

Nomura Investment Forum 2006

Mitsubishi UFJ Financial Group

December 2006

Quality for You



MUFG

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, 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.

Definitions of figures used in this document



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)
Sum of non-consolidated ※	PL items	FY2006 H1: Bank of Tokyo-Mitsubishi UFJ (non-consolidated) + 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) Up to September 30, 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).

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Outline and Strengths of MUFG

Key Achievements after Merger

Outline of Fiscal 2006 Interim Results

Approach to Business Challenges

Outline of MUFG

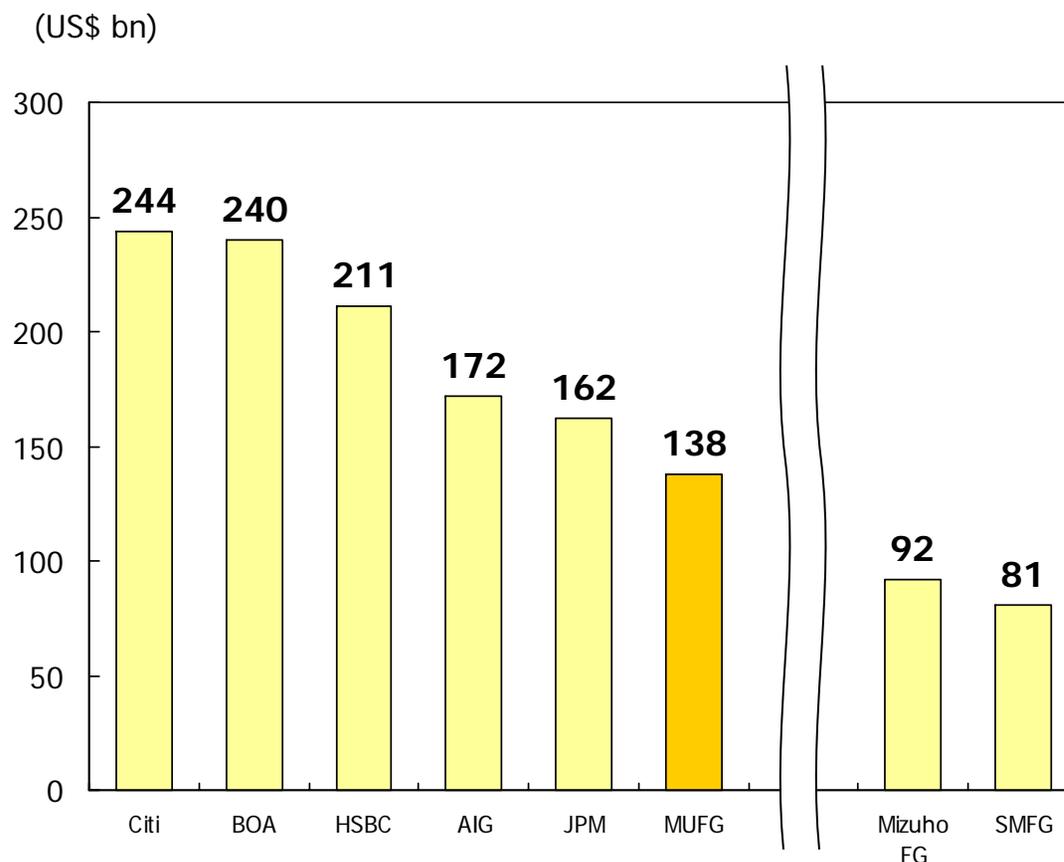


MUFG

Key indices of MUFG*1 (Consolidated)

Total assets	¥184.7tn
Loans*2	¥86.0tn
Deposits	¥115.6tn
Capital*3 (Net qualifying capital)	¥13.4tn
BIS ratio*3	11.95%
No. of employees	80,079

Market capitalization of major financial institutions*4



*1 As of end Sep.2006 (No. of employees as of end Mar.2006)

*2 Bank a/c + Trust a/c

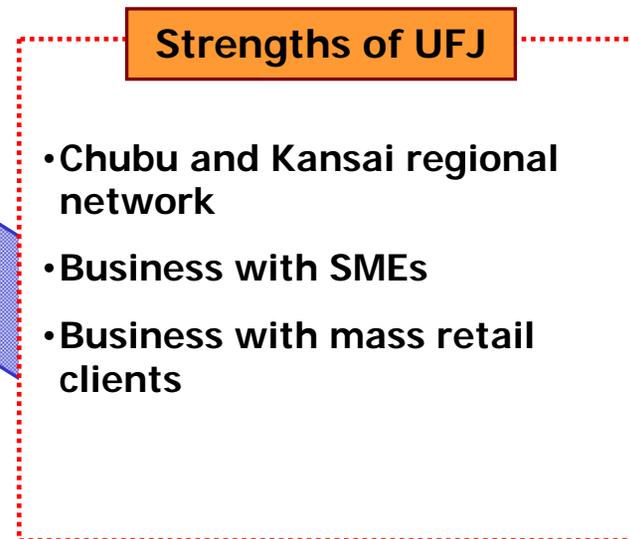
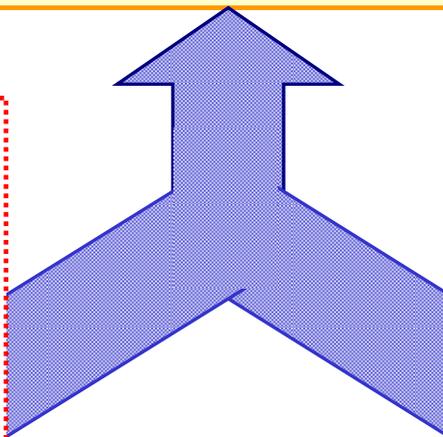
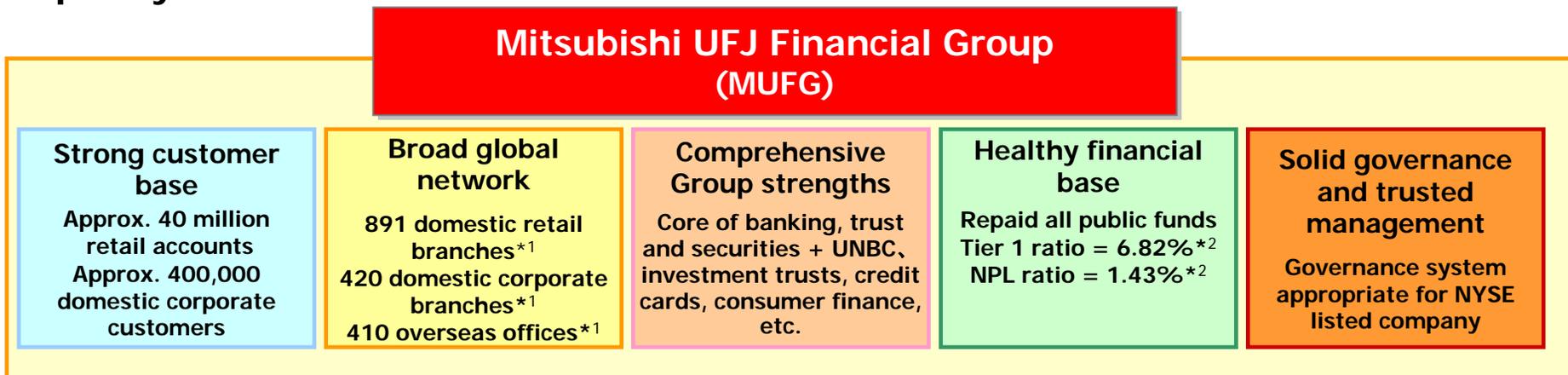
*3 BIS international standard (preliminary basis)

*4 As of end Sep. 2006 (quoted from Bloomberg)

Strengths of MUFG



- Aiming to be a premier, comprehensive, global financial group both in quality and volume



*1 As of the end of Sep. 2006, sum of bank, trust bank, securities and UBOC. (Not including internet branches and agents)

*2 As of the end of Sep. 2006
Tier1 ratio is preliminary base

Outline and Strengths of MUFG

Key Achievements after Merger

Outline of Fiscal 2006 Interim Results

Approach to Business Challenges

Key achievements after merger



- **Achieved smooth integration
(Completion of Day1)**
- **Public funds fully repaid and capital base strengthened**
- **Further improvement of quality of assets**
- **MUFG strengthened as a group**
- **Promotion of growth strategy**

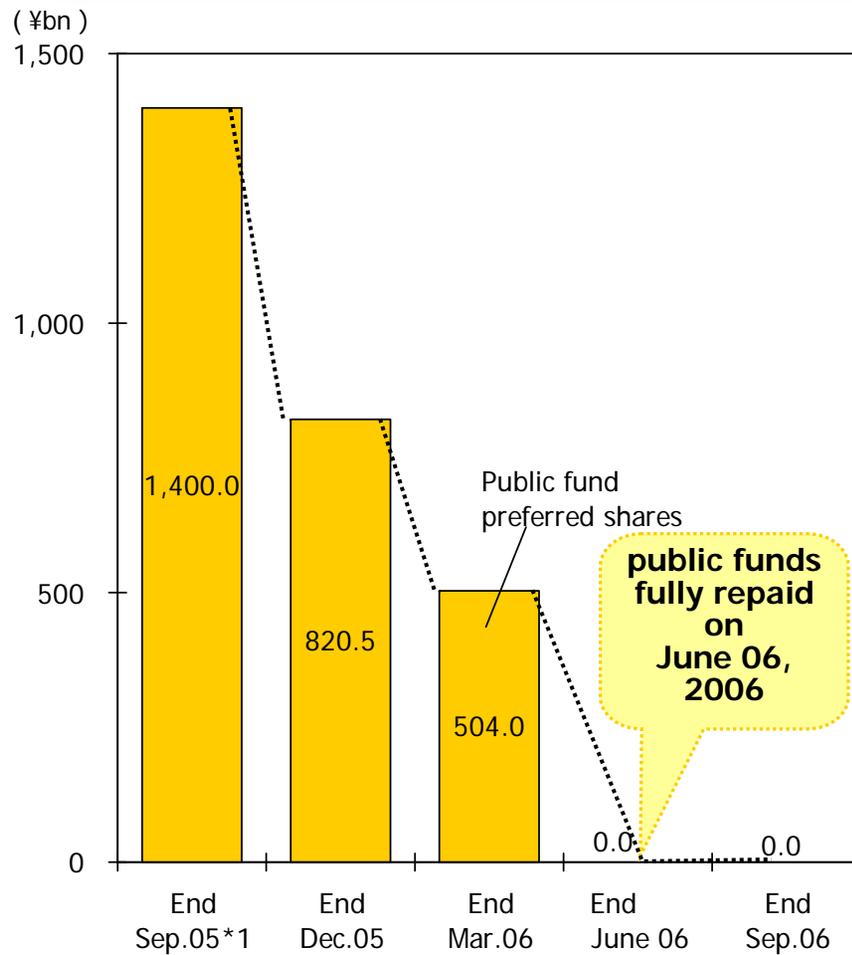
Public funds fully repaid and capital base strengthened

(Consolidated)



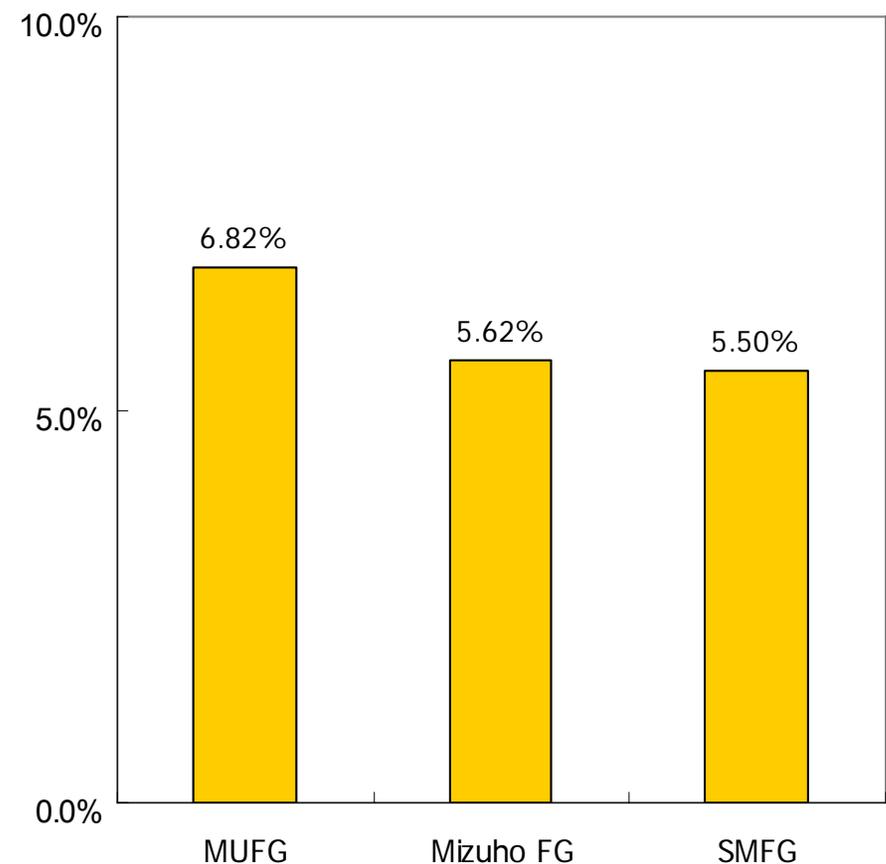
- Public funds have been fully repaid and capital base strengthened

Full repayment of public funds



Strengthened capital base

(Tier1*2 comparison)



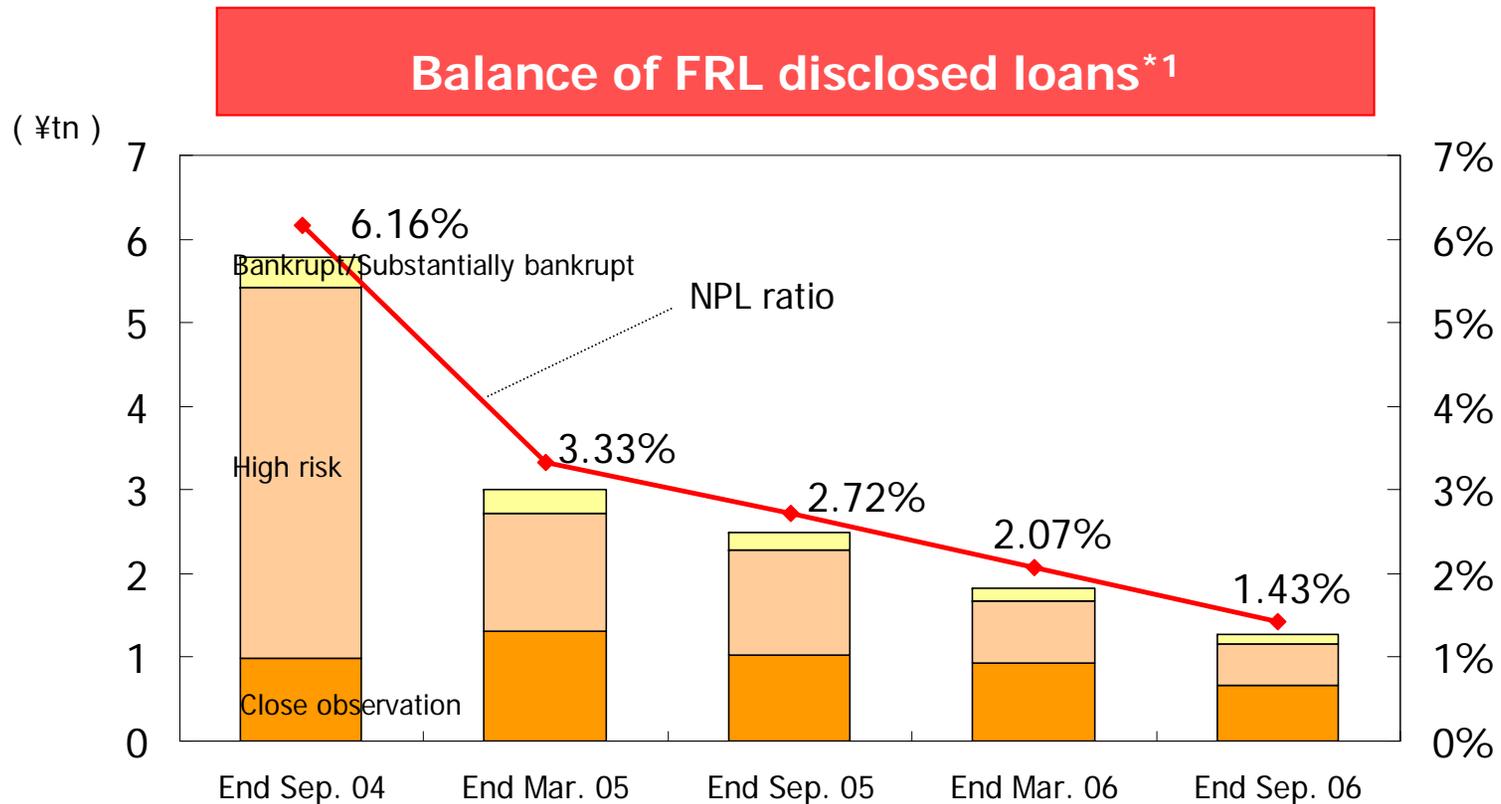
*2 Data from FY06 H1 financial results of each group
Consolidated preliminary base, BIS international standard basis

Further improvement of quality of assets

(Sum of non-consolidated)

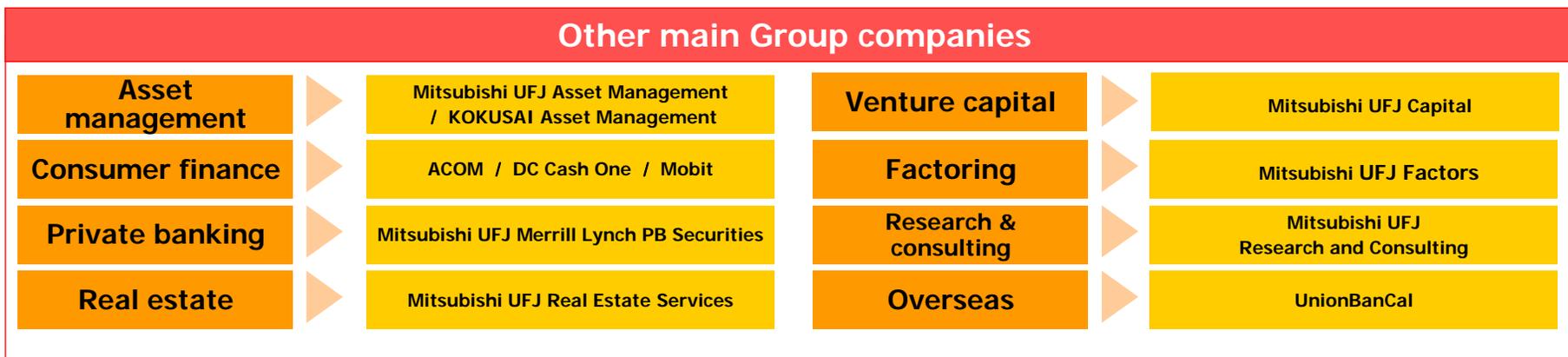
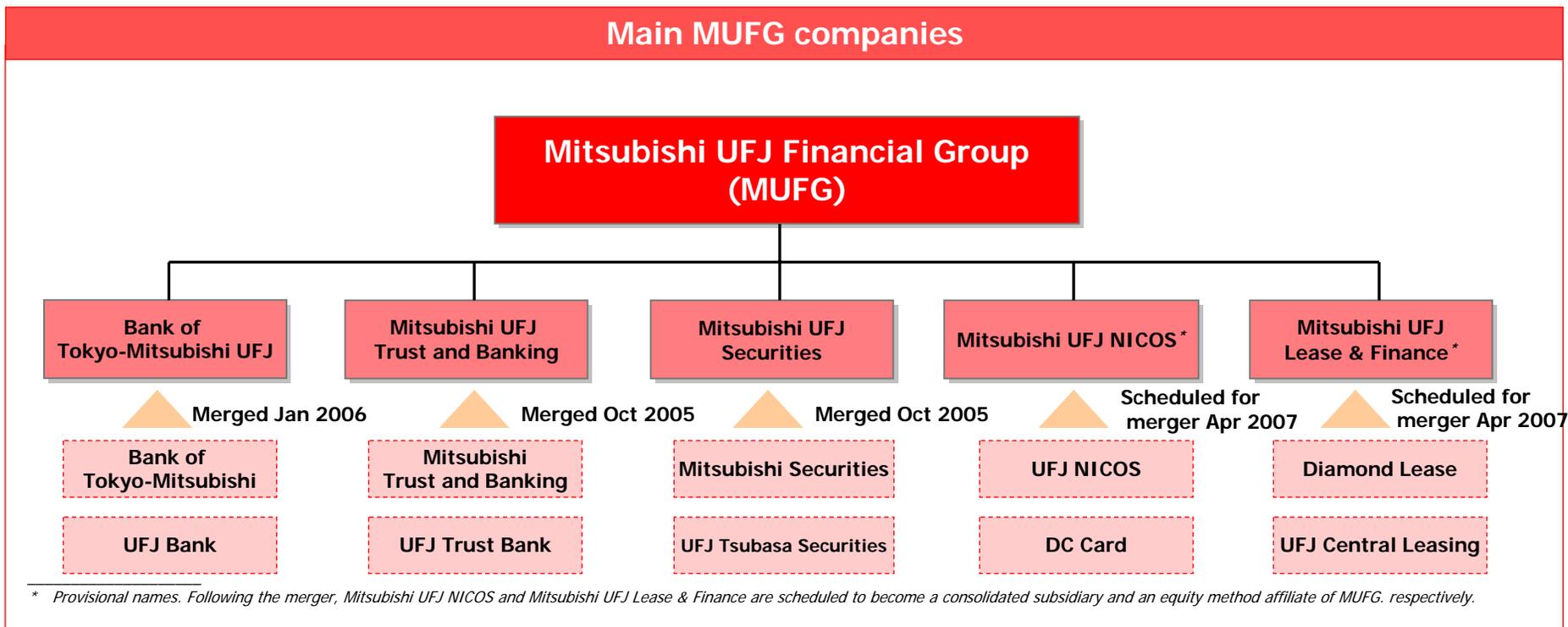


- Continued improvement in the quality of assets, NPL ratio declined to 1.43%



*1 Sum of non-consolidated figures of Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking for end Sep. 06 and end Mar.06.
 On or before end Sep. 05, sum of non-consolidated figures of Bank of Tokyo-Mitsubishi, UFJ Bank, The Mitsubishi Trust and Banking, UFJ Trust Bank.
 Figures for end Sep. 04 include separate subsidiaries.

MUFG strengthened as a group



Outline and Strengths of MUFG

Key Achievements after Merger

Outline of Fiscal 2006 Interim Results

Approach to Business Challenges



Income statement (Consolidated, \bn)

	FY05 H1	FY06 H1	Change
1	Gross profits		
	1,697.3	1,794.8	*1 97.5
2	Net interest income		
	857.9	945.6	87.6
3	Net fees and commissions		
	484.0	557.4	73.3
4	Net gains (losses) on debt securities		
	51.2	(14.5)	(65.7)
5	General and administrative expenses		
	883.7	1,012.2	*1 128.4
6	Net business profit		
	813.5	782.5	(30.9)
7	Non-recurring gains (losses)		
	(76.2)	(118.9)	(42.6)
8	Ordinary profit		
	736.3	663.5	(72.8)
9	Net special gains (losses)		
	324.4	170.7	(153.6)
10	Net income		
	711.7	507.2	(204.4)
11	Credit-related costs ^{*2}		
	274.5	82.6	(191.8)
12	Credit-related costs ^{*2} (Sum of non-consolidated)		
	373.2	153.2	(219.9)

Negative numbers refer to costs or losses.

*1 Impact of new consolidation : approx. ¥170 bn in Gross profits and approx. ¥90 bn in General and administrative expenses (approx. figures).

*2 Credit-related costs= Trust account credit-related expenses (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

13	Net operating profit from customer businesses ^{*3} (% of total)	685.9 (84%)	735.3 (95%)	49.5 (+ 11points)
14	Fee income ^{*4} (Share of gross profits)	660.8 (38.9%)	759.0 (42.3%)	98.2 (+3.4points)

*3 Net operating profit from the three customer businesses—Retail, Corporate (including UNBC) and Trust Assets.

*4 Fee income= Net fees and commissions + trust fees (excluding loan trusts and money trust fees) + customer derivative income (managements account basis) + forex profit (managements account basis).

● Gross profits up ¥97.5bn on FY05 H1

- Despite lower JGB gains/losses, Gross profits increased driven by strong performance of overseas business, investment products sales and new consolidation of subsidiaries

● G&A expenses up ¥128.4 bn on FY05 H1

- Main causes of increase were higher subsidiaries' expenses (inc. new consolidation) and one-time integration costs
- Expense ratio 56.3% (+4.3 points on FY05 H1)
Non-consolidated expense ratio 52.8% (+7.1 points on FY05 H1)

● Net operating profit of customer businesses increased

- Customer businesses share of total net operating profit increased to 95%

● Credit related costs showed a gain of ¥82.6bn

- Gain on reversal of allowances as business condition of borrowers improved and NPLs disposed of



Balance Sheet (Consolidated, ¥bn)

	End Mar. 06	End Sep. 06	Change	
1	Loans (Banking + Trust accounts)	86,113.1	86,007.8	(105.2)
	Loans (Banking accounts)	[85,763.1]	[85,671.1]	[(91.9)]
2	Domestic corporate loans *1*2	51,382.6	51,346.1	(36.4)
3	Housing loans *2	18,244.7	17,406.5	*3 (838.1)
4	Overseas loans *4	12,595.8	13,382.7	786.8
5	Investment securities (Banking accounts)	48,508.9	47,766.4	(742.5)
6	Deposits	118,988.0	115,602.9	(3,385.1)
7	Deposit/Lending spread (Sum of non-consolidated)	(FY05 H1) 1.38%	(FY06 H1) 1.32%	(0.06) points
8	FRL disclosed loans *2	1,825.9	1,277.8	(548.0)
9	NPL ratio *2	2.07%	1.43%	(0.64) points
10	Available-for-sale securities - Appraisal difference	2,953.2	2,666.8	(286.4)
<i>Reference</i>				
11	Equity holdings/ Tier 1 ratio	60%	59%	(1.4) points
12	Net deferred tax asset/ Tier 1 ratio	8.3%	7.1%	(1.1) points
13	BIS capital ratio (Tier 1 ratio)	12.20% (6.80%)	11.95% (6.82%)	(0.24) points (+0.02 points)

*1 Excludes loans from the group banks to the holding company.

*2 Sum of non-consolidated + trust accounts

*3 Loan securitization (FY06 H1) : approx. ¥1.1 tn

*4 Loans booked in overseas branches and UnionBanCal Corporation.

- **Loan balance flat from end Mar. 06**
 - Housing loan down mainly due to securitization
 - Overseas lending up
- **Deposit balance down ¥3.3tn from end Mar. 06**
 - Corporate deposits declined along with rise in interest rates
- **Continued decline in NPLs**
 - NPL ratio declined to 1.43%
- **Appraisal gains on available-for-sale securities declined by ¥286.4bn (mainly equities)**
- **Deferred tax assets/Tier 1 ratio approx. 7.1%**
- **BIS ratio 11.95% (Tier 1 ratio 6.82%)**

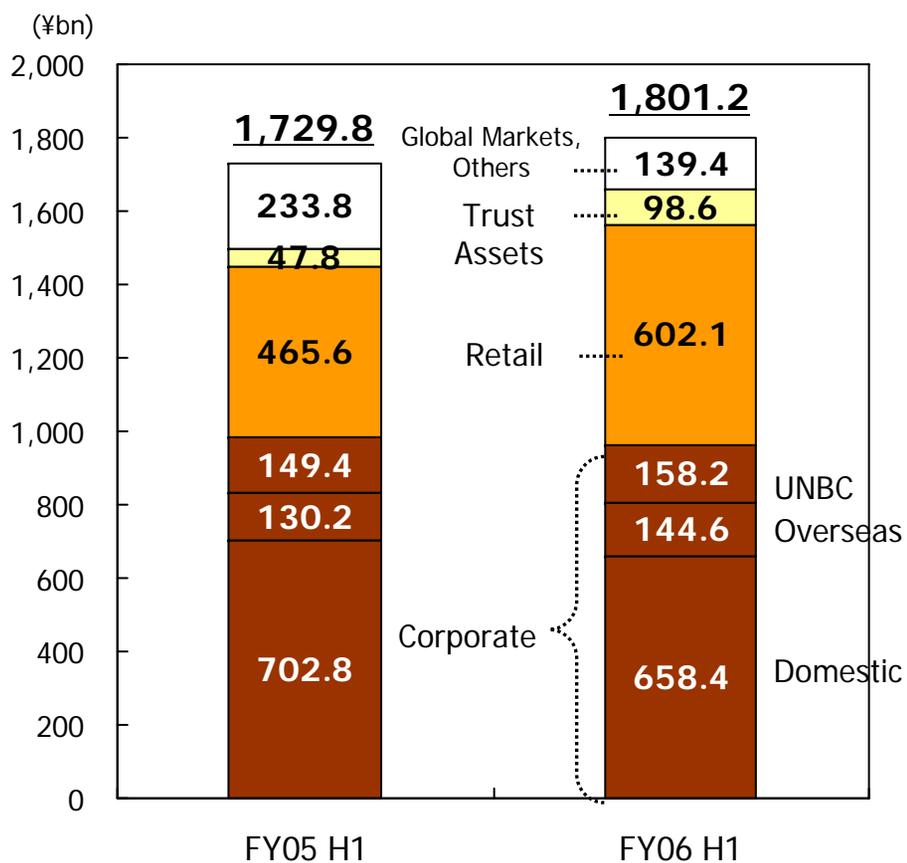
Outline of results by business segments

(Consolidated)

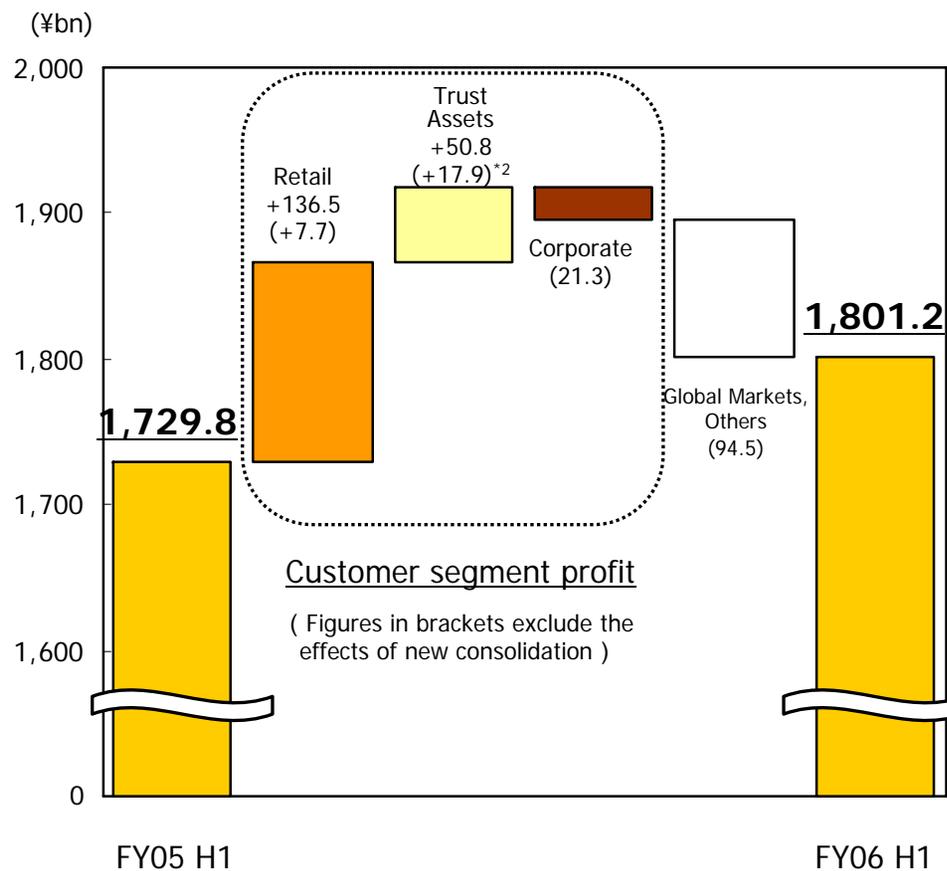


- Gross profits in three customer businesses increased by ¥165.9 bn

Gross profits by segment*1



Breakdown of changes in Gross profits*1



*1 On management accounts basis (Consolidated gross profits before adjusting intra-group transactions except dividends from subsidiaries).

*2 Kokusai Asset Management is included in Trust Assets Division.

FY2006 earnings forecasts

(Consolidated)



- Net income forecast is revised upward to ¥870.0 bn
- Annual dividend forecast is revised upward to ¥10,000

Earnings forecasts

	Fiscal 2006	
	Full year	Compared to previous forecasts (May 06) *1
Ordinary income	¥5,800.0 bn	¥340.0 bn
Ordinary profit	¥1,500.0 bn	¥70.0 bn
Net income	¥870.0 bn	¥120.0 bn

Forecast dividends per common share

	Forecast dividends per common share		
	Interim dividend (forecast)	Year-end dividend (forecast)	Annual dividend (forecast)
Previous forecast (May 06) *1	¥3,500	¥3,500	¥7,000
As revised	¥5,000	¥5,000	¥10,000

*1 Previous forecasts were announced when FY2005 results were released on May 22, 2006

Outline and Strengths of MUFG

Key Achievements after Merger

Outline of Fiscal 2006 Interim Results

Approach to Business Challenges

- **Capital policy**
- **Business strategy of 3 customer businesses**
- **Reorganization of group companies**
- **Promoting integration and strengthening internal control**
- **Improving Customer Satisfaction (CS) and CSR management**

Capital policy — Capital policy priorities



FY2006-2008
Growth Stage 1

FY2009 onwards
Growth Stage 2

- **Strive to continuously increase dividends while securing adequate capital levels and growth resources that allow global competitiveness**

(Aiming for dividend payout ratio of 20% in medium-term)

- **Further enhance shareholder returns as the benefits of integration is being realized**

- **Consider investments in growth regions/business fields**

**Enhance
shareholder
returns**

- **Basic policy is to strive to continuously increase dividends, while securing adequate capital levels and growth resources that allow global competitiveness**
- **Aim for a dividend payout ratio of about 20% in medium-term**

**Increase equity
capital**

**Strategic investments
for sustainable
growth**

Enhance
shareholder
returns

➤ **Aim to achieve the following targets in Growth Stage 1**

- ✓ Tier 1 Ratio: 8%; Capital Adequacy Ratio: 12%
- ✓ Also pay attention to capital quality
 - Capital structure with Tier 1 capital as core
 - No excessive dependence on preferred securities, etc.

**Increase equity
capital**

Strategic investments
for sustainable
growth

Capital policy (3)



Enhance
shareholder
returns

- **Business domains (regions, businesses) where profitability and growth are expected**
 - Promising domains include North America, Asia; and Retail
- **Ensure investment returns**
 - Strive to raise corporate value (capital cost, EPS, etc.)

Increase equity
capital

Strategic investments
for sustainable
growth

Business strategy of 3 customer divisions – Retail (1)

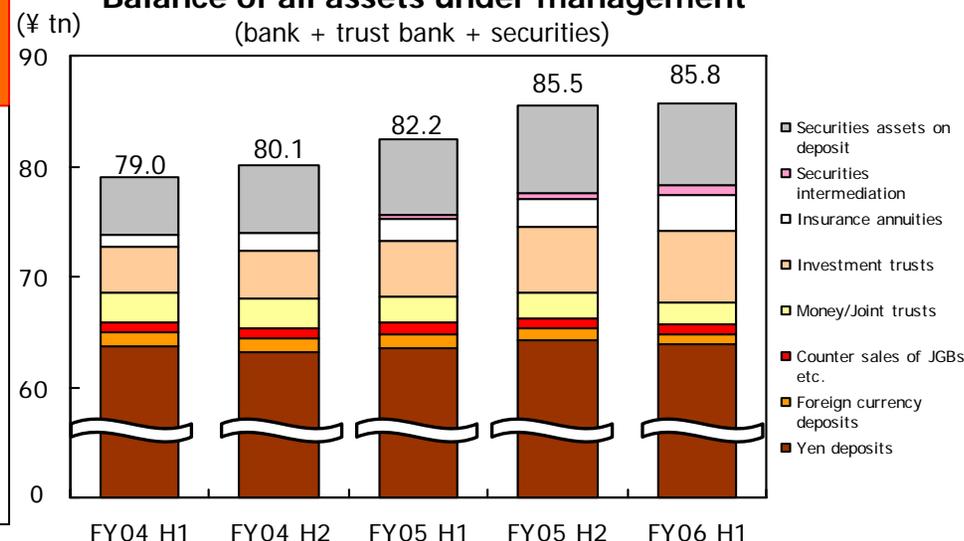


- Promote integration and collaboration inside and outside the Group, strengthen sales targeting overall customer assets by providing comprehensive services
- Substantially strengthen internal control system as the foundation of medium-term growth—Allocate internal control specialists to all areas

Strengthen 'overall customer assets' sales approach

- Pursue comprehensive proposal-style sales to meet needs as customers shift from deposits to investment
- Strengthen business base by expanding all assets under management including investment products and deposits
- Strengthen inducements to visit branches and initiatives targeting baby boomer retirement funds
- Enhance quantity and quality of sales staff
 - ✓ Strengthening sales by relocating 300 HQ staff to branches; Relocate personnel to match market needs
 - ✓ Enhance training systems; Strengthen HQ support of branches
 - ✓ Utilize SPR (sales process reengineering)
- Enhance sales capability by improving administrative efficiency

Balance of all assets under management
(bank + trust bank + securities)



Promote integration and collaboration inside and outside the Group

- Full-scale strengthening of comprehensive banking/securities business model
 - ✓ Increase number of securities staff seconded to bank to 1,000 (currently 700)
- Pursue cooperation with Mitsubishi UFJ Merrill Lynch PB Securities
- Strengthen collaboration between bank and trust bank
 - ✓ Second approx. 40 staff from trust bank to bank, harness the Group's overall strengths, and promote inheritance-related business
- Promote mobile internet business with KDDI and internet settlement services with DeNA, aiming for long-term, sustained growth

Strengthen Internal Control System

- 244 Area Business Administrators in charge of internal controls allocated to all areas, aiming to strengthen compliance with Financial Instruments and Exchange Law and overall compliance
- Share and strengthen securities compliance expertise throughout the Group

Business strategy of 3 customer divisions – Retail (2)



- Aim to establish new business model both for long term sustainable growth and for strengthening capability to offer comprehensive financial services by actively promoting strategic business alliances
- Mitsubishi UFJ Merrill Lynch PB Securities has started strongly

	Details of investment/partnership	Progress update
Mitsubishi UFJ Merrill Lynch PB Securities	¥3 billion investment (BTMU, MUS) (May 2006, 50% stake)	<ul style="list-style-type: none"> ■ Started business and provision of private banking services in May 2006 ■ New accounts acquired by Sep.06 : Approx. 2,000 (No. of accounts at end of Sep.06 : Approx. 12,000) ■ New customer assets acquired by Sep.06 : Approx. ¥100 billion (Customer assets at end of Sep.06 : Approx. ¥1.5 trillion)
Partnership with Norinchukin Bank	Comprehensive strategic alliance in retail business	<ul style="list-style-type: none"> ■ UFJ Nicos Co., Ltd. and Kyodo Credit Service Co., Ltd. merged (Oct. 1, 2006) ■ Issued multi-functional cash/credit card with palm vein biometric recognition in Oct. 2006
Internet settlement services with DeNA	Joint venture, PAYGENT Co., Ltd. established ¥320 million investment (BTMU) (June 2006, 40% stake)	<ul style="list-style-type: none"> ■ Launched service in Aug. 2006 ■ To steadily expand provision of settlement services to general EC member stores from Feb. 2007
Establishment of mobile internet bank with KDDI	Planned investment (BTMU) (Scheduled for FY07 H1, 50% stake planned)	<ul style="list-style-type: none"> ■ Established research company ahead of establishment of new bank ■ Subject to approval by relevant regulatory authorities plan to establish new bank and launch service in first half of fiscal 2007
Acquisition of retail bank in Indonesia (cooperation with ACOM)	Acquisition of shares of PT. BANK NUSANTARA PARAHYANGAN Tbk. (BTMU) (Scheduled for Feb. 2007, approx. 75% stake planned)	<ul style="list-style-type: none"> ■ Concluded a share transfer agreement with current shareholders with respect to BTMU and ACOM's joint acquisition of approx. 75% of the issued shares. ■ Plan to engage in personal unsecured loan business

Business strategy of 3 customer divisions – Corporate domestic



● Grow profitability by strengthening collaboration among group companies

Strengthen lending base—customer segment based strategy

- Enhancing collaboration between bank and securities company to strengthen ability to meet capital strategy needs of large companies by proposing large-scale financing for M&A deals, etc.
- Intensify focus on mid-sized company business, cultivate new customers
- Increase SME lending balance by establishing more specialist SME business offices and strengthening business alliances

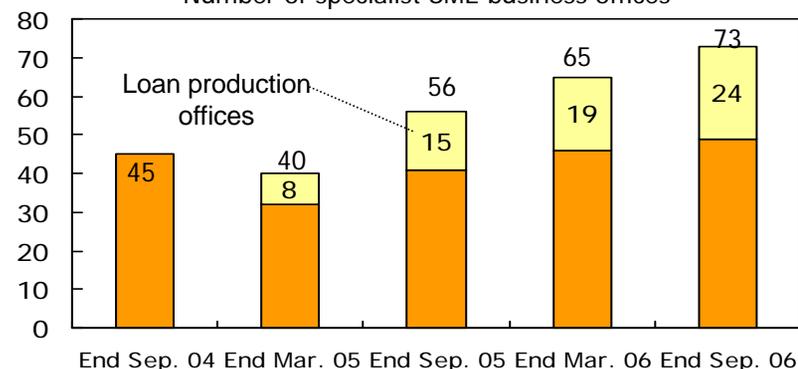
Expand settlement base/liquid deposits

- Strive to further increase trade handling amount and its share of 43.5% (FY06 H1)
- Promote concentration within BTMU of settlement, maintain and increase liquid deposit balance

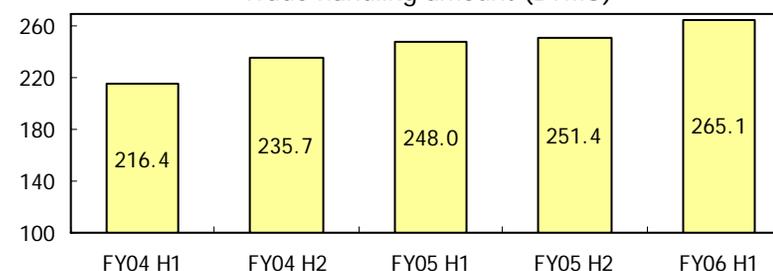
Strengthen bank/trust bank/securities company/global collaboration

- Increase securities primary business by strengthening collaboration between bank and securities company in large company segment
 - ✓ Strengthen collaboration between corporate banking group in bank and investment banking group in securities company by reorganizing securities company
- Increase capability to meet asset management needs of SME segment and business owners by promoting securities intermediation, etc. Grow real estate business, primarily through balance sheet consulting
- Further strengthen collaboration between bank and trust bank
- Expand overseas business base by promoting active collaboration between the international and domestic networks

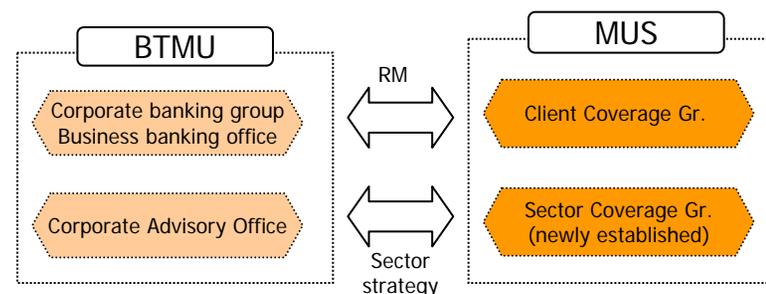
Number of specialist SME business offices



(US\$ bn) Trade handling amount (BTMU)



<Accelerating Bank-Securities company cooperation by establishing counterpart group in MUS>



Business strategy of 3 customer divisions – Corporate Overseas



Asia

China: Alliance with Bank of China

- Leverage the Bank of China network to strengthen support system for Japanese corporate clients doing business in China

Overview of Bank of China

- No. 2 in China in asset size
- Approx. 11,000 branches throughout China
- Listed in Hong Kong in June and Shanghai in July this year

MUFG invested \$180 million (approx. ¥20.0 billion) in Bank of China's Hong Kong IPO

Outline of Alliance (formed in Aug. 06)

- In regions with no BTMU branches, Japanese companies doing business in China are introduced to Bank of China branches
- Collaborate on syndicated loans/project finance
- Speed up settlement and document processing through forex business collaboration between the two banks
- Mutually provide new products: Derivatives, etc.

Vietnam: Strengthening new business promotion system

- New office established in Hanoi branch, promoting new business.

Strategic alliance with CIMB Group of Malaysia

- Leverage CIMB's network and cooperate in investment banking

Business alliance between Mitsubishi UFJ Securities and India's ICICI Bank

- Mutually provide support to customers in the areas of M&A, corporate finance, etc. with ICICI Bank, India's No.2 bank in asset size

Global

Alliance between Mitsubishi UFJ Securities (MUS) and Perella Weinberg Partners

- Perella Weinberg Partners, a new investment bank that has concluded a business alliance agreement with MUS, started business in June 2006
- MUS and Perella Weinberg Partners will start their alliance from November 2006

Central & Eastern Europe/Russia

BTMU (Holland), Prague Branch

- Providing comprehensive support for Japanese corporate clients doing business in the Czech Republic including local information and Czech Krona-denominated transactions
- Started business on April 24 2006

Subsidiary in Russia

- Providing mainly ruble-denominated comprehensive financial services including deposits, lending and forex to Japanese corporate clients

Name: ZAO Bank of Tokyo-Mitsubishi UFJ (Eurasia)

Business start: November 1, 2006

Business strategy of 3 customer divisions – Trust Assets



- Aim to steadily accumulate profit, led by pensions and investment trust business leveraging advantage of scale

Pensions

- In defined benefit pensions, focus on increasing sales of non-passive asset management products and developing new markets through collaboration between bank and trust bank
- In the rapidly expanding DC pensions market, maintain the top share in asset management products and asset administration (as of end Aug. 06), and expand initiatives SME pensions business

Investment trust business (management/administration)

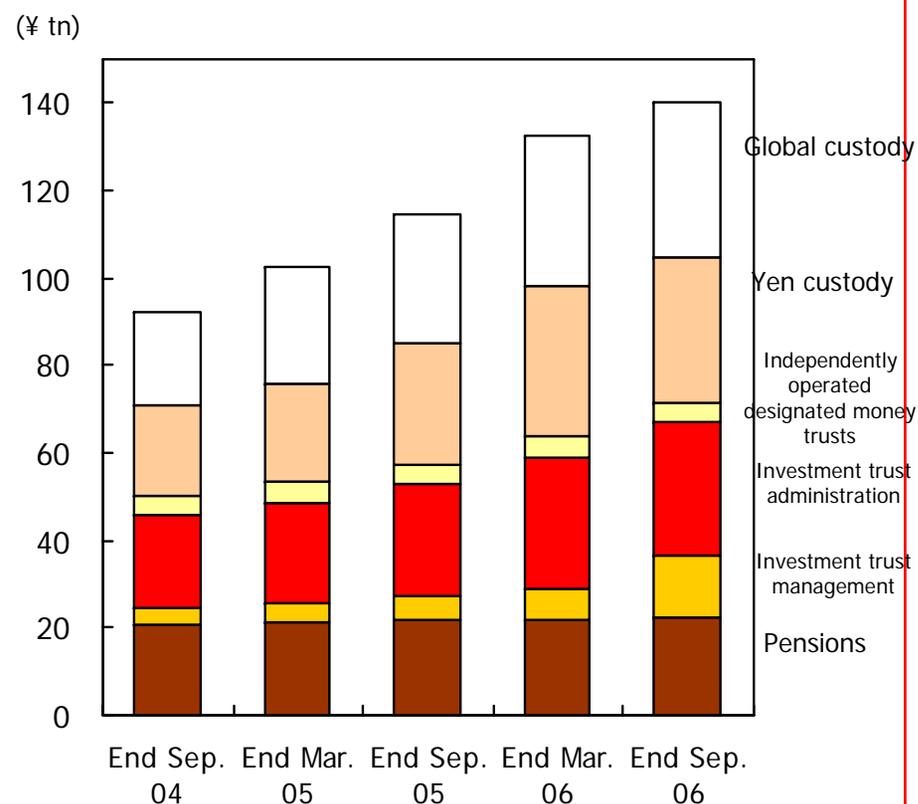
Investment trust management

- Continued focus on providing quality products and sales support to Group channels (bank, trust bank, securities company)
- Enhance sales through non-Group channels by diversifying product offering and strengthening support functions for regional banks, etc.

Investment trust administration

- Leverage enhanced administration functions to win mandates from securities company affiliated asset management companies

Change in balance of main assets*1 in Trust Assets segment



*1 In addition to amounts shown here, asset administration balances also include specified money trusts for securities, securities administration services, etc.

Mitsubishi UFJ Securities to be a wholly-owned subsidiary of MUFG



- **Enhancing Integrated Business Group system and conducting our business as a unified comprehensive financial group**
- **Further strengthening securities business by making full use of our group resources. Aim to realize synergies further between commercial bank, trust bank and securities company**

Schedule of share exchange

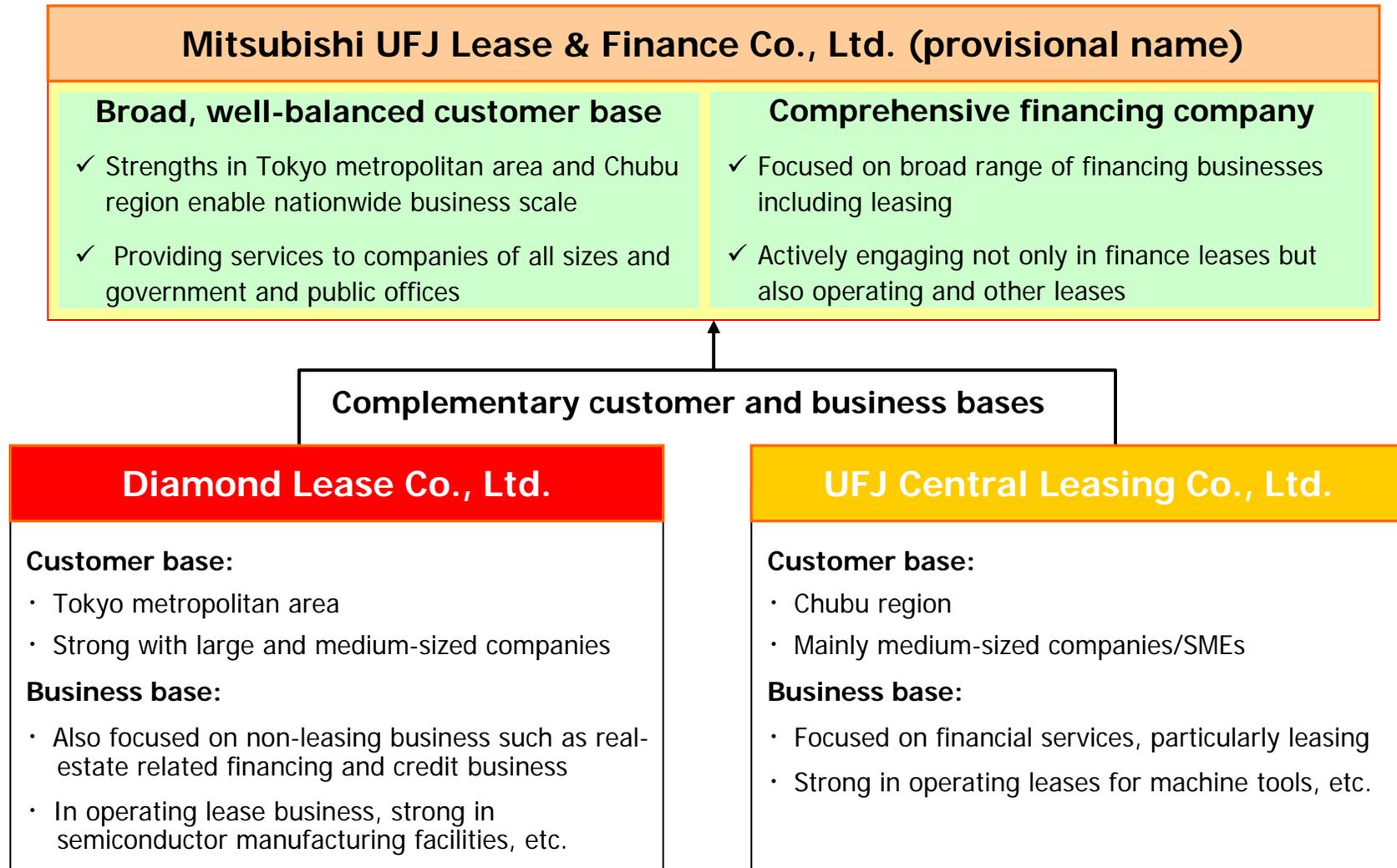
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|---------------------------|--|
| ● Aug 29, 2006 | Signing of basic agreement |
| ● Late-Mar 2007 (Planned) | Board meeting to approve share exchange agreement |
| ● Late-Jun 2007 (Planned) | Signing of share exchange agreement
Annual general shareholders' meeting to approve share exchange agreement (Mitsubishi UFJ Securities* ¹) |
| ● Sep 30, 2007 (Planned) | Effective date of share exchange |

*1 MUFG plans to conduct this share exchange transaction without obtaining shareholder approval at its general shareholders' meeting, since this share exchange transaction is deemed a "simple share exchange" under Article 796-3 of the Company Law of Japan.

Merger of group leasing affiliates



- The new company created through merger of Diamond Lease and UFJ Central Leasing will provide a variety of services to a broad range of customers



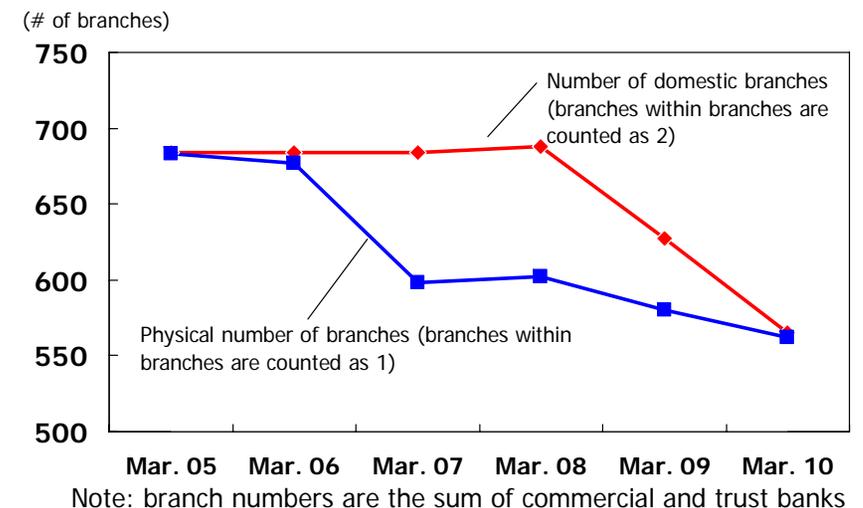
Promoting integration and strengthening internal control



● Initiated rationalization efforts for an early realization of synergies

- Promote the branch-within-a-branch system to facilitate branch integration/closure
 - Already reduced approx. 40 branches by September (target to reduce approx. 80 branches in FY2006)
- Reduce/relocate overlapping personnel, mainly back office personnel at the headquarters
- Preparation for Day 2 Integration progressed as scheduled

Branch integration by the branch-within-a-branch system



● Strengthening internal control

- Place internal control specialists for thorough compliance
 - Retail : Complete allocation of 244 Area Business Administrators in all areas
 - Corporate : Plan to place 35 compliance officers in corporate banking branches
- Response to SOX Article 404: Establish a sophisticated internal control system for financial reporting
- Response to Basel II: Detailed risk measurement, advanced risk management
 - Adopt FIRB method for credit risk, and TSA method for operational risk (from March 31, 2007)

- **Strengthen brand value by improving services**
 - ⇒ **Increase customers and become main bank for them**
 - No fee money transfers*¹ between branches/head office and bank/trust bank branches (since May 2006)
 - Reduction in usage charges for convenience store ATMs scheduled*² for March 2007
- **Aim to increase shareholder value over the medium-term by carrying out business management that takes into consideration a broad range of stakeholders, including shareholders, customers, society and employees, etc.**



*1 ATM card transactions, direct banking (excluding manned, non-automated transactions)

*2 The following charges will apply to Bank of Tokyo-Mitsubishi UFJ customers using convenience store ATMs operated by Seven Bank, E-net, and Lawson ATM Networks.

Weekdays from 8:45 to 18:00: No charge; Other weekday times, weekends and holidays: ¥105. These charges represent a ¥105 reduction in all categories.

No.1 Service

No.1 Reliability

No.1 Global Coverage

Appendix

Key initiatives for FY2006 H2—Retail



Retail	Investment product sales	<ul style="list-style-type: none"> • Substantially strengthen combined banking/securities business model <ul style="list-style-type: none"> ✓ Increase securities staff seconded to bank to 1,000 staff (currently 700) ✓ Provide comprehensive services to meet diverse customer needs • Increase productivity of sales staff by reallocating staff/reducing administrative burden • Drastically strengthen trust business through bank / trust bank cooperation, second 40 staff from trust bank to bank
	Consumer finance	<ul style="list-style-type: none"> • UFJ NICOS: Merge with Kyodo Credit and DC Card (planned in April 2007) • Strengthen sales of comprehensive card (strengthening direct channels, providing support for each channel, etc.) • Plan to launch new card loan guaranteed by ACOM
	Housing loans	<ul style="list-style-type: none"> • Improve both quantity and quality <ul style="list-style-type: none"> ✓ Increase volumes by strengthening agency route and holding advice seminars on weekends and holidays ✓ Improve portfolio by strengthening loan monitoring • Improve profitability by pursuing cost efficiency
	Internal control, staff development	<ul style="list-style-type: none"> • Allocate 244 internal control specialists covering all areas <ul style="list-style-type: none"> ✓ Improve rules and regulations, hold information exchange meetings between branches and head office • Locate staff in branches, strengthen training system
	Channel strategy	<ul style="list-style-type: none"> • Increase private banking offices (PBOs), MUFG Plaza, develop specialist consulting and streamlined branches
	New businesses, etc.	<ul style="list-style-type: none"> • Mobile phone & internet business with KDDI, internet settlement business with DeNA, contactless IC/mobile phone credit services with VISA, alliance with JR East, etc. • Formulate next generation business model including baby-boomer strategy/international strategy

Key initiatives for FY2006 H2—Corporate



Corporate	SME business	<ul style="list-style-type: none"> • Expand customer contact opportunities by actively expanding corporate branches that specialize in SME business • Strengthen alliances, broaden agency outlet strategy in response to deregulation, consider alliances with regional banks
	International business	<ul style="list-style-type: none"> • Leverage Japan's leading overseas banking network to further expand in growth areas • Strengthen intra-Group links and cooperation in Japan and overseas to expand customer base and improve business position
	Investment banking business	<ul style="list-style-type: none"> • Strengthen M&A-related finance that meets the capital strategy needs of large companies • Promote asset turnover-style business model • Expand customer base by growing small-lot business and expanding product lineup
	Settlement business	<ul style="list-style-type: none"> • Strengthen incoming remittance business by concentrating in HQ • Strengthen approach of capturing commercial flows (unified approach to credit/settlement, domestic money transfer/forex)
	Real estate business	<ul style="list-style-type: none"> • Pursue real estate business through use of balance sheet consulting • Strengthen securitization and fund business through cooperation among bank, trust bank, and securities company
	Securities business	<ul style="list-style-type: none"> • Strengthen sector-based approach in investment banking business • Pursue large-scale projects by promoting cross-border collaboration • Pursue asset management business with corporate owners as well as promote investment banking business with the corporation

Key initiatives for FY2006 H2—Trust Assets



Trust Assets	Pensions	<ul style="list-style-type: none"> • Strengthen sales of non-passive investment products through direct HQ-based sales system • Strengthen initiatives for acquiring new funds (new business/increased share) • Mobilize MUFG's all-round capabilities to strengthen DC pensions business • Strengthen initiatives in SME pension business through bank/trust bank collaboration • Promote CSR (raise awareness through SRI seminars, promotion of SRI funds)
	Investment trust management/ administration	<ul style="list-style-type: none"> • Strengthen ties with the Group's Retail segment to promptly deliver quality products • Strengthen development of non-Group channels • Leverage enhanced administration functions to win mandates from securities company affiliated asset management companies
	Custody	<ul style="list-style-type: none"> • Enhance operational efficiency through cooperation between MUFG Group's domestic and overseas offices • Strengthen ancillary functions such as forex and securities lending
	Other trust business etc.	<ul style="list-style-type: none"> • Develop frontier business: Overseas, financial institutions, NPOs, business corporations, etc. • Develop solutions-based sales proposals based on current corporate issues