

CLSA Japan Forum 2008

Mitsubishi UFJ Financial Group

February 2008

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

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

The financial information used in this document was prepared in accordance with accounting standards generally accepted in Japan, or Japanese GAAP.

<Definition 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)

Non-consolidated*

PL
items

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

BS
items

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

*Unless specifically stated otherwise figures do not include the separate subsidiaries (UFJ Strategic Partner, UFJ Equity Investments and UFJ Trust Equity).

Outline and Strengths of MUFG

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Outline of FY2007 Q3 Results

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Outline and Strengths of MUFG

Outline of FY2007 Q3 Results

Key Business issues

Outline of MUFG



- Creation of MUFG that aims to be a premier, comprehensive, global financial group in October 2005

Holding Company

Mitsubishi UFJ Financial Group (MUFG)

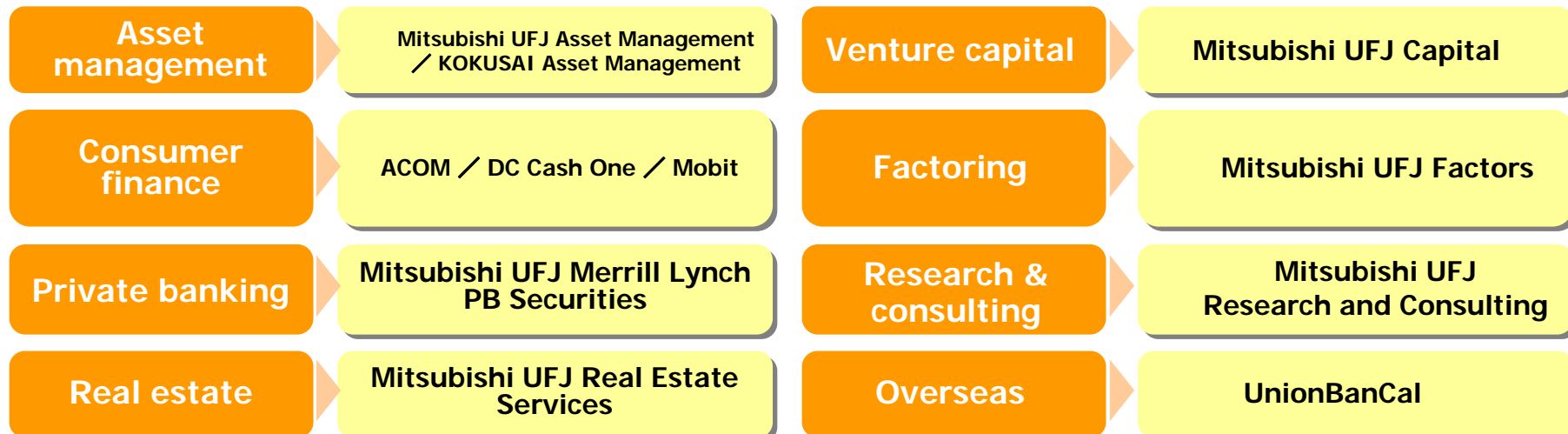
Total Assets ¥189.8 tn.
 Total Loans ¥86.7 tn.
 Total Deposits ¥117.6 tn.
 Employees approx.120,000

Note: As of End of Sep. 2007 (Employees as of End of Mar. 2007)



**Mitsubishi UFJ Lease & Finance is an equity method affiliate of MUFG*

Group companies in other main financial areas



"5 advantages" of MUFG



1 Strong customer base

- Approx. 40 million retail accounts
- Approx. 400,000 domestic corporate customers

2 Broad global network

- 1,246 domestic branches^{*1}
- 445 overseas offices^{*2}

3 Comprehensive Group strengths

- Core of banking, trust and securities + UNBC, cards, leasing, investment trust, consumer finance, etc.

4 Healthy financial base

- Repaid all public funds
- Tier1 ratio = 7.50%^{*3}
- NPL ratio = 1.21%^{*3}

5 Solid governance and trusted management

- Governance system appropriate for NYSE listed company

*1 As of the end of Sep. 07, sum of the retail and corporate branches of BTMU, MUTB and MUS

*2 As of the end of Sep. 07, sum of BTMU, MUTB, MUS and UBOC

*3 As of the end of Dec. 07

● Outline and Strengths of MUFG

● **Outline of FY2007 Q3 Results**

● Key Business issues

- **Net income down from FY06 Q1-Q3 due to higher credit related costs mainly as a result of lower reversal gains on loan loss provisions**
- **Decided on fundamental restructuring of consumer finance business**
- **Posted approx. ¥55 billion loss related to sub-prime issue, mainly due to impairment loss on SIV**
- **Deposit/lending spread continued to expand. Net interest income also increased**

● Gross profits down ¥127.3bn on FY06 Q1-Q3

- Net interest income almost flat on FY06 Q1-Q3 -Net interest income on non-consolidated basis increased by ¥31.7bn on FY06 Q1-Q3 due to improvement in deposit/lending spread
- Net fees & commissions down due to decrease in investment banking revenue, etc.
- Approx. ¥55.0bn losses such as impairment losses on SIV investments were posted in net other business profits

● G&A expenses up ¥38.5bn on FY06 Q1-Q3

- Main causes of increase were integration costs and costs for strengthening compliance framework
- Expense ratio 61.5% (+4.3 points on FY06 Q1-Q3)
Non-consolidated expense ratio 58.5% (+4.1 points on FY06 Q1-Q3)

● Net income ¥314.6bn

● Credit related costs showed an expense of ¥334.4bn

- Provision for allowances for loan losses became net expenses from net reversal

Income statement (¥bn)

	FY06 Q1-Q3	FY07 Q1-Q3	Change
1 Gross profits (before credit costs for trust accounts)	2,687.2	2,559.9	(127.3)
2 Net interest income	1,379.8	1,385.9	6.1
3 Net fees and commissions	839.9	796.1	(43.8)
4 Net trading profits	207.9	256.7	48.8
5 Net other business profits	146.3	8.9	(137.4)
6 General and administrative expenses	1,535.9	1,574.5	38.5
7 Net business profits	1,151.3	985.4	(165.9)
8 Non-recurring gains (losses)	(187.2)	(331.7)	(144.5)
9 Ordinary profits	963.9	665.0	(298.9)
10 Net special gains (losses)	186.2	(32.9)	(219.2)
11 Net income	690.5	314.6	(375.8)
12 Credit related costs* ¹	6.7	(334.4)	(341.2)
13 Credit related costs* ¹ (sum of non-consolidated)	114.4	(186.7)	(301.2)

Negative numbers refer to costs or losses

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

Reference

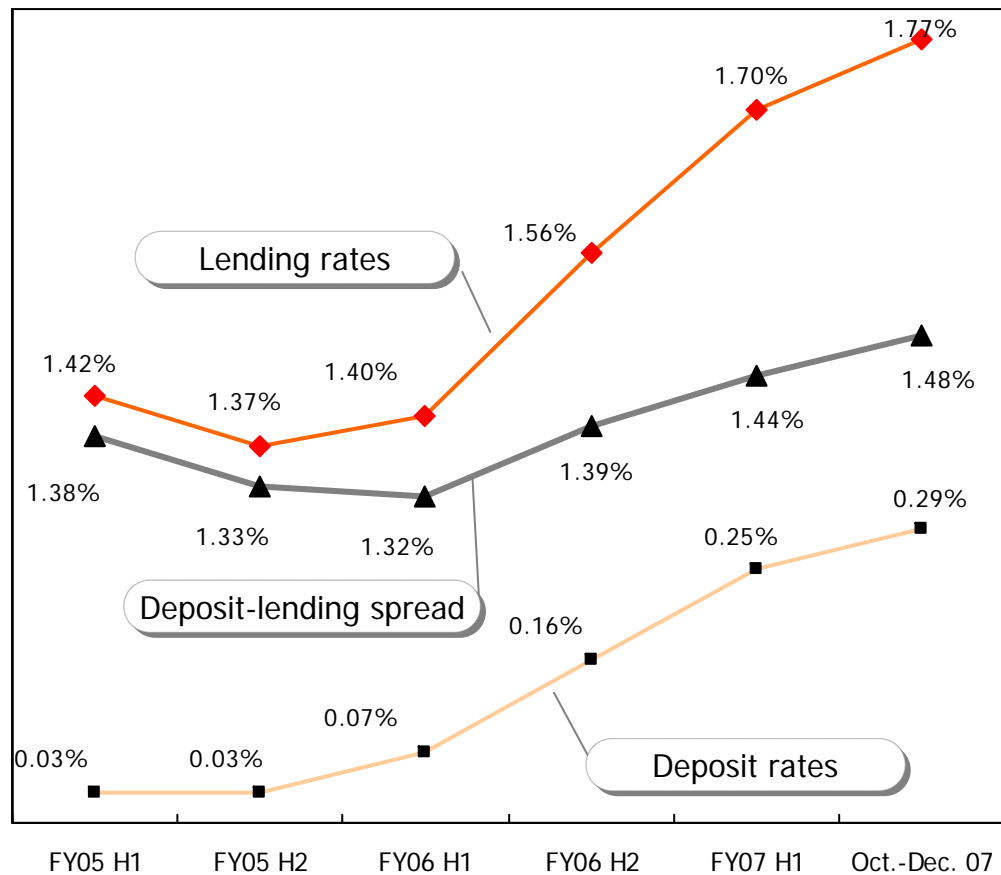
14 EPS (thousand of yen)* ²	67.2	29.8	(37.4)
15 ROE * ³	15.9%	6.6%	(9.3)points

*2 Earnings per 1 thousand shares for FY07 Q1-Q3

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

● Deposit-lending spread continued to improve

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



Recent interest rate changes

- July 18, 2006
Ordinary deposit rate
0.001% ⇒ 0.100%
- Aug. 10, 2006
Short-term prime rate
1.375% ⇒ 1.625%
- Oct. 1, 2006
Variable mortgage rate of new loans
2.375% ⇒ 2.625%
- Jan. 1, 2007
Variable mortgage rate of existing loans
2.375% ⇒ 2.625%
- Feb. 26, 2007
Ordinary deposit rate
0.100% ⇒ 0.200%
- Mar. 20, 2007
Short-term prime rate
1.625% ⇒ 1.875%
- Jul. 1, 2007
Variable mortgage rate of existing loans
2.625% ⇒ 2.875%
- Oct. 1, 2007
Variable mortgage rate of new loans
2.625% ⇒ 2.875%

- **Loan balance increased by ¥3.6tn from end Mar. 07**
 - Overseas lending significantly increased
 - Housing loans slightly down due to securitization
- **Deposit balance increased by ¥2.9tn from end Mar. 07**
 - Individual deposits continued to grow
- **NPLs declined by ¥189.4bn from end Mar. 07**
- **Appraisal gains on available-for-sale securities decreased by ¥1tn (mainly equities)**

Balance sheet (¥bn)

	End Mar 07	End Dec 07	Change	End Sep 07
1 Loans (Banking + Trust accounts)	85,150.7	88,783.7	3,632.9	87,043.5
	[84,831.9]	[88,507.4]	[3,675.5]	[86,751.0]
2 Loans (Banking accounts)				
Housing loans ^{*1*2}	17,190.1	17,051.4	(138.6)	17,013.2
Overseas loans ^{*3}	14,527.7	17,902.1	3,374.3	16,943.4
3 Investment securities (Banking accounts)	48,207.6	43,618.0	(4,589.5)	42,990.2
4 Deposits	118,708.6	121,610.7	2,902.0	117,630.8
5 Individual deposits (domestic branch)	60,858.3	62,884.2	2,025.9	61,408.7
6				
7 FRL disclosed loans ^{*1}	1,325.8	1,136.4	(189.4)	1,179.4
8 NPL ratio ^{*1}	1.46%	1.21%	(0.25) points	1.29%
9 Available-for-sale securities - Appraisal difference	3,384.2	2,330.8	(1,053.3)	2,980.7

*1 Sum of non-consolidated + trust accounts

*2 Loan securitization (FY07Q1-Q3) : approx. ¥0.2 tn

*3 Loans booked in overseas branches, UnionBanCal Corporation and BTMU (China)

- The effect of the sub-prime issue on our P&L is approximately ¥55.0bn

Sub-prime related and SIV investments*1

(¥bn)

Sub-prime loan related investments (excluding SIVs)	End Sep 07	End Dec 07	Change
Impairment*2	(4.0)	(9.0)	(5.0)
Balance (after impairment)	259.0	243.0	(16.0)
Appraisal losses	(8.0)	(30.0)	(22.0)

Appraisal losses on SIVs that holds sub-prime loan related securitized products	(12.0)
Appraisal losses on sub-prime loan related investments (including SIVs)	(20.0)

(¥bn)

Investments in SIVs	End Sep 07	End Dec 07	Change
Losses on sales of SIVs	—	(2.0)	(2.0)
Impairment*2	—	(44.0)	(44.0)
Balance (after impairment)	89.0	39.0	(50.0)
Appraisal losses	(18.0)	(1.0)	17.0

(¥bn)

Sub-prime loan related investments + SIVs	End Sep 07	End Dec 07	Change
Realized losses*2	(4.0)	(55.0)	(51.0)
Appraisal losses	(26.0)	(31.0)	(5.0)

*1 Includes BTMU (including UBOC), MUTB and MUS; approximate figures; management accounts basis.

*2 Realized losses are sum of losses on sales and impairment losses. Impairment and realized losses are cumulative totals since April 2007.

Key points

- In the April-December period of 2007 our P&L was affected by sub-prime related and SIV losses of approx. ¥55.0bn. This was mainly due to impairment losses on SIVs
- As of the end of December 2007 appraisal losses on these investments were approx. ¥31.0bn
- Our balance of sub-prime related investments (excluding SIVs) at end Dec. 2007 declined to approx. ¥243.0bn (down approx. ¥16.0bn from end Sep. 2007) due to redemption, sales and other factors. Of this balance approx. 98% were securitized products backed by non-securitized assets and approx. 96% were AAA-rated (holdings of securitized products backed by securitized assets such as ABS-CDOs were minimal)
- Our balance of investment in SIVs declined to approx. ¥39.0bn due to impairment losses, etc. (down approx. ¥50.0bn from end Sep. 2007).

Investment securities and securitized products (Consolidated)



- **Unrealized Gains on available-for-sale securities approx. ¥2.3tn (down ¥0.6tn from end Sep. 07)**

Breakdown of available-for-sale securities

(¥bn)

	End Dec. 07	Unrealized gains (losses)	
			Change from end Sep. 07
Total	39,336.2	2,330.8	(649.8)
Domestic equity securities	6,776.1	2,386.9	(633.2)
Domestic bonds	17,367.0	(33.0)	45.8
Other securities	15,193.0	(23.0)	(62.4)
Foreign equity securities	280.3	144.5	13.1
Foreign bonds	9,295.5	(61.7)	25.3
Other	5,617.0	(105.8)	(100.9)

Summary of holdings of securitized products, etc.*1

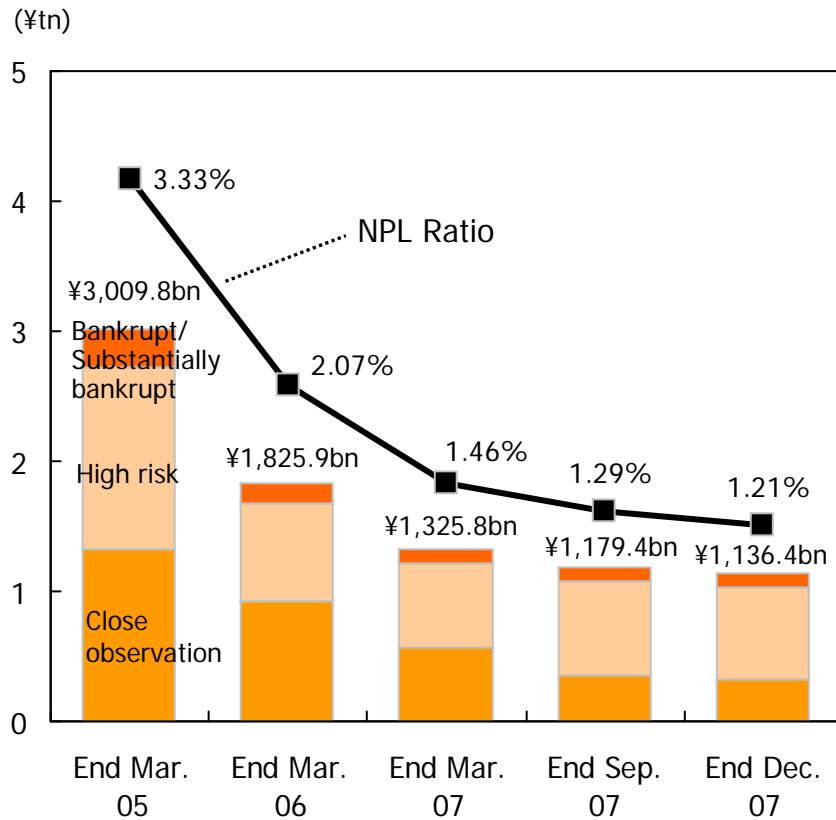
- Considering substantial excess of deposits on balance sheet, MUFG holds securitized products for the purpose of diversifying investments as well as optimizing and diversifying of overall credit portfolio
- All securitized products, etc. are held in the **banking account**
- As a result of increase in CLO investments, balance of securitized products, etc. increased to **approx. ¥3.95tn (up approx. ¥0.3tn from end Sep. 2007)** which accounts for **2.0%** of overall balance sheet
- **Approx. 98%** of the total are securitized products backed by non-securitized assets
- **Approx. 80%** have AAA ratings
- Sub-prime related investments guaranteed by monoline insurers*2 is almost nil. We hold securitized products such as CLOs that are guaranteed by monoline insurers, but **nearly all of these are rated triple A without the monoline guarantee. We do not have any lending or credit derivative transactions with monoline insurers.**
- Market value evaluated using **quoted price** provided by Bloomberg, etc. (no product is evaluated using internal pricing model)

*1 Total of BTMU (incl. UBOC), MUTB and MUS on management accounts basis, after impairment, excluding agency bonds, structured bonds, etc.

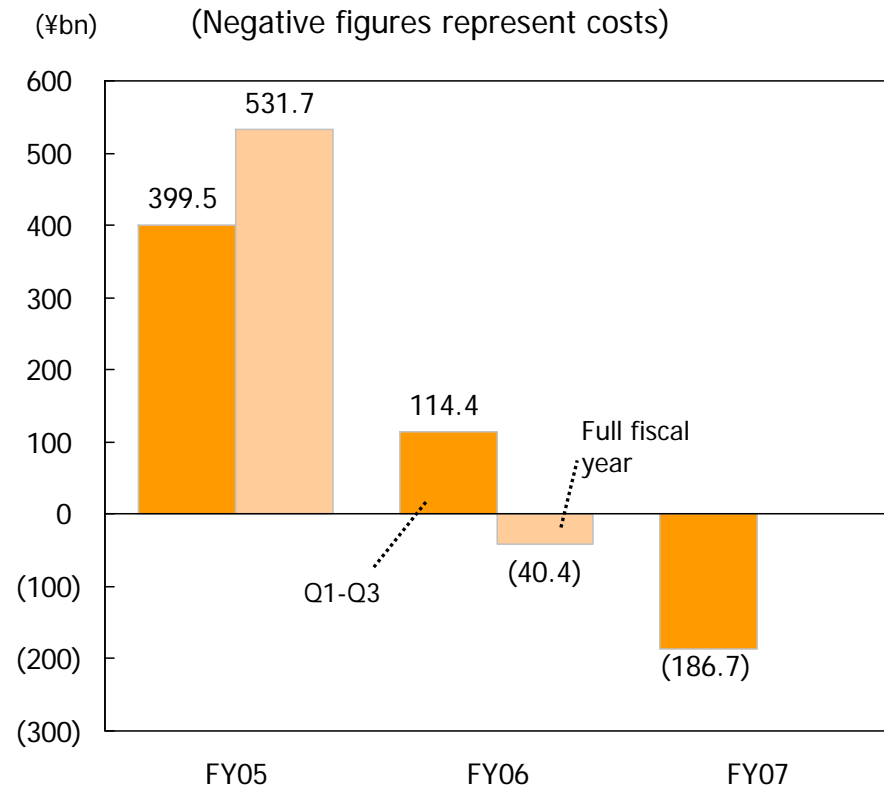
*2 Total of BTMU (including UBOC), MUTB and MUS amounts insured by the eight major monoline insurers (MBIA, Ambac, FSA, FGIC, SCA, Assured Guaranty, CIFG, ACA)

- NPL ratio declined 0.07points from end Sep. 07 to 1.21%
- Credit related costs showed an expense of ¥186.7bn

Balance of FRL disclosed loans



Credit related costs



- Consolidated capital ratio is 11.99%, Tier 1 ratio 7.50% as of end Dec. 07

<Main changes from End Mar.07>

	End Mar.07	End Dec.07	Change	(¥bn) End Sep.07
1 Capital ratio	12.54%	11.99%	(0.55%)	12.54%
2 Tier 1 ratio	7.57%	7.50%	(0.06%)	7.67%
3 Total capital	13,344.4	12,957.8	(386.6)	13,456.4
4 Tier 1	8,054.8	8,112.8	58.0	8,230.7
5 Tier 2	5,717.9	5,310.5	(407.4)	5,643.2
6 Tier 3	-	-	-	-
7 Deductions	428.3	465.5	37.2	417.5
8 Risk-adjusted assets	106,395.5	108,066.3	1,670.8	107,270.3
9 Required Capital	8,511.6	8,645.3	133.6	8,581.6

- Tier 1 capital: increased by ¥58.0 bn
 - ¥314.6 bn increase from net income
 - Approx.¥150.0 bn decrease from own shares repurchase
 - ¥76.7 bn decrease from interim dividend
- Tier 2 capital: decreased by ¥407.4 bn
 - Unrealized gains on investment securities decreased
- Risk assets: Up approx. ¥1.6 tn
 - Mainly due to increase in loan assets

Outline and Strengths of MUFG

Outline of FY2007 Q3 Results

Key Business issues

- **Extending our clear lead**

- Growth strategy

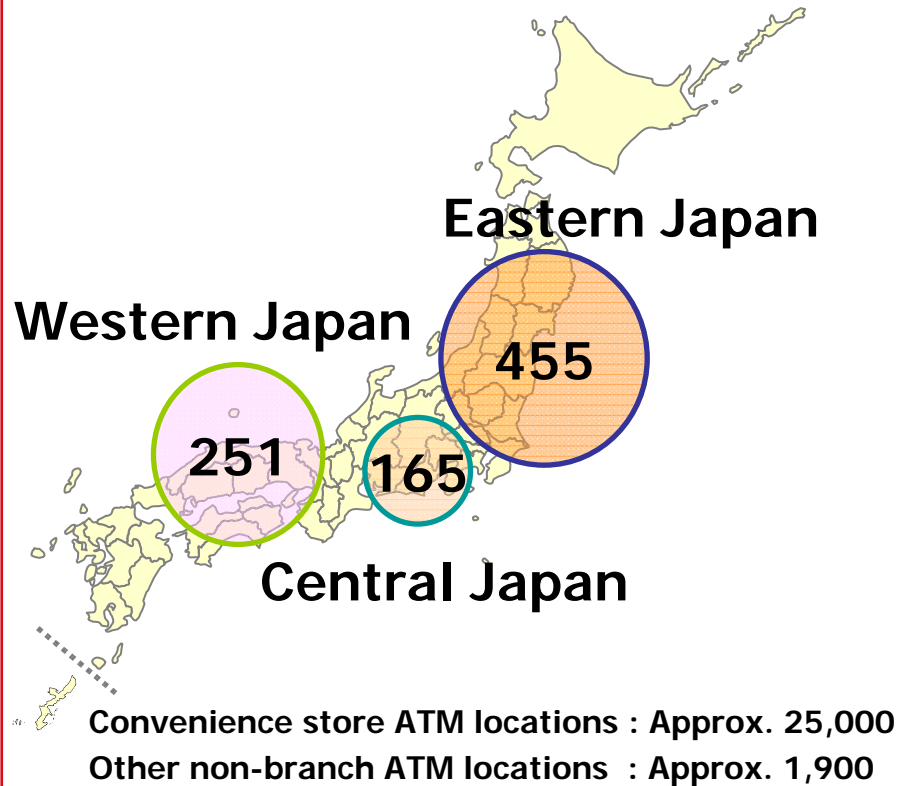
- Capital policy

MUFG's clear lead in Japan



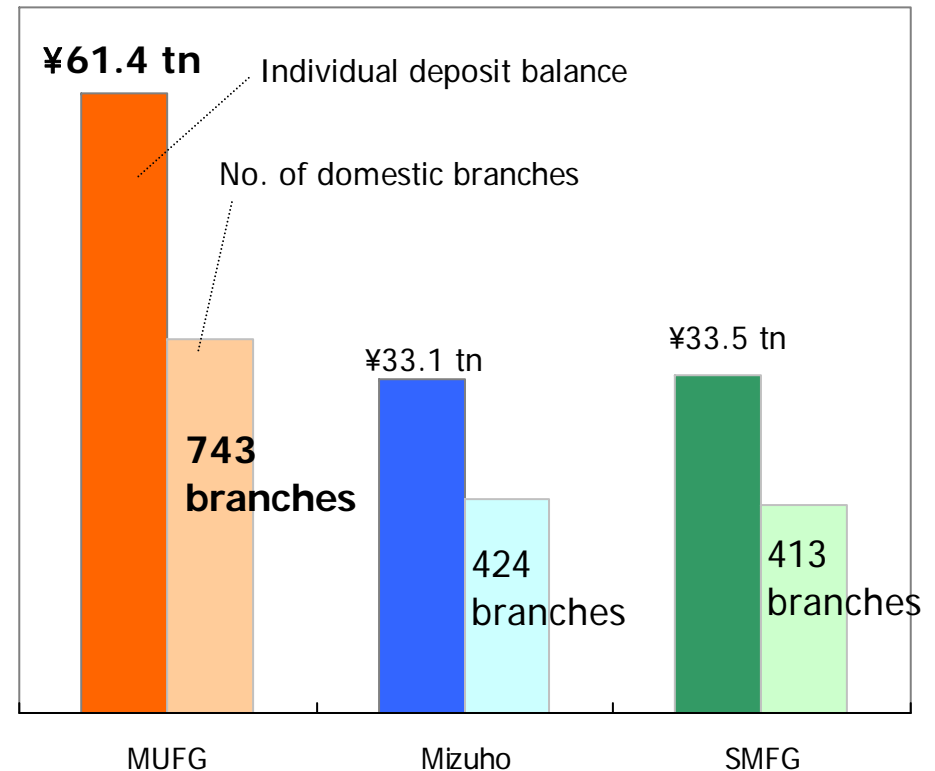
- Amid the *shift from savings to investments*, MUFG's strengths are Japan's leading branch network and an individual deposit balance around twice the size of those of other mega banks

Domestic retail branches*1



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

Domestic individual deposits and branches*2



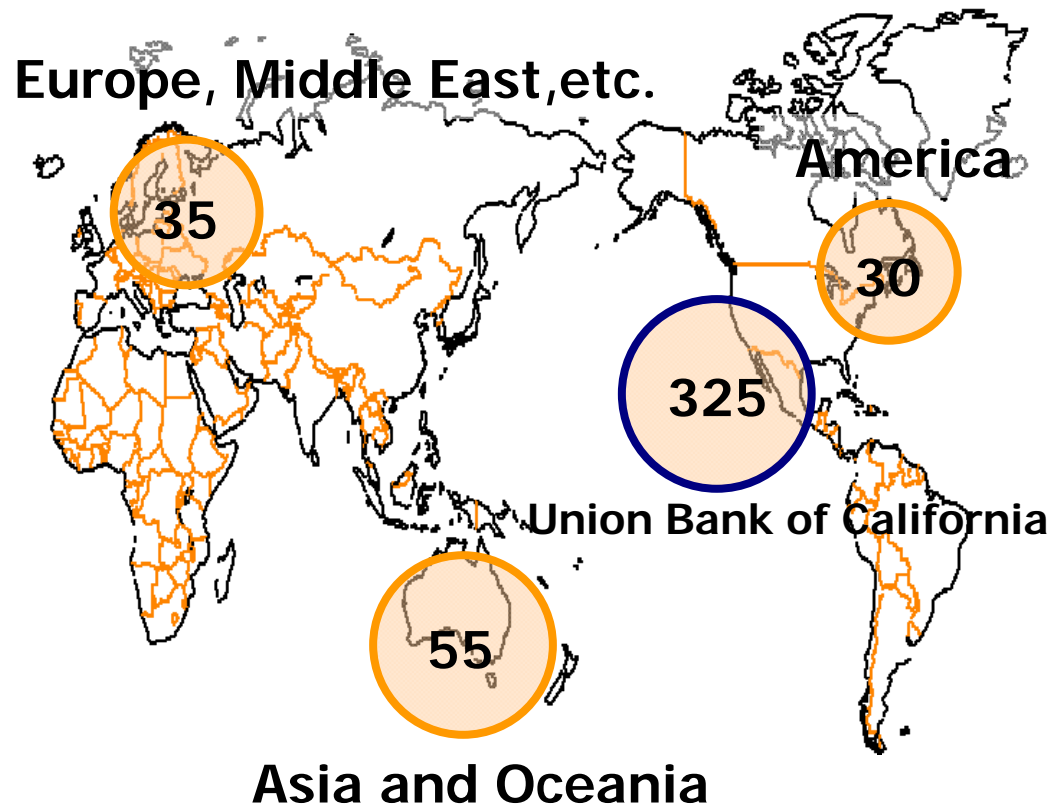
*2 Sum of non-consolidated, as of end Sep. 2007

MUFG's clear lead overseas



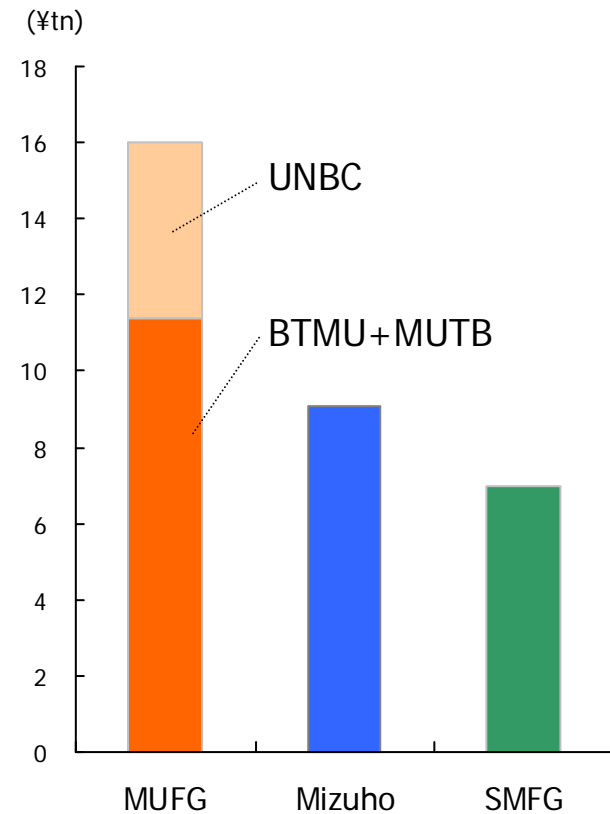
- The largest overseas network among Japanese banks, over 400 offices in more than 40 countries

Global network*1



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

Overseas loan balance*2



*2 Non-consolidated overseas lending balance as of end Sep. 2007 for Mizuho and SMFG

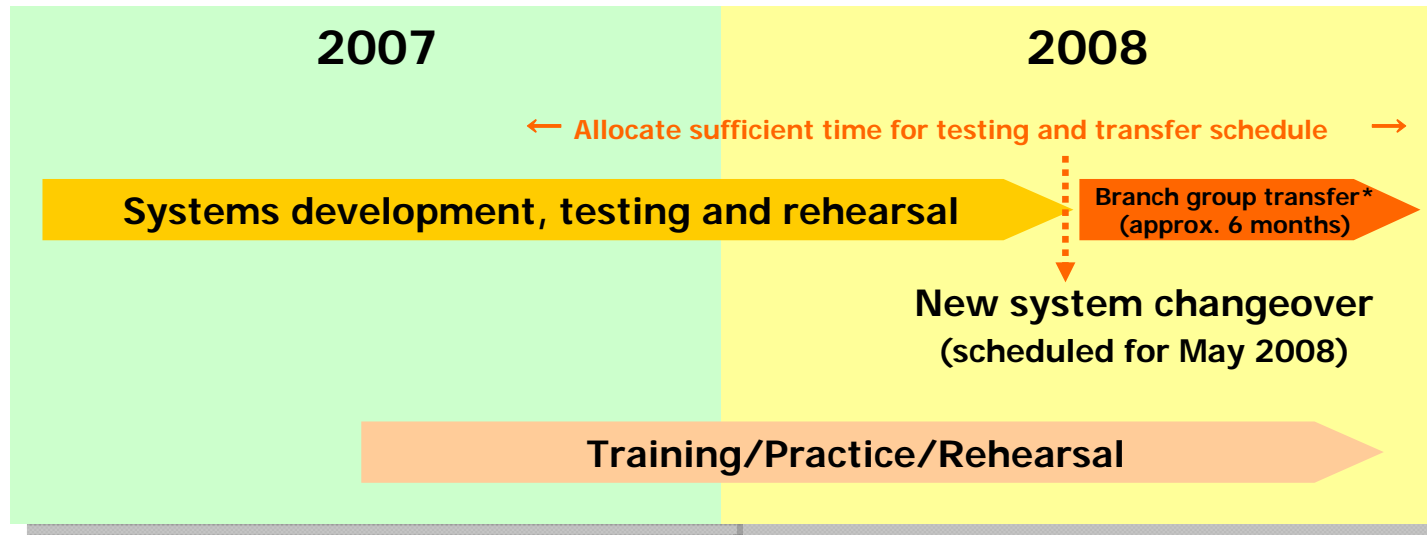
Increasing convenience through transfer to new systems



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

Schedule for transfer to new systems

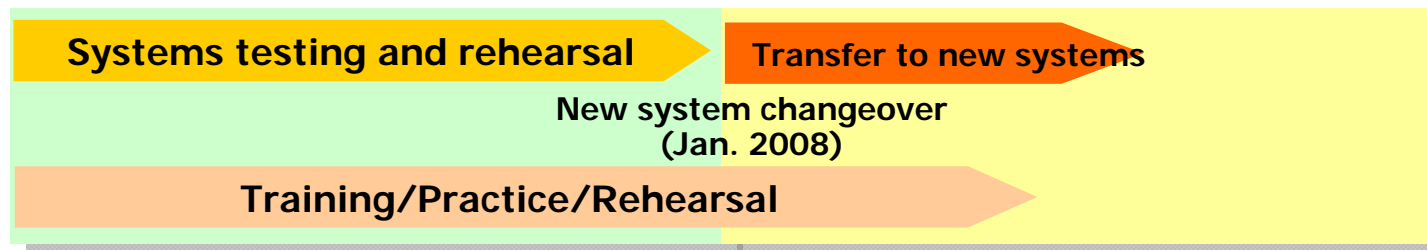
BTMU



Completion of transfer to new systems

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

MUTB



Strengthening internal control framework



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

BTMU

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

MUTB

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

MUS

- Increase staff especially internal control instructors

- **Extending our clear lead**

- **Growth strategy**

- **Capital policy**

- **Growth strategy**

- (1) **Strengthening sales aimed at overall customer assets**

- (2) **Consumer finance**

- (3) **CIB**

- (4) **Asia strategy**

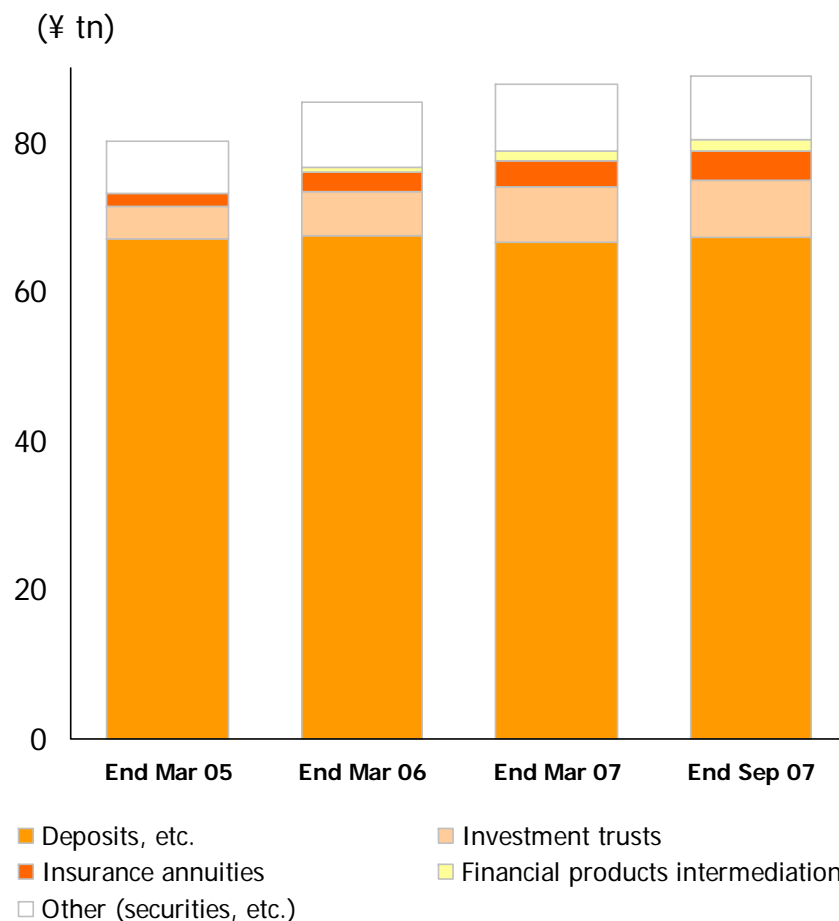
- (5) **Strategic investments**

Strengthening sales aimed at overall customer assets



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

Change in overall customer assets



Future initiatives

(1) Personnel

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

(2) Products and services

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

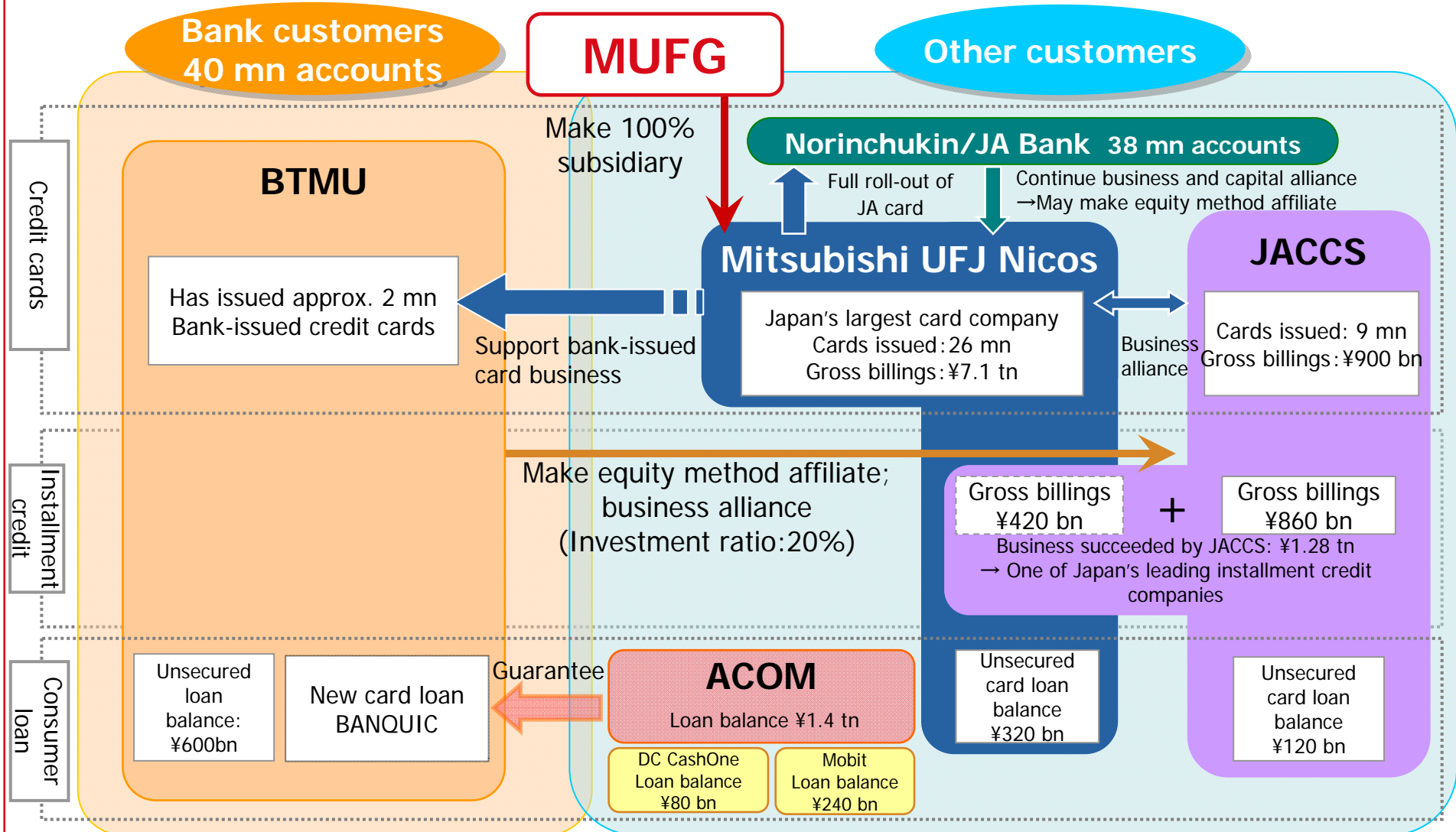
(3) Channel

- Increase private banking offices (from 19 at present to around 30)
- Branch refurbishment, etc.

Consumer finance



- Thorough business restructuring by Mitsubishi UFJ NICOS
- Launched new card loan guaranteed by ACOM

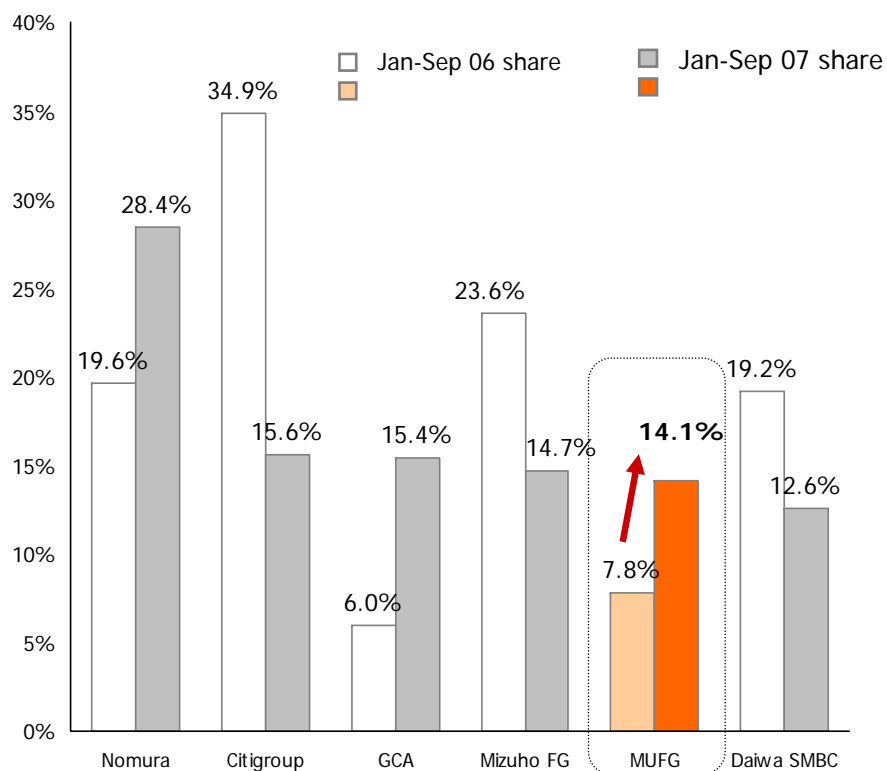


* Figures are as of FY06, except bank-issued credit cards, end of Jan 08

● Strengthen investment banking business by promoting CIB model

Achievements in CIB

M&A advisory: Share of total deal amount



Note: Publicly announced deals involving Japanese companies

Source: Thomson Financial

Major deals in 2007

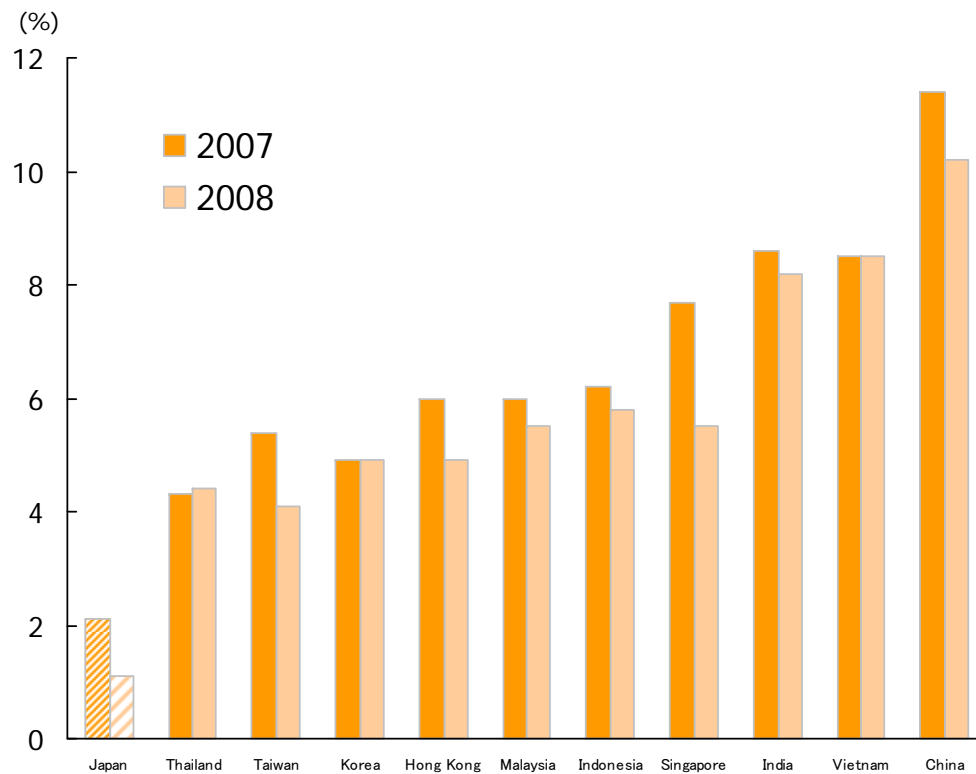
Client	Timing	Deal size	MUFG involvement
Daikin Industries	Jun.	¥118.9 bn	Manager for public offering through use of securities intermediation
Ministry of Finance	Jun.	-	Advisor for securitization of Fiscal Investment and Loan Program loans
Mitsubishi Chemical Holdings	Oct.	¥140.0 bn	Joint lead manager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

Asia strategy (1): Asian market growth potential



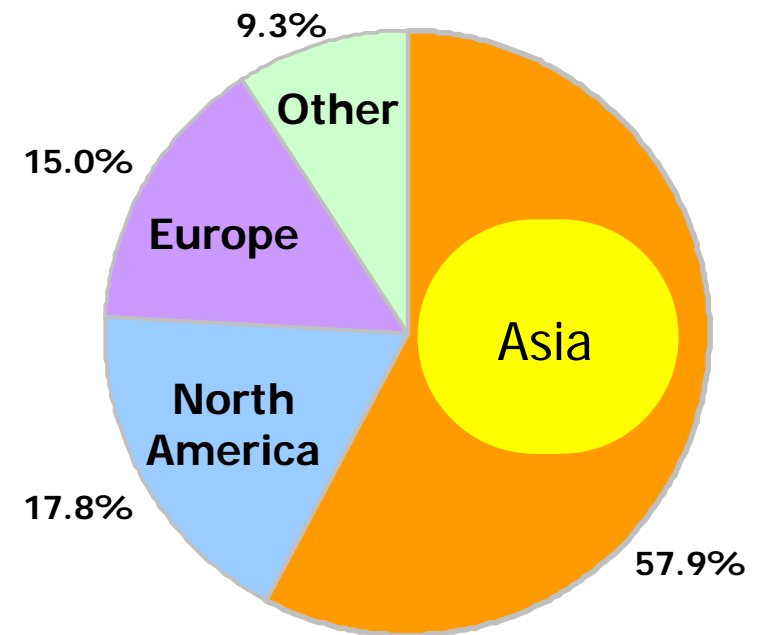
- Major potential business opportunity in Asia, high growth region where Japanese companies continue to set up operations

Growth forecasts for Asian economies



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

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



Source: Ministry of Economy, Trade and Industry, FY2005 figures

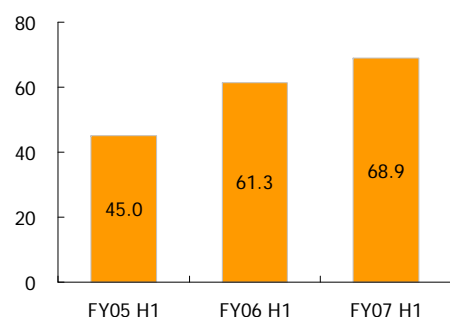
Asia strategy (3): Future direction



- Increase business with Japanese and non-Japanese companies through organic growth, and also pursue an investment and alliance strategy

Asia business income*1

(¥ bn)



Organic growth

◆ Business with Japanese companies

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

◆ Business with non-Japanese companies

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

◆ Business with both Japanese and non-Japanese companies

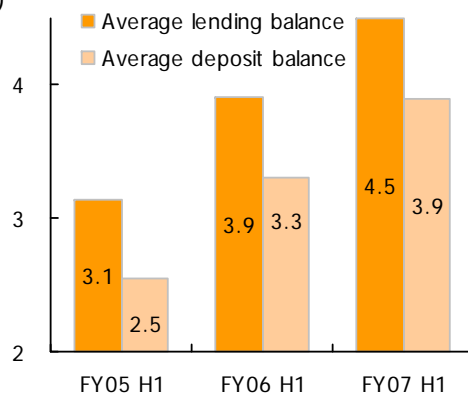
- Increase non-interest income, e.g. forex trading profit, fees and commissions, investment banking income

Non-organic

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

Asia business deposit/lending balances*1

(¥ tn)



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

Asia strategy (4): Investment and alliance strategy



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

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







Growing

Developed

Strategic investments



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

		Investment timing	Amount
Became/becoming wholly owned subsidiaries	 Mitsubishi UFJ Securities	Sep. 07:	Approx. ¥375.0 bn (exchange of shares)
	 Mitsubishi UFJ NICOS	Aug. 08 (planned):	TBD (exchange of shares)
Became consolidated subsidiary	 kabu.com Securities	Apr. 07:	Approx. ¥22.7 bn (cash, public tender offer)
		Dec. 07:	Approx. ¥18.1 bn (cash, public tender offer)
Became/becoming equity-method affiliates	 Mitsubishi UFJ Merrill Lynch PB Securities	May 06:	¥3.0 bn (cash investment)
		Mar. 08 (planned):	Approx. ¥8.9 bn (cash investment)
		May 06	¥0.32 bn (cash investment)

- Extending our clear lead

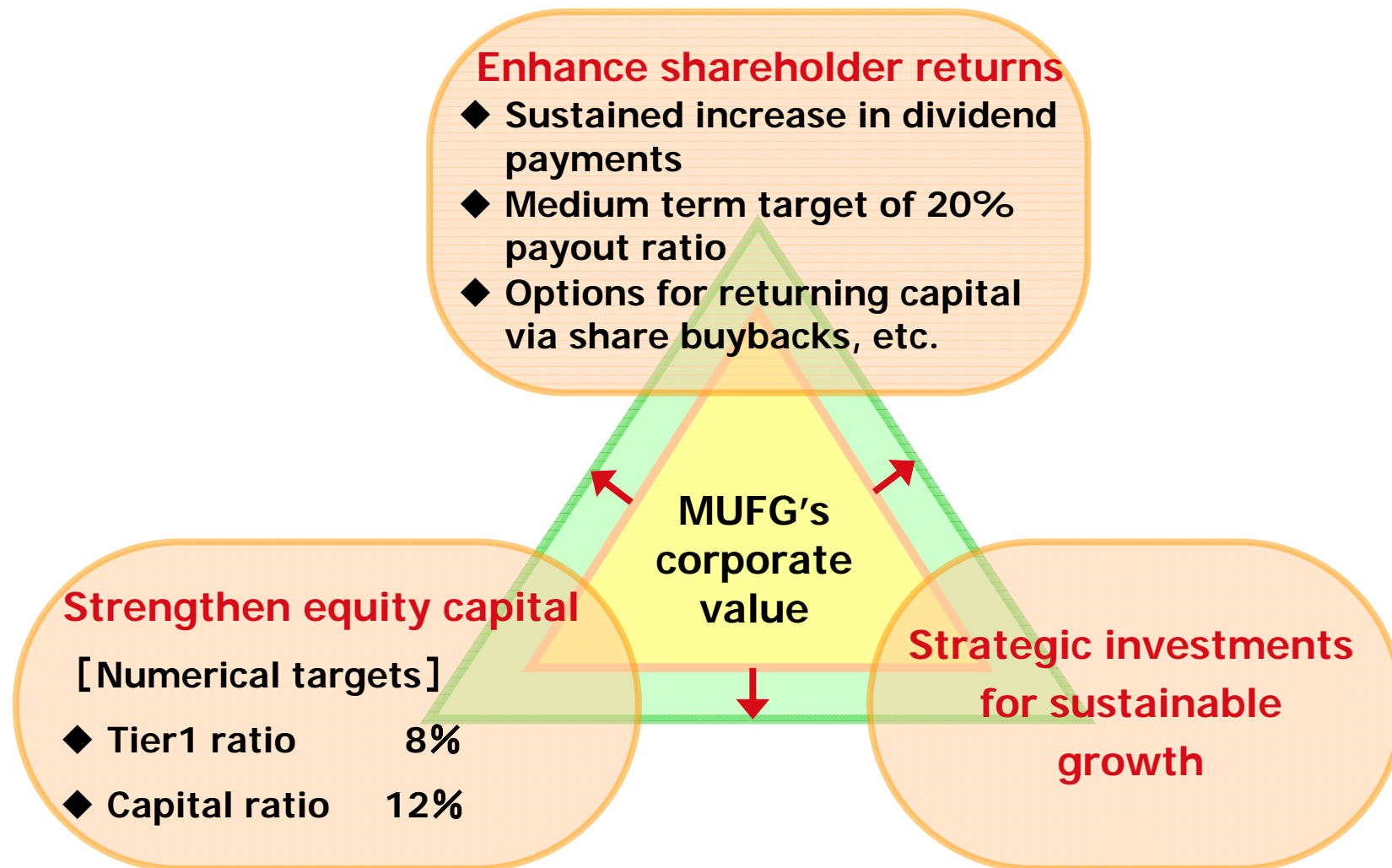
- Growth strategy

- **Capital policy**

Implementing balanced capital policy



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



Repurchase of own shares



- Repurchased own shares, aiming to enhance shareholder returns, improve capital efficiency and implement a flexible capital policy

Outline of own share repurchase

Type of shares that were repurchased	Ordinary shares of MUFG
Aggregate amount of repurchase price	Approx. ¥150.0 bn
Aggregate number of shares that were repurchased	126,513,900 shares (Percentage of issued shares (excl. treasury stock) : 1.20%)
Repurchase period	Dec. 3, 2007 – Dec. 13, 2007

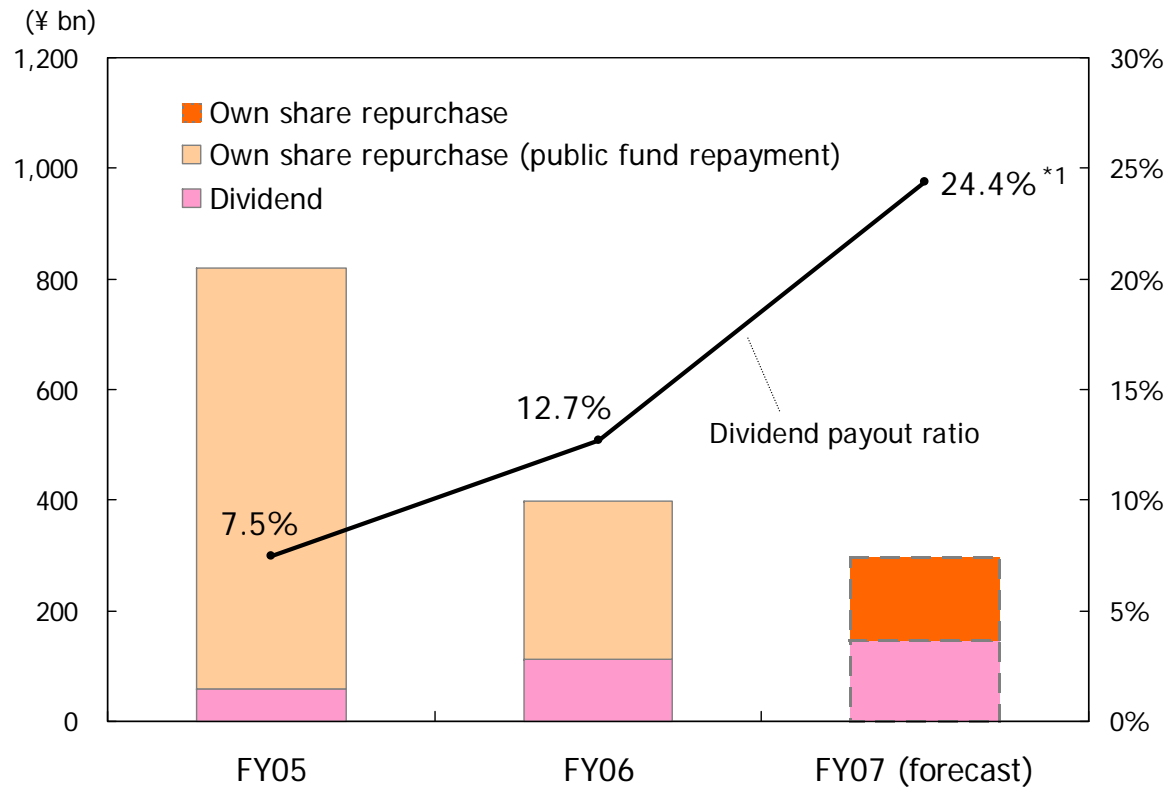
Reference:	as of end Dec. 07	(as of end Sep. 07)
Total issued shares (excl. treasury stock) :	10,360,744,637 shares	(10,487,294,143 shares)
Treasury stock :	500,899,153 shares	(374,349,647 shares)

Enhancing shareholder returns



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

Shareholder returns—actual and forecast



*1 Estimated payout ratio for FY07 is calculated based on dividend per ordinary share of ¥14, net income for the period of ¥600 bn, and other assumptions

No.1
Service

Quality for You

No.1
Reliability

No.1
Global
Coverage

Appendix

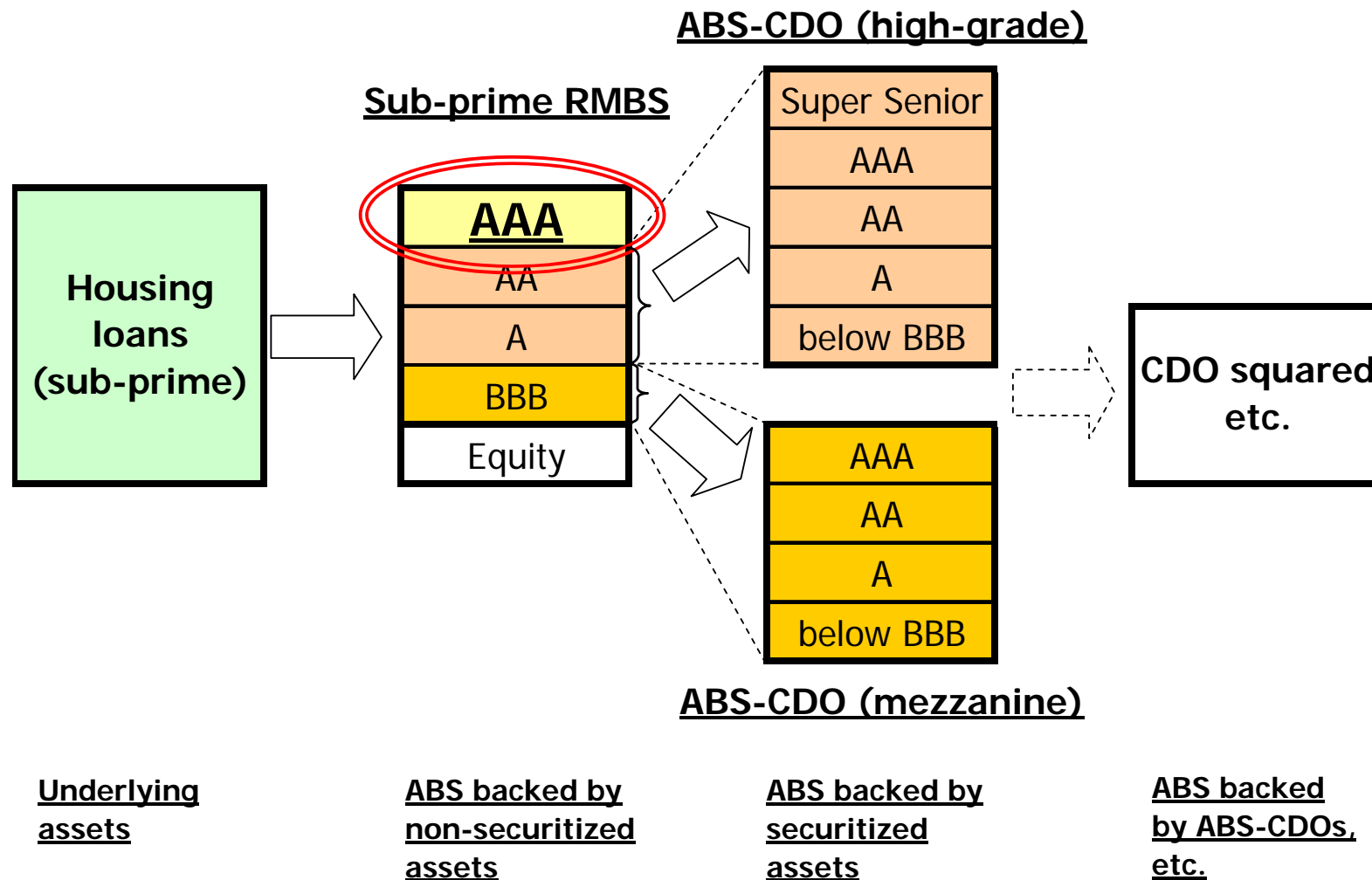
Quality for You 
MUFG

- **No Group involvement in sub-prime loan securitization arrangement business nor in sub-prime asset-backed warehousing loans**
- **ABCP programs which MUFG Group sponsors do not include sub-prime loan related assets**
- **No cases of organizing SIV ourselves nor providing liquidity assistance to such SIV**
- **Union Bank of California does not engage in sub-prime real estate lending**
- **Mitsubishi UFJ Securities has no sub-prime loan investments, and extremely limited impact from the sub-prime issue on its securitized product structuring business**

Sub-prime related exposure (excluding SIV)



- Approx. 90% of our exposure is to ABS backed by non-securitized assets (AAA rated RMBS) whose declines in prices have been very limited compared to ABS-CDOs and other securitized products



Securitized products (under Basel II)



By type of underlying asset(End Sep 07)

	(¥bn)
Securitization exposure (As an investor)	3,787.1
Residential mortgage	1,110.8
Apartment loan	7.6
Credit card receivables	330.3
Corporate loans	1,674.4
Other assets	663.8

Broken down into a number of risk weight bands (End Sep 07)

	(¥bn)
Securitization exposures broken down into a number of risk weight bands	3,787.1
Risk weight: to 20%	3,218.5
Risk weight: over 20% to 50%	210.8
Risk weight: over 50% to 100%	312.8
Risk weight: over 100% to 250%	24.0
Risk weight: over 250% under 1,250%	5.2
Risk weight: 1,250%	15.5

<Mapping of securitized product risk weight and Ratings>*

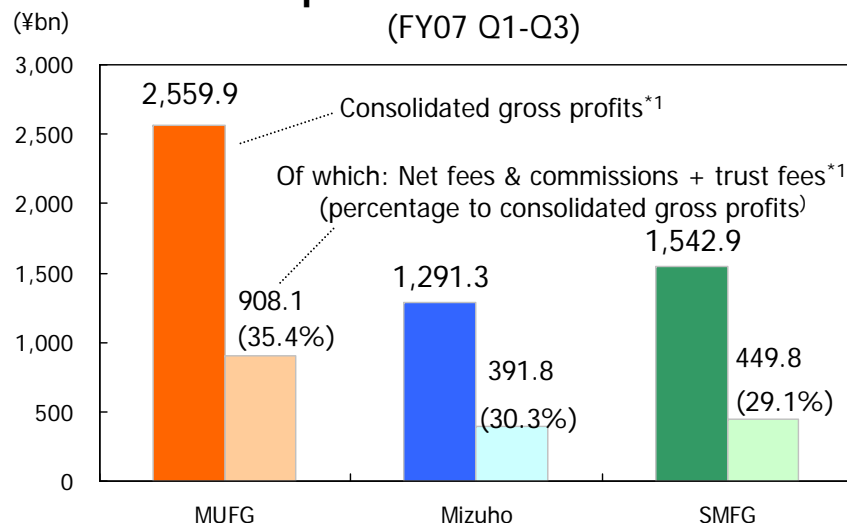
	(%)	
	Most senior tranche risk weight	Other tranche risk weight
AAA	7	12
AA+ ~ AA-	8	15
A+	10	18
A	12	20
A-	20	35
BBB+	35	50
BBB	60	75
BBB-	100	
BB+	250	
BB	425	
BB-	650	
Less than BB-	1,250 (Deducted fom capital)	

* This table only applies where the number of exposure in the pool is more than 6.
From FSA announcements.

Comparison with other Japanese financial groups

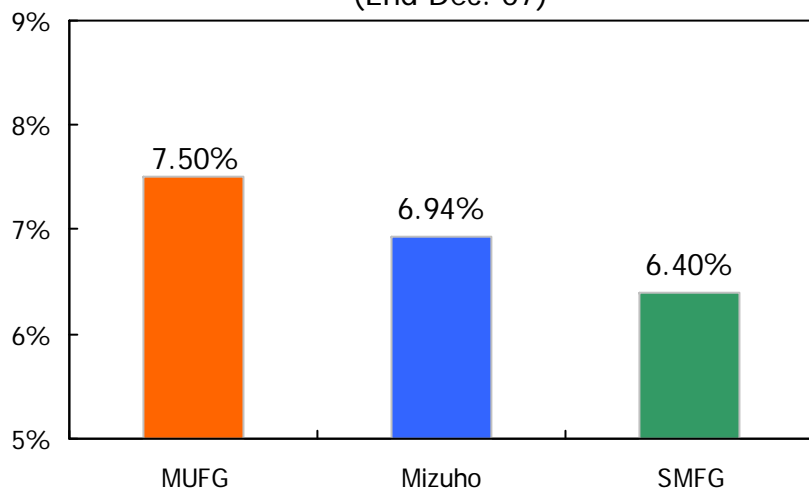


Gross profits/ Fees + Trust fees (FY07 Q1-Q3)

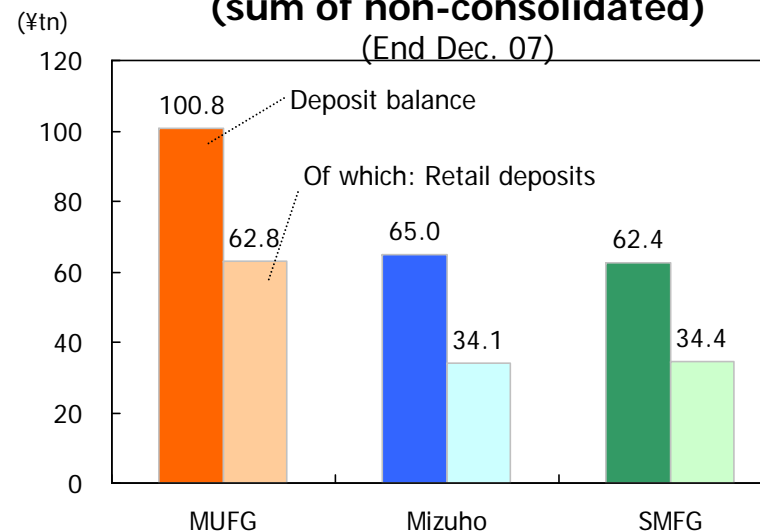


*1 Before credit costs for trust accounts

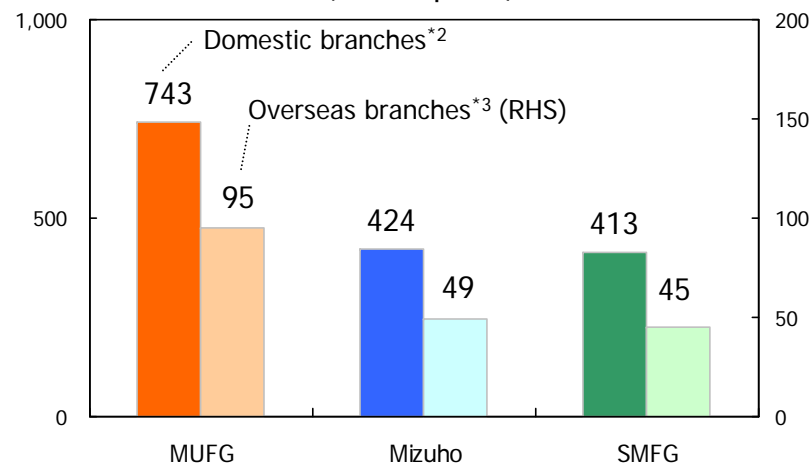
Consolidated Tier 1 ratio (End Dec. 07)



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



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



*2 Not including sub-branches, agencies and representative offices, etc.

*3 Total of branches, sub-branches, representative offices and subsidiaries (as of end of Jun. 07, figures for commercial bank only)