
Mitsubishi UFJ Financial Group

Presentation

July 2007

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	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 - Decenber) + 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).

Outline of MUFG

- Global position of MUFG 5
- Comparison with other Japanese financial groups 6
- Strengths of MUFG 7
- Group Network 8
- Comprehensive Group strengths 9

Outline of Fiscal 2006 results

- Key points of FY 2006 results 11
- FY 2006 Summary (P/L) 12
- FY 2006 Summary (B/S) 13
- Deposit and lending rates 14
- Outline of results by business segments 15
- Retail 16
- Corporate 17
- Trust Assets 18
- Capital 19
- FY2007 earnings/dividend forecasts 20

Achieving our medium-term plan targets

- Financial targets 22
- Building an optimal business portfolio 23
- Key points of medium-term business plan 24
- Growth strategy
 - (1) Strengthen sales aimed at overall customer assets 25
 - (2) Consumer finance 26
 - (3) Internet strategy 27
 - (4) Developing the CIB model 28
 - (5) Overseas strategy 29
- Capital policy 30
- Enhance shareholder returns 31
- Completion of Day 2 integration 32
- Key points of enhanced compliance framework 33
- Group compliance framework 34

Outline of MUFG

Outline of Fiscal 2006 Results

Achieving our medium-term plan targets

Global position of MUFG



Market capitalization

As of the end of June 2007

		\$ bn
1	Citigroup	253
2	Bank of America	216
3	HSBC	215
4	Industrial and Commercial Bank of China	211
5	JPMorgan Chase	165
6	Bank of China	154
7	China Construction Bank	154
8	UBS	126
9	Royal Bank of Scotland	120
10	MUFG	119

Total Assets

As of the end of December 2006

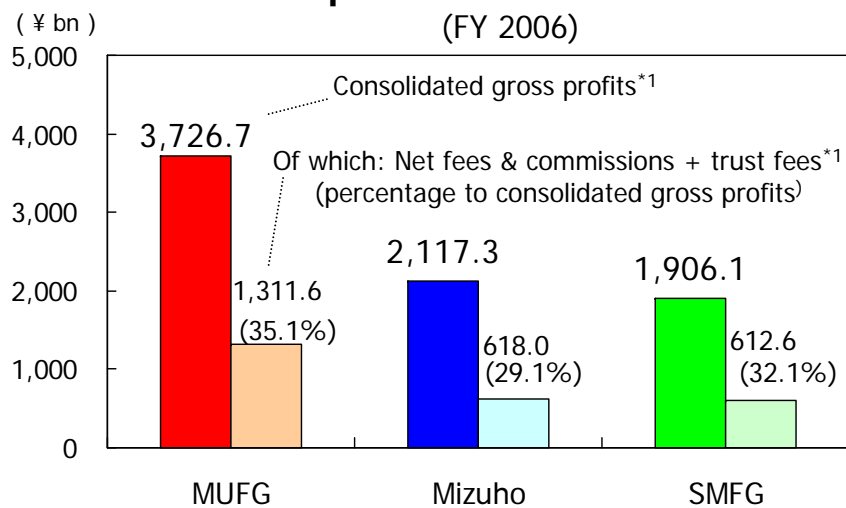
		\$ tn
1	UBS	1.96
2	Barclays	1.95
3	BNP Paribas	1.89
4	Citigroup	1.88
5	HSBC	1.86
6	Royal Bank of Scotland	1.70
7	Credit Agricole	1.66
8	ING	1.61
9	MUFG	1.60

Source : Bloomberg

Comparison with other Japanese financial groups

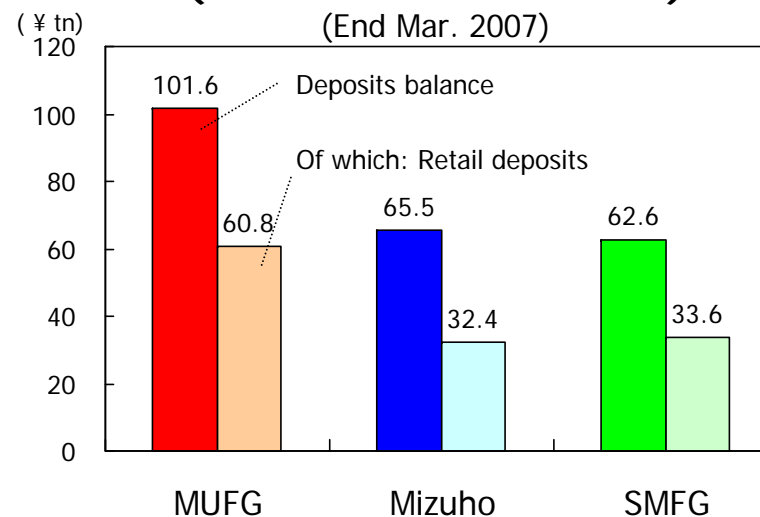


Gross profits/ Fees + Trust fees

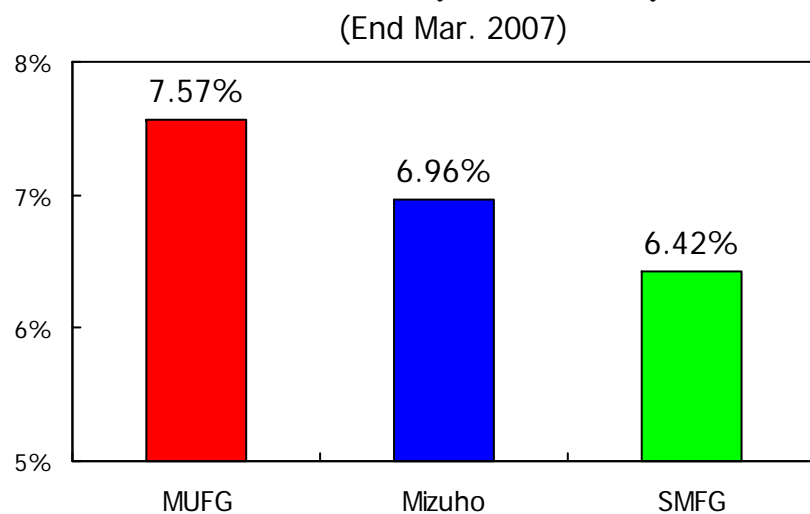


*1 Before credit costs for trust accounts

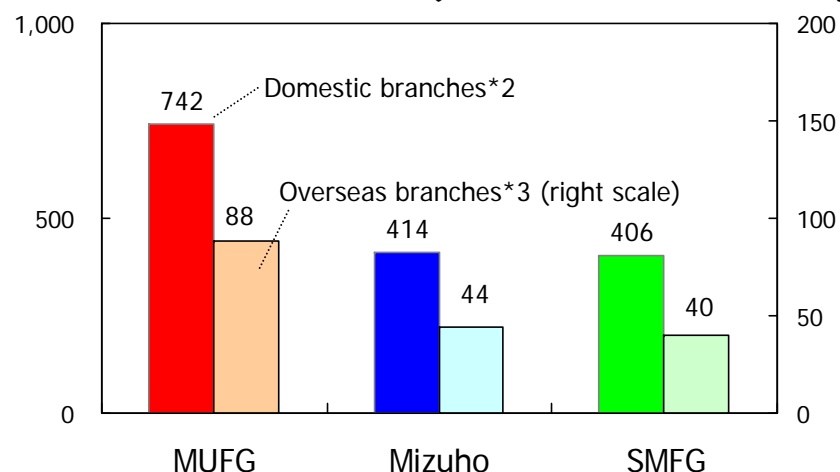
Domestic deposits balance (sum of non-consolidated)



Tier 1 ratio (Consolidated)



Number of branches (sum of non-consolidated)



*2 Sum of BTMU and MUTB (as of end Mar. 07, not including sub-branches and agencies)

*3 Total of branches, sub-branches, representative offices and subsidiaries (as of end Jun. 06, Figures for MUFG are figures for BTMU)

Mitsubishi UFJ Financial Group (MUFG)



Strengths of MTFG

- Branch network in Tokyo metropolitan area and overseas
- Business with large companies and overseas business
- Business with high net worth individuals
- Healthy financial base
- First Japanese bank listed in New York



Strengths of UFJ

- Chubu and Kansai regional network
- Business with SMEs
- Business with mass retail clients

*1 As of the end of Mar. 07, sum of bank, trust bank, securities company and UBOC. (Not including internet branches and agents)

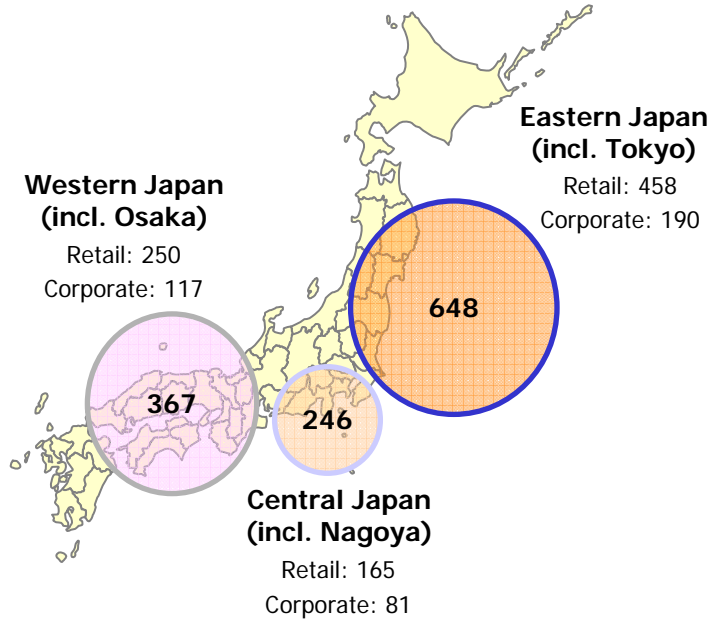
*2 As of the end of Mar. 07

Group Network



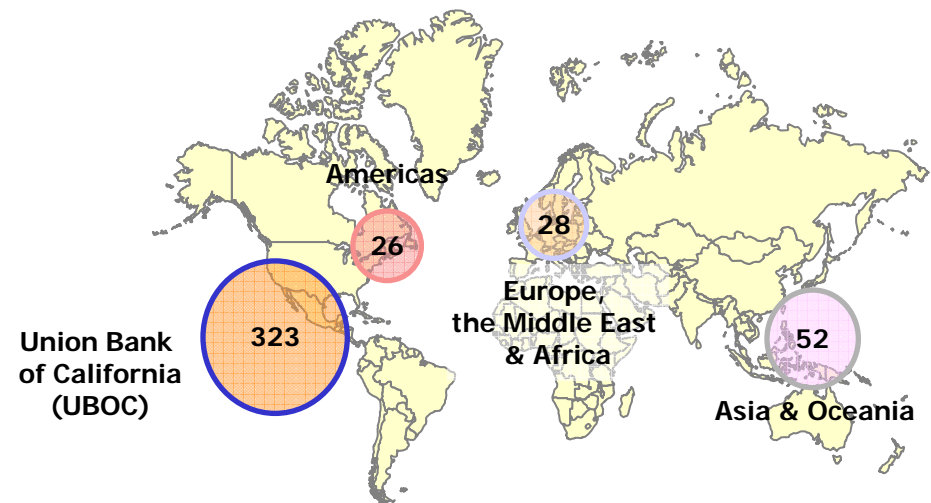
- No.1 domestic and overseas branch network among Japanese banks

Domestic branches⁽¹⁾



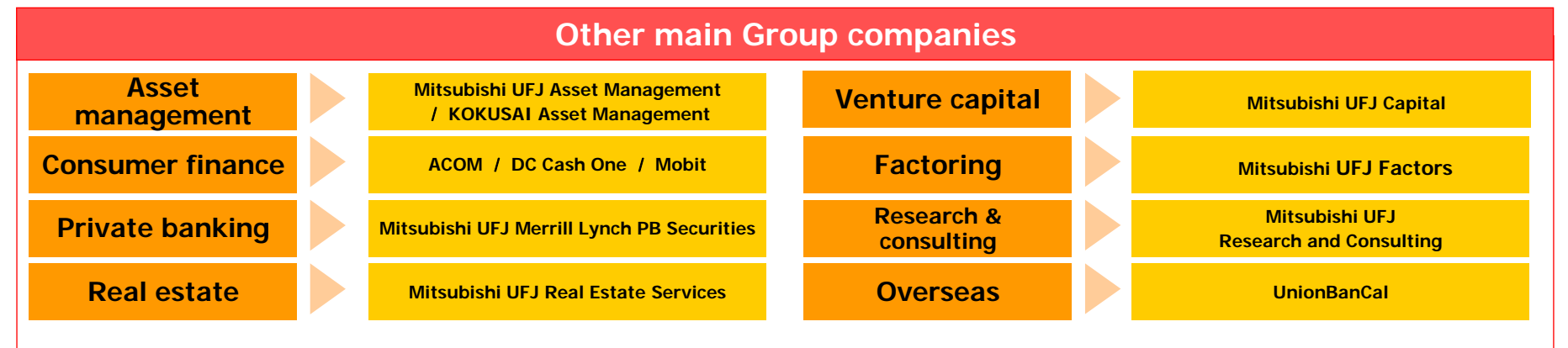
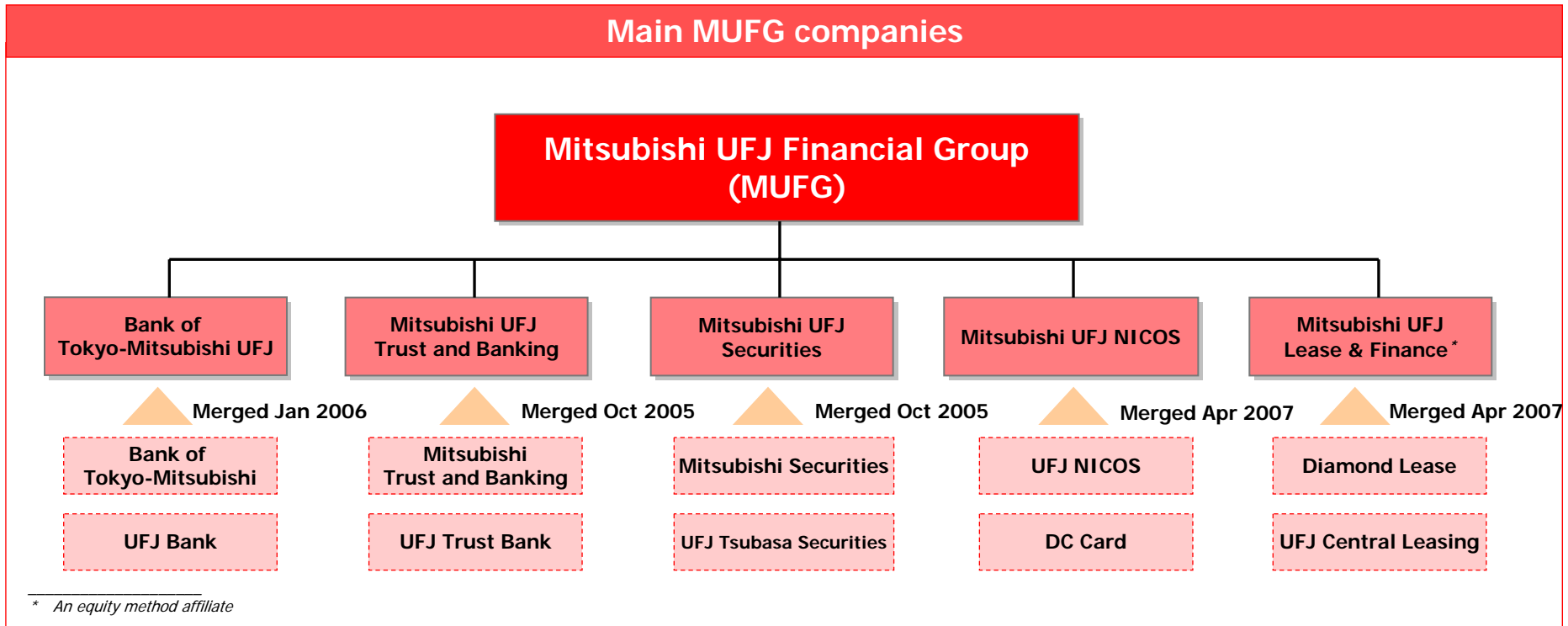
ATMs (in convenience stores): approx. 23,000
 Stand alone ATM locations: approx. 2,000

Number of subsidiaries, branches, agents and offices⁽¹⁾



(1) Figures are aggregate figures of Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking and Mitsubishi UFJ Securities as of the end of Mar. 07

Comprehensive Group strengths



Outline of MUFG

Outline of Fiscal 2006 Results

Achieving our medium-term plan targets

- **Net income exceeded forecast, despite some negative factors**
- **Deposit/lending spread on a clear expanding trend following the ending of zero interest rate policy**
- **Continued steady growth in overall customer asset balance, benefiting from the shift from savings to investments**
- **Implementing steady dividend increases, in line with announced policy**



Income statement (Consolidated, ¥bn)

	FY05	FY06	Change
1 Gross profits (before credit costs for trust accounts)	3,610.9	3,726.7	*1 115.8
2 Net interest income	1,857.9	1,904.4	46.5
3 Net fees and commissions	1,099.7	1,158.6	58.9
4 Net gains (losses) on debt securities	(29.4)	(18.8)	10.6
5 General and administrative expenses	1,925.3	2,074.0	*1 148.7
6 Net business profit	1,685.5	1,652.7	(32.8)
7 Non-recurring gains (losses)	(251.3)	(195.5)	55.7
8 Ordinary profit	1,433.3	1,457.0	23.7
9 Net special gains (losses)	634.2	51.6	(582.6)
10 Net income	1,181.7	880.9	(300.7)
11 Credit-related costs ^{*2}	389.7	(186.9)	(576.6)
12 Credit-related costs ^{*2} (Sum of non-consolidated)	531.7	(40.4)	(572.2)

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)	1,587.7 (91%)	1,552.0 (95%)	(35.7) (+ 4points)
14 Fee income ^{*4} (Share of gross profits)	1,491.0 (41.3%)	1,563.0 (41.9%)	72.0 (+0.6points)
15 EPS (thousands of yen) ^{*5}	93.2	86.7	(6.5)
16 ROE ^{*5 *6}	16.58%	14.97%	(-1.6 points)

*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 jointly operated money trust fees) +customer derivative income (managements account basis) + forex profit (managements account basis).

*5 FY05 figure does not include FY05 H1 results of former UFJH

*6 Denominator of ROE does not include land revaluation excess and unrealized gains on securities available for sale.

- **Gross profits up ¥115.8bn on FY05**
 - Gross profits increased driven by strong performance of overseas business, investment trust related businesses and new consolidation of subsidiaries
- **G&A expenses up ¥148.7 bn on FY05**
 - Main causes of increase were higher subsidiaries' expenses (inc. new consolidation) and one-time integration costs
 - Expense ratio 55.7% (+2.3 points on FY05)
Non-consolidated expense ratio 51.6% (+4.3 points on FY05)
- **Net income ¥880.9 bn**
- **Credit related costs showed an expense of ¥186.9 bn**
 - Reversal of allowances for loan losses decreased significantly compared to FY05
- **Customer businesses share of total net operating profit increased to 95%**

Balance Sheet (Consolidated, ¥bn)

- **Loan balance decreased by ¥0.9 tn from end Mar. 06**
 - Housing loan down due to securitization
 - Overseas lending steadily increased
- **Deposit balance flat from end Mar. 06**
 - Individual deposits continued to grow
 - Corporate deposits declined along with rise in interest rates
- **NPLs declined from end Mar. 06**
 - NPL ratio declined to 1.46%
- **Appraisal gains on available-for-sale securities increased by ¥0.4 tn (mainly equities)**
- **BIS ratio 12.54% on Basel II basis (Tier 1 ratio 7.57%)**
- **Deferred tax assets/Tier 1 ratio declined to 0.8%**

	End Mar. 06	End Mar. 07	Change	
1	Loans (Banking + Trust accounts)	86,113.1	85,150.7	(962.4)
	Loans (Banking accounts)	[85,763.1]	[84,831.9]	[(931.1)]
2	Domestic corporate loans ^{*1,2}	51,382.6	49,417.2	^{*3} (1,965.3)
3	Housing loans ^{*2}	18,244.7	17,190.1	(1,054.5)
4	Overseas loans ^{*4}	12,595.8	14,527.7	1,931.8
5	Investment securities (Banking accounts)	48,508.9	48,207.6	(301.3)
6	Deposits	118,988.0	118,708.6	(279.4)
7	Individual deposits (domestic branch)	60,217.8	60,858.3	640.5
8	Deposit/Lending spread (Sum of non-consolidated)	(FY05) 1.36%	(FY06) 1.36%	(0.00) points
9	FRL disclosed loans ^{*2}	1,825.9	1,325.8	(500.0)
10	NPL ratio ^{*2}	2.07%	1.46%	(0.60) points
11	Available-for-sale securities - Appraisal difference	2,953.2	3,384.2	430.9

Reference

12	BIS capital ratio ^{*5} (Tier 1 ratio)	12.20% (6.80%)	12.54% (7.57%)	+0.34 points (+0.77 points)
13	Equity holdings/ Tier 1 ratio	60%	56%	(4.5) points
14	Net deferred tax asset/ Tier 1 ratio	8.3%	0.8%	(7.4) points

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

*2 Sum of non-consolidated + trust accounts

*3 Loan securitization (FY06) : approx. ¥1.6 tn

*4 Loans booked in overseas branches and UnionBanCal Corporation.

*5 End Mar. 06 figure were calculated based on the former standards, and that as of End Mar. 07 was calculated based on the Basel II Standards.

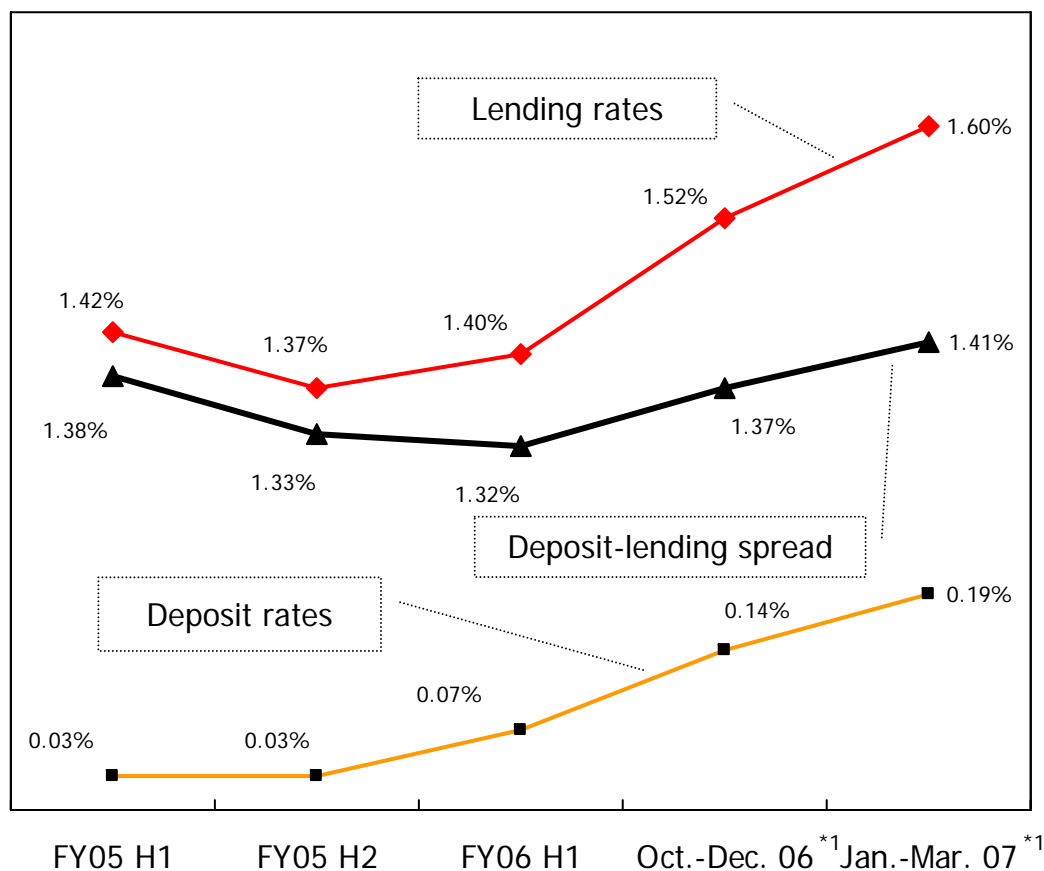
Deposit and lending rates

(Non-consolidated)



- Deposit-lending spread improving clearly following the ending of zero interest rate policy

**Changes in deposit and lending rates
(sum of non-consolidated basis)**



*1 Oct.-Dec. 06 and Jan.-Mar. 07 figures are estimation.

Recent interest rate changes

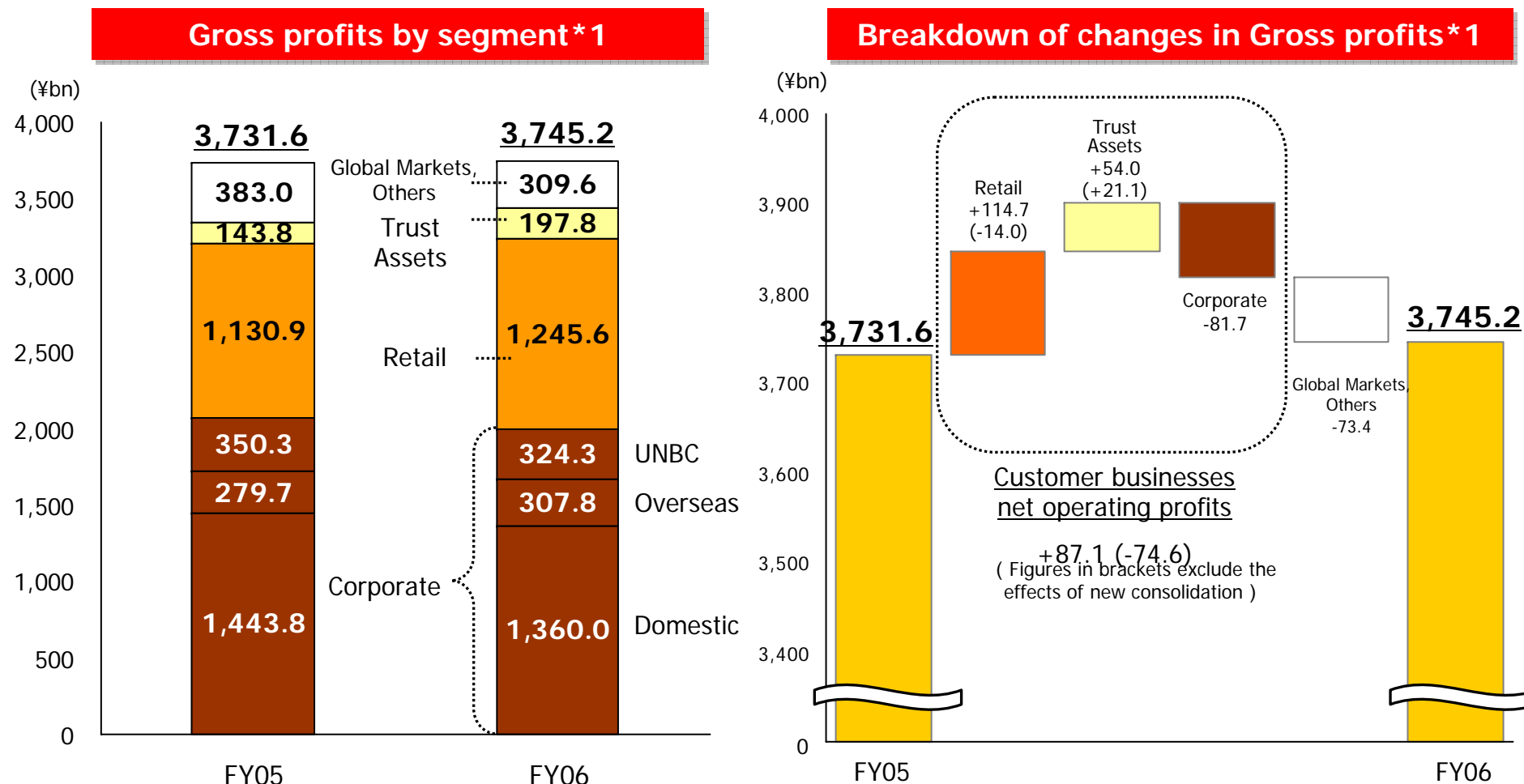
- July 18, 2006
Ordinary deposit rate
0.001% ⇒ 0.100%
- Aug. 10, 2006
Short-term prime rate
1.375% ⇒ 1.625%
- Oct. 1, 2006
Variable mortgage rate of new loans
2.375% ⇒ 2.625%
(the new rates apply to repayments by existing borrowers from January 2007)
- Feb. 26, 2007
Ordinary deposit rate
0.100% ⇒ 0.200%
- Mar. 20, 2007
Short-term prime rate
1.625% ⇒ 1.875%
- Jul. 1, 2007
Variable mortgage rate of existing loans
2.625% ⇒ 2.875%
(the new rates apply to new loans from Oct. 1, 2007)

Outline of results by business segments

(Consolidated)



- Gross profits in three customer businesses increased by ¥87.1 bn

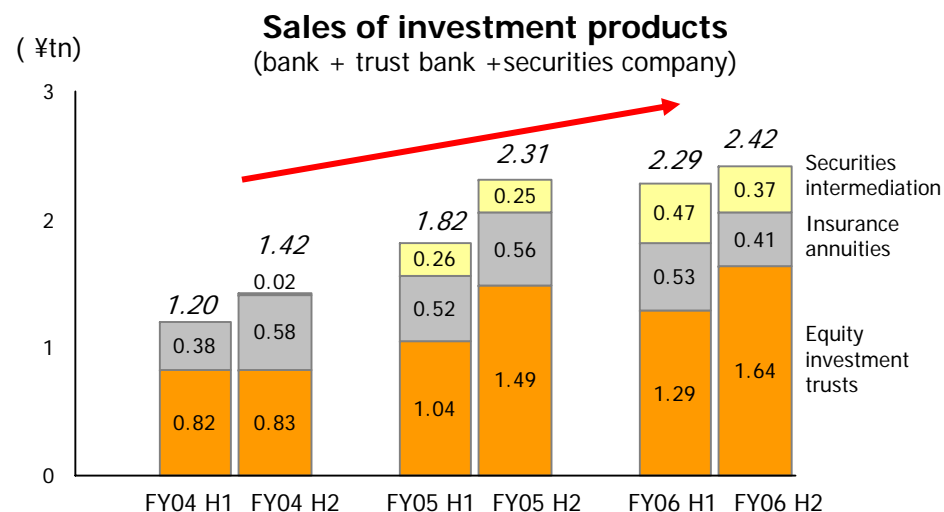
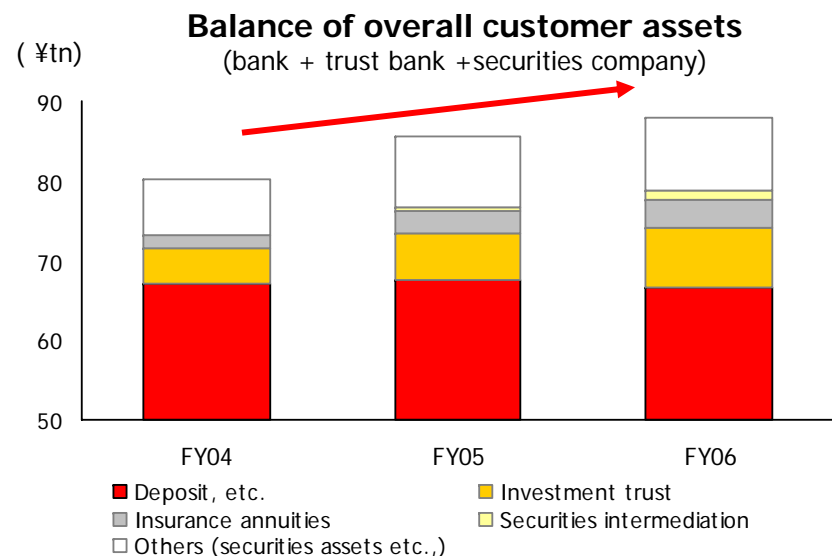
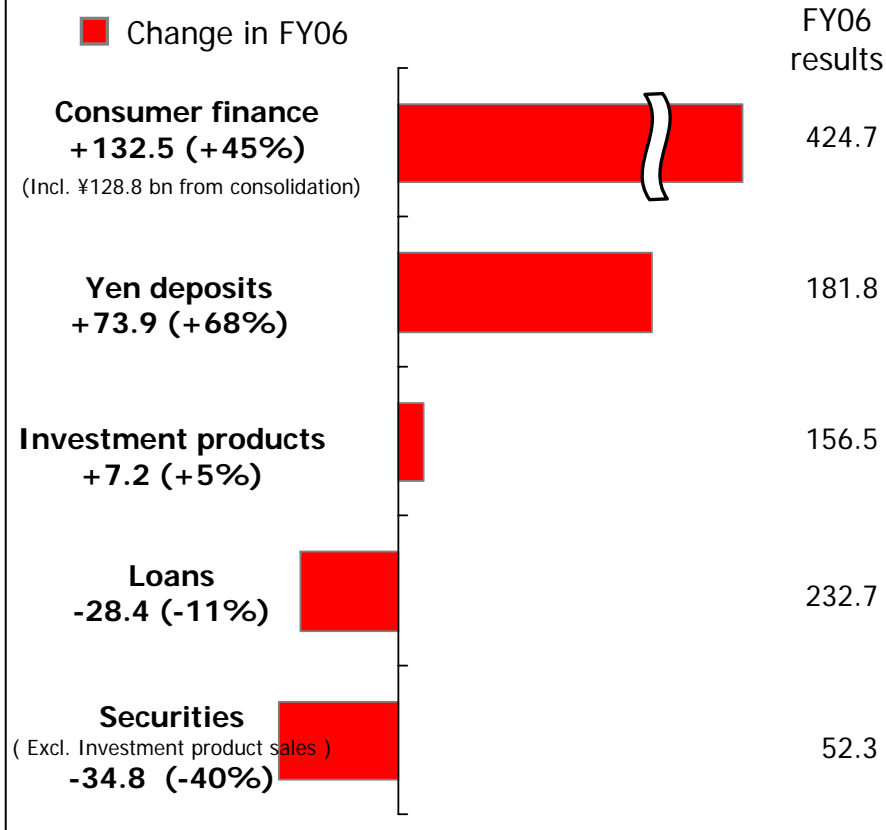


*1 On management accounts basis (Consolidated gross profits before adjusting intra-group transactions except dividends from subsidiaries).

- **Gross profits ¥1,245.6 bn, up ¥114.7 bn on FY05**
 - Increase in deposits income and steady growth in investment products sales due to strengthened ‘overall customer assets’ sales approach

Integrated Retail Banking Business Group: Gross Profits

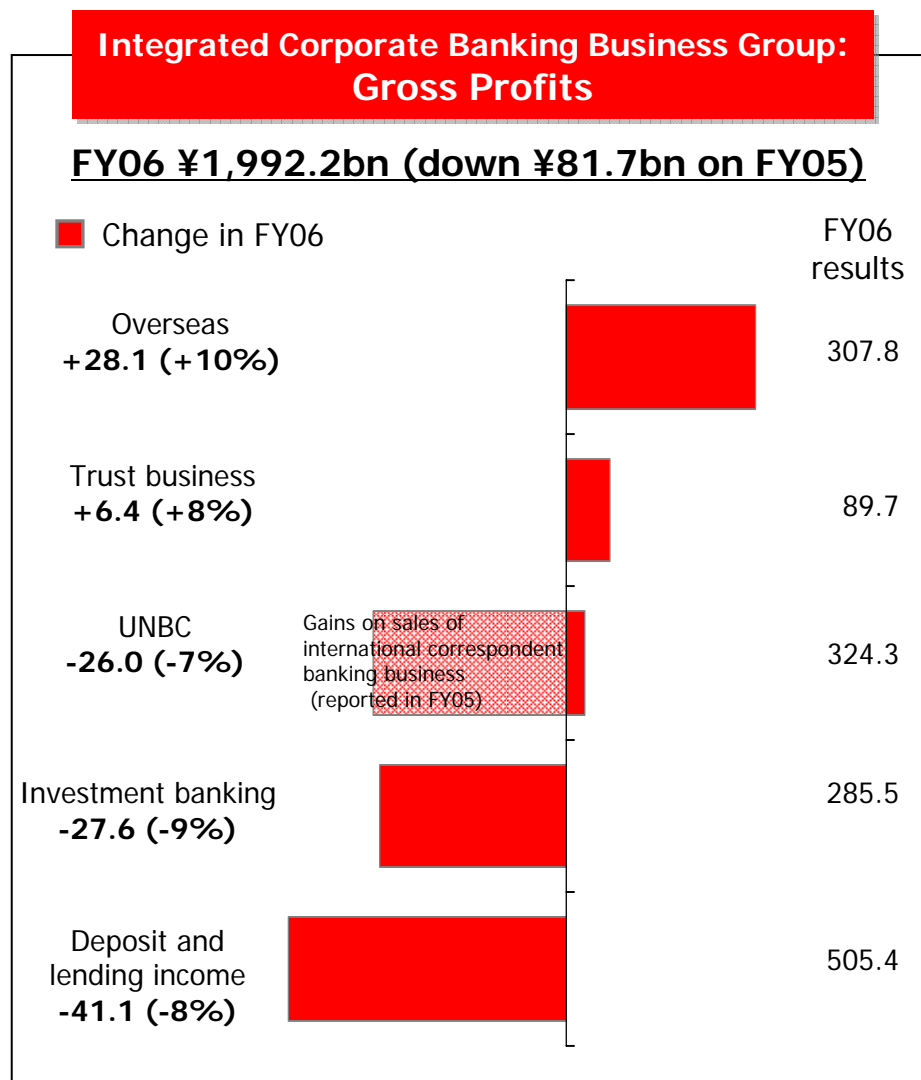
FY06: ¥1,245.6 bn (up ¥114.7 bn on FY05)



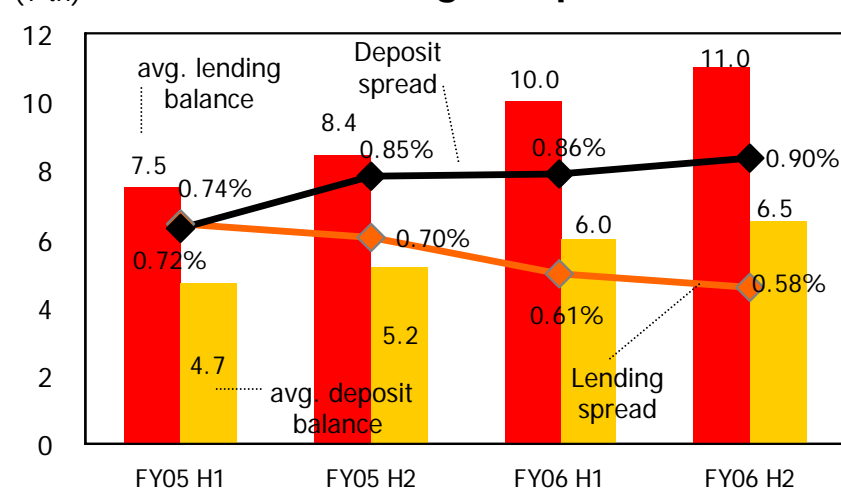


● **Gross profits ¥1,992.2 bn, down ¥81.7 bn on FY05**

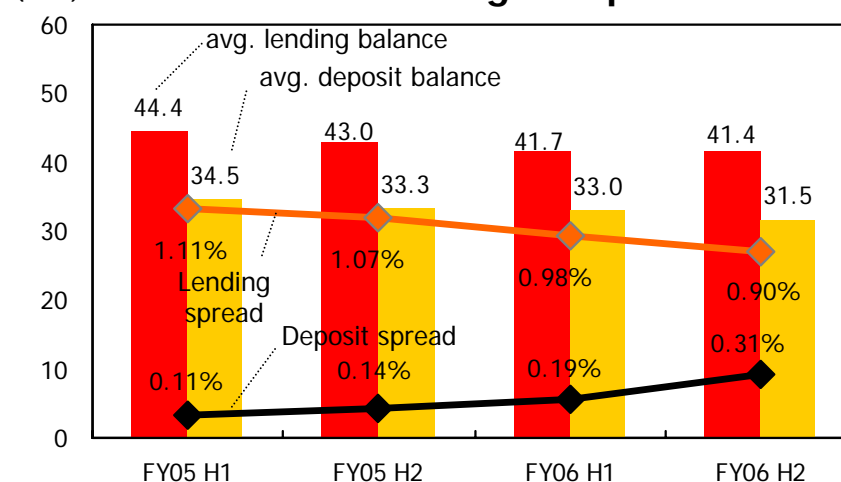
— Good performance in overseas business, while domestic deposit and lending income declined



(¥ tn) **Overseas lending & deposits (excl. UNBC)**



(¥ tn) **Domestic lending & deposits**



Trust Assets

(Consolidated)

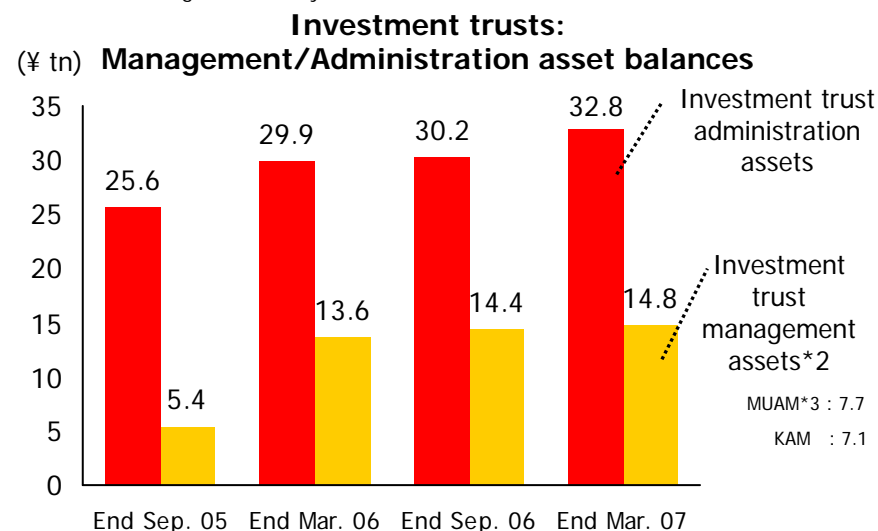
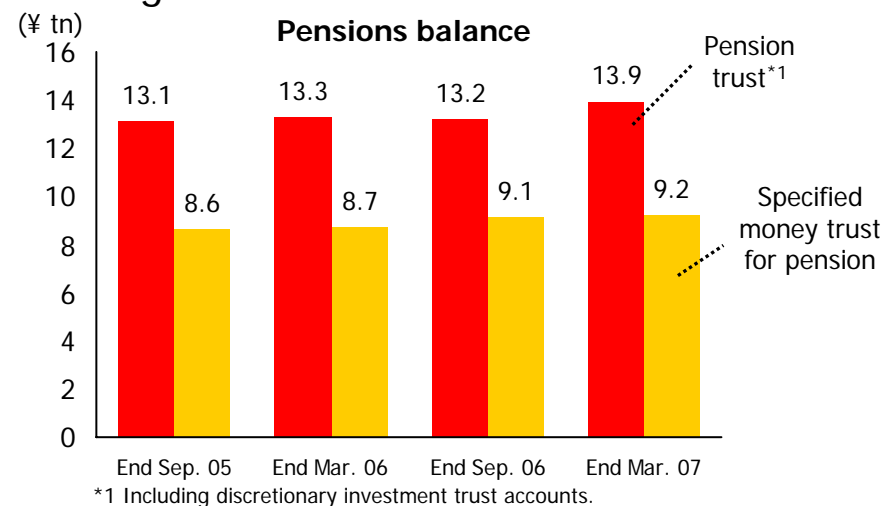
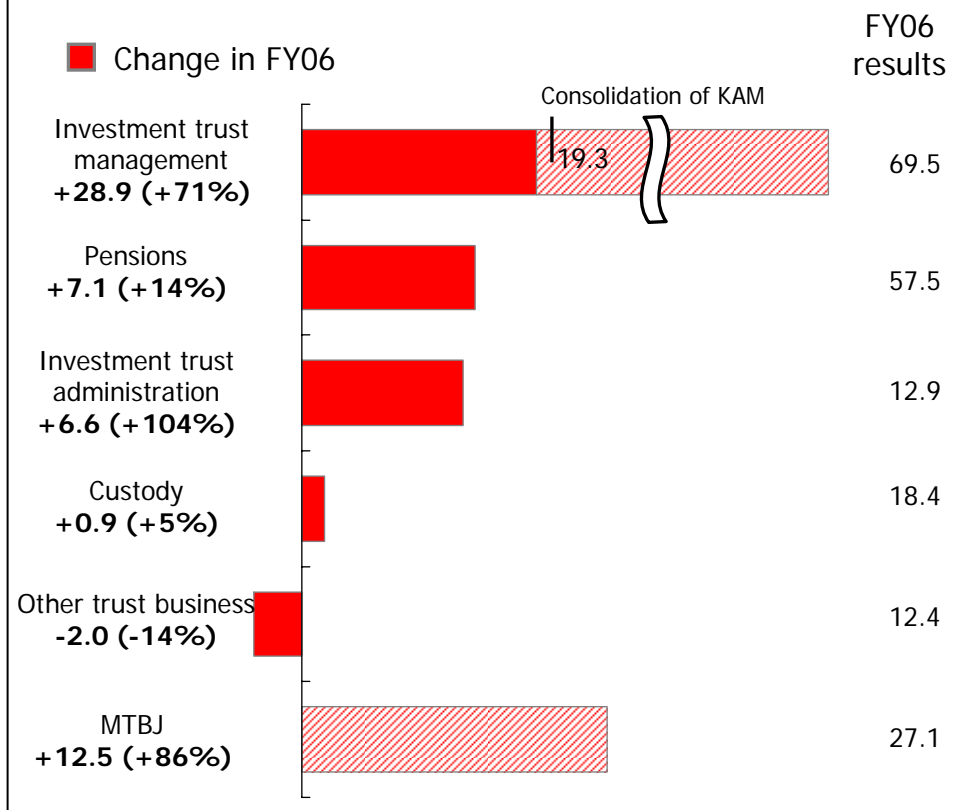


● Gross profits ¥197.8 bn, up ¥54.0 bn on FY05

- Strong performance in investment trust management and administration business as well as pensions business in line with shift from savings to investments

Integrated Trust Assets Business Group: Gross Profits

FY06 ¥197.8 bn (up ¥54.0 bn on FY05)



KAM : Kokusai Asset Management MTBJ : Master Trust Bank of Japan,
KAM and MTBJ are included from FY05 H2

*2 KAM is included from End Mar. 2006.

*3 Mitsubishi UFJ Asset Management

● **Basel II consolidated capital ratio is 12.54%, Tier 1 ratio 7.57%**

(¥ bn)

		End Mar. 06 (Former standard)	End Mar. 07 (New standard)
1	Capital ratios	-	12.54%
2	(Former standard)	12.20%	(12.29%)
3	Tier I ratio	-	7.57%
4	(Former standard)	6.80%	(7.01%)
5	Tier I	7,501.6	8,054.8
6	Tier II	6,293.7	5,717.9
7	Total capital (Tier I+II+III-deductions)	13,460.3	13,344.4
8	Risk-adjusted assets	110,292.6	106,395.5
9	Credit risk portion	108,929.5	98,260.7
10	Market risk portion	1,363.0	2,131.6
11	Operational risk portion	-	6,003.0
12	Outlier ratio	-	7.9%

< Capital >

● **Capital ratio:**

- 12.54%, up 0.34% pts from End Mar. 06
- Up 0.25% pts from former standard as of End Mar. 07

● **Tier 1 ratio:**

- 7.57%, up 0.77% pts from End Mar. 06
- Up 0.56% pts from former standard as of End Mar. 07

● **Total Capital:**

- Declined slightly mainly due to change in standards regarding inclusion of reserves in Tier II

● **Risk assets:**

- Large decline as benefits of large reduction in credit risk outweighs newly included operational risk (+¥6 tn)

● **Adopted method:**

- Credit risk: Foundation Internal Ratings-based Approach (FIRB)
- Operational risk: The Standardized Approach (TSA)

FY 2007 earnings / dividend forecasts

(Consolidated)



- FY06 year-end dividend is revised upward by ¥1,000
- FY07 Annual dividend forecast is ¥14 (after stock split), increase from FY06

Earnings forecasts	Fiscal 2007			
	Interim	Compared to previous period	Full year	Compared to previous period
Ordinary income	¥3,300.0 bn	+¥459.7 bn	¥6,700.0 bn	+¥605.9 bn
Ordinary profit	¥700.0 bn	+¥36.4 bn	¥1,500.0 bn	+¥42.9 bn
Net income	¥350.0 bn	-¥157.2 bn	¥800.0 bn	-¥80.9 bn

Macro-economic assumptions :
 Unsecured call money (period average): 0.6%, 10 year JGB (period average): 2.1%
 Yen/Dollar (value at end of period): ¥115, Real GDP growth rate : 1.8%

Dividends forecasts

	Annual dividend (forecast)		
	Interim dividend (forecast)	Year-end dividend (forecast)	Annual dividend (forecast)
per common share	¥7	¥7	¥14

The common stocks will be split in the ratio of 1,000 for 1 on the effective date of September 30, 2007. The dividend forecasts stated above are the dividend forecast per common stock after the stock split.

Outline of MUFG

Outline of Fiscal 2006 Results

Achieving our medium-term plan targets

Financial targets (announced Feb. 2007)



- Targeting consolidated net operating profit of approx. ¥2.5 tn and net income of approx. ¥1.1 tn in FY09

(¥bn)

(Consolidated)	FY06 Results	FY09 Targets
Net operating profit* ₁	1,630.4	Approx. 2,500
Expense ratio	55.7%	Around 45%
Net income	880.9	Approx. 1,100
ROE	14.97%	Approx. 15%

Macro-economic assumptions

	FY07	FY08	FY09
Unsecured call money (period average)	0.6%	1.0%	1.0%
10 year JGB (period average)	2.1%	2.5%	2.5%
Yen/Dollar (value at end of period)	¥115	¥115	¥115
Real GDP growth ratio (annual rate)	1.8%	2.3%	1.6%

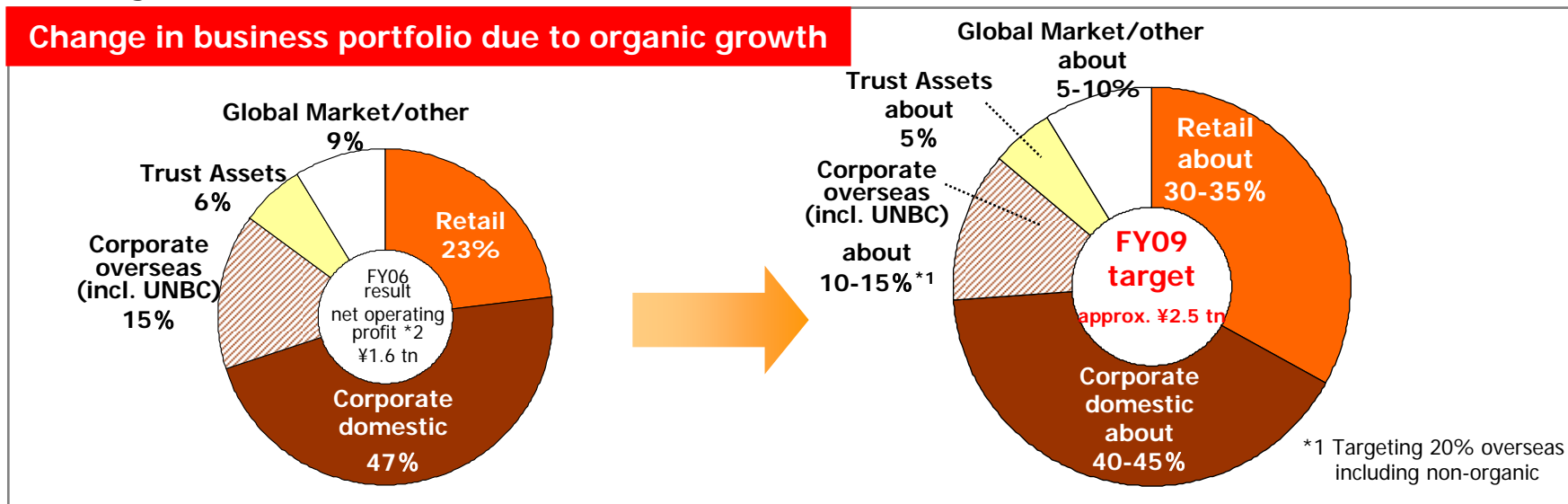
*1 Net operating profit in the mid-term business plan is produced based on a new management accounting standards. FY06 results are preliminary figures. Please see page 52 of MUFG Databook for further details.

Building an optimal business portfolio

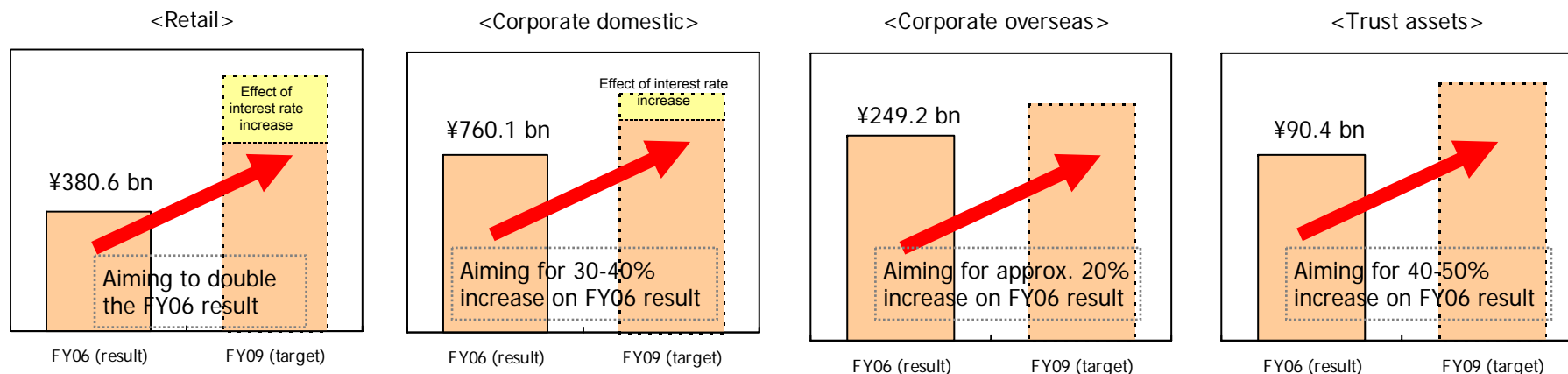


- Build an optimal business portfolio for sustainable growth by focusing on growing profits in the three customer businesses led by retail and by strengthening risk/return management

Change in business portfolio due to organic growth



Net operating profit target *2



*2 Net operating profit in the mid-term business plan is produced based on a new management accounting standards. FY06 results are preliminary figures. Please see page 52 of MUFG Databook for further details.

- **Growth strategy to join the global top 5 by market cap**
- **Strengthening internal controls globally and on an enterprise-wide basis**
- **Completion of Day 2 and steady realization of benefits of integration**
- **Maintaining and strengthening brand power**

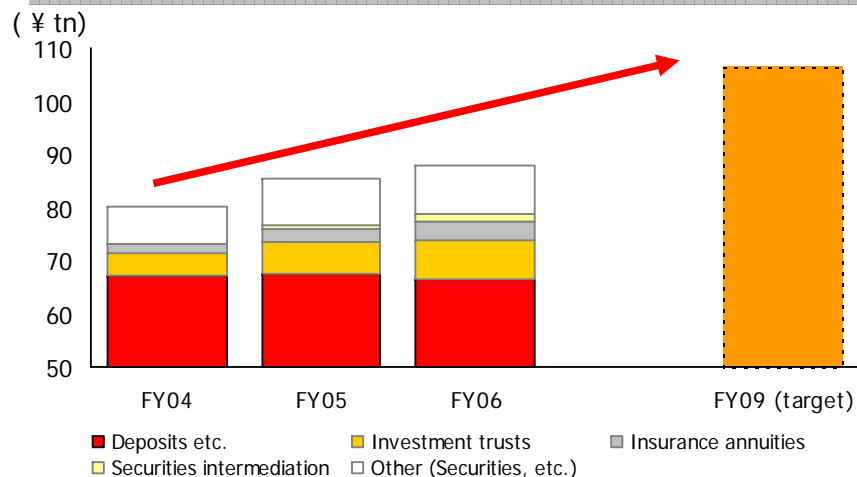
Growth strategy (1) Strengthen sales aimed at overall customer assets



MUFG

- As the shift from savings to investment and insurance continues we aim to further strengthen sales targeting customers' overall assets by increasing sales staff, etc.

Overall customer assets (bank+ trust bank+ securities company)



Approach to strengthening sales targeting customers' overall assets

Market outlook

- Retirement of baby-boomers, deregulation of insurance sales means that the shift from savings to investment and insurance is set to continue
- Increase in market interest rate

Planned approach

- Expand individual deposits as a business base
- Respond to customer needs for investment products and insurance

1. Increase sales staff

- Further strengthen sales force
Currently approx. 5,000 (BTMU) → in FY07 increase by approx. 500
- Improve staff sales skills
- make and implement a training program for each staff

2. Products

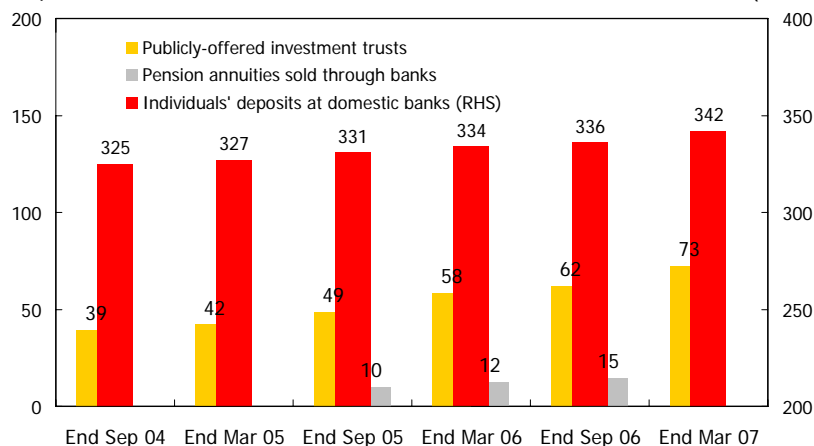
- Capture baby boomers retirement funds through QLC* etc.
- Introduce products responding to customer needs through open architecture, strengthen product lineup

3. Channels

- Expand Private Banking Office (currently 7 → approx. 30 (planned))
- Branch renewal
- Reduction in usage charges for convenience store ATMs

*QLC (Quality Life Club) : A membership organization offering financial and non-financial services

Trends in Japanese individuals' financial assets (¥ tn)

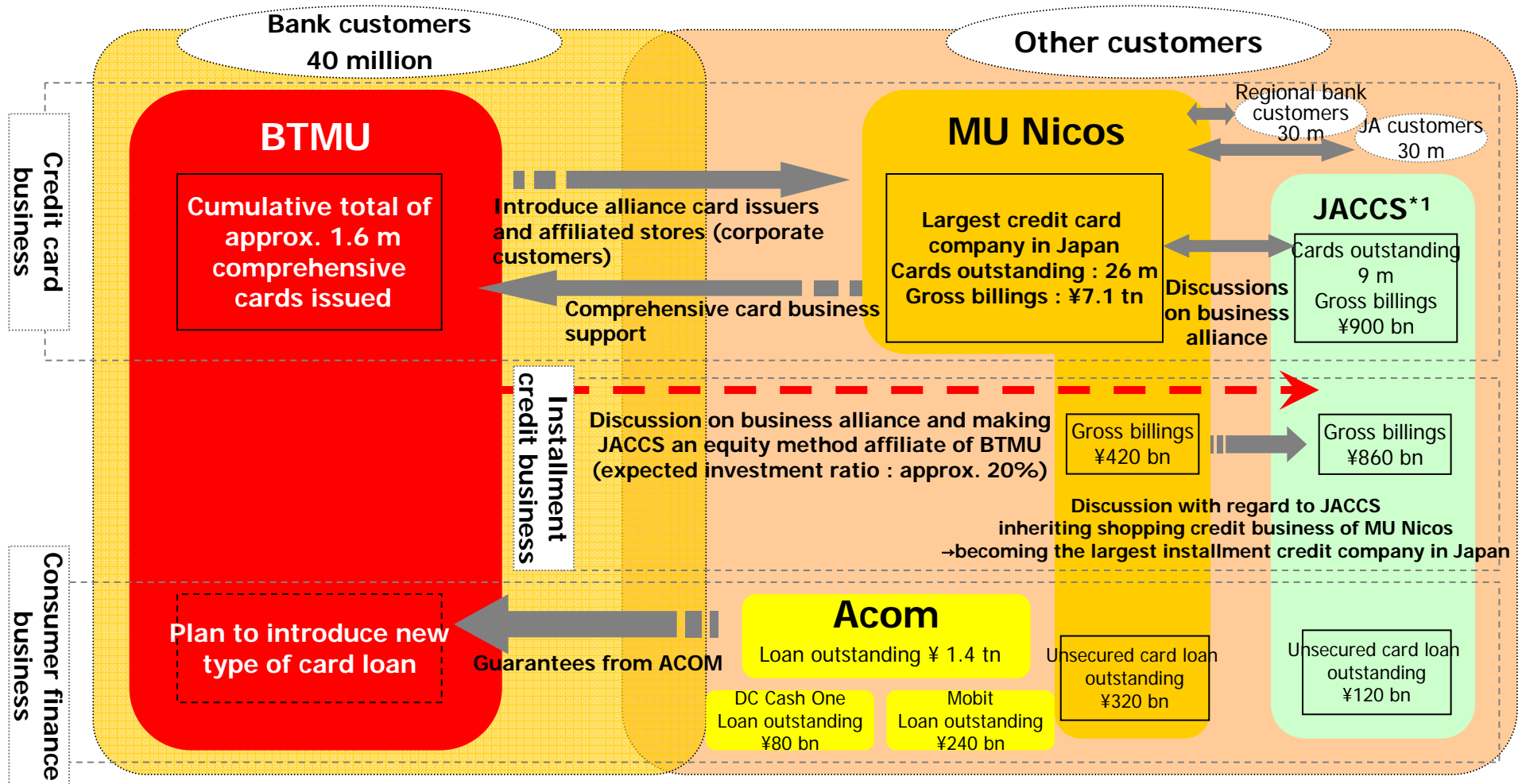


Sources: Bank of Japan, Investment Trust Association, Hoken Mainichi Shimbun
A figure of pension annuities for End Mar 07 is not available.

Growth strategy (2) Consumer finance



- Enhance and combine group strengths to respond to diversifying customer needs
- Aim to build a reliable consumer finance business adapted to legal and other reforms of the new era

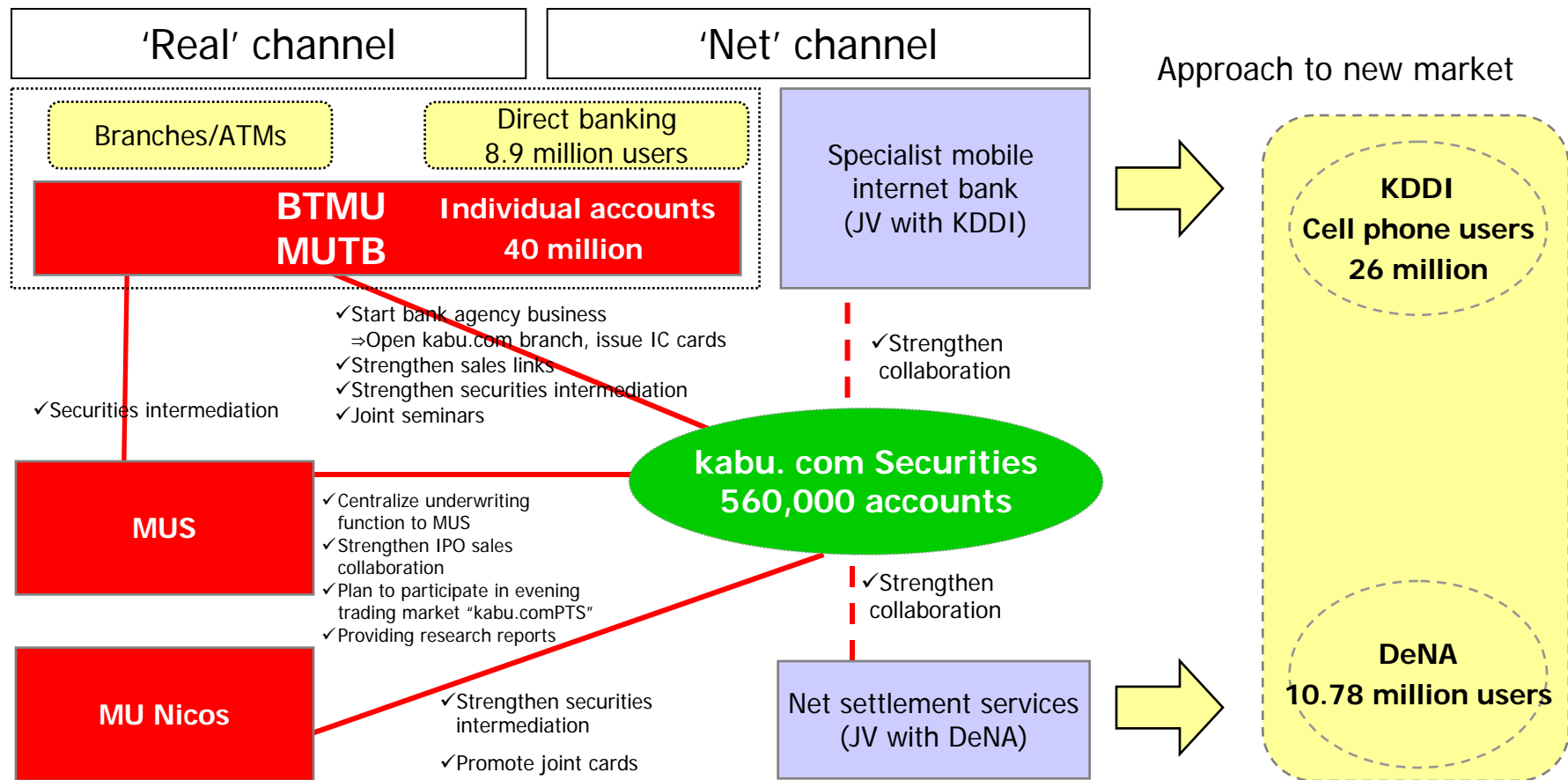


*1 Please refer to page 39 regarding outline of Discussion on Business and Capital Alliance with JACCS

Growth strategy (3) Internet strategy



- Promote Internet strategy to capture new commercial flows
- Further strengthen Group collaboration in net-based financial services with the consolidation of kabu.com Securities
 - MUFG holds 40.36% of the voting rights with the majority of directors from MUFG



Growth strategy (4) Developing the CIB model



- By significantly strengthening collaboration between the bank and securities company we aim to enhance our investment banking business

CIB model

Achievements in FY06 H2:

Actions

- Strengthened bank/securities collaboration
- Fully developed sector strategy
~ Established sector coverage dept. in MUS

Deals

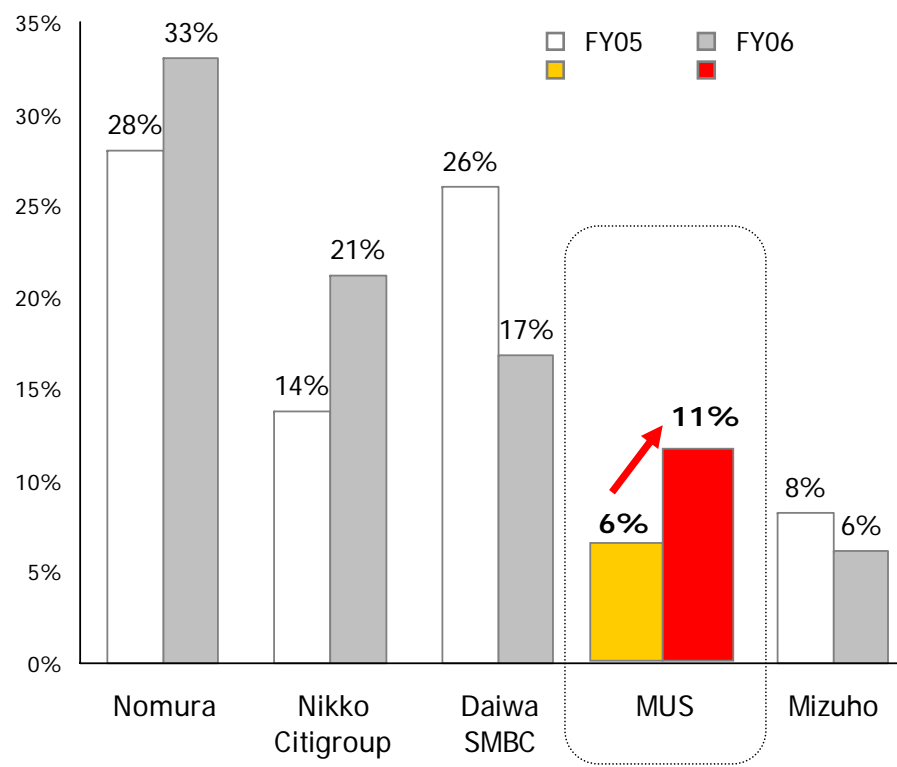
Equities (exc. IPOs): Won major lead manager mandates— including Millea Holdings, Mitsubishi Corp.

M&A: Won financial advisory mandates including Myojo Foods/ Nisshin Food Products and Kirin Brewery/Mercian

FY07 plans:

- Establish CIB planning division in the Integrated Corporate Banking Group to promote integrated development of CIB model
- Strengthen customer coverage by launching a CIB unit (with assigned director) within the BTMU Corporate Business Unit
- Strengthen sales by injecting bank staff into securities company (Plan to inject dozens of staff in FY07)

Share of Public Offering Underwriting



Source: Thomson Financial

Growth strategy (5) Overseas strategy

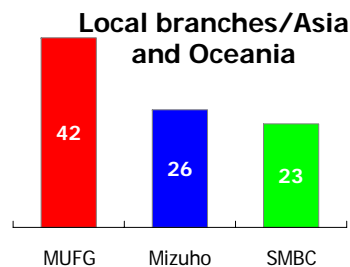
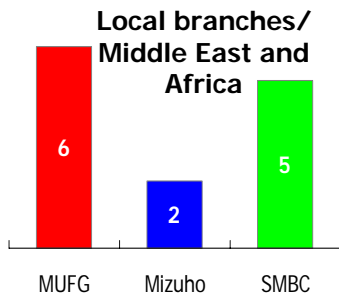
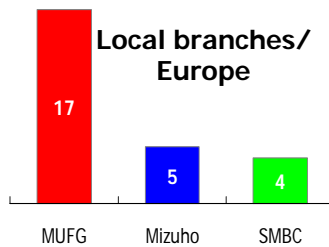


- Establish an international business model appropriate for a global top five financial group by actively developing investment and alliance strategy and utilizing Japan's leading global network

Europe

【Alliances/ Branch network development】

- MUTB and Morley Fund Management for real estate asset management business
- Established BTMU Russian subsidiary
- Opened BTMU (Holland) Prague branch
- Opened MUS International Milan branch

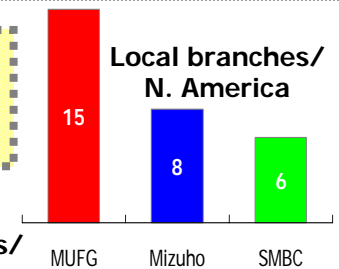
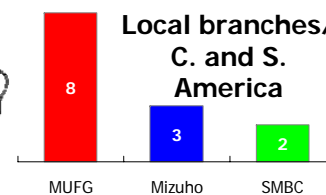


Americas

【Investments and Alliances/ Branch Network Development】

- Investment: MUS → Perella Weinberg Partners (incl. business alliance)
- Business alliance :MUTB and Mellon Group for development and sale of investment products
:MUTB and Northern Trust Company for will execution and inheritance management services
- Branch network development : Opened MUS (USA) San Francisco Branch

Union Bank Of California
322 branches in the U.S.
as of Sep.06



Asia

【Investments and Alliances/ Branch network development】

- Investment: BTMU → Bank of China (China, incl. business alliance)
BTMU → CIMB (Malaysia, incl. business alliance)
BTMU → Bank Nusantara Parahyangan (Indonesia, acquisition)
- Business alliances: MUTB alliance with three pension management institutions (China)
BTMU alliance with Vietcombank (Vietnam)
MUS alliance with ICICI Bank (India)
MUS alliance with Daewoo Securities (South Korea)
- Branch network development: Wuxi branch (BTMU), Tianjin Binhai Sub-branch (BTMU)
Dalian Economic & Technological Development Area Sub-branch (BTMU),
Established BTMU (China),
Mumbai rep. office (MUS)

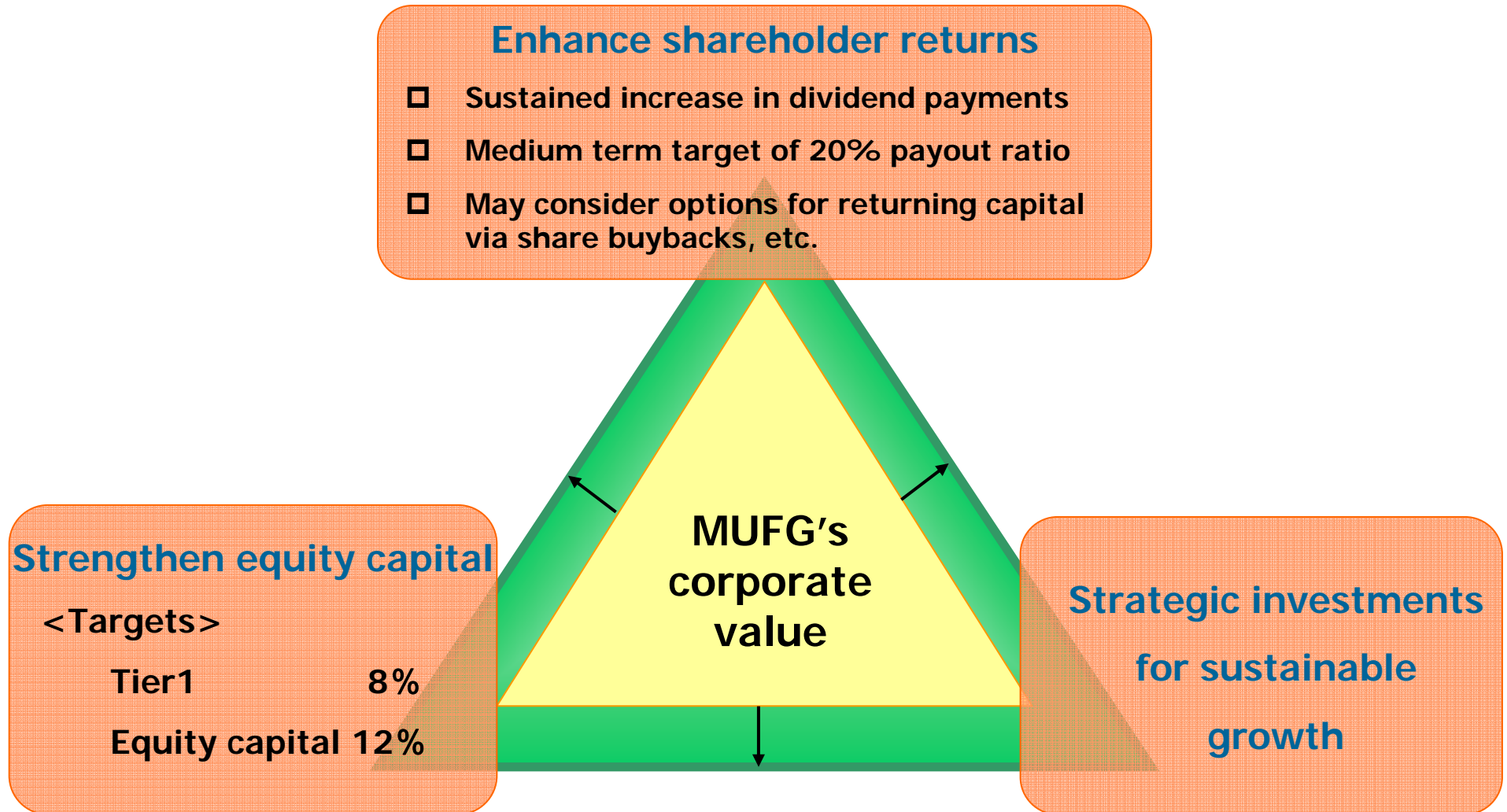
Note: Figures for MUFG are figures for BTMU

Branch numbers are total of branches, sub-branches, representative offices and subsidiaries (formulated based on financial reports of each company, etc. as of June 2006)

Capital policy



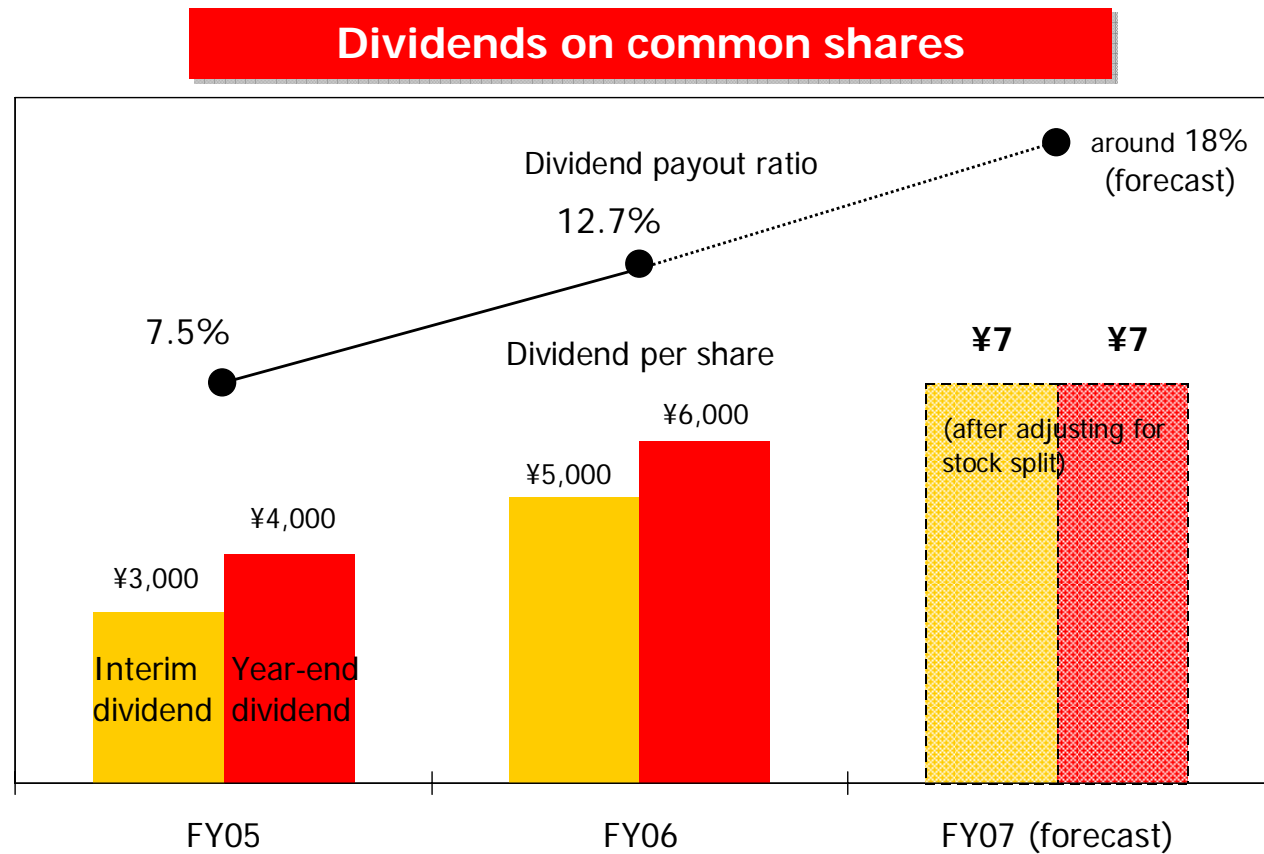
- Strengthen equity capital and enhance shareholder returns while using capital efficiently to achieve sustainable growth and enhanced profitability



Enhance shareholder returns



- Steady dividend increases since repayment of public funds



Notes 1. The interim dividend for FY05 was for the former Mitsubishi Tokyo Financial Group

2. The forecast dividend for FY07 is after adjusting for stock split effective September 30, 2007 (1000 to 1 common stock split)

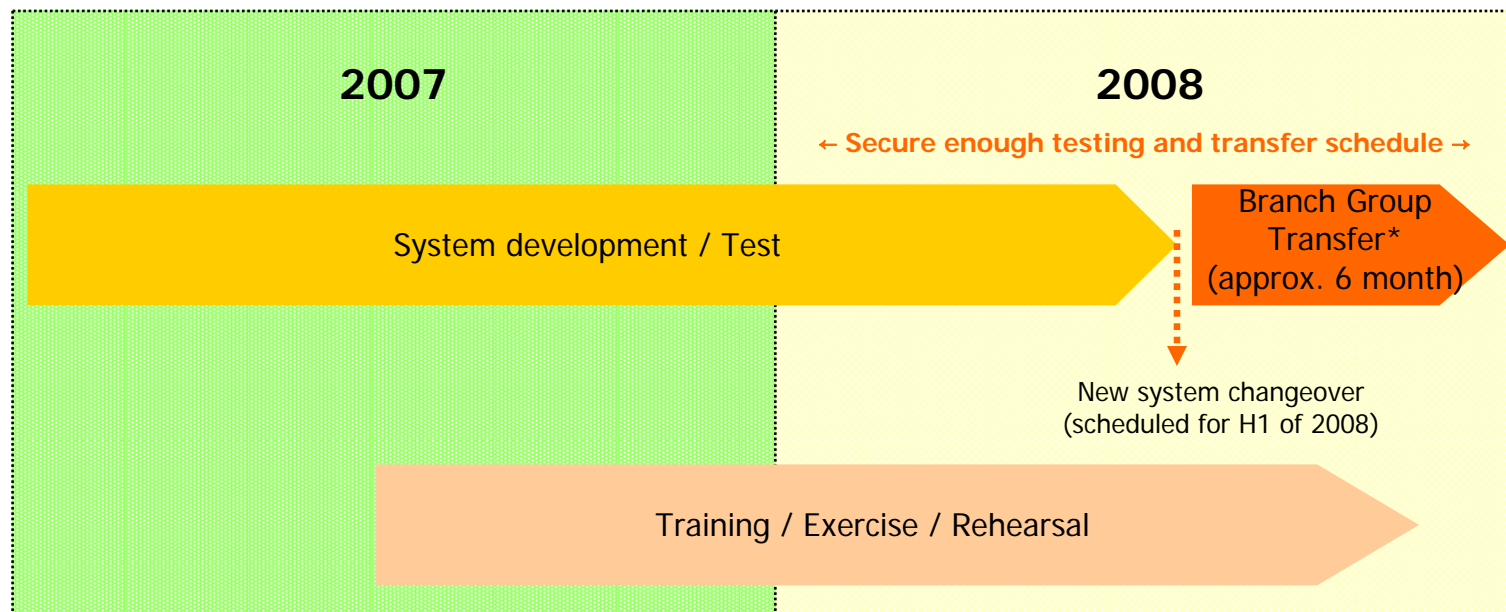
3. The forecast dividend payout ratio for FY07 assumes net income of ¥800.0 bn and is calculated based on the number of issued shares after adjusting for stock split as of the end of March 2007.

Completion of Day2 integration



- Project is proceeding on schedule towards safe and smooth full-system integration
- Employee training will commence from FY07
- Implement thorough testing, training and rehearsal

Schedule for completion of Day2 integration (BTMU)



Completion of full system integration

*The nationwide branch network will be split into a number of groups and transfer to the system will be by group.

➤ **Enhanced enterprise-wide, global framework**

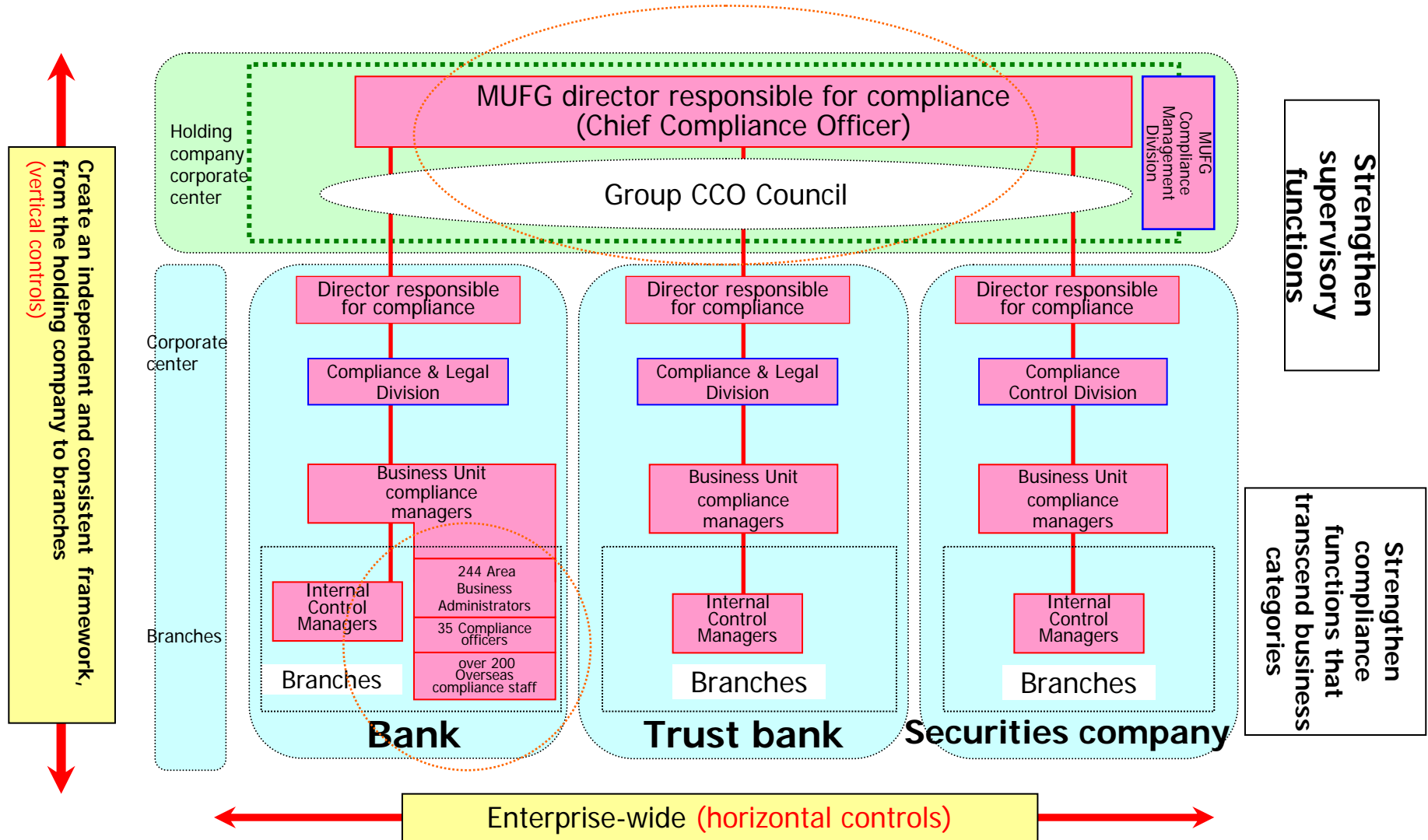
- ❑ Appointed an independent Chief Compliance Officer (CCO) for the holding company
- ❑ Established Group CCO Council
- ❑ Created an independent and consistent reporting framework, from the holding company to branches

➤ **Strengthened front line power at branches**

- **Total 500 compliance staff in Japan and overseas**

- ❑ Retail : Assigned 244 Area Business Administrators
- ❑ Domestic Corporate : Assigned 35 compliance officers
- ❑ Overseas Corporate : Increased number of compliance staff by approx. 100 to over 200

Group compliance framework



No.1 Service

No.1 Reliability

No.1 Global Coverage

Appendix

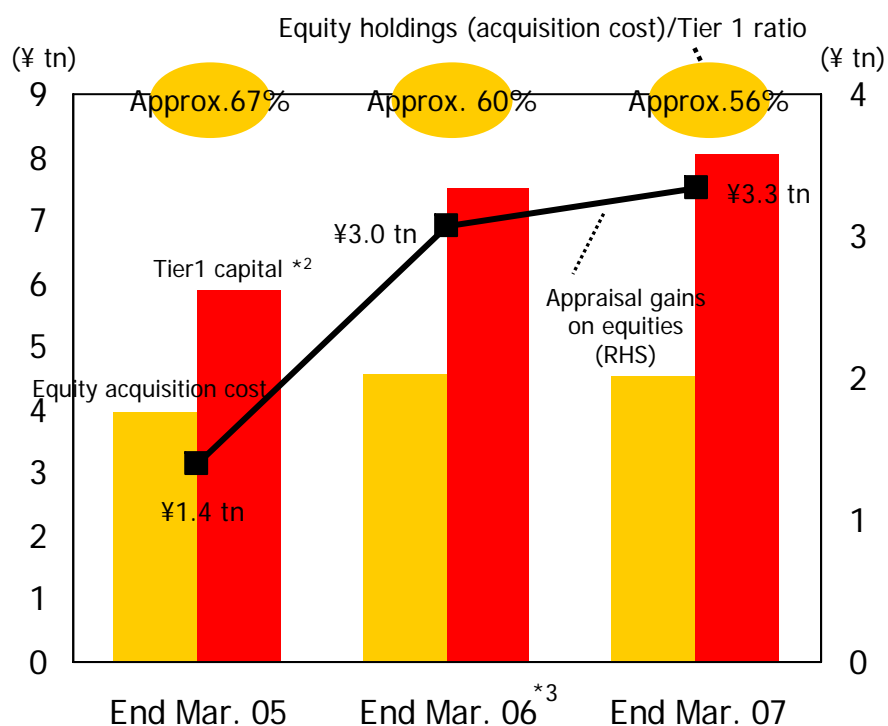
Holdings of investment securities

(Consolidated)

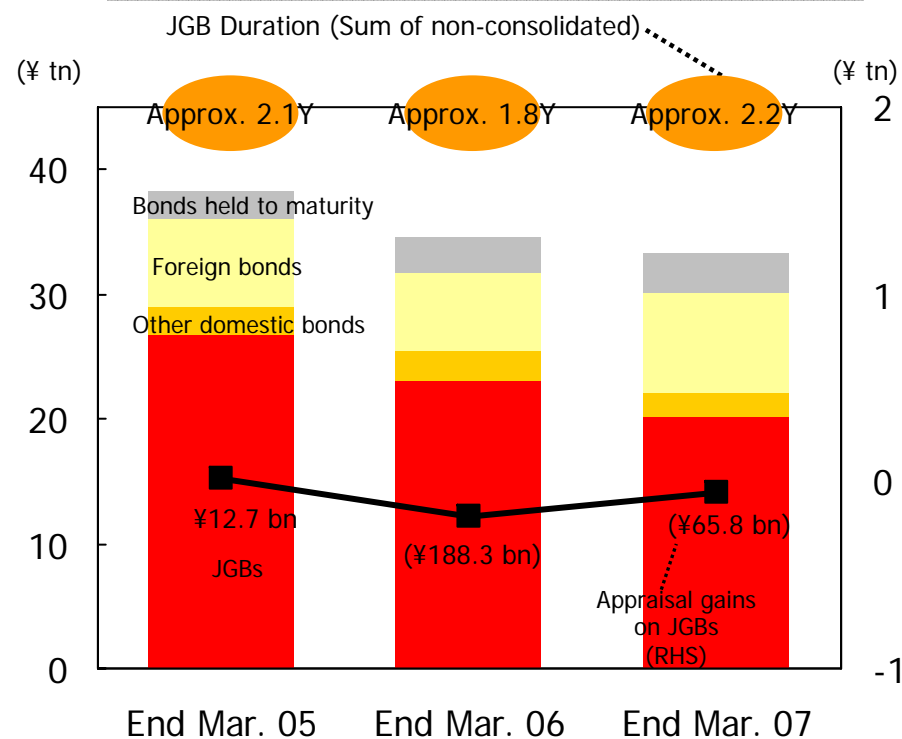


- Unrealized Gains on available-for-sale securities approx. ¥3.3tn (up ¥0.4 tn from end Mar. 06)

Equity holdings*1



Bond holdings*4



*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 Mar. 05.

*3 End Mar. 06 equity acquisition cost increased on previous year due to assumption of UFJ equity holdings at market price upon merger.

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

Reference:

As of the end of Mar. 07 the balance and appraisal gains on available-for-sale securities other than equities and bonds (ie. investment trusts and others) were ¥4.85 tn and ¥164.7 bn respectively.

Appraisal gains for end Mar. 05 are simple sum of MTFG figures (period end closing prices) and UFJH figures (average daily closing prices for the last month of the period).

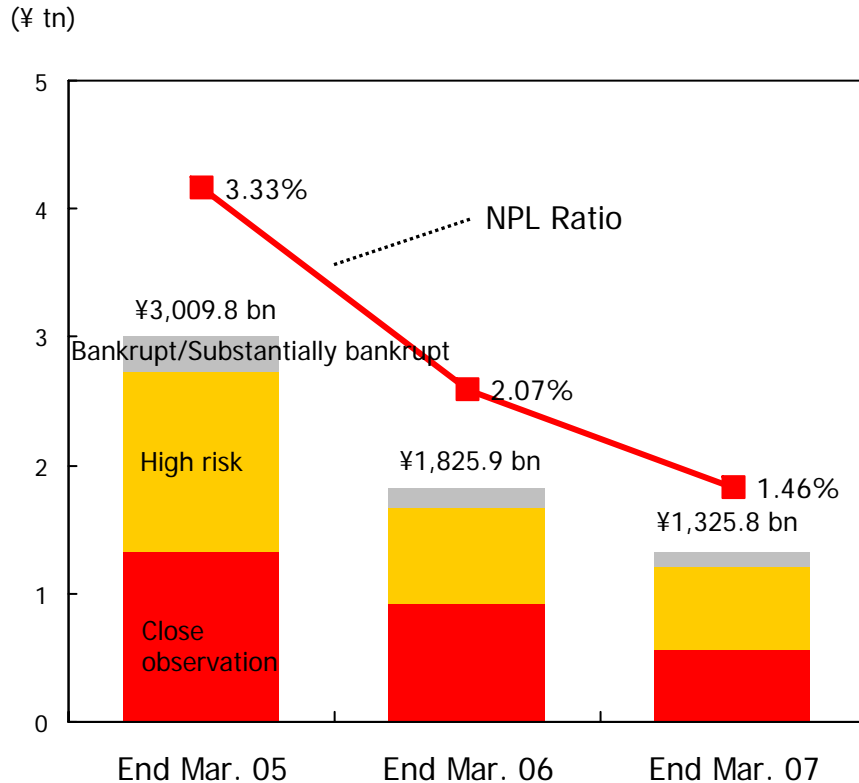
Improved quality of loan assets

(Sum of non-consolidated)

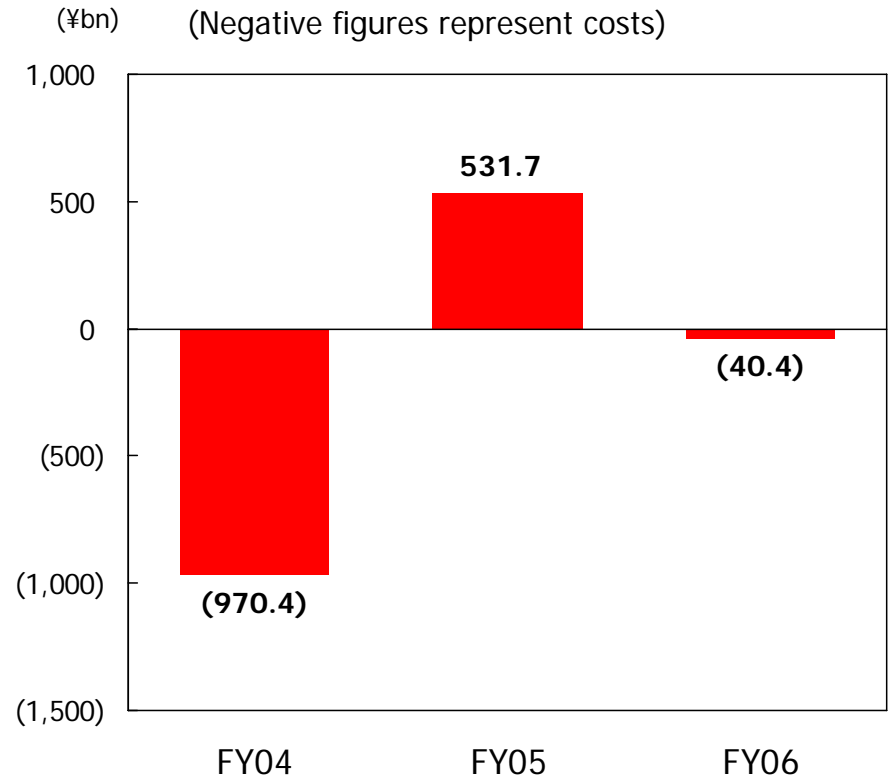


- NPL ratio declined 0.6% points from End Mar. 06 to 1.46%
- Credit related costs showed an expense of ¥40.4 bn due to decrease in reversal of allowance for loan losses

Balance of FRL disclosed loans



Credit-related costs (sum of non-consolidated)* 1



*1 Figures of FY04 year include separate subsidiaries.

Discussion on Business and Capital Alliance with JACCS



Outline of discussion on business and capital alliance

1. Installment credit business alliance

- ✓ Hold discussions on entering into an installment credit related business alliance, with a view to JACCS inheriting the Mitsubishi UFJ NICOS shopping credit business

2. Business alliance in the credit card area

- ✓ Hold discussions with a view to increasing operational efficiency in a credit card processing and acquiring business

3. Other areas of potential business alliance to be discussed

- ✓ JACCS, Mitsubishi UFJ NICOS and BTMU will discuss ways to strengthen their alliance in settlement operations
- ✓ Real estate related operations and services aimed at high net worth individuals
- ✓ Develop new products and new services, increase operational efficiency using system infrastructure, increase the efficiency of operations for the recovery of receivables, investigating the possibility of expanding installment credit operations overseas, etc

4. Capital alliance discussions

- ✓ Conduct discussions regarding a capital alliance with a view to JACCS becoming an equity method affiliate of BTMU. BTMU is expected to take a stake of approximately 20% in JACCS.

Outline of JACCS

1. Consolidated financial highlights

(¥ bn)	FY06	yoy %
Revenues	154.9	3.5%
Ordinary profit	5.2	(65.3)%
Net income	2.8	(67.6)%

2. Volume of new contracts (non-consolidated)

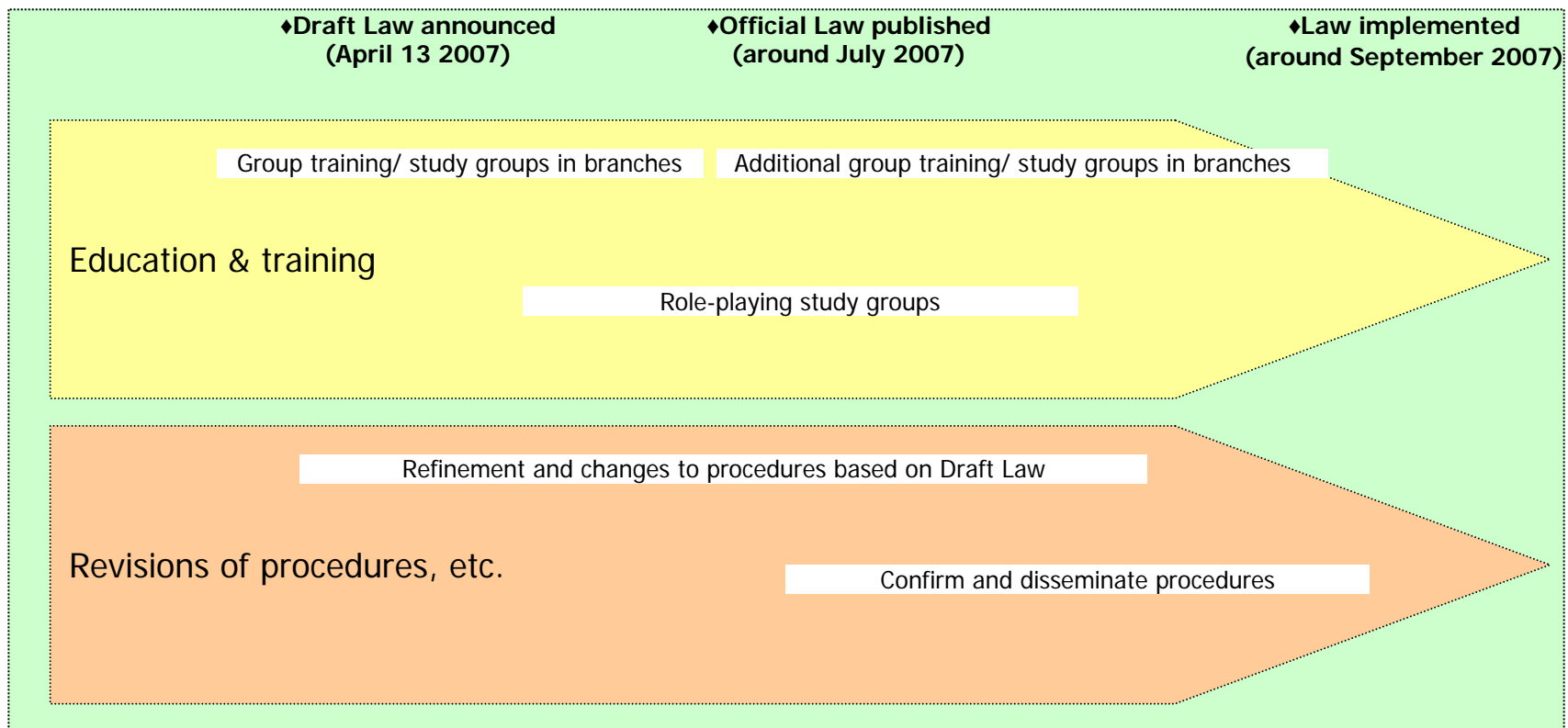
(¥ bn)	FY06	yoy %
Consumer installment shopping credits	555.1	(2.9)%
Automobile loan	304.2	6.1%
Shopping credits	859.4	0.1%
Credit cards	972.0	13.9%
Finance	729.4	1.6%
Volume of new contracts	2,560.8	5.4%

Meeting the Financial Instruments and Exchange Law



- Ensure compliance with the Financial Instruments and Exchange Law by implementing staff education and training, etc.

Meeting the requirements of the Financial Instruments and Exchange Law (BTMU Retail Division)



Reduction of investment unit



- Decision to reduce stock investment unit, aiming to expand shareholder base and enhance corporate value

Details of reduction

Investment unit to be reduced to one-tenth of the current unit

- (1) One for 1,000 split of ordinary stock
- (2) Adoption of unit share system (one unit = 100 shares)

Schedule of subsequent events

- Aug. 10, 2007 Begin submission of existing share certificates
- Sep. 25-28, 2007 Suspension of trading on Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange
- Sep. 29, 2007 Record date for stock split
Final date for submission of outstanding share certificates
- Sep. 30, 2007 Effective date of stock split
Adoption of share unit system
- Oct. 1, 2007 Begin trading with new investment unit

Outline of Shareholder Benefit Program (MUFG Shareholder Club)



- **Record date: September 30 of each year (September 30, 2007 will be the first record date)**
- **Eligible shareholders: Shareholders recorded in the shareholders registry as of the record date and holding 100 shares or more of MUFG common stock*1**
- **Summary of benefits for individual shareholders (planned)*1**
 - Holders of 100-500 shares, Benefit 1). in the list below
 - Holders of 500-1000 shares, One of Benefits 1). to 6). in the list below
 - Holders of more than 1,000 shares, Two of Benefits 1). to 6). in the list below (same or different benefits)

Shareholder benefits for
Individual investors
(planned)

- 1) Character merchandise available only to MUFG shareholders
- 2) Preferential interest rate for time deposit accounts with BTMU
- 3) Preferential exchange rate for foreign currency denominated time deposit accounts newly set up with BTMU
- 4) Preferential interest rate for time deposit accounts with MUTB
- 5) Discounted initial fees for services relating to execution of wills provided by MUTB
- 6) Discounted fees for brokerage services provided by MUS

*1 Based on number of shares held following the share (1000 shares for 1 share) split planned for September 30, 2007.