This document contains forward looking statements in regard to forecasts, targets and plans of Mitsubishi UFJ Financial Group, Inc. (“MUFG”) and its 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, 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.
### Consolidated

**PL items**
- After FY2005 H2: Mitsubishi UFJ Financial Group (consolidated)
- Up to FY2005 H1: Mitsubishi Tokyo Financial Group (consolidated) + UFJ Holdings (consolidated) (without other adjustments)

**BS items**
- After March 31, 2006: Mitsubishi UFJ Financial Group (consolidated)
- Up to September 30, 2005: Mitsubishi Tokyo Financial Group (consolidated) + UFJ Holdings (consolidated) (without other adjustments)

### Non-consolidated*

**PL items**
- After FY2006 H1: Bank of Tokyo-Mitsubishi UFJ (non-consolidated) + Mitsubishi UFJ Trust & Banking Corporation (non-consolidated) (without other adjustments)
- FY2005 H2: Bank of Tokyo-Mitsubishi UFJ (non-consolidated) + UFJ Bank (non-consolidated, October - December) + Mitsubishi UFJ Trust & Banking Corporation (non-consolidated) (without other adjustments)
- Up to FY2005 H1: Bank of Tokyo-Mitsubishi (non-consolidated) + UFJ Bank (non-consolidated) + Mitsubishi Trust & Banking Corporation (non-consolidated) + UFJ Trust Bank (non-consolidated) (without other adjustments)

**BS items**
- After March 31, 2006: Bank of Tokyo-Mitsubishi UFJ (non-consolidated) + Mitsubishi UFJ Trust & Banking Corporation (non-consolidated) (without other adjustments)
- March 31, 2005: Bank of Tokyo-Mitsubishi (non-consolidated) + UFJ Bank (non-consolidated) + Mitsubishi Trust & Banking Corporation (non-consolidated) + UFJ Trust Bank (non-consolidated) (without other adjustments)

*Unless specifically stated otherwise figures do not include the separate subsidiaries (UFJ Strategic Partner, UFJ Equity Investments and UFJ Trust Equity).
Deposit/lending spread continued to expand. Net interest income also increased.

Overall customer asset balance grew steadily amid the *shift from savings to investments*.

Decided on fundamental restructuring of consumer finance business.

Net income down from FY06 H1 due to higher credit related costs mainly as a result of lower reversal gains on loan loss provisions.

Minor impact from sub-prime issue.
Introduction

Outline of Fiscal 2007 Interim Results

Key Business issues
FY 2007 H1 Summary (P/L)

- **Gross profits up ¥2bn on FY06 H1**
  - Net interest income up due to effect of higher interest rate
  - Net fees & commissions down due to decrease in investment banking revenue, while investment trust related income increased
  - Hedge costs for market business were posted in net other business income

- **G&A expenses up ¥49.2bn on FY06 H1**
  - Main causes of increase were integration costs and costs for strengthening compliance framework
  - Expense ratio 59.0% (+2.6 points on FY06 H1)
  - Non-consolidated expense ratio 56.3% (+3.4 points on FY06 H1)

- **Net income ¥256.7bn**

- **Credit related costs showed an expense of ¥267.4bn**
  - Provision for allowances for loan losses became net expenses from net reversal

Please see pages 5-19 of the MUFG Databook

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**Income statement (¥bn)**

<table>
<thead>
<tr>
<th>Item</th>
<th>FY06 H1</th>
<th>FY07 H1</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross profits (before credit costs for trust accounts)</td>
<td>1,794.8</td>
<td>1,796.8</td>
<td>2.0</td>
</tr>
<tr>
<td>Net interest income</td>
<td>945.6</td>
<td>966.7</td>
<td>21.1</td>
</tr>
<tr>
<td>Net fees and commissions</td>
<td>557.4</td>
<td>547.1</td>
<td>(10.2)</td>
</tr>
<tr>
<td>Net trading profits</td>
<td>133.8</td>
<td>189.1</td>
<td>55.2</td>
</tr>
<tr>
<td>Net other business profits</td>
<td>78.4</td>
<td>14.7</td>
<td>(63.7)</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>1,012.2</td>
<td>1,061.4</td>
<td>49.2</td>
</tr>
<tr>
<td>Net business profits</td>
<td>782.5</td>
<td>735.4</td>
<td>(47.1)</td>
</tr>
<tr>
<td>Non-recurring gains (losses)</td>
<td>(118.9)</td>
<td>(235.9)</td>
<td>(116.9)</td>
</tr>
<tr>
<td>Ordinary profits</td>
<td>663.5</td>
<td>497.5</td>
<td>(166.0)</td>
</tr>
<tr>
<td>Net special gains (losses)</td>
<td>170.7</td>
<td>(47.8)</td>
<td>(218.5)</td>
</tr>
<tr>
<td>Net income</td>
<td>507.2</td>
<td>256.7</td>
<td>(50.0)</td>
</tr>
<tr>
<td>Credit related costs*1 (sum of non-consolidated)</td>
<td>82.6</td>
<td>(267.4)</td>
<td>(350.1)</td>
</tr>
<tr>
<td>Credit related costs*1</td>
<td>153.2</td>
<td>(156.4)</td>
<td>(309.6)</td>
</tr>
</tbody>
</table>

Negative numbers refer to costs or losses
*1 Credit related costs= Credit costs for trust accounts (included in Gross profits) + Provision for formula allowance for loan losses + Credit related costs (included in non-recurring gains/losses) + Reversal of allowance for loan losses

**Reference**

<table>
<thead>
<tr>
<th>Item</th>
<th>FY06 H1</th>
<th>FY07 H1</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net operating profit from customer businesses*2 (%% of total)</td>
<td>700.0 (91%)</td>
<td>699.2 (98%)</td>
<td>(0.7) 6.8 points</td>
</tr>
<tr>
<td>Fee income*3 (Share of gross profits)</td>
<td>787.5 (43.9%)</td>
<td>776.8 (43.2%)</td>
<td>(10.7) (0.6) points</td>
</tr>
<tr>
<td>EPS (thousand of yen)*4</td>
<td>49.6</td>
<td>24.6</td>
<td>(25.0)</td>
</tr>
<tr>
<td>ROE *5</td>
<td>17.7%</td>
<td>7.9%</td>
<td>(9.8) points</td>
</tr>
</tbody>
</table>

*2 Net operating profit from the three customer businesses—Retail, Corporate (including UNBC) and Trust Assets
*3 Fee income= Net fees and commissions + trust fees (excluding loan trusts and jointly operated money trust fees) + customer derivative income (managements account basis) + forex profit (managements account basis)
*4 Earnings per 1 thousand shares for FY07 H1, considering stock split
*5 Denominator of ROE does not include land revaluation excess and unrealized gains on securities available for sale
Deposit-lending spread continued to improve and net interest income increased

Changes in domestic deposit/lending rates (non-consolidated)

Recent interest rate changes

- **July 18, 2006**
  - Ordinary deposit rate
    - 0.001%  →  0.100%

- **Aug. 10, 2006**
  - Short-term prime rate
    - 1.375%  →  1.625%

- **Oct. 1, 2006**
  - Variable mortgage rate of new loans
    - 2.375%  →  2.625%

- **Jan. 1, 2007**
  - Variable mortgage rate of existing loans
    - 2.375%  →  2.625%

- **Feb. 26, 2007**
  - Ordinary deposit rate
    - 0.100%  →  0.200%

- **Mar. 20, 2007**
  - Short-term prime rate
    - 1.625%  →  1.875%

- **Jul. 1, 2007**
  - Variable mortgage rate of existing loans
    - 2.625%  →  2.875%

- **Oct. 1, 2007**
  - Variable mortgage rate of new loans
    - 2.625%  →  2.875%

Note: Apr.-Jun. 07 and Jul.-Sep. 07 figures are estimation.

Please see pages 9-14 of the MUFG Databook.
**FY 2007 H1 Summary (B/S) (Consolidated)**

- **Loan balance increased by ¥1.9tn from end Mar. 07**
  - Overseas lending significantly increased
  - Housing loans down due to securitization

- **Deposit balance decreased by ¥1tn from end Mar. 07**
  - Individual deposits continued to grow
  - Corporate deposits declined along with rise in interest rates

- **NPLs declined from end Mar. 07**

- **Appraisal gains on available-for-sale securities decreased by ¥0.4 tn (mainly equities)**

- **BIS ratio 12.54% on Basel II basis (Tier1 ratio 7.67%)**

- **Deferred tax assets/ Tier1 ratio 1.1%**

---

### Balance sheet (¥bn)

<table>
<thead>
<tr>
<th>Description</th>
<th>End Mar 07</th>
<th>End Sep 07</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans (Banking + Trust accounts)</td>
<td>85,150.7</td>
<td>87,043.5</td>
<td>1,892.8</td>
</tr>
<tr>
<td>Domestic corporate loans</td>
<td>49,417.2</td>
<td>48,892.1</td>
<td>(525.0)</td>
</tr>
<tr>
<td>Housing loans</td>
<td>17,190.1</td>
<td>17,013.2</td>
<td>(176.8)</td>
</tr>
<tr>
<td>Overseas loans</td>
<td>14,527.7</td>
<td>16,943.4</td>
<td>2,415.6</td>
</tr>
<tr>
<td>Investment securities (Banking accounts)</td>
<td>48,207.6</td>
<td>42,990.2</td>
<td>(5,217.3)</td>
</tr>
<tr>
<td>Deposits</td>
<td>118,708.3</td>
<td>117,630.8</td>
<td>(1,077.8)</td>
</tr>
<tr>
<td>Individual deposits (domestic branch)</td>
<td>60,858.3</td>
<td>61,408.7</td>
<td>550.4</td>
</tr>
<tr>
<td>Deposit-lending spread</td>
<td>FY06 H2</td>
<td>FY07 H1</td>
<td>0.05points</td>
</tr>
<tr>
<td>FRL disclosed loans*2</td>
<td>1,325.8</td>
<td>1,179.4</td>
<td>(146.3)</td>
</tr>
<tr>
<td>NPL ratio*2</td>
<td>1.46%</td>
<td>1.29%</td>
<td>(0.17)points</td>
</tr>
<tr>
<td>Available-for-sale securities - Appraisal difference</td>
<td>3,384.2</td>
<td>2,980.7</td>
<td>(403.5)</td>
</tr>
<tr>
<td>BIS capital ratio (Tier1 ratio)</td>
<td>12.54% (7.57%)</td>
<td>12.54% (7.67%)</td>
<td>0.00points</td>
</tr>
<tr>
<td>Equity holdings/Tier1 ratio</td>
<td>56%</td>
<td>54%</td>
<td>(2)points</td>
</tr>
<tr>
<td>Net deferred tax assets/Tier1 ratio</td>
<td>0.8%</td>
<td>1.1%</td>
<td>0.2points</td>
</tr>
</tbody>
</table>

---

*1 Excludes loans from the group banks to the holding company
*2 Sum of non-consolidated + trust accounts
*3 Loan securitization (FY07H1) : approx. ¥0.2 tn
*4 Loans booked in overseas branches,UnionBanCal Corporation and BTMU (China)
Gross profits in three customer businesses increased by ¥60.9 bn*1*2

Gross profit by segment*3

Breakdown of changes in Gross profits*3

*1 Due to a change in the accounting period resulting from the creation of a locally incorporated subsidiary in China, figures for FY07 H1 only include results of the China business for 3 months. The impact for the 3 month results was approx. ¥8.0bn for gross profits

*2 In FY06 H1 accrued fees as of the end of Mar. 06 were included as a result of a change in accounting standards (the introduction of accrual accounting for trust fees). The impact included in FY06 H1 gross profits was approx. ¥6.0bn

*3 On management accounts basis (Consolidated gross profits before adjusting intra-group transactions except dividends from subsidiaries)
Gross profits ¥676.0bn, up ¥47.1bn on FY06 H1

—Increase in deposit income and steady growth in investment products sales due to strengthened ‘overall customer assets’ sales approach

Integrated Retail Banking Business Group: Gross Profits

FY07 H1 ¥676.0bn (up ¥47.1bn on FY06 H1)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY07 H1 Results</th>
<th>Change in FY07 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yen deposits</td>
<td>139.7</td>
<td>+65.2 (+87%)</td>
</tr>
<tr>
<td>Securities (Excl. Investment products sales)</td>
<td>39.8</td>
<td>+15.1 (+61%)</td>
</tr>
<tr>
<td>Investment products</td>
<td>80.4</td>
<td>+4.1 (+5%)</td>
</tr>
<tr>
<td>Loans</td>
<td>111.1</td>
<td>-9.4 (-8%)</td>
</tr>
<tr>
<td>Consumer finance</td>
<td>224.8</td>
<td>-11.9 (-5%)</td>
</tr>
</tbody>
</table>

Sales of investment products

<table>
<thead>
<tr>
<th>FY04 H1</th>
<th>FY05 H1</th>
<th>FY06 H1</th>
<th>FY07 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.20</td>
<td>1.82</td>
<td>2.29</td>
<td>2.30</td>
</tr>
<tr>
<td>0.82 0.38</td>
<td>1.04 0.52</td>
<td>1.29 0.53</td>
<td>1.47 0.43</td>
</tr>
</tbody>
</table>

Balance of overall customer assets

Please see pages 35-39 of the MUFG Databook
Gross profits ¥939.1bn⁴¹, up ¥11.0bn on FY06 H1
— Good performance in overseas business, increase in domestic deposit income due to improvement in deposit spread

Integrated Corporate Banking Business Group: Gross Profits

Overview of FY07 H1 Results

- Change in FY07 H1
  - Overseas²¹: +13.9 (+10%)
  - Securities company: +6.3 (+9%)
  - UNBC: +3.8 (+2%)
  - Deposit and lending income: +1.8 (+1%)
  - Investment banking: -3.3 (-2%)
  - Forex: -8.2 (-10%)

FY07 H1 Results

- FY07 H1: ¥939.1bn⁴¹ (up ¥11.0bn on FY06 H1)

Impact of 3 months results for BTMU (China)²¹

- Overseas lending & deposits (excl. UNBC)
- Domestic lending & deposits

Please see pages 40-48 of the MUFG Databook

*¹ Due to a change in the accounting period resulting from the creation of a locally incorporated subsidiary in China, figures for FY07 H1 only include results of the China business for 3 months. The impact for the 3 month results was approx. ¥8.0bn for gross profits.
**Gross profits ¥99.5bn, up ¥2.7bn**

— Strong performance in investment trust management business in line with shift from savings to investments

### Integrated Trust Assets Business

**Group: Gross Profits**

#### FY07 H1 ¥99.5bn (up ¥2.7bn on FY06 H1)

<table>
<thead>
<tr>
<th></th>
<th>FY07 H1 Results</th>
<th>Change in FY07 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment trust management</td>
<td>36.4</td>
<td>+3.0 (+9%)</td>
</tr>
<tr>
<td>Other trust business</td>
<td>11.0</td>
<td>+1.4 (+15%)</td>
</tr>
<tr>
<td>Global custody</td>
<td>7.6</td>
<td>+0.3 (+4%)</td>
</tr>
<tr>
<td>Pension</td>
<td>34.7</td>
<td>-0.9 (-2%)</td>
</tr>
<tr>
<td>Investment trust administration</td>
<td>9.7</td>
<td>-1.2 (-11%)</td>
</tr>
</tbody>
</table>

*2 In FY06 H1 accrued fees as of the end of Mar. 06 were included as a result of a change in accounting standards (the introduction of accrual accounting for trust fees). The impact included in FY06 H1 gross profits was ¥6.0bn.

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**Please see pages 49-52 of the MUFG Databook**
NPL ratio declined 0.16 points from end Mar. 07 to 1.29%
Credit related costs showed an expense of ¥156.4 bn

Please see pages 54-57 of the MUFG Databook
### Holdings of investment securities

#### (Consolidated)

**Unrealized Gains on available-for-sale securities approx. ¥3tn (down ¥0.4tn from end Mar. 07)**

#### Breakdown of available-for-sale securities

<table>
<thead>
<tr>
<th></th>
<th>End Sep. 07</th>
<th>Unrealized gains (losses)</th>
<th>Change from end Mar. 07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>38,338.7</td>
<td>2,980.7</td>
<td>(403.5)</td>
</tr>
<tr>
<td>Domestic equity securities</td>
<td>7,413.8</td>
<td>3,020.2</td>
<td>(201.0)</td>
</tr>
<tr>
<td>Domestic bonds</td>
<td>17,994.3</td>
<td>(78.9)</td>
<td>(8.5)</td>
</tr>
<tr>
<td>Government bonds</td>
<td>16,489.5</td>
<td>(73.8)</td>
<td>(8.0)</td>
</tr>
<tr>
<td>Municipal bonds</td>
<td>201.7</td>
<td>(0.2)</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>1,303.0</td>
<td>(4.8)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Other securities</td>
<td>12,930.5</td>
<td>39.3</td>
<td>(193.9)</td>
</tr>
<tr>
<td>Foreign equity securities</td>
<td>239.6</td>
<td>131.4</td>
<td>14.7</td>
</tr>
<tr>
<td>Foreign bonds</td>
<td>7,443.2</td>
<td>(87.1)</td>
<td>(38.9)</td>
</tr>
<tr>
<td>Other</td>
<td>5,247.6</td>
<td>(4.9)</td>
<td>(169.6)</td>
</tr>
</tbody>
</table>

#### Unrealized gains (losses) on available-for-sale securities

- **Domestic equity securities**: End Sep. 07: -4.9, End Mar. 07: 131.4
- **Domestic bonds**
  - Government bonds: End Sep. 07: -7.8, End Mar. 07: 73.8
  - Municipal bonds: End Sep. 07: 0.2, End Mar. 07: 0.2
  - Corporate bonds: End Sep. 07: -4.8, End Mar. 07: 4.8
- **Other securities**: End Sep. 07: 39.3, End Mar. 07: 193.9
- **Foreign equity securities**: End Sep. 07: 14.7, End Mar. 07: 14.7
- **Foreign bonds**: End Sep. 07: -38.9, End Mar. 07: -38.9
- **Other**: End Sep. 07: 169.6, End Mar. 07: 169.6

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*Please see page 58 of the MUFG Databook*
### Impact of sub-prime issue

**Key points**

- Recorded an impairment loss of approx. ¥4.0 bn in FY07 H1
- Unrealized losses at end of FY07 H1 (end Sep. 07) approx. ¥20 bn
- No Group involvement in sub-prime loan securitization arrangement business nor in sub-prime asset-backed warehousing loans
- ABCP programs which MUFG Group sponsors do not include sub-prime loan related assets
- No cases of organizing SIV ourselves nor providing liquidity assistance to such SIV
- Union Bank of California does not engage in sub-prime real estate lending
- Mitsubishi UFJ Securities has no sub-prime loan investments, and extremely limited impact from the sub-prime issue on its securitized product structuring business

#### U.S. sub-prime related investment (consolidated)

<table>
<thead>
<tr>
<th></th>
<th>As of End Jul. 07</th>
<th>As of End Oct. 07</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exposure</strong></td>
<td>Approx. ¥280 bn</td>
<td>Approx. ¥260 bn</td>
</tr>
<tr>
<td><strong>Net unrealized gains (losses)</strong></td>
<td>Approx. ¥(5) bn</td>
<td>Approx. ¥(23) bn</td>
</tr>
<tr>
<td><strong>Ratings</strong></td>
<td>Around 97% are AAA</td>
<td>Around 96% are AAA</td>
</tr>
</tbody>
</table>

**Sub-prime issue has had limited impact on our results and net appraisal differences**
More than 90% of our exposure is to ABS backed by non-securitized assets (AAA rated RMBS) whose declines in prices have been very limited compared to ABS-CDOs and other securitized products.
Holdings of securitized products

Background to and objective for holding securitized products, etc.

- Considering substantial excess of deposits on balance sheet, MUFG holds securitized products for the purpose of diversifying investments as well as optimizing and diversifying of overall credit portfolio

Summary of holdings of securitized products, etc.*1

- All securitized products, etc. are held in the banking account
- Balance of securitized products, etc. is approx. ¥3.65 tn*2 which accounts for 1.9% of overall balance sheet
- Approx. 96% of the total are securitized products backed by non-securitized assets
- Approx. 80% have AAA ratings
- Market value evaluated using quoted price provided by Bloomberg, etc. (no product is evaluated using internal pricing model)

MUFG consolidated assets

<table>
<thead>
<tr>
<th>Securities held to maturity, etc.</th>
<th>8.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic equities</td>
<td>7.4</td>
</tr>
<tr>
<td>Domestic bonds</td>
<td>17.9</td>
</tr>
<tr>
<td>Foreign equities and bonds</td>
<td>7.6</td>
</tr>
<tr>
<td>Other</td>
<td>5.2</td>
</tr>
<tr>
<td>Loans</td>
<td>86.7</td>
</tr>
<tr>
<td>Others</td>
<td>56.8</td>
</tr>
</tbody>
</table>

Securitized products: ¥3.65tn
1.9% of total assets

*1 Total of BTMU (incl. UBOC), MUTB and MUS on management accounts basis, excluding agency bonds, etc.
*2 Of which sub-prime related investments are approx. ¥260.0bn
Capital (Consolidated)

- Consolidated capital ratio is 12.54%, Tier 1 ratio 7.67% as of end Sep. 07

### Capital

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>End Mar. 07 (¥bn)</th>
<th>End Sep. 07 (¥bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Capital ratio</td>
<td>12.54%</td>
<td>12.54%</td>
</tr>
<tr>
<td>2</td>
<td>Tier I ratio</td>
<td>7.57%</td>
<td>7.67%</td>
</tr>
<tr>
<td>3</td>
<td>Tier I</td>
<td>8,054.8</td>
<td>8,230.7</td>
</tr>
<tr>
<td>4</td>
<td>Preferred shares</td>
<td>336.8</td>
<td>336.8</td>
</tr>
<tr>
<td>5</td>
<td>Preferred securities</td>
<td>1,256.3</td>
<td>1,272.2</td>
</tr>
<tr>
<td>6</td>
<td>Tier II</td>
<td>5,717.9</td>
<td>5,643.2</td>
</tr>
<tr>
<td>7</td>
<td>Total capital (Tier I+II+III-deductions)</td>
<td>13,344.4</td>
<td>13,456.4</td>
</tr>
<tr>
<td>8</td>
<td>Risk-adjusted assets</td>
<td>106,395.5</td>
<td>107,270.3</td>
</tr>
<tr>
<td>9</td>
<td>Credit risk portion</td>
<td>98,260.7</td>
<td>99,010.8</td>
</tr>
<tr>
<td>10</td>
<td>Market risk portion</td>
<td>2,131.6</td>
<td>2,199.8</td>
</tr>
<tr>
<td>11</td>
<td>Operational risk portion</td>
<td>6,003.0</td>
<td>6,059.5</td>
</tr>
<tr>
<td>12</td>
<td>Outlier ratio</td>
<td>7.9%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

- **Capital ratio:**
  - 12.54%, the same level as end Mar. 07
- **Tier 1 ratio:**
  - 7.67%, up 0.10 pts from end Mar. 07
- **Total capital:**
  - Up ¥112.0 bn as increase in Tier 1 resulting from accumulation of net income exceeded decrease in Tier 2 resulting from lower unrealized gains on securities investment
- **Risk assets:**
  - Up approx. ¥870.0 bn mainly due to increase in credit risk portion
- **Adopted method:**
  - Credit risk: Foundation Internal Ratings-based Approach (FIRB)
  - Operational risk: The Standardized Approach (TSA)

Please see page 60 of the MUFG Databook.
FY 2007 earnings / dividend forecasts

- FY07 net income forecast was revised to ¥600.0bn
- Dividend forecast was unchanged from original forecast

<table>
<thead>
<tr>
<th>Earnings forecasts</th>
<th>Fiscal 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Interim results</td>
</tr>
<tr>
<td>1</td>
<td>Ordinary income</td>
</tr>
<tr>
<td>2</td>
<td>Ordinary profits</td>
</tr>
<tr>
<td>3</td>
<td>Net income</td>
</tr>
</tbody>
</table>

Macro-economic assumptions:
- Unsecured call money (FY07 H2 average): 0.60%, 10 year JGB (FY07 H2 average): 1.78%
- Yen/Dollar (value at end of period): ¥115

<table>
<thead>
<tr>
<th>Dividend forecasts</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Interim dividend</td>
<td>Year-end dividend</td>
<td>Annual dividend</td>
</tr>
<tr>
<td>4 Dividend per common share</td>
<td>¥7</td>
<td>¥7</td>
<td>¥14</td>
</tr>
</tbody>
</table>

Please see page 69 of the MUFG Databook
Introduction

Outline of Fiscal 2007 Interim Results

Key Business issues
Overview of topics covered

- Our business environment
- Extending our clear lead
- Growth strategy
- Capital policy
Our business environment

- Sub-prime issue will need to be closely monitored
- BOJ still intends to raise interest rates, despite delays
- Competition remains severe in domestic lending market
- “Shift from savings to investments” and “Shift from loans to securities” continue
- High growth continues in Asian region
- Our business environment
- Extending our clear lead
- Growth strategy
- Capital policy
MUFG’s clear lead in Japan

 Amid the \textit{shift from savings to investments}, MUFG’s strengths are Japan’s leading branch network and an individual deposit balance around twice the size of those of other mega banks.

**Domestic retail branches**

- **Eastern Japan**: 455 branches
- **Western Japan**: 251 branches
- **Central Japan**: 165 branches

Convenience store ATM locations: Approx. 25,000
Other non-branch ATM locations: Approx. 1,900

**Domestic individual deposits and branches**

<table>
<thead>
<tr>
<th>Bank</th>
<th>Individual deposit balance</th>
<th>No. of domestic branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>MUFG</td>
<td>¥61.4 tn</td>
<td>743 branches</td>
</tr>
<tr>
<td>Mizuho</td>
<td>¥33.1 tn</td>
<td>424 branches</td>
</tr>
<tr>
<td>SMFG</td>
<td>¥33.5 tn</td>
<td>413 branches</td>
</tr>
</tbody>
</table>

*1 Total of Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking and Mitsubishi UFJ Securities (as of end Sep. 2007)

*2 Sum of non-consolidated, as of end Sep. 2007
MUFG’s clear lead overseas

- The largest overseas network among Japanese banks, over 400 offices in more than 40 countries

Global network*1

- Europe, Middle East, etc.: 35
- America: 30
- Asia and Oceania: 55
- Union Bank of California: 325

Overseas loan balance*2

- MUFG
- Mizuho
- SMFG

*1 Total of Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking, Mitsubishi UFJ Securities and Union Bank of California (as of end Sep. 2007)

*2 Non-consolidated overseas lending balance as of end Sep. 2007 for Mizuho and SMFG
Increasing convenience through transfer to new systems

- Transfer to new systems to provide major increase in customer convenience
- Project is proceeding on schedule towards safe and smooth full-system integration
  - BTMU scheduled to change over to new systems from next May
  - Planning to complete changeover at all branches in around six months

### Schedule for transfer to new systems

<table>
<thead>
<tr>
<th>BTMU</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Systems development, testing and rehearsal</td>
<td>Allocate sufficient time for testing and transfer schedule</td>
</tr>
<tr>
<td></td>
<td>Branch group transfer* (approx. 6 months)</td>
<td>New system changeover (scheduled for May 2008)</td>
</tr>
<tr>
<td></td>
<td>Training/Practice/Rehearsal</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MUTB</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Systems testing and rehearsal</td>
<td>Transfer to new systems</td>
</tr>
<tr>
<td></td>
<td>New system changeover (scheduled for Jan. 2008)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Training/Practice/Rehearsal</td>
<td></td>
</tr>
</tbody>
</table>

* The nationwide branch network will be split into a number of groups and transfer to the system will be completed on a group-by-group basis
## Strengthening internal control framework

- Enhancing internal control framework as critical infrastructure to allow customers to conduct business with confidence and security
- Further strengthening response capability at branches, etc., based on changes to the environment such as the enforcement of the Financial Instruments and Exchange Law

### BTMU

- Assigned 800 compliance staff at head office & branches
  - **Retail**
    - Assigned 260 Area Business Administrators
      - Planning to newly assign Business Administration Specialists and increase the number of compliance staff to 330 including Area Business Administrators
  - **Corporate**
    - 100 compliance staff including Compliance Officers and Internal Control Managers
  - **International**
    - 250 overseas compliance officers
      - Planning to increase number of staff for monitoring money laundering

### MUTB

- Strengthen tie-up and check-and-balance system among compliance section in head office, integrated business headquarters and branches

### MUS

- Increase staff especially internal control instructors
Our business environment

Extending our clear lead

Growth strategy

Capital policy
Growth strategy

(1) Strengthening sales aimed at overall customer assets

(2) Consumer finance

(3) CI B

(4) Asia strategy

(5) Strategic investments
Strengthening sales aimed at overall customer assets

- Strengthening sales of investment trusts, insurance annuities, etc. in response to *shift from savings to investments*
- Responding to full lifting of ban on sale of insurance products at banks

### Change in overall customer assets

#### Future initiatives

1. **Personnel**
   - Further increase sales staff (currently approx. 5,000 at BTMU)

2. **Products and services**
   - Launch new products and services targeting influx of baby boomers’ retirement money (Quality Life Club, etc.)
   - Initiatives in response to full deregulation of insurance product sales by banks
     - Handle products including mortality, medical & cancer insurance, etc.
     - Assign insurance planners at bank branches

3. **Channel**
   - Increase private banking offices (from 14 at present to around 30)
   - Branch refurbishment, etc.
Thorough business restructuring by Mitsubishi UFJ NICOS

- Launched new card loan guaranteed by ACOM

**Bank customers**
40 mn accounts

**Other customers**

- Mitsubishi UFJ Nicos
  - Japan’s largest card company
  - Cards issued: 26 mn
  - Gross billings ¥7.1 tn

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

- BTMU
  - Has issued approx. 1.7 mn
  - Bank-issued credit cards
  - Support bank-issued card business

- ACOM
  - New card loan BANQUIC
  - Loan balance ¥1.4 tn
  - DC CashOne
    - Loan balance ¥80 bn
  - Mobit
    - Loan balance ¥240 bn

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

- Unsecured loan balance: ¥600 bn
- New card loan balance: ¥320 bn
- Unsecured card loan balance: ¥120 bn

- BANQUIC
  - Guarantee

- JACCS
  - Gross billings ¥420 bn
  - Gross billings ¥860 bn
  - Business succeeded by JACCS: ¥1.28 tn
  - One of Japan’s leading installment credit companies

- Business alliance

- MUFG
  - Make 100% subsidiary

- JACCS
  - Make equity method affiliate; business alliance
  - (Investment ratio: 20%)

- Unsecured loan balance: ¥600 bn

* Figures are as of FY06, except bank-issued credit cards, end of Aug 07
Strengthen investment banking business by promoting CI B model

Achievements in CI B

M&A advisory: Share of total deal amount

Major deals in 2007

<table>
<thead>
<tr>
<th>Client</th>
<th>Timing</th>
<th>Deal size</th>
<th>MUFG involvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daikin Industries</td>
<td>Jun.</td>
<td>¥118.9 bn</td>
<td>Manager for public offering through use of securities intermediation</td>
</tr>
<tr>
<td>Ministry of Finance</td>
<td>Jun.</td>
<td>-</td>
<td>Advisor for securitization of Fiscal Investment and Loan Program loans</td>
</tr>
<tr>
<td>Mitsubishi Chemical</td>
<td>Oct.</td>
<td>¥140.0 bn</td>
<td>Joint lead manager for Euroyen convertible bond</td>
</tr>
</tbody>
</table>

Note: Publicly announced deals involving Japanese companies
Source: Thomson Financial
Major potential business opportunity in Asia, high growth region where Japanese companies continue to set up operations.

**Growth forecasts for Asian economies**

Source: Economic Research Office, Bank of Tokyo-Mitsubishi UFJ

**Share of total Japanese overseas subsidiaries (15,850 companies) by region**

Source: Ministry of Economy, Trade and Industry, FY2005 figures
Asia strategy (2): MUFG presence in Asia

- Leverage No. 1 network among Japan banks to further increase business opportunities in Asia

BTMU network in Asia

Country | Japanese company coverage rate
---|---
China (excl. HK) | 78% - 90%
Hong Kong | 75%
Thailand | 95%
Singapore | 80%
Taiwan | 55%
Malaysia | 88%
Indonesia | 80%
Korea | 73%
Philippines | 70%
Vietnam | 70% - 80%
India | 80% - 92%

Note: Figures for MUFG are figures for BTMU. Branch numbers are total of branches, sub-branches, representative offices and subsidiaries (formulated based on financial reports of each company, etc. as of Jun. 07).

Note: Coverage rate is for BTMU. Data based on BTMU research.
Increase business with Japanese and non-Japanese companies through organic growth, and also pursue an investment and alliance strategy.

### Asia business income*1

<table>
<thead>
<tr>
<th></th>
<th>FY05 H1</th>
<th>FY06 H1</th>
<th>FY07 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>(¥ bn)</td>
<td>45.0</td>
<td>61.3</td>
<td>68.9</td>
</tr>
</tbody>
</table>

### Organic growth

- **Business with Japanese companies**
  - Strengthening solutions business in ASEAN countries, NIEs, etc.
  - Support for new business development in emerging countries such as China or Vietnam
  - Strengthening Global Cash Management Service capabilities

- **Business with non-Japanese companies**
  - Build portfolio of prime assets with particular focus on syndicated loans
  - Strengthen involvement in LBOs/MBOs and commodity derivatives

- **Business with both Japanese and non-Japanese companies**
  - Increase non-interest income, e.g. forex trading profit, fees and commissions, investment banking income

### Non-organic

- Securities/investment banking business (including Islamic financing)
- Asset management business
- Retail business (consumer finance, credit cards, installment finance)
- Business with local SMEs

### Asia business deposit/lending balances*1

<table>
<thead>
<tr>
<th></th>
<th>FY05 H1</th>
<th>FY06 H1</th>
<th>FY07 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>(¥ tn)</td>
<td>3.1</td>
<td>3.9</td>
<td>4.5</td>
</tr>
</tbody>
</table>

*1 Due to a change in the accounting period resulting from the creation of a locally incorporated subsidiary in China, figures for FY07 H1 only include results of the China business for three months. The figures in the graphs are adjusted to correct this impact.
Asia strategy (4): Investment and alliance strategy

Pursue an investment and alliance strategy attuned to the characteristics of each market

<table>
<thead>
<tr>
<th>Country</th>
<th>Investment and alliance strategy</th>
<th>Strategy</th>
<th>Amount of Investments</th>
<th>Population (mn)</th>
<th>Nominal GDP (US$ bn)</th>
<th>Per capita GDP (US$ thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>BTMU investment in and business alliance with Bank of China (Jun. 06)</td>
<td>approx. ¥21.0 bn</td>
<td>1,315</td>
<td>2,626</td>
<td>2.0</td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>MUS business alliance with ICICI (Aug. 06)</td>
<td></td>
<td>1,096</td>
<td>826</td>
<td>0.8</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>Planned BTMU investment in Bank Nusantara Parahyangan (scheduled for FY07)</td>
<td>approx. ¥2.0 bn</td>
<td>222</td>
<td>364</td>
<td>1.6</td>
<td></td>
</tr>
<tr>
<td>Vietnam</td>
<td>BTMU business alliance with Vietcombank (Nov. 06)</td>
<td></td>
<td>84</td>
<td>61</td>
<td>0.7</td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td></td>
<td></td>
<td>63</td>
<td>206</td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>BTMU additional investment in CIMB (Apr. 07)</td>
<td>approx. ¥45.0 bn</td>
<td>27</td>
<td>149</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>Korea</td>
<td>MUS business alliance with Daewoo Securities (Jan. 07)</td>
<td></td>
<td>48</td>
<td>888</td>
<td>18.5</td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>BTMU and MUS investment in Challenger Financial Services Group (Oct. 07)</td>
<td>approx. ¥22.0 bn</td>
<td>20</td>
<td>636</td>
<td>31.8</td>
<td></td>
</tr>
<tr>
<td>Taiwan</td>
<td></td>
<td></td>
<td>23</td>
<td>365</td>
<td>15.9</td>
<td></td>
</tr>
<tr>
<td>Hong Kong</td>
<td></td>
<td></td>
<td>7</td>
<td>190</td>
<td>27.1</td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>MUS investment in Kim Eng Holdings decided (Nov. 07)</td>
<td>TBD</td>
<td>4</td>
<td>132</td>
<td>33.0</td>
<td></td>
</tr>
</tbody>
</table>
**Strategic investments**

- Make investments targeting continued growth, with priority placed on profitability, growth potential and investment return

<table>
<thead>
<tr>
<th>Became/ becoming wholly owned subsidiaries</th>
<th>Investment timing</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitsubishi UFJ Securities</td>
<td>Sep. 07: Approx. ¥375.0 bn (exchange of shares)</td>
<td></td>
</tr>
<tr>
<td>Mitsubishi UFJ NICOS</td>
<td>Aug. 08 (planned): TBD (exchange of shares)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Became consolidated subsidiary</th>
<th>Apr. 07: Approx. ¥22.7 bn (cash, public tender offer)</th>
</tr>
</thead>
<tbody>
<tr>
<td>kabu.com Securities</td>
<td>Dec. 07 (planned): ¥18.0 bn (cash, public tender offer)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Became/ becoming equity-method affiliates</th>
<th>May 06: ¥3.0 bn (cash investment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitsubishi UFJ Merrill Lynch PB Securities</td>
<td>Within FY07 (planned): TBD (cash investment)</td>
</tr>
<tr>
<td>JACCS</td>
<td>May 06 ¥0.32 bn (cash investment)</td>
</tr>
<tr>
<td>PAYGENT</td>
<td></td>
</tr>
</tbody>
</table>
Our business environment
Extending our clear lead
Growth strategy
Capital policy
Implementing balanced capital policy

- Strengthen equity capital and enhance shareholder returns while using capital efficiently to achieve sustainable growth and enhanced profitability.

Enhance shareholder returns
- Sustained increase in dividend payments
- Medium term target of 20% payout ratio
- Options for returning capital via share buybacks, etc.

Strengthen equity capital
- Numerical targets
  - Tier1 ratio 8%
  - Capital ratio 12%

Strategic investments for sustainable growth

MUFG’s corporate value
Decided to repurchase own shares, aiming to enhance shareholder returns, improve capital efficiency and implement a flexible capital policy.

## Outline of own share repurchase

<table>
<thead>
<tr>
<th>Type of shares to be repurchased</th>
<th>Ordinary shares of MUFG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate amount of repurchase price</td>
<td>¥150.0 bn (upper limit)</td>
</tr>
<tr>
<td>Aggregate number of shares to be repurchased</td>
<td>150 mn shares (upper limit) (Percentage of issued shares (excl. treasury stock) : 1.43% )</td>
</tr>
</tbody>
</table>

Reference: No. of shares as of end Sep. 07

- Total issued shares (excl. treasury stock): 10,487,294,143 shares
- Treasury stock: 374,349,647 shares
Enhancing shareholder returns

- Enhancing shareholder returns by sustained dividend increase and share repurchase (ratio of total distribution to shareholders for FY07 should be approx. 50%)
- Shifting from a stage of repurchasing shares to repay public funds (to avoid dilution) to a stage of repurchasing shares to enhance capital efficiency

Shareholder returns—actual and forecast

*1 Estimated payout ratio for FY07 is calculated based on dividend per ordinary share of ¥14, net income for the period of ¥600 bn, and other assumptions
No.1 Service

Quality for You

No.1 Reliability

No.1 Global Coverage
Appendix
Comparison with other Japanese financial groups

Gross profits/ Fees + Trust fees
(FY07 H1)

<table>
<thead>
<tr>
<th></th>
<th>MUFG</th>
<th>Mizuho</th>
<th>SMFG</th>
</tr>
</thead>
<tbody>
<tr>
<td>$(¥bn)$</td>
<td>1,796.8</td>
<td>987.8</td>
<td>1,022.5</td>
</tr>
<tr>
<td>$(¥tn)$</td>
<td>626.2 (34.8%)</td>
<td>271.7 (27.5%)</td>
<td>295.7 (28.9%)</td>
</tr>
</tbody>
</table>

Consolidated gross profits*1
Of which: Net fees & commissions + trust fees*1
(percentage to consolidated gross profits)

Domestic deposit balance
(sum of non-consolidated)
(End Sep. 07)

<table>
<thead>
<tr>
<th></th>
<th>MUFG</th>
<th>Mizuho</th>
<th>SMFG</th>
</tr>
</thead>
<tbody>
<tr>
<td>$(¥bn)$</td>
<td>99.8</td>
<td>61.4</td>
<td>62.1</td>
</tr>
<tr>
<td>$(¥tn)$</td>
<td>64.4</td>
<td>33.1</td>
<td>33.5</td>
</tr>
</tbody>
</table>

Deposit balance
Of which: Retail deposits

Consolidated Tier 1 ratio
(End Sep. 07)

<table>
<thead>
<tr>
<th></th>
<th>MUFG</th>
<th>Mizuho</th>
<th>SMFG</th>
</tr>
</thead>
<tbody>
<tr>
<td>9%</td>
<td>7.67%</td>
<td>6.97%</td>
<td>6.33%</td>
</tr>
</tbody>
</table>

Number of branches
(sum of non-consolidated)
(End Sep. 07)

<table>
<thead>
<tr>
<th></th>
<th>MUFG</th>
<th>Mizuho</th>
<th>SMFG</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000</td>
<td>743</td>
<td>424</td>
<td>413</td>
</tr>
<tr>
<td>500</td>
<td>95</td>
<td>49</td>
<td>45</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Domestic branches*2
Overseas branches*3 (RHS)

Please see page 70 of the MUFG Databook

*1 Before credit costs for trust accounts
*2 Not including sub-branches, agencies and representative offices, etc.
*3 Total of branches, sub-branches, representative offices and subsidiaries (as of end of Jun. 07, figures for commercial bank only)