
Mitsubishi UFJ Financial Group

Fiscal Year 2005 Results Presentation

June 15, 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	FY2005: Mitsubishi UFJ Financial Group (consolidated) + UFJ Holdings (consolidated, April-September) (without other adjustments) Up to FY2004: Mitsubishi Tokyo Financial Group (consolidated) + UFJ Holdings (consolidated) (without other adjustments)
	BS items	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	FY2005: Bank of Tokyo-Mitsubishi UFJ (non-consolidated) + UFJ Bank (non-consolidated, April-December) + Mitsubishi UFJ Trust & Banking Corporation (non-consolidated) + UFJ Trust Bank (non-consolidated, April-September) (without other adjustments) Up to FY2004: 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	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 include the separate subsidiaries (UFJ Strategic Partner, UFJ Equity Investments and UFJ Trust Equity) (Aggregate figures after adjusting inter-company transactions between the 2 banks and these separate subsidiaries).

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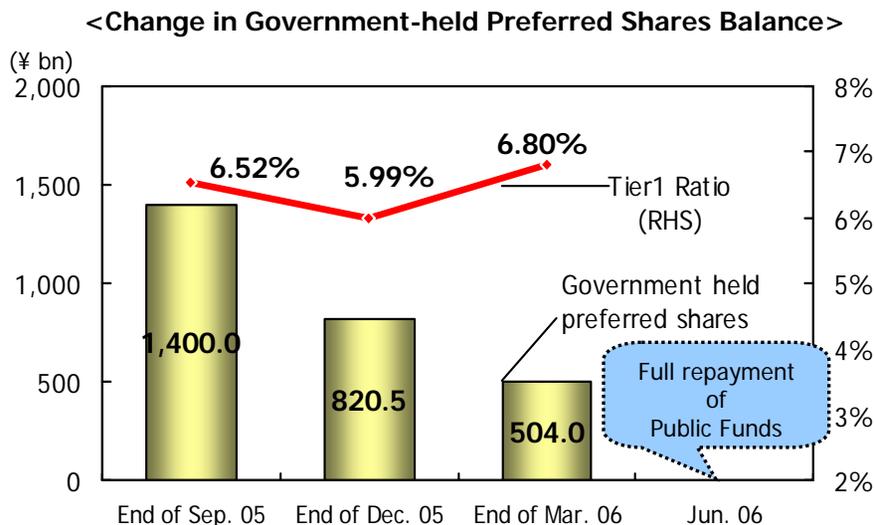
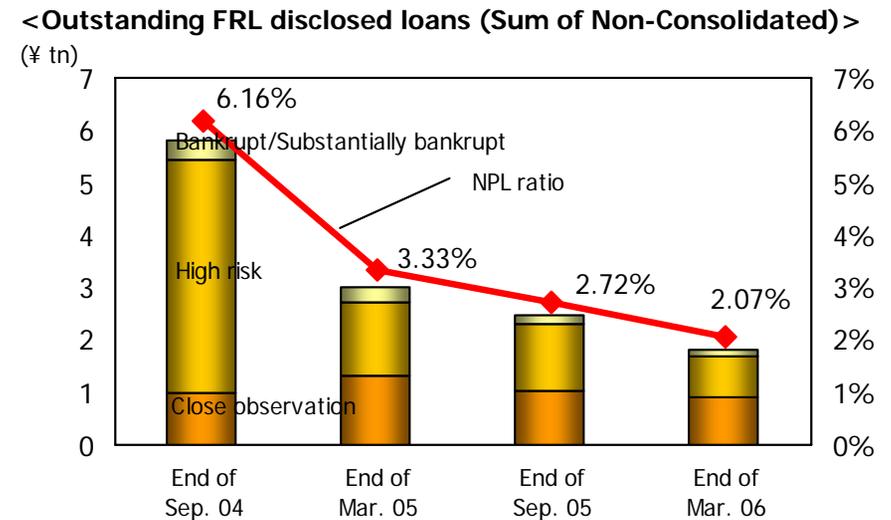
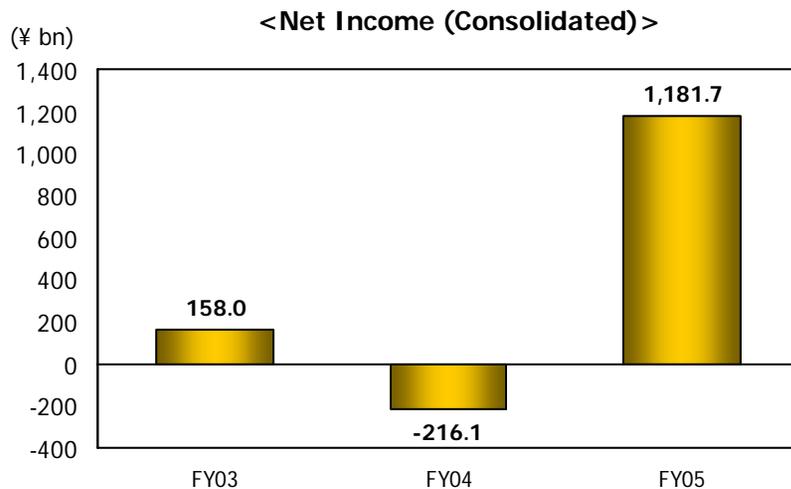
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Summary of FY2005 results

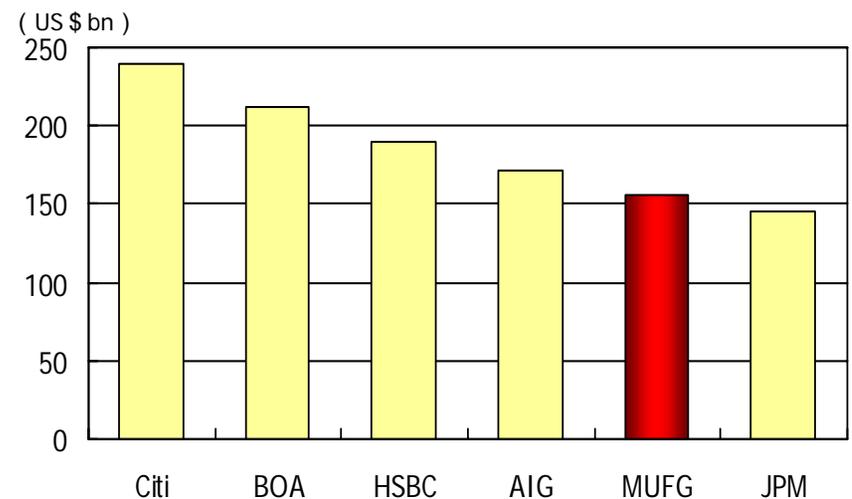


MUFG

- Marked a significant increase in profit, and improvement of the quality of assets and capital



<Global Ranking of Financial Institutions by Market Capitalization>



Note: Balance of preferred shares for Sep. 05 are that of the former UFJH

Tier 1 for Sep. 05 is the sum of MTFG and UFJ minus ¥700 bn (adjusted for the capital injection from MTFG to UFJ Bank)

Source: Bloomberg, as of March 31, 2006

Outline of Fiscal 2005 Results

Approach to Business Challenges



● **Gross profit up ¥208.0bn on FY04**

- Net interest income and net fees and commissions increased due to newly consolidated subsidiaries and strong sales of investment products, etc.

● **G&A expenses up ¥227.5bn on FY04**

- Main causes of increase were from the subsidiaries (including newly consolidated subsidiaries) and one-time integration expenses
- Expense ratio 53.3% (+ 3.5% points on FY04)
Non-consolidated expense ratio 48.0%
(+ 4.2% points on FY04)

● **Strong growth in net operating profit from customer businesses**

- Customer business operating profit share to total rose to 90%

● **Credit-related costs improved by approx. ¥1.5 tn**

- Improvement in borrowers' businesses and disposal of NPLs led to large gain on reversal of allowance for loan losses

Income statement (Consolidated, ¥bn)

	FY04	FY05	Change
1	Gross profits (after credit costs for trust accounts)		
	3,401.9	3,609.9	*1 208.0
2	Net interest income		
	1,812.3	1,857.9	45.5
3	Net fees and commissions		
	924.8	1,099.7	174.8
4	Net gains (losses) on debt securities		
	104.8	(29.4)	(134.3)
5	Net forex gains (losses)		
	221.2	341.2	120.0
6	General and administrative expenses		
	1,697.7	1,925.3	*1 227.5
7	Net business profit		
	1,716.3	1,685.5	(30.7)
8	Non-recurring gains (losses)		
	(1,607.7)	(251.3)	1,356.3
9	Ordinary profit		
	96.4	1,433.3	1,336.8
10	Net special gains (losses)		
	324.4	634.2	309.7
11	Net income		
	(216.1)	1,181.7	1,397.8
12	Credit-related costs ^{*2}		
	(1,075.5)	389.7	1,465.2
13	Credit-related costs ^{*2} (Sum of non-consolidated)		
	(970.4)	538.9	1,509.4

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

14	Net operating profit from customer businesses ^{*3} (% of total)	1,380.0 (79%)	1,567.7 (90%)	187.7 (+ 10points)
15	Fee income ^{*4} (Share of gross profits)	1,241.7 (36.4%)	1,460.8 (40.5%)	219.1 (+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).



Balance Sheet (Consolidated, ¥bn)

	End Mar. 05	End Mar. 06	Change	
1	Loans (Banking + Trust accounts)	85,003.1	86,113.1	*1 1,109.9
	Loans (Banking accounts)	83,801.0	85,763.1	1,962.0
2	Domestic corporate loans ^{*2} (Sum of non-consolidated)	53,560.7	51,381.5	(2,179.1)
3	Housing loans (Sum of non-consolidated)	18,202.2	18,244.7	42.4
4	Overseas loans ^{*3}	9,774.6	12,595.6	2,820.9
5	Investment securities	50,594.1	48,508.9	(2,085.2)
6	Deposits	118,274.4	118,988.0	713.6
7	Deposit/Lending spread (Sum of non-consolidated)	(FY04) 1.45%	(FY05) 1.36%	(0.08) points
8	FRL disclosed loans (Sum of non-consolidated)	3,008.0	1,827.4	(1,180.5)
9	NPL ratio (Sum of non-consolidated)	3.33%	2.07%	(1.26) points
10	Available-for-sale securities - Appraisal difference	1,384.9	2,953.2	1,568.3
<i>Reference</i>				
11	Equity holdings/ Tier 1 ratio ^{*4}	67%	60%	(6.4) points
12	Net deferred tax asset/ Tier 1 ratio ^{*4}	25.7%	8.3%	(17.4) points
13	BIS capital ratio (Tier 1 ratio ^{*4})	11.52% (5.91%)	12.20% (6.80%)	+0.67 points (+0.88 points)

*1 Impact of new consolidation : approx. ¥780 bn in Loans (approx. figures).

*2 Excludes loans from the group banks to the holding company(s).

*3 Loans booked in overseas branches and UnionBanCal Corporation.

*4 ¥700 bn (amount of the capital injection from MTFG to UFJ Bank) has been deducted from the sum of MTFG and UFJH Tier 1 figures for the end of Mar. 05.

- **Loans increased by ¥1.1tn from end Mar. 05**
 - Large increases in overseas loans
 - Domestic corporate loans down due to decreases in loans to large companies and borrowers with credit rating of 'close watch' or below
- **Deposits up ¥713.6bn from end Mar. 05**
- **FRL disclosed loans continued to decline**
 - NPL ratio declined to 2.07%
- **Securities appraisal gains increased (due mainly to equities) by approx. ¥1.5tn from end Mar. 05**
- **Net deferred tax assets/ Tier 1 ratio approx. 8.3%**
- **BIS capital ratio 12.2% (Tier 1 ratio 6.8%)**

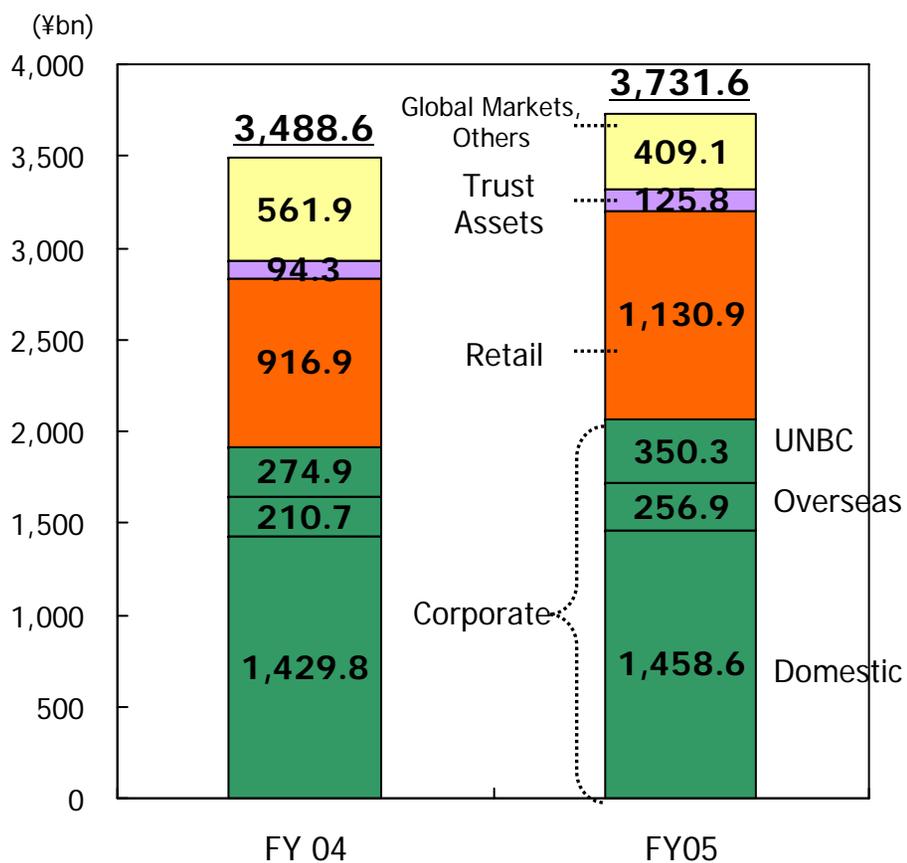
Outline of results by business segments

(Consolidated)

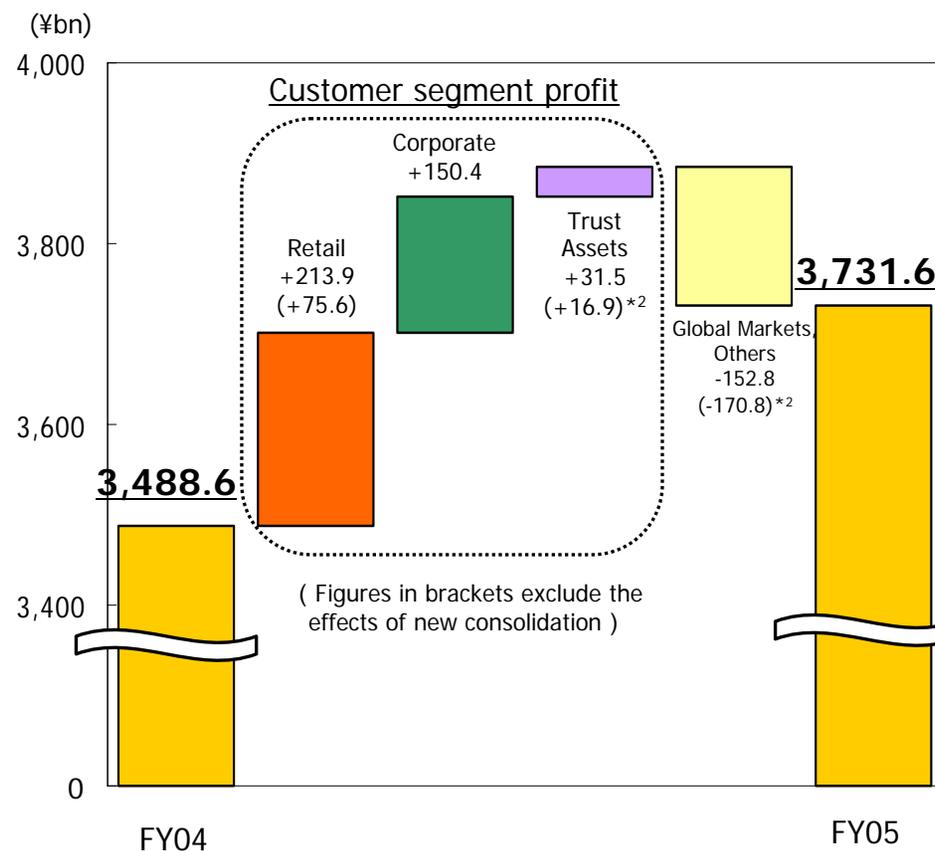


- Profits up in each customer business—Retail, Corporate and Trust Assets

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).

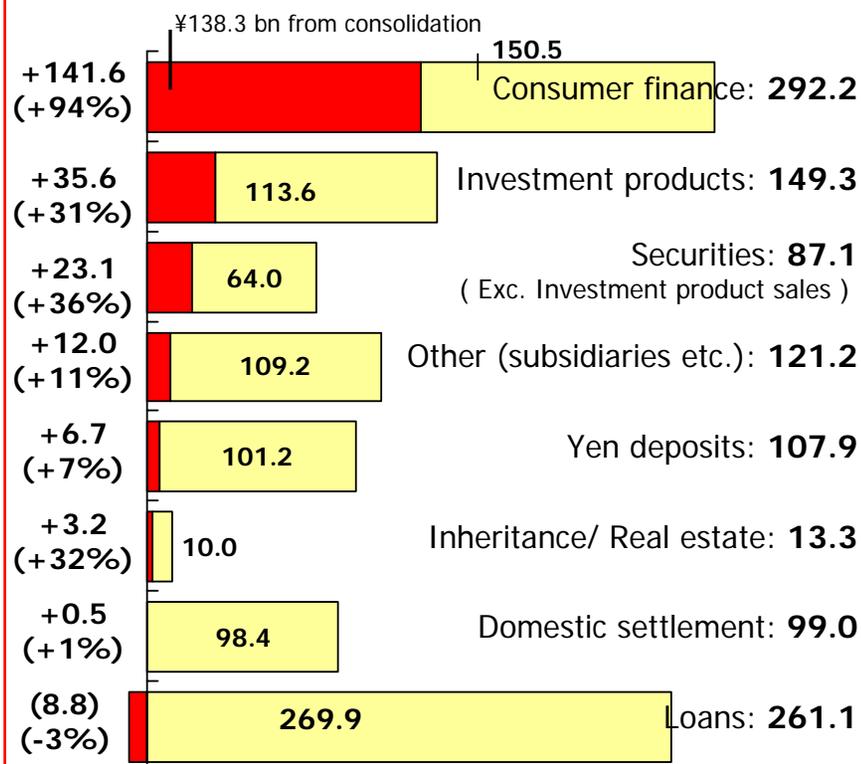
*2 Master Trust Bank of Japan is included in Trust Assets Division and Kokusai Asset Management is included in Capital Markets, Others Division.

- **Gross profits ¥1,130.9 bn, up ¥213.9 bn on FY04**
 -Strong performances from sales of investment products and securities business, UFJ NICOS consolidated from the second half

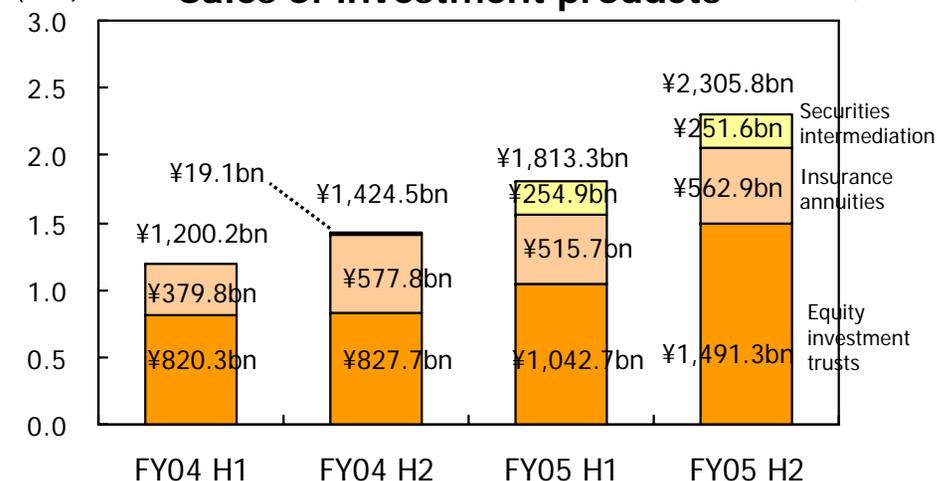
Integrated Retail Banking Business Group: Gross profits

FY05: ¥1,130.9 bn (up ¥213.9 bn on FY04)

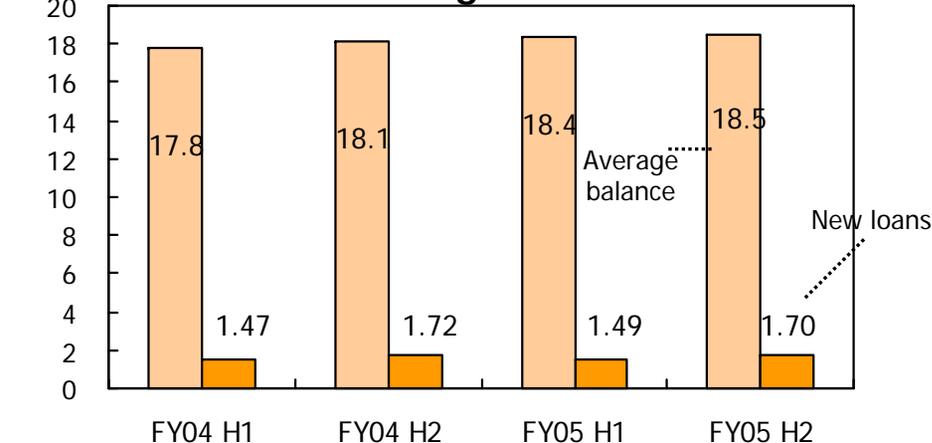
■ Change in FY05 □ FY04 results □ FY05 results



(¥tn) **Sales of investment products** (Banks + Securities company)



(¥tn) **Housing loans*1**



*1 Including construction loans for rental properties.

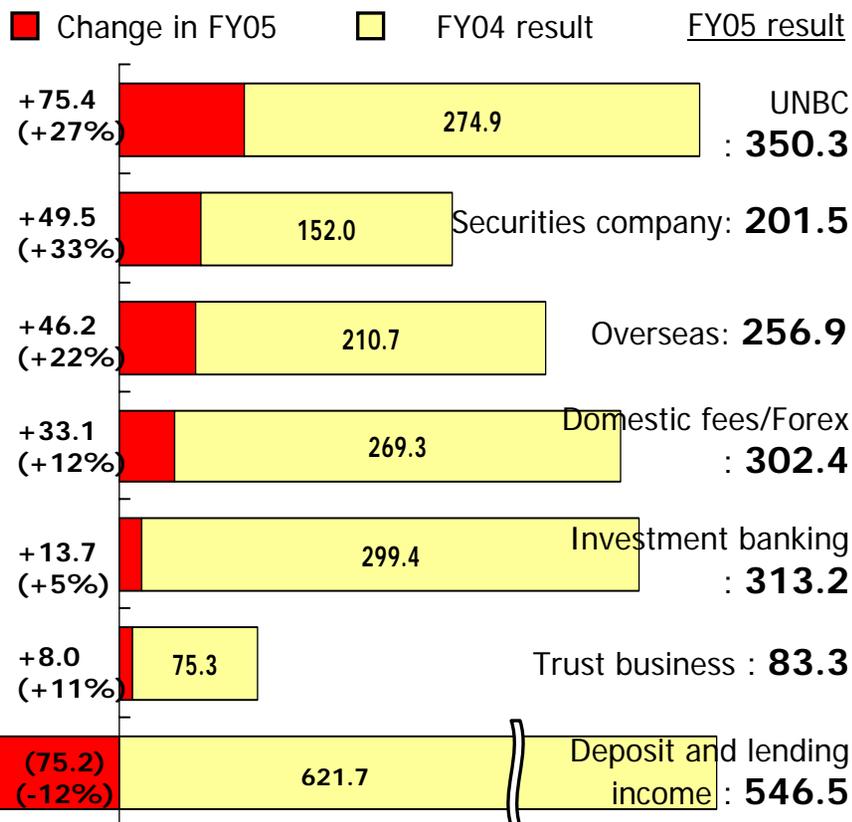


● **Gross profits ¥2,065.8 bn, up ¥150.4 bn on FY04**

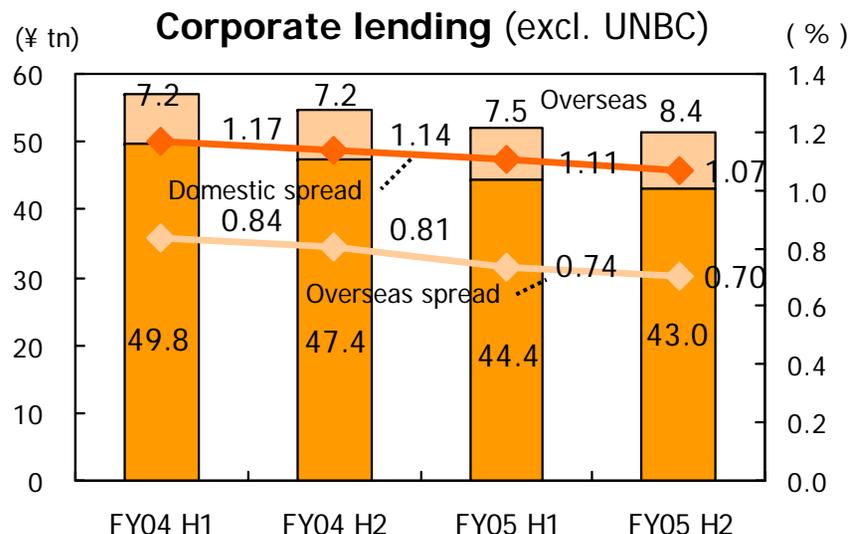
— Decline in deposit and lending income offset by rises in overseas income and fee income

**Integrated Corporate Banking Group:
Gross Profits**

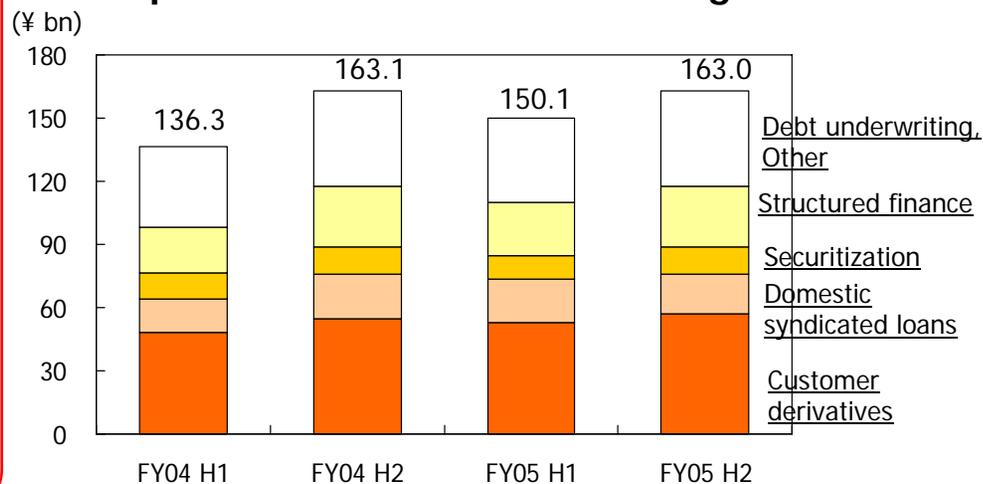
FY05 ¥2,065.8 bn (up ¥150.4 bn on FY04)



(Other businesses (including double counting): FY04 ¥12.1 bn; FY05 ¥11.8 bn)



Components of investment banking income*



* Including inter-business double counting

Trust Assets

(Consolidated)

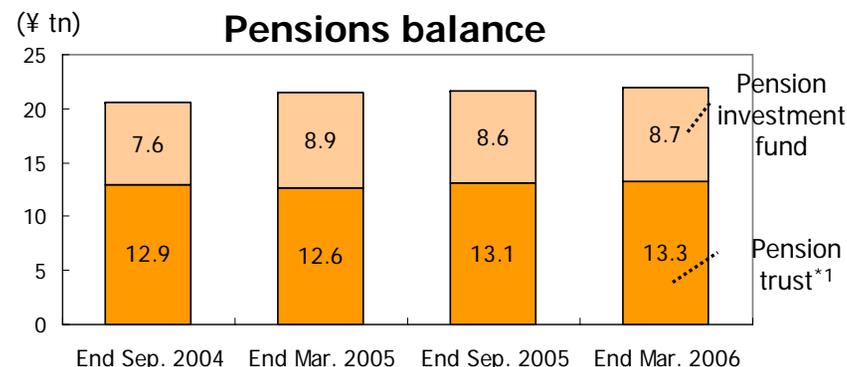
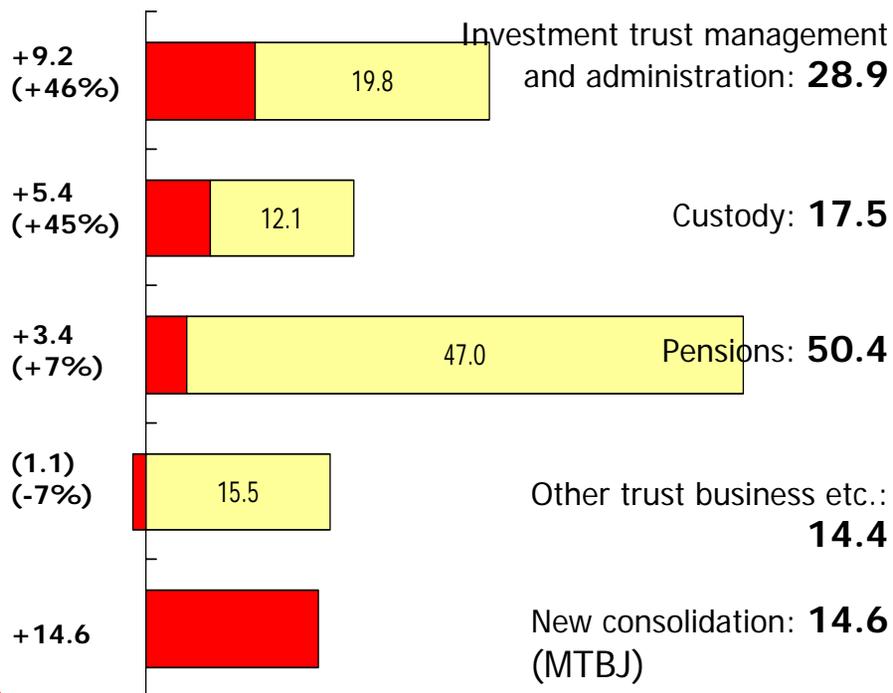


- **Gross profits ¥125.8 bn, up ¥31.5 bn on FY04**
 - Continued expansion of management and administration assets led to strong profits from investment trust management and administration

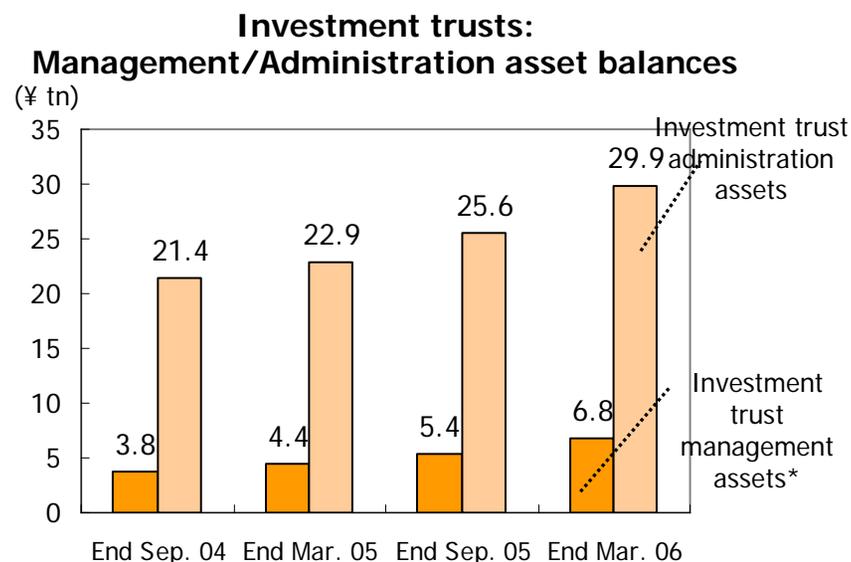
Integrated Trust Assets Business Group: Gross profit

FY05 ¥125.8 bn (up ¥31.5 bn on FY04)

■ Change in FY05 □ FY04 result FY05 result



* Including discretionary investment trust accounts.



* Excluding Kokusai Asset Management (End Mar. 2006 management balance : Bond investment trusts - ¥695.4 bn; Equity investment trusts - ¥6,014 bn)

Consolidated/Non-consolidated differences



MUFG

● Differences between consolidated and non-consolidated gross profits:

Approx. ¥1 tn (Cons./Non-cons. ratio: approx. 1.43 times)

– Consolidation of UFJ NICOS (Oct. 05), etc. has expanded the difference

(¥ bn)

	Consolidated	Sum of non-consolidated	Difference			
			MUS*	UNBC	UFJ NICOS	
Gross profit (before credit costs for trust accounts)	3,610.9	2,515.8	1,095.0	269.9	322.9	206.9
Net interest income (1)	1,857.9	1,483.5	374.3	(8.7)	220.8	114.3
Fees and commissions (2)	1,099.7	553.6	546.0	137.6	76.4	92.5
Gains/losses from investments in affiliates (Equity method) (3)	20.2	-	20.2	-	-	-

*Mitsubishi UFJ Securities

Other main factors in consolidated/non-consolidated difference

(¥ bn)

(1) Net interest income* ¹		(2) Fees and commissions* ¹		(3) Investment gains from equity method affiliates* ²	
Senshu Bank	31.5	DC Card	67.1	ACOM	6.4
DC Card	15.7	Mitsubishi UFJ Asset Management	36.7	UFJ Central Leasing	3.5
BTMU Trust	11.0	Kokusai Asset Management	17.7	kabu.com Securities	2.9
BTMU Holland	4.9	Mitsubishi UFJ Home Loan Credit	16.5	Diamond Lease	1.9
Mitsubishi UFJ Factors	4.8	Mitsubishi UFJ Real Estate Services	13.2	Chukyo Bank	1.6

*1 Approx. figures after consolidation adjustments.

*2 Equivalent amount of each company's net income based on equity holding ratio after consolidation adjustments (different from each company's own accounting figures).

Holdings of investment securities

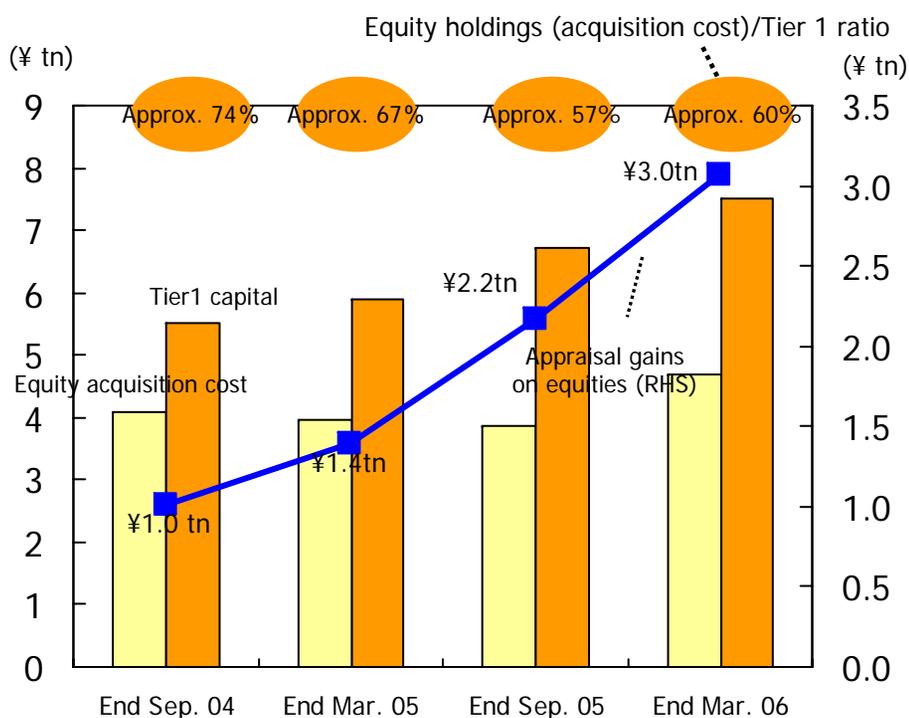
(Consolidated)



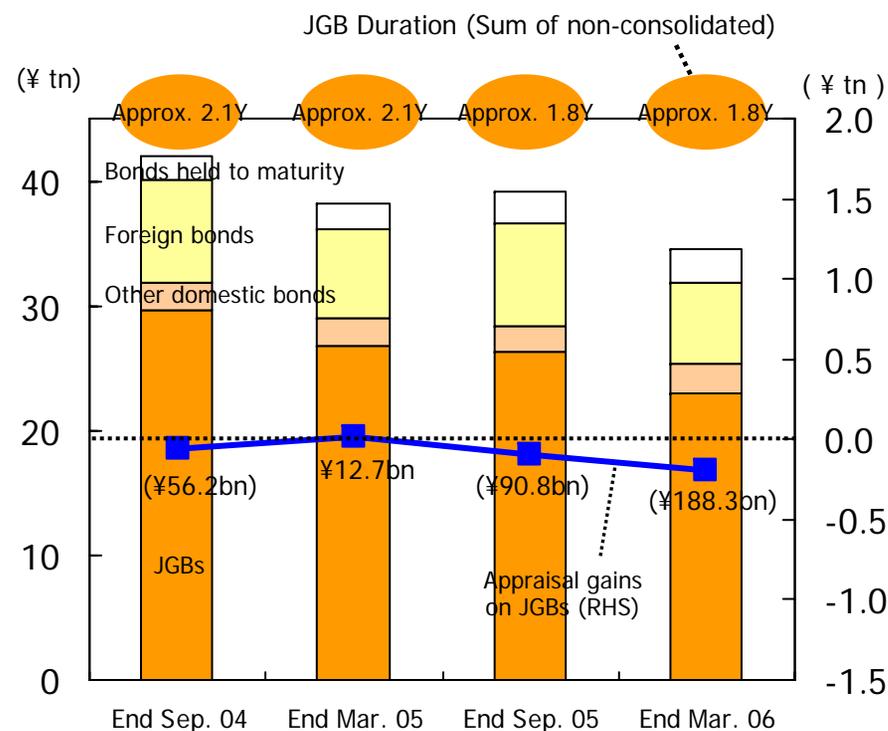
MUFG

- Large increase in appraisal gains on available-for-sale securities to approx. ¥2.9 tn (up approx. ¥1.5tn from end Mar. 05)

Equity holdings*1



Bond holdings*3



*1 Sum of domestic and foreign equities (those with a market price in available-for-sale securities).

*2 ¥700 bn (amount of the capital injection from MTFG to UFJ Bank) has been deducted from the sum of MTFG and UFJH Tier 1 figures for the end of Sep. 05 and prior periods.

*3 Balance sheet value (acquisition cost for held-to-maturity bonds; market value for available-for-sale securities).

Reference:

As of the end of Mar. 06 the balance and appraisal gains on available-for-sale securities other than equities and bonds (ie. investment trusts and others) were ¥3.25 tn and ¥181.9 bn respectively. Appraisal gains for end Sep. 05 and prior dates are simple sum of MTFG figures (period end closing prices) and UFJH figures (average daily closing prices for the last month of the period).

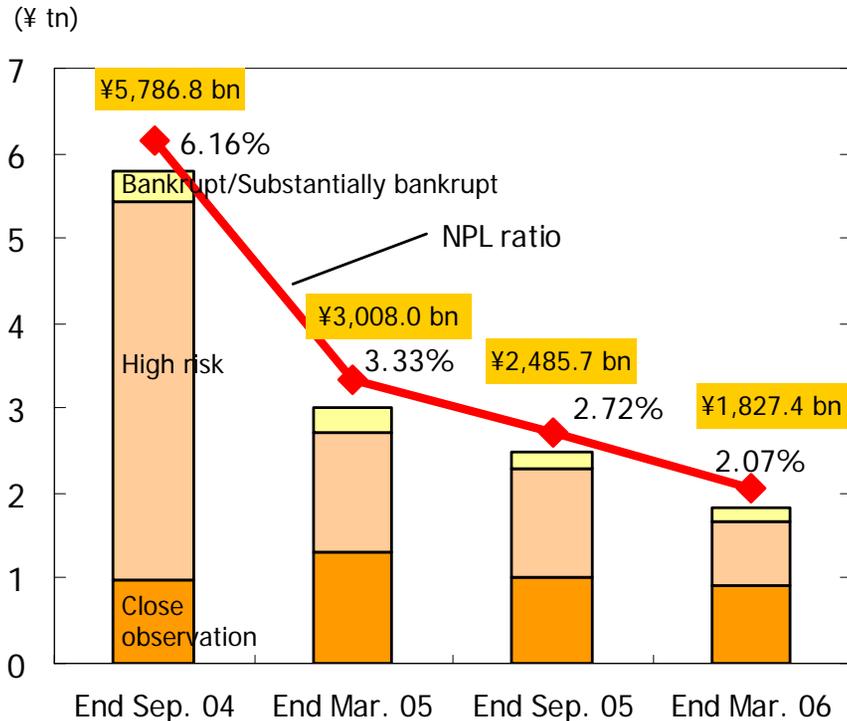
Improved quality of loan assets

(Sum of non-consolidated)

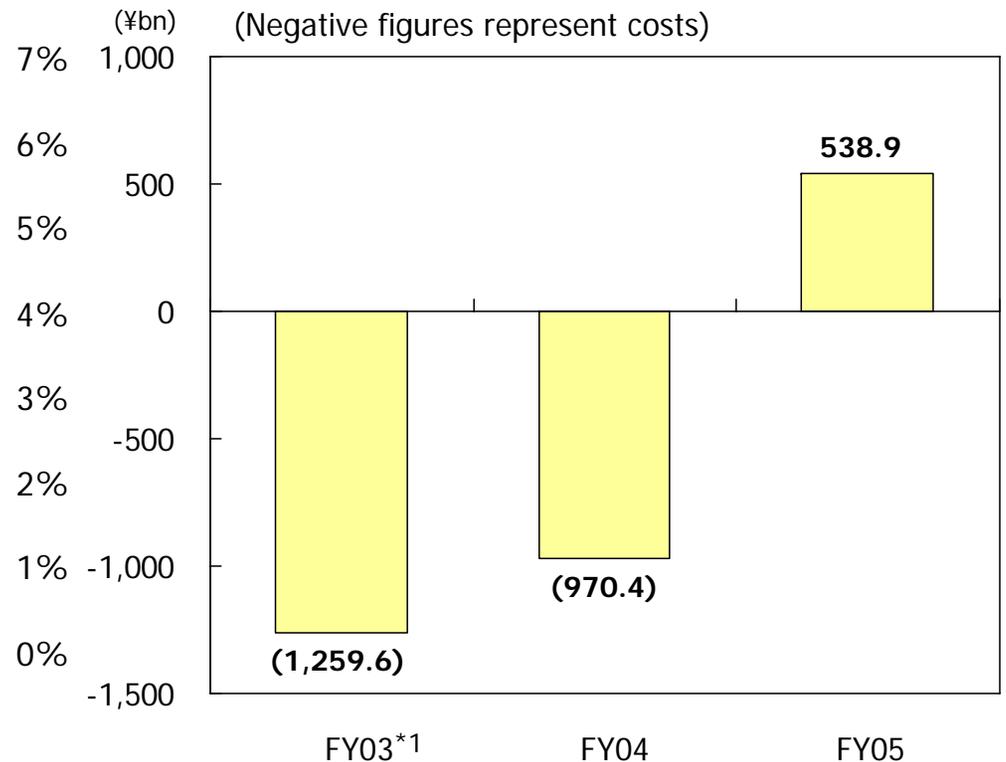


- Continued improvement in the quality of loan assets, NPL ratio declined to 2.07%
- Credit related costs showed a gain of ¥538.9 bn due to reversal of allowance for loan losses

Balance of FRL disclosed loans



Credit-related costs (sum of non-consolidated)



*1 FY03 figure is aggregated figure before adjusting inter-company transactions of the former 4 banks and subsidiaries.

Fiscal 2006 earnings forecasts

(Consolidated)



Earnings forecasts

	Interim		Fiscal 2006 full year	
		Compared to previous period*		Compared to previous period*
Ordinary income	¥2,570.0 bn	+¥54.9 bn	¥5,460.0 bn	+¥46.2 bn
Ordinary profit	¥630.0 bn	(¥106.4 bn)	¥1,430.0 bn	(¥3.3 bn)
Net income	¥340.0 bn	(¥371.8 bn)	¥750.0 bn	(¥431.8 bn)

* Including results of the former UFJH.

Forecast dividends per common share

	Forecast		
	Interim dividend (forecast)	Year-end dividend (forecast)	Annual dividend (forecast)
Dividend forecast	¥3,500	¥3,500	¥7,000

Outline of Fiscal 2005 Results

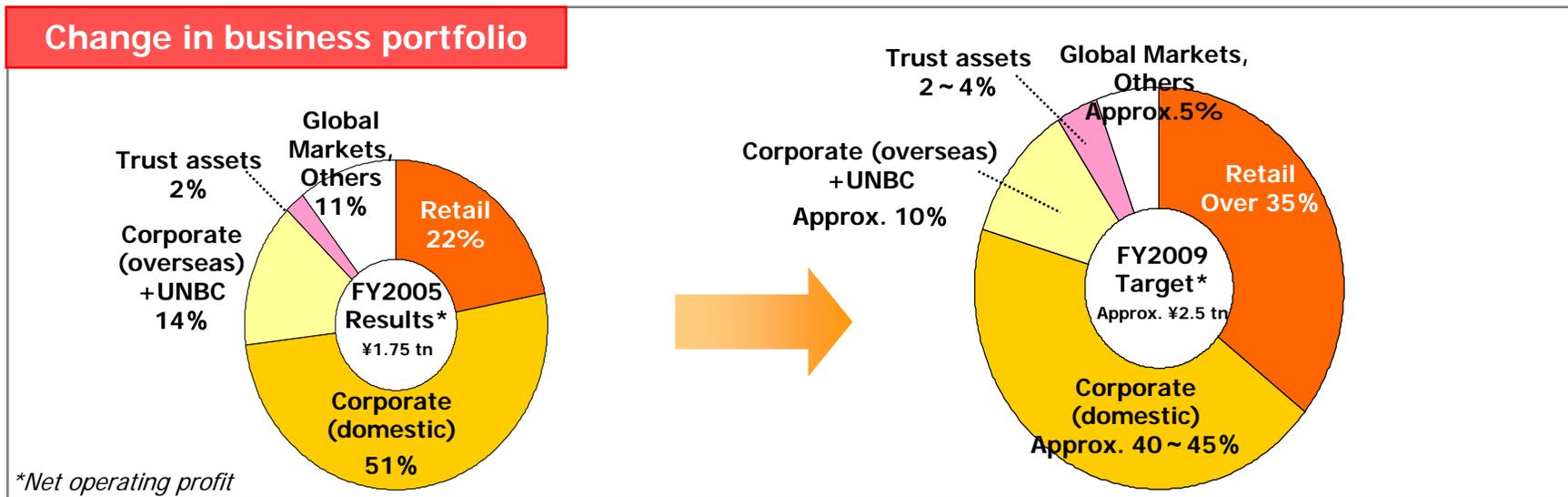
Approach to Business Challenges

- ❑ **Enhance profitability**
- ❑ **Capital strategy after repayment of public funds**
- ❑ **Smooth integration process and strengthening the business management base**
- ❑ **Improving Customer Satisfaction and implementing CSR focused management**

Increasing profitability



- Aim to grow profits in the three customer businesses, mainly retail
- Build an optimal business portfolio for sustained growth



Direction of Strategy/Revenue Drivers	Retail	Corporate	Trust assets
<p>{ Interest revenue }</p> <p>Improve profit margin through shifting of portfolio to Retail and SMEs</p>	<p>{ Revenue drivers }</p> <p>Consumer finance</p> <p>Housing loans</p>	<p>{ Revenue drivers }</p> <p>SME business</p> <p>Overseas (Asia) business</p> <p>Investment banking business</p>	<p>{ Revenue drivers }</p>
<p>{ Non-Interest revenue }</p> <p>Increase non-interest income by active expansion of solution business</p>	<p>Investment product sales</p> <p>Securities intermediation</p> <p>Testamentary trusts</p> <p>Real estate</p>	<p>Settlement business</p> <p>Securities/Real estate</p>	<p>Pensions</p> <p>Investment trust mgt & administration</p> <p>Custody /Trust assets management</p>

Key initiatives in FY 2006 – 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 400) ✓ Provide comprehensive service to meet diverse customer needs • Further develop strategic alliances in Japan and overseas and introduce sustained flow of new products and services • Major strengthening of trust business through bank/trust bank cooperation
	Consumer finance	<ul style="list-style-type: none"> • UFJ NICOS: Merge with Kyodo Credit and DC Card • Comprehensive Card: Introduce IC credit card, commence sales at former UFJ branches • Plan to launch new card loan guaranteed by ACOM
	Housing loans	<ul style="list-style-type: none"> • Introduce new value-added products such as loans including coverage for 7 major illnesses, special capped floating rate loans, etc. • Improve quality and cost structure of loan portfolio
	Internal control, staff development	<ul style="list-style-type: none"> • Place 240 internal control specialists in branches, set-up Retail business risk management division • Locate staff in branches, strengthen training system
	Channel strategy	<ul style="list-style-type: none"> • Expand private banking offices, deploy MUFG Plazas, consulting branches 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, etc. • Formulate next generation business model including baby-boomer strategy/international strategy

Key initiatives in FY 2006 — Corporate



Corporate	SME business	<ul style="list-style-type: none"> • Expand customer contact opportunities via strengthened alliances, deployment of commercial banking office sub-branches, etc. • 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 network to further expand in growth areas • Strengthen intra-Group links and cooperation to capture commercial flow business
	Investment banking business	<ul style="list-style-type: none"> • Strengthen syndicated loans, asset finance, acquisition-linked finance (M&A, LBOs/MBOs, etc.) • Expand customer base by growing small-lot business and expanding product lineup in both Japan and overseas
	Settlement business	<ul style="list-style-type: none"> • Deliver the respective strengths of each heritage bank (BTM: Forex; UFJ: Domestic settlement) to the other's customer base • Expand profits from domestic and international settlement and currency options through capturing commercial flows
	Real estate business	<ul style="list-style-type: none"> • Actively pursue a segmented customer strategy and strengthen sales promotion system • Strengthen securitization and fund business through cooperation among bank, trust bank and securities company
	Securities business	<ul style="list-style-type: none"> • Expand asset management business (secondary market business) by leveraging securities intermediation for corporates • Provide total business solutions (primary market business) covering business, capital and liabilities

Key initiatives in FY 2006 — Trust Assets

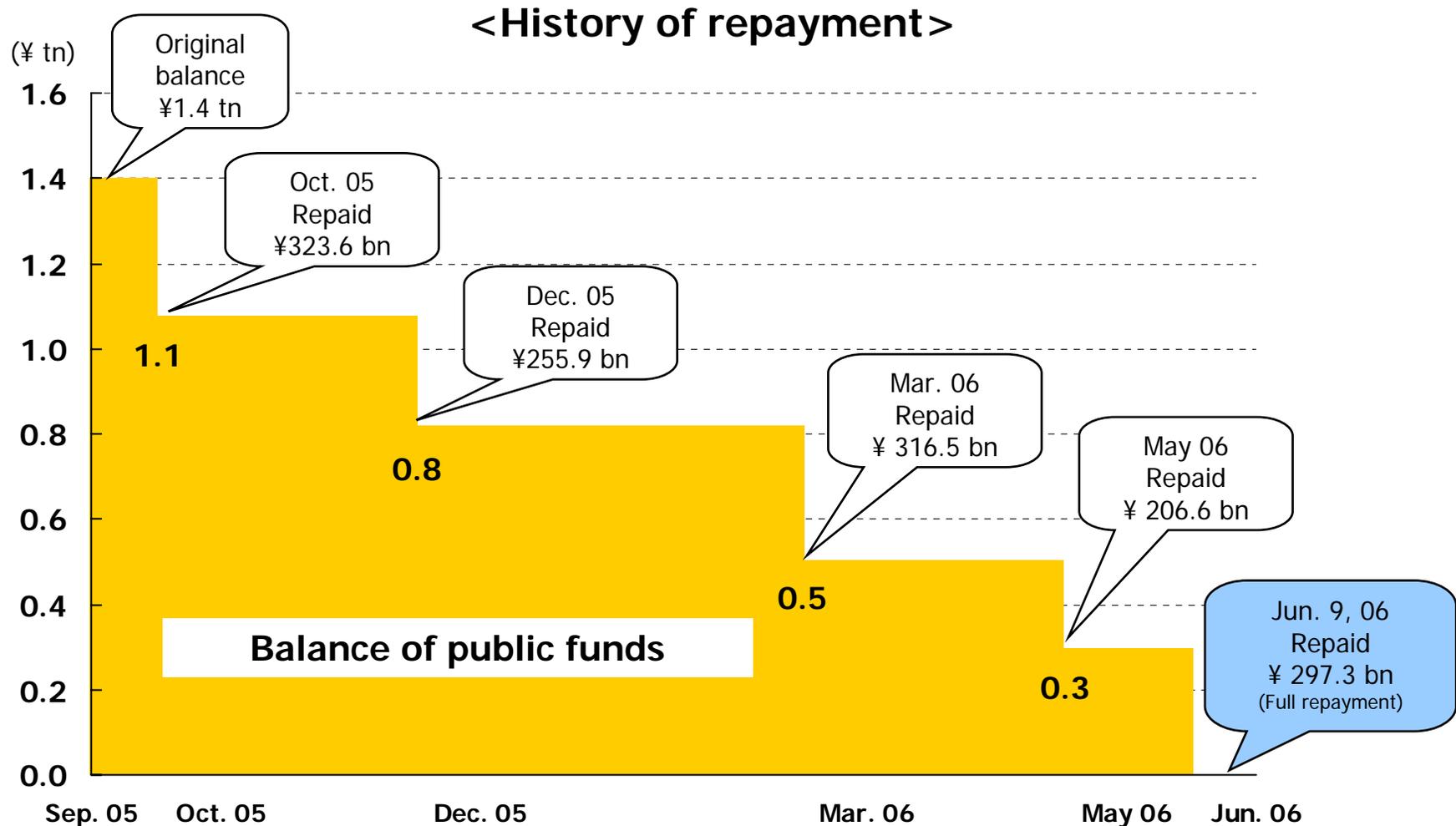


Trust Assets	Pensions	<ul style="list-style-type: none"> • Strengthen sales of non-passive investment products targeted at each customer segment • Mobilize MUFG's all-round capabilities to strengthen DC pensions business • Strengthen initiatives in SMEs pension business through bank/trust bank collaboration • Increase pension contribution and expand pension assets through consultation for enhanced pension system
	Investment trust management and administration	<ul style="list-style-type: none"> • Strengthen ties with the Group's Retail segment to promptly deliver quality products • Seek major expansion of assets through strengthening provision of products to non-Group channels (regional banks, etc.) • Leverage enhanced administration functions to win mandates from asset management companies which are affiliates of securities companies
	Custody	<ul style="list-style-type: none"> • Enhance operational efficiency through cooperation between MUFG's domestic and overseas offices • Strengthen ancillary functions such as forex and lending
	trust business other than pension, etc.	<ul style="list-style-type: none"> • Develop products and information harnessed to proposals to enhance customers' corporate value • Sale of asset management products such as privately-placed investment trusts (collaborate with MUAM and others)

Capital strategy after full repayment of public funds (1)



- Began repayment of public funds right after the merger, completed the repayment early in a smooth manner

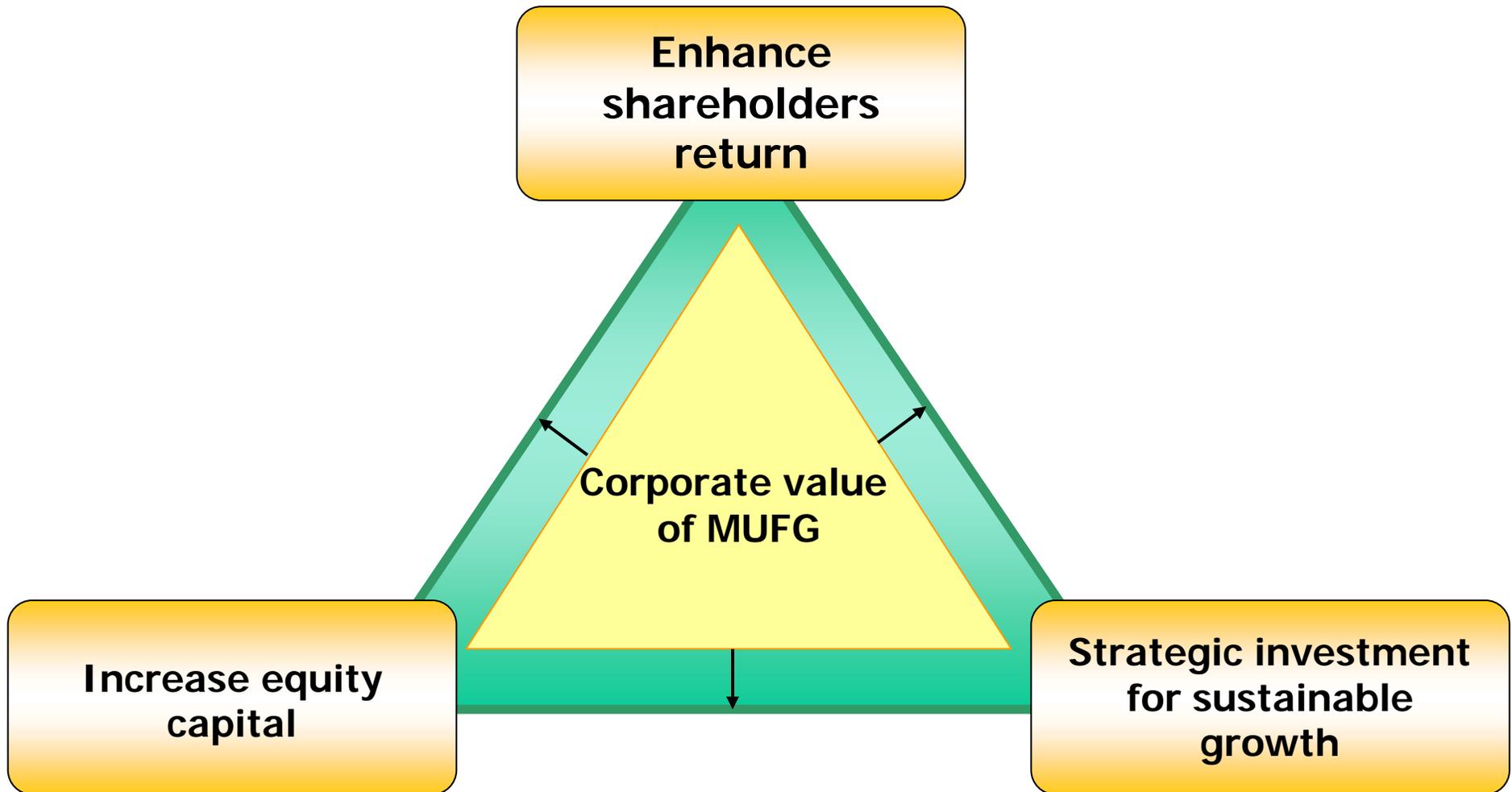


Capital strategy after full repayment of public funds (2)



MUFG

- After repayment of public funds, aim to maximize corporate value through a flexible capital strategy, while balancing “enhancing shareholders return,” “increasing equity capital,” and “strategic investment”

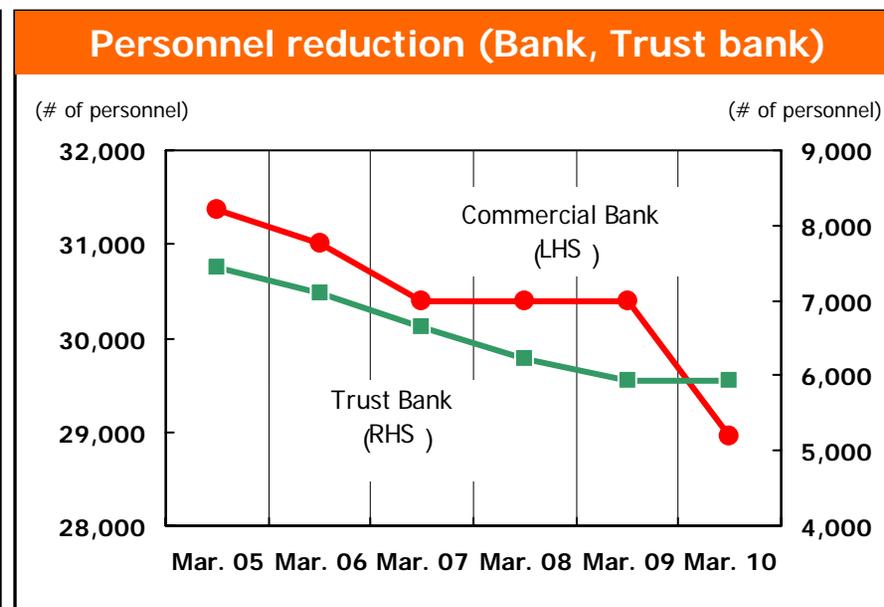
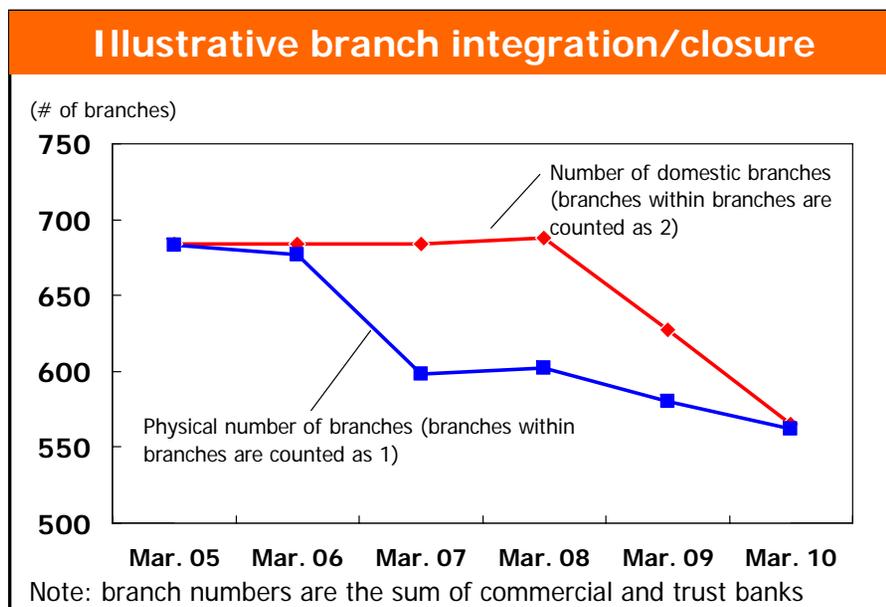


Smooth integration process/Strengthening and upgrading business management base



- **Initiate rationalization efforts for an early realization of synergies**
 - Promote the branch-within-a-branch system to facilitate branch integration/closure (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

- **Enhance management capabilities to ensure a healthy and growing mega financial group**
 - 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)



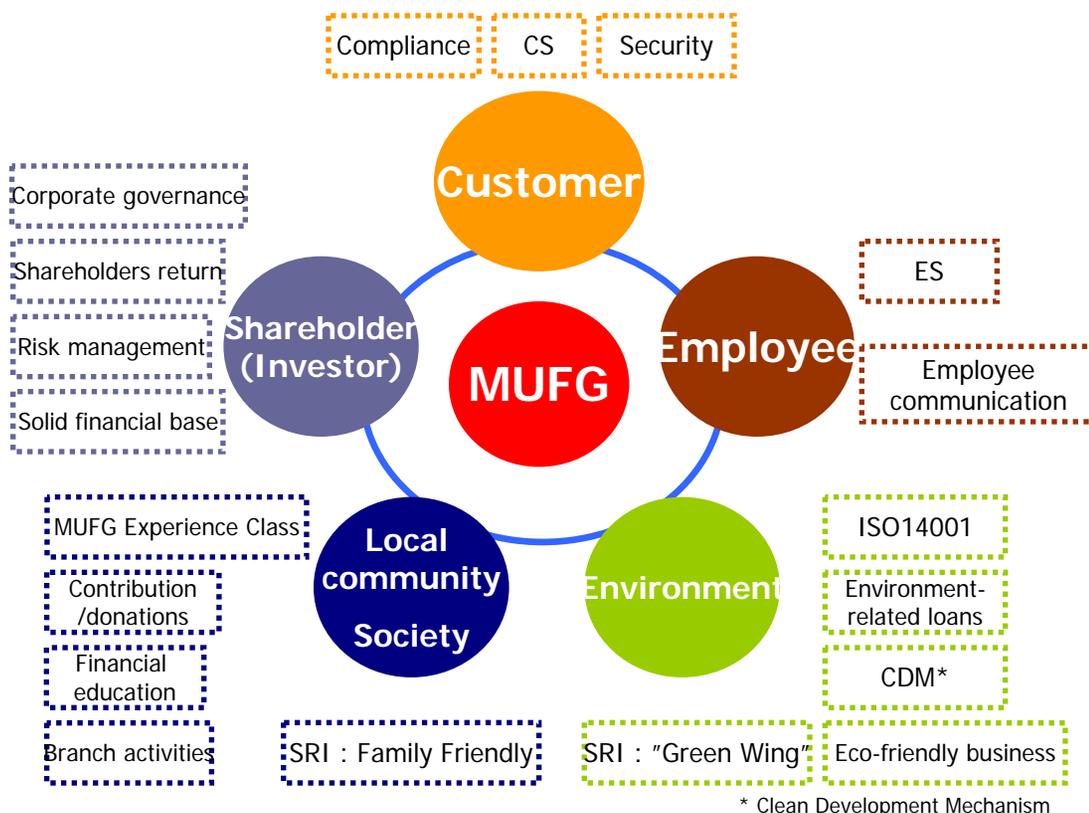
Active steps to improve customer satisfaction and CSR focused management



- **Business management that takes into consideration various stakeholders including shareholders, customers, society, and employees**
~ Implement CSR activities to gain the public's trust and confidence and to be a good corporate citizen
- **As part of CS improvements, offer money transfer service free of charge on bank interoffice and bank-trust bank transferring, to return integration benefits to customers***

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

<Business management aware of various stakeholders>



* Clean Development Mechanism

<Achievements in implementing CS improvement and CSR management>

- **CS improvement steps**
 - ✓ Received ISO 9001 quality certification for "quality" of customer service (Aug. 2005, former BTM)
 - ✓ Offered money transfer service free of charge on transfer between interoffice and bank/trust banks (May 2006)
- **CSR management commitments**
 - ✓ Signatory bank UN Environment Programme financial initiatives (May 2004)
BTMU received ISO14001 certification (Apr. 2005)
 - ✓ SRI Fund "Family Friendly" was awarded the 2005 Annual Good Design Award by the Japan Industrial Design Promotion Organization (Oct. 2005)
 - ✓ Established CSR Committee within the holding company, promote CSR activities across the group (Feb. 2006)
 - ✓ Formulated the group environmental principles and policy (Mar. 2006)
 - ✓ Undertook environment-related loans (BTMU)
Loans executed FY2005 (Oct-Mar):
Approx. ¥25 bn in 20+ loans

No.1 Service

No.1 Reliability

No.1 Global Coverage

Appendix

Financial targets (announced Feb. 06)



MUFG

- In fiscal 2009 we expect to fully realize most integration benefits and target consolidated net operating profit of approx. ¥2.5 tn and consolidated net income of approx. ¥1.1 tn.

(¥ bn)

(Consolidated)	FY 05 Results ^{*1}	FY 08 Targets	FY 09 Targets
Net operating profit	1,751.5	Approx. 2,400.0	Approx. 2,500.0
Expense ratio	53%	Mid-40%	40-45%
Net income	1,181.7	Approx. 1,000.0	Approx. 1,100.0
ROE	-	Approx. 15% ^{*2}	Approx. 15% ^{*2}

*1 Includes FY2005 (April-September) results of the former UFJ Holdings.

*2 Assuming public fund balance is the same as the end of 2005 balance (¥ 820.5 bn).

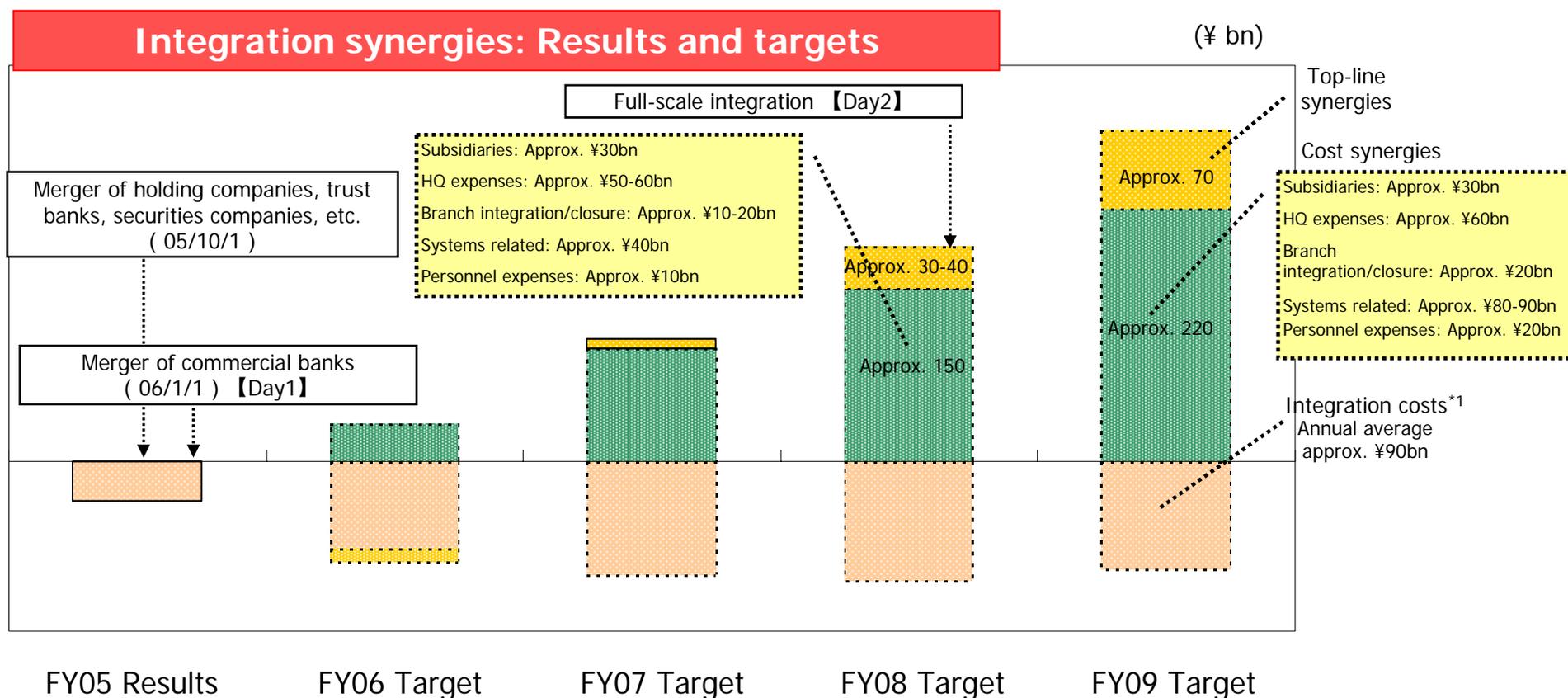
Macro-economic assumptions

	FY06	FY07	FY08	FY09
3MTibor (period average)	0.24%	0.37%	0.46%	0.48%
10 year JGB yield (period average)	1.89%	1.94%	2.07%	2.13%
US\$/Yen rate (end of period)	¥105	¥105	¥105	¥105
Real GDP growth (annual rate)	1.59%	1.49%	1.81%	2.14%

Integration synergies (announced Feb. 06)



- Aim to realize full integration synergies in FY09 (Around 50% phase in by FY08)
- Aim to achieve cost synergies of around ¥220bn in FY09; annual integration costs*1 expected to average approx. ¥90bn
- Targeting top line synergies of approx. ¥70bn in FY09



*1 Integration costs including system integration costs (write-offs), branch integration/closure costs, tax, CI, headquarters streamlining costs.

*2 In FY05 in addition to Integration costs, approx. ¥220bn of non-recurring and special losses incurred (mainly non-cash expenses including write-offs and additions to reserves).

Growth strategy (1)



- Organic growth strategy + active strategic investments and business alliances

Recent key strategic investments (including plans)

Investee	Outline of investment and timing (planned)	Current status and outlook
Japan Shareholder Services (Shareholder communications support company)	¥50 mn investment (MUTB) (Sep. 05; 50% ownership ratio)	■ Commenced operations in Oct. 05, steadily winning outsourcing mandates
Mitsubishi UFJ Merrill Lynch PB Securities	¥3 bn investment* (BTMU, MUS) (May 06; 50% ownership ratio)	■ Commenced operations in May 06, started private banking service ■ Smoothly started exchange of 25 sales staff between BTMU and J-V
Established J-V Internet settlement services company Paygent with DeNA	¥320 mn investment (BTMU) (Planned for Jun. 06; 40% ownership ratio)	■ Plan to commence service from Aug. 06
Bank of China	Investment in HK\$ equivalent to US\$ approx. 180 mn (BTMU) (Jun. 06; 0.194% ownership ratio)	■ Considering retail and corporate businesses in China
Investment and alliance with investment bank established by Mr. Joseph Perella	Planned US\$100 mn (approx. ¥11.5 bn) investment (MUS)	■ MUS and new investment bank signed a business alliance contract (May 06)
Establish mobile telephone internet bank with KDDI	Investment amount not yet decided (BTMU) (Planned for first half of FY07; planned ownership ratio 50%)	■ Set-up research company in preparation for establishment of the new bank. Subject to approval by relevant authorities aim to establish the new bank and start service in first half of FY07

* Bank of Tokyo-Mitsubishi UFJ ¥2.4 bn (40%), Mitsubishi UFJ Securities ¥0.6 bn (10%).

Growth strategy (2)



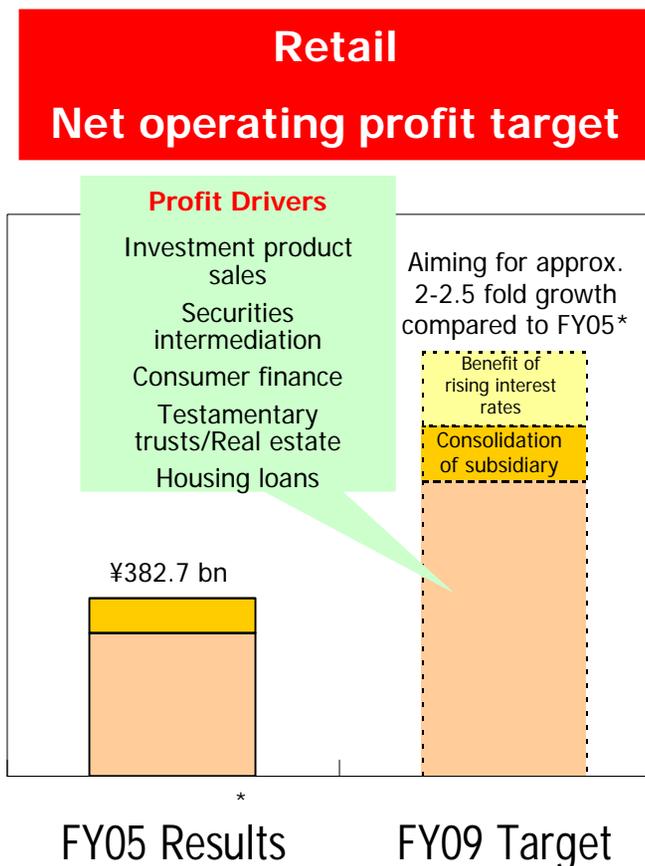
Recent key strategic business alliances (including plans)

Business area	Timing	Alliance partners	Current status and outlook
SME business	From May 05	Developing SME business through an array of alliances with companies and organizations including insurance companies (Daido Life, Aioi Insurance, AIU, Tokio Marine and Nichido Fire Insurance, etc.), regional banks (Shinwa Bank, Aomori Bank), the Agriculture, Forestry and Fisheries Finance Corporation, and other organizations (Central Federation of Societies of Commerce and Industry, Japan Federation of Smaller Enterprise Organizations, etc.)	
Comprehensive business alliance in the retail business	Nov. 05	Norinchukin (JA Bank)	<ul style="list-style-type: none"> ■ Implemented capital alliance (received investment) with Norinchukin ■ UFJ NICOS and Kyodo Credit Service agreed to merge (merger planned for Oct. 1, 06) ■ Plan to issue multi-functional IC cash/credit card with palm vein biometric recognition (plan to start in Oct. 06)
Overseas account introductory service	Feb. 06	Caisse d'Epargne Ile-de-France Paris Savings Bank	<ul style="list-style-type: none"> ■ Launched agency service to open a deposit account— 'Paris Account'— with the French bank
Contactless IC/mobile phone credit business	Mar. 06	VISA International	<ul style="list-style-type: none"> ■ Provide VISA the technology and know-how of "Smartplus" developed by UFJ NICOS without compensation ■ Plan to commence VISA specification contactless IC/mobile phone credit service based on <i>Smartplus scheme</i> (first half of fiscal 06)
Business for seniors	Jun. 06	JR East	<ul style="list-style-type: none"> ■ Provide financial services from BTMU, MUTB and MUS to members of JR East's "Holiday for Adults Club" which has approx. 370 thousand members (plan to start in Sep. 06)

Segmental strategy - Retail



- Aim to build a global top-five standard business base in both quality and scale by strengthening tie-ups inside and outside the Group, using strategic alliances, etc.
- Aim to realize both customer satisfaction and maximization of group profit. Provide global-standard comprehensive services, enhance internal control system and work to achieve customer and employee satisfaction and fulfill our corporate social responsibility.



Key points of Retail segment medium-term plan

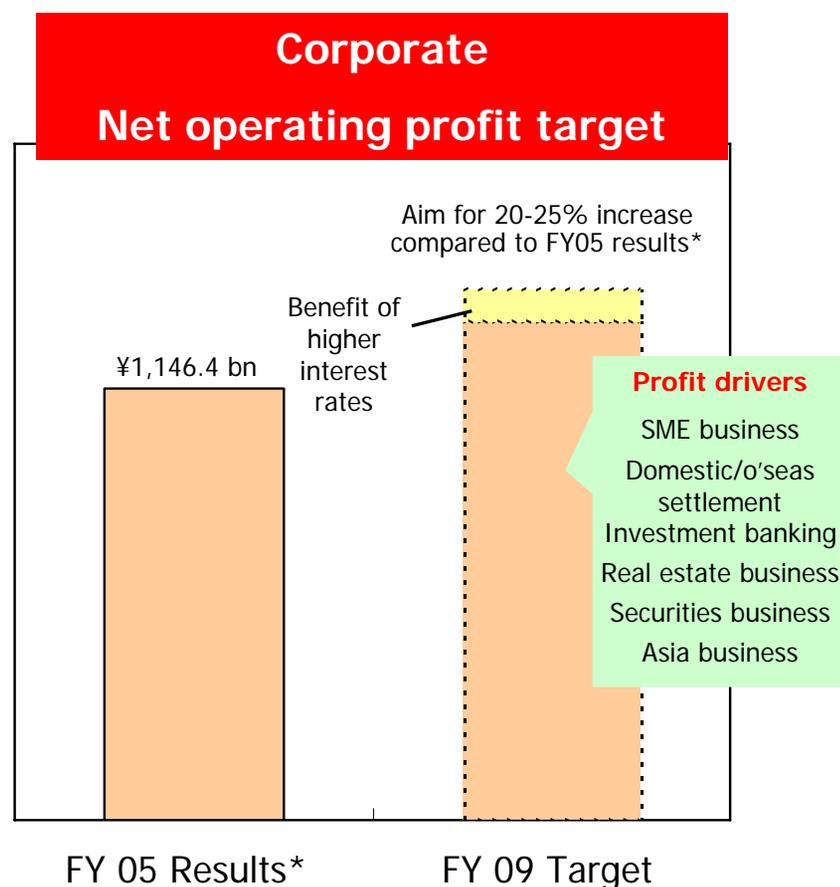
- (1) Further promote cooperation and partnership with companies inside and outside the Group; Expand business by strengthening comprehensive services (Banking/trust/securities, private banking, consumer finance)**
 - ✓ Aim to further strengthen partnership within the Group and significantly increase profit from investment product sales
 - ✓ Aim to be top-class in the retail securities field
 - ✓ Use strategic partnerships with top players outside the Group and the agency system to expand comprehensive services and create new profitable businesses
- (2) Strategic resource allocation and thorough internal control**
 - ✓ Significantly strengthen sales capability by increasing business promotion staff and raising skill level via the Retail Academy. Strategic deployment of staff from securities company to commercial bank
 - ✓ Fully comply with the Financial Instruments and Exchange Law, fundamentally strengthen branch and headquarters' internal control systems and develop as a highly-trusted business
- (3) Build new business models for sustainable long-term growth**
 - ✓ Develop new-generation business models, such as Internet strategy, international strategy and baby boomer strategy
- (4) Focus on customer and employee satisfaction and CSR**
 - ✓ Develop as a business that encourages customers to keep coming back: Combine high user-friendliness and low fees; Pursue co-existence and co-prosperity with the community; Achieve high customer and employee satisfaction.

* Includes FY05 (Apr.-Sep.) results for the former UFJ Holdings.

Segmental strategy - Corporate



- Maximize consolidated profits by pursuing specific strategies with each customer segment and strengthening our combined Banking/Trust/Securities/Global business approach



* Includes FY05 (Apr.-Sep.) results for the former UFJ Holdings.

Key points of Corporate segment medium-term plan

(1) Pursue customer segment strategies

[Large corporations]

- ✓ Change profit structure by strengthening investment banking business and deliver comprehensive solutions through group cooperation

[Medium-sized corporations]

- ✓ Pursue main bank relations and expand customer base through strategy by area, Promote securities, real estate and settlement business, Strengthen asset management business (incl. corporate owners)

[Small corporations]

- ✓ Grow customer base by expanding channels (Agency strategy, alliances with regional banks, etc.) and launching new products

(2) Strengthen the combined Banking/Trust/Securities/Global business approach

- ✓ Strengthen cooperation in market consultation business, Securities intermediation, Fund business, Real estate business and links between Japan and overseas operations
- ✓ Leverage global network to grow domestic and overseas settlement business, strengthen Asia business by capturing commercial flow
- ✓ Strengthen investment banking business such as non-recourse finance, etc

(3) Rapidly realize integration synergies

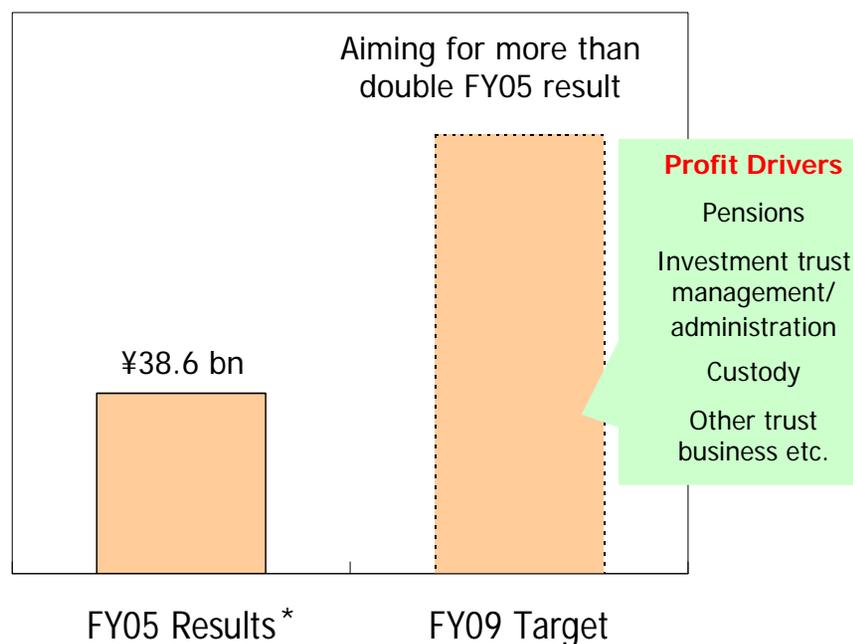
- ✓ Shift personnel to strategic areas by reducing work duplication

Segmental strategy - Trust Assets



- Provide full-line service in asset management/administration, aiming to be the top trustee in both quality and quantity

Trust Assets Net operating profit target



* Includes FY05 (Apr.-Sep.) results for the former UFJ Holdings.

Key points of Trust Assets segment medium-term plan

(1) Pensions: Prompt provision of sophisticated asset management services, etc.

- ✓ Expand non-passive investment products by promoting strategies by customer segment (defined benefit pensions)
- ✓ Improve capabilities by focused investment of resources in rapidly expanding markets (defined contribution pensions)

(2) Investment trust management/administration: Secure the benefits of market expansion

- ✓ Increase management assets by expanding product lineups/enhancing sales through non-group channels
- ✓ Expand administration assets by responding flexibly to new schemes and strengthening consulting about investment trust administration

(3) Custody: Increase assets and raise added value

- ✓ Strengthen foreign exchange and lending functions
- ✓ Increase involvement in services with high added value components such as risk management

(4) Other trust business etc.

- ✓ Respond to diverse needs, using pension management expertise and partnerships with companies outside the Group