Fiscal 2008 Results Presentation
Main Q&A

Q: You have explained that you are aiming to maintain a core Tier I capital ratio of more than 4% but it was 4.53% at the end of March, above your target. Looking ahead, might you raise the target to 5% or 6%? If you do so, could the issuance of new ordinary shares be one of your options?

A: Core Tier I ratios are currently being discussed internationally and as yet no consensus on a definition of Core Tier I has been reached. We believe that, for example, much deeper discussion is required as to whether banks with an excess of deposits should observe the same standard as many US and European banks which have high leverage. Starting in the next year, we expect the direction of these discussions will become somewhat clearer. Under the standards of the stress tests implemented in the US recently, we believe we currently have an adequate level of capital. We intend to watch very closely to see how discussions on Core Tier I progress, while endeavoring to keep our capital in line with our targets of a capital ratio of 12%, a Tier I ratio of 8%, and a core Tier I ratio of more than 4%. As of today, share prices have recovered to some extent compared to previous levels, so the risk of erosion of our capital has lessened. With respect to any potential future capital raising, we may review our opportunities considering our capital needs at the time as well as our shareholder and investor considerations. At the moment, however, we have no specific plans for issuances of new ordinary shares.

Q: Do you have a specific target for reducing your strategic equity investments?

A: We do not have a specific target for the reduction of our strategic equity investments as we will proceed to execute it after taking into consideration various factors and engaging in negotiations with our customers and so forth.
Q: In the Retail segment will your strategy be focused on Group banks or is it your policy to strengthen this retail business on a Group-wide basis, including non-bank and securities companies?

A: We expect the shift from savings to investments by Japanese retail customers will continue. The type of products, however, may change depending on the investment environment at the time. In the current environment, we do not plan to make any significant change to our overall strategy to increase overall customer assets including not only investment products but also savings products. We also aim to further this strategy, for example, through our efforts to strengthen direct salary deposits which could be a source of investments or savings. We believe that the consumer finance business, including credit card business, is a growth area and, therefore, is a major pillar of our current strategy. In the credit card area, our business is not limited to MU Nicos, as BTMU’s comprehensive card business has been growing recently. In addition, in the current difficult business environment, ACOM has a steady business base, and JACCS returned to profit for the fiscal year ended March 31, 2009.

Q: Now that you have made Union Bank a wholly-owned subsidiary, what will be the next specific step in your strategy in North America?

A: Since Union Bank became a wholly-owned subsidiary, swifter decision making has become possible. We are currently considering a number of possibilities, such as offering Morgan Stanley products to Union Bank customers, collaboration between BTMU and Union Bank, and so forth.