This document contains forward-looking statements in regard to forecasts, targets and plans of Mitsubishi UFJ Financial Group, Inc. ("MUFG") and its respective group companies (collectively, "the group"). These forward-looking statements are based on information currently available to the group and are stated here on the basis of the outlook at the time that this document was produced. In addition, in producing these statements certain assumptions (premises) have been utilized. These statements and assumptions (premises) are subjective and may prove to be incorrect and may not be realized in the future. Underlying such circumstances are a large number of risks and uncertainties. Please see other disclosure and public filings made or will be made by MUFG and the other companies comprising the group, including the latest kessantanshin, the Form 20F financial reports, Japanese securities reports and annual reports, for additional information regarding such risks and uncertainties. The group has no obligation or intent to update any forward-looking statements contained in this document.

In addition, information on companies and other entities outside the group that is recorded in this document has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by the group and cannot be guaranteed.

The financial information used in this document was prepared in accordance with accounting standards generally accepted in Japan, or Japanese GAAP.
1. Outline of MUFG’s Retail Business

2. Trends in the Consumer Finance Market

3. Announced plans
   (1) Summary of announced plans
   (2) Implications for JACCS and its installment credit business
   (3) Implications for Mitsubishi UFJ NICOS
   (4) Thorough measures to shift to proactive approach
   (5) Credit Card business as MUFG’s core business alongside banking, trust banking and securities

4. MUFG’s Consumer Finance Business Formation

5. MUFG’s Credit Card Business: Outline and strengths
   (1) Bank-issued credit cards
   (2) Cost competitiveness through maximizing share and concentrating functionalities of systems/operations
   (3) Summary

6. MUFG’s Consumer Loan Business

7. Growth outlook for MUFG’s Consumer Finance Business
### 1. Outline of MUFG’s Retail Business

#### Business promotion

- **Retail deposits**
  - Steady growth: 
    - Balance (End Jul. 07): ¥62 tn (+¥1.3 tn YoY)

- **Investment products**
  - Steady growth in sales (sales of 3 investment products FY05: ¥4.1 tn; FY06: ¥4.7 tn)
  - Preparing for full deregulation of insurance products sales

- **Combined banking/Securities model** (securities intermediation)
  - 635 staff seconded from MUS to BTMU
  - FY06 sales ¥900 bn, major contribution to growth of MUS business base (customer assets)
  - Strong increase in accounts (#190,000)
  - Strong sales of JGBs for individuals

- **Loan strategy**
  - MU Merrill Lynch PB Securities launched (May 06)
  - Experienced staff moved under new strategies

- **Segment strategy**
  - MU Merrill Lynch PB Securities launched (May 06)
  - Experienced staff moved under new strategies

- **Loan strategy**
  - Japan Housing Finance Agency
  - Released joint securitization scheme
  - As a result developing alliances with regional banks, Norinchukin, etc.
  - Alliances with major housebuilders
  - Strengthens sales route via housing brokers

- **Regional strategy**
  - Strengthen tie-ups with partner regional banks
  - Strengthens alliance with JA (Norinchukin)
  - Pursue Kyushu and Chubu strategies

#### New companies

- **kabu.com Securities**
  - TOB implemented (Apr. 07)
  - Bank agency business (Apr. 07)
  - Consolidated sub. (Jun. 07)

- **JTB**
  - MNB preparatory co. established (May 06)
  - MNB to start business (planned H1 2008)

- **MU Merrill Lynch PB Securities**
  - Joint net branch launched (May 07)

- **JACCS**
  - Taking over installment credit business of NICOS
  - Joining the Group (as equity method affiliate)

- **JACCS**
  - CVS ATM (25,000)
  - Joining the Group (as equity method affiliate)

#### Marketing

- Launch new products and services
- Strengthen database marketing

#### Internet strategy 1

- kabu.com Securities
- TOB implemented (Apr. 07)
- Bank agency business (Apr. 07)
- Consolidated sub. (Jun. 07)
- KDDI
- MNB preparatory co. established (May 06)
- MNB to start business (planned H1 2008)

#### Internet strategy 2

- DeNA
- PAYENT established/Net settlement business (Aug. 06)
- Walt Disney
- Joint net branch launched (May 07)

#### Segment strategy

- MU Merrill Lynch PB Securities launched (May 06)
- Strong performance
- JTB
- QLC steady starting
- Walt Disney (May 07)
- Aim to expand business with young/female customers

#### Loan strategy

- Japan Housing Finance Agency
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#### Regional strategy

- Strengthen tie-ups with partner regional banks
- Strengthens alliance with JA (Norinchukin)
- Pursue Kyushu and Chubu strategies

#### Organization/Staffing

- HQ staff reduced by around 700 since integration
  - Reassigned to front lines (BTMU)

#### Anne’s strategy

- Two-way communication
- Introduce standard business hours

#### Staff development

- Since integration a total of 37,000 staff received average 2.1 days of training
- Commencing personally tailored curricula

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#### Day2 preparations: Full scale response including informing customers, branch staff training, etc
2. Trends in the Consumer Finance Market

- The credit card market is expected to enter a major growth phase
- 1. Expanding business in new settlement areas and through new channels
- 2. Enhanced profitability through shift from consumer loans to revolving credit
- Increased card payments for utilities, tax, insurance, pensions, medical expenses, etc. → Expanding opportunities for bank-type financial institutions
- Low past liabilities (return of excess interest, reduced interest rates) and sound compliance are vital competitive advantages

<table>
<thead>
<tr>
<th>Settlement Transactions</th>
<th>Credit cards</th>
<th>Revolving credit</th>
<th>Growth potential</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shopping</td>
<td>New settlement areas</td>
<td>Expanding opportunities for bank-type financial institutions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Utility, pension, insurance, medical fee payments</td>
<td>No liabilities for return of excess interest</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New channels Mobile phone, internet</td>
<td>Cost competitiveness (not single product sales)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Shift from money transfer to card payment</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Customer information and marketing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sales foundations and network</td>
</tr>
<tr>
<td></td>
<td>Cash Advancement/loans</td>
<td></td>
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<tr>
<td></td>
<td>Installment credit</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Card loans</td>
<td></td>
<td>Increasing along with higher use of cards</td>
</tr>
<tr>
<td></td>
<td>Consumer loans</td>
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<tr>
<td></td>
<td>Bank loans</td>
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<td></td>
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<td>¥32 tn</td>
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<td>¥3 tn</td>
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<td>¥3 tn</td>
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<td></td>
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<td>¥10 tn</td>
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<td></td>
<td></td>
<td>¥4 tn</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>(Total: ¥ 68 tn)</td>
<td></td>
</tr>
</tbody>
</table>

* Source: Japan Consumer Credit Industry Association, Consumer Credit Statistics
3-(1) Summary of announced plans

- Reorganization of Mitsubishi UFJ NI COS/JACCS operations
  => Transform earnings and cost structure of both JACCS and Mitsubishi UFJ NI COS to sharply boost competitiveness
- Mitsubishi UFJ NI COS - Thorough measures to shift to proactive approach
- Build credit card business as MUFG’s core business, alongside banking, trust banking and securities
3-(2) Implications for JACCS and its installment credit business

Advantages, benefits to JACCS

1. Large benefits from integration of installment credit business
   - Inherit business after streamlining cost structure in Mitsubishi UFJ NICOS
     ⇒ Estimated ¥8 bn of integration benefits mainly from cost synergies
   - Become top installment credit company in both quantity and quality

2. Immediate strategic expansion possible: JACCS has few instances of excess interest returns; had completed lowering interest rates

3. Further cost reduction expected through coordination with Mitsubishi UFJ NICOS in card processing, etc. (approx. ¥3 bn)

4. In addition to the current business objective ("Management Objectives for the Upcoming Three Years"), substantial increase in earnings possible by adding this business and capital alliance

Aiming for ¥20 bn+ ordinary income in FY12
(historical record in FY05 was ¥15.1 bn)

Source: Press release by JACCS announced Sep.20 2007
3-(3) Implications for Mitsubishi UFJ NICOS(1)

Advantages, benefits to Mitsubishi UFJ NICOS

1. Improve cost structure dramatically by transferring installment credit business to JACCS
   - Substantially reduce locations and personnel by specializing in credit card business
   - Revisions of unprofitable card business alliances making steady progress, following current medium-term business plan

2. Coordination benefit expected by insourcing JACCS credit card processing, etc

3. Aim to drastically boost capital for strategic investment focused on credit card business

4. Complete responses to changes in environment such as excess interest repayment liabilities, etc., toward proactive strategic development

5. Use this opportunity to develop new brand, “MUFG Card”. Reinforce alliance with Norinchukin and JA Bank; focus on growth markets

Source: Press release by Mitsubishi UFJ NICOS announced Sep. 20 2007

Toward ordinary income of ¥100 bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Ordinary Income (¥bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY06</td>
<td>23.2</td>
</tr>
<tr>
<td>FY07</td>
<td>(54.3)</td>
</tr>
<tr>
<td>FY08</td>
<td>21.5</td>
</tr>
<tr>
<td>FY09</td>
<td>36.2</td>
</tr>
<tr>
<td>FY10</td>
<td>45.9</td>
</tr>
<tr>
<td>Mid-long term (target)</td>
<td>100.0</td>
</tr>
</tbody>
</table>
### 3-(4) Implication(2): Thorough measures to shift to proactive approach

<table>
<thead>
<tr>
<th>Response to changes in environment</th>
<th>Response to structural reform</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Allowance for repayment of excess interest</strong></td>
<td><strong>Transfer of installment credit business to J ACCS— an opportunity for transformation in operating structure</strong></td>
</tr>
<tr>
<td>➢ Number of claims received has stabilized (1st &gt; 2nd quarter)</td>
<td>➢ Toward a business management system specializing in credit card business</td>
</tr>
<tr>
<td>➢ However, a conservative estimate involving the continuation of a 30% increase in repayments over 1 year lead to 5 year allowance</td>
<td>➢ Accelerate integration of locations and business centers (134⇒47)</td>
</tr>
<tr>
<td>➢ Interest rates on new loans reduced to within Interest rate restriction law in April</td>
<td>➢ Decided to integrate six regional subsidiaries with parent company</td>
</tr>
<tr>
<td>❖ Expected to complete for existing loans within 2 years</td>
<td><strong>Sweeping personnel reductions</strong></td>
</tr>
<tr>
<td><strong>Allowance for credit losses</strong></td>
<td>➢ Substantial increase in numbers originally planned for personnel reduction to follow installment credit business transfer (1,400 increased to 2,890 over 3 years, with 2,300 occurring in FY07)</td>
</tr>
<tr>
<td>➢ Advanced increase in credit loss reserve since change to bank provision standard in ’04</td>
<td>➤ Record one-time expense of ¥58.6 bn as structural reform allowance in interim period</td>
</tr>
<tr>
<td>➢ Increase preparing for higher risk of debt reorganization, at this time provided for in same timing as increase in allowance for excess interest repayment</td>
<td></td>
</tr>
</tbody>
</table>

**Rapid growth as new Mitsubishi UFJ NICOS — aim for dramatic increase in corporate value —**

**Strengthen capital by ¥120 bn to secure capital for strategic investment**
3-(5) Credit Card business as MUFG’s core business alongside banking, trust banking and securities

Current

MUFG

Bank BTMU

Trust bank MUTB

Securities MUS

Card Mitsubishi UFJ NICOS

Post-event

MUFG

Bank BTMU

Trust bank MUTB

Securities MUS

Card Mitsubishi UFJ NICOS

Norinchukin Bank

Retail alliance

Capital / Business alliance

Discussion about making MUN an equity method affiliate

- Looking ahead, the credit card business, with its strong growth potential, is positioned alongside banking, trust banking and securities as MUFG’s core business domain.
- Mitsubishi UFJ NICOS will be a direct subsidiary of MUFG that will be able to fully leverage group synergies such as the brand, channels, etc.
- Develop and maintain the Norinchukin Bank and Mitsubishi UFJ NICOS capital alliance, consider and discuss making a Mitsubishi UFJ NICOS an equity method affiliate of Norinchukin Bank.
4. MUFG’s Consumer Finance Business Formation

- Create a leading company in each area and meet expanding, diversifying customers needs
- Accelerate and take the lead with a consumer finance business matched to a new era

**MUFG**

**Bank customers**
- 40 mn

**Other customers**

- **Norinchukin/ JA Bank:** 38 mn accounts
  - Continue business and capital alliance
  - Full roll-out of JA card
  - Make equity method affiliate

**BTMU**
- Has issued approx. 1.7mn bank-issued credit cards

**Mitsubishi UFJ NICOS**
- Japan’s largest card company
- Cards issued: 26 mn
- Gross billings ¥7.1 tn
- Support bank-issued card business
- Make equity method affiliate; business alliance (Investment ratio: 20%)

**JACCS**
- Cards issued: 9 mn
- Gross billings ¥900 bn

**ACOM**
- Loan balance ¥1.4 tn
- Unsecured card loan balance ¥320 bn
- DC CashOne: Loan balance ¥80 bn
- Mobit: Loan balance ¥240 bn

**BTMU**
- Unsecured loan balance: ¥600 bn

**Norinchukin/ JA Bank**
- Cards issued: 9 mn
- Gross billings ¥600 bn
- Unsecured loan balance: ¥600 bn

**Unsecured card loan balance**
- ¥600 bn

**Installment credit**

- BTMU: Has issued approx. 1.7mn bank-issued credit cards

**Consumer loan**

- BTMU: Has issued approx. 1.7mn bank-issued credit cards

* Figures are as of FY06, except bank-issued credit cards, end of Aug 07
5. MUFG’s Credit Card Business: Outline and strengths

**Bank customers**
- 40 mn

**High potential**

**Other customers**

**MUFG**

**BTMU**
- Has issued approx. 1.7mn bank-issued credit cards

**Mitsubishi UFJ NICOS**
- Japan’s largest card company
  - Cards issued: 26 mn
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**JACCS**
- Cards issued: 9 mn
  - Gross billings: ¥900 bn

**Norinchukin/ JA Bank: 38 mn accounts**
- Full roll-out of JA card
- Continue business and capital alliance
  - May make equity method affiliate

**A major opportunity for bank-type financial institutions**

**Bank-issued credit cards**

- Only mega bank with own bank-issued credit card—numbers issued and rate of use already exceeding internal plans
- Boost cost efficiency by outsourcing processing and merchant acquiring operations to MUN

**Norinchukin/ JA Bank business and capital alliance**
- Extremely high potential
- Increased use by senior citizens for healthcare, travel, etc.
- Full-scale roll-out of JA Card

**No.1 in Japan with 26 mn cardholders**
- (3 mn new cardholders per year)
- Focus on “MUFG Card” as strategy for next-generation credit card

**Solid business foundation in place for transport, healthcare, etc.**

**Plan to expand mobile channels**

**Compatible with 4 international brands (AMEX, etc.)**
5-(1) MUFG’s Credit Card Business: Outline and strengths - Bank-issued credit cards

**Bank-issued credit card = Global standard**

~ Strengths of bank-type financial institutions → significant opportunity

- Develop sales by leveraging the bank’s customer base and network
- Proceed with shift to card settlements from money transfers
- Enhance marketing by using customer information
- Cost competitiveness derived from bank’s financial strength
  - (multi products sales, funding cost, etc.)
- Bank has no burden of returning excess interest, etc.

**Profit potential of the bank-issued card**

- **No. of cards issued**
  - Approx. 1.7 mn (current)
  - Targeting 1 to 1.5 mn cards issued annually
  - Aiming for as early as possible
  - Balance of 5 mn cards

- **Gross Billings**
  - Targeting ¥800 to ¥900 bn (@¥300,000)
  - Aiming to reach ¥1.5 tn
  - As early as possible

- **Impact on revenues**
  - Targeting annual revenues of ¥20 bn
  - Aiming for the ¥40 bn level
  - As early as possible
5-(2) MUFG’s Credit Card Business: Outline and strengths
- Cost competitiveness through maximizing share and concentrating functionalities of systems/operations

- In a high growth market pursuing market share expansion (diversity of issuers)
- Increase cost competitiveness through optimum combination of operations and systems

- Mitsubishi UFJ NICOS
  - Processing (systems / operations)
  - Reduce costs by concentrating functionalities

- Norinchukin / JA Bank
  - Issuing (Issue / recruit members)
  - Expand overall share by growing footprint to include Group and strategic alliance partners

- JACCS
  - Large scale and growth potential of issue (member) share, (strong growth market)
  - Also expand mobile phone channel
  - Leverage benefits of the scale of issue (member) share, establish a cost advantage
    - Concentrate functionalities
    - Share system development costs

- BTMU
  - Bank issued (40 mn accounts)
  - Almost 1.7 mn members
  - 1-1.5 mn annual increase

- KDDI
  - (25 mn customers)

- JCB

- Mobile Net Bank

- Joint system development
  - Cost share
### 5-(3) MUFG’s Credit Card Business: Outline and strengths
#### - Summary

<table>
<thead>
<tr>
<th>Bank-issued credit cards</th>
<th>Comprehensive credit card company – a core operation</th>
<th>Ability to grow market share</th>
<th>Responsibilities and functionalities</th>
<th>Strengthening the cost structure for environmental change</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Unique to MUFG/BTMU among the three mega-banks</td>
<td>- Top company 26 mn members, ¥7.1 tn billings</td>
<td>- Strengths in future expanding markets such as transportation, medical, etc.</td>
<td>- Concentrate functionalities for processing and merchant acquiring operations within MUN</td>
<td>Thorough measures taken this time</td>
</tr>
<tr>
<td>- High growth potential</td>
<td>- Significant market potential of major financial groups (JA Bank) other than MUFG</td>
<td>- Alliances and issues with top players in each industry</td>
<td>- Joint system development project with MUN and JCB</td>
<td></td>
</tr>
<tr>
<td>- Processing / Merchant acquiring operations outsourced to MUN</td>
<td>- Make wholly owned subsidiary of MUFG</td>
<td>- Mobile phone channel: KDDI and BTMU are preparing a Mobile Net Bank</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Responding to interest rate law; Compliance**

Group Compliance Committee,
Reduction of all interest rates on new lending completed,
Mitsubishi UFJ NICOS and ACOM actively inviting existing customers to switch to lower interest rate loans
6. MUFG Consumer Loan Business

- 40 mn bank customers
- BTMU
  - Unsecured loan
  - Balance ¥600 bn
- DC Cash One
  - ¥80 bn
- Mobit
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- ACOM
  - Loan balance
  - ¥1.4 tn
- MUN
  - Unsecured card loan balance
  - ¥320 bn
- JACCS
  - Unsecured card loan balance
  - ¥120 bn

An equity method affiliate company, business alliance implemented
(Investment ratio: 15%)

- Plan to launch new product through cooperation between BTMU and ACOM
- Acquisition of Indonesian bank
- Acom
  - June: rates on new lending reduced within legal limits, actively proposing shift to new rates to existing quality clients; leading industry in compliance
  - FY06 reported allowance for excess interest return of ¥490 bn
  - FY07 forecast: ¥51.6 bn ordinary income, ¥47.0 bn net income (FY07 Q1 results: ¥13.2 bn net income)

Operating environment

- Effects of the Amendment of the Money-Lending Business Control and Regulation Law were tough, however core demand remains stable
- Shift of excess demand due to volume regulations and brand selection are advantages for bank-type institutions

Source: Press release, etc. by ACOM
7. Growth outlook for MUFG’s Consumer Finance Business

- Comprehensive response means that effect on net income is bottoming out

<table>
<thead>
<tr>
<th>Impact in FY06</th>
<th>FY07 (forecast)</th>
<th>Change (forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACOM -95.0 (15% holding)</td>
<td>ACOM +7.0</td>
<td>ACOM +102.0</td>
</tr>
<tr>
<td>MUN -34.5</td>
<td>MUN from -70 to -80 + α (Visa IPO, etc.)</td>
<td>MUN from -35.5 to -45.5 + α</td>
</tr>
<tr>
<td>Total -¥129.5 bn</td>
<td>Total from -¥63bn to -¥73bn + α</td>
<td>Total from +¥60bn to ¥70bn + α</td>
</tr>
</tbody>
</table>

- Post-FY08 operations growth forecast

| MUN | Aiming for ordinary income of ¥45.9bn in three years |
| JACCS* | Targeting ¥100bn in medium/long-term |
| Bank-issued cards | Targeting ordinary income of ¥20bn in five years |
| New small-lot loan bank products | Aiming for an additional ¥20bn gross profit |
| | Targeting +¥40bn in 4 - 5 years |
| | Target ¥10 bn gross profit in the fifth year |

*The Bank of Tokyo-Mitsubishi UFJ expects to make JACCS an equity method affiliate company during FY07*