

Mitsubishi UFJ Financial Group

July 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 and Strengths of MUFG

Outline of Fiscal 2007 Results

Key Management Issues

Outline of MUFG



- Japan's largest comprehensive financial group, comprising a diverse range of leading companies in a broad range of financial businesses

Holding Company

Mitsubishi UFJ Financial Group (MUFG)

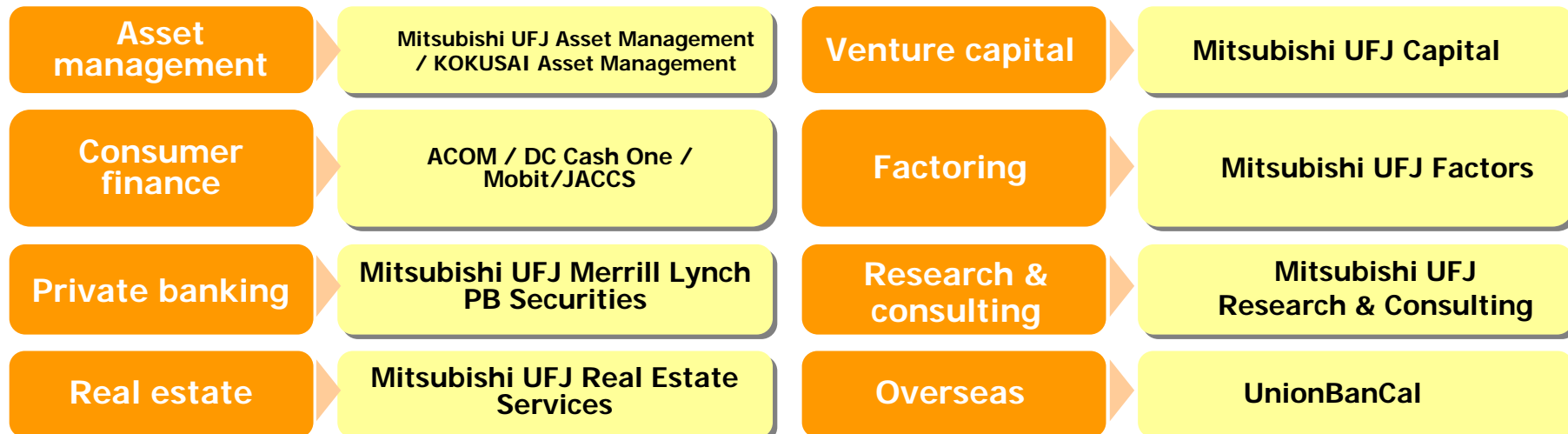
Total Assets ¥192.9 tn
 Total Loans ¥88.5 tn
 Total Deposits ¥121.3 tn
 Employees approx.120,000

Note: As of End Mar. 2008 (Employees as of End Mar. 2007)



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

Group companies in other main financial areas



Global position of MUFG



Market capitalization

As of the end of May 2008

		\$ bn
1	Industrial and Commercial Bank of China	274
2	China Construction Bank	209
3	HSBC	200
4	Bank of China	160
5	Bank of America	151
6	JPMorgan Chase	147
7	Banco Santander	130
8	Citigroup	118
9	MUFG	110
10	BNP Paribas	93

Source: Compiled by MUFG based on Bloomberg data

Total assets

As of the end of December 2007

		\$ tn
1	Royal Bank of Scotland	3.80
2	Deutsche Bank	2.98
3	BNP Paribas	2.49
4	Barclays	2.45
5	HSBC	2.35
6	Citigroup	2.18
7	Credit Agricole	2.08
8	UBS	2.02
9	ING	1.93
10	MUFG	1.72

Source: BTMU Economic Research Office

"5 advantages" of MUFG



1 Strong customer base

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

2 Broad global network

- 1,259 domestic branches^{*1}
- 452 overseas offices^{*2}

3 Comprehensive group strengths

- Banking, trust, securities, UNBC, cards, leasing, investment trust and consumer finance, etc.

4 Healthy financial base

- Repaid all public funds
- Tier1 ratio = 7.60%^{*3}
- NPL ratio = 1.15%^{*3}

5 Solid governance and trusted management

- Governance system appropriate for NYSE listed company

*1 As of the end of Mar. 08, sum of the retail and corporate branches of BTMU, MUTB and MUS

*2 As of the end of Mar. 08, sum of BTMU, MUTB, MUS and UBOC

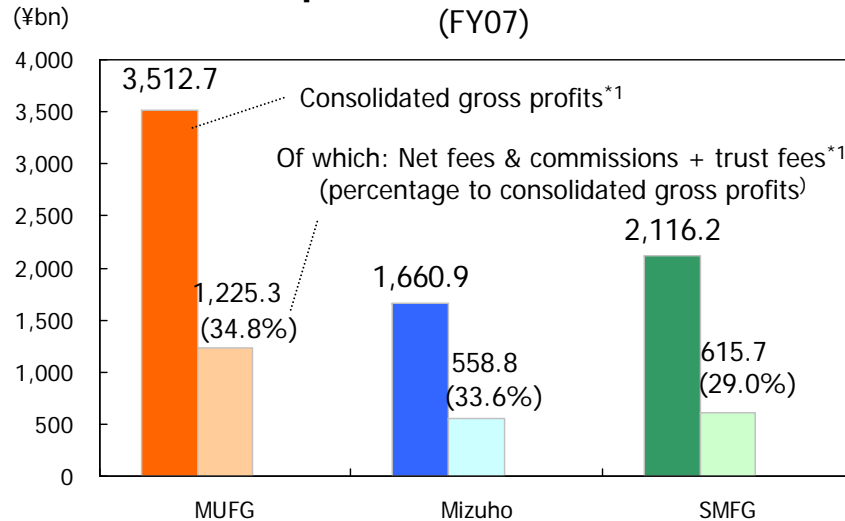
*3 As of the end of Mar. 08

Comparison with other Japanese financial groups



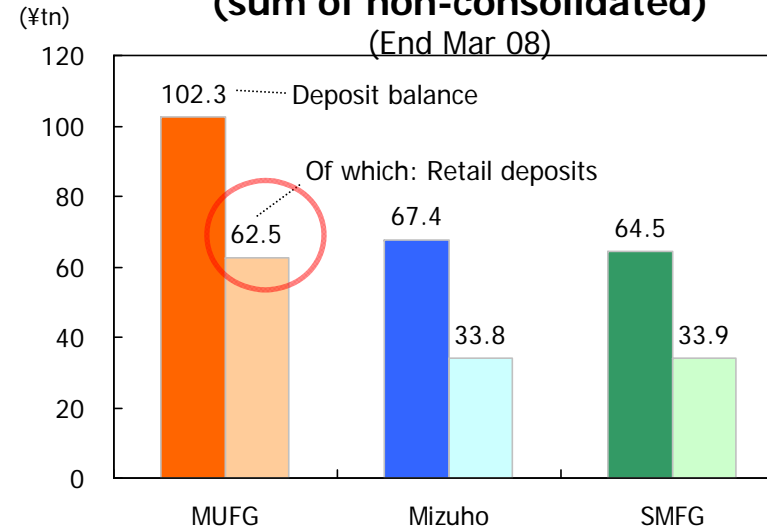
Source :Disclosure material of each group

Gross profits/ Fees + Trust fees (FY07)

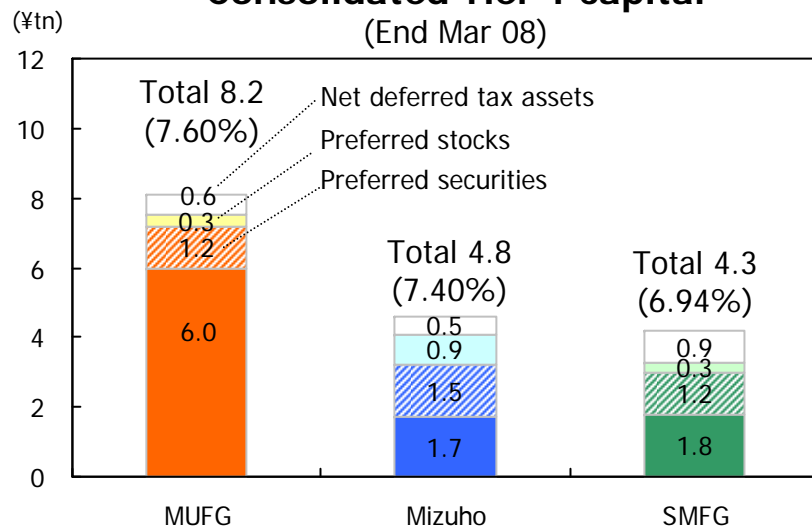


*1 Before credit costs for trust accounts

Domestic deposit balance (sum of non-consolidated) (End Mar 08)

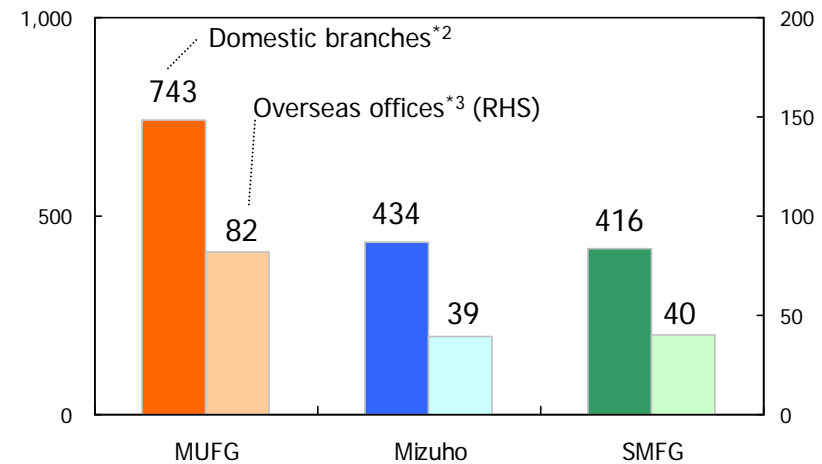


Consolidated Tier 1 capital (End Mar 08)



Tier1 ratio in parenthesis

Number of branches (sum of non-consolidated) (End Mar 08)



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

*3 Total of branches, sub-branches and representative offices

Please see page 80 of the MUFG Databook

Outline and Strengths of MUFG

Outline of Fiscal 2007 Results

Key Management Issues

- **Net income down from FY06, but higher than revised forecasts**
 - Main factors: Lower gross profits due to market instability and higher impairment losses on equities
 - Sub-prime related losses relatively small
- **Further enhanced comprehensive Group strengths, through restructuring Mitsubishi UFJ NICOS, making Mitsubishi UFJ Securities a wholly owned subsidiary, and other measures**
- **Made steady progress in preparations for transfer to new systems**

● Gross profits down ¥214.0bn on FY06

- Net interest income decreased, as factors such as the lowering of interest rates at Mitsubishi UFJ NICOS offset the effect of improvements in the deposit-lending spread at the commercial bank
- Net fees and commissions decreased due to deterioration of market environment
- Recorded losses of ¥123.0 bn relating to securitized products in Net other business profits

● G&A expenses up ¥41.7bn on FY06

- Main causes of increase were system integration costs and costs for strengthening compliance framework

● Net gains (losses) on equity securities down ¥152.0bn

- Recorded ¥187.1bn losses on write-down of equity securities

● Net income ¥636.6bn

● Credit related costs increased by ¥114.6bn

Please see pages 6-20 of the MUFG Databook

Income statement (¥bn)

	FY06	FY07	Change
1 Gross profits (before credit costs for trust accounts)	3,726.7	3,512.7	(214.0)
2 Net interest income	1,904.4	1,842.0	(62.3)
3 Net fees and commissions	1,158.6	1,073.5	(85.0)
4 Net trading profits	315.0	365.3	50.2
5 Net other business profits	195.5	79.9	(115.6)
6 G & A expenses	2,074.0	2,115.8	41.7
7 Net business profits	1,652.7	1,396.9	(255.8)
8 Non-recurring gains (losses)	(195.5)	(408.8)	(213.3)
9 Net gains (losses) on equity securities	127.1	(24.8)	(152.0)
10 Ordinary profits	1,457.0	1,029.0	(428.0)
11 Net special gains (losses)	51.6	(8.1)	(59.7)
12 Net income	880.9	636.6	(244.3)
13 Credit related costs*1	(186.9)	(301.6)	(114.6)
14 Credit related costs*1 (sum of non-consolidated)	(40.4)	(86.2)	(45.7)

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

15 Net operating profit from customer businesses*2 (% of total)	1,479.6 (91%)	1,320.0 (96%)	(159.6) 5points
16 Fee income*3 (Share of gross profits)	1,630.2 (43.7%)	1,507.6 (42.9%)	(122.5) (0.8)points
17 EPS (thousand of yen)*4	86.7	61.0	(25.7)
18 ROE *5	14.9%	9.7%	(5.2)points

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

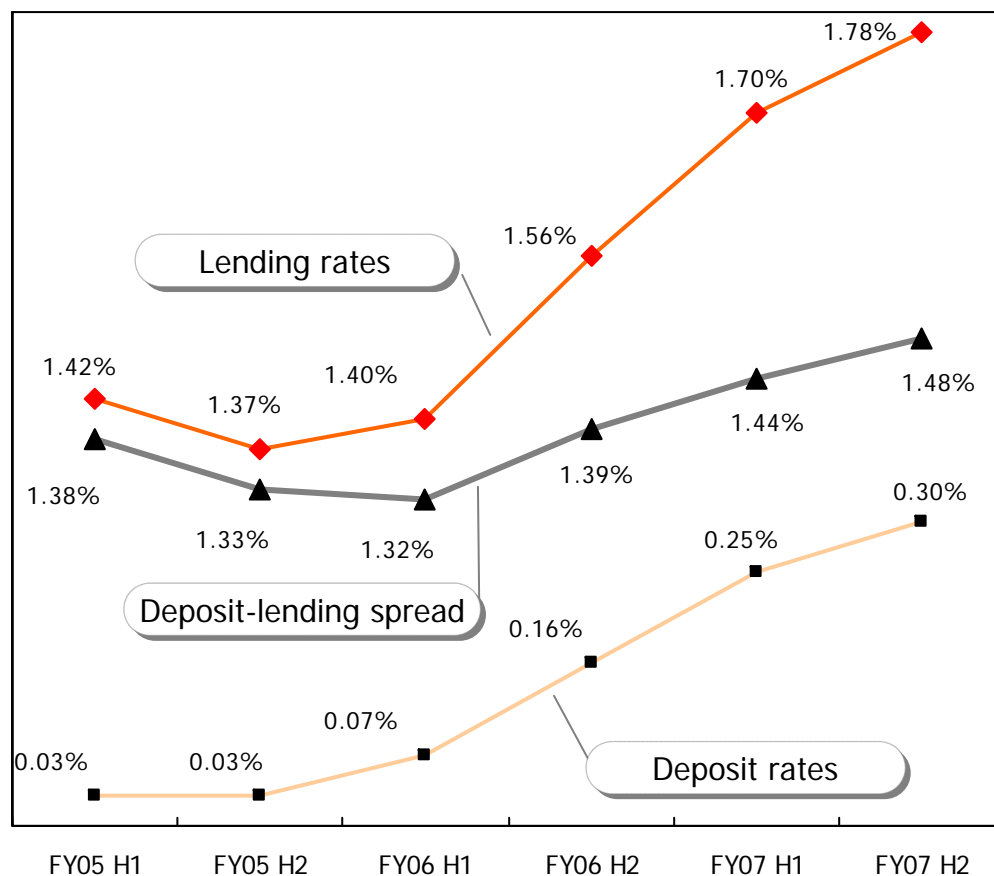
*3 Fee income= Net fees and commissions + trust fees (excluding loan trusts and jointly operated money trust fees) + customer derivative income (managements account basis) + forex profit (managements account basis)

*4 Earnings per 1 thousand shares for FY07

*5 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

- Jul 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
- Domestic corporate loans bottomed out

- **Deposit balance increased by ¥2.6tn from end Mar 07**

- Individual deposits continued to grow

- **NPLs declined from end Mar 07**

- NPL ratio declined 0.31 points from end Mar 07 to 1.15%

- **Appraisal gains on available-for-sale securities decreased by ¥2.4 tn (mainly equities)**

- **BIS ratio 11.19% (Tier1 ratio 7.60%)**

Balance sheet (¥bn)

	End Mar 07	End Mar 08	Change
1 Loans (Banking + Trust accounts)	85,150.7	88,797.6	3,646.9
Loans (Banking accounts)	[84,831.9]	[88,538.8]	[3,706.8]
2 Domestic corporate loans ^{*1*2}	49,417.2	49,450.1	32.9
3 Housing loans ^{*2*3}	17,190.1	17,358.2	168.1
4 Overseas loans ^{*4}	14,527.7	17,670.4	3,142.7
5 Investment securities (Banking accounts)	48,207.6	40,851.6	(7,355.9)
6 Deposits	118,708.6	121,307.3	2,598.6
7 Individual deposits (domestic branch)	60,858.3	62,594.7	1,736.3
8 Deposit-lending spread (non-consolidated)	FY06 1.35%	FY07 1.46%	0.1points
9 FRL disclosed loans ^{*2}	1,325.8	1,058.5	(267.3)
10 NPL ratio ^{*2}	1.46%	1.15%	(0.31)points
11 Available-for-sale securities - Appraisal difference	3,384.2	1,004.8	(2,379.3)
12 BIS capital ratio (Tier1 ratio)	12.54% (7.57%)	11.19% (7.60%)	(1.34)points 0.03points
13 Equity holdings/Tier1 ratio	56%	52%	(3)Points
14 Net deferred tax assets/Tier1 ratio	0.8%	8.3%	7.4points

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

*2 Sum of non-consolidated + trust accounts

*3 Loan securitization (FY07) : approx. ¥0.2 tn

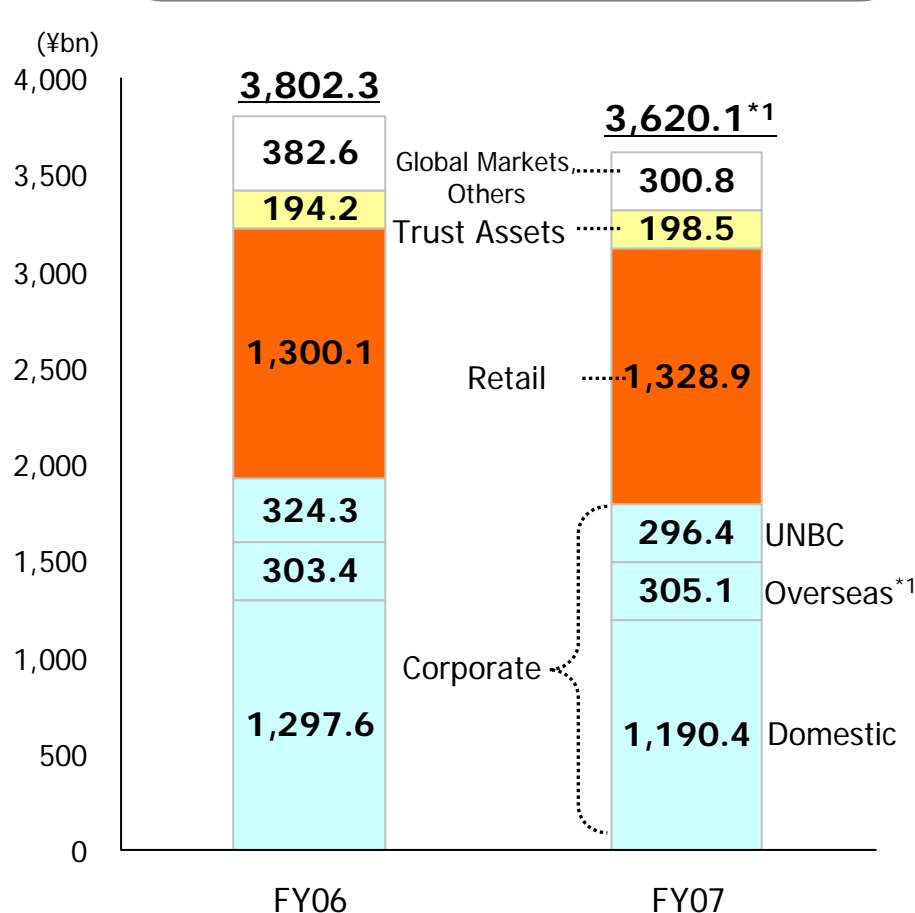
*4 Loans booked in overseas branches, UnionBanCal Corporation and BTMU (China)

Outline of results by business segments (Consolidated)

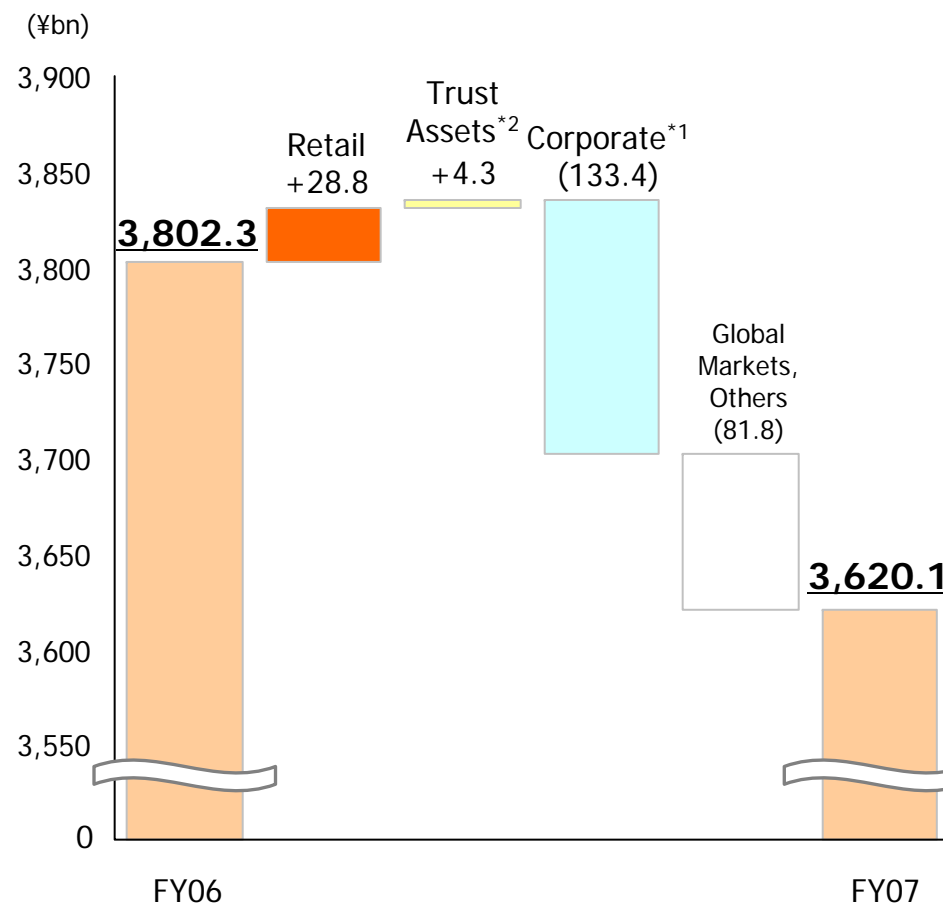


- Gross profits decreased by ¥182.2 bn^{*1*2} (mainly Corporate and Global markets)

Gross profits by segment^{*3}



Breakdown of changes in Gross profits^{*3}



^{*1} Due to a change in the accounting period resulting from the creation of a locally incorporated subsidiary in China, figures for FY07 only include results of the China business for 9 months. If the additional 3 months' results were included, the impact on gross profits would be approx. ¥9.4 bn.

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

^{*3} On management accounts basis (Consolidated gross profits before adjusting intra-group transactions except dividends from subsidiaries)

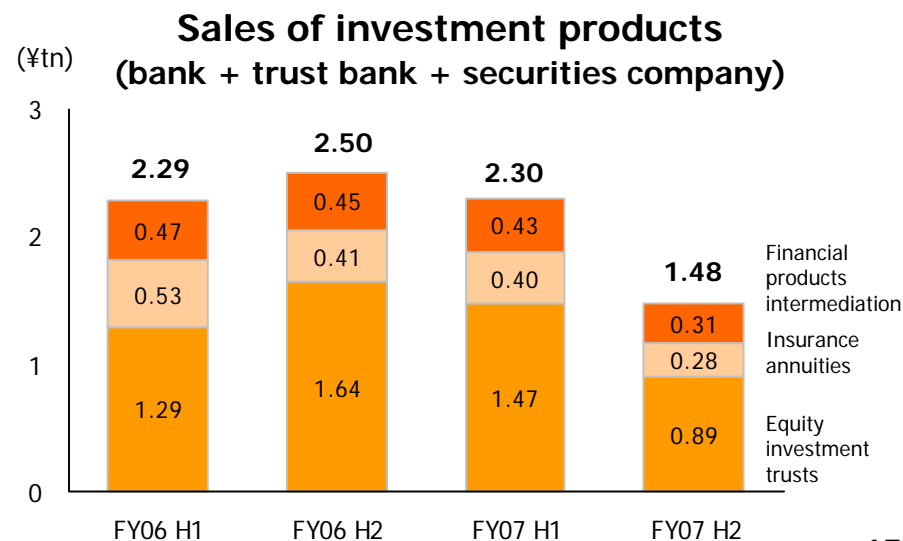
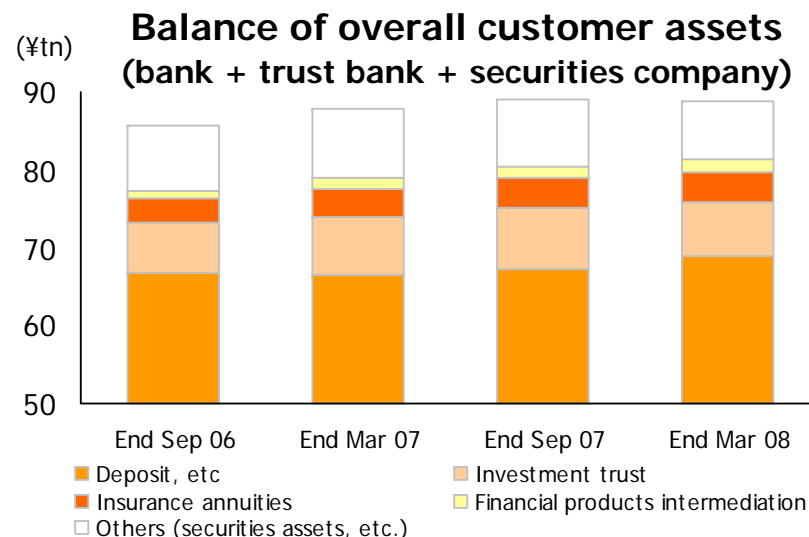
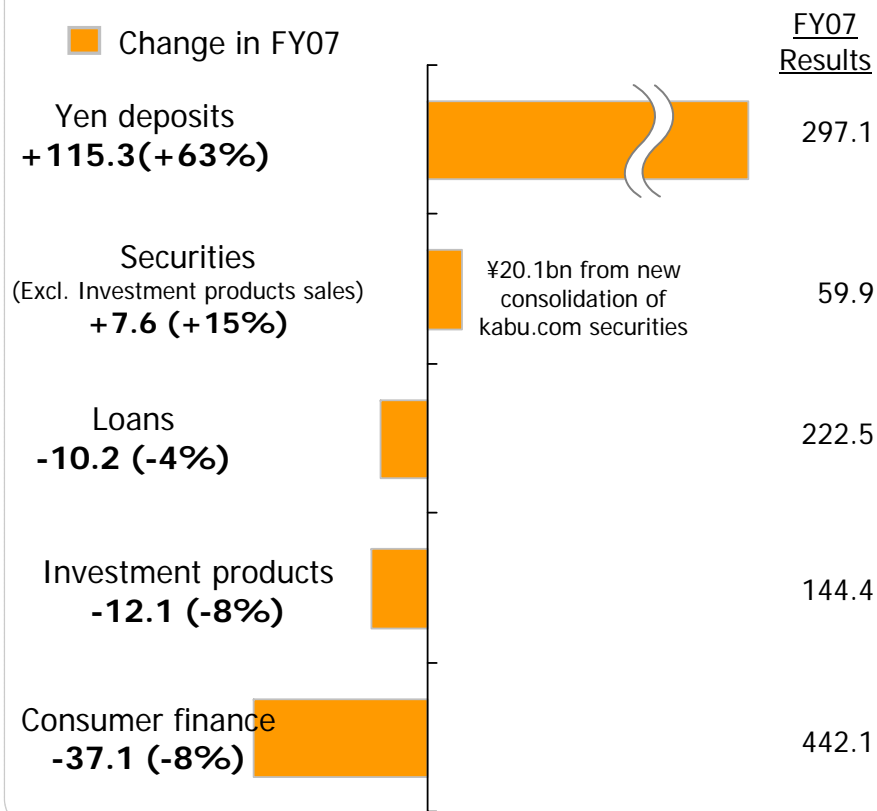
Please see page 37 of the MUFG Databook

● **Gross profits ¥1,328.9bn, up ¥28.8bn on FY06**

—Increased due to deposit income and effect from new consolidation of kabu.com Securities counteracting the negative effect of the lowering of interest rates at Mitsubishi UFJ NICOS

Integrated Retail Banking Business Group: Gross Profits

FY07 ¥1,328.9bn (up ¥28.8bn on FY06)

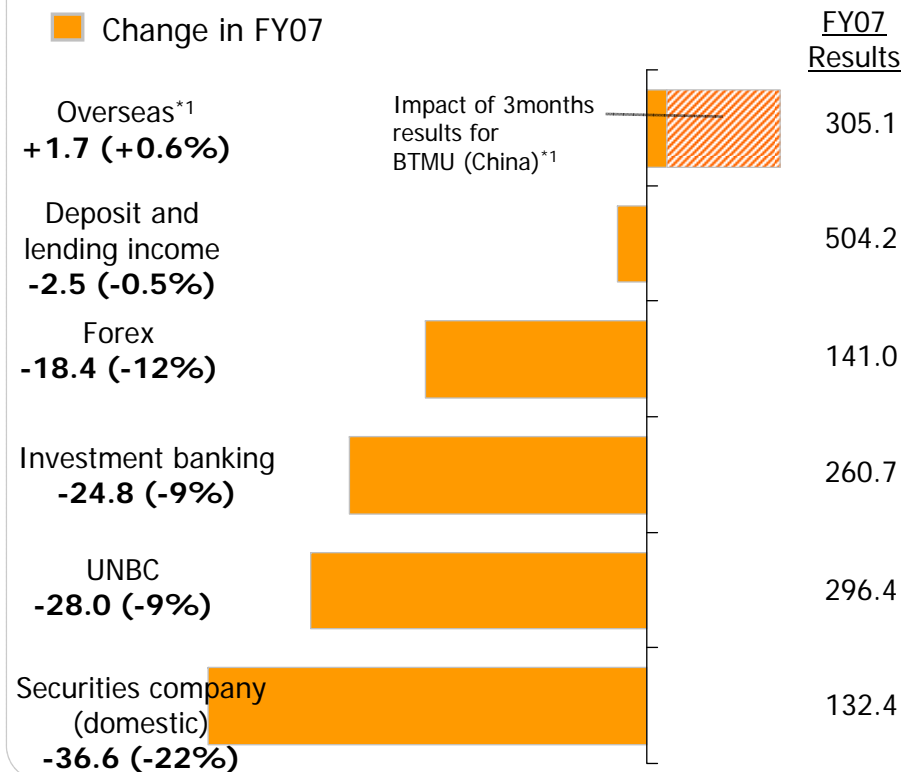


● **Gross profits ¥1,791.9bn^{*1}, down ¥133.4bn on FY06**

—Earnings from securities and investment banking decreased due to deterioration in market environment. Avg. lending balance grew steadily overseas and bottomed out in Japan

Integrated Corporate Banking Business Group: Gross Profits

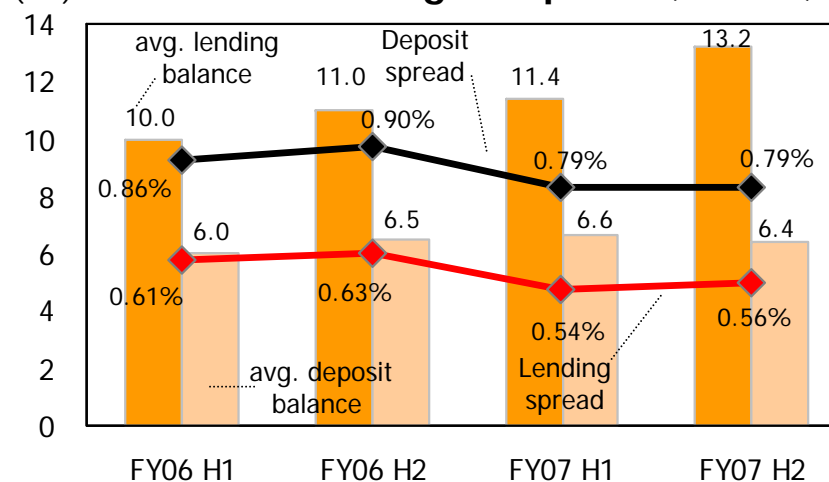
FY07 ¥1,791.9bn^{*1} (down ¥133.4bn on FY06)



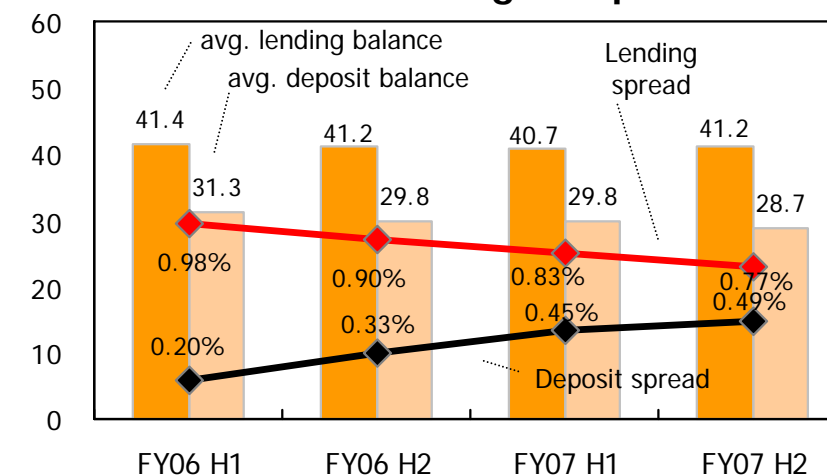
^{*1} Due to a change in the accounting period resulting from the creation of a locally incorporated subsidiary in China, figures for FY07 only include results of the China business for 9 months. If the additional 3 months' results were included, the impact on gross profits would be approx. ¥9.4 bn.

Please see pages 44-51 of the MUFG Databook

Overseas lending & deposits (excl. UNBC)



Domestic lending & deposits

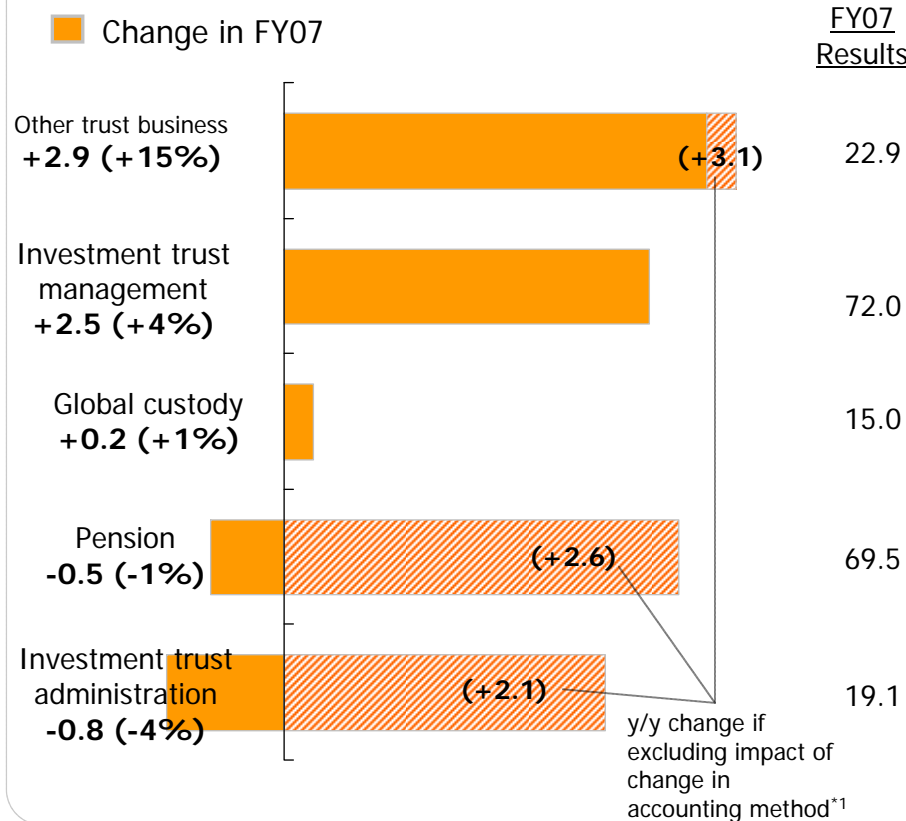


● **Gross profits ¥198.5bn, up ¥4.3bn*¹ on FY06**

—Secured higher profits despite slowdown in balance growth due to declines in market value and lower inflow of funds

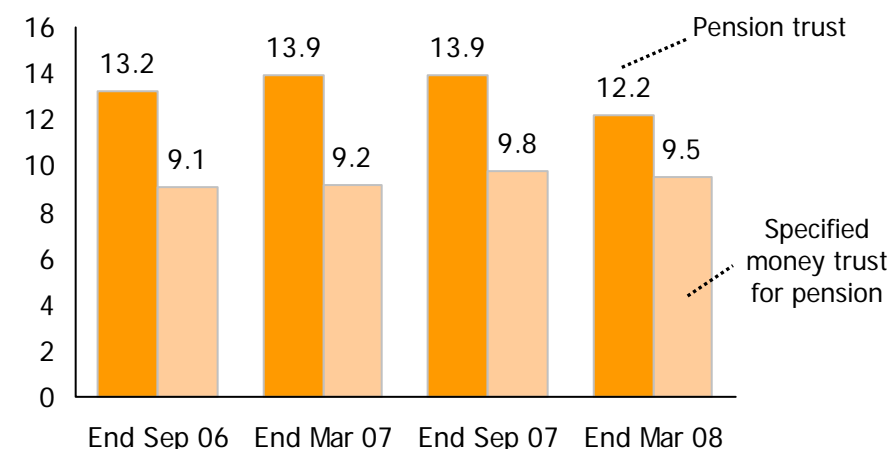
Integrated Trust Assets Business Group: Gross Profits

FY07 ¥198.5bn (up ¥4.3bn on FY06)

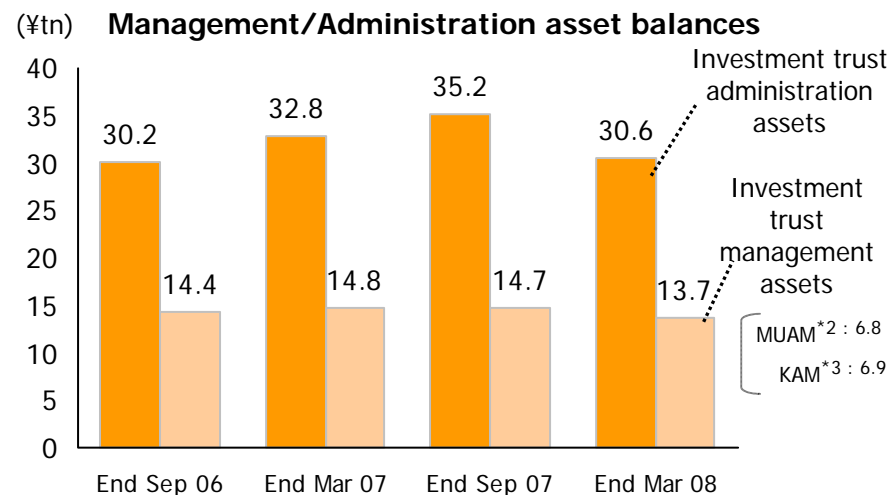


*1 In FY06 accrued fees as of the end of Mar 06 were included as a result of a change in accounting standards (the introduction of accrual accounting for trust fees). The impact included in FY06 gross profits was ¥6.0bn.

Pensions balance



Investment trusts: Management/Administration asset balances



*2 MUAM: Mitsubishi UFJ Asset Management

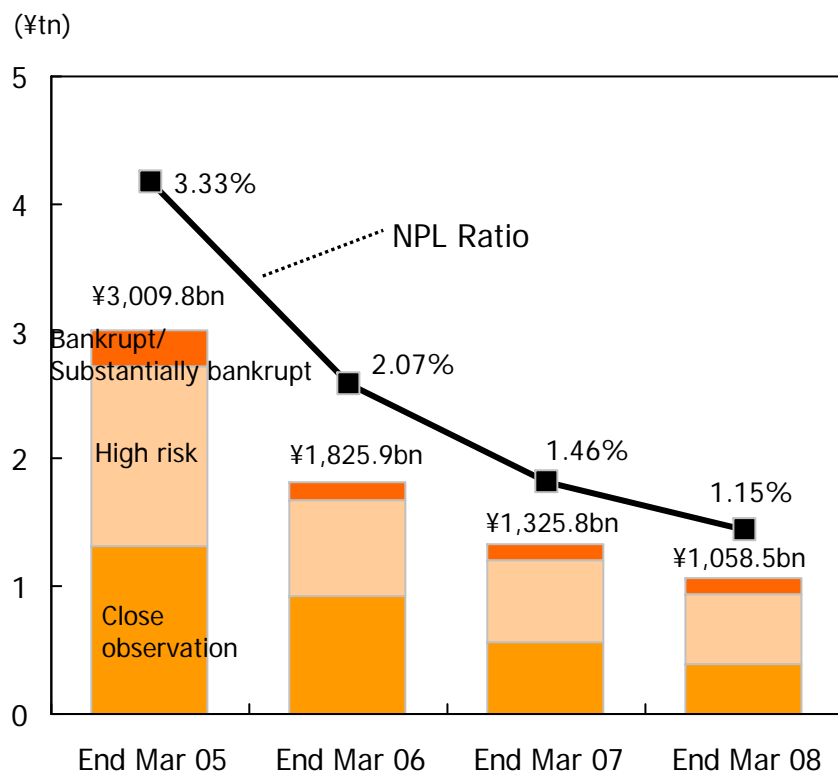
*3 KAM : Kokusai Asset Management

Loan assets

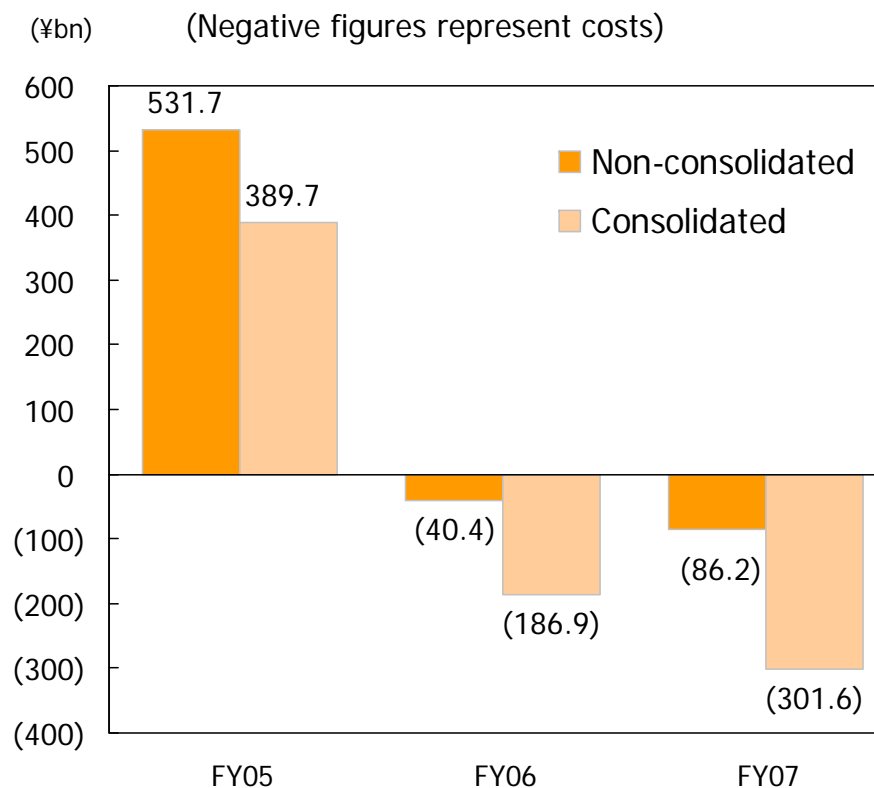


- NPL ratio declined 0.31 points from end Mar 07 to 1.15%
- Credit related costs showed an expense of ¥86.2 bn on non-consolidated basis and ¥301.6 bn on consolidated basis

Balance of FRL disclosed loans (Non-consolidated)



Credit related costs

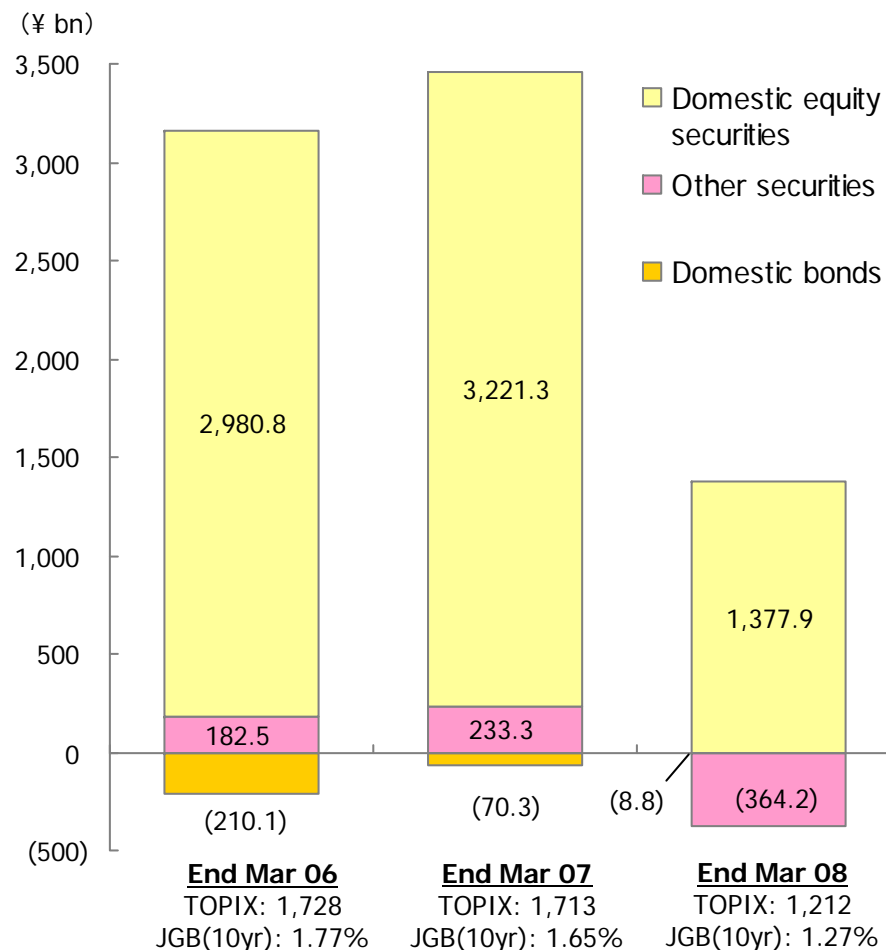


- Unrealized Gains on available-for-sale securities approx. ¥1.0tn

Breakdown of available-for-sale securities

	End Mar 08	Unrealized gains (losses) (¥ bn)
Total	36,162.1	1,004.8
Domestic equity securities	5,674.7	1,377.9
Domestic bonds	17,062.1	(8.8)
Government bonds	15,343.6	(23.0)
Municipal bonds	202.5	3.7
Corporate bonds	1,515.9	10.4
Other securities	13,425.3	(364.2)
Foreign equity securities	192.2	95.1
Foreign bonds	8,415.0	(20.8)
Other	4,818.0	(438.5)

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



Effect of sub-prime issue on our P&L

(Consolidated)



- The effect of sub-prime related and SIV investments on our P&L was approximately ¥81bn

Effect of sub-prime issue on our P&L

(¥bn)

	End Sep 07	End Dec 07	End Mar 08	Change from End Dec 07
Sub-prime related + SIV investments				
1 Realized losses	(4)	(55)	(81)	(26)
2 Impairment losses	(4)	(53)	(47)	6
3 Balance (after impairment)	348	282	203	(79)
4 Net unrealized gains (losses) (after impairment)	(26)	(31)	(44)	(13)

	End Sep 07	End Dec 07	End Mar 08	Change from End Dec 07
Sub-prime related (excl. SIV investments)				
5 Realized losses	(4)	(9)	(18)	(9)
6 Impairment losses	(4)	(9)	(12)	(3)
7 Balance (after impairment)	259	243	*1 197	(46)
8 Net unrealized gains (losses) (after impairment)	(8)	(30)	(44)	(14)

	End Sep 07	End Dec 07	End Mar 08	Change from End Dec 07
SIV investments				
9 Realized losses	—	(46)	(63)	(17)
10 Impairment losses	—	(44)	(35)	9
11 Balance (after impairment)	89	39	6	(33)
12 Net unrealized gains (losses) (after impairment)	(18)	(1)	—	1

*1 Balance of sub-prime related investments is the total of sub-prime RMBS (¥182bn), sub-prime allocation (¥2bn) out of sub-prime ABS CDOs (¥3bn), and the sub-prime RMBS parts held by funds (not included in securitized products) such as investment trusts (¥13bn)

	End Mar 08	Change from End Dec 07
Investments in securitized products other than the above		
13 Realized losses	(42)	(40)
14 Impairment losses	(18)	(16)
15 Balance (after impairment)	3,129	(462)
16 Net unrealized gains (losses) (after impairment)	(274)	(139)

Key points

- The effect on our P&L of sub-prime related and SIV investments in FY07 was a loss of approx. ¥81bn, mainly due to SIV investments
- Our balance of sub-prime related investments (excl. SIVs) at end Mar 08 decreased by ¥46bn from end Dec 07 to approx. ¥197bn due to redemptions, sales, the strong yen, etc.
- Approx. 99% of sub-prime related investments (excl. SIVs) were simple securitized products backed by non-securitized assets. Approx. 98% were AAA-rated. Vintages of sub-prime RMBS are diversified between 2005-2007
- Our balance of SIV investments declined to approx. ¥6bn (down ¥33bn from end Dec 07), due to sales, impairment losses, etc.
- The effect on our P&L of investment in other securitized products was a loss of approx. ¥42bn due to sales, impairment losses, etc. (total effect of sub-prime related + SIVs and other securitized products: approx. ¥123bn)

Note: Includes BTMU (including UBOC and Senshu Bank), MUTB, MUS. Scope of securitized products is on management accounts basis. Does not include mortgage bonds issued by U.S. Government Sponsored Enterprises, Japanese RMBS such as Japanese Housing Finance Agency Securities, and securitized products held by funds such as investment trusts. Approximate figures, rounded off. Balance and unrealized gains (losses) are after deduction of impairment losses. Realized losses are cumulative totals

Please see page 62-68 of the MUFG Databook 20

Holdings of securitized products

(Consolidated)



- Overall securitized products balance is approx. ¥3.32tn (down ¥0.54tn from end Dec 07)

Overview of holdings of securitized products (as of end Mar 08)

(1) Balance, net unrealized gains (losses) (¥ bn)

	End Mar 08			End Dec 07
	Balance	Unrealized gains (losses)	Change of market value	Balance
1 RMBS	612	(66)	(10.8%)	818
2 Sub-prime RMBS	182	(38)	(20.7%)	226
3 CMBS	42	(0)	(1.1%)	44
4 CLOs	2,081	(206)	(9.9%)	2,329
5 Other securitized products (cards, etc.)	519	(32)	(6.2%)	533
6 CDOs	59	(7)	(12.3%)	101
7 SIV investments	6	-	-	39
8 Total	3,320	(313)	(9.4%)	3,864

(2) Distribution of balance by rating (¥ bn)

	AAA	AA	A	BBB	BB or lower	Unrated
9 RMBS	568	15	29	-	-	-
10 Sub-prime related	182	-	-	-	-	-
11 CMBS	26	10	5	1	-	-
12 CLOs	1,757	107	171	35	5	7
13 Other securitized products (cards, etc.)	274	42	48	148	4	3
14 CDOs	36	16	6	-	1	-
15 SIV investments	-	-	-	-	6	-
16 Total	2,662	190	259	184	15	10
17 Ratio	80%	6%	8%	6%	0%	0%

Note: Includes BTMU (including UBOC and Senshu Bank), MUTB, MUS. Scope of securitized products is on management accounts basis. Does not include mortgage bonds issued by U.S. Government Sponsored Enterprises, Japanese RMBS such as Japanese Housing Finance Agency Securities, and securitized products held by funds such as investment trusts. Approximate figures, rounded off. Balance and unrealized gains (losses) are after deduction of impairment losses. Realized losses are cumulative totals

Securitized products

- Our balance of investments in securitized products declined by ¥0.54tn from end Dec 07 to approx. ¥3.32tn, mainly due to redemptions, sales and the strong yen. Percentage of total assets: 1.7%
- Simple securitized products backed by non-securitized assets: 99%; AAA rated: 80%
- Market value is appraised using quoted prices
- Simulated illustration^{*1}: Under the assumption that prices of securitized products held by us decrease further by the same magnitude to the price declines experienced in the past half year (end Sep 07-end Mar 08), we estimate additional impairment losses of approx. ¥30bn to ¥40bn on our holdings of securitized products

*1 Assumption: Holdings of securitized products, ratings and impairment standard remain unchanged from end Mar 08

Monoline insurer related

- Some holdings of CLOs are guaranteed by monoline insurers, but all of these are rated AAA without guarantee. No credit outstanding and credit derivative transactions with monoline insurers

Leveraged loans, others

- Not involved in origination and distribution of securitized products of leveraged loans, no holdings of inventory loans
- ABCP sponsoring only for securitization of customer's assets. No underlying assets backed by residential mortgages

Please see page 62-68 of the MUFG Databook

- Consolidated capital ratio was 11.19%, Tier 1 ratio 7.60% as of end Mar 08

		(¥bn)	
		End Mar 07	End Mar 08
1	Capital ratio	12.54%	11.19%
2	Tier1 ratio	7.57%	7.60%
3	Tier 1	8,054.8	8,293.7
4	Preferred shares	336.8	336.8
5	Preferred securities	1,256.3	1,240.3
6	Tier 2	5,717.9	4,441.8
7	Total capital	13,344.4	12,215.8
8	Risk-adjusted assets	106,395.5	109,075.6
9	Credit risk portion	98,260.7	100,962.2
10	Market risk portion	2,131.6	2,147.6
11	Operational risk portion	6,003.0	5,965.6
12	Outlier ratio	7.9%	10.1%

<Changes:Main factors>

- **Capital ratio:**
 - **11.19%, down 1.34 pts from end Mar 07**
Main reason was decrease in Tier2 capital resulting from lower unrealized gains on securities investment
- **Tier1 ratio:**
 - **7.60%, up 0.03 pts from end Mar 07**
- **Total capital:**
 - **Down approx. ¥1.1 tn due to approx. ¥150 bn of share buybacks and decrease in Tier2 capital resulting from lower unrealized gains on securities investment**
- **Risk assets:**
 - **Up approx. ¥2.6 tn mainly due to increase in credit risk portion**
- **Adopted method:**
 - **Credit risk: Foundation Internal Ratings-based Approach (FIRB)**
 - **Operational risk: The Standardized Approach (TSA)**

- FY08 net income forecast ¥640.0bn
- Dividend forecast ¥14 per common share

Earnings forecasts		Interim		FY2008 Full year	
			Compared to previous period		Compared to previous period
1	Ordinary income	¥3,250.0 bn	-¥0.2 bn	¥ 6,400.0 bn	+¥6.1 bn
2	Ordinary profits	¥510.0 bn	+¥12.5 bn	¥1,210.0 bn	+¥181.0 bn
3	Net income	¥270.0 bn	+¥13.3 bn	¥640.0 bn	+¥3.4 bn

Macro-economic assumptions :

Unsecured call money (FY08 average): 0.53%, 10 year JGB (FY08 average): 1.62%, Yen/Dollar (value at end of period): ¥105

Dividend forecasts		Interim dividend (forecast)	Year-end dividend (forecast)	Annual dividend (forecast)
		4	Dividend per common share	¥7

Outline and Strengths of MUFG

Outline of Fiscal 2007 Results

Key Management Issues

- **Global economy slowing down triggered by U.S. market instability**
- **Japanese economic slowdown below potential growth rate will continue in 1st half of FY2008 (BOJ leaving interest rates unchanged for now)**
- ***Shift from savings to investment and shift from loans to securities* continuing over medium term**
- **Continuing high growth in Asia (pay attention to risk of slowdown)**
- **Financial industry reorganization intensifying globally**

- **Reinforcing frameworks to achieve major growth**
- **Growth strategy**
- **Capital policy**

- **Reinforcing frameworks to achieve major growth**
 - (1) Enhancing comprehensive Group strengths**
 - (2) Transfer to new systems**
 - (3) Strengthening internal control framework**

Enhancing comprehensive Group strengths (1)



- Further enhancing comprehensive Group strengths through strategic investments

Mitsubishi UFJ Financial Group				Investment amount	Investment ratio*1
Mitsubishi UFJ Financial Group	Bank of Tokyo-Mitsubishi UFJ				
	kabu.com	FY07 H1	Became consolidated subsidiary	Approx. ¥40.8 bn	52%
	JACS	Mar 08	Became equity method affiliate	Approx. ¥8.9 bn	22%
	JALCARD	Jul 08	Became equity method affiliate	—	49%
	JIBUN BANK	Jul 08	Scheduled to begin services	¥10.0 bn	50%
	Mitsubishi UFJ Trust and Banking				
	Mitsubishi UFJ Securities	Sep 07	Became wholly owned subsidiary	Approx. ¥375.0 bn (share exchange)	100%
	Mitsubishi UFJ NICOS	Aug 08	Scheduled to become wholly owned subsidiary*2	TBD (share exchange)	100%
	Mitsubishi UFJ Lease & Finance	Feb 08	Increased investment ratio	Approx. ¥20.2 bn	23%

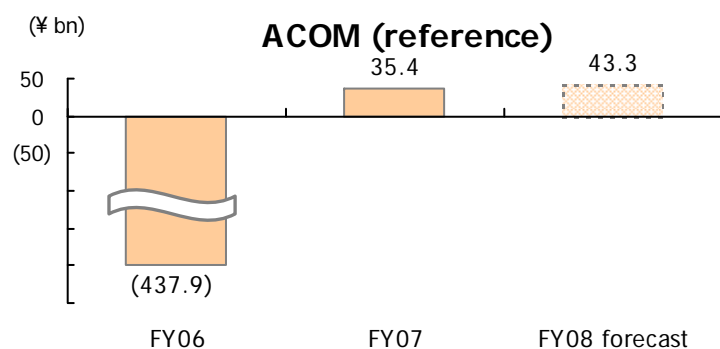
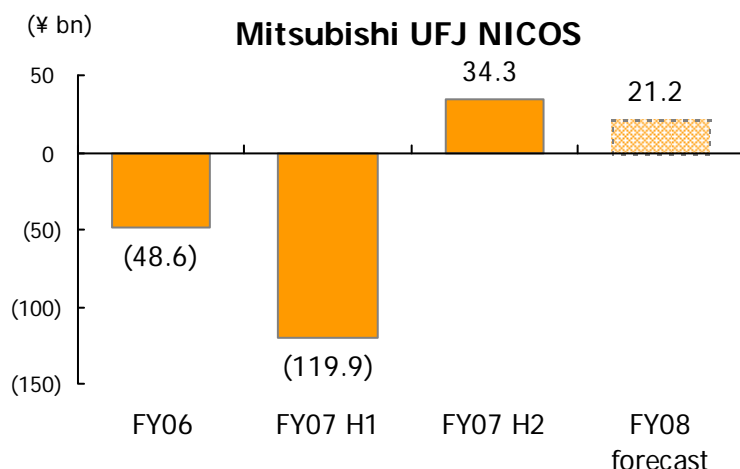
*1 Figure for Mitsubishi UFJ NICOS is after it will become a wholly owned subsidiary

Enhancing comprehensive Group strengths (2)



- Further strengthen strategic Group unity and flexibility in consumer finance business by making Mitsubishi UFJ NICOS a wholly owned subsidiary scheduled in Aug 08
- Results steadily recovering since FY07 H2. Structural reform proceeding as planned

Business results (net income)



Progress in structural reform at Mitsubishi UFJ NICOS

Results	<ul style="list-style-type: none"> ✓ FY07 net loss: ¥85.6 bn (¥26.1 bn lower loss than forecast) ✓ Broadly in line with forecasts, excluding gain from sale of shares in Visa
Business reorganization	<ul style="list-style-type: none"> ✓ Transfer installment credit business to JACCS (completed in Apr 08)
Location consolidation	<ul style="list-style-type: none"> ✓ Sales location consolidation: 74⇒27 locations (completed in Dec 07) ✓ Business center consolidation: 56⇒38 centers (plan to consolidate to 20 centers by Aug 08)
Personnel reductions	<ul style="list-style-type: none"> ✓ Early retirement benefit program (2,386 staff retired)
Becoming wholly owned subsidiary	<ul style="list-style-type: none"> ✓ Announced plan for Mitsubishi UFJ NICOS to become a wholly owned subsidiary (Sep 07) ✓ Plan to become wholly owned subsidiary in Aug 08

Transfer to new systems (1)



- Completed transfer to new systems at former BTM branches and banking system integration at Mitsubishi UFJ Trust and Banking
- Changeover to new system scheduled to be carried out at former UFJ branches between July and December 2008



*The nationwide branch network will be split into 5 groups, and transfer to the system will be completed on a group-by-group basis

- **Completing the transfer to the new systems is expected to bring a range of benefits, including reduced costs and enhanced product development and sales capabilities**

**Completion
of transfer
to new
systems**

✓ **Rationalization effects**

- ◆ **Reduction of overlapping staff**
- ◆ **Lower system related costs**

✓ **Enhanced sales capabilities**

- ◆ **Improve customer service**
- ◆ **Faster new product development**
- ◆ **Staff redeployment**

Strengthening internal control framework



- Enhancing internal control framework as critical infrastructure to allow customers to conduct business with confidence and security
- Provided management resources mainly for strengthening response capability at branches, etc.

BTMU

- Assigned 850 compliance staff at head office & branches

Retail:

- ✓ Assigned Business Administration Specialists to branches
⇒ Total 330 compliance staff including Area Business Administrators

Corporate:

- ✓ Increase Internal Control Managers (Total 100 compliance staff)

International:

- ✓ Increased overseas compliance officers (Total 250 officers)

MUTB

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

MUS

- Increased staff, especially internal control instructors

- **Key areas for organic growth**

Retail: Strengthening sales aimed at overall customer assets, retail securities, consumer finance, internet mobile banking strategy

Corporate: CIB strategy, Asia strategy, non-Japanese business in U.S./Europe, commercial flows/forex business

Trust assets: Pensions, investment trust management and administration, custody business

- **Use of capital strength**

- Steadily strengthen product sales framework to reflect the continuing *shift from savings to investment*
- Further expand sales of insurance products at BTMU by assigning more insurance planners, while increasing branches handling insurance products and enhancing product lineup

Insurance products

✓ Assign more insurance planners

Dec 07: 350
(of which 230 deployed at branches)

⇒ Apr 08: 370
(of which 270 deployed at branches)
Plan to further increase staff by over 100 through mid-career recruitment

✓ Increase branches handling newly deregulated products

Dec 07: 173 branches

⇒ Apr 08: 256 branches

✓ Enhance product lineup

Dec 07: Began providing life, medical, cancer insurance

⇒ Apr 08: Began providing nursing care insurance; plan to further develop lineup to meet a wide range of insurance needs

Investment trusts

✓ Strengthen targeting by increasing sophistication of marketing based on analysis of customers' needs and financial behavior

✓ Enhance follow-up with clients through holding lectures, seminars, etc.

✓ Enhance product lineup

Financial product intermediation

✓ Increase "Retail Money Desk"* locations

End Mar 08: 10 locations

⇒ Within FY08: increase to 24 locations

✓ Strengthen online intermediation (kabu. com Securities)

*Specialist investment product sales teams, with expert knowledge and expertise, under the direct control of head office.

Consumer finance



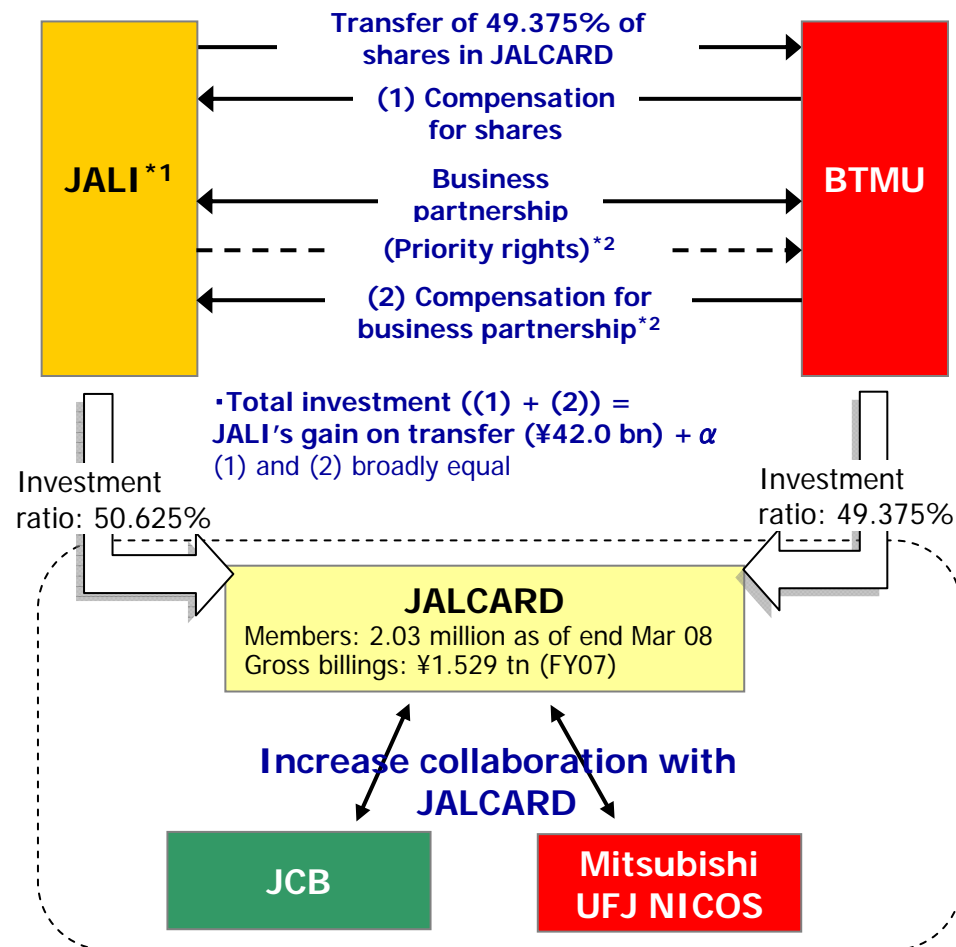
- Agreed investment in JALCARD and credit card business partnership with JAL Group and JCB
- Aiming to further expand JALCARD's business by using MUFG's customer base, network and development capabilities of product and service

Key points of investment

- **JALCARD's brand power and high-quality customer base**
 - Appeal power of mileage service
 - Markedly high average amount used per customer (@¥750,000)
- **Acquisition of shares and certain priority rights*² relating to issuance of JALCARD**
 - Investment amounts for shares and priority rights broadly equal

Main business collaboration

- **Strengthen collaboration with MUFG**
 - Develop new type of premium cards and new services linked with MUFG's financial products and services
 - Promote alliances with MUFG's alliance partners, partner financial institutions and corporate customers
- **Gain new members utilizing Mitsubishi UFJ NICOS and JCB**
- **Improve business efficiency and customer service using expertise and infrastructure of Mitsubishi UFJ NICOS and JCB**



*1 Japan Airlines International Co., Ltd.

*2 Compensation for BTMU's receipt from JALI of certain priority rights relating to the issuance of JALCARD (brand rights for JALCARD, usage rights for unique JALCARD services, rights relating to the formation of priority business partnership relationships in the credit card business, etc.)

Internet mobile banking strategy



- Plan to launch mobile internet bank, Jibun Bank in mid-July 2008
- Joint business promotion by KDDI and BTMU; aim to develop full banking service with a target of 2.4 m accounts and deposits of ¥1 trillion in the 3rd year of operations

JIBUN BANK

50%
owned

Promote Jibun Bank accounts as a bank agency*¹

- Provide a convenient and secure service via mobile phone
- As well as standard banking services such as ordinary accounts, fixed term deposits, transfers and aim to continuously add unique mobile phone services
⇒ At launch, services will include *Mobile Passbook* and *Phone Number Transfers*, followed by the development and launch of a wide range of unique services based on a combination of mobile functionality and existing services such as card loans, foreign currency deposits, financial product broking and no-contact credit cards
- Maintain competitiveness with high deposit rates and low fees

50%
owned

Promote Jibun Bank accounts as a bank agency*¹

au by KDDI

- Approx. 30 million mobile phone contracts
- Promoted in around 2,500 au shops nationwide
- Portal sites with over 300m page views/month
- One to One connection for bills and mail magazines
- From Autumn 2008 majority of new au phone models will have a built-in Jibun Bank terminal



Bank of Tokyo-Mitsubishi UFJ

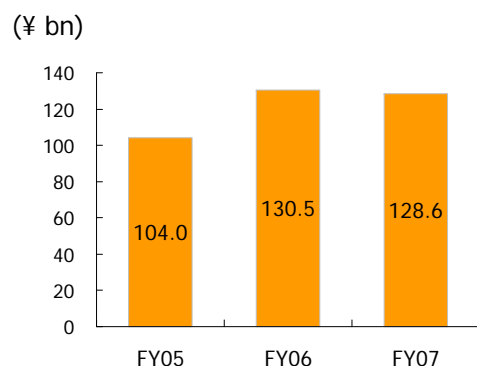
- Approx. 40 million retail customers
- 670 locations nationwide
- Approx. 42,000 ATMs nationwide*²
- Over 7 million customer visits per year
- Approx. 2 million new accounts per year

*1 Subject to regulatory approval.

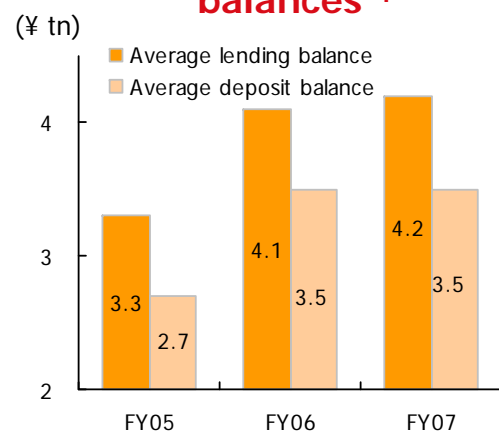
*2 Including partners' ATMs

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

Asia business income*1



Asia business deposit/lending balances*1



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

◆ Network

- Established Chinese subsidiary for BTMU's operations in China (Jul 07)
- BTMU's Guangzhou rep. office became a branch of BTMU China subsidiary (Mar 08)
- Established Mitsubishi UFJ Securities (India) (Apr 08)

Non-organic

- ◆ Securities/investment banking business (including Islamic financing)

- ◆ Asset management business

- ◆ Retail business (consumer finance, credit cards, installment finance)

- ◆ Business with local SMEs

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

Asia strategy (2)



- Strengthen securities and investment banking through investments and alliance strategy in Asia, where continued growth is expected












Investment/ alliance target (Head office)	Details of collaboration	
	Primary market	Secondary market
Kim Eng (Singapore)		<ul style="list-style-type: none"> Asian equities trading and sales Investment trust structuring and sales
Challenger Financial Services Group (Australia)	<ul style="list-style-type: none"> Project finance Asset finance 	<ul style="list-style-type: none"> Real estate/ Infrastructure fund structuring Investment trust sales
CIMB (Malaysia)	<ul style="list-style-type: none"> Project finance Bond underwriting Islamic finance Securitization 	
ICICI Bank (India)	<ul style="list-style-type: none"> M&A advisory General investment banking 	<ul style="list-style-type: none"> Indian infrastructure investment trust and fund sales
Daewoo Group (Korea)	<ul style="list-style-type: none"> Bond underwriting General investment banking 	<ul style="list-style-type: none"> Mutual broking of South Korean equities, Japanese equities

 : Investments

Using capital strength (1)



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

	Investment and alliance strategy : Investments		
	Strategy	Amount of Investments	Investment ratio
 China	BTMU investment in and business alliance with Bank of China (Jun 06)	approx. ¥21.0 bn	0.2%
 India	MUS business alliance with ICICI (Aug 06)		
 Indonesia	BTMU investment in Bank Nusantara Parahyangan (Dec 07)	approx. ¥2.0 bn	20%
 Vietnam	BTMU business alliance with Vietcombank (Nov 06)		
 Malaysia	BTMU additional investment in CIMB (Apr 07)	approx. ¥45.0 bn	4.5%
 Korea	MUS business alliance with Daewoo Securities (Jan 07)		
 Australia	BTMU and MUS investment in Challenger Financial Services Group (Oct 07)	approx. ¥22.0 bn	6.3%
 Hong Kong	BTMU additional investment in Dah Sing Financial Holdings to make Dah Sing an equity method affiliate (Mar 08)	approx. ¥6.0 bn	15%
 Singapore	MUS investment in and business alliance with Kim Eng Holdings (Nov 07 - Apr 08)	approx. ¥16.0 bn	14.6%

- Assess investments through stringent due diligence on profitability, growth potential, return on investment, etc.

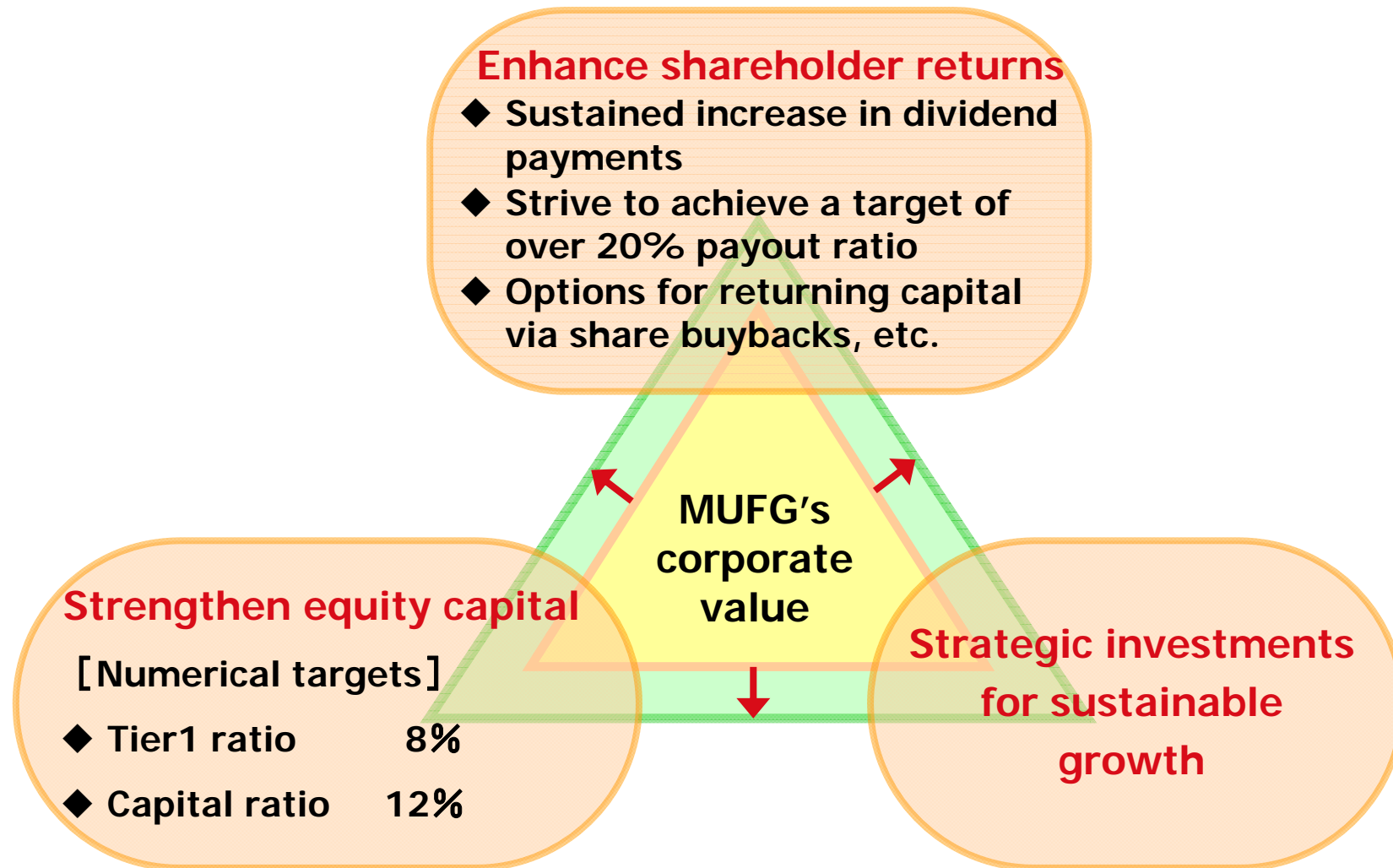
- **Business domains (regions, businesses) where profitability and growth are expected**

- Regions: Asia, U.S.
- Business types: Retail, securities and investment banking

- **Ensure investment returns**

- Strive to raise corporate value (capital costs, EPS, etc.)
- Conduct regular follow-ups on investment projects

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

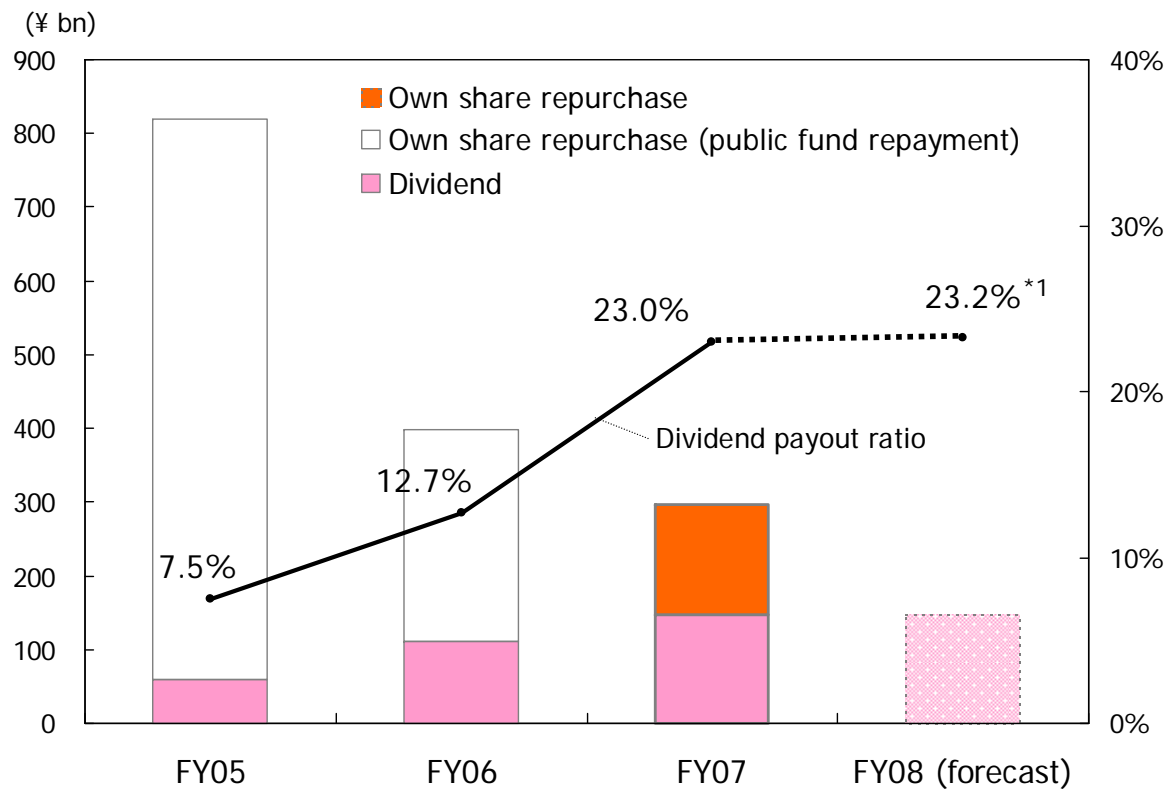


Enhancing shareholder returns



- Raised dividends and repurchased own shares in line with announced policy. Ratio of total distribution to shareholders approx. 47% in FY07

Shareholder returns—actual and forecast



*1 Estimated payout ratio for FY08 is calculated based on dividend per ordinary share of ¥14, net income for the period of ¥640 bn, and other assumptions

**No.1
Service**

Quality for You

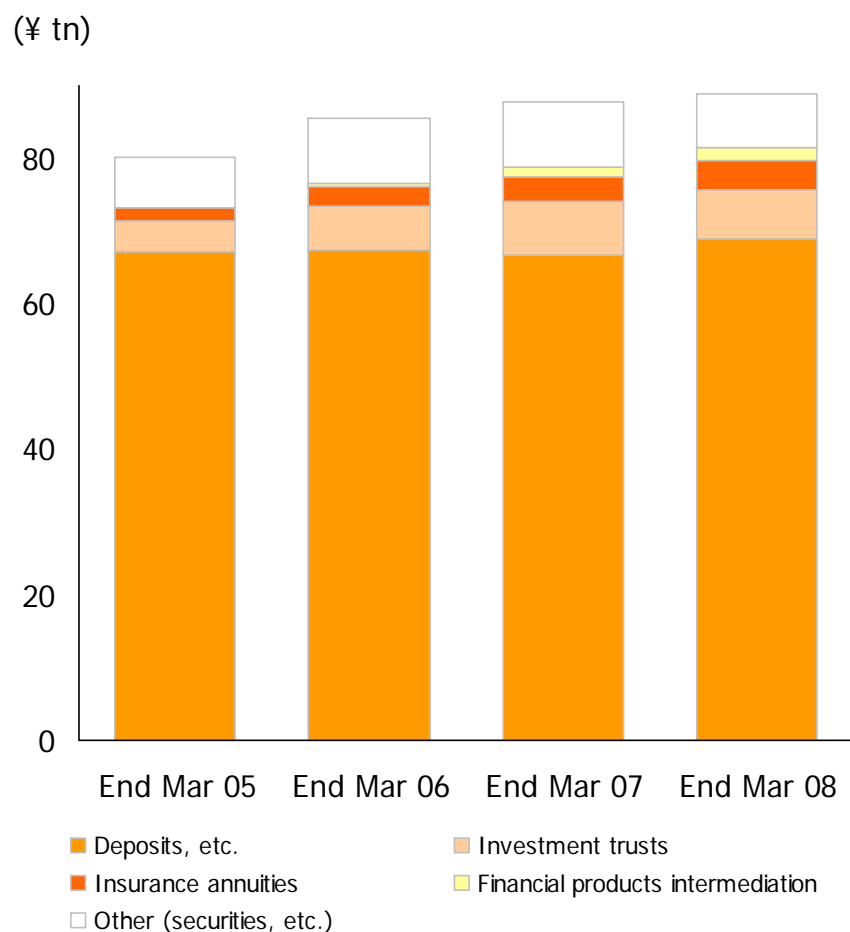
**No.1
Reliability**

**No.1
Global
Coverage**

Appendix

Quality for You 
MUFG

Change in overall customer assets



Future initiatives

(1) Strengthen sales aimed at overall customer assets

- Increase insurance planners, locations handling deregulated products and products handled
- Strengthen targeting capabilities
- Enhance follow-up with clients through holding lectures, seminars, etc.

(2) Retail securities

- Increase locations of "Retail Money Desks"
- Pursue financial product intermediation business (counter and online)

(3) Consumer finance

- Increase sales of bank-issued cards and BANQUIC
- Pursue Mitsubishi UFJ NICOS's medium-term management plan

(4) Reorganization of retail lending

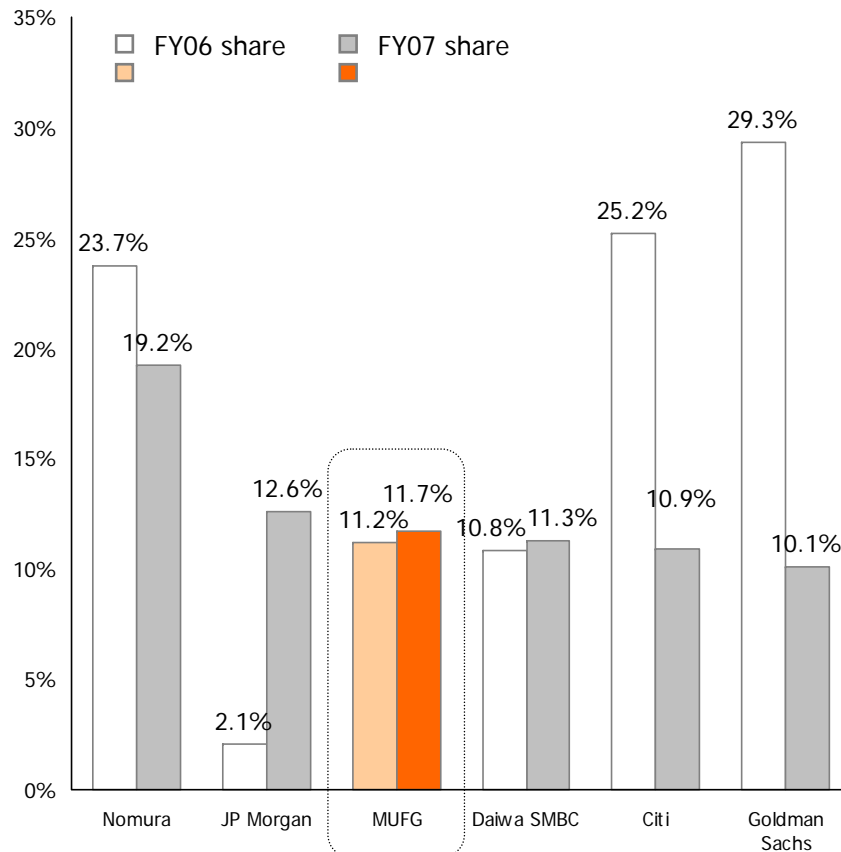
- Expand Mitsubishi UFJ Loan Business's agency network

(5) Promotion of Internet & mobile strategy

- Launch Mobile Net Banking

Achievements in CIB

M&A advisory: Share of total deal amount



Note: Publicly announced deals involving Japanese companies

Source: Thomson Financial

Future initiatives

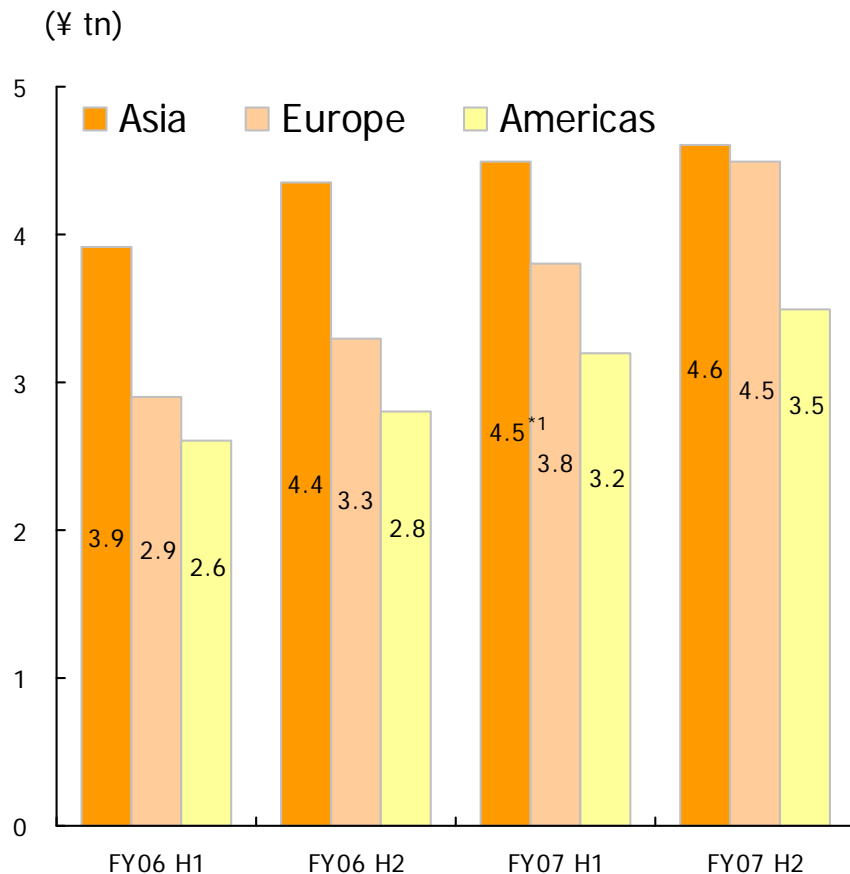
Large corporations

- (1) Develop CIB model
 - Enhance collaboration between banking and securities businesses
- (2) Expand M&A business
 - Strengthen sector-based approach
- (3) Fully develop credit portfolio management
 - Accumulate credit assets based on market environment
- (4) Enhance secondary business
 - Strengthen approach to major corporations and domestic institutional investors

SMEs

- (1) Expand business and lending bases
 - Credit management with focus on risk return
- (2) Strengthen business with small companies
 - Review sales system of specialist SME offices
- (3) Enhance capital strategy proposal business
 - Pursue small and mid-sized M&A deals
- (4) Develop commercial flow business
 - Enhance inward remittance/Increase liquid deposits
- (5) Strengthen forex business
 - Enhance trade finance business/Support customers' overseas financing strategies

Average loan balance by region



*1 Due to a change in the accounting period resulting from the creation of a locally incorporated subsidiary in China, figures for FY07H1 only include results of the China business for three months. The figures in the graphs are adjusted to correct this impact

Future initiatives

(1) Asia business

- Maintain clear lead with Japanese corporations
- Focus on business with non-Japanese corporations and sales of marketable products

(2) Non-Japanese corporations in Europe and U.S.

- Increase earnings power by further expanding customer base and pursuing cross selling

(3) CIB related business

- Select and pursue global priority businesses

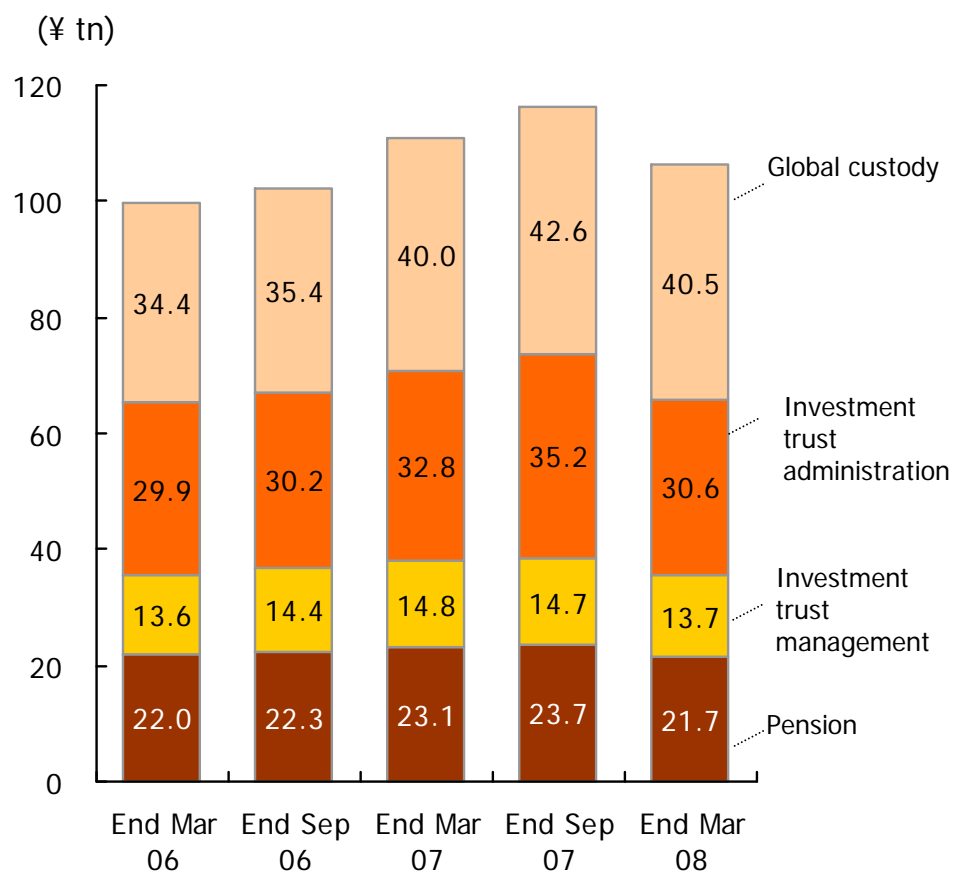
(4) Network/Investment and alliance strategy

- Pursue investment and alliance strategy focusing on Asia
- Increase synergies with companies we have already invested in or formed alliances with

(5) Organization

- Further enhance sophistication of compliance, office management and risk management frameworks

Change in balance of main assets



* Excluding yen custody business (excluded from Trust Assets business consolidation from FY07 H1)
 In addition to amounts shown here, asset administration balances also include independently operated designated money trust and specified money trusts for securities, etc.

Future initiatives

(1) Corporate pensions

DB pensions:

- ✓ Strengthen development of new products to meet diversifying customer needs
- ✓ Secure new mandates through sales of active investment products

DC pensions:

- ✓ Become management agency for major large- and mid-sized DC pension funds
- ✓ Further strengthen sales of investment products

(2) Investment trust management and administration

Investment trust management:

- ✓ Increase assets under management by new product development and product supply to internal and external sales channels

Investment trust administration:

- ✓ Expand trust assets leveraging ability to handle new products and schemes

(3) Asset administration/Global custody

- ✓ Source new customers using new operating base including Mitsubishi UFJ Global Custody Japan
- ✓ Further strengthen businesses with added value such as forex and securities lending

(4) Trust business, etc. other than corporate pensions

- ✓ Extend the market to Japanese and overseas investors by strengthening new product development and active investment management capabilities