CLSA Japan Forum 2009

Mitsubishi UFJ Financial Group

February 2009

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MUFG

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)** **Up to 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).

Agenda

MUFG

Outline of FY2008 Q3 Results

Key Management Issues

Appendix

Outline of FY2008 Q3 Results

Key Management Issues

FY 2008 Q3 Summary (P/L) (Consolidated)

MUFG

Gross profits

- Net interest income increased mainly due to increase in overseas lending income and lower funding cost in foreign currency
- Lower net fees and commissions mainly in sales of investment trusts and insurance, securities products and real estate businesses due to deterioration of market environment
- Total of net trading profits and net other profits almost flat as higher net gains on debt securities and other things offset approx. JPY179.0bn losses relating to securitized products

G&A expenses

- Almost flat as progress in cost reduction offset higher system integration costs

Credit costs

- Increased due to revision of debtor credit ratings which reflected downturn in businesses of domestic and overseas customers

Net gains (losses) on equity securities

- Posted net losses due to approx. JPY400bn write-down of equity securities resulting from lower stock prices

Net income

- Recorded net losses mainly due to higher credit costs and net unfavorable performance from securities holdings

Income statement (JPY bn)

		FY07 Q1-Q3	FY08 Q1-Q3	Change
1	Gross profits (before credit costs for trust accounts)	2,559.9	2,492.8	(67.0)
2	Net interest income	1,385.9	1,410.1	24.1
3	Net fees and commissions	796.1	722.8	(73.2)
4	Net trading profits + Net other business profits	265.7	266.9	1.1
5	Net gains (losses) on debt securities	(5.3)	79.6	84.9
6	G&A expenses	1,574.5	1,572.9	(1.5)
7	Net business profits	985.4	919.8	(65.5)
8	Non-recurring gains (losses)	(331.7)	(836.2)	(504.4)
9	Net gains (losses) on equity securities	36.9	(326.3)	(363.2)
10	Ordinary profits	665.0	113.9	(551.1)
11	Net extraordinary gains (losses)	(32.9)	(3.2)	29.6
12	Total of income taxes-current and income taxes-deferred	262.7	90.3	(172.3)
13	Net income	314.6	(42.0)	(356.7)
14	Total credit costs*1	(334.4)	(433.5)	(99.0)
15	Non-consolidated	(186.7)	(291.6)	(104.8)

*1 Total credit costs= Credit costs for trust accounts + Provision for general allowance for credit losses + Credit costs (included in non-recurring gains/losses) + Reversal of reserve for contingent losses included in credit costs (Negative numbers refer to costs or losses)

Reference (JPY)

16	EPS	30.01	(4.36)	(34.37)
17	ROE*2	6.55%	(0.98%)	(7.53%)

*2

Net income for nine months×4/3 - Equivalent of annual dividends on nonconvertible preferred stocks

{ (Total shareholder' equity at the beginning of the period - Number of nonconvertible preferred shares at the beginning of the period×Issue price＋Foreign currency translation adjustments at the beginning of the period) ＋(Total shareholder' equity at the end of the period - Number of nonconvertible preferred shares at the end of the period×Issue price＋Foreign currency translation adjustments at the end of the period)}/2

×100

FY 2008 Q3 Summary (B/S) (Consolidated)

MUFG

● Loans

- Increased due to increase in domestic corporate loans and consolidation of ACOM

● Investment securities

- Increased mainly due to JGBs and foreign bonds

● Deposits

- Decreased mainly due to lower deposit balance from overseas branches resulting from higher yen. Individual deposits continued to increase.

● NPLs

- NPL ratio down to 1.17% as a result of decrease in FRL disclosed loans and increase in total loans

● Net unrealized gains (losses) on available-for-sale securities

- Turned to net unrealized losses driven by lower equity securities appraisal gains

● BIS ratio 10.72% (Tier 1 ratio 7.51%)

Balance sheet (JPY bn)

		End Sep. 08	End Dec. 08	Change
1	Loans (Banking + Trust accounts) Loans (Banking accounts)	90,676.2 [90,445.1]	93,343.4 [93,125.0]	2,667.1 [2,679.8]
2	Domestic corporate loans[*1*2]	48,554.9	50,808.2	2,253.2
3	Housing loans[*1]	17,235.0	17,225.6	(9.3)
4	Overseas loans[*3]	20,473.7	19,918.0	(555.7)
5	Investment securities (Banking accounts)	38,671.3	45,509.2	6,837.8
6	Deposits	119,798.3	118,128.1	(1,670.2)
7	Individual deposits (Domestic branches)	62,672.2	63,570.3	898.0
8	Loan-and-deposit rate margin (Non-consolidated)	FY08H1 1.44%	FY08Q1-Q3 1.44%	0.00%
9	FRL disclosed loans[*1]	1,218.2	1,123.4	(94.8)
10	NPL ratio[*1]	1.28%	1.17%	(0.11%)
11	Net unrealized gains (losses) on available-for-sale securities	0.2	(682.1)	(682.4)
12	BIS capital ratio Tier 1 ratio	10.55% 7.63%	10.72% 7.51%	0.17% (0.11%)

*1 Non-consolidated + trust accounts
*2 Excludes loans from the group banks to the holding company
*3 Loans booked in overseas branches, UnionBanCal Corporation and BTMU (China)

Effects of major Q3 transactions on financial statements (Consolidated)

MUFG

Global strategic alliance with Morgan Stanley

	Effect on Q3 financials
October 2008 Acquired US $9.0 bn of Morgan Stanley preferred stock (approx. US$7.8 bn of convertible preferred stock and approx. US$1.2 bn of redeemable non-convertible preferred stock)	**P/L** ● JPY 20.9 bn of dividend income received in Jan. 2009 was recorded as accrued income in Q3 **B/S** ● Preferred stock recorded under assets as other securities with no market value

Making ACOM a consolidated subsidiary

October 2008 Raised our investment ratio in ACOM from approx. 15% to approx. 40% via a tender offer **December 2008** Made ACOM a consolidated subsidiary	**P/L** ● Recognized as income from investments by the equity method in Q3 (approx. 40%) (P/L will be recognized as a consolidated subsidiary from Q4) **B/S** ● Newly consolidated (Lending + JPY 1.3tn, etc.)

Making UNBC a wholly-owned subsidiary

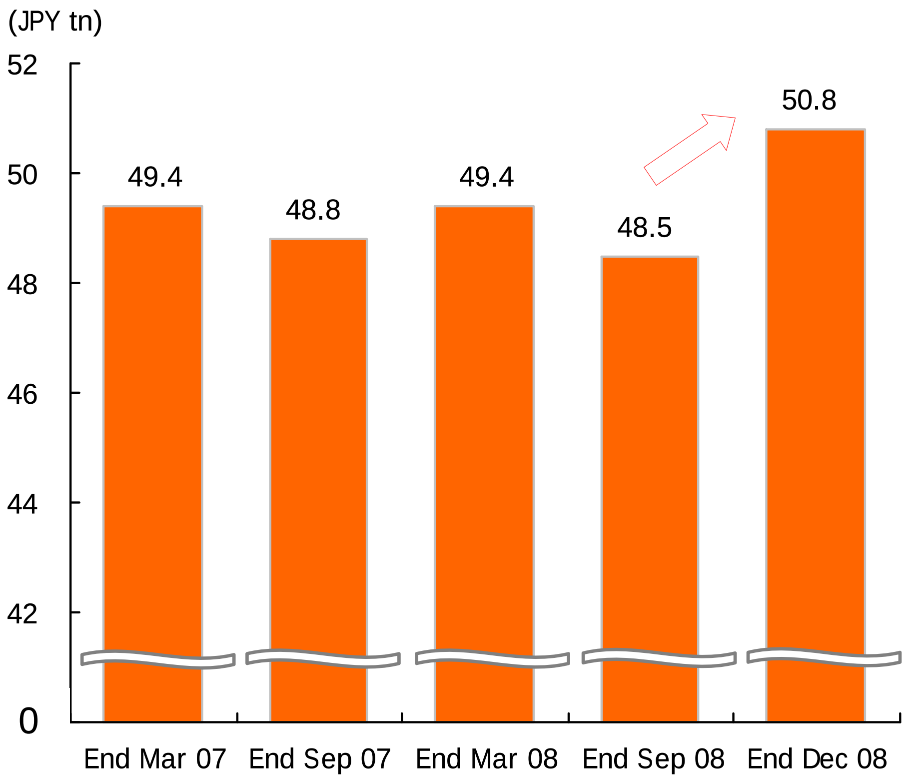
September 2008 Completed tender offer aiming to make UNBC a wholly-owned subsidiary **November 2008** Completed making UNBC a wholly-owned subsidiary	**P/L** ● In MUFG's Q3 (Oct-Dec) results UNBC's Jul-Sep results were consolidated so no effect (in MUFG's Q4, UNBC Oct.-Dec. will be recognized as a wholly-owned subsidiary) **B/S** ● Already consolidated

Loans

(Consolidated / Non-consolidated)

- Domestic corporate loan balance returned to growth, +JPY 2.2tn on end Sep 2008
- Excluding the effects of a strong yen, overseas lending continued to grow steadily

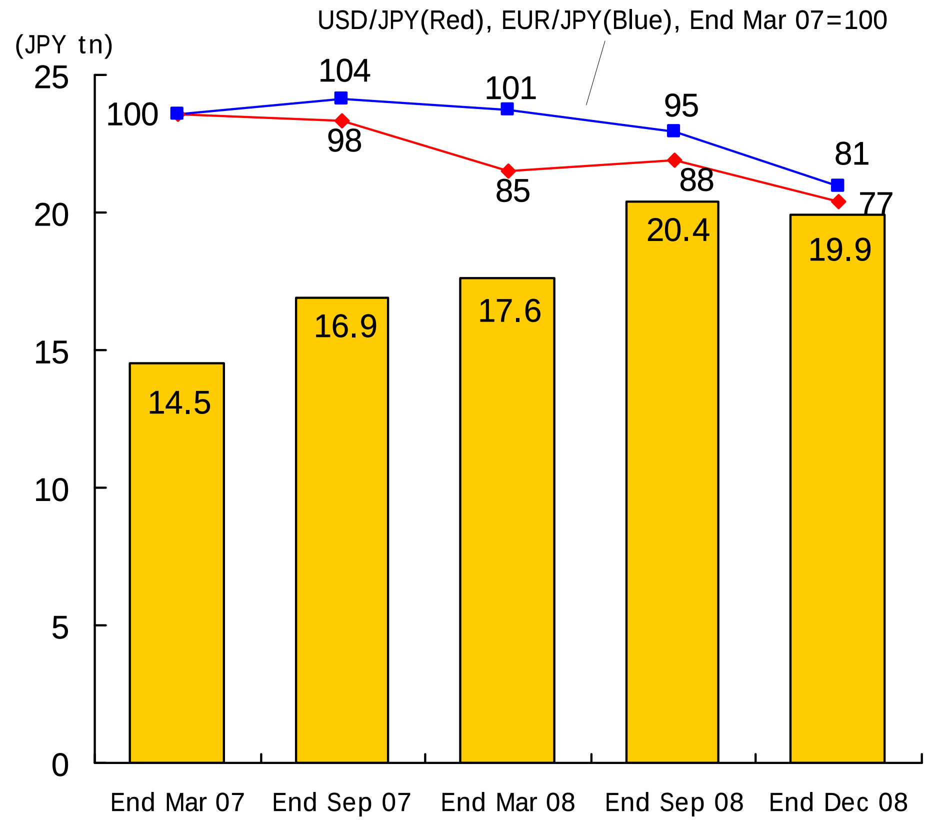
Domestic corporate loans balance*1*2



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

*2 Non-consolidated + trust accounts

Overseas loans balance*3



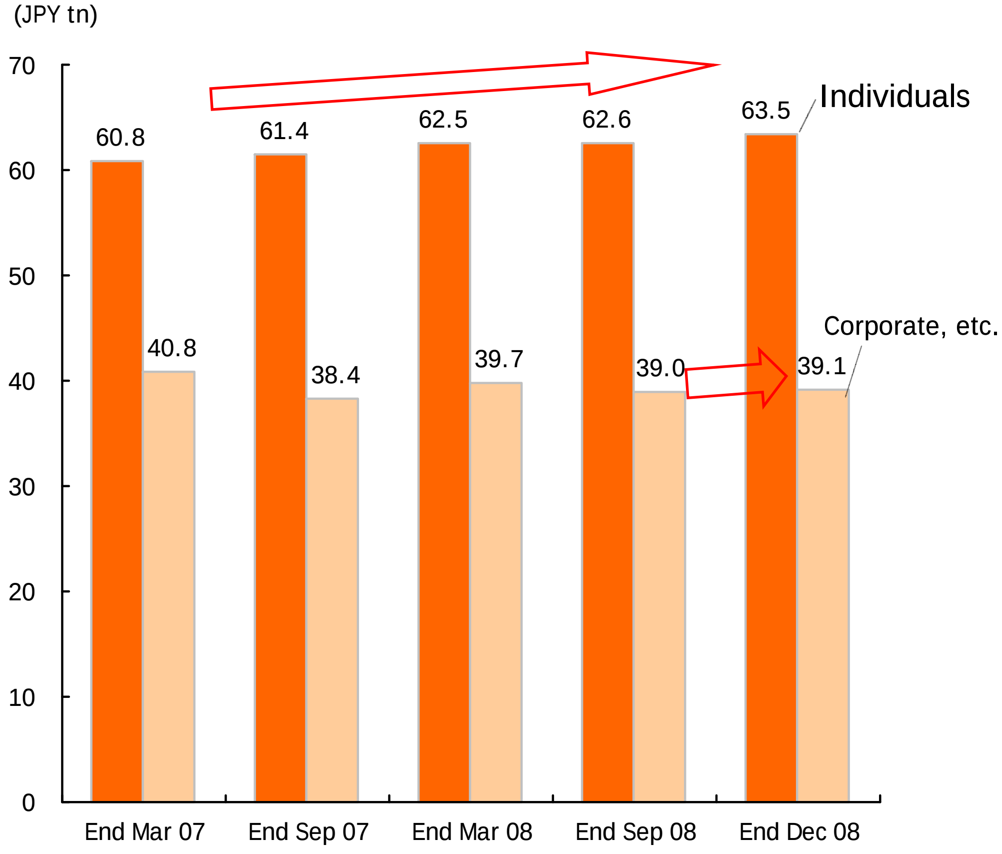
*3 Overseas branches + UnionBanCal Corporation + BTMU (China)

Domestic deposits

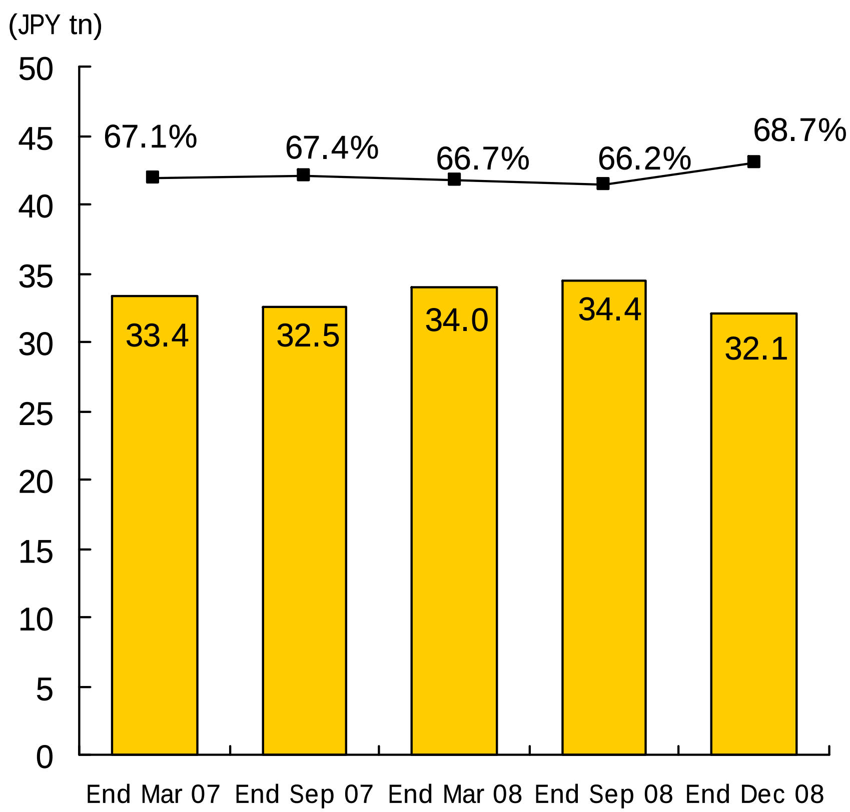
(Non-consolidated)

- Individuals' deposits continued to increase, +JPY 0.8tn on End Sep 2008, corporate deposits also up JPY 0.1tn
- Abundant funding liquidity due to continued large excess of domestic deposits

Domestic deposits balance



Excess domestic deposits balance*1 and loan-to-deposit ratio*2



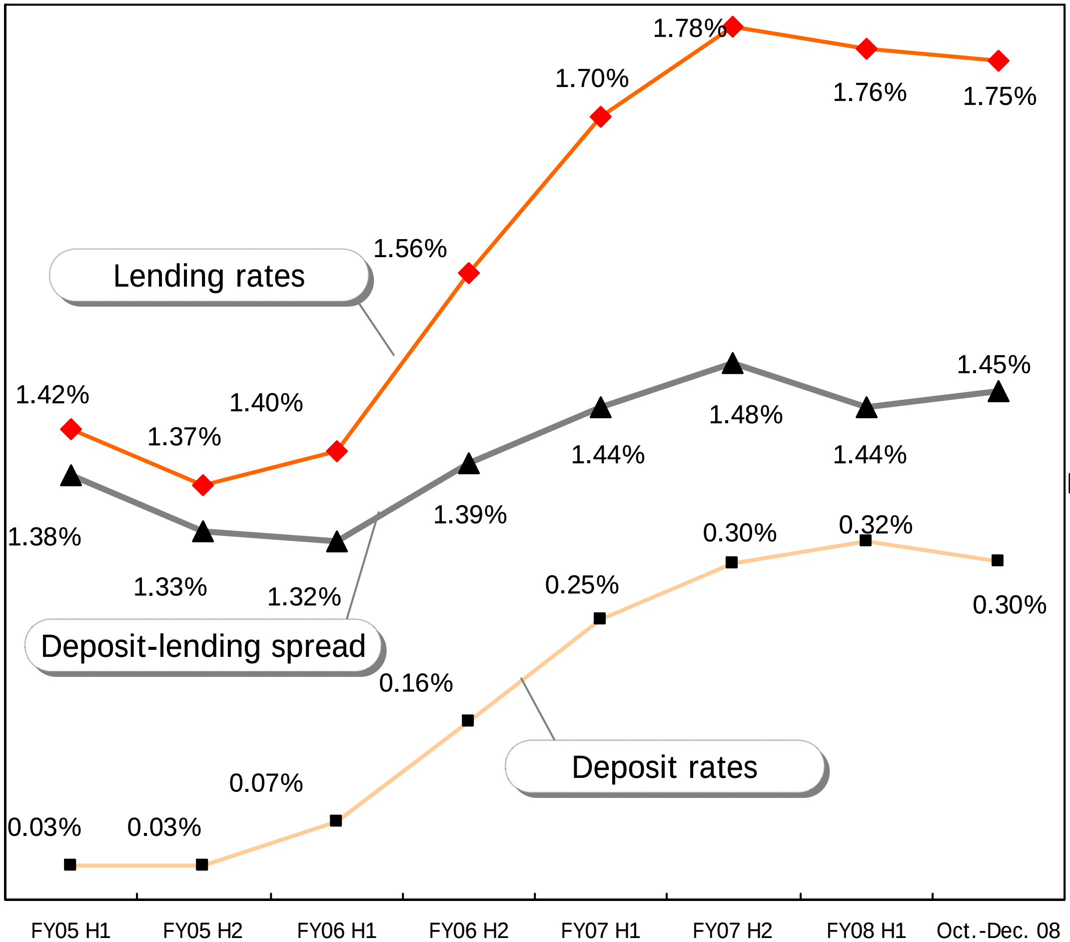
*1 Excess domestic deposits=Domestic branch deposits-domestic branch loans (incl. trust accounts and excl. special international financial transactions account)

*2 Loan-to-deposit ratio=Domestic branch loans/domestic branch deposits

Domestic deposit / lending rates (Non-consolidated)

- **At 1.45%, the Oct to Dec 2008 deposit / lending spread remained at a similar level to FY08 H1**

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



Recent interest rate changes

November 4, 2008
Interest on ordinary deposits: 0.200% ⇒ 0.120%

November 20, 2008
Short-term prime rate: 1.875% ⇒ 1.675%

December 22, 2008
Interest on ordinary deposits: 0.120% ⇒ 0.040%

January 13, 2009
Short-term prime rate: 1.675% ⇒ 1.475%

April 1, 2009 (Planned)
New variable rate housing loans :
⇒ Change based on the long-term lending rate linked to short-term prime rate as of March 1

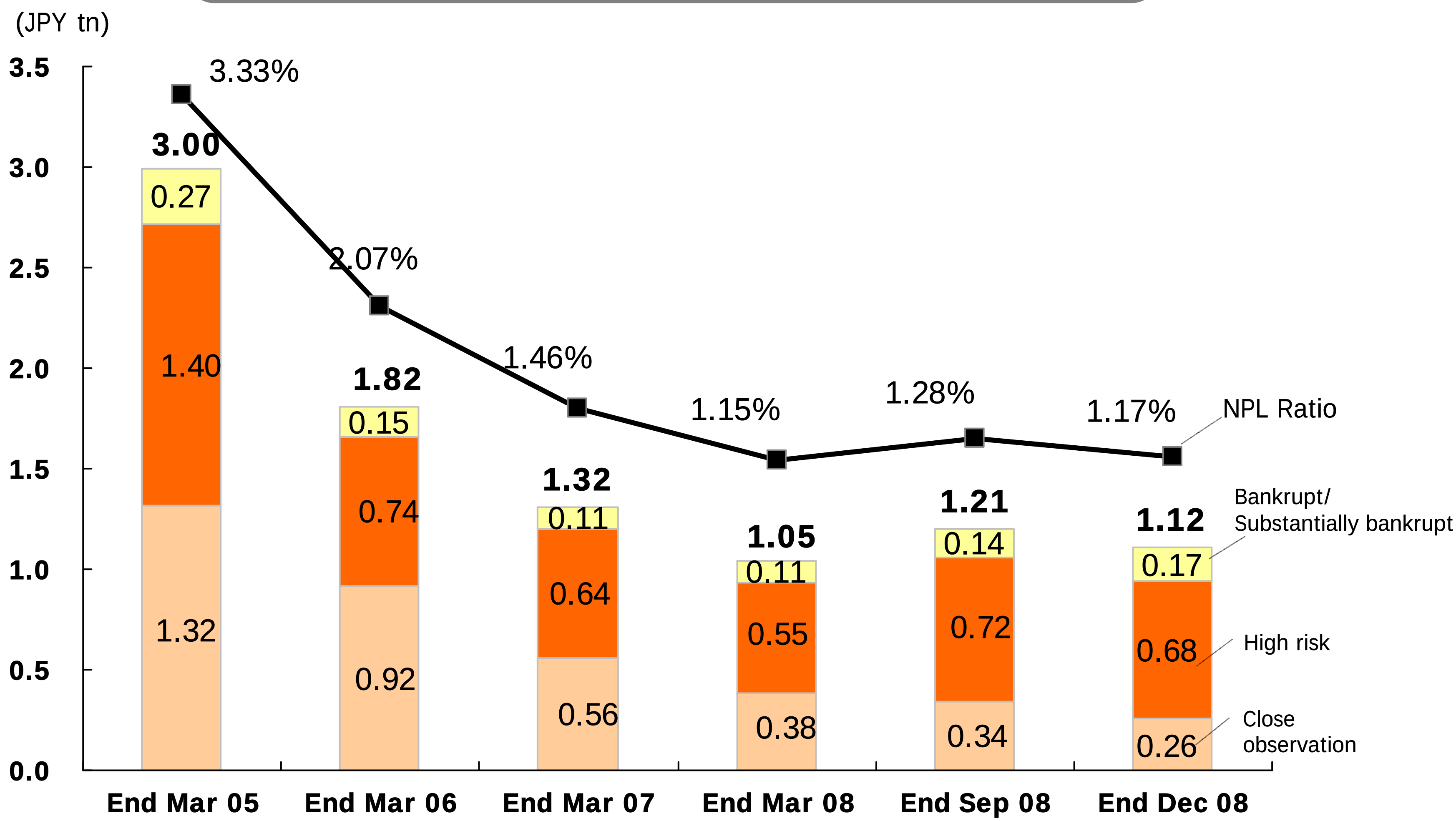
July 1, 2009 (Planned)
Existing variable rate housing loans
⇒ Change based on the long-term lending rate linked to short-term prime rate as of April 1

FRL disclosed loans

(Non-consolidated)

- **Nonperforming loan (NPL) balance and NPL ratio continue to remain at low levels**

Balance of FRL disclosed loans

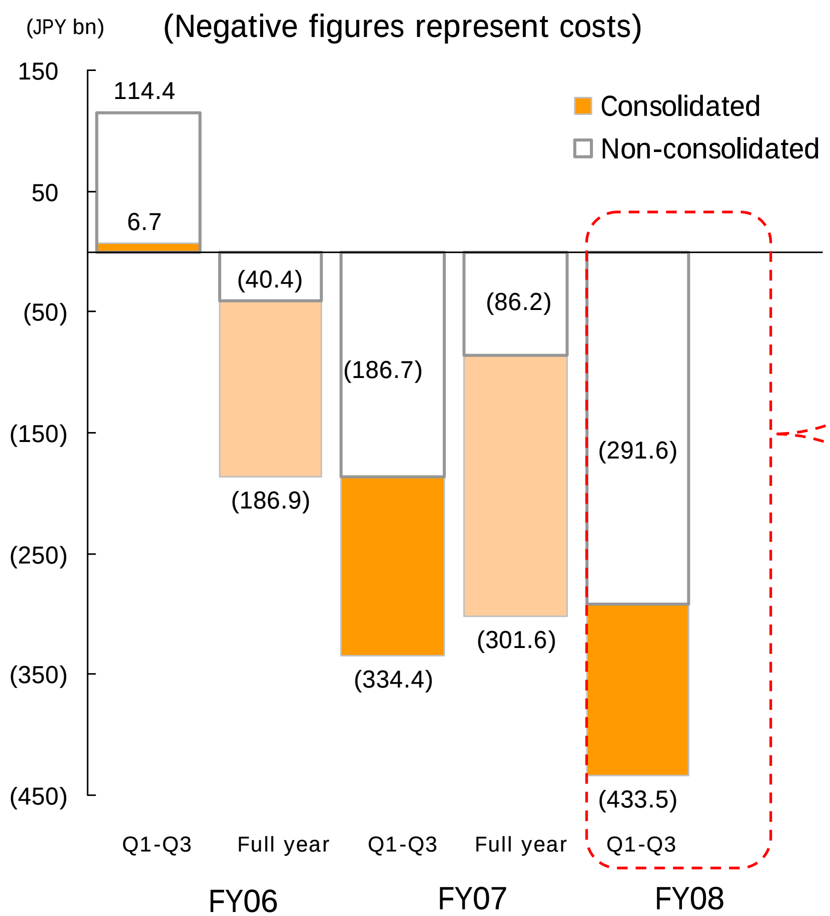


Credit costs

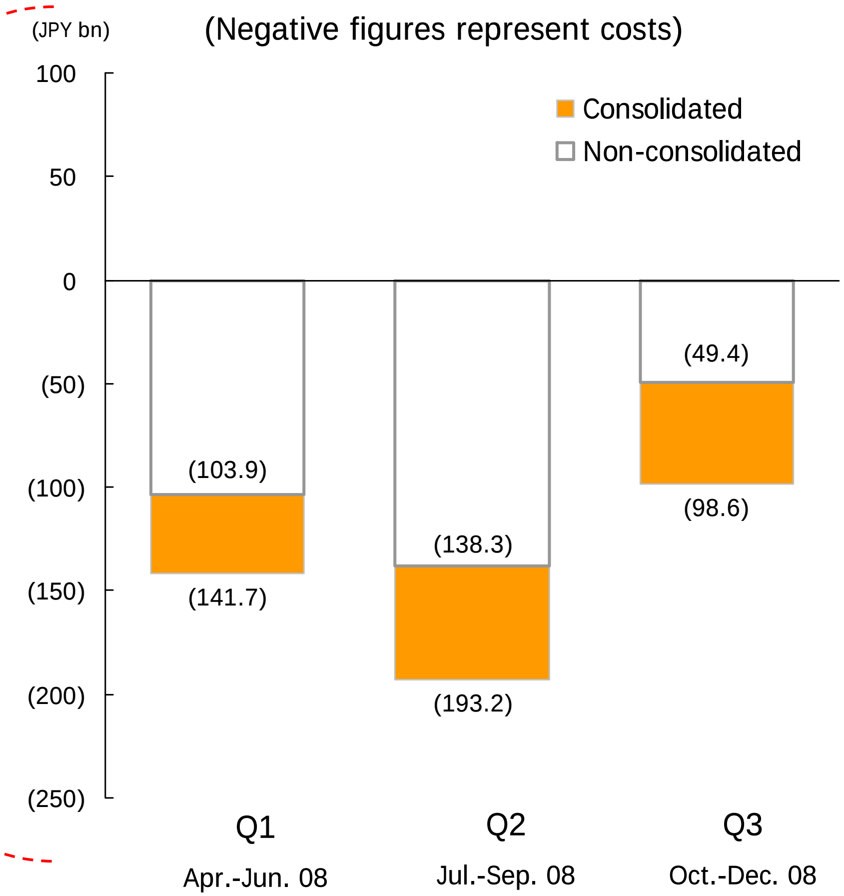
(Consolidated / Non-consolidated)

- **Credit related costs for FY08 Q1 to Q3 were JPY 291.6bn (sum of non-consolidated) and JPY 433.5bn (consolidated)**
- **On a quarterly basis credit costs declined in Q3**

Credit related costs



Quarterly trends



Holdings of investment securities (Consolidated)

- Total unrealized gains/losses on available-for sale securities decreased by approx. JPY 0.7tn compared to end Sep 2008 due to the decline in the domestic equity market and other factors
- As the interest rate environment for yen bonds and foreign bonds changed we increased positions

Breakdown of available-for-sale securities (with market value)

(JPY bn)

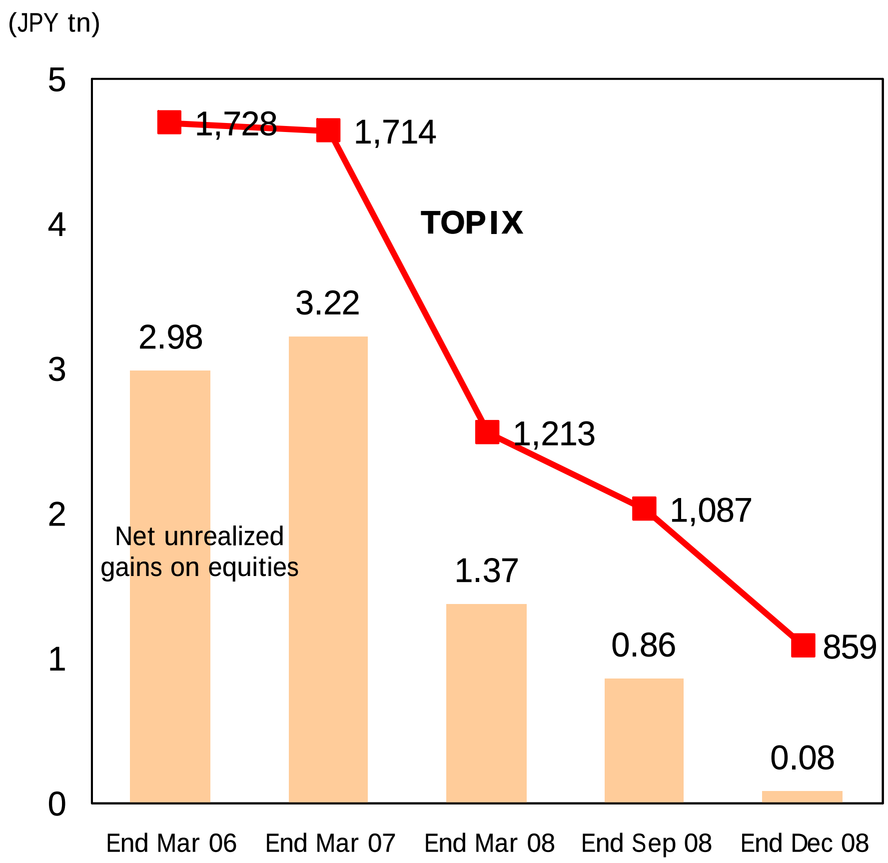
	Balance (End Dec.08)		Unrealized gains (losses)	
		Change from End Sep. 08		Change from End Sep. 08
Total	40,002.8	5,673.7	(682.1)	(682.4)
Domestic equity securities	4,048.5	(962.4)	88.7	(771.8)
Domestic bonds	23,023.1	5,364.5	82.8	93.2
Others	12,931.1	1,271.5	(853.8)	(3.8)
Foreign equity securities	100.0	(44.1)	(32.5)	(59.5)
Foreign bonds	9,332.5	2,118.6	16.9	119.7
Other	3,498.5	(803.0)	(838.2)	(63.9)

Equity holdings

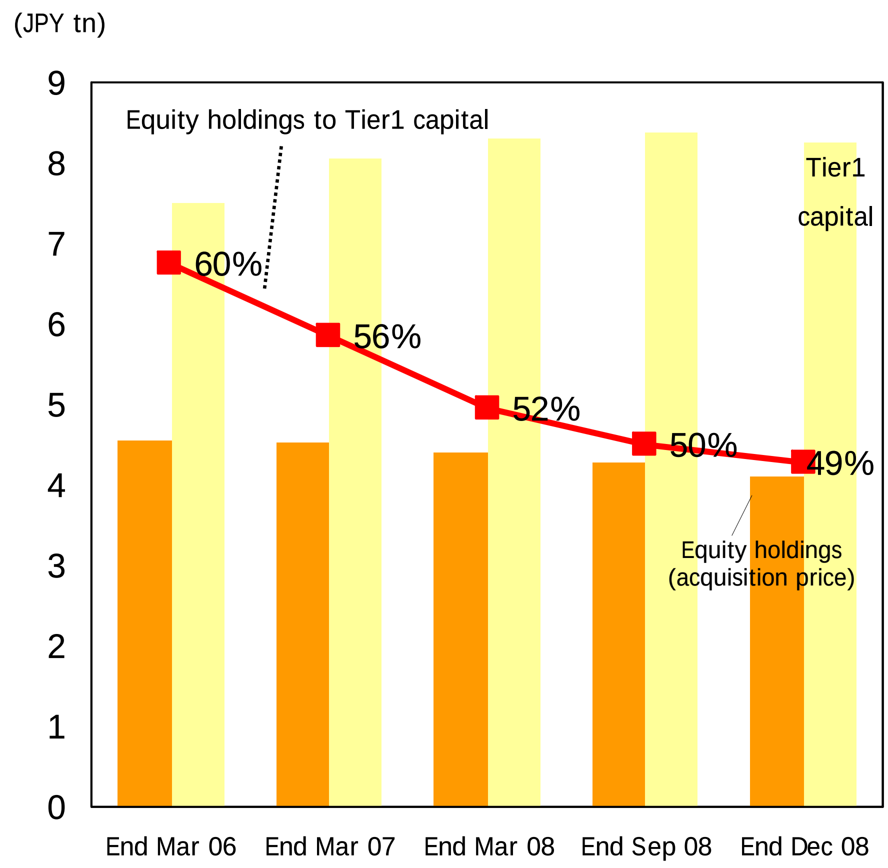
(Consolidated)

- **Equity holdings account for around 49％ of Tier 1 capital. Gradual risk reduction policies continue**

Net unrealized gains on equities*1



Equity holdings (acquisition price)*2 to Tier1 capital



*1 Domestic equities (those with a market price in available-for-sale securities)

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

Holdings of securitized products (Consolidated)

- **The balance of investments in securitized products decreased by JPY0.5tn from Sep. 08. to approx. JPY2.62tn**

Overview of holdings of securitized products
(as of End Dec. 08)

(1)Balance, net unrealized gains (losses)

(JPY bn)

		Balance	Change from end Sep. 08	Unrealized gains (losses)	Change from end Sep. 08	Net unrealized gains (losses) as a % of balance
1	RMBS	360	(160)	(85)	20	(23.6%)
2	Sub-prime RMBS	83	(57)	(17)	21	(20.6%)
3	CMBS	34	(1)	(2)	(1)	(4.5%)
4	CLOs	1,801	(209)	(250)	89	(13.9%)
5	Others (card, etc.)	396	(116)	(81)	(32)	(20.4%)
6	CDOs	26	(11)	(7)	0	(26.2%)
7	SIV investments	0	(3)	0	0	0.0%
8	Total	2,618	(501)	(424)	77	(16.2%)

(2)Distribution of balance by rating

(JPY bn)

		AAA	AA	A	BBB	BB or lower	Unrated
9	RMBS	304	23	23	2	7	-
10	Sub-prime RMBS	67	9	1	2	5	-
11	CMBS	20	9	4	1	-	-
12	CLOs	1,508	95	169	24	4	1
13	Others (card, etc.)	234	32	37	89	2	2
14	CDOs	12	7	-	1	7	-
15	Sub-prime ABS CDOs	-	0	-	-	-	-
16	SIV investments	-	-	-	-	0	-
17	Total	2,079	166	233	117	20	3
18	Ratio	79%	6%	9%	4%	1%	0%

Securitized products

- The balance of investments in securitized products decreased by JPY501bn from end Sep. 08 to JPY2.62tn, due to higher yen in addition to the sales and redemption
- The balance of net unrealized losses decreased by JPY77bn from end Sep.08 to JPY424bn and net unrealized losses as a percentage of balance increased by 0.1 points to 16.2%
- A loss of JPY179bn was recorded in FY08 Q1-Q3, mainly due to impairment losses resulting from decline in product prices and losses on sales (A loss of JPY138bn was recorded in FY08 Q3 [loss on sales:JPY19bn, impairment loss: JPY119bn])
- AAA rated: approx. 79% (81% as of end Sep. 08)

Note1: Does not include MBS arranged and guaranteed by U.S. GSEs, etc., Japanese RMBS such as Japanese Housing Finance Agency securities, and products held by funds such as investment trusts. Figures are rounded off. Balance is the amount after impairment and before deducting net unrealized losses

Note2: Securitized products backed by corporate loans (CLOs) were previously valued based on prices quoted by brokers or other sources as a substitution for market values. Starting in this third quarter, some of the securitized products are evaluated based on reasonably estimated amounts derived using our own calculation methods in order to enhance the accuracy of our valuation
The effects of the changes of the above valuation methods are as follows:
1) The balance as of December 31, 2008 increased by approx. JPY44 bn
2) The net unrealized losses as of December 31, 2008 decreased by approx. JPY206 bn
The effect on the P/L for this third quarter was an increase of approx. JPY44 bn

Capital ratios

(Consolidated)

MUFG

Risk-Adjusted Capital ratios (Based on the Basel II Standards)

(JPY bn)

		End Sep 08	End Dec 08	Change
1	Capital ratio	10.55%	10.72%	0.17%
2	Tier 1 ratio	7.63%	7.51%	(0.11%)
3	Total capital	11,590.2	11,773.8	183.6
4	Tier 1	8,380.4	8,245.7	(134.7)
5	Tier 2	3,766.0	3,835.8	69.7
6	Tier 3	-	-	-
7	Deductions	556.3	307.6	(248.6)
8	Risk-adjusted assets	109,789.1	109,748.8	(40.3)
9	Required Capital	8,783.1	8,779.9	(3.2)

Note: Based on the new capital adequacy regulations (Basel II)

Changes: Main factors

Tier 1: JPY (134.7) bn

- Retained earnings (including interim dividends of JPY (77.4) bn)
  JPY (132.5) bn
- Preferred stock issued, public offering of common stock and sale of treasury shares
  +JPY 760.0 bn
- Appraisal loss on available-for-sale securities
  Approx. JPY (500.0) bn

Tier 2: +JPY 69.7 bn

Risk assets: broadly unchanged

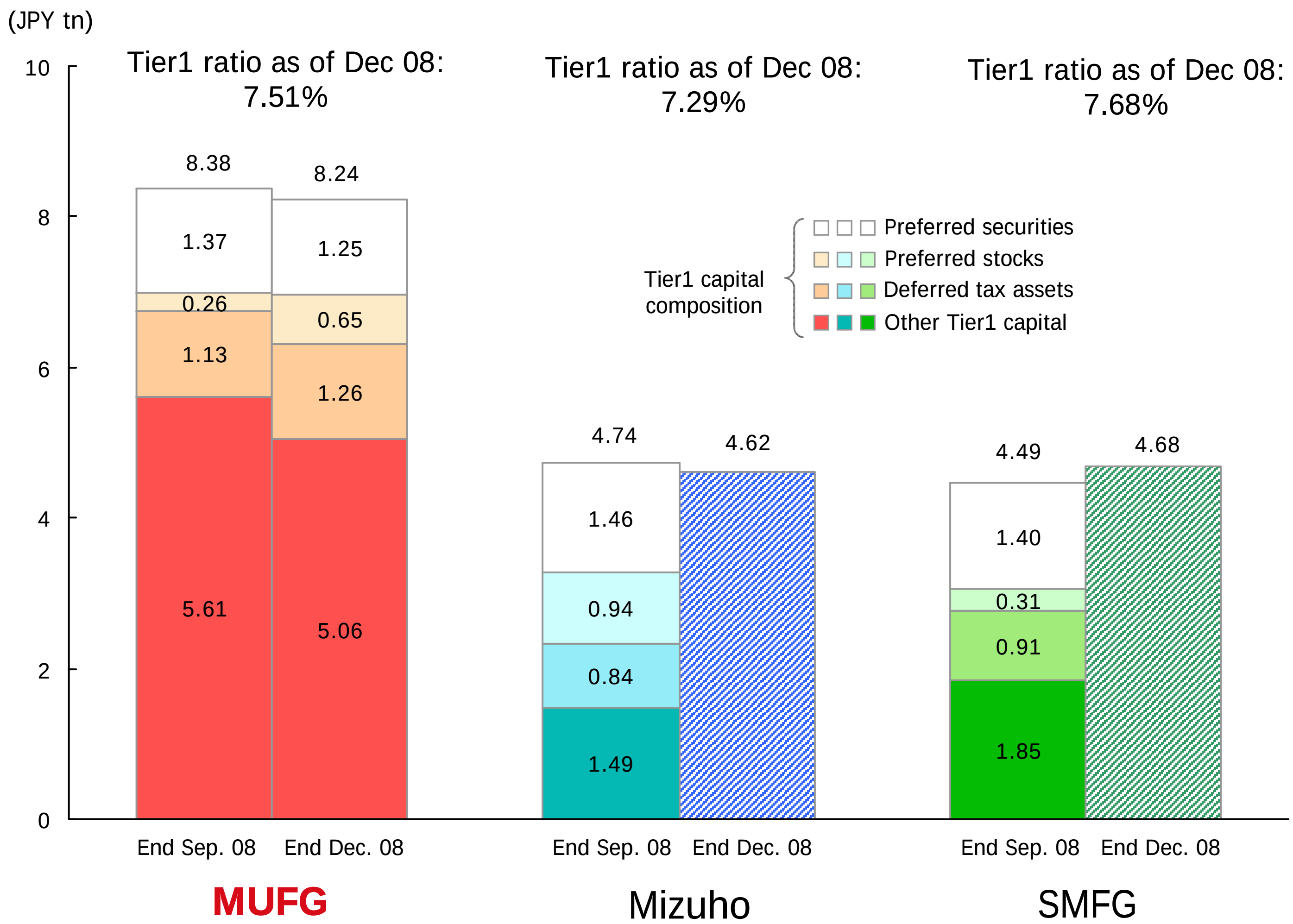
- Increases from investment in Morgan Stanley, consolidation of ACOM, etc., were largely offset by the effects of a drop in share prices, reductions of deposits and call loans, etc.

Tier1 capital

(Consolidated) MUFG

- **Quality of capital remains high, flexibility in capital policy maintained**

Tier1 capital composition



FY2008 earnings / dividend forecasts (Consolidated / Non-consolidated)

Earnings forecasts

Consolidated

		Q1-Q3	FY2008 Full year (forecast)
1	Ordinary income	JPY 4,347.0 bn	**JPY 5,900.0 bn**
2	Ordinary profits	JPY 113.9 bn	**JPY 350.0 bn**
3	Net income	JPY (42.0) bn	**JPY 50.0 bn**

Dividend forecasts

		FY2008 Interim dividend	FY2008 Year-end dividend (forecast)	FY2008 Annual dividend (forecast)
1	Dividend per common share	**JPY 7**	**JPY 7**	**JPY 14**

Bank of Tokyo-Mitsubishi UFJ

	(consolidated)	Q1-Q3	FY2008 Full year (forecast)
1	Ordinary profits	JPY (40.8) bn	**JPY 145.0 bn**
2	Net income	JPY (20.9) bn	**JPY 25.0 bn**
	(non-consolidated)		
3	Net business profits	JPY 520.1 bn	**JPY 765.0 bn**
4	Ordinary profits	JPY (174.8) bn	**JPY (20.0) bn**
5	Net income	JPY (214.7) bn	**JPY (165.0) bn**

Mitsubishi UFJ Trust and Banking

	(consolidated)	Q1-Q3	FY2008 Full year (forecast)
1	Ordinary profits	JPY 61.2 bn	**JPY 75.0 bn**
2	Net income	JPY 30.1 bn	**JPY 30.0 bn**
	(non-consolidated)		
3	Net business profits	JPY 118.1 bn	**JPY 135.0 bn**
4	Ordinary profits	JPY 58.9 bn	**JPY 70.0 bn**
5	Net income	JPY 32.9 bn	**JPY 30.0 bn**

■**Reference :**

The above earnings forecasts assume share price levels as of the end of December 2008. Because MUFG uses a reversal method for recording losses on write-down of its holdings of equity securities at quarter end, the amount of losses on write-down for the fiscal year ending March 31, 2009 will depend on share prices as of March 31, 2009. Consequently, actual results may differ significantly from the above forecasts depending on share price levels, etc.

Outline of FY2008 Q3 Results

Key Management Issues

MUFG's business environment

MUFG

- The European and US economies are facing a deep recession due to the spread of the unprecedented financial crisis. Also the sharp decline in commodity prices is causing the economies of emerging countries to slowdown more than anticipated
- The Japanese economy is also facing a recession due to adjustments to production, employment, etc., resulting from a sudden drop in overseas demand. There is a high probability that recessionary conditions in Japan will continue despite the expected support from monetary easing, fiscal stimulus, etc.
- We are forecasting an ongoing difficult operating environment for financial institutions due to depressed equity markets, increased credit-related expenses, etc. While maintaining a conservative policy on risk control, we will steadily implement measures that lead to a more proactive stance in the future

Objectives of management strategy

MUFG

- **Realize benefits of transfer to new systems**

- **Pursue our growth strategy**

  ～Strengthen growth businesses (strengthen sales of overall customer assets, high net worth strategy, consumer finance strategy, CIB strategy, Asia strategy, and global asset management)

  ～Expand Group's comprehensive strengths through investments and alliances (Morgan Stanley, UNBC, Aberdeen Asset Management, Asia)

- **Implement a balanced capital policy**

Realizing benefits of transfer to new systems

- **Completion of transfer to new systems marks a new stage for MUFG**

Completed transfer to new systems

- Completed transfer to new systems over a three year period
  - All branches completed transferred to new systems in December 2008

Enhanced services

- All 670 bank branches and 81 trust bank branches can now utilize a unified lineup of their respective products and services
  - 24hr, 365 days a year ATM services available to all customers
  - All branches can now handle applications for Super IC Card, etc.

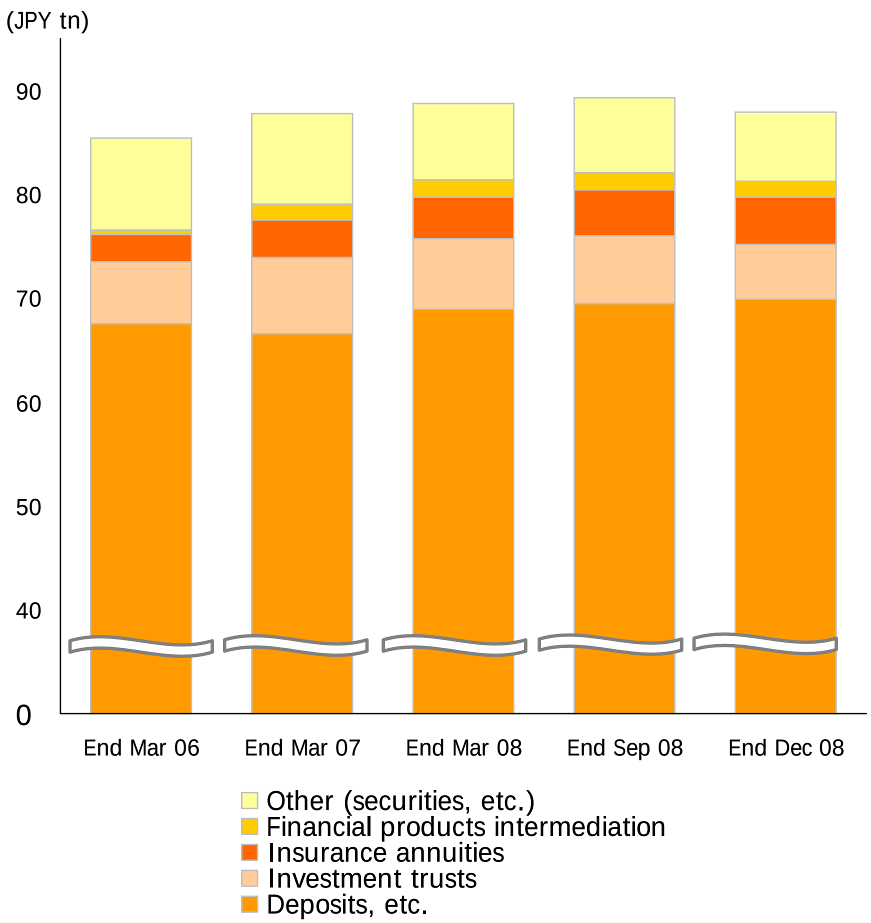
Realizing the benefits of streamlining

- Reduce staffing overlaps and reallocate staff to strategic areas
- Lower systems related expenses

Strengthing sales of overall customer assets

- Steadily strengthening sales structure to meet diverse asset management needs
- Recently, overall customer assets have decreased primarily due to declines in equity markets, while individuals' deposits increased

Change in overall customer assets



Insurance products	✓ **Assign more insurance planners** End Mar.08: 370⇒End Jan.09: approx.450 ✓ **Increase branches handling newly deregulated products** End Sep.08: 328⇒End Jan.09: 371 ✓ **Enhance newly deregulated product lineup** From Apr.08 added 7 new insurance products in the areas of nursing care, life and medical treatment, and we are now offering 14 products as of End Jan. 09
Investment trusts	✓ **Strengthen targeted 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	✓ **Increased "Retail Money Desk"* locations** End Mar. 08: 10 locations ⇒End Jan. 09: 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

Global Strategic Alliance with Morgan Stanley

MUFG

- **Through the global strategic alliance, MUFG will aim to significantly increase its presence in investment banking and financial markets in Japan and globally**

Strategic rationale

- Agreed to explore a global strategic alliance in a broad range of areas primarily in corporate and investment banking fields
- Opened management level steering committee which includes Chairman & CEO, John J. Mack and President & CEO, Nobuo Kuroyanagi
- Explore concrete strategies to maximize the strategic benefits of alliance by June 30, 2009

Terms of the investment

- Total acquisition amount: $9bn (convertible preferred stock $7.8bn and non-convertible preferred stock $1.2bn)
- Dividend yield: 10% (both convertible and non-convertible preferred stock)
- Conversion price: $25.25
- Acquired 20% interest on a fully diluted basis. MUFG holds the right to maintain the equivalent of 20% fully diluted ownership in Morgan Stanley and also, providing that its fully diluted ownership interest remains above 10%, has the right to receive a Morgan Stanley board seat

Morgan Stanley track record*1

< Worldwide completed M&A deals (by Imputed Fees) >

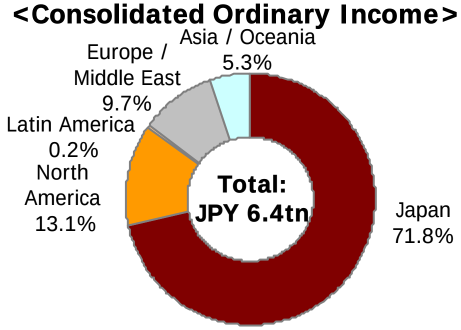
Rank	Advisor
1	Goldman Sachs
2	J.P. Morgan
3	Morgan Stanley
4	UBS
5	Merrill Lynch
6	Credit Suisse
7	Citi
8	Deutsche Bank
9	Barclays Capital
10	Lazard

<EMEA*2 Equity & Equity-Related>

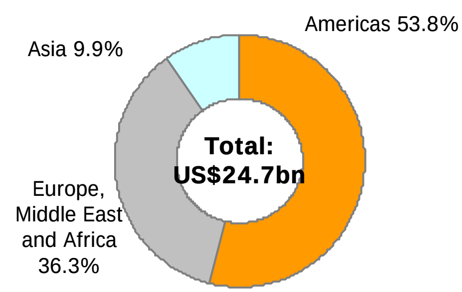
Rank	Bookrunner
1	Morgan Stanley
2	J.P. Morgan
3	Goldman Sachs
4	Merrill Lynch
5	RBS
6	Deutsche Bank
7	Credit Suisse
8	UBS
9	Citi
10	BNP Paribas

Geographic topline revenue breakdown*2

MUFG
<Consolidated Ordinary Income>



Morgan Stanley
<Net revenue>



Source: Company disclosures, Thomson Financial
*1 1/1/2008-12/31/2008
*2 FY07 result for MUFG, and FY2008 results for Morgan Stanley. MUFG figures are based on JGAAP while Morgan Stanley figures are based on U.S.GAAP

Overseas strategic investments and alliances

MUFG

Pursuing strategic investments and alliances focusing on growth sectors

Investments and alliances in Asia

China	Investment in and business alliance with Bank of China (Jun 06) (BTMU)
India	Business alliance with ICICI (Aug 06), Tata Capital (Aug 08) (Mitsubishi UFJ Securities)
Indonesia	Investment in Bank Nusantara Parahyangan (Dec 07) (BTMU)
Vietnam	Alliance with Vietcombank (Nov 06) (BTMU)
Malaysia	Additional investment in CIMB (Apr 07) (BTMU)
Korea	Business alliance with Daewoo Securities (Jan 07) (Mitsubishi UFJ Securities)
Australia	Investment in Challenger Financial Services Group (Oct 07) (BTMU and MUS)
Hong Kong	Additional investment in Dah Sing Financial Holdings to make Dah Sing an equity method investment (Mar 08) (BTMU)
Singapore	Investment in and business alliance with Kim Eng Holdings (Nov 07 – Apr 08) (Mitsubishi UFJ Securities)

Investments and alliances in Europe and the US

Morgan Stanley — Strategic investment and business alliance (FY08 H2)

- Aim to dramatically improve presence in investment banking and domestic and global financial markets through development of global alliance strategy

UnionBanCal Corporation — Made into a wholly owned subsidiary (FY08 H2)

- Making UNBC a wholly-owned subsidiary is an important step in our growth in the US
- UNBC is a quality regional bank ranked 5th in deposits in California
- Further strengthen commercial banking in the US

Aberdeen — Aiming for an investment ratio of 15%+, began acquiring shares (FY08 H2)

- Exclusive provision to corporate customers in Japan of Aberdeen's superior global and emerging market fund management products

Enhancing equity capital

- **Increased and strengthened capital to further stabilize our financial base and aim for further corporate growth**

Tier 1 capital raising since Oct 2008

- Common stocks

  Raised approx. JPY 400 bn from sale of shares comprising issue of 700 million new shares and sale of 300 million treasury stocks (Dec 08 to Jan 09)

- Preferred stocks

  JPY 390 bn of corporate bond-type preferred shares allocated to seven domestic life and non-life insurance companies through a third party allotment (Nov 08)

- Preferred securities

  Established a special purpose company to issue non-dilutive preferred securities (Feb 09)

Implementing a balanced capital policy

- Strengthen equity capital and enhance shareholder returns while using capital efficiently to achieve sustainable growth and enhanced profitability
- Aim to enhance MUFG's corporate value through our capital policy

Enhance shareholder returns

- Sustained increase in dividend payments
- Strive to achieve a target of over 20% payout ratio
- Options for returning capital via share buybacks, etc.

MUFG's corporate value

Strengthen equity capital

[Numerical targets]

- Tier1 ratio 8%
- Capital ratio 12%

Strategic investments for sustainable growth


No.1
Service
Quality for You
No.1
Reliability
No.1
Global
Coverage

Appendix

Outline of MUFG

- **Leading 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	JPY 198.8tn
Total Loans	JPY 93.1tn
Total Deposits	JPY 118.1tn
Employees	approx.130,000

Note: As of End Dec. 08

- Bank of Tokyo-Mitsubishi UFJ
- Mitsubishi UFJ Trust and Banking
- Mitsubishi UFJ Securities
- Mitsubishi UFJ NICOS
- Mitsubishi UFJ Lease & Finance*1

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

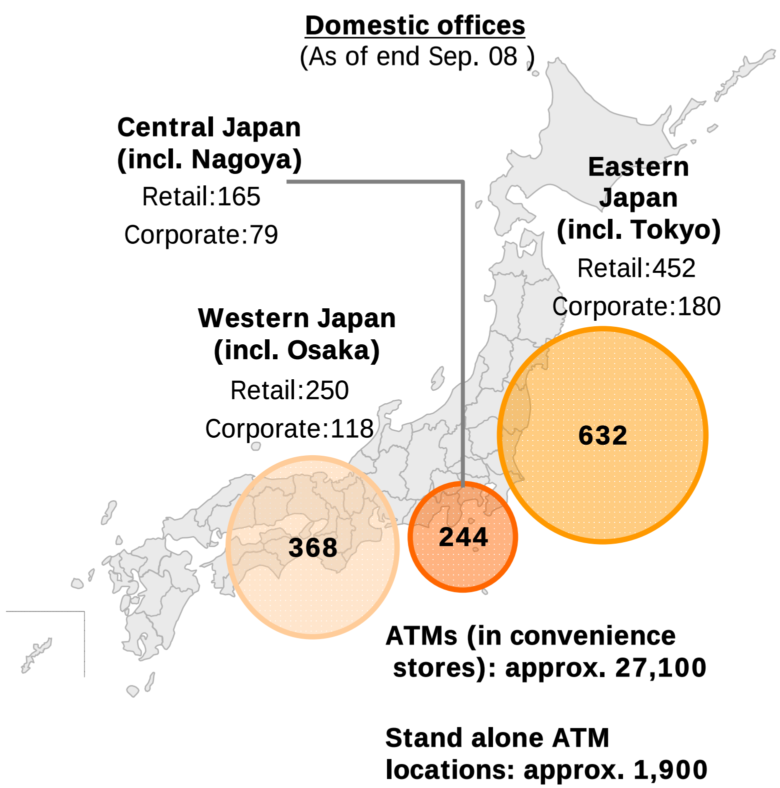
Group companies in other main financial areas

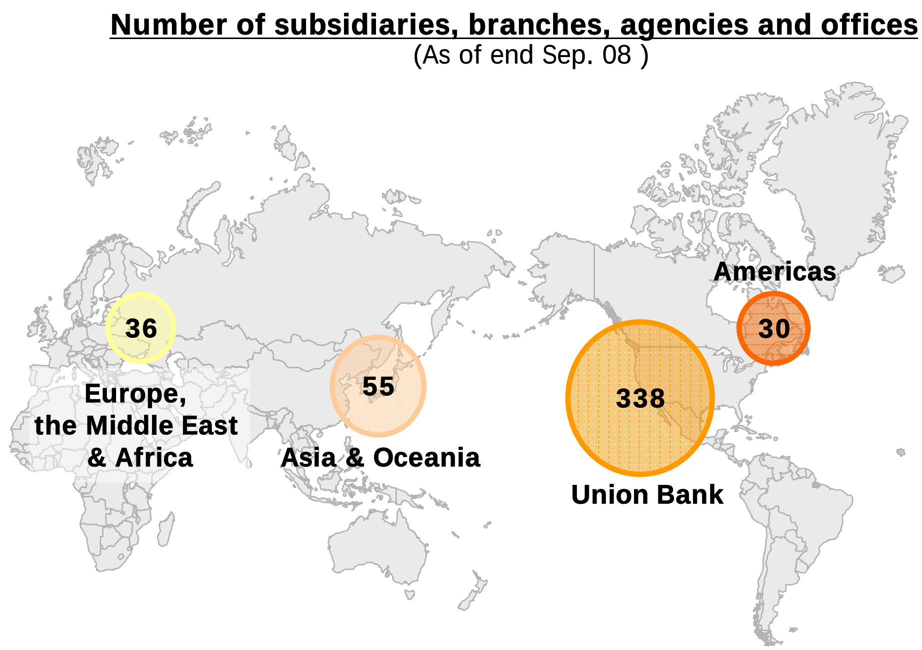
Asset management	Mitsubishi UFJ Asset Management / KOKUSAI Asset Management	Real estate	Mitsubishi UFJ Real Estate Services
Consumer finance	ACOM / JACCS	Venture capital	Mitsubishi UFJ Capital
Private banking	Mitsubishi UFJ Merrill Lynch PB Securities	Factoring	Mitsubishi UFJ Factors
Online Securities	Kabu.com Securities	Research & consulting	Mitsubishi UFJ Research & Consulting
Mobile internet bank	Jibun Bank	Overseas	UnionBanCal Corporation

Solid customer base & extensive branch network

- Solid domestic customer base with approx. 40 million retail accounts and 500,000 corporate clients
- Largest global network of any Japanese financial groups with over 400 locations in more than 40 countries

MUFG Branch network*1





*1 Total of BTMU, MUTB and MUS

Union Bank: legally changed the name from Union Bank of California on December 18, 2008

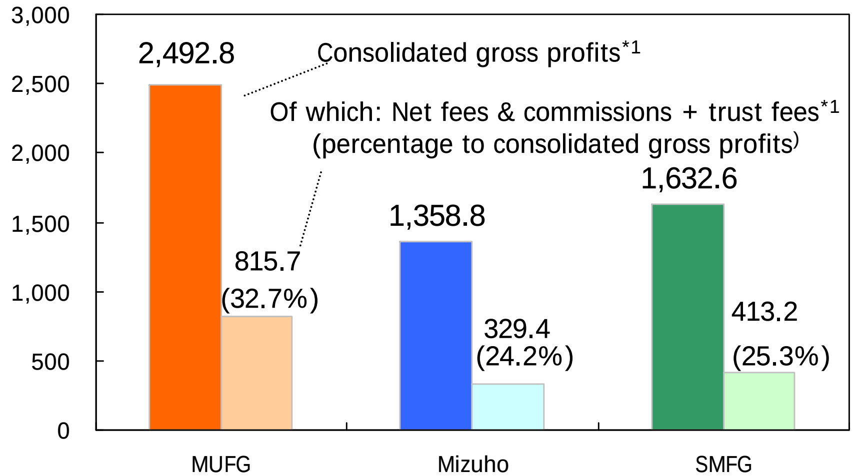
Comparison with other Japanese financial groups

Source :Disclosure material of each group

MUFG

Gross profits/ Fees + Trust fees
(FY08 Q1-Q3)

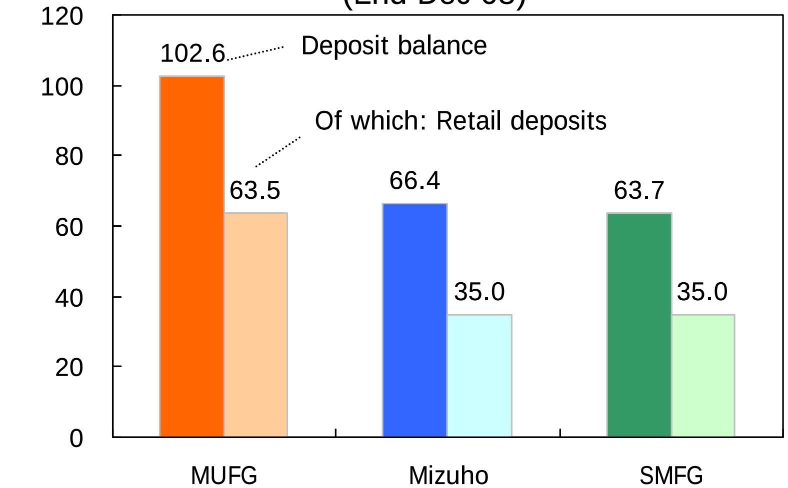
(JPY bn)



*1 Before credit costs for trust accounts

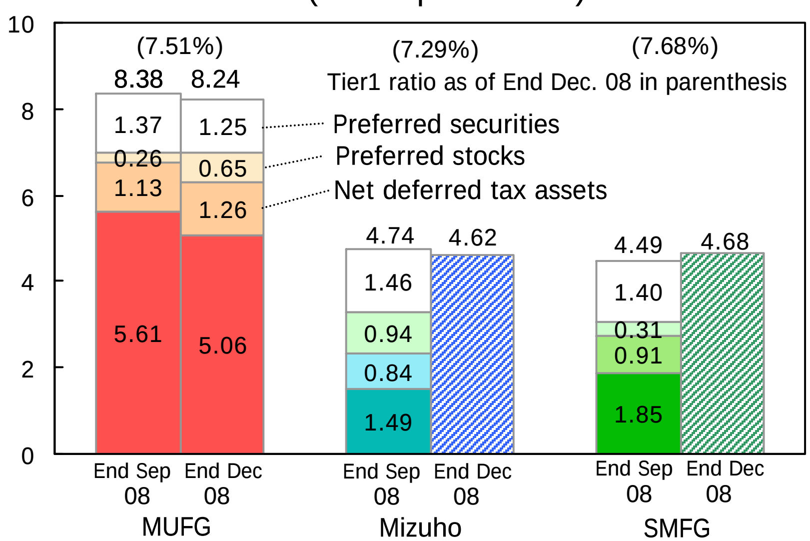
Domestic deposit balance (sum of non-consolidated)
(End Dec 08)

(JPY tn)

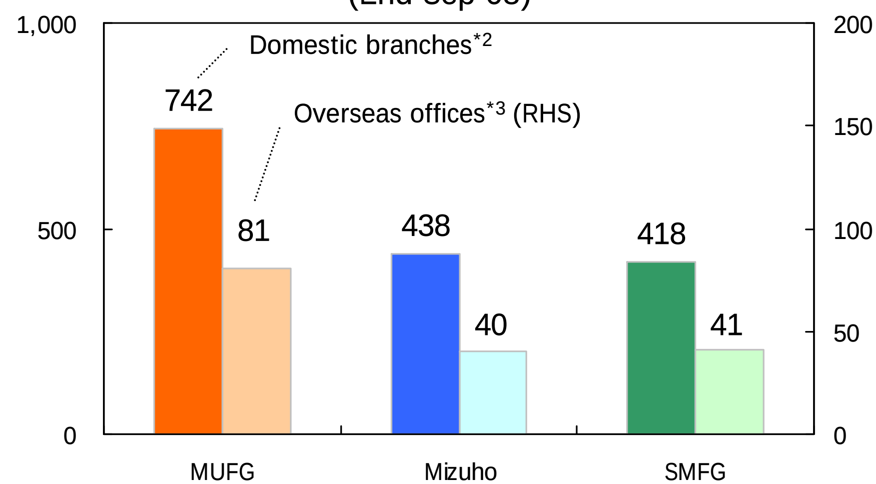


Consolidated Tier 1 capital
(End Sep & Dec 08)

(JPY tn)



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



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

Exposure to securitized products 1: Overview (Consolidated)

MUFG

・Includes BTMU (including Union Bank and Senshu bank), MUTB and MUS
・Products covered: Securitized products on management accounts basis. Do not include MBS arranged and guaranteed by U.S. GSEs, etc. (stated separately) , Japanese RMBS such as Japanese Housing Finance Agency Securities, and products held by funds such as investment trusts
・As of End Dec 08. Approximate figures, rounded off. Balance is after impairment and before deducting net unrealized losses
・Calculated based on USD1 = JPY91.03

Overview of holdings of securitized products as of End Dec. 08

(1) Balance, net unrealized gains(losses)

(JPY bn)

		Balance	Change from end Sep 08	Net unrealized gains(losses)	Change from end Sep 08	Net unrealized gains(losses) as a % of balance	Change from end Sep 08
1	Securitized products	2,618	(501)	(424)	77	(16.2)%	(0.1)%
2	RMBS	360	(160)	(85)	20	(23.6)%	(3.4)%
3	Sub-prime RMBS	83	(57)	(17)	21	(20.6)%	6.6%
4	CMBS	34	(1)	(2)	(1)	(4.5)%	(2.0)%
5	CLOs	1,801	(209)	(250)	89	(13.9)%	3.0%
6	Others (card, etc.)	396	(116)	(81)	(32)	(20.4)%	(10.8)%
7	CDOs	26	(11)	(7)	0	(26.2)%	(8.7)%
8	SIV investments	0	(3)	0	0	0.0%	11.4%

(2) Distribution of balance by region

(JPY bn)

	Americas	Europe	Asia	Japan	Total
1	1,865	672	5	75	2,618
2	298	61	-	-	360
3	83	-	-	-	83
4	1	3	0	29	34
5	1,175	601	-	26	1,801
6	379	-	1	17	396
7	13	6	3	4	26
8	0	-	-	-	0

(3) Distribution of balance by rating

(JPY bn)

		AAA	AA	A	BBB	BB or lower	Unrated	Total
1	Securitized products	2,079	166	233	117	20	3	2,618
2	RMBS	304	23	23	2	7	-	360
3	Sub-prime RMBS	67	9	1	2	5	-	83
4	CMBS	20	9	4	1	-	-	34
5	CLOs	1,508	95	169	24	4	1	1,801
6	Others (card, etc.)	234	32	37	89	2	2	396
7	CDOs	12	7	-	1	7	-	26
8	SIV investments	-	-	-	-	0	-	0

(4) Simple securitized products*1 ratio

(JPY bn)

		Balance	%
1	Simple securitized products*1	2,613	99.8%
2	Re-securitized products*2	4	0.2%
3	Total	2,618	100.0%

*1 Securitized products backed by non-securitized assets

*2 Sub-prime ABS CDOs、Synthetic CDOs（squared） and SIVs

Exposure to securitized products 2: RMBS, CMBS (Consolidated)

MUFG

Residential Mortgage-Backed Securities (RMBS)

(1) Balance by underlying asset, net unrealized gains(losses)

(JPY bn)

		Balance	Net unrealized gains(losses)	Net unrealized gains(losses) as a % of balance	Change from end Sep 08
1	RMBS	360	(85)	(23.6)%	(3.4)%
2	Sub-prime RMBS*3	83	(17)	(20.6)%	6.6%
3	Prime RMBS	276	(68)	(24.5)%	(6.9)%

*3 In addition, we have funds holding sub-prime RMBS (JPY8 bn balance of sub-prime RMBS part, JPY22bn net unrealized losses from that funds, which does not included in securitized products)

(2) Distribution of balance by region

(JPY bn)

	Americas	Europe	Asia	Total
1	298	61	-	360
2	83	-	-	83
3	215	61	-	276

(3) Distribution of balance by rating

(JPY bn)

		AAA	AA	A	BBB or lower	Total
1	RMBS	304	23	23	9	360
2	Sub-prime RMBS	67	9	1	7	83
3	Prime RMBS	238	15	22	2	276

(4) Distribution of balance by vintage

(JPY bn)

		Before 04	05	06	07	Total
1	RMBS	16	103	203	38	360
2	Sub-prime RMBS	-	17	51	15	83
3	Prime RMBS	16	86	152	23	276

(5) Distribution of Sub-prime RMBS unrealized gains(losses) by vintage

(JPY bn)

		05	06	07	Total
1	Sub-prime RMBS*4	17	51	15	83
2	Net unrealized gains(losses)	(4)	(11)	(2)	(17)
3	Net unrealized gains(losses) as a % of balance	(23.8)%	(22.3)%	(11.1)%	(20.6)%

*4 Initial WAL (Weighted Average Life) was about 3.5 years

Commercial Mortgage-Backed Securities (CMBS)

(1) Balance by underlying asset, net unrealized gains(losses)

(JPY bn)

	Balance	Net unrealized gains(losses)	Net unrealized gains(losses) as a % of balance	Change from end Sep 08
CMBS	34	(2)	(4.5)%	(2.0)%

(2) Distribution of balance by rating

(JPY bn)

AAA	AA	A	BBB or lower	Total
20	9	4	1	34

(3) Distribution of balance by region

(JPY bn)

	Americas	Europe	Asia	Japan	Total
CMBS	1	3	0	29	34

Exposure to securitized products 3: CLOs, CDOs (Consolidated)

MUFG

Collateralized Loan Obligations (CLOs)

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

		Balance	Net unrealized gains(losses)	Net unrealized gains(losses) as a % of balance	Change from end Sep 08
1	CLOs	1,801	(250)	(13.9)%	3.0%
2	Balance sheet CLOs	568	(76)	(13.5)%	(4.9)%
3	Arbitrage CLOs	1,182	(169)	(14.3)%	7.1%

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

	AAA	AA	A	BBB	BB or lower	Unrated	Total
1	1,508	95	169	24	4	1	1,801
2	458	46	40	23	2	-	568
3	999	50	130	1	1	2	1,182

(3) Distribution of balance by region (JPY bn)

		Americas	Europe	Asia	Japan	Total
1	CLOs	1,175	601	-	26	1,801
2	Balance sheet CLOs	118	443	-	6	568
3	Arbitrage CLOs	1,049	133	-	0	1,182

Note: Securitized products backed by corporate loans (CLOs) were previously valued based on prices quoted by brokers or other sources as a substitution for market values. Starting in this third quarter, some of the securitized products are evaluated based on reasonably estimated amounts derived using our own calculation methods in order to enhance the accuracy of our valuation
The effects of the changes of the above valuation methods are as follows:
1) The balance as of December 31, 2008 increased by approx. JPY44 bn
2) The net unrealized losses as of December 31, 2008 decreased by approx. JPY206 bn
The effect on the P/L for this third quarter was an increase of approx. JPY44 bn

Collateralized Debt Obligations (CDOs)

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

		Balance	Net unrealized gains(losses)	Net unrealized gains(losses) as a % of balance	Change from end Sep 08
1	CDOs	26	(7)	(26.2)%	(8.7)%
2	Sub-prime ABS CDOs	0	0	0.0%	0.0%
3	Synthetic CDOs*5	19	(6)	(32.5)%	(10.9)%
4	Other CDOs*6	7	(1)	(10.1)%	(5.9)%

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

	AAA	AA	A	BBB	BB or lower	Total
1	12	7	-	1	7	26
2	-	0	-	-	-	0
3	5	7	-	1	6	19
4	7	-	-	-	1	7

*5 CDOs using CDS of diversified investment-grade companies as the reference assets, price movements largely influenced by CDS index price trends
*6 CDOs using leasing receivables, corporate bonds, etc. as the reference assets

(3) Distribution of balance by region (JPY bn)

		Americas	Europe	Asia	Japan	Total
1	CDOs	13	6	3	4	26
2	Sub-prime ABS CDOs	0	-	-	-	0
3	Synthetic CDOs	8	4	3	3	19
4	Other CDOs	5	2	-	1	7

(4) Distribution of balance by type (JPY bn)

	Simple securitized products	Re-securitized products	Total
1	22	4	26
2	-	0	0
3	14	4	19
4	7	-	7

Exposure to securitized products 4: Monoline insurers, SPEs, etc.

(Consolidated) MUFG

Monoline insurer related

・No credit outstanding and credit derivative transactions with monoline insurers

Special Purpose Entities (SPEs)

【ABCP（Asset Backed CP）】

・We are engaged in sponsoring ABCP issuance for securitization of our clients's assets
・The balance of assets purchased by ABCP conduits (special purpose companies for issuing ABCP) as of end Dec 08 was JPY5.00tn (JPY1.50tn overseas)
・The purchased assets are mainly receivables and they do not include residential mortgages

Credit exposure related to leveraged loan

【Leveraged loan for structuring or distributing】

・Not engaged in origination and distribution of securitized products of leveraged loans, no balance of leveraged loan for securitization

【LBO loans】

1）Balance of LBO loans (JPY bn)

		Balance	Change from end Sep 08
1	LBO loans (commitment basis)*7	550	(41)
2	Booking basis	475	(44)

*7 Includes balance after refinancing

2）Distribution of balance by region (JPY bn)

	Americas	Europe	Asia	Japan	Total
1	68	148	39	294	550
2	48	130	35	262	475

U.S. GSE related

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

		Balance	Change from end Sep 08	Net unrealized gains(losses)	Change from end Sep 08	Net unrealized gains(losses) as a % of balance	Change from end Sep 08
1	MBS*8	2,648	(191)	(9)	24	(0.3)%	0.8%
2	Agency Securities*9	92	(25)	2	1	2.0%	1.6%

*8 Arranged and guaranteed by Fannie Mae, Freddie Mac and Ginnie Mae
*9 Issued by the above three institutions and Federal Home Loan Banks