operating income on transactions with subsidiaries	
	Dividends on investments in subsidiaries	(Yen)22,067 million
	Management fees from subsidiaries	(Yen)5,165 million
2.	Operating expenses on transactions with subsidiaries	(Yen)732 million
3.	Non-operating income on transactions with subsidiaries	
	Interest on securities	(Yen)4,729 million
4.	Non-operating expenses on transactions with subsidiaries	
	Interest on convertible bonds	(Yen)4,729 million
5.	Principal items in general and administrative expenses are as follows:	
	Salaries and employee benefits	(Yen)1,224 million
	Depreciation expenses	(Yen)183 million
	Rental expenses	(Yen)302 million
	Outsourcing expenses	(Yen)528 million

A note related to securities is as follows:

Fair value is not readily determinable for Investments in subsidiaries.

Notes related to income taxes are as follows:

1. The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities are as follows:

Current assets:

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Deferred tax assets:	
Nondeductible expenses as Accrued enterprise taxes	(Yen)75 million
Excess of deductible amount as Reserve for employees' bonuses	(Yen)27 million
Other	(Yen)2 million
	-----
Total	(Yen)104 million
Fixed assets:	
Deferred tax assets:	
Other	(Yen)12 million
	-----
Total	(Yen)12 million
Total deferred tax assets	(Yen)117 million

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2. A reconciliation between the normal effective statutory tax rate and the actual effective tax rate is as follows:

Normal effective statutory tax rate	42.05%
Reconciliation:	
Dividends and others exempted for income tax purposes	(38.62%)
Unrealized gains (losses) on investments in subsidiaries	(9.26%)
Other	0.21%
	-----
Actual effective tax rate	(5.62%)

3. Change in Effective Statutory Tax Rate

With the implementation of the "Revision of the Local Tax Law" (Legislation No.9, 2003) on March 31, 2003, the tax basis of enterprise taxes is to be a combination of "amount of added value" and "amount of capital" from the fiscal year beginning on April 1, 2004. The tax bases are not pertinent to the enterprise taxes that have tax bases of income-related amounts.

In connection with the "Revision of the Local Tax Law", the effective statutory tax rate used in the calculations of deferred tax assets and liabilities from the fiscal year beginning on April 1, 2004 decreased from 42.05% to 40.49%. The effect to Deferred tax assets and Deferred income taxes attributable to this change is immaterial.

Per share information:

Shareholders' equity per common share	(Yen)609,704.98
Net income per common share	(Yen)2,610.43
Net income per common and common equivalent share	--

Since the current fiscal year, MTFG has adopted Financial Accounting Standard No.2 "Accounting Standard for Earnings Per Share" issued by the ASBJ on September 25, 2002 and Accounting Standards Implementation Guidance No.4 "Implementation Guidance for Accounting Standard for Earnings Per Share" issued by the ASBJ on September 25, 2002.

If MTFG had adopted the Accounting Standard and the Implementation Guidance set forth above for the previous fiscal year, per share information as of or for the year ended March 31, 2002 are as follows:

Shareholders' equity per common share	(Yen)626,983.46
Net income per common share	(Yen)10,367.98
Net income per common and common equivalent share	--

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(Notes)

1. Net income per common and common equivalent share is not presented since no potential common stock was included in the computation of net income per common and common equivalent share due to their anti-dilutive effects.

2. Bases for computing Net income per common share:

Net income per common share	(Yen)2,610.43
Net income	(Yen)23,389 million
Net income attributable to common share	(Yen)15,054 million
Total dividends on preferred stock	(Yen)8,335 million
Average number of common shares outstanding for the fiscal year	5,766,886 shares

Common equivalent share not included in the computation of net income per common and common equivalent share due to their anti-dilutive effects.  
Preferred stock-class 2  
(Number of shares outstanding: 100,000 shares)

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(Japanese GAAP)

Mitsubishi Tokyo Financial Group, Inc.

Proposed Appropriations of Retained Earnings and Other Capital Surplus

(in millions of yen)	For the year ended March 31, 2002	
-----		
Appropriations of Retained Earnings		
-----		
Unappropriated retained earnings at fiscal year end		67,871
-----		
Appropriations:		
Cash dividends on preferred stock-class 1	(82,500 yen per share)	6,715
Cash dividends on preferred stock-class 2	(16,200 yen per share)	1,620
Cash dividends on common stock	(6,000 yen per share)	34,452
-----		
Total		42,788
-----		
Unappropriated retained earnings to be carried forward		25,083
=====		
Appropriations of Other Capital Surplus		
-----		
Other capital surplus at fiscal year end		-
-----		
Other capital surplus to be carried forward		-
=====		

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## Changes of Directors and Corporate Auditors

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### 1. Changes of Representative Directors

#### (1) Changes (As of May 26, 2003)

Hiroshi Watanabe  
New Position: Senior Managing Director  
Former Position: Senior Managing Director (Representative Director),  
Chief Planning Officer

Tatsunori Imagawa  
New Position: Senior Managing Director (Representative Director),  
Chief Planning Officer  
Former Position: Director

#### (2) Candidate of Director (As of June 27, 2003)

Asataro Miyake Senior Managing Director (Representative Director),  
Chief Risk Management Officer

#### (3) Director who is scheduled to resign (As of June 27, 2003)

Setsuo Uno Senior Managing Director (Representative Director),  
Chief Risk Management Officer

### 2. Other Changes

#### (1) Candidates of Directors (As of June 27, 2003)

Nobuo Kuroyanagi  
Haruya Uehara  
Tetsuo Iwata

#### (2) Candidates of Corporate Auditors (As of June 27, 2003)

Setsuo Uno  
Takuo Oi

#### (3) Director who is scheduled to resign (As of June 26, 2003)

Hiroshi Watanabe Senior Managing Director

#### (4) Corporate Auditors who are scheduled to resign (As of June 26, 2003)

Yoshikazu Takagaki Corporate Auditor (full-time)  
Takashi Uno Corporate Auditor

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MTFG

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Selected Financial Information

under Japanese GAAP

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For the Fiscal Year Ended March 31, 2003

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Mitsubishi Tokyo Financial Group, Inc.

Mitsubishi Tokyo Financial Group, Inc.

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Note: \* "Total of the 2 Banks" stands for the aggregated non-consolidated figures of The Bank of Tokyo-Mitsubishi, Ltd. and The Mitsubishi Trust and Banking Corporation.

Mitsubishi Tokyo Financial Group, Inc.

1 Consolidated Financial Highlights under Japanese GAAP  
for the Fiscal Year Ended March 31, 2003

### 1. Financial Results

	For the year ended March 31, 2003 (A)
Gross profits	1,747,325
Net interest income	1,058,810
Trust fees	101,442
Credit costs for trust accounts (1)	(8,136)
Net fees and commissions	354,717
Net trading profits	79,907
Net other business income	152,447
Net gains on debt securities	68,260
General and administrative expenses	991,226
Net business profits before credit costs for trust accounts and provision for formula allowance for loan losses	764,235
Provision for formula allowance for loan losses(2)	38,260
Net business profits*	717,838
Net non-recurring losses	(1,078,100)
Credit related costs (3)	(492,380)
Losses on loan charge-offs	(211,059)
Provision for specific allowance for loan losses	(117,747)
Losses on sales of loans to the Resolution and Collection Corporation	(75,263)
Other credit related costs	(88,310)
Net losses on equity securities	(488,030)

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Gains on sales of equity securities	80,344
Losses on sales of equity securities	(219,654)
Losses on write down of equity securities	(348,719)
Equity in loss of affiliates	(3,532)
Other	(94,157)
Ordinary loss	(360,262)
Net special gains (losses)	19,520
Loss before income taxes and others	(340,742)
Income taxes-current	55,919
Income taxes-deferred	(237,065)
Minority interest	1,898
Net loss	(161,495)

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 - Intercompany transactions

(Reference)

Total credit costs (1)+(2)+(3)	538,777
Number of consolidated subsidiaries	184
Number of affiliated companies accounted for by the equity method	31

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Mitsubishi Tokyo Financial Group, Inc.

2. Valuation Differences on Securities

(1) Valuation method of securities

Trading securities	Market value (valuation differences are recorded as pr
Debt securities being held to maturity	Amortized cost
Securities available for sale	Market value (valuation differences are included in sh income taxes)

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(Reference) Securities in money held in trust

Trading purposes	Market value (valuation differences are recorded as pr
Being held to maturity	Amortized cost
Other	Market value (valuation differences are included in sh income taxes)

(2) Valuation differences

	As of March 31, 2003				
	Valuation differences		Valuation		
	(A)	(A) - (B)	Gains	Losses	
Debt securities being held to maturity	15,960	2,432	15,961	1	13
Securities available for sale	(242,635)	(381,477)	506,454	749,089	138
Domestic equity securities	(427,244)	(498,699)	191,051	618,296	71
Domestic bonds	121,870	42,168	124,182	2,311	79
Other	62,738	75,053	191,220	128,481	(12)
Total	(226,675)	(379,045)	522,415	749,090	152
Domestic equity securities	(427,244)	(498,699)	191,051	618,296	71
Domestic bonds	133,297	44,723	135,609	2,311	88
Other	67,271	74,931	195,755	128,483	(7)

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

Money Trusts (jointly operated designated money in trust)

A. Market Value of Securities (in millions of yen)

	Trust Assets at period end	Market Value	Valuation Gains
March 31, 2003	232,328	238,931	6,602



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

B. Valuation Gains of Derivative Transaction : 1,637 millions of yen

### Loan Trusts

A. Market Value of Securities	(in millions of yen)		
	Trust Assets at period end	Market Value	Valuation Gains
March 31, 2003	201,780	226,131	24,350

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

B. Valuation Gains of Derivative Transaction : 12,648 millions of yen

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Mitsubishi Tokyo Financial Group, Inc.

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

	As of March 31, 2003 (A) (Preliminary basis)	Increase/ (Decrease) (A) - (B)	Incras (Decreases) (A) - (C)
(1) Risk-adjusted capital ratio	10.84%	0.53%	0.
(2) Tier I capital	3,128.6	(52.4)	75
(3) Tier II capital includable as qualifying capital	2,847.6	(297.7)	(95
i) The amount of unrealized gains on investment securities, includable as qualifying capital	-	(61.2)	
ii) The amount of land revaluation excess includable as qualifying capital	147.3	1.0	3
iii) Subordinated debt	2,012.1	(281.8)	(98
(4) Tier III capital includable as qualifying capital	30.0	30.0	0
(5) Deductions from total qualifying			

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capital	37.9	(68.0)	14
(6) Total qualifying capital (2)+(3)+(4)-(5)	5,968.4	(252.1)	(33
(7) Risk-adjusted assets	55,049.6	(5,286.2)	(2,140

4. Return on Equity

	(%)		
	For the year ended March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	For the year ended March 31, 2002 (B)
ROE *	(5.97)	(0.43)	(5.54)

Note: \* ROE is computed as follows:

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

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Mitsubishi Tokyo Financial Group, Inc.

2 Loan Portfolio and Other

1. Risk-Monitored Loans

(Nonaccrual loans, accruing loans contractually past due 3 months or more and restructured loans)

[Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)	As March 2002
Loans to customers in bankruptcy	96,530	(51,425)	(14,430)	147
Past due loans	1,208,106	(789,404)	(341,496)	1,997
Accruing loans contractually past due 3 months or more	20,399	(2,640)	6,429	23

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Restructured loans	1,244,431	(633,680)	(556,158)	1,878
Total	2,569,468	(1,477,150)	(905,656)	4,046

Loans and bills discounted	46,950,363	(2,112,431)	(11,449)	49,062
----------------------------	------------	-------------	----------	--------

Percentage of total loans and bills discounted

Loans to customers in bankruptcy	0.20%	(0.09)%	(0.03)%
Past due loans	2.57%	(1.49)%	(0.72)%
Accruing loans contractually past due 3 months or more	0.04%	(0.00)%	0.01%
Restructured loans	2.65%	(1.17)%	(1.18)%
Total	5.47%	(2.77)%	(1.92)%

[Trust accounts]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)	As March 2002
Loans to customers in bankruptcy	4,369	(4,049)	(5,759)	8
Past due loans	2,220	(9,745)	(4,224)	12
Accruing loans contractually past due 3 months or more	919	(180)	(122)	1
Restructured loans	33,655	(10,582)	(7,378)	44
Total	41,165	(24,607)	(17,485)	65
Loans and bills discounted	883,501	(240,168)	(85,366)	1,123

[Consolidated and Trust accounts]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)	As March 2002
Loans to customers in bankruptcy	100,899	(55,475)	(20,190)	156

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Past due loans	1,210,327	(799,199)	(345,721)	2,009
Accruing loans contractually past due 3 months or more	21,319	(2,820)	6,306	24
Restructured loans	1,278,087	(644,262)	(563,536)	1,922
Total	2,610,633	(1,501,758)	(923,141)	4,112
Loans and bills discounted	47,833,865	(2,352,600)	(96,815)	50,186

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Mitsubishi Tokyo Financial Group, Inc.

Classification of risk-monitored Loans

Classification by geographic area

[Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Domestic*	2,163,416	(1,540,573)	(950,020)
Overseas*	406,051	63,423	44,364
Asia	66,666	(59,886)	(16,894)
Indonesia	14,348	(27,181)	(17,218)
Thailand	13,595	(26,869)	(16,021)
Hong Kong	16,539	5,049	13,957
Other	22,183	(10,883)	2,387
United States of America	212,778	61,323	60,765
Other	126,606	61,987	493
Total	2,569,468	(1,477,150)	(905,656)

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

[Trust accounts]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
--	--------------------------------	--------------------------------------	--------------------------------------

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Domestic	41,165	(24,607)	(17,485)
----------	--------	----------	----------

Classification by type of industry of borrowers

[Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Domestic*	2,163,416	(1,540,573)	(950,020)
Manufacturing	303,932	(142,579)	(111,041)
Construction	257,374	(136,846)	(88,440)
Wholesale and Retail	475,371	(183,289)	(148,344)
Banks and other financial institutions	24,942	(68,850)	(57,869)
Real estate	515,712	(745,396)	(394,774)
Services	249,824	(196,333)	(122,894)
Other industries	103,079	(24,572)	(6,885)
Consumer	233,178	(42,706)	(19,770)
Overseas*	406,051	63,423	44,364
Banks and other financial institutions	6,122	(19,537)	(2,932)
Commercial and industrial	379,238	72,808	77,853
Other	20,691	10,152	(30,556)
Total	2,569,468	(1,477,150)	(905,656)

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

[Trust accounts]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Domestic	41,165	(24,607)	(17,485)
Manufacturing	4,005	(2,875)	(5,421)
Construction	1,717	(1,380)	(1,281)
Wholesale and Retail	2,500	(3,925)	(1,414)
Banks and other financial institutions	--	(25)	--
Real estate	6,619	(7,264)	(4,083)
Services	1,733	(9,941)	(7,224)
Other industries	18,210	2,586	2,693
Consumer	6,377	(1,781)	(753)
Total	41,165	(24,607)	(17,485)

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Mitsubishi Tokyo Financial Group, Inc.

2. Allowance for Loan Losses

[Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Incr (Decr (A) -
Allowance for loan losses	1,297,292	(362,348)	(200
Formula allowance for loan losses	806,015	31,464	(36
Specific allowance for loan losses	477,898	(379,588)	(163
Allowance for loans to specific foreign borrowers	13,378	(14,224)	(1
Reserve for losses on real estate- collateralized loans sold	--	(7,575)	(2

[Trust accounts]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Incr (Decr (A) -
Special internal reserves	8,425	(4,678)	(2
Allowance for bad debts	1,002	109	

3. Coverage Ratio against Risk-Monitored Loans

[Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Incr (Decr (A)
Allowance for loan losses (I)	1,297,292	(362,348)	(200
Risk-monitored loans (II)	2,569,468	(1,477,150)	(905
Coverage ratio (I)/(II)	50.48%	9.47%	

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Mitsubishi Tokyo Financial Group, Inc.

4. Disclosed Claims under the Financial Reconstruction Law (the "FRL")

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

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Incr (Dec (A)
Claims to bankrupt and substantially bankrupt debtors	226,457	(192,623)	(1
Claims under high risk	1,031,373	(902,187)	(3
Claims under close observation	1,357,445	(559,393)	(5
Total (1)	2,615,276	(1,654,204)	(1,0
Normal claims	46,335,943	(1,795,990)	1

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

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

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Incr (Dec (A)
Secured coverage amount (2)	1,971,278	(1,270,775)	(830
Allowance for loan losses	671,843	(387,397)	(205
Reserve for financial support to specific borrowers	531	93	
Collateral, guarantees, etc.	1,298,903	(883,472)	(624
Secured coverage ratio (2)/(1)	75.37%	(0.56)%	(

Secured Coverage of Each Category of Disclosed Claims under the FRL

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

Reserve for  
financial  
Collectable  
amount by

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Category	Disclosed amount (A)	Allowance for loan Losses (B)	support to specific borrowers (C)	collateralized and guaranteed loans (D)
Claims to bankrupt and substantially bankrupt debtors	226,457 [419,080]	19,961 [66,821]	- -	206,495 [352,254]
Claims under high risk	1,031,373 [1,933,561]	386,331 [723,307]	- [437]	467,567 [860,703]
Claims under close observation	1,357,445 [1,916,838]	265,549 [269,112]	531 -	624,840 [969,417]
Sub total (1)	2,615,276 [4,269,481]	671,843 [1,059,240]	531 [437]	1,298,903 [2,182,375]
Normal claims	46,335,943 [48,131,933]			
Total (2)	48,951,219 [52,401,415]			
Sub total (1)/Total (2)	5.34% [8.14%]			

Note: The upper figures are as of March 31, 2003. The lower figures with bracket are as of March 31, 2002.

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Mitsubishi Tokyo Financial Group, Inc.

6. 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

	As of September 30, 2000	As of March 31, 2001	As of September 30, 2001	As of March 31, 2002
Claims to bankrupt and substantially bankrupt debtors	513.6	280.6	274.1	213.9
Claims under high risk	1,580.2	1,400.4	1,141.3	840.1
Total	2,093.8	1,681.0	1,415.4	1,054.1

Progress in the disposal of problem assets (in billions of yen)



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-----	
Second half of fiscal 2002	
-----	
Disposition by borrowers' liquidation	142.7
Re-constructive disposition	15.7
Improvements in financial status due to re-constructive disposition	0.8
Loan sales to secondary market	121.4
Charge-off	42.2
Other	202.9
Collection of claims	51.3
Improvements in financial status	151.5
Total	526.0 (B)
-----	

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

(in billions of yen)

-----	
Second half of fiscal 2002	
-----	
Legal liquidation	33.0
Quasi-legal liquidation	0.6
Split-off of problem loans	11.5
Partial charge-off of smaller balance loans	10.3
Entrust through the managed trust method to the Resolution and Collection Corporation	22.9
Total	78.5
-----	

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

-----				
	As of	As of	As of	As
	March 31,	September 30,	March 31,	Septem
	2001	2001	2002	2000
-----				
Claims to bankrupt and substantially bankrupt debtors	117.9	103.8	99.2	4
Claims under high risk	769.0	693.0	538.9	34
Total	887.0	796.8	638.1	39
-----				

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Progress in the disposal of problem assets (in billions of yen)

	Second half of fiscal 2002
Disposition by borrowers' liquidation	10.5
Re-constructive disposition	6.4
Improvements in financial status due to re-constructive disposition	9.1
Loan sales to secondary market	46.1
Charge-off	88.1
Other	63.0
Collection of claims	48.8
Improvements in financial status	14.1
Total	223.5 (D)

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

	(in billions of yen)
	Second half of fiscal 2002
Legal liquidation	4.5
Quasi-legal liquidation	-
Split-off of problem loans	-
Partial charge-off of smaller balance loans	7.3
Entrust through the managed trust method to the Resolution and Collection Corporation	-
Total	11.8

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Mitsubishi Tokyo Financial Group, Inc.

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

	As of	As of	As of
	September 30,	March 31,	September 30,
	2001	2002	2002 (a)
Claims to bankrupt and substantially			

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bankrupt debtors	30.2	42.1	27.9
Claims under high risk	337.1	170.3	101.6
Total	367.3	212.5	129.6

Progress in the disposal of problem assets (in billions of yen)

Second half of fiscal 2002	
Disposition by borrowers' liquidation	0.7
Re-constructive disposition	11.0
Improvements in financial status due to re-constructive disposition	4.5
Loan sales to secondary market	21.5
Charge-off	8.8
Other	27.8
Collection of claims	24.6
Improvements in financial status	3.2
Total	74.7 (F)

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

(in billions of yen)	
Second half of fiscal 2002	
Legal liquidation	4.4
Quasi-legal liquidation	-
Split-off of problem loans	-
Partial charge-off of smaller balance loans	11.9
Entrust through the managed trust method to the Resolution and Collection Corporation	-
Total	16.4

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

	As of	As of	As of	
	March 31,	September 30,	March 31,	(b)
	2002	2002 (a)	2003 (b)	

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Claims to bankrupt and substantially bankrupt debtors	63.6	44.4	20.6
Claims under high risk	384.0	190.9	103.6
Total	447.7	235.3	124.2

(G)

Progress in the disposal of problem assets (in billions of yen)

Second half of fiscal 2002

Disposition by borrowers' liquidation	1.3
Re-constructive disposition	13.8
Improvements in financial status due to re-constructive disposition	-
Loan sales to secondary market	34.3
Charge-off	21.3
Other	40.1
Collection of claims	35.1
Improvements in financial status	4.9
Total	111.0 (H)

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

(in billions of yen)

Second half of fiscal 2002

Legal liquidation	4.2
Quasi-legal liquidation	-
Split-off of problem loans	-
Partial charge-off of smaller balance loans	11.0
Entrust through the managed trust method to the Resolution and Collection Corporation	-
Total	15.3

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

(in billions of yen)			
	As of	As of	-----
	September 30, 2002 (a)	March 31, 2003 (b)	(b) - (a)
Claims to bankrupt and substantially bankrupt debtors	28.9	34.5	5.5
Claims under high risk	369.4	160.2	(209.2)
Total	398.4	194.7	(203.7)
		(I)	(J)

Progress in the disposal of problem assets (in billions of yen)

Second half of fiscal 2002	
Disposition by borrowers' liquidation	4.4
Re-constructive disposition	13.4
Improvements in financial status due to re-constructive disposition	9.7
Loan sales to secondary market	42.4
Charge-off	19.2
Other	114.4
Collection of claims	101.3
Improvements in financial status	13.0
Total	203.7 (J)

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

(in billions of yen)	
Second half of fiscal 2002	
Legal liquidation	24.9
Quasi-legal liquidation	-
Split-off of problem loans	-
Partial charge-off of smaller balance loans	7.8

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Entrust through the managed trust method to the Resolution and Collection Corporation	-
-----	
Total	32.7
-----	

(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
	-----
Claims to bankrupt and substantially bankrupt debtors	50.5
Claims under high risk	557.6
Total	608.1
-----	

Historical trend of problem assets based on the FRL

	As of	As of	As of	As of
	September 30, 2000	March 31, 2001	September 30, 2001	March 31, 2002
	-----			
Claims to bankrupt and substantially bankrupt debtors	513.6	398.6	408.1	419.0
Claims under high risk	1,580.2	2,169.4	2,171.4	1,933.5
Total	2,093.8	2,568.0	2,579.6	2,352.6
-----				

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Mitsubishi Toyko Financial Group, Inc.

7. Classification of Loans by Type of Industry

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

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
	-----		
Domestic offices (excluding loans booked at offshore markets)	37,416,133	(665,900)	254,558
Manufacturing	5,472,979	(362,420)	(205,323)
Agriculture	15,568	(3,022)	(990)
Forestry	5,425	(330)	41

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Fishery	25,293	9,869	5,798
Mining	39,493	(8,903)	(1,650)
Construction	1,228,250	(242,446)	(115,503)
Utilities	417,297	29,326	44,336
Media and Communication	1,496,867	(340,500)	(481,541)
Wholesale and Retail	5,091,325	(527,536)	(394,076)
Banks and other financial institutions	3,851,579	(334,040)	(362,216)
Real estate	4,464,195	(485,262)	(189,092)
Services	4,781,695	234,944	454,997
Municipal government	376,513	121,155	84,175
Other industries	10,149,646	1,243,264	1,415,600
-----			
Overseas offices and loans booked at offshore markets	5,570,426	(1,009,393)	(223,921)
-----			
Total	42,986,559	(1,675,294)	30,637
-----			

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

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
-----			
Total domestic consumer loans	7,464,720	485,123	211,300
-----			
Housing loans	6,941,192	565,187	243,559
-----			
Others	523,527	(80,063)	(32,259)
-----			

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

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
-----			
Domestic loans to small and medium-sized companies	19,920,352	(1,721,314)	(965,336)
-----			
Percentage to total domestic loans	53.24%	(3.58)%	(2.96)%
-----			

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Mitsubishi Toyko Financial Group, Inc.

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

	As of March 31,	Increase/ (Decrease)	Increase/ (Decrease)
--	--------------------	-------------------------	-------------------------

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	2003 (A)	(A) - (B)	(A) - (C)
Domestic offices (excluding loans booked at offshore markets)	1,107,555	(275,882)	(71,418)
Manufacturing	76,795	(26,700)	(2,681)
Agriculture	-	-	-
Forestry	30	(7)	(3)
Fishery	1,572	230	615
Mining	129	(192)	(94)
Construction	7,872	(10,062)	(3,965)
Utilities	135,204	(42,325)	(17,029)
Media and Communication	124,560	(47,833)	(35,524)
Wholesale and Retail	17,190	(7,959)	1,921
Banks and other financial institutions	197,722	135,747	48,835
Real estate	77,800	(33,979)	(11,361)
Services	52,767	(32,308)	(15,228)
Municipal government	37,773	(3,571)	(2,680)
Other industries	378,134	(206,922)	(34,225)
Overseas offices and loans booked at offshore markets	-	-	-
Total	1,107,555	(275,882)	(71,418)

(5) Domestic consumer loans [Trust accounts]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Total domestic consumer loans	268,405	(48,207)	(22,957)
Housing loans	265,050	(47,171)	(22,474)
Others	3,354	(1,035)	(482)

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

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Domestic loans to small and medium-sized companies	666,401	(117,204)	(3,601)
Percentage to total domestic loans	60.16%	3.52%	3.33%



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Mitsubishi Toyko Financial Group, Inc.

8. Foreign Loans

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

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Loan to specific foreign borrowers	58,241	(73,803)	(17,746)
Number of countries	10	(1)	-

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

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Thailand	213,245	(65,347)	(33,580)
Indonesia	120,649	(63,181)	(24,892)
Malaysia	99,975	(20,493)	(11,627)
Philippines	62,195	(13,980)	(3,801)
South Korea	158,900	66,375	51,531
Singapore	243,173	(71,817)	(29,840)
Hong Kong	417,910	(49,108)	25,344
China	215,024	(31,304)	(6,715)
Taiwan	39,491	2,945	3,333
Others	44,611	(28,616)	(10,068)
Total	1,615,177	(274,527)	(40,316)

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

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Argentina	37,271	(47,293)	(28,852)
Brazil	72,557	(12,914)	(12,019)
Mexico	103,249	(5,558)	(5,721)
Caribbean countries	381,575	(83,261)	(44,793)
Others	126,246	(25,612)	9,495
Total	720,900	(174,640)	(81,890)

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## Mitsubishi Tokyo Financial Group, Inc.

## 9. Loans and Deposits [Total of the 2 Banks]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Deposits (ending balance)	58,970,786	2,353,101	2,088,709
Deposits (average balance)	57,427,383	3,260,502	809,189
Loans (ending balance)	42,986,559	(1,675,294)	30,637
Loans (average balance)	43,677,521	245,484	290,905

## 10. Domestic Deposits [Total of the 2 Banks]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Individuals	32,164,441	2,654,552	1,275,997
Corporations and others	19,903,820	578,541	763,960
Domestic deposits	52,068,261	3,233,094	2,039,957

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

## 11. Number of Employees [Total of the 2 Banks]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Number of employees	21,367	(894)	(936)

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

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Domestic:	335	(16)	(7)
Head office and Branches	309	(12)	(5)
Sub-branches & Agencies	26	(4)	(2)
Overseas:	80	(3)	(3)
Branches	47	(2)	(2)
Sub-branches	13	(1)	(1)
Representative offices	20	-	-
Total	415	(19)	(10)

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Mitsubishi Tokyo Financial Group, Inc.

13. Employees' Retirement Benefits

(1) Benefit obligation

(in millions)

		As of March 31
Projected benefits obligation	(A)	1,2
Discount rate:		
Domestic subsidiaries 1.1%~1.9%, Overseas subsidiaries 5.5%~7.25%		
Fair value of plan assets	(B)	7
Prepaid pension cost	(C)	
Reserve for employees' retirement benefits	(D)	
Total amount unrecognized	(A-B+C-D)	4
Unrecognized net obligation at transition		

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Unrecognized prior service cost	(
Unrecognized net actuarial loss	4

Note: Discount rate of The Bank of Tokyo-Mitsubishi, Ltd. and The Mitsubishi Trust and Banking Corporation is 1.9%.

(2) Net periodic pension cost

	(in millions)
	For the year March 31,
Net periodic cost of the employees' retirement benefits	
Service cost	
Interest cost	
Expected return on plan assets	(
Amortization of net obligation at transition	
Amortization of prior service cost	
Amortization of net actuarial loss	
Other	

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Mitsubishi Tokyo Financial Group, Inc.

14. Earning Projections for the Fiscal Year Ending March 31, 2004

[Consolidated]

	For the year ending March 31, 2004	For Ma
Ordinary income	2,880.0	
	(First half 1,395.0)	(First hal
Ordinary Profit (loss)	370.0	
	(First half 150.0)	(First hal
Net income (loss)	190.0	
	(First half 70.0)	(First hal

[Non-consolidated]

	For the year ending March 31, 2004		For Ma
Operating income		44.0	
	(First half	42.0)	(First hal
Ordinary profit		40.0	
	(First half	40.0)	(First hal
Net income		40.0	
	(First half	40.0)	(First hal

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MTFG

Selected Financial Information

under Japanese GAAP

For the Fiscal Year Ended March 31, 2003

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 Financial Highlights under Japanese GAAP for the Fiscal Year Ended March 31, 2003

(Japanese GAAP)

#### 1. Consolidated Balance Sheets

	As of March 31,	
(in millions of yen)	2003 (A)	2002 (B)
<b>Assets:</b>		
Cash and due from banks	7,366,450	6,
Call loans and bills bought	678,407	1,
Receivables under resale agreements	576,814	1,
Receivables under securities borrowing transactions	1,561,391	
Commercial paper and other debt purchased	484,195	
Trading assets	5,276,242	4,
Money held in trust	405,882	
Investment securities	16,600,079	16,
Allowance for losses on investment securities	(2,067)	
Loans and bills discounted	38,668,577	39,
Foreign exchanges	594,767	
Other assets	2,067,540	3,
Premises and equipment	801,917	
Deferred debenture discounts and other costs	9	
Deferred tax assets	1,008,726	
Customers' liabilities for acceptances and guarantees	4,518,715	5,

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Allowance for loan losses	(1,016,265)	(1,
-----		
Total assets	79,591,387	80,
=====		
Liabilities:		
Deposits	52,095,330	49,
Negotiable certificates of deposit	2,625,077	1,
Debentures	636,060	2,
Call money and bills sold	3,013,869	3,
Payables under repurchase agreements	2,828,308	3,
Payables under securities lending transactions	1,996,214	
Commercial paper	312,208	
Trading liabilities	1,455,493	
Borrowed money	1,303,831	1,
Foreign exchanges	512,676	
Short-term corporate bonds	10,000	
Bonds and notes	3,188,379	3,
Convertible bonds	-	
Bonds with warrants	50,528	
Other liabilities	2,166,328	5,
Reserve for employees' bonuses	12,531	
Reserve for employees' retirement benefits	26,429	
Reserve for losses on real estate-collateralized loans sold	-	
Reserve for expenses related to EXPO 2005 Japan	31	
Reserves under special laws	799	
Deferred tax liabilities	61,037	
Deferred tax liabilities on land revaluation excess	133,453	
Acceptances and guarantees	4,518,715	5,
-----		
Total liabilities	76,947,306	77,
-----		
Minority interest	330,812	
-----		
Shareholder's equity:		
Capital stock	871,973	
Capital surplus	681,928	
Retained earnings	858,177	1,
Land revaluation excess	197,489	
Unrealized gains (losses) on securities available for sale	(227,826)	
Foreign currency translation adjustments	(68,474)	
-----		
Total shareholder's equity	2,313,268	2,
-----		
Total liabilities, minority interest and shareholder's equity	79,591,387	80,
=====		

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

(Japanese GAAP)

2. Consolidated Statements of Operations

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(in millions of yen)	For the year ended	
	2003 (A)	March 31, 2002 (A)
Ordinary income:		
Interest income:	1,347,905	1,347,905
Interest on loans and discounts	886,442	886,442
Interest and dividends on securities	216,381	216,381
Other interest income	245,082	245,082
Trust fees	18,515	18,515
Fees and commissions	377,440	377,440
Trading profits	76,654	76,654
Other business income	218,914	218,914
Other ordinary income	146,742	146,742
Total ordinary income	2,186,174	2,186,174
Ordinary expenses:		
Interest expense:	491,872	491,872
Interest on deposits	183,936	183,936
Interest on debentures and amortization of debenture discounts	8,504	8,504
Other interest expense	299,431	299,431
Fees and commissions	66,074	66,074
Trading losses	-	-
Other business expenses	72,104	72,104
General and administrative expenses	855,093	855,093
Other ordinary expenses	973,652	973,652
Total ordinary expenses	2,458,796	2,458,796
Ordinary loss	(272,622)	(272,622)
Special gains	39,919	39,919
Special losses	24,658	24,658
Loss before income taxes and others	(257,361)	(257,361)
Income taxes-current	54,906	54,906
Income taxes-deferred	(178,443)	(178,443)
Minority interest	4,293	4,293
Net loss	(138,117)	(138,117)

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

(Japanese GAAP)

3. Consolidated Statement of Capital Surplus and Retained Earnings

For the ye



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(in millions of yen)

March 31

-----  
 Balance of capital surplus at beginning of fiscal year

Increase:

    Issuance of common stock due to capital increase

-----  
 Balance of capital surplus at end of fiscal year  
 -----

Balance of retained earnings at beginning of fiscal year

Increase:

    Reduction in land revaluation excess

    Change in ownership percentage to a consolidated subsidiary  
     due to stock repurchase by the subsidiary

    Decrease in consolidated companies accounted for by the equity method

Decrease:

    Net loss

    Cash dividends

    Bonuses to directors of consolidated subsidiaries

    Change in ownership percentage to consolidated subsidiaries and  
     a company accounted for by the equity method due to their merger

    Increase in consolidated subsidiaries and companies accounted  
     for by the equity method

-----  
 Balance of retained earnings at end of fiscal year  
 =====

Consolidated Statement of Retained Earnings

(in millions of yen)

For the ye

March 31

-----  
 Balance of retained earnings at beginning of fiscal year

Increase:

    Reduction in land revaluation excess

Decrease:

    Cash dividends

    Bonuses to directors of consolidated subsidiaries

Net income

-----  
 Balance of retained earnings at end of fiscal year  
 =====

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(The Bank of Tokyo-Mitsubishi, Ltd.)

(Japanese GAAP)

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

a. Interest rate-related transactions

		As of March 31	
		Notional principal or contract amount	with maturity of over 1 year
Exchange-traded			
Futures	sell	4,979,785	235,364
	buy	6,778,166	656,231
Options	sell	16,690,400	-
	buy	22,231,699	8,124
Over-the-counter			
FRAs	sell	702,374	452
	buy	799,281	42,336
Swaps	receive-fix/pay-floater	103,210,682	79,667,570
	receive-floater/pay-fix	102,240,024	77,692,511
	receive-floater/pay-floater	5,773,332	4,191,386
	receive-fix/pay-fix	194,856	100,767
Others	sell	6,956,713	4,267,621
	buy	5,520,093	3,334,827
<b>Total</b>			

Notes: 1. Valuation gains (losses) are recognized in the consolidated statement of operations. Derivatives which qualify for hedge-accounting are not included in the above table.

2. Market values of exchange-traded transactions are based on closing prices on the Tokyo International Financial Futures Exchange, etc. Market values of over-the-counter transactions are based on discounted cash flow method, option pricing models, etc.

b. Foreign exchange-related transactions

As of March 31, 2003				
		Notional principal or contract amount	with maturity of over 1 year	Market va
Over-the-counter				
Swaps		9,419,404	6,111,382	(110,0
Forward contracts	sell	23,912	-	(5
	buy	16,662	-	7
Options	sell	883	-	
	buy	883	-	
Total				(109,7

- Notes: 1. Valuation gains are recognized in the consolidated statement of operations. Derivatives which qualify for hedge-accounting and/or which are applicable to notes 3. are not included in the above table.
2. Market values of over-the-counter transactions are based on discounted cash flow method, option pricing models, etc.
3. Currency swaps which are accounted for by an accrual basis are not included in the above table.  
Notional principal amount, market value and valuation gains of currency swaps which are accounted for by an accrual basis are as follows:

(in millions of yen)

As of March 31, 2003			
	Notional principal amount	Market value	Valuation losses
Swaps	2,829,937	(47,410)	(47,410)

Other foreign exchange-related transactions such as forward exchange contracts and currency options, which valuation gains (losses) had been recognized in the consolidated statement of operations, are not included in the above table.  
Notional principal or contract amounts of those foreign exchange-related transactions are as follows:

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		As of March 31, 20
		Notional principal or contract amount
Exchange-traded		
	sell	
Futures	buy	
Over-the-counter		
	sell	2
Forward contracts	buy	2
	sell	
Options	buy	

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

(Japanese GAAP)

c. Equity-related transactions

As of March 31, 2003				
		Notional principal or contract amount	with maturity of over 1 year	Market value
Exchange-traded				
	sell	96,698	-	1
Futures	buy	82	-	
	sell	19,693	-	
Options	buy	11,450	-	1
Over-the-counter				
	sell	49,054	25,657	(1
Options	buy	69,266	39,394	2
	receive-index swaps	38	38	
Swaps	pay-index swaps	-	-	

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Index	sell	260	-
forwards	buy	1,007	-
Total			3

- Notes: 1. Valuation gains (losses) are recognized in the consolidated statement of operations.  
 2. Market values of exchange-traded transactions are based on closing prices on the Tokyo Stock Exchange, etc. Market values of over-the-counter transactions are based on discounted cash flow method, option pricing models, etc.

d. Bond-related transactions

As of March 31, 2003				
		Notional principal or contract amount	with maturity of over 1 year	Market value
Exchange-traded				
Futures	sell	525,471	27,604	(
	buy	551,546	22,762	
Options	sell	88,630	37,431	
	buy	202,912	37,431	
Over-the-counter				
Options	sell	487,927	-	(
	buy	310,284	-	
Total				(

- Notes: 1. Valuation gains (losses) are recognized in the consolidated statement of operations. Derivatives which qualify for hedge-accounting are not included in the above table.  
 2. Market values of exchange-traded transactions are based on closing prices on the Tokyo Stock Exchange, etc. Market values of over-the-counter transactions are based on option pricing models, etc.

e. Commodity-related transactions

As of March 31, 2003				
		Notional principal or contract amount	with maturity of over 1 year	Market value

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Exchange-traded

	sell	1,123	-	
Futures	buy	3,491	3,224	
Over-the-counter				
	receive-index swaps	138,709	71,273	(1
Swaps	pay-index swaps	123,008	45,895	1
	sell	28,774	8,192	(
Options	buy	33,528	7,546	
Total				

- Notes: 1. Valuation gains (losses) are recognized in the consolidated statement of operations.
2. Market values of exchange-traded transactions are based on closing prices on the International Petroleum Exchange, etc. Market values of over-the-counter transactions are based on the price of the commodities, contract terms, and other factors comprising the contract of transactions.
3. Commodities are mainly related to petroleum.

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

(Japanese GAAP)

f. Credit derivatives

		As of March 31, 2003		
		Notional principal or contract amount	with maturity of over 1 year	Mar
Over-the-counter				
	sell	342,536	275,427	
Credit default options	buy	489,391	334,624	
	sell	3,227	-	
Others	buy	-	-	
Total				

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- Notes: 1. Valuation gains(losses) are recognized in the consolidated statement of operations.
2. Market values are based on discounted cash flow method, option pricing models, etc.
3. In the above table, "sell" indicates credit risks assumed, and "buy" indicates credit risks transferred.

### g. Others

		As of March 31,		
		Notional principal or contract amount	with maturity of over 1 year	Mar
-----				
Over-the-counter				
-----				
	sell	215	-	
Weather derivatives				
	buy	-	-	
-----				
Total				
-----				

- Notes: 1. Valuation gains (losses) are recognized in the consolidated statement of operations.
2. Market values are based on option pricing models, etc.

(Reference)

### Derivatives qualified for hedge-accounting

As of March 31, 2003					
		Notional principal or contract amount	Market value	Deferred hedge profit	Deferr lo
-----					
Interest Rate futures		1,410.0	4.2	57.5	
-----					
Interest Rate Swaps		20,715.8	135.7	356.3	
-----					
Others (interest rate-related transactions)		65.5	(0.1)	0.2	
-----					
Others		545.1	(2.4)	24.6	
-----					
Total			137.3	438.7	
-----					

- Notes: 1. Derivatives which qualify for hedge-accounting are included in the above table.
2. The transactions in the table above are reported on a mark-to-market basis on the consolidated balance sheet.

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The valuation differences which do not correspond to the income/expenses accruing on hedged items are deferred assets/liabilities.

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

-----			
As of March 31, 2003			
	Due within 1 year	Due after 1 year through 5 years	Due after 5 years
-----			
Receive-fix/pay-floater	7,275.8	6,499.4	1,086.6
Receive-floater/pay-fix	2,145.8	2,821.5	737.3
Receive-floater/pay-floater	19.2	76.7	53.1
Total	9,441.0	9,397.7	1,877.0
-----			

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

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

-----	
	For the year ended March 31, 2003 (A)
-----	
Gross profits	1,411,032
Net interest income	857,686
Trust fees	18,515
Net fees and commissions	311,366
Net trading profits	76,654
Net other business income	146,809
Net gains on debt securities	63,178
General and administrative expenses	813,531
-----	



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Net business profits before provision for formula allowance for loan losses	597,500
Provision for formula allowance for loan losses (1)	42,739
Net business profits*	554,761
Net non-recurring losses	(827,384)
Credit related costs (2)	(349,921)
Losses on loan charge-offs	(165,727)
Provision for specific allowance for loan losses	(39,809)
Losses on sales of loans to the Resolution and Collection Corporation	(73,030)
Other credit related costs	(71,354)
Net losses on equity securities	(386,611)
Gains on sales of equity securities	52,997
Losses on sales of equity securities	(184,774)
Losses on write down of equity securities	(254,835)
Equity in loss of affiliates	(9,009)
Other	(81,841)
Ordinary loss	(272,622)
Net special gains	15,261
Loss before income taxes and others	(257,361)
Income taxes-current	54,906
Income taxes-deferred	(178,443)
Minority interest	4,293
Net income (loss)	(138,117)

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 - Intercompany transactions.

(Reference)

Total credit costs (1) + (2)	392,661
Number of consolidated subsidiaries	150
Number of affiliated companies accounted for by the equity method	23

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

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

	For the year ended March 31, 2003 (A)
Gross profits	978,054
-----	
Domestic gross profits	545,956
-----	
Net interest income	427,416
-----	
Net fees and commissions	71,532
-----	
Net trading profits	16,764
-----	
Net other business income	30,243
-----	
Net gains on debt securities	32,186
-----	
Non-domestic gross profits	432,097
-----	
Net interest income	227,149
-----	
Net fees and commissions	61,441
-----	
Net trading profits	32,703
-----	
Net other business income	110,803
-----	
Net gains on debt securities	30,034
-----	
General and administrative expenses	466,499
-----	
Personnel expenses	183,535
-----	
Non-personnel expenses	260,226
-----	
Taxes	22,737
-----	
Net business profits before provision for formula allowance for loan losses	511,555
-----	
Provision for formula allowance for loan losses	49,698
-----	
Net business profits	461,856
-----	
Net non-recurring losses	(761,896)

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Credit related costs	(291,389)
Losses on loan charge-offs	(141,491)
Provision for specific allowance for loan losses	3,140
Net losses on sale of domestic bad loans and similar claims	(81,591)
Provision for allowance for loans to specific foreign borrowers	13,370
Losses on financial assistance to subsidiaries	(26,616)
Other credit related costs	(58,201)
Net losses on equity securities	(370,560)
Gains on sales of equity securities	73,897
Losses on sales of equity securities	(184,528)
Losses on write down of equity securities and provision for allowance for losses on investment securities	(259,928)
Others	(99,946)
Ordinary loss	(300,040)
Net special gains	12,707
Net losses on sale of premises and equipment	(13,893)
Gain on loans charged-off	30,350
Loss before income taxes	(287,333)
Income taxes-current	22,925
Income taxes-deferred	(218,141)
Net loss	(92,116)

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

6. Average interest rate spread

[Non-Consolidated]

(percentage)

For the year ended

March 31,

2003 (A)

2002 (B)

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Total average interest rate on interest-earning assets (a)	1.78	2.39
Average interest rate on Loans and bills discounted	1.82	2.21
Average interest rate on Investment securities	1.13	1.56
Total average interest rate on interest-bearing liabilities (b)	1.41	2.04
Average interest rate on Deposits, NCD and Debentures	0.32	0.76
Average interest rate on external liabilities	1.28	1.54
Total average interest rate spread (a)-(b)	0.37	0.34

Average interest rate spread in domestic business segment: (percentage)

Total average interest rate on interest-earning assets (a)	1.16	1.33
Average interest rate on Loans and bills discounted	1.53	1.70
Average interest rate on Investment securities	0.57	0.84
Total average interest rate on interest-bearing liabilities (b)	0.88	1.06
Average interest rate on Deposits, NCD and Debentures	0.06	0.14
Average interest rate on external liabilities	0.98	1.06
Total average interest rate spread (a)-(b)	0.27	0.27

7. Valuation Differences on Securities

(1) Valuation method of securities

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

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(2) Valuation differences

	[Consolidated]		(in millions of yen)					
	As of March 31, 2003				As of March 31, 2002			
	Valuation differences				Valuation differences			
	(A)	(A) - (B)	Gains	Losses	(B)	Gains	Losses	
Debt securities being held to maturity	1,940	515	1,942	1	1,424	1,547	122	
Securities available for sale	(246,944)	(331,133)	298,039	544,984	84,188	529,303	445,114	
Domestic equity securities	(290,404)	(355,793)	168,888	459,293	65,388	433,492	368,104	
Domestic bonds	65,158	26,174	67,259	2,100	38,984	42,084	3,100	
Other	(21,698)	(1,514)	61,892	83,590	(20,184)	53,725	73,910	
Total	(245,003)	(330,617)	299,982	544,985	85,613	530,850	445,237	
Domestic equity securities	(290,404)	(355,793)	168,888	459,293	65,388	433,492	368,104	
Domestic bonds	65,158	26,174	67,259	2,100	38,984	42,084	3,100	
Other	(19,757)	(998)	63,834	83,591	(18,759)	55,273	74,032	

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

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

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
	(Preliminary basis)		
(1) Risk-adjusted capital ratio	10.43%	0.14%	0.00%
(2) Tier I capital	2,400.2	(156.4)	(25.6)

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(3)	Tier II capital includable as qualifying capital	2,291.3	(265.3)	(104.7)
i)	The amount of unrealized gains on investment securities, includable as qualifying capital	-	(36.6)	-
ii)	The amount of land revaluation excess includable as qualifying capital	148.9	(2.9)	(0.7)
iii)	Subordinated debt	1,581.1	(269.1)	(109.0)
(4)	Tier III capital includable as qualifying capital	30.0	30.0	0.2
(5)	Deductions from total qualifying capital	33.9	(69.1)	8.2
(6)	Total qualifying capital (2)+(3)+(4)-(5)	4,687.7	(322.5)	(138.3)
(7)	Risk-adjusted assets	44,903.0	(3,754.8)	(1,366.2)

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

2 Loan Portfolio and Other

1. Risk-Monitored Loans

(Nonaccrual loans, accruing loans contractually past due 3 months or more and restructured loans)

[Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Loans to customers in bankruptcy	53,709	(59,868)	(28,602)
Past due loans	923,229	(568,462)	(205,748)
Accruing loans contractually past due 3 months or more	18,078	293	4,475
Restructured loans	977,483	(557,931)	(447,826)
Total	1,972,501	(1,185,969)	(677,702)

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Loans and bills discounted	38,668,577	(1,326,316)	525,774
----------------------------	------------	-------------	---------

Percentage of total loans and bills discounted

Loans to customers in bankruptcy	0.13%	(0.14)%	(0.07)%
Past due loans	2.38%	(1.34)%	(0.57)%
Accruing loans contractually past due 3 months or more	0.04%	0.00%	0.01%
Restructured loans	2.52%	(1.31)%	(1.20)%
Total	5.10%	(2.79)%	(1.84)%

[Non-Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Loans to customers in bankruptcy	47,352	(42,230)	(15,210)
Past due loans	825,467	(601,716)	(239,390)
Accruing loans contractually past due 3 months or more	17,085	1,023	5,774
Restructured loans	1,038,848	(481,378)	(421,844)
Total	1,928,753	(1,124,302)	(670,671)

Loans and bills discounted	34,724,836	(895,980)	561,391
----------------------------	------------	-----------	---------

Percentage of total loans and bills discounted

Loans to customers in bankruptcy	0.13%	(0.11)%	(0.04)%
Past due loans	2.37%	(1.62)%	(0.73)%
Accruing loans contractually past due 3 months or more	0.04%	0.00%	0.01%
Restructured loans	2.99%	(1.27)%	(1.28)%
Total	5.55%	(3.01)%	(2.05)%

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### Classification of risk-monitored Loans

#### Classification by geographic area

[Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Domestic*	1,636,411	(1,205,670)	(705,656)
Overseas*	336,090	19,701	27,953
Asia	56,710	(59,019)	(14,427)
Indonesia	12,431	(23,147)	(12,701)
Thailand	10,879	(26,897)	(15,496)
Hong Kong	13,064	1,677	10,482
Other	20,335	(10,652)	3,288
United States of America	175,847	36,829	49,071
Other	103,532	41,890	(6,690)
Total	1,972,501	(1,185,969)	(677,702)

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

#### Classification by type of industry of borrowers

[Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Domestic*	1,636,411	(1,205,670)	(705,656)
Manufacturing	203,095	(158,468)	(112,451)
Construction	118,934	(118,512)	(76,583)
Wholesale and Retail	399,097	(215,650)	(155,141)
Banks and other financial institutions	17,087	(52,138)	(41,429)
Real estate	436,237	(440,708)	(195,960)
Services	173,784	(159,175)	(102,456)
Other industries	70,001	(22,346)	(3,304)
Consumer	218,172	(38,671)	(18,328)
Overseas*	336,090	19,701	27,953
Banks and other financial institutions	6,122	(14,076)	(2,932)
Commercial and industrial	323,635	37,691	30,675
Other	6,331	(3,914)	210



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Total	1,972,501	(1,185,969)	(677,702)
-------	-----------	-------------	-----------

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

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

2. Allowance for Loan Losses

[Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Incr (Decr (A)
Allowance for loan losses	1,016,265	(243,397)	(106
Formula allowance for loan losses	664,572	36,000	(15
Specific allowance for loan losses	339,141	(266,026)	(89
Allowance for loans to specific foreign borrowers	12,551	(13,370)	(1
Reserve for losses on real estate-collateralized loans sold	-	(7,233)	(1

[Non-Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Incr (Decr (A)
Allowance for loan losses	809,374	(226,459)	(94
Formula allowance for loan losses	506,566	49,698	(9
Specific allowance for loan losses	290,256	(262,787)	(83
Allowance for loans to specific foreign borrowers	12,551	(13,370)	(1
Reserve for financial assistance to specific borrowers	-	-	(10
Reserve for losses on real estate-collateralized loans sold	-	(7,233)	(1

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3. Coverage Ratio against Risk-Monitored Loans

[Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Allowance for loan losses (a)	1,016,265	(243,397)	(106,278)
Risk-monitored loans (b)	1,972,501	(1,185,969)	(677,702)
Coverage ratio (a)/(b)	51.52%	11.63%	9.16%

[Non-Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Allowance for loan losses (a)	809,374	(226,459)	(94,218)
Risk-monitored loans (b)	1,928,753	(1,124,302)	(670,671)
Coverage ratio (a)/(b)	41.96%	8.03%	7.20%

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

4. Disclosed Claims under the Financial Reconstruction Law (the "FRL")

[Non-Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Claims to bankrupt and substantially bankrupt debtors	136,659	(185,686)	(204,931)
Claims under high risk	772,000	(670,060)	(213,329)
Claims under close observation	1,055,933	(480,355)	(416,070)

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Total (1)	1,964,593	(1,336,102)	(834,331)
Normal claims	37,400,369	(1,000,002)	516,803

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

[Non-Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (B)
Secured coverage amount (2)	1,465,684	(988,348)	(659,900)
Allowance for loan losses	498,971	(265,622)	(121,800)
Reserve for financial support to specific borrowers	-	-	-
Collateral, guarantees, etc.	966,712	(722,726)	(538,000)
Secured coverage ratio (2)/(1)	74.60%	0.25%	(1.00%)

Secured Coverage of Each Category of Disclosed Claims under the FRL

[Non-Consolidated]

Category	Disclosed amount (A)	Allowance for loan losses (B)	Reserve for financial support to specific borrowers (C)	Collectable amount by collateral and guarant loans (D)
Claims to bankrupt and substantially bankrupt debtors	136,659 [322,345]	11,460 [62,345]	- -	125,100 [259,900]
Claims under high risk	772,000 [1,442,061]	267,551 [486,938]	- -	364,300 [643,200]
Claims under close observation	1,055,933 [1,536,289]	219,959 [215,309]	- -	477,100 [786,100]
Sub total (1)	1,964,593 [3,300,695]	498,971 [764,594]	- -	966,700 [1,689,400]
Normal claims	37,400,369 [38,400,371]			

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-----  
 Total (2) 39,364,962  
 [41,701,067]  
 -----

Sub total (1) / Total (2) 4.99%  
 [7.91%]  
 -----

Note: The upper figures are as of March 31, 2003. The lower figures with bracket are as of March

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

6. 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

	As of September 30, 2000	As of March 31, 2001	As of September 30, 2001	As of March 31, 2002	Se
Claims to bankrupt and substantially bankrupt debtors	274.3	144.3	150.6	144.9	
Claims under high risk	1,053.5	944.9	758.4	538.4	
Total	1,327.8	1,089.2	909.0	683.4	

Progress in the disposal of problem assets (in billions of yen)

-----  
 Second half of fiscal 2002  
 -----

Disposition by borrowers' liquidation	120.3
Re-constructive disposition	15.2
Improvements in financial status due to re-constructive disposition	-
Loan sales to secondary market	68.4
Charge-off	11.9
Other	136.2
Collection of claims	20.6
Improvements in financial status	115.6

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Total 352.2 (B)

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

(in billions of yen)	
Second half of fiscal 2002	
Legal liquidation	18.4
Quasi-legal liquidation	-
Split-off of problem loans	-
Partial charge-off of smaller balance loans	6.2
Entrust through the managed trust method to the Resolution and Collection Corporation	-
Total	24.6

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

	As of March 31, 2001	As of September 30, 2001	As of March 31, 2002	As of September 2002 (a)
Claims to bankrupt and substantially bankrupt debtors	106.8	98.3	94.3	44.0
Claims under high risk	635.3	575.4	447.4	269.3
Total	742.1	673.7	541.8	313.3

(in billions of yen)	
Second half of fiscal 2002	
Disposition by borrowers' liquidation	10.5
Re-constructive disposition	3.2
Improvements in financial status due to re-constructive disposition	9.1
Loan sales to secondary market	46.0
Charge-off	29.4

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Other	62.2
Collection of claims	48.0
Improvements in financial status	14.1
Total	160.6 (D)

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

(in billions of yen)

Second half of fiscal 2002	
Legal liquidation	1.6
Quasi-legal liquidation	-
Split-off of problem loans	-
Partial charge-off of smaller balance loans	6.6
Entrust through the managed trust method to the Resolution and Collection Corporation	-
Total	8.2

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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

	As of September 30, 2001	As of March 31, 2002	As of September 30, 2002 (a)
Claims to bankrupt and substantially bankrupt debtors	27.1	25.6	26.4
Claims under high risk	257.0	140.1	79.9
Total	284.2	165.8	106.3

Progress in the disposal of problem assets (in billions of yen)

Second half of fiscal 2002

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Disposition by borrowers' liquidation	0.7
Re-constructive disposition	10.6
Improvements in financial status due to re-constructive disposition	-
Loan sales to secondary market	21.4
Charge-off	8.7
Other	17.7
Collection of claims	15.0
Improvements in financial status	2.6
Total	59.4 (F)

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

(in billions of yen)	
Second half of fiscal 2002	
Legal liquidation	4.0
Quasi-legal liquidation	-
Split-off of problem loans	-
Partial charge-off of smaller balance loans	10.3
Entrust through the managed trust method to the Resolution and Collection Corporation	-
Total	14.4

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

	As of March 31, 2002	As of September 30, 2002 (a)	As of March 2003
Claims to bankrupt and substantially bankrupt debtors	57.3	35.4	13.1
Claims under high risk	315.9	162.4	94.0
Total	373.2	197.9	107.1

Progress in the disposal of problem assets	(in billions of yen)
-----	
Second half of fiscal 2002	
-----	
Disposition by borrowers' liquidation	1.3
-----	-----
Re-constructive disposition	13.0
-----	-----
Improvements in financial status due to re-constructive disposition	-
-----	-----
Loan sales to secondary market	33.0
-----	-----
Charge-off	12.5
-----	-----
Other	30.8
-----	-----
Collection of claims	25.9
-----	-----
Improvements in financial status	4.8
-----	-----
Total	90.8 (H)
-----	

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

	(in billions of yen)
-----	
Second half of fiscal 2002	
-----	
Legal liquidation	2.1
-----	-----
Quasi-legal liquidation	-
-----	-----
Split-off of problem loans	-
-----	-----
Partial charge-off of smaller balance loans	8.4
-----	-----
Entrust through the managed trust method to the Resolution and Collection Corporation	-
-----	-----
Total	10.5
-----	

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

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



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(in billions of yen)

	As of September 30, 2002 (a)	As of March 31, 2003 (b)	----- (b) - (a)
Claims to bankrupt and substantially bankrupt debtors	24.6	19.0	(5.5)
Claims under high risk	279.9	124.2	(155.6)
Total	304.5	143.3	(161.2)
		(I)	(J)

Progress in the disposal of problem assets (in billions of yen)

Second half of fiscal 2002

Disposition by borrowers' liquidation	4.4
Re-constructive disposition	13.2
Improvements in financial status due to re-constructive disposition	-
Loan sales to secondary market	40.4
Charge-off	5.9
Other	97.1
Collection of claims	86.7
Improvements in financial status	10.3
Total	161.2 (J)

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

(in billions of yen)

Second half of fiscal 2002

Legal liquidation	9.8
Quasi-legal liquidation	-
Split-off of problem loans	-
Partial charge-off of smaller balance loans	6.9

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Entrust through the managed trust method to the Resolution and Collection Corporation	-
-----	
Total	16.7
-----	

- (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
	-----
Claims to bankrupt and substantially bankrupt debtors	25.1
Claims under high risk	380.9
Total	406.1
-----	

Historical trend of problem assets based on the FRL

	As of September 30, 2000	As of March 31, 2001	As of September 30, 2001	As of March 31, 2002	S
-----					
Claims to bankrupt and substantially bankrupt debtors	274.3	251.2	276.1	322.3	
Claims under high risk	1,053.5	1,580.2	1,590.9	1,442.0	
Total	1,327.8	1,831.4	1,867.0	1,764.4	
-----					

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

7. Classification of Loans by Type of Industry

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

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
-----			
Domestic offices (excluding loans booked at offshore markets)	29,656,931	(194,264)	680,151
Manufacturing	4,304,829	(288,853)	(181,059)
Agriculture	14,021	(3,105)	(1,163)

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Forestry	5,325	(330)	41
Fishery	2,654	(403)	(403)
Mining	33,449	(7,672)	(971)
Construction	956,403	(209,055)	(93,202)
Utilities	265,547	1,996	19,977
Media and Communication	650,340	(567,761)	(559,363)
Wholesale and Retail	4,402,155	(378,244)	(282,321)
Banks and other financial institutions	1,891,000	(414,681)	(216,240)
Real estate	3,431,293	(212,966)	(39,150)
Services	4,105,321	476,854	631,741
Municipal government	32,709	2,578	1,042
Other industries	9,561,885	1,407,377	1,401,222
-----			
Overseas offices and loans booked at offshore markets	5,067,905	(701,716)	(118,760)
-----			
Total	34,724,836	(895,980)	561,391
-----			

(2) Domestic consumer loans [Non-Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Total domestic consumer loans	7,199,314	459,437	185,029
Housing loans	6,693,677	523,964	216,503
Others	505,637	(64,527)	(31,474)

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

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Domestic loans to small and medium-sized companies	17,200,890	(803,853)	(71,785)
Percentage to total domestic loans	57.99%	(2.31)%	(1.60)

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

8. Loans and Deposits [Non-Consolidated]

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	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Deposits (ending balance)	47,827,174	2,485,120	2,111,520
Deposits (average balance)	46,254,741	2,922,918	730,712
Loans (ending balance)	34,724,836	(895,980)	561,391
Loans (average balance)	34,818,393	460,943	253,258

9. Domestic Deposits [Non-Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Individuals	25,483,181	2,218,763	1,099,211
Corporations and others	16,844,358	844,554	882,143
Domestic deposits	42,327,540	3,063,318	1,981,354

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

10. Number of Employees [Non-Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Number of Employees	15,179	(541)	(673)

11. Number of Offices [Non-Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Domestic:	282	(14)	(5)

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Head office and Branches	260	(10)	(3)
Sub Branches & Agencies	22	(4)	(2)
Overseas:	72	(3)	(3)
Branches	42	(2)	(2)
Sub - branches	13	(1)	(1)
Representative offices	17	-	-
Total	354	(17)	(8)

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

12. Earning Projections for the Fiscal Year Ending March 31, 2004

[Consolidated]

(in billions of yen)

	For the year ending March 31, 2004	For the year ended March 31, 2003
Ordinary income	2,300.0	2,186.1
Ordinary Profit (loss)	300.0	(272.6)
Net income (loss)	155.0	(138.1)

[Non-consolidated]

(in billions of yen)

	For the year ending March 31, 2004	For the year ended March 31, 2003
Operating income	1,700.0	1,611.2
Ordinary profit (loss)	185.0	(300.0)
Net income (loss)	115.0	(92.1)
Net business profits before provision for formula allowance for loan losses	540.0	511.5

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## Selected Financial Information under Japanese GAAP

For the Fiscal Year Ended March 31, 2003

The Mitsubishi Trust and Banking Corporation

Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

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11.	Number of Offices	[Non-Consolidated]
12.	Earning Projections for the Fiscal Year ending March 31, 2004	[Consolidated]

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

1 Financial Highlights under Japanese GAAP for the Fiscal Year Ended March 31, 2003

(Japanese GAAP)

## 1. Consolidated Balance Sheets

	As of March 31, 2003 (A)
(in millions of yen)	
<b>Assets:</b>	
Cash and due from banks	1,333,630
Call loans and bills bought	256,132
Receivables under securities borrowing transactions	1,535,155
Commercial paper and other debt purchased	16,418
Trading assets	350,573
Money held in trust	9,675
Investment securities	7,577,895
Loans and bills discounted	8,287,748
Foreign exchanges	19,228
Pledged money for securities borrowing transactions	-
Other assets	1,143,264
Premises and equipment	184,212
Deferred tax assets	353,929
Deferred tax assets on land revaluation losses	1,593
Customers' liabilities for acceptances and guarantees	410,230
Allowance for loan losses	(281,027)
<b>Total assets</b>	<b>21,198,661</b>
<b>Liabilities:</b>	
Deposits	10,986,946
Negotiable certificates of deposit	1,453,650
Call money and bills sold	1,125,546
Payables under repurchase agreements	333,746
Payables under securities lending transactions	2,601,972
Commercial paper	451,000
Trading liabilities	125,897
Borrowed money	220,247
Foreign exchanges	20,280
Bonds and notes	358,600
Due to trust account	1,401,617
Pledged money for securities lending transactions	-
Other liabilities	1,000,431
Reserve for employees' bonuses	4,418
Reserve for employees' retirement benefits	9,261
Reserve for losses on real estate-collateralized loans sold	-
Reserve for expenses related to EXPO 2005 Japan	19
Deferred tax liabilities	51
Deferred tax liabilities on land revaluation excess	196

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Acceptances and guarantees	410,230
-----	
Total liabilities	20,504,115
-----	
Minority interest	2,951
-----	
Shareholder's equity:	
Capital stock	324,279
Capital surplus	274,752
Retained earnings	102,888
Land revaluation excess	(2,071)
Unrealized gains (losses) on securities available for sale	(3,228)
Foreign currency translation adjustments	(5,025)
-----	
Total shareholder's equity	691,594
-----	
Total liabilities, minority interest and shareholder's equity	21,198,661
=====	

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

(Japanese GAAP)

2. Consolidated Statements of Operations

(in millions of yen)	For the year ended	
	2003 (A)	2002 (B)
-----		
Ordinary income:		
Trust fees	82,927	96,230
Interest income:	367,962	425,640
(Interest on loans and discounts)	128,412	160,140
(Interest and dividends on securities)	166,982	168,440
Fees and commissions	54,017	48,660
Trading profits	3,501	2,300
Other business income	60,104	32,260
Other ordinary income	41,098	58,960
-----		
Total ordinary income	609,611	664,070
-----		
Ordinary expenses:		
Interest expense:	169,362	242,480
(Interest on deposits)	55,466	110,090
Fees and commissions	7,146	6,020
Trading losses	248	
Other business expenses	54,105	49,790
General and administrative expenses	179,737	173,610
Other ordinary expenses	399,574	248,640
-----		
Total ordinary expenses	810,175	720,550
-----		
Ordinary loss	(200,564)	(56,480)



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Special gains	12,754	21,45
Special losses	10,412	59,45
Loss before income taxes and others	(198,221)	(94,49
Income taxes-current	3,989	3,68
Income taxes-refund	3,839	
Income taxes-deferred	(100,783)	(11,07
Minority interest	(219)	54
Net loss	(97,369)	(87,65

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Mitsubishi Tokyo Financing Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

(Japanese GAAP)

3. Consolidated Statement of Capital Surplus and Retained Earnings

(in millions of yen) For the year ended  
March 31, 200

Balance of capital surplus at beginning of fiscal year

Increase:

    Issuance of common stock due to capital increase

Balance of capital surplus at end of fiscal year

Balance of retained earnings at beginning of fiscal year

Decrease:

    Net loss

    Cash dividends

    Reduction in land revaluation excess

    Decrease in companies accounted for by the equity method

Balance of retained earnings at end of fiscal year

Consolidated Statement of Retained Earnings

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(in millions of yen) For the year ended  
March 31, 2003

Balance of retained earnings at beginning of fiscal year

Increase:

Increase due to merger

Increase in companies accounted for by the equity method

Decrease:

Cash dividends

Net loss

Balance of retained earnings at end of fiscal year

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Mitsubishi Tokyo Financial Group Inc.  
(The Mitsubishi Trust and Banking Corporation)

(Japanese GAAP)

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

a. Interest rate-related transactions

		As of March 31, 2003		
		Notional principal or contract amount	with maturity of over 1 year	Mar
Exchange-traded				
	sell	-		-
Futures	buy	4,741	4,058	
	sell	-		-
Options	buy	2,914		-
Over-the-counter				

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	receive-fix/pay-floater	2,740,596	1,516,029
Swaps	receive-floater/pay-fix	2,728,185	1,525,830
	receive-floater/pay-floater	18,330	18,330
	sell	162,677	148,431
Caps/Floors	buy	152,954	136,798
	sell	150,821	23,760
Others	buy	158,669	27,519
Total			

- Notes: 1. Valuation gains (losses) are recognized in the consolidated statement of operations. Derivatives which qualify for hedge-accounting are not included in the above table.
2. Market values of exchange-traded transactions are based on closing prices on the Tokyo International Financial Futures Exchange, etc. Market values of over-the-counter transactions are based on discounted cash flow method, option pricing models, etc.

b. Foreign exchange-related transactions

	As of March 31, 2003		
	Notional principal or contract amount	with maturity of over 1 year	Mark
Over-the-counter			
Swaps	119,876	78,163	
Total			

- Notes: 1. Valuation gains are recognized in the consolidated statement of operations. Derivatives which qualify for hedge-accounting and/or which are applicable to notes 3. are not included in the above table.
2. Market values of over-the-counter transactions are based on discounted cash flow method.
3. Currency swaps which are accounted for by an accrual basis are not included in the above table. Notional principal amount, market value and valuation gains of currency swaps which are accounted for by an accrual basis are as follows:

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As of March 31, 2003

	Notional principal amount	Market value	Value
Swaps	2,970,237	(315)	

Other foreign exchange-related transactions such as forward exchange contracts and currency options, which valuation gains (losses) had been recognized in the consolidated statement of operations, are not included in the above table.

Notional principal or contract amounts of those foreign exchange-related transactions are as follows:

	Notional
Over-the-counter	
Forward contracts	sell buy
Options	sell buy

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

(Japanese GAAP)

c. Equity-related transactions : N/A

d. Bond-related transactions

	Notional principal or contract amount	with maturity of over 1 year	Mark
Exchange-traded			

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	sell	13,987	-
Futures	buy	-	-
-----			
Total			
-----			

- Notes: 1. Valuation gains (losses) are recognized in the consolidated statement of operations. Derivatives which qualify for hedge-accounting are not included in the above table.
2. Market values of exchange-traded transactions are based on closing prices on the Tokyo Stock Exchange, etc. Market values of over-the-counter transactions are based on option pricing models, etc.

e. Commodity-related transactions : N/A

f. Credit derivatives : N/A

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

(Japanese GAAP)

(Reference)

Derivatives qualified for hedge-accounting

	As of March 31, 2003		
	Notional principal or contract amount	Market value	Deferred hedg profit
-----			
Interest Rate futures	215.4	0.1	0.7
Interest Rate Swaps	21,694.0	70.3	313.3
Others (interest rate-related transactions)	226.2	(0.0)	0.5
Others	117.1	(0.9)	0.2
Total		69.5	314.8
-----			

Notes: 1. Derivatives which qualify for hedge-accounting are included in the above table.

2. The transactions in the table above are reported on a mark-to-market basis on the consolidated balance sheet.

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The valuation differences which do not correspond to the income/expenses accruing on hedged items are deferred assets/liabilities.

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

	As of March 31, 2003		
	Due within 1 year	Due after 1 year through 5 years	Due after 5 years
Receive-fix/pay-floater	5,135.6	7,908.1	91.
Receive-floater/pay-fix	3,478.3	4,358.8	95.
Receive-floater/pay-floater	287.0	338.0	0.
Total	8,901.0	12,605.0	187.

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

### 5. Comparison of Statement of Trust Assets and Liabilities

#### (1) Comparison of Statement of Trust Assets and Liabilities

The Mitsubishi Trust and Banking Corporation

(in millions of Yen)	As of March 2003 (A)
<b>Assets:</b>	
Loans and bills discounted	1,107,555
Securities	6,659,887
Securities held for investment trusts	-
Foreign investments held for investment trusts	-
Beneficiary rights	8,988,740
Securities held in custody accounts	3,205,694
Money claims	2,926,071
Premises and equipment	1,532,783
Lease rights	21,819
Other claims	973,227
Bills bought	-
Call loans	294,567
Due from banking account	1,401,617
Cash and due from banks	1,484,012

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Total assets	28,595,978
Liabilities:	
Money trusts	7,989,136
Pension trusts	73,937
Property formation benefit trusts	12,174
Loan trusts	1,128,339
Investment trusts	8,758,551
Money entrusted other than money trusts	231,072
Securities trusts	5,689,577
Money claim trusts	3,040,282
Equipment trusts	225
Land and fixtures trusts	174,931
Other trusts	1,497,749
Total liabilities	28,595,978

Note:

Joint trust assets under the management of other companies as of March 31, 2003 : 31,929,580 millions of yen  
as of March 31, 2002 : 10,133,641 millions of yen

(Reference)

Of the joint trust assets the management of other companies mentioned above Note, the balance at the end of the business period of fiscal 2002 includes the trust assets of 22,289,006 millions of yen which were entrusted to The Mitsubishi Trust and Banking Corporation and Master Trust assets of the Service-Shared Co-Trusteeship (here in after referred to as Trust Assets under Service-Shared Co-Trusteeship). The comparison of statement of trust assets and liabilities which is obtained by adding up Trust Assets under Service-Shared Co-Trusteeship is given on the next page.

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

The Comparison of Statement of Trust Assets and Liabilities which is obtained by adding up Trust Assets under Service-Shared Co-Trusteeship

(in millions of Yen)	As of March 31, 2003 (A)
Assets:	
Loans and bills discounted	1,107,555
Securities	26,349,274
Securities held for investment trusts	-
Foreign investments held for investment trusts	-
Beneficiary rights	9,806,748

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Securities held in custody accounts	3,206,357
Money claims	2,932,873
Premises and equipment	1,532,783
Lease rights	21,819
Other claims	1,344,798
Bills bought	-
Call loans	1,069,204
Due from banking account	1,732,451
Cash and due from banks	1,706,589
-----	
Total assets	50,810,455
=====	
Liabilities:	
Money trusts	18,867,760
Pension trusts	7,423,101
Property formation benefit trusts	12,174
Loan trusts	1,128,339
Investment trusts	8,758,551
Money entrusted other than money trusts	2,223,773
Securities trusts	5,690,240
Money claim trusts	3,040,282
Equipment trusts	225
Land and fixtures trusts	174,931
Other trusts	3,491,074
-----	
Total liabilities	50,810,455
=====	

Note:

Service-Shared Co-Trusteeship started at May, 2002, at the end of the business period of fiscal 2001 mentioned The Mitsubishi Trust and Banking Corporation.

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

(2) Supplemental Data (As of March 31, 2003)

The component items of trusts with contracts for compensating the principal, including trusts for which the beneficiary interests are re-entrusted for investing in trust assets, are presented below.

Money trusts (Jointly operated designated money in trust)

Assets:

Loans and bills discounted  
Securities  
Other

Total

Liabilities:

372,091 Principal  
232,328 Reserve for possible loan lo  
247,242 Other

851,663 Total



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Loan trusts

Assets:		Liabilities:	
Loans and bills discounted	511,409	Principal	
Securities	201,780	Special reserve funds	
Other	861,096	Other	
Total	1,574,287	Total	

(3) Financial Highlights [Non-Consolidated]

(in millions of Yen)	As of March 31,		Incr (Dec (A))
	2003 (A)	2002 (B)	
Total funds	40,028,638	39,851,231	
Deposits	11,143,611	11,275,630	
Negotiable certificates of deposit	1,453,650	1,282,570	
Money trusts	18,867,760	17,678,364	
Pension trusts	7,423,101	7,604,453	
Property formation benefit trusts	12,174	12,675	
Loan trusts	1,128,339	1,997,536	
Loans and bills discounted	9,369,278	10,424,475	
Banking account	8,261,722	9,041,037	
Trust account	1,107,555	1,383,437	
Investment securities	33,938,480	36,346,517	

Note:

The balance at the end of the business period of fiscal 2002, trust accounts figures adding up trust assets and liabilities which were entrusted to The Mitsubishi Trust and Banking Corporation and Master Trust assets of the Service-Shared Co-Trusteeship.

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

6. Financial Results (The Mitsubishi Trust and Banking Corporation and Consolidated Subsidiaries)

For the year ended  
March 31,  
2003 (A)

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Gross profits	337,688
(Gross ordinary profit before trust accounts charge-offs)	(345,824)
Trust fees	82,927
Credit costs for trust accounts (1)	(8,136)
Net interest income	198,638
Net fees and commissions	46,870
Net trading profits	3,253
Net other business income	5,998
Net gains (losses) on debt securities	5,799
General and administrative expenses	169,297
Net business profits before credit costs for trust accounts and provision for formula allowance for loan losses*	176,526
Provision for formula allowance for loan losses (2)	(4,478)
Net business profits**	172,869
Net non-recurring losses	(373,433)
Credit related costs (3)	(142,459)
Losses on loan charge-offs	(45,331)
Provision for specific allowance for loan losses	(77,937)
Losses on sales of loans to the Resolution and Collection Corporation	(2,232)
Other credit related costs	(16,956)
Net losses on equity securities	(220,253)
Gains on sales of equity securities	26,534
Losses on sales of equity securities	(151,982)
Losses on write down of equity securities	(94,804)
Equity in loss of affiliates	(1,335)
Other	(9,385)
Ordinary loss	(200,564)
Net special gains	2,342
Loss before income taxes and others	(198,221)
Income taxes-current	3,989
Income taxes-refund	3,839
Income taxes-deferred	(100,783)

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Minority interest	(219)
Net loss	(97,369)

Notes:

- \* Net business profit before credit costs for trust accounts and provision for formula allowance for loan losses = Consolidated net business profit + credit costs for trust accounts + provision for formula allowance for loan losses
- \*\* Net business profits = Net business profits of The Mitsubishi Trust and Banking Corporation + Other consolidated entities' gross profits - Other consolidated entities' general and administrative expenses - Other consolidated entities' provision for formula allowance for loan losses - Intercompany transactions.

(Reference)

Total credit costs (1)+(2)+(3)	146,116
--------------------------------	---------

Number of consolidated subsidiaries	30
-------------------------------------	----

Number of affiliated companies accounted for by the equity method	13
---	----

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

Financial Results (The Mitsubishi Trust and Banking Corporation)

	For the year ended March 31, 2003 (A)
Gross profits	326,489
(Gross ordinary profit before trust accounts charge-offs)*	(334,625)
Trust fees	82,927
Trust fees before trust accounts charge-offs*	91,063
Loan trusts and money trusts fees (Jointly operated designated money trusts before trust accounts charge-offs)*	48,815
Other trust fees	42,247

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Credit costs for trust accounts** (1)	(8,136)
Losses on loan charge-offs	(5,740)
Losses on real estate-collateralized loans sold to the CCPC***	(2,010)
Other losses incurred from sales of loans	(385)
Net interest income	194,193
Net fees and commissions	38,155
Net trading profits	1,699
Net other business income	9,514
Net gains (losses) on debt securities	5,799
General and administrative expenses	156,212
Personnel expenses	71,059
Non-personnel expenses	80,825
Taxes	4,327
Net business profits before credit costs for trust accounts and provision for formula allowance for loan losses*	178,412
Provision for formula allowance for loan losses (2)	(3,524)
Net business profits	173,801
Net non-recurring losses	(378,320)
Credit related costs (3)	(140,276)
Losses on loan charge-offs	(44,582)
Provision for specific allowance for loan losses	(76,731)
Losses on real estate-collateralized loans sold to the CCPC***	(193)
Provision for allowance for loans to specific foreign borrowers	853
Other credit related costs	(19,622)
Net losses on equity securities	(222,054)
Gains on sales of equity securities	26,477
Losses on sales of equity securities	(151,898)
Losses on write down of equity securities	(96,633)
Others	(15,989)
Ordinary loss	(204,519)
Net special gains	6,560
Net gains (losses) on sale of premises and equipment	(1,943)

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Gain on loans charged-off	7,754
Expenses for retirement benefits	(5,141)
Gains on sales of software	7,065
Net losses on retirement benefits trust foundation	(1,174)
Loss before income taxes and others	(197,958)
Income taxes-current	2,121
Income taxes refund	3,459
Income taxes-deferred	(101,293)
Net loss	(95,327)

Notes:

- \* Amounts before credit costs for loans in trusts with contracts for compensating the principal
- \*\* Credit costs for loans in trusts with contracts for compensating the principal
- \*\*\* CCPC stands for the Cooperative Credit Purchasing Company, Limited.

(Reference)

Total credit costs (1)+(2)+(3)	144,888
--------------------------------	---------

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

7. Average interest rate spread

[Non-Consolidated]

	For the year ended March 31,
	2003 (A)
Total average interest rate on interest-earning assets (a)	1.93
Average interest rate on Loans and bills discounted	1.42
Average interest rate on Investment securities	2.34

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Total average interest rate on interest-bearing liabilities (b)	0.86
Average interest rate on Deposits	0.47
Total average interest rate spread (a)-(b)	1.07
Average interest rate spread in domestic business segment:	
Total average interest rate on interest-earning assets (a)	1.03
Average interest rate on Loans and bills discounted	1.18
Average interest rate on Investment securities	0.99
Total average interest rate on interest-bearing liabilities (b)	0.26
Average interest rate on Deposits	0.19
Total average interest rate spread (a)-(b)	0.77

8. Valuation Differences on Securities

(1) Valuation method of securities

Trading securities	Market value (valuation differences are recorded as pro
Debt securities being held to maturity	Amortized cost
Securities available for sale	Market value (valuation differences are included in sha taxes)

(Reference) Securities in money held in trust

Trading purposes	Market value (valuation differences are recorded as pro
------------------	---

(2) Valuation differences  
[Consolidated]

	As of March 31, 2003				(in
	Valuation difference				As o
	(A)	(A) - (B)	Gains	Losses	Val
	(A)	(A) - (B)			(B)
Debt securities being held to maturity	14,019	1,916	14,019	-	12,102
Securities available for sale	(2,731)	10,222	207,233	209,964	(12,953)

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Domestic equity securities	(143,879)	(82,338)	20,982	164,862	(61,540)
Domestic bonds	56,711	15,994	56,922	210	40,717
Other	84,436	76,567	129,328	44,891	7,869
Total	11,288	12,139	221,252	209,964	(850)
Domestic equity securities	(143,879)	(82,338)	20,982	164,862	(61,540)
Domestic bonds	68,138	18,548	68,349	210	49,590
Other	87,029	75,929	131,920	44,891	11,099

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

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

Money Trusts (jointly operated designated money in trust)

A. Market Value of Securities (in millions of)

	Trust Assets at period end	Market Value	Valuation Ga
March 31, 2003	232,328	238,931	6,602

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

B. Valuation Gains of Derivative Transaction: 1,637 millions of yen

Loan Trusts

A. Market Value of Securities (in millions of)

	Trust Assets at period end	Market Value	Valuation Ga
March 31, 2003	201,780	226,131	24,350

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

B. Valuation Gains of Derivative Transaction: 12,648 millions of yen

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

	As of March 31, 2003 (A) (Preliminary basis)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
(1) Risk-adjusted capital ratio	12.00%	1.17%	0.55%
(2) Tier I capital	686.7	(67.1)	(43.6)
(3) Tier II capital includable as qualifying capital	556.5	(23.2)	(4.7)
(i) The amount of unrealized gains on investment securities, includable as qualifying capital	--	--	(6.3)
(ii) The amount of land revaluation excess includable as qualifying capital	(1.5)	4.0	4.0
(iii) Subordinated debt	431.0	(12.6)	10.9
(4) Deductions from total qualifying capital	5.9	(18.3)	1.4
(5) Total qualifying capital (2)+(3)-(4)	1,237.2	(71.9)	(49.8)
(6) Risk-adjusted assets	10,307.2	(1,778.0)	(934.7)

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

2 Loan Portfolio and Other

1. Risk-Monitored Loans

(Nonaccrual loans, accruing loans contractually past due 3 months or more  
and restructured loans)

[Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Loans to customers in bankruptcy	42,807	8,429	14,1



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Past due loans	284,864	(220,954)	(135,7
Accruing loans contractually past due 3 months or more	2,314	(2,940)	1,9
Restructured loans	266,948	(75,748)	(108,3
Total	596,934	(291,213)	(227,9
Loans and bills discounted	8,287,748	(794,193)	(534,8
Percentage of total loans and bills discounted			
Loans to customers in bankruptcy	0.51%	0.13%	0.
Past due loans	3.43%	(2.13)%	(1.
Accruing loans contractually past due 3 months or more	0.02%	(0.02)%	0.
Restructured loans	3.22%	(0.55)%	(1.
Total	7.20%	(2.57)%	(2.

[Non-Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase (Decrease) (A) - (B)
Loans to customers in bankruptcy	36,984	7,620	13,2
Past due loans	290,861	(215,099)	(125,3
Accruing loans contractually past due 3 months or more	2,314	(2,940)	1,9
Restructured loans	267,259	(74,827)	(108,0
Total	597,420	(285,246)	(218,2
Loans and bills discounted	8,261,722	(779,314)	(530,7
Percentage of total loans and bills discounted			
Loans to customers in bankruptcy	0.44%	0.12%	0.
Past due loans	3.52%	(2.07)%	(1.
Accruing loans contractually			

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past due 3 months or more	0.02%	(0.03)%	0.
Restructured loans	3.23%	(0.54)%	(1.
Total	7.23%	(2.53)%	(2.

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

[Trust accounts: Loans in Trusts with Contracts for Compensating the Principal]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Loans to customers in bankruptcy	4,369	(4,049)	(5,759)
Past due loans	2,220	(9,795)	(4,224)
Accruing loans contractually past due 3 months or more	919	(180)	(122)
Restructured loans	33,655	(10,582)	(7,378)
Total	41,165	(24,607)	(17,485)
Loans and bills discounted	883,501	(240,168)	(85,366)

Percentage of total loans and bills discounted

Loans to customers in bankruptcy	0.49%	(0.25)%	(0.55)
Past due loans	0.25%	(0.81)%	(0.41)
Accruing loans contractually past due 3 months or more	0.10%	0.00%	(0.00)
Restructured loans	3.80%	(0.12)%	(0.42)
Total	4.65%	(1.19)%	(1.39)

[Banking: Non-Consolidated and Trust Accounts]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
--	--------------------------------	--------------------------------------	--------------------------------------

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Loans to customers in bankruptcy	41,354	3,570	7,449
Past due loans	293,082	(224,894)	(129,575)
Accruing loans contractually past due 3 months or more	3,233	(3,120)	1,828
Restructured loans	300,915	(85,409)	(115,389)
Total	638,585	(309,854)	(235,687)
Loans and bills discounted	9,145,224	(1,019,482)	(616,120)

Percentage of total loans and bills discounted

Loans to customers in bankruptcy	0.45%	0.08%	0.10
Past due loans	3.20%	(1.89)%	(1.12)
Accruing loans contractually past due 3 months or more	0.03%	(0.02)%	0.02
Restructured loans	3.29%	(0.51)%	(0.97)
Total	6.98%	(2.34)%	(1.97)

[Banking: Consolidated and Trust Accounts]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Loans to customers in bankruptcy	47,176	4,379	8,398
Past due loans	287,085	(230,749)	(139,984)
Accruing loans contractually past due 3 months or more	3,233	(3,120)	1,828
Restructured loans	300,603	(86,330)	(115,709)
Total	638,099	(315,821)	(245,467)
Loans and bills discounted	9,171,249	(1,034,362)	(620,181)

Percentage of total loans and bills discounted

Loans to customers in bankruptcy	0.51%	0.09%	0.11
Past due loans	3.13%	(1.94)%	(1.23)

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Accruing loans contractually past due 3 months or more	0.03%	(0.02)%	0.02
Restructured loans	3.27%	(0.51)%	(0.97)
Total	6.95%	(2.38)%	(2.06)

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

Classification of risk-monitored Loans

Classification by geographic area  
[Banking:Consolidated and Trust Accounts]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Domestic*	568,137	(359,543)	(261,878)
Overseas*	69,961	43,722	16,410
Asia	9,956	(867)	(2,467)
Indonesia	1,916	(4,034)	(4,516)
Thailand	2,716	27	(525)
Hong Kong	3,474	3,371	3,474
Other	1,848	(231)	(900)
United States of America	36,931	24,493	11,694
Other	23,074	20,096	7,183
Total	638,099	(315,821)	(245,467)

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

Classification by type of industry of borrowers  
[Banking:Consolidated and Trust Accounts]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Domestic*	568,137	(359,543)	(261,878)
Manufacturing	104,842	13,013	(4,011)
Construction	140,157	(19,715)	(13,138)

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Wholesale and Retail	78,774	28,436	5,382
Banks and other financial institutions	7,855	(16,737)	(16,440)
Real estate	86,094	(311,952)	(202,897)
Services	77,774	(47,100)	(27,662)
Other industries	51,288	360	(887)
Consumer	21,351	(5,848)	(2,223)
-----	-----	-----	-----
Overseas*	69,961	43,722	16,410
-----	-----	-----	-----
Banks and other financial institutions	-	(5,461)	-
Commercial and industrial	55,602	35,116	47,178
Other	14,359	14,067	(30,767)
-----	-----	-----	-----
Total	638,099	(315,821)	(245,467)
-----	-----	-----	-----

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

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

2. Allowance for Loan Losses

[Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
-----	-----	-----	-----
Allowance for loan losses	281,027	(118,950)	(94,706)
-----	-----	-----	-----
Formula allowance for loan losses	141,442	(4,535)	(20,422)
-----	-----	-----	-----
Specific allowance for loan losses	138,757	(113,561)	(74,025)
-----	-----	-----	-----
Allowance for loans to specific foreign borrowers	827	(853)	(258)
-----	-----	-----	-----
Reserve for losses on real estate- collateralized loans sold	--	(342)	(352)
-----	-----	-----	-----

[Non-Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
-----	-----	-----	-----
Allowance for loan losses	278,996	(118,061)	(91,121)
-----	-----	-----	-----
Formula allowance for loan losses	141,453	(3,524)	(20,044)
-----	-----	-----	-----
Specific allowance for loan losses	136,716	(113,683)	(70,818)

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Allowance for loans to specific foreign borrowers	827	(853)	(258)
Reserve for financial assistance to specific borrowers	531	93	281
Reserve for losses on real estate-collateralized loans sold	--	(342)	(352)
[Trust accounts]			
	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Special internal reserves	8,425	(4,678)	(2,725)
Allowance for bad debts	1,002	109	(86)

3. Coverage Ratio against Risk-Monitored Loans

[Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Allowance for loan losses (a)	281,027	(118,950)	(94,706)
Risk-monitored loans (b)	596,934	(291,213)	(227,982)
Coverage ratio (a)/(b)	47.07%	2.04%	1.53%

[Non-Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Allowance for loan losses (a)	278,996	(118,061)	(91,121)
Risk-monitored loans (b)	597,420	(285,246)	(218,202)
Coverage ratio (a)/(b)	46.70%	1.71%	1.32%

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

4. Disclosed Claims under the Financial Reconstruction Law (the "FRL")

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[Banking: Non-Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Incre (Decre (A) -
Claims to bankrupt and substantially bankrupt debtors	83,148	6,868	40
Claims under high risk	253,034	(226,301)	(140
Claims under close observation	273,334	(74,062)	(107
Total (1)	609,517	(293,494)	(207
Normal claims	8,093,237	(580,428)	(344

[Trust accounts]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Incre (Decre (A) -
Claims to bankrupt and substantially bankrupt debtors	6,649	(13,806)	(10
Claims under high risk	6,338	(5,825)	(1
Claims under close observation	28,176	(4,975)	(5
Total (1)	41,165	(24,607)	(17
Normal claims	842,336	(215,560)	(67

[Banking: Non-Consolidated and Trust accounts]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Incre (Decre (A) -
Claims to bankrupt and substantially bankrupt debtors	89,798	(6,937)	29
Claims under high risk	259,373	(232,126)	(141
Claims under close observation	301,511	(79,037)	(112
Total (1)	650,682	(318,102)	(225
Normal claims	8,935,574	(795,988)	(412

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

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

[Banking: Non-Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (B)
Secured coverage amount (2)	478,732	(257,074)	(158,460)
Allowance for loan losses	172,871	(121,774)	(84,080)
Reserve for financial support to specific borrowers	531	93	280
Collateral, guarantees, etc.	305,328	(135,393)	(74,660)
Secured coverage ratio (2)/(1)	78.54%	(2.94)%	0.5%

[Trust accounts]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (B)
Secured coverage amount (2)	26,861	(25,352)	(11,810)
Allowance for loan losses	-	-	-
Reserve for financial support to specific borrowers	-	-	-
Collateral, guarantees, etc.	26,861	(25,352)	(11,810)
Secured coverage ratio (2)/(1)	65.25%	(14.13)%	(0.6)%

[Banking: Non-Consolidated and Trust accounts]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (B)
--	--------------------------------	--------------------------------------	--------------------------------------



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Secured coverage amount (2)	505,593	(282,427)	(170,28)
Allowance for loan losses	172,871	(121,774)	(84,08)
Reserve for financial support to specific borrowers	531	93	28
Collateral, guarantees, etc.	332,190	(160,745)	(86,47)
Secured coverage ratio (2)/(1)	77.70%	(3.63)%	0.5

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

Secured Coverage of each category of Disclosed Claims under the FRL

[Banking:Non-Consolidated]

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)/(A)]
Claims to bankrupt and substantially bankrupt debtors	83,148 [76,279]	8,501 [4,475]	- -	74,647 [71,803]	
Claims under high risk	253,034 [479,335]	118,780 [236,368]	- [437]	97,433 [207,142]	
Claims under close observation	273,334 [347,396]	45,590 [53,802]	531 -	133,248 [161,776]	
Sub total (1)	609,517 [903,012]	172,871 [294,646]	531 [437]	305,328 [440,722]	
Normal claims	8,093,237 [8,673,665]				
Total (2)	8,702,755 [9,576,677]				
Sub total (1) / Total (2)		7.00% [9.42%]			

Note: The upper figures are as of March 31, 2003. The lower figures with bracket are as of March 31, 2002.  
Coverage ratios for Claims under high risk and for Claims under close observation are listed under allowance for possible loan

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losses, following concurrent application of the discount cash flow method.

[Trust accounts]

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 [(B)/(A)]
Claims to bankrupt and substantially bankrupt debtors	6,649 [20,455]	- -	- -	6,649 [20,451]	
Claims under high risk	6,338 [12,164]	- -	- -	5,745 [10,318]	
Claims under close observation	28,176 [33,152]	- -	- -	14,466 [21,445]	
Sub total (1)	41,165 [65,773]	- -	- -	26,861 [52,214]	
Normal claims	842,336 [1,057,896]				
Total (2)	883,501 [1,123,669]				
Sub total (1) / Total (2)	4.65% [5.85%]				

Note: The upper figures are as of March 31, 2003. The lower figures with bracket are as of March 31, 2002. Allowance for possible loan losses are not booked for the trust account, but the Bank executes the direct write-off of trust account "Claims to bankrupt and substantial bankruptcy " and "Claims under high risk" in accordance with standards applied to allowance for possible loan losses in the banking account. The Bank allocated a total of 9.4 billion yen to the special internal reserve and allowance for bad debt in the trust account, as of March 31, 2003.

[Banking: Non-Consolidated and Trust accounts]

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 [(B)/(A)]
Claims to bankrupt and substantially bankrupt debtors	89,798 [96,735]	8,501 [4,475]	- -	81,297 [92,255]	

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Claims under high risk	259,373 [491,500]	118,780 [236,368]	- [437]	103,179 [217,460]
Claims under close observation	301,511 [380,549]	45,590 [53,802]	531 -	147,714 [183,221]
Sub total (1)	650,682 [968,785]	172,871 [294,646]	531 [437]	332,190 [492,936]
Normal claims	8,935,574 [9,731,562]			
Total (2)	9,586,256 [10,700,347]			
Sub total (1) / Total (2)	6.78% [9.05%]			

Note: The upper figures are as of March 31, 2003. The lower figures with bracket are as of March 31, 2002.

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

6. Progress in the Disposal of Problem Assets [Banking and Trust accounts]  
(excluding claims under close observation)

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

	As of September 30, 2000	As of March 31, 2001	As of September 30, 2001	As of March 31, 2002	Se
Claims to bankrupt and substantially bankrupt debtors	239.2	136.2	123.5	68.9	
Claims under high risk	526.7	455.5	382.9	301.7	
Total	766.0	591.8	506.4	370.7	

Progress in the disposal of problem assets (in billions of yen)

	Second half of fiscal 2002
Disposition by borrowers' liquidation	22.3
Re-constructive disposition	0.4
Improvements in financial status due to re-constructive disposition	0.8

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Loan sales to secondary market	53.0
Charge-off	30.2
Other	66.7
Collection of claims	30.7
Improvements in financial status	35.9
Total	173.7 (B)

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

(in billions of yen)	
Second half of fiscal 2002	
Legal liquidation	14.6
Quasi-legal liquidation	0.6
Split-off of problem loans	11.5
Partial charge-off of smaller balance loans	4.1
Entrust through the managed trust method to the Resolution and Collection Corporation	22.9
Total	53.8

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

	As of March 31, 2001	As of September 30, 2001	As of March 31, 2002	As of September 2002 (a)
Claims to bankrupt and substantially bankrupt debtors	11.0	5.5	4.8	2.
Claims under high risk	133.7	117.5	91.4	76.
Total	144.8	123.0	96.3	79.

Progress in the disposal of problem assets (in billions of yen)

Second half of fiscal 2002	
Disposition by borrowers' liquidation	-
Re-constructive disposition	3.2

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Improvements in financial status due to re-constructive disposition	-
Loan sales to secondary market	0.0
Charge-off	58.7
Other	0.8
Collection of claims	0.8
Improvements in financial status	-
Total	62.8 (D)

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

(in billions of yen)

	Second half of fiscal 2002
Legal liquidation	2.9
Quasi-legal liquidation	-
Split-off of problem loans	-
Partial charge-off of smaller balance loans	0.6
Entrust through the managed trust method to the Resolution and Collection Corporation	-
Total	3.5

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

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

(in billion)

	As of September 30, 2001	As of March 31, 2002	As of September 30, 2002 (a)	As of March 31, 2003 (b)
Claims to bankrupt and substantially bankrupt debtors	3.0	16.4	1.5	1.4
Claims under high risk	80.0	30.2	21.6	6.4

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Total	83.1	46.7	23.2	7.8
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(E)

Progress in the disposal of problem assets (in billions of yen)

---

Second half of fiscal 2002

---

Disposition by borrowers' liquidation	-	
Re-constructive disposition	0.4	
Improvements in financial status due to re-constructive disposition	4.5	
Loan sales to secondary market	0.0	
Charge-off	0.0	
Other	10.1	
Collection of claims	9.6	
Improvements in financial status	0.5	
Total	15.3	(F)

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

(in billions of yen)

---

Second half of fiscal 2002

---

Legal liquidation	0.3
Quasi-legal liquidation	-
Split-off of problem loans	-
Partial charge-off of smaller balance loans	1.6
Entrust through the managed trust method to the Resolution and Collection Corporation	-
Total	1.9

---

(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 (a)	As of March 31, 2003 (b)	(b) - (a)
--	----------------------------	------------------------------------	--------------------------------	-----------

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Claims to bankrupt and substantially bankrupt debtors	6.3	8.9	7.5	(1.3)
Claims under high risk	68.0	28.4	9.5	(18.8)
Total	74.4	37.3	17.1	(20.2)
			(G)	(H)

Progress in the disposal of problem assets (in billions of yen)

Second half of fiscal 2002

Disposition by borrowers' liquidation	0.0	
Re-constructive disposition	0.8	
Improvements in financial status due to re-constructive disposition	-	
Loan sales to secondary market	1.3	
Charge-off	8.7	
Other	9.3	
Collection of claims	9.2	
Improvements in financial status	0.0	
Total	20.2	(H)

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

(in billions of yen)

Second half of fiscal 2002

Legal liquidation	2.1
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	4.7

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

(in billions of y

	As of September 30, 2002 (a)	As of March 31, 2003 (b)	----- (b) - (a)
Claims to bankrupt and substantially bankrupt debtors	4.3	15.4	11.
Claims under high risk	89.5	35.9	(53.
Total	93.9	51.3	(42.
		(I)	(J)

Progress in the disposal of problem assets (in billions of yen)

Second half of fiscal 2002

Disposition by borrowers' liquidation	-
Re-constructive disposition	0.1
Improvements in financial status due to re-constructive deposition	9.7
Loan sales to secondary market	2.0
Charge-off	13.2
Other	17.3
Collection of claims	14.6
Improvements in financial status	2.6
Total	42.5 (J)

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

(in billions of yen)

Second half of fiscal 2002

Legal liquidation	15.1
Quasi-legal liquidation	-
Split-off of problem loans	-
Partial charge-off of smaller balance loans	0.9
Entrust through the managed trust method to the	



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Resolution and Collection Corporation	-
-----	
Total	16.0
-----	

(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	
-----	
Claims to bankrupt and substantially bankrupt debtors	25.3
-----	
Claims under high risk	176.6
-----	
Total	202.0
-----	

Historical trend of problem assets based on the FRL

	As of	As of	As of
	September 30,	March 31,	September 30,
	2000	2001	2001
-----			
Claims to bankrupt and substantially bankrupt debtors	239.2	147.3	132.0
-----			
Claims under high risk	526.7	589.2	580.5
-----			
Total	766.0	736.6	712.6
-----			

Historical trend of problem assets based on the FRL (in billions of yen)

	As of	-----
	March 31,	(b) - (a)
	2003 (b)	
-----		
Claims to bankrupt and substantially bankrupt debtors	89.7	29.2
-----		
Claims under high risk	259.3	(142.0)
-----		
Total	349.1	(112.7)
-----		

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

7. Classification of Loans by Type of Industry

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

(in

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)	As of March 31 2002 (B)
Domestic offices (excluding loans booked at offshore markets	7,759,202	(471,637)	(425,592)	8,230,839
Manufacturing	1,168,150	(73,567)	(24,264)	1,241,717
Agriculture	1,547	83	173	1,464
Forestry	100	-	-	100
Fishery	22,639	10,272	6,201	12,367
Mining	6,044	(1,231)	(679)	7,275
Construction	271,847	(33,391)	(22,301)	305,238
Utilities	151,750	27,330	24,359	124,420
Media and Communication	846,527	227,261	77,822	619,266
Wholesale and Retail	689,170	(149,292)	(111,755)	838,462
Banks and other financial institutions	1,960,579	80,641	(145,976)	1,879,938
Real estate	1,032,902	(272,296)	(149,942)	1,305,198
Services	676,374	(241,910)	(176,744)	918,284
Municipal government	343,804	118,577	83,133	225,227
Other industries	587,761	(164,113)	14,378	751,874
Overseas offices and loans booked at offshore markets	502,520	(307,676)	(105,161)	810,197
Total	8,261,722	(779,314)	(530,754)	9,041,037

(2) Domestic consumer loans [Banking: Non-Consolidated]

(in

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)	As of March 31 2002 (B)
Total domestic consumer loans	265,406	25,686	26,271	239,719
Housing loans	247,515	41,223	27,056	206,292
Others	17,890	(15,536)	(785)	33,427

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

(in

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)	As of March 3 2002 (B)
Domestic loans to small and medium-sized companies	2,719,462	(917,461)	(893,551)	3,636,92

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Percentage to total domestic loans 35.04% (9.13)% (9.09)% 44.1

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

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

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)	As of March 31, 2002 (B)
Domestic offices (excluding loans booked at offshore markets)	1,107,555	(275,882)	(71,418)	1,383,437
Manufacturing	76,795	(26,700)	(2,681)	103,495
Agriculture	-	-	-	-
Forestry	30	(7)	(3)	37
Fishery	1,572	230	615	1,342
Mining	129	(192)	(94)	321
Construction	7,872	(10,062)	(3,965)	17,934
Utilities	135,204	(42,325)	(17,029)	177,529
Media and Communication	124,560	(47,833)	(35,524)	172,393
Wholesale and Retail	17,190	(7,959)	1,921	25,149
Banks and other financial institutions	197,722	135,747	48,835	61,975
Real estate	77,800	(33,979)	(11,361)	111,779
Services	52,767	(32,308)	(15,228)	85,075
Municipal government	37,773	(3,571)	(2,680)	41,344
Other industries	378,134	(206,922)	(34,225)	585,056
Overseas offices and loans booked at offshore markets	-	-	-	-
Total	1,107,555	(275,882)	(71,418)	1,383,437

(5) Domestic consumer loans [Trust accounts] (in mil

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)	As of March 31, 2002 (B)
Total domestic consumer loans	268,405	(48,207)	(22,957)	316,612
Housing loans	265,050	(47,171)	(22,474)	312,222
Others	3,354	(1,035)	(482)	4,390

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

(in m

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)	As of March 31, 2002 (B)
Domestic loans to small and medium-sized companies	666,401	(117,204)	(3,601)	783,605
Percentage to total domestic loans	60.16%	3.52%	3.33%	56.64%

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

(7) Loans by type of industry [Banking:Non-Consolidated and Trust accounts]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Domestic offices (excluding loans booked at offshore markets)	8,866,758	(747,519)	(497,011)
Manufacturing	1,244,946	(100,267)	(26,944)
Agriculture	1,547	83	173
Forestry	130	(7)	(3)
Fishery	24,211	10,502	6,816
Mining	6,173	(1,424)	(774)
Construction	279,720	(43,453)	(26,265)
Utilities	286,955	(14,995)	7,330
Media and Communication	971,088	179,428	42,298
Wholesale and Retail	706,361	(157,252)	(109,834)
Banks and other financial institutions	2,158,302	216,388	(97,141)
Real estate	1,110,703	(306,274)	(161,302)
Services	729,141	(274,219)	(191,973)
Municipal government	381,577	115,005	80,452
Other industries	965,895	(371,036)	(19,848)
Overseas offices and loans booked at offshore markets	502,520	(307,676)	(105,161)
Total	9,369,278	(1,055,196)	(602,172)

(8) Domestic consumer loans [Banking:Non-Consolidated and Trust accounts]

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	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Total domestic consumer loans	533,812	(22,520)	3,314
Housing loans	512,566	(5,948)	4,582
Others	21,245	(16,571)	(1,268)

(9) Domestic loans to small and medium-sized companies [Banking:Non-Consolidated and Trust accounts]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Domestic loans to small and medium-sized companies	3,385,863	(1,034,666)	(897,152)
Percentage to total domestic loans	38.18%	(7.79)%	(7.55)%

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

8. Loans and Deposits [Non-Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)
Deposits (ending balance)	11,143,611	(132,019)	(22,810)
Deposits (average balance)	11,172,642	337,583	78,477
Loans (ending balance)	8,261,722	(779,314)	(530,754)
Loans (average balance)	8,859,128	(215,459)	37,646

9. Domestic Deposits [Non-Consolidated]

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	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)	M
Individuals	6,681,259	435,788	176,786	6
Corporations and others	3,059,461	(266,012)	(118,183)	3
Domestic deposits	9,740,721	169,775	58,603	9

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

10. Number of Employees [Non-Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)	M
Number of Employees	6,188	(353)	(263)	

11. Number of Offices [Non-Consolidated]

	As of March 31, 2003 (A)	Increase/ (Decrease) (A) - (B)	Increase/ (Decrease) (A) - (C)	Ma 2
Domestic:	53	(2)	(2)	
Head office and Branches	49	(2)	(2)	
Sub Branches & Agencies	4	-	-	
Overseas:	8	-	-	
Branches	5	-	-	
Sub - branches	-	-	-	
Representative offices	3	-	-	
Total	61	(2)	(2)	

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Mitsubishi Tokyo Financial Group, Inc.  
(The Mitsubishi Trust and Banking Corporation)

## 12. Earning Projections for the Fiscal Year Ending March 31, 2004

[Consolidated]	(in billions of yen)	
	For the year ending March 31, 2004	For the year ended March 31, 2003
Ordinary income	580.0	609.6
Ordinary income (loss)	70.0	(200.5)
Net income (loss)	35.0	(97.3)

[Non-Consolidated]	(in billions of yen)	
	For the year ending March 31, 2004	For the year ended March 31, 2003
Ordinary income	550.0	573.8
Net business profits before credit costs for trust accounts and provision for formula allowance for loan losses	160.0	178.4
Ordinary income (loss)	70.0	(204.5)
Net income (loss)	35.0	(95.3)

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### Financial Highlights of FY 2002 Results

- I. Financial Highlights of  
Fiscal Year 2002 Results (Japanese GAAP)
- II. Progress in Addressing Key Issues
- III. Consolidated Management of the Group

May 26, 2003

Mitsubishi Tokyo Financial Group, Inc.

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Mitsubishi Tokyo Financial Group, Inc.

I. Financial Highlights under Japanese GAAP for the Fiscal Year Ended March 31, 2003

1. Highlights of Consolidated Statements of Operations

	For the year ended March 31, 2002 (A)	(in For Marc
1 Gross profits	1,711.6	
2 Net interest income	1,108.0	
3 Trust fees	122.7	
4 Credit costs for trust accounts	(19.3)	
5 Net fees and commissions	338.3	
6 [% of Net fees and commissions to Gross profits]	[19.7%]	
7 Net trading profits	54.5	
8 Net other business income	87.8	
9 Net gains on debt securities	7.8	
10 [% of Net trading profits and Net other business income to Gross profits]	[8.3%]	
11 General and administrative expenses	966.8	
12 Mitsubishi Securities Co., Ltd.	20.7	
13 Net business profits before credit costs for trust accounts and provision for formula allowance for loan losses	764.1	
14 Provision for formula allowance for loan losses	33.8	
15 Net business profits	710.9	
16 Net non-recurring gains (losses)	(1,000.2)	
17 Credit related costs	(721.2)	
18 Losses on loan charge-offs	(283.6)	
19 Provision for specific allowance for loan losses	(346.1)	
20 Losses on sales of loans to the Resolution and Collection Corporation	(6.1)	
21 Other credit related costs	(85.2)	
22 Net gains (losses) on equity securities	(224.8)	
23 Gains on sales of equity securities	136.8	
24 Losses on sales of equity securities	(217.0)	
25 Losses on write down of equity securities	(144.6)	
26 Other	(54.1)	
27 Foreign exchange loss on convertible bond	-	
28 Ordinary loss	(289.3)	
29 Net special gains (losses)	(7.7)	
30 Loss before income taxes and others	(297.0)	
31 Income taxes	(163.4)	
32 Minority interest	18.7	
33 Net loss	(152.3)	
34 Total credit costs (4+14+17)	(774.4)	
35 Net business profits after total credit costs (13-34)	(10.3)	
36 Risk-monitored loans at fiscal year end	4,046.6	

Operating Results of Significant Subsidiaries for the Year Ended March 31, 2003

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	Gross profits	Efficiency ratio	before
37 The Bank of Tokyo-Mitsubishi, Ltd.	978.0	47.69%	
38 Mitsubishi Trust and Banking Corporation	326.4	47.84%	
39 UnionBanCal Corporation	262.4	56.72%	

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Mitsubishi Tokyo Financial Group, Inc.

2. Highlights of Consolidated Balance Sheets

	As of March 31, 2002 (A)
1 Loans and bills discounted	49,062.7
2 Overseas branches	6,579.8
3 Overseas subsidiaries (UnionBanCal Corporation and Bank of Tokyo-Mitsubishi Trust Company)	3,725.6
4 Domestic housing loans	6,376.0
5 Book value of loans sold during the fiscal year (total of the two Banks *)	(210.7)
6 Sold to the Resolution and Collection Corporation (the "RCC")	(14.3)
7 [Sold to the RCC before charge-offs]	[(56.9)]
8 Other loans sold	(196.4)
9 Charge-offs during the fiscal year (total of the two Banks *)	(271.5)
10 % of disclosed claims under the Financial Reconstruction Law to total claims	8.1%
11 Investment securities	23,109.7
12 Domestic equity securities	5,138.6
13 Japanese Government Bonds (total of the two Banks *)	9,347.6
14 Foreign bonds (total of the two Banks *)	4,590.3
15 Book value of investment securities sold during the fiscal year (total of the two Banks *)	(916.7)
16 Transferred to an exchange-traded fund	(450.9)
17 Sold in the market or by other means	(465.8)
18 Write down during the fiscal year (total of the two Banks *)	(219.1)
19 Deferred tax assets	1,032.1
20 [% of Deferred tax assets to Tier I]	[32.4%]
21 Total of the two Banks *	995.2
22 Allowance for loan losses	757.0
23 Write down of investment securities	111.5
24 Net operating loss carryforwards	76.8
25 Other (primarily accrued severance indemnities and pension liabilities)	49.8
26 Total assets	99,496.8
27 Deposits	59,907.3
28 Total of the two Banks *	56,617.6
29 Overseas branches	7,079.4
30 Individuals	29,509.8
31 Corporations and others	19,325.2
32 Weighted average rate on domestic loans (total of the two banks *)	1.66%
33 Weighted average rate on domestic deposits (total of the two banks *)	0.18%
34 Spread between domestic loans and domestic deposits (total of the two banks *)	1.48%

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35	Total shareholders' equity	3,324.4
36	Capital stock	1,146.5
37	Capital surplus	834.6
38	Capital increase	-
39	Retained earnings	1,189.7
40	Unrealized gains (losses) on securities available for sale	84.0
41	Less treasury stock	(105.3)
42	BIS risk-adjusted capital ratio	10.30%
43	Tier I ratio	5.27%
44	Tier I capital	3,181.1
45	Risk-adjusted assets	60,335.8

\* "Total of the two Banks" represents the aggregated non-consolidated figures of The Bank of Tokyo-Mitsubishi, Ltd. and The Mitsubishi Trust and Banking Corporation.

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Mitsubishi Tokyo Financial Group, Inc

3. Disclosed Claims under the Financial Reconstruction Law ("FRL")

(1) Status of Disclosed Claim under the FRL (prompt report)

	March 31, 2002	September
Claims to bankrupt and substantially bankrupt debtors	419	
Claims under high risk	1,934	
Claims under close observation	1,917	
Disclosed Claim Ratio	8.10%	

	As of March 31, 2002 (A)	As of September 30, 2002 (B)	As of March 31 (C)
1 Claims to bankrupt and substantially bankrupt debtors	419.0	402.1	
2 Claims under high risk	1,933.5	1,386.6	1
3 Claims under close observation	1,916.8	1,886.2	1
4 Total Disclosed Claims (A)	4,269.4	3,675.0	2
5 Total Credit Exposure (B)	52,401.4	49,906.9	48

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6 Disclosed Claims Ratio (A)/(B) 8.1% 7.3%

(2) Status of Non Performing Assets (prompt report)

	Six months results ending September 30, 2001	Six months results ending March 31, 2002	re Sept
Inflow	367	448	
Outflow	-356	-675	

a. Six months results ending March 31, 2003

	As of September 30, 2002 (A)	Inflows (B)	Outflows (C)
7 Claims to bankrupt and substantially bankrupt debtors	402.1	50.5	(226.2)
8 Claims under high risk	1,386.6	557.6	(912.9)
9 Total	1,788.7	608.1	(1,139.1)

b. Six months results ending September 30, 2002

	As of March 31, 2002 (A)	Inflows (B)	Outflows (C)	Sep
10 Claims to bankrupt and substantially bankrupt debtors	419.0	28.9	(45.9)	
11 Claims under high risk	1,933.5	369.4	(916.3)	
12 Total	2,352.6	398.4	(962.3)	

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c. Six months results ending March 31, 2002

	As of September 30, 2001 (A)	Inflows (B)	Outflows (C)
1 Claims to bankrupt and substantially bankrupt debtors	408.1	63.6	(52.7)
2 Claims under high risk	2,171.4	384.0	(621.9)
3 Total	2,579.6	447.7	(674.7)

d. Six months results ending September 30, 2001

	As of March 31, 2001 (A)	Inflows (B)	Outflows (C)
4 Claims to bankrupt and substantially bankrupt debtors	398.5	30.2	(20.6)
5 Claims under high risk	2,169.4	337.1	(335.1)
6 Total	2,568.0	367.3	(355.8)

(3) Status of Secured Coverage on Disclosed Claims under the FRL (prompt report)

	Disclosed amount	Collateral, Guarantees, etc	Unsecured (A)	Reserves (B)
7 Claims to bankrupt and substantially bankrupt debtors	226.4	206.4	19.9	19.9
8 Claims under high risk	1,031.3	467.5	563.8	386.3
9 Claims under close observation	1,357.4	624.8	732.6	266.0
10 Total	2,615.2	1,298.9	1,316.3	672.3
11 (Change from March 31, 2002)	(1,654.2)	(883.4)	(770.7)	(387.3)

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12 Normal claims 46,335.9 - - -

(4) Status of Secured Coverage on Self-Assessment of Assets (prompt report)

	As of March 31, 2002 (A)	As of September 30, 2002 (B)	As March 31, 2003 (C)
13 Normal	0.18%	0.19%	0.17%
14 Close Watch	8.11%	8.75%	9.30%
15 Close Watch	3.97%	3.57%	3.31%
16 Borrowers with Credit under Close Observation	14.39%	17.44%	21.16%
17 Likely to become Bankrupt (excluding secured assets)	67.54%	66.51%	67.44%

Note: Above figures exclude certain mortgage and consumer loans.

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Mitsubishi Tokyo Financial Group, Inc

4. Earning Projections for the Fiscal Year Ending March 31, 2004

	(in billions of yen)		
(Non-consolidated)	For the year ended March 31, 2003 (actual)	For the year ending March 31, 2004	For the six months ending September 30, 2003
1 Operating income	27.2	44.0	42.0
2 Ordinary profit	22.4	40.0	40.0
3 Net income	23.3	40.0	40.0

  

	(in yen per share)		
(Cash dividends)	Annual dividends per share for the year ended March 31, 2003	Annual dividends per share for the year ending March 31, 2004	Interim dividends per share

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4	Common stock	4,000	4,000	-
(Consolidated)		(in billions of ye		
		For the year ended March 31, 2003 (actual)	For the year ending March 31, 2004	For the six months ending September 30, 2003
5	Ordinary income	2,772.5	2,880.0	1,395.0
6	Ordinary profit (loss)	(360.2)	370.0	150.0
7	Net income (loss)	(161.4)	190.0	70.0

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Mitsubishi Tokyo Financial Group, Inc.

II. Progress in Addressing Key Issues

Medium-Term Business Plan: Highlights of progress made in fiscal 2002

1. Addressing the problem loan issue

Rapid removal from the balance sheet of loans categorized as "Under high risk of bankruptcy" or below

- . Concentrated effort to remove outstanding loans within two years and newly arising problem loans within three years

Rapid reduction of problem loan ratio

- . Aim to reduce the ratio by approximately half by the end of fiscal year 2004 from the level at the end of fiscal year 2001
  - Through aggressive utilization of the Resolution and Collection Corp. (RCC) and other measures, and rapidly removing from the balance sheet loans to customers categorized as "Under high risk of bankruptcy" or below, the total amount of problem loans held by the Group as of March 31, 2003 decreased by 1.65 trillion yen compared to one year earlier. This was achieved in spite of continued high levels of newly arising problem loans.
  - The ratio of problem loans as of March 31, 2003 fell 2.8 percentage points from the year before to 5.34%.

Disclosed Claims under the Financial Reconstruction Law

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(in billions of yen)

	As of March 31, 2002	As of March 31, 2003	Increase (decrease)
Total	4,269.4	2,615.2	(1,654.2)
Claims to bankrupt and substantially bankrupt debtors	419.0	226.4	(192.6)
Claims under high risk	1,933.5	1,031.3	(902.2)
Claims under close observation	1,916.8	1,357.4	(559.4)
Ratio of problem loans	8.14%	5.34%	(2.80%)

2. Reduction of equity portfolio

As of March 31, 2003, the balance of equity holdings had been reduced to around the level of tier one capital.

From the standpoint of overall risk management, the Group plans to sell a further 750 billion yen of equity holdings during fiscal 2003.

- The Group disposed of approximately 1.28 trillion yen of equity holdings during fiscal 2002, including transfers to exchange-traded funds and sales to the Bank of Japan.

Balance of equity holdings (on MTFG's consolidated balance sheet)

(in billions of yen)

	As of March 31, 2002	As of March 31, 2003	Increase / (decrease)
Securities available for sale - marketable stock	5,027.6	3,124.2	(1,903.4)
Tier 1 Capital	3,181.1	3,128.6	(52.4)

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Mitsubishi Tokyo Financial Group, Inc.

3. Cost cuts

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- (1) Personnel cuts

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- Forecast 18,000-18,500 staff\* at the end of March 2005

(reduction of 4,000 - 4,500 from March 2001 level)

Number of staff\*

	As of March 31, 2001	As of March 31, 2002	As of March 31, 2003	Change fr
MTFG	22,438	21,385	20,603	(1
BTM	16,556	15,720	15,179	(1
MTBC	5,882	5,665	5,424	

\*Total of BTM and MTBC full-time, domestic staff (non-consolidated)

(2) Reduction in the number of branch offices

- Plan to reduce number of domestic branches by around 50 by the end of March 2005

(Compared to end of September 2001 level)

Number of offices (Head office and domestic branches, sub-branches and agencies)

	As of Sept. 30, 2001	As of March 31, 2002	As of March 31, 2003	Change fr
MTFG	361	351	335	(26)
BTM	302	296	282	(20)
MTBC	59*	55	53	(6)

\*For MTBC, the number of branches as of Oct. 1, 2001 (after merger of the three trust banks)

For reference: Medium-Term Business Plan (2003)

We have revised our assumptions for the outlook for interest rates etc., and made Medium-Term Business Plan (2003) for the fiscal periods from 2003 to 2005 \*1. The financial plan for fiscal 2005 is as follows:



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Consolidated		(in billions of yen)		
	Fiscal 2002 Actual	Fiscal 2005 Target	Change	
Net operating profit *2	764.2	1,140	+380	(approx.)
Net Income (loss)	(161.4)	460	+620	(approx.)
ROE *3	(5.9%)	13%+	+19%	(approx.)
BIS Capital Adequacy Ratio (Tier 1 Capital)	10.84% (5.68%)	Around 12% (Around 7%)	+1.2%	(approx.) (+1.3%) (approx.)

(Reference) Non-consolidated aggregates		(in billions of yen)		
	Fiscal 2002 Actual	Fiscal 2005 Target	Change	
Gross Operating profit	1,312.6	1,565	+250	(approx.)
Operating Expenses (Expense ratio)	622.7 (47%)	613 (39%)	(10)	(approx.) (8%)
Net Operating Profit *4	689.9	952	+260	(approx.)
Net Income	(187.4)	385	+570	(approx.)

\*1. For fiscal 2005 we assume the following: A three-month euro-yen rate averaging 0.6% over the period, an exchange rate of 120 yen / dollar as of March 31, 2006, and growth in Japanese GDP in real term of 1.8%.

\*2. Before trust account write-offs and general provision for loan losses.

\*3. (Net income - non-convertible preferred share dividends) / (average capital (excluding the value of non-convertible preferred shares, appraisal gains)).

\*4. Before trust account write-offs and general provision etc. for loan losses.

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Mitsubishi Tokyo Financial Group, Inc.

III. Consolidated Management of the Group

Through a further reform of its profit structure, the Group seeks to build

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swiftly a business structure that can achieve stable growth.

As we strive to achieve this target, we will implement the additional initiatives listed below. Taking this opportunity, we aim to restructure the business model of the entire Group, by shifting to a more consolidated and integrated management of the Group.

In rebuilding the business model, Bank of Tokyo-Mitsubishi (BTM), Mitsubishi Trust & Banking Corporation (MTBC) and Mitsubishi Securities will seek to reallocate their resources, including personnel and facilities, to further enhance the expertise of each Group company, and to create a structure that can provide customers with higher quality and more comprehensive financial services.

### 1. Retail Business: Strengthening Strategy and Improving Efficiency

-----

Strengthen operations and raise efficiency in the growing retail business area. By developing strategies and through integrating operations group-wide, we aim to achieve rapid and customer-friendly delivery of the best products and services to each customer through efficient channels.

#### (1) Establish MTFG Plaza\*, a new comprehensive financial services channel for retail customers

- MTFG Plaza will be a new delivery channel providing comprehensive financial services from BTM, MTBC and Mitsubishi Securities.
- Providing integrated and comprehensive financial services and products in a one-stop location, MTFG Plaza will offer BTM's banking services, MTBC's trust banking services and securities services from Mitsubishi Securities.
- Growth of MTFG Plaza outlets will lead to further development of joint branches between BTM and Mitsubishi Securities, the streamlining of certain existing MTBC branches and the establishment of new, streamlined MTBC branches. We aim to fully integrate and raise the efficiency of our group-wide channels for retail customers.

#### (2) Utilize IT and telecommunications to develop Virtual MTFG Plaza\*

- In addition to MTFG Plaza outlets, we will diversify our channels through the development of a Virtual MTFG Plaza. This channel will utilize IT and telecommunications technology to provide products and services from each Group company.
- For example, we are considering the introduction of automated contracting machines at non-MTFG Plaza branches, through which customers can access banking, trust and securities services.

\*(Provisional name)

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Mitsubishi Tokyo Financial Group, Inc.

#### (3) Develop a Group operational strategy

- Develop as a Group an overall strategy for business with individuals (mass market, high net worth and workplace based) and increase efficiency through common use of infrastructure and resources.

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- In order to provide comprehensive service to individuals as a Group, we will revamp our product line up to attract individuals' funds, and will also consider the development of composite banking, trust and securities services and products.

### 2. Standardizing and Integrating Operations and Systems

-----

Further develop the standardization and integration of office operations and systems, and pursue reduction of total group costs while maintaining a high level of functionality, quality and dependability.

#### (1) Continue concentration and integration of large volume operations

- The concentration and integration of delivery operations for cash and bills etc. between BTM and MTBC is now complete. We are also examining jointly how to streamline office operations and reduce running costs through concentration and integration of back-office operational centers.

#### (2) Consider the standardization and integration of system platforms

- Start to consider standardizing the banking business IT systems of BTM and MTB based on BTM's existing systems.
- We aim to reduce costs across the Group by sharing open system assets for services such as online banking and ATM's in convenience stores, by integrating systems maintenance, and by sharing network platforms.

#### (3) Combine and integrate facilities, resources and outsourcing

- Accelerate the integration and sharing of operational and system sites between the two banks.
- Examine the joint outsourcing of operations and systems functions.

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Mitsubishi Tokyo Financial Group, Inc.

### 3. Increasing expertise and operational efficiency

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Consolidate skills and functions within the Group to further increase expertise and raise operational efficiency and productivity.

#### (1) Strengthen investment banking

- In strengthening our Group's investment banking business in response to our clients' sophisticated needs, we will concentrate our specialized skills and business capabilities to deliver high-level services and raise business efficiency.
- In concrete terms, we will bring together group-wide human resources to strengthen our syndicated loans function, and will consider shifting the mergers & acquisition and derivatives business of MTBC to Mitsubishi Securities as well as other measures.

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- (2) Pursue a Group strategy in asset management and asset administration businesses
  - In order to raise competitiveness, we will restructure the growing asset management business and the highly competitive asset administration business on a Group basis.
  - In concrete terms, we will fully utilize the know-how of MTBC in the investment trust, 401K and custody businesses etc.
- (3) Launch a comprehensive solution business for corporate clients
  - Through cooperation and collaboration among BTM, MTBC and Mitsubishi Securities, the Group will provide a fully integrated and comprehensive solutions service to corporate clients. In addition, we will radically raise our business efficiency through an allocation of roles that meets the needs of corporate clients.
- (4) Concentrate corporate center functions to increase expertise and raise efficiency
  - Through concentration of corporate center functions within the Group and their joint use by each Group company, we aim to raise efficiency through shared policy, know-how and infrastructure, and to enhance the management systems for risk management, internal audit and compliance etc.

\* \* \*

These materials contain forward-looking statements relating to us including, among other things, current projections, targets with respect to the results of operations, financial conditions and other future events. These forward-looking statements are not a guarantee of future results and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various factors. For a detailed discussion of these risks and other risks, uncertainties, and possible changes, please see our latest financial summary report, annual report or other public filings.

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