

Launch of “Super IC Card Tokyo-Mitsubishi VISA”

Offering higher security and customer convenience in order to expand income generated from our credit card business

Tokyo September 22, 2004 --- The Bank of Tokyo-Mitsubishi, Ltd. (BTM; President: Nobuo Kuroyanagi), a subsidiary of Mitsubishi Tokyo Financial Group, Inc. (MTFG; President: Nobuo Kuroyanagi), plans to launch a new comprehensive card service that adds credit card and electronic money functions to its banking card. The multi-functional card will be called the “Super IC Card Tokyo-Mitsubishi VISA”. The launch is scheduled for Tuesday, October 12th 2004.

Super IC Card Tokyo-Mitsubishi VISA will provide customers with new services by utilizing the latest integrated circuit (IC) technology, and achieve higher levels of security by adopting the biometric verification system. In addition, the combination of multi-functions onto a single card will enhance customer convenience. Taking advantage of the deregulation in the Japanese financial sector, BTM will become the first major bank in Japan to incorporate a revolving credit function in a credit card issued under its own name, as it aims to expand its income from credit card services.

Drastically Improved Security

BTM has been working to prevent losses resulting from theft and forgery of cash cards. Super IC Card Tokyo-Mitsubishi VISA will respond to the social need to raise cash card security to a higher level as incidents of magnetic stripe skimming increase and the card falsification and counterfeiting schemes become more sophisticated.

(1) Adoption of Biometric recognition system

The new card provides drastically improved cash card security through its use of palm vein recognition, which is an identification method designed to allow only the cardholder to use the card.

When using an ATM, the identity of Super IC Card holders will be verified through biometrics recognition, in addition to the regular PIN number. Personal identification using biometric recognition will also be implemented at the service counters of our branches. BTM will be the first Japanese bank to have its ATMs equipped with biometric recognition functions. In recognizing the importance of protecting customers' personal information, the biometric data will be stored inside of the IC chip forming part of the card and BTM will not hold the biometric data. Furthermore, under currently available technology, it is extremely difficult to extract and falsify or alter the biometric data stored on the IC chip.

- (2) Prevention of customers' deposit losses due to magnetic strip skimming
As data on customers' deposits will be stored on the IC chip and not on the magnetic strips, customer's accounts cannot be accessed through magnetic strip skimming (unlawful data retrieval) schemes. Moreover, falsification of the IC chip will be more difficult, providing a higher level of security to the cardholders.

- (3) Compensation for deposit losses arising from theft and falsification

In the unlikely event of deposits losses arising from theft and/or falsification of a customer's bank passbook or banking card, BTM will provide compensation of up to ¥100 million. (Prior registration for biometric recognition will be required for such compensation.)

In addition to Super IC Card Tokyo-Mitsubishi VISA, BTM is developing a non-contact integrated chip card for mobile phones that will allow such phones to be used as a cash card. BTM also continues to post warnings and educate customers on the safe handling of PIN numbers, as part of its continuing efforts to prevent card theft and counterfeiting.

Increased convenience as a result of combining multiple functions

- (1) Three functions combined in one card for increased convenience

We will help realize customers' "convenient moneylife" by adding credit card and electronic money functions to our banking card by utilizing the latest integrated circuit technology.

- (i) BTM will issue a "VISA" brand credit card as a franchisee of DC Card Co., Ltd.
- (ii) We have adopted the "Edy" electronic money format, which is broadly accepted throughout Japan.

*Edy is operated and promoted by Bitwallet Inc., a company in which BTM has an equity investment. Edy is a simple and convenient prepaid electronic money that allows payments to be made by merely touching the card up against a sensor. As of July 2004, there were 9,600 affiliated Edy outlets, 5.1 million cards with Edy functions issued and over 4.8 million transactions using Edy cards on a monthly basis.

- (iii) We also aim to provide diverse services to cardholders, such as preferential interest rate arrangements, travel accident insurance and medical services.

- (2) Additional valuable services.

Starting next spring, we also plan to provide value-added services to our new cardholders, such as preferential interest rate arrangements on

banking products, various credit card settlement options and preferential links between banking and credit card transactions.

In the long run, we plan to provide customers with additional services by exploiting the unique characteristics of IC cards such as contact and non-contact dual-interfaces and vast memory capacity. We are considering the possibility of combining our services with companies in various industries, including transportation, communications and logistics.

Expanding our income generated from credit card services by incorporating revolving credit function in credit cards issued under our own name

The Tokyo-Mitsubishi VISA credit card will be the first to incorporate a revolving credit function in a credit card issued under the name of a major Japanese bank. BTM decided to offer this new service due to the following reasons:

(1) Deregulation in the Japanese financial sector

On April 2004, Japanese banking regulations were amended to allow banks to issue credit cards with a revolving credit function under their own name. BTM will be the first among the major Japanese banks to take advantage of the opportunities arising from the lifting of the restriction.

(2) Expanding income generated from credit card services by offering more convenient features

BTM seeks to expand income generated from consumer credit and finance. By allowing customers a variety of credit card settlement options and offering preferential services to customers who engage in frequent credit card or banking transactions, BTM will promote greater use of the Tokyo-Mitsubishi VISA credit card for shopping and stimulate higher revolving credit balances.

In addition to the existing “point accumulation service,” BTM will provide a service, which will enable customers to earn “points” both through banking transactions as well as credit card transactions. We believe such service will give us a competitive advantage over our competitors. BTM will start the new service in order to maximize its advantage as the first major Japanese bank to issue a credit card under its own name, and to respond to customer feedback that earlier point accumulation services were inconvenient and difficult to understand.

(3) Future Business Plans

The new Tokyo-Mitsubishi VISA credit card will be the core component of BTM’s strategy to expand its consumer finance business. As such, we will actively introduce the new card service at all branches.

Our current target is to issue one million new cards each year, and to achieve a revolving credit balance of ¥200 - 300 billion within the first three years of starting of this new service.

BTM plans to initially issue *Gold Premium* Super IC cards in the second half of the current fiscal year. After finalizing the systems necessary to support large-scale card roll-out, we plan to also issue *Gold* and *General* Super IC cards with new services that respond to customers' demand for more convenience early next year. New services are also planned for *Gold Premium* cards.

Applications for *Gold* and *General* cards will be accepted from October 2004.

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| Outline of the Super IC Card Tokyo-Mitsubishi VISA |
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| | From October 12 2004 to February 25, 2005 | From Spring 2005 | | |
|---|--|------------------------------------|--|----------------|
| Card type | Gold Premium | Gold Premium (new type) | Gold | General |
| Application qualification | Over 20 years of age (Credit checked) | | | |
| Basic functions | Banking card, credit card (VISA brand,) electronic money (Edy) | | | |
| Biometric recognition function | Yes (Registration of biometric information is not mandatory) | | | |
| Compensation for losses resulting from theft and forgery* | ¥100 million (maximum) | ¥10 million (maximum) | ¥1 million (maximum) | |
| Other services | Preferential deposit rates, travel accident insurance, and medical consulting services, etc. | Travel accident insurance, etc. | Overseas travel support services, etc. | |
| Services expected to be introduced from Spring 2005 | <p>The expansion of preferential interest rate services Will offer fixed interest rates according to type of card, preferential interest rates when commencing card-use, preferential interest rates depending on the type of bank transaction, preferential annual fees, etc.</p> <p>Diverse credit card settlement options Flexibility of payment method (Select from one-time payment and utilizing revolving credit; allow for payments from bonuses, or on a one-time basis; allow changes to payment method anytime before the settlement date)</p> <p>Reciprocal two-way preferences between banking transactions and credit card transactions Preferential rates on banking transactions based on credit card usage (Free ATM fees, Free account fees) Preferential credit card transactions based on bank transactions (Preferential interest rates for revolving credit and services, preferential annual fees for <i>Gold</i> cards, etc.)</p> | | | |
| Annual fees | ¥10,500 | TBD | | |
| Agent | BTM branches throughout Japan | | | |

* Prior registration for biometric recognition will be required for such compensation.

Initiatives to Strengthen Security

BTM has been working to prevent losses resulting from theft and forgery of cash cards as follows.

1. Details of the Super IC Card Tokyo-Mitsubishi VISA

(1) Storage of deposit account information in the IC chip

The customer's deposit account data is stored only in the IC chip of the new card and not in the card's magnetic strip and therefore the so-called magnetic strip skimming (unlawful data reading) will not be possible.

(2) The adoption of palm vein recognition as a biometric recognition technique

Biometrics is a technology that focuses on physical or behavioral attributes to automatically identify individuals. Fingerprints are well known as a form of such identification; there are also instances where the iris, external physical features such as the face or ears, internal physical features such as the veins of the palm or fingers, and actions such as the voice or handwriting, are used for identification.

Biometrics has been applied in many instances in Japan, in closed corporate environments for corporate employees for such purposes as controlling entry to specific facilities or access to networks. In the financial sector, however, BTM will be the first Japanese bank to fully utilize customer-based biometrics, even for ATM transactions.

BTM spent approximately six months conducting technological credibility and stability surveys, and studied the suitability of the card as a medium in banking transactions (such as counter-based and ATM transactions.) After researching biometrics as applied in banking in South Korea, we narrowed down the candidates for actual usage to palm vein recognition and finger print recognition.

Following this, we conducted surveys on approximately 1,000 customers, including an interactive survey conducted at eight branches in the Tokyo metropolitan area in which 90% of customers expressed support for the palm vein recognition technique, which we have decided to adopt.

2. The use of mobile phones as cards

We are currently developing a service which will allow users to perform various transactions at ATMs, through the use of cellular phones mounted with a non-contact IC (Mobile Felica) as cards (banking cards, credit cards and loan cards). By combining IC functions and cellular phones, this service will combine both convenience (such as the on-line downloading of card data) and security (prevention of skimming and forgery etc.).

We aim to fully commence services from Autumn 2005, following test runs currently underway by using BTM staff as monitors. We also plan to run a pilot scheme from November 2004 with the help of staff from cooperating companies in the Marunouchi, Otemachi and Yurakucho areas.

3. BTM's Stance on security and measures related to magnetic strip cards

ATM networks using magnetic strip (MS) card technology are based on a security card where only the user knows the security code and form part of the common infrastructure of domestic financial institutions, with similar technology used all over the world. The establishment of this system requires a vast array of knowledge concerning magnetic data, and under the present circumstances, can be said to provide a fair level of technological security achievable on a commercial level.

On the other hand, it is also true that we are seeing a recent increase in instances of theft and forgery of banking cards. While the specific methods used in these crimes remains unclear, we can surmise that the perpetrators of these crimes have developed some kind of technique to detect security number data after skimming a genuine MS card. We believe that the widespread use of MS technology, the miniaturization of MS reader devices and the increased sophistication of illicit acquisition methods of personal data (e.g. through the use of cellular phones and electronic mail, and the miniaturization of cameras) form the backdrop to these crimes.

Given these conditions, it has become increasingly important to administer security numbers as the final foothold of security, and at BTM we ask all of our customers to take the following precautions as part of our efforts to prevent deposit account impairment as a result of theft or forgery.

1. Avoid using dates of birth, telephone numbers, addresses or car license numbers as security numbers, and use numbers that will be difficult for strangers to decipher. We recommend changing numbers that are easy to work out. We also recommend periodic changes to security numbers.
2. When withdrawing cash, please make sure that your security number is not being observed from over your shoulder or somehow becomes known to strangers.
3. On no occasion will bank staff, staff of the banking association or law enforcement officers make inquiries of your PIN number either outside the bank or via telephone. Even when banking staffs make inquiries at the bank counter, they will do so only via official procedures such as when you are filling out the appropriate documentation. When in doubt, please ask the branch office you normally deal with.
4. Please update your bankbook as often as possible to check for unusual transactions.
5. Please be careful in the way you dispose of ATM statements.
6. When using a security number for purposes other than banking transactions, please use a different number from you banking security number.
7. Your banking card is just as important as your bankbook and official seal. Please maintain them in a secure manner.

In addition to delivering the message to our customers about the importance of handling security numbers through BTM outlets and our homepage, we will also place newspaper advertisements in the national press to deliver the same message. We also plan to revisit the limits placed on withdrawal amounts when using bank cards in order to prevent customer losses.