The Norinchukin Bank
Mitsubishi UFJ Financial Group, Inc.
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
UFJ NICOS Co., Ltd.
Kyodo Credit Service Co., Ltd.

# Merger of UFJ NICOS Co., Ltd. and Kyodo Credit Service Co., Ltd.

**Tokyo, February 16, 2006-** The Norinchukin Bank (”Norinchukin”, President and CEO: Hirofumi Ueno), Mitsubishi UFJ Financial Group, Inc. (“MUFG”; President & CEO: Nobuo Kuroyanagi), The Bank of Tokyo-Mitsubishi UFJ, Ltd. (President: Nobuo Kuroyanagi), UFJ NICOS Co., Ltd. (“UFJ NICOS”; President and Director: Kazuhiro Omori) and Kyodo Credit Service Co., Ltd. (“Kyodo Credit”; President: Eiichi Ishigami) announce that they have agreed on the merger of UFJ NICOS and Kyodo Credit as part of the strategic business and capital alliance in the retail business of Norinchukin and MUFG.

## 1. Objectives of the Merger

Norinchukin and MUFG have entered into an extensive business alliance in the retail business of JA Bank for the purpose of making optimal use of the extensive customer base and operational network of JA Bank, and the advanced technology and product marketability of MUFG.

This time, in the credit card business, which is the core of such business alliance, UFJ NICOS, with its advantage of having one of the largest business size and networks in Japan and its ability to develop cutting edge products, and Kyodo Credit, with its own solid customer base, focusing on the members and users of JA Bank as core customers, will merge on equal terms, strengthen their business competitiveness by maximizing and supplementing the strengths of UFJ NICOS and Kyodo Credit, and provide further attractive products and services to the members and customers of JA Bank.

The new company established upon the merger will aim at becoming the No. 1 company in the fields of “support from customers”, “profitability”, “card shopping sales volume” and “financial stability” with the goal of becoming the “No. 1 company in retail financing”, in conjunction with the merger of UFJ NICOS and DC Card, Co., Ltd., which is scheduled for April 1, 2007, and will seek to further increase its corporate value.

## 2. Outline of Basic Agreement

(1) Company name
"UFJ NICOS Co., Ltd."
*UFJ NICOS is planning to change the company name to "Mitsubishi UFJ NICOS Co., Ltd." (Tentative name) as a result of the merger with DC Card, Co., Ltd. on April 1, 2007.

(2) Date of the merger
October 1, 2006

(3) Surviving company
UFJ NICOS Co., Ltd.

(4) Location of headquarters
Bunkyo-ku, Tokyo (current location of the headquarters of UFJ NICOS)

(5) Representative
Kazuhiro Omori, President and Representative Director (current President and Director of UFJ NICOS)

(6) Handling of "JA Card", etc.
"JA Card", etc., presently issued by Kyodo Credit, shall be issued with improved merchantability through the new company established upon the merger. In addition, "JA Card", etc. currently in use can be used for the time being after the merger.

(7) Others
The merger ratio will be determined between UFJ NICOS and Kyodo Credit upon evaluation by specialists. After the merger, the new company is expected to remain listed on the first section of the Tokyo Stock Exchange, Inc.

## 3. Future Considerations

Today, a merger promotion committee, which consists of representatives of Norinchukin, MUFG, The Bank of Tokyo-Mitsubishi UFJ , UFJ NICOS and Kyodo Credit (Chairman: Kazuhiro Omori, President and Director of UFJ NICOS, Deputy Chairman: Eiichi Ishigami, President of Kyodo Credit, Members: Yoshio Kono, Senior Managing Director of Norinchukin, Ryuichi Murata, Managing Officer and Head of Integrated Retail Banking Business Group of MUFG and Senior Managing Director of The Bank of Tokyo-Mitsubishi UFJ ) has been formed. From now on, this committee will discuss and determine the details of the new company.

(Reference)
Summary of UFJ NICOS and Kyodo Credit

( As of March 31, 2005 )

| Company name | UFJ NICOS | Kyodo Credit Service |
|---|---|---|
| Main business | Credit business | Credit card business |
| Date of incorporation | June, 1951 | February, 1983 |
| Location of head office | Bunkyo-ku, Tokyo | Chiyoda-ku, Tokyo |
| Representative | Kazuhiro Omori | Eiichi Ishigami |
| Capital | 103,111 million yen | 200 million yen |
| Total number of issued and outstanding shares | Common stock: 903,999,559<br>Classified stock: 50,000,000 | Common stock: 4,000 |
| Shareholder equity | 144.7 billion yen | 1.5 billion yen |
| Total assets | 4,066.2 billion yen | 14.5 billion yen |
| Book-closing period | March 31 | March 31 |
| Number of employees | 5,874 persons | 130 persons |
| Principal shareholders and ratio of voting rights | - The Bank of Tokyo-Mitsubishi UFJ, Ltd. 69.1%<br>- Nippon Life Insurance Company 1.7%<br>- The Norinchukin Bank 0.8% | - The Norinchukin Bank 51.8%<br>- 42 Shinrens and 2 JAs (in total) 48.2% |
| Main bank | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | The Norinchukin Bank |
| Number of card members | 21.85 million persons | 0.87 million persons |
| Card sales volume | 4,284.9 billion yen | 98.8 billion yen |
| Of which, shopping | 3,235.4 billion yen | 60.6 billion yen |
| Of which, cashing | 1,049.5 billion yen | 38.2 billion yen |
| Number of affiliated stores | 2,726 thousand stores | 50 thousand stores |
| Operating Revenue | 341 billion yen | 4.3 billion yen |
| Current Income | 39.7 billion yen | 0.2 billion yen |
| Net Income | 9.2 billion yen | 0.1 billion yen |
| Relationships between parties | Related to assets | N/A |
| | Related to person | N/A |
| | Related to transaction | Consignment of a part of the collecting agency business of Kyodo Credit to UFJ NICOS |

- ✧ UFJ NICOS's figures are the sum of the consolidated figures of the former Nippon Shinpan Co., Ltd. and the figures of the former UFJ Card Co., Ltd. (merged as of October 1, 2005). However, UFJ NICOS's figures related to credit cards are the sum of the consolidated figures of the former Nippon Shinpan Co., Ltd. and the former UFJ Card group.
- ✧ UFJ NICOS's figures under "Total number of issued and outstanding shares" and "Principal shareholders and ratio of voting rights" are calculated by adjusting the figures associated with the conversion of classified stock into common stock as of October, 2005 and the merger of the former Bank of Tokyo-Mitsubishi Ltd. and the former UFJ Bank Ltd.
- ✧ Kyodo Credit's figures under "Principal shareholders and ratio of voting rights" are as of January 10, 2006.