Mitsubishi UFJ Financial Group

Fiscal 2008 Results Presentation

May 25, 2009

Quality for You

MUFG

This document contains forward-looking statements in regard to forecasts, targets and plans of Mitsubishi UFJ Financial Group, Inc. ("MUFG") and its 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)

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Introduction

Outline of Fiscal 2008 Results

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MUFG

- Recorded net loss of ¥256.9 bn on higher write-downs on equity securities and increased credit costs due to deterioration of financial and economic environment
- Made steady progress in strengthening business management framework and enhancing comprehensive Group strengths (completion of Day 2 integration, investment in Morgan Stanley, etc.)
- Raised capital to enhance stability of financial position and seek further corporate growth
- Deal with issues that have emerged in our medium-term business plan

Introduction

Outline of Fiscal 2008 Results

Outline of Medium-term business plan

FY 2008 Summary (P/L) (Consolidated)

MUFG

Net business profits

- Net interest income increased mainly due to increase in overseas lending income, lower funding cost in foreign currency and consolidation of ACOM
- 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 business profits decreased mainly due to ¥267bn losses relating to securitized products
- G&A expenses slightly decreased as progress in cost reduction and other things offset consolidation of ACOM

Credit costs

- Increased due to revision of debtor credit ratings which reflected downturn in businesses of especially SMEs

Net gains (losses) on equity securities

- Posted net losses due to approx. ¥480bn write-down of equity securities resulting from lower share prices

Net income

- Recorded a net loss due to the factors noted above and the booking of a similar level of tax expenses as in FY07, as a result of recording a valuation allowance against deferred tax assets, and other factors

Please see pages 6-21 of the MUFG Databook

Income statement (¥bn)

		FY07	FY08	Change
1	Gross profits (before credit costs for trust accounts)	3,512.7	3,272.9	(239.8)
2	Net interest income	1,842.0	1,975.9	133.8
3	Net fees and commissions	1,073.5	970.0	(103.4)
4	Net trading profits + Net other business profits	445.3	207.4	(237.8)
5	Net gains (losses) on debt securities	31.0	80.9	49.9
6	G&A expenses	2,115.8	2,083.7	(32.0)
7	Net business profits	1,396.9	1,189.1	(207.7)
8	Credit costs*1	(303.7)	(608.4)	(304.7)
9	Net gains (losses) on equity securities	(24.8)	(408.7)	(383.9)
10	Other non-recurring gains (losses)	(39.2)	(89.1)	(49.8)
11	Ordinary profits	1,029.0	82.8	(946.2)
12	Net extraordinary gains (losses)	(8.1)	32.2	40.3
13	Total of income taxes-current and income taxes-deferred	301.2	301.9	0.7
14	Net income	636.6	(256.9)	(893.5)
15	Total credit costs*2	(301.6)	(608.4)	(306.8)
16	Non-consolidated	(86.2)	(390.1)	(303.8)

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

*2 Total credit costs= Credit costs + Reversal of reserve for contingent losses included in credit costs (Negative numbers refer to costs or losses)

Reference (¥)

		FY07	FY08	Change
17	EPS	61.00	(25.04)	(86.04)
18	ROE*3	9.74%	(3.97%)	(13.72%)

*3

$$\frac{\text{Net income - Equivalent of annual dividends on nonconvertible preferred stocks}}{\{\text{(Total shareholder' equity at the beginning of the period - Number of nonconvertible preferred stocks at the beginning of the period}\times\text{Issue price + Foreign currency translation adjustments at the beginning of the period) + (Total shareholder' equity at the end of the period - Number of nonconvertible preferred stocks at the end of the period}\times\text{Issue price + Foreign currency translation adjustments at the end of the period)}\}/2}\times 100$$

FY 2008 Summary (B/S) (Consolidated)

MUFG

- **Loans**
  - Increased from End Sep. 08 due to increase in domestic corporate loans and consolidation of ACOM
- **Investment securities**
  - Increased from End Sep. 08 mainly due to JGBs and foreign bonds
- **Deposits**
  - Increased from End Sep. 08 mainly due to individual and corporate deposit balance from domestic branches
- **NPLs**
  - NPL ratio down from End Sep. 08 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 as unrealized gains on domestic equity securities decreased and turned to net losses
- **BIS ratio**
  - Improved mainly due to decrease in risk-adjusted assets

Balance sheet (¥bn)

		End Mar. 09	Change from End Mar. 08	Change from End Sep. 08
1	Loans (Banking+Trust accounts) Loans (Banking accounts)	92,256.6 [92,056.8]	3,458.9 [3,518.0]	1,580.3 [1,611.7]
2	Domestic corporate loans*1	50,239.2	789.0	1,684.2
3	Housing loans*1	17,364.2	5.9	129.1
4	Overseas loans*2	19,488.5	1,818.0	(985.2)
5	Investment securities (Banking accounts)	48,314.1	7,462.4	9,642.7
6	Deposits	120,149.5	(1,157.7)	351.1
7	Individual deposits*3 (Domestic branches)	62,881.6	286.9	209.3
8	Deposit/lending spread (Non-consolidated)	FY08 H2 1.44%	Change from FY07 H2 (0.03%)	Change from FY08 H1 0.00%
9	FRL disclosed loans*1	1,189.9	131.3	(28.3)
10	NPL ratio*1	1.24%	0.09%	(0.03%)
11	Net unrealized gains (losses) on available-for-sale securities	(917.7)	(1,922.6)	(918.0)
12	BIS capital ratio Tier1 ratio	11.77% 7.76%	0.57% 0.16%	1.21% 0.13%

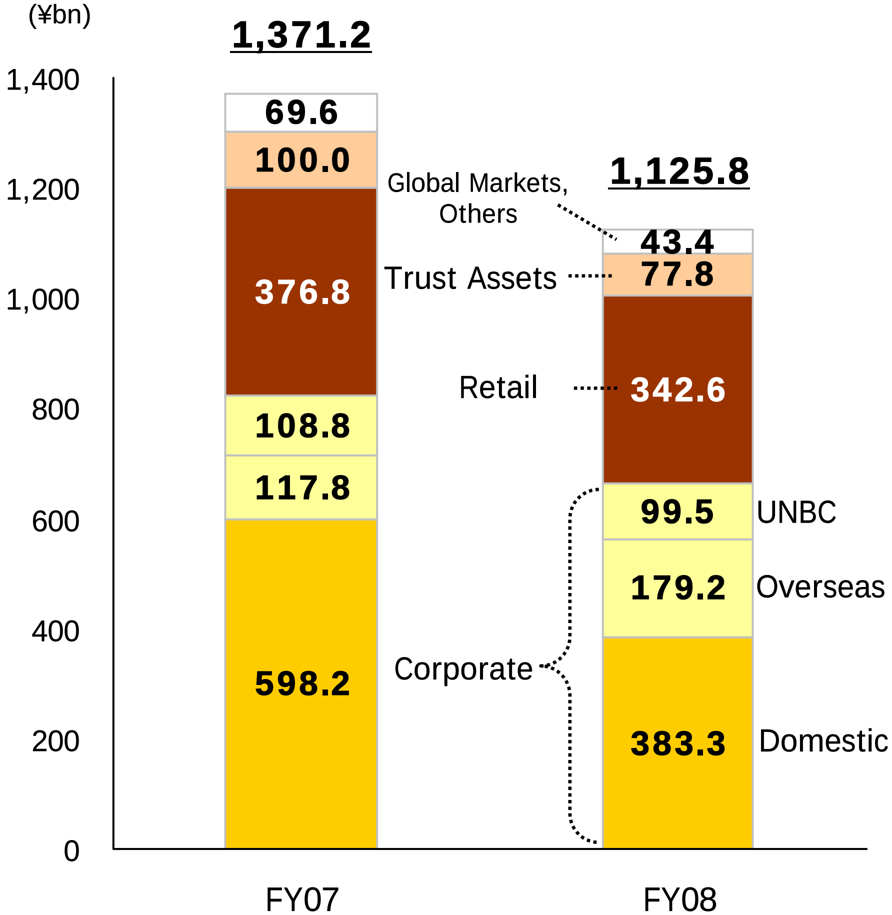
*1 Non-consolidated + trust accounts
*2 Loans booked in overseas branches, UnionBanCal Corporation and BTMU (China)
*3 BTMU adjusted its method of monitoring deposits from individuals and started monitoring from End Sep. 08. The amount of deposits from individuals as of End Mar.08, adjusted by using the new method of monitoring, was ¥61.8 tn.
An increase of ¥1.0 tn from End Mar.08 to End Mar. 09

Please see page 22 of the MUFG Databook

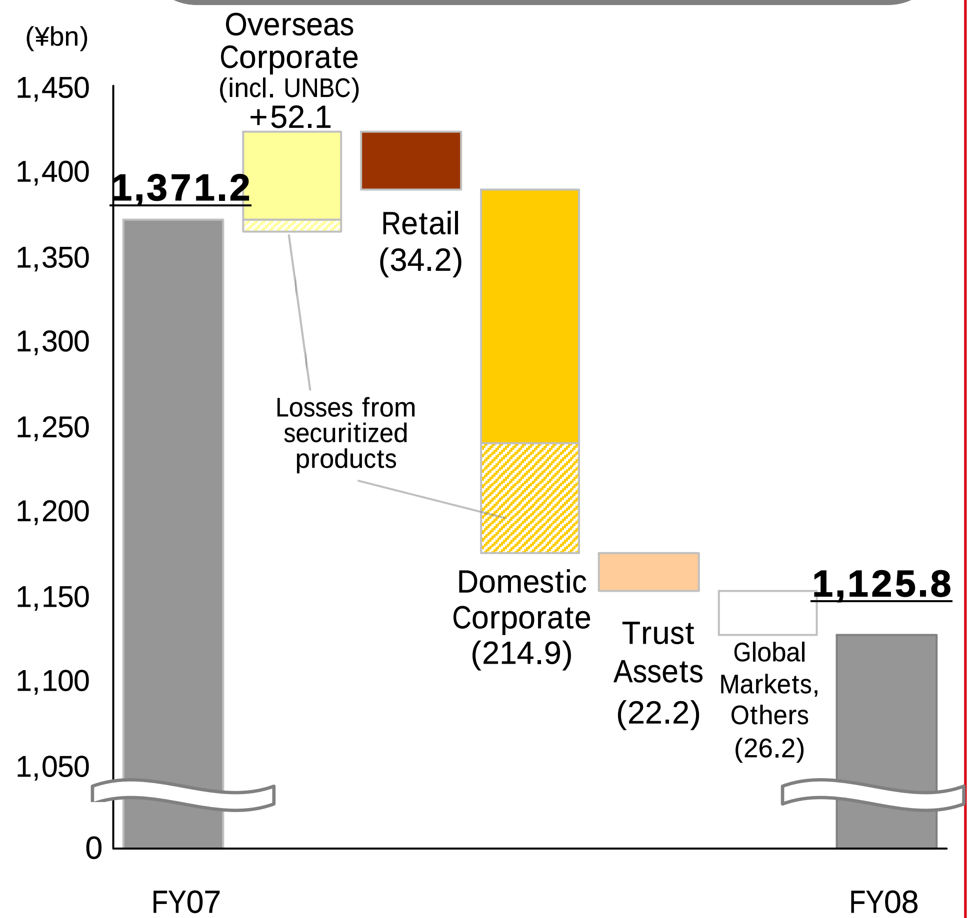
Outline of results by business segments (Consolidated)

- **Net operating profits decreased by ¥245.4 bn**

Net operating profits by segment*1



Breakdown of changes in Net operating profits*1



*1 Consolidated net business profits on management accounts basis

Please see page 43 of the MUFG Databook

Retail

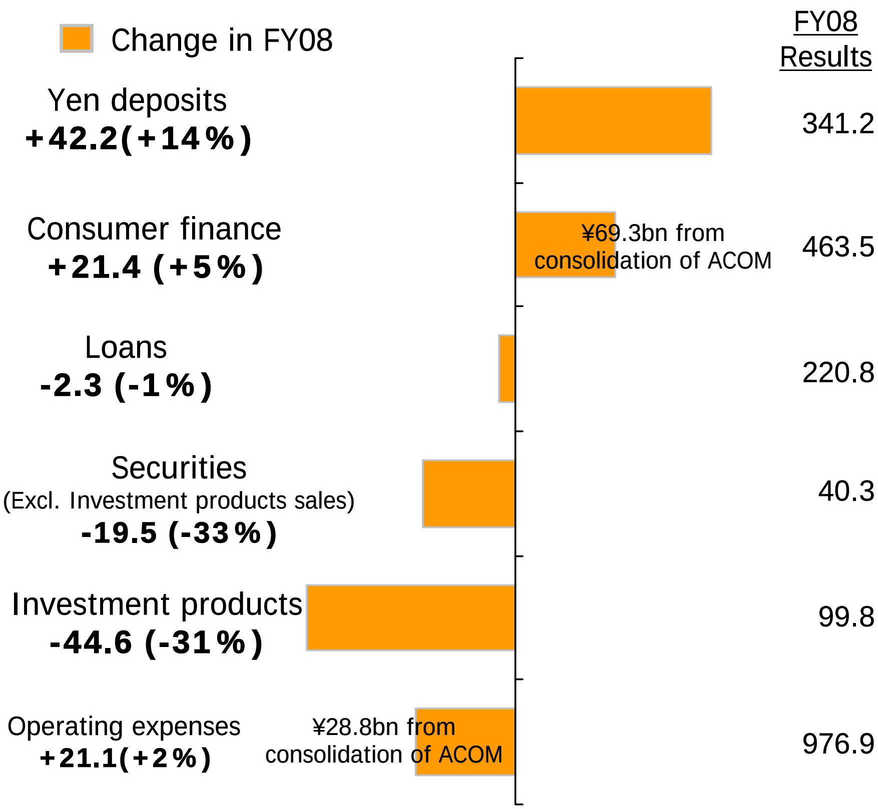
(Consolidated)

Net operating profits ¥342.6bn, down ¥34.2bn on FY07

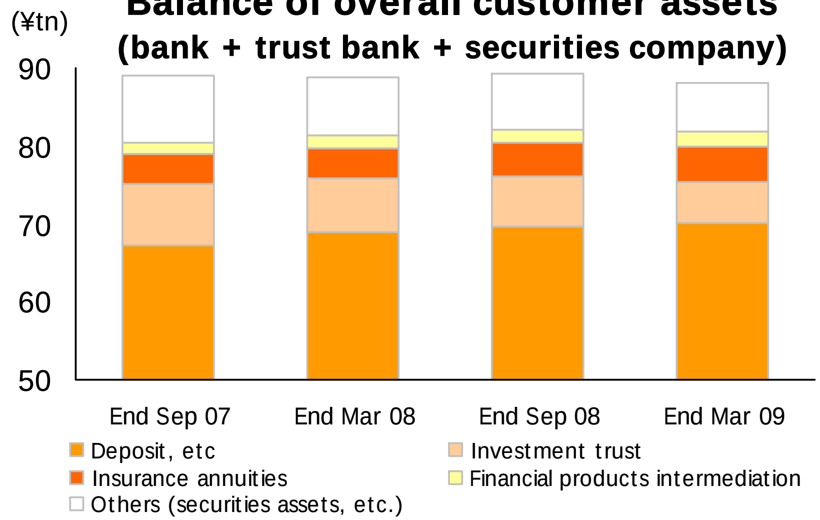
—Gross profits up in Yen deposits and Consumer finance (due to the consolidation of ACOM), but down in Investment products and Securities (due to the deterioration in the market environment)

Change in net operating profits

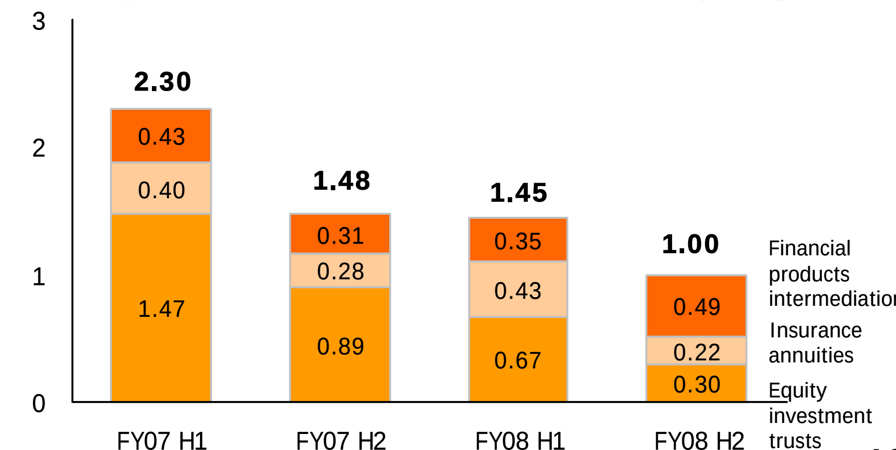
FY08 ¥342.6bn (down ¥34.2bn on FY07)



Balance of overall customer assets (bank + trust bank + securities company)



Sales of investment products (bank + trust bank + securities company)



Please see pages 44-49 of the MUFG Databook

Domestic Corporate (Consolidated)

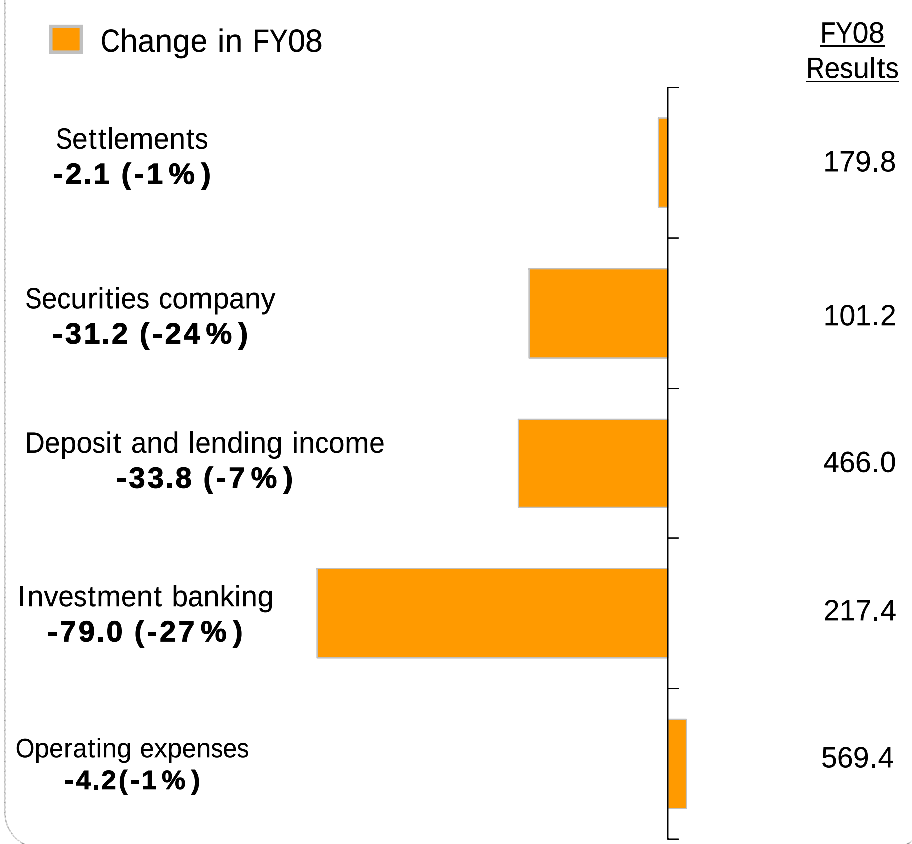
MUFG

Net operating profits ¥383.3bn, down ¥214.9bn on FY07

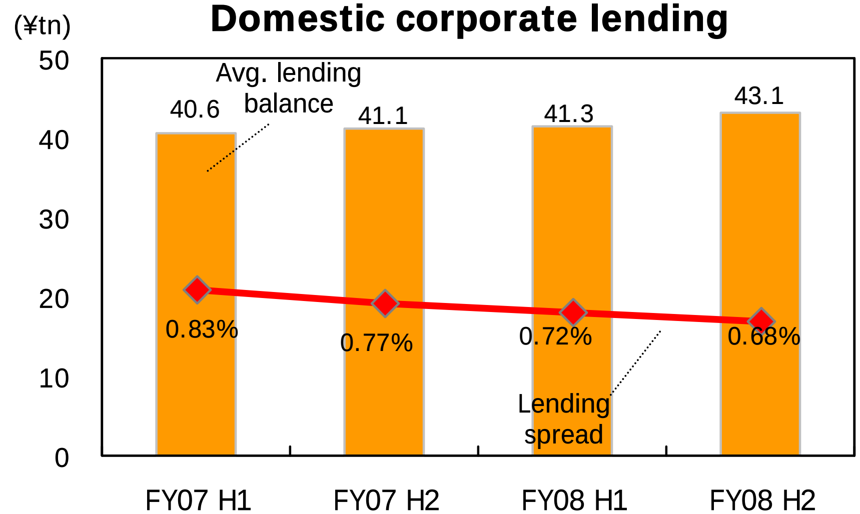
—Earnings from securities and investment banking decreased due to deterioration in the market environment. Avg. lending balance bottomed out

Change in net operating profits

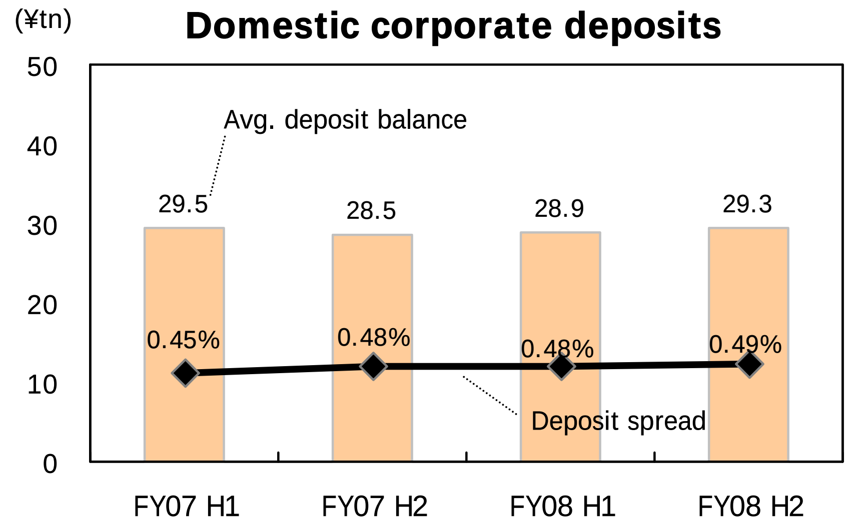
FY08 ¥383.3bn*1 (down ¥214.9bn on FY07)



Domestic corporate lending



Domestic corporate deposits



Please see pages 50-54 of the MUFG Databook

Overseas Corporate (Consolidated)

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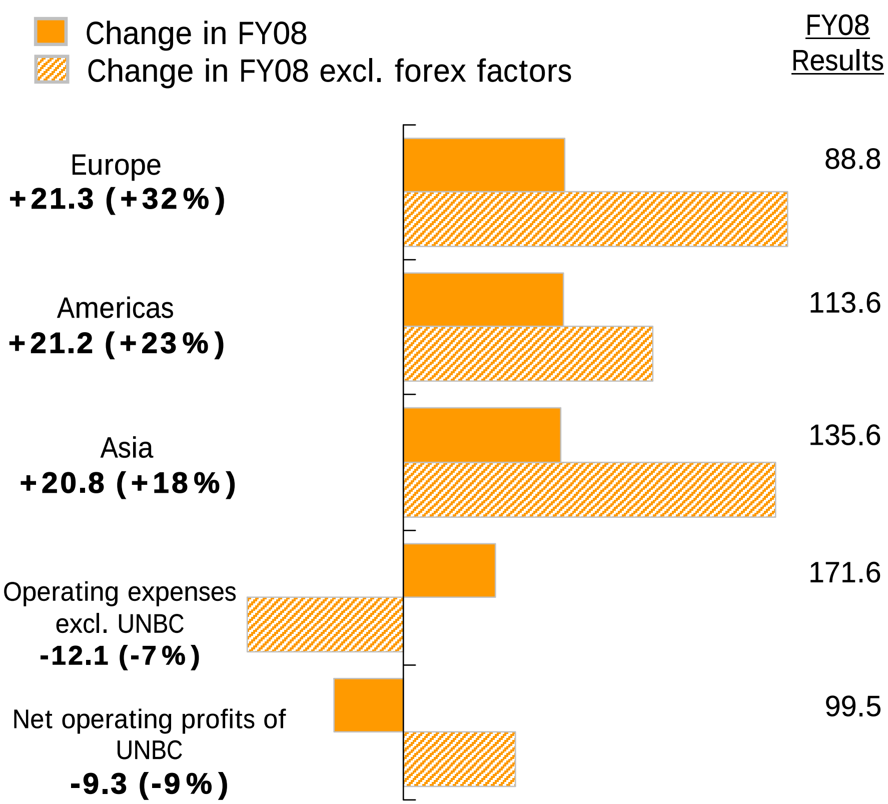
Net operating profits ¥278.7bn, up ¥52.1bn on FY07

—Excluding forex factors, gross profits up more than ¥100 bn from FY07

—In particular, Asia business and business with non-Japanese (U.S. and European) corporations performed strongly. Lending balance and spread both increased

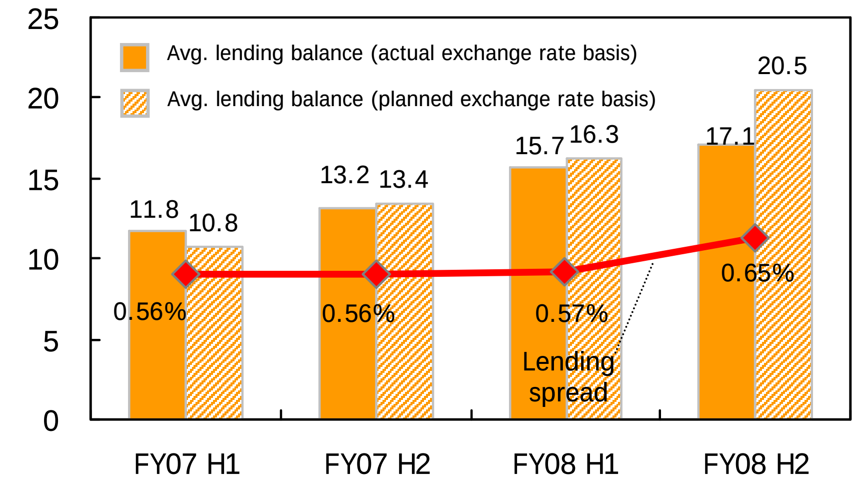
Change in net operating profits

FY08 ¥278.7bn (up ¥52.1bn on FY07)

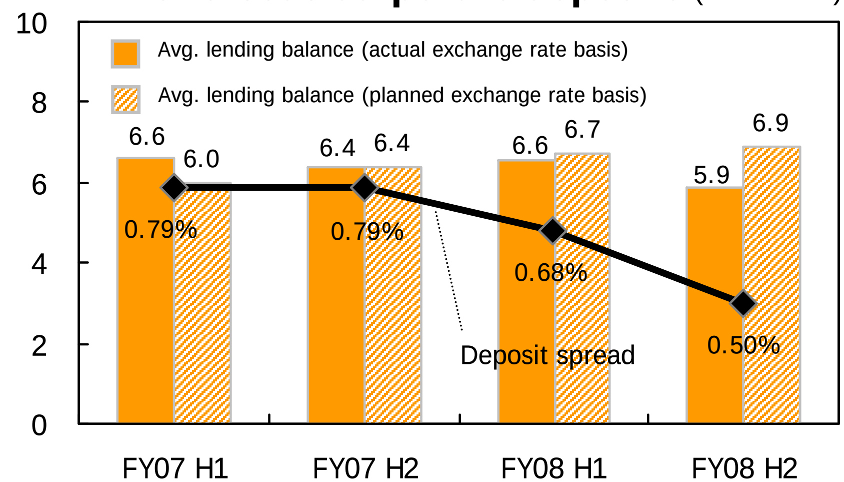


Planned exchange rates: Exchange rates used in our business plan (¥/$=¥105, etc.)

Overseas corporate lending (excl. UNBC)



Overseas corporate deposits (excl. UNBC)



Please see pages 55-58 of the MUFG Databook

Trust Assets

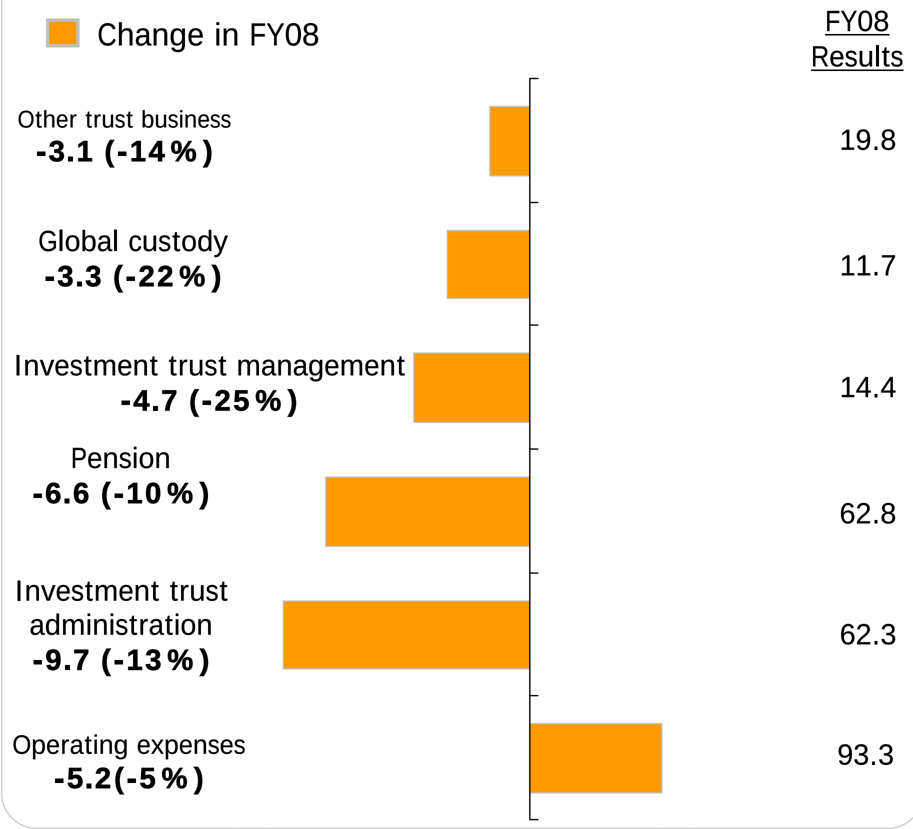
(Consolidated)

Net operating profits ¥77.8bn, down ¥22.2bn on FY07

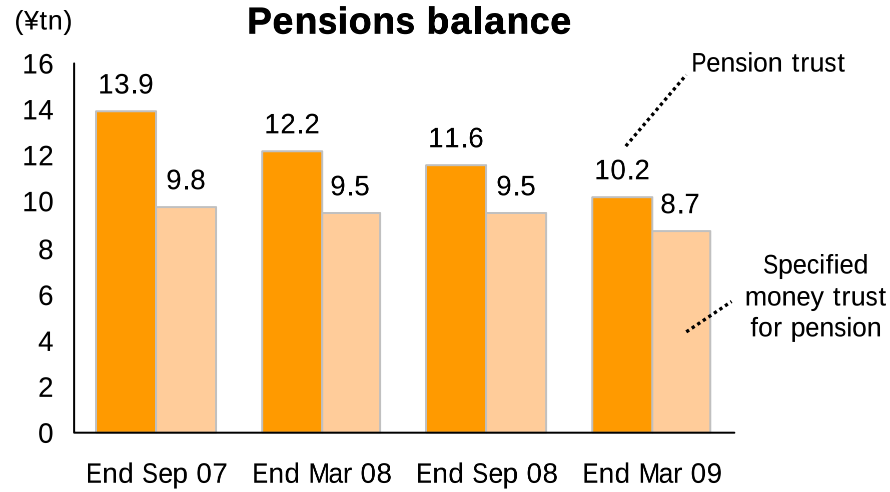
—Asset balances decreased due to declines in market value and lower inflow of funds

Change in net operating profits

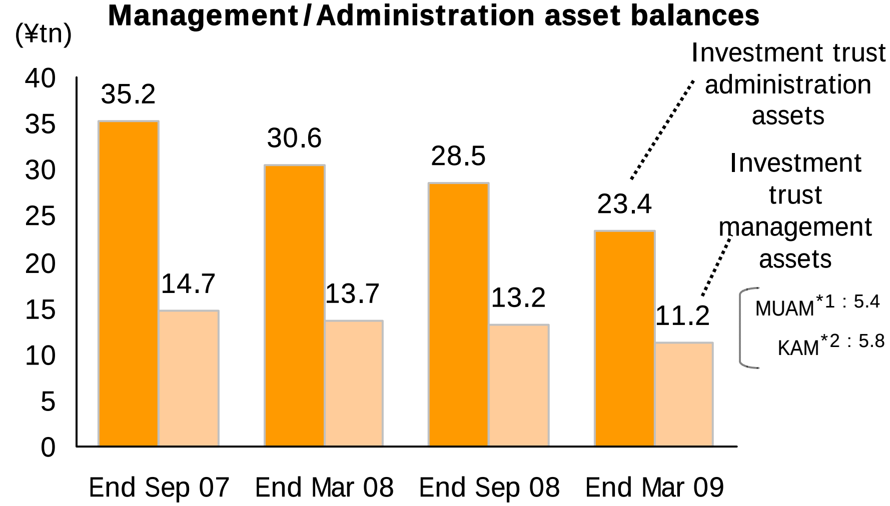
FY08 ¥77.8bn (down ¥22.2bn on FY07)



Pensions balance



Investment trusts: Management/Administration asset balances



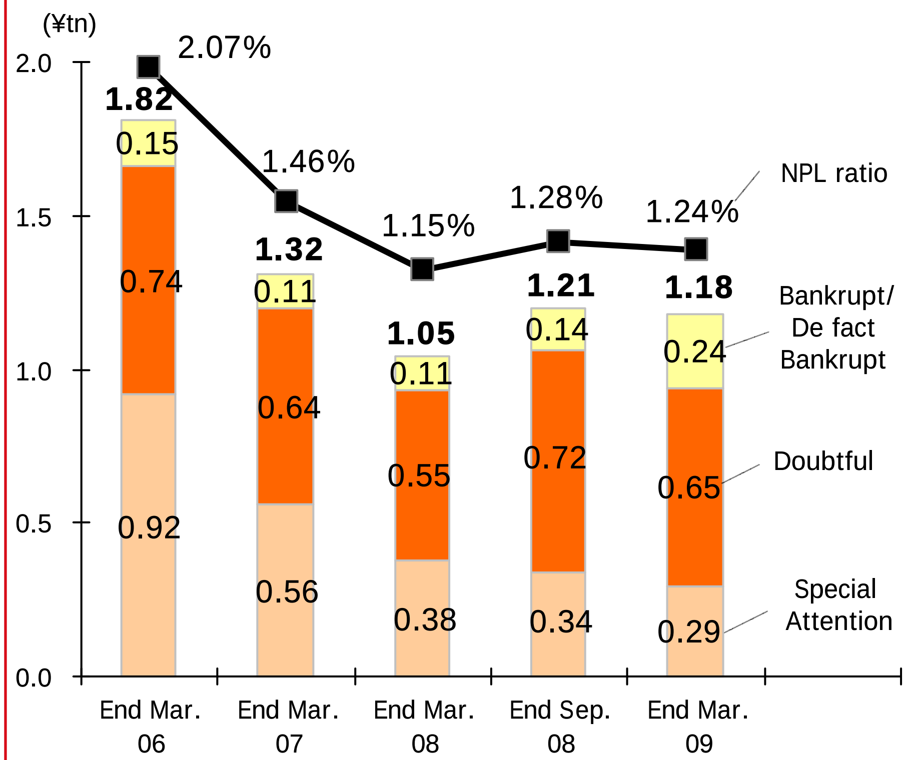
*1 MUAM: Mitsubishi UFJ Asset Management
*2 KAM : KOKUSAI Asset Management

Please see pages 60-63 of the MUFG Databook

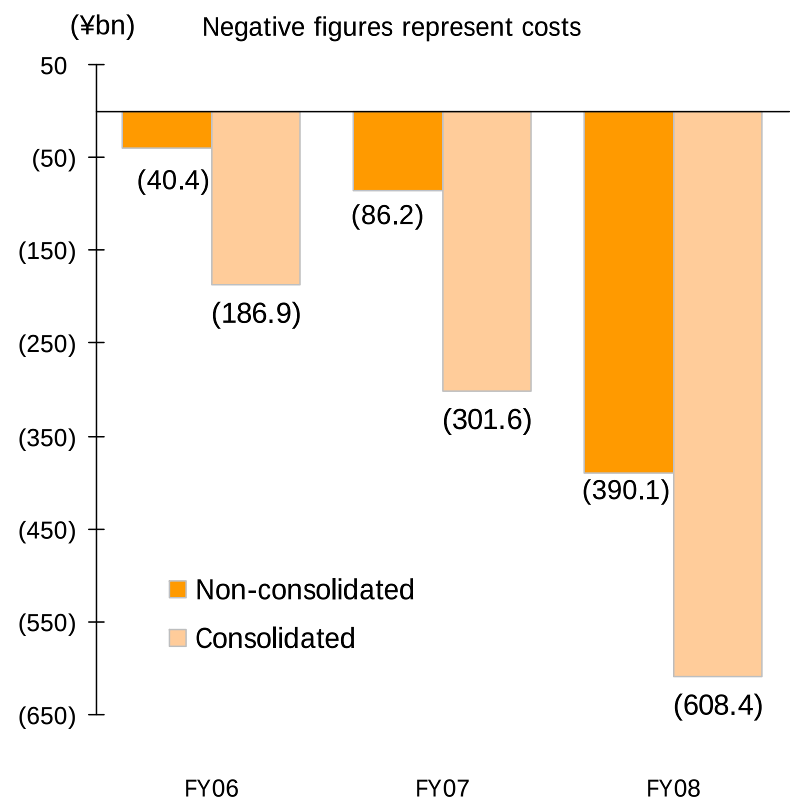
Loan assets (Consolidated / Non-consolidated)

- NPL ratio slightly down from End Sep. 08 to 1.24% due to decrease in Doubtful and Special attention category loans
- Total credit costs significantly increased by approx. ¥300 bn compared with FY07 and showed an expense of ¥390.1bn on non-consolidated basis and ¥608.4bn on consolidated basis

Balance of FRL disclosed loans (Non-consolidated)



Total credit costs



Please see pages 65-68 of the MUFG Databook

Holdings of investment securities (Consolidated)

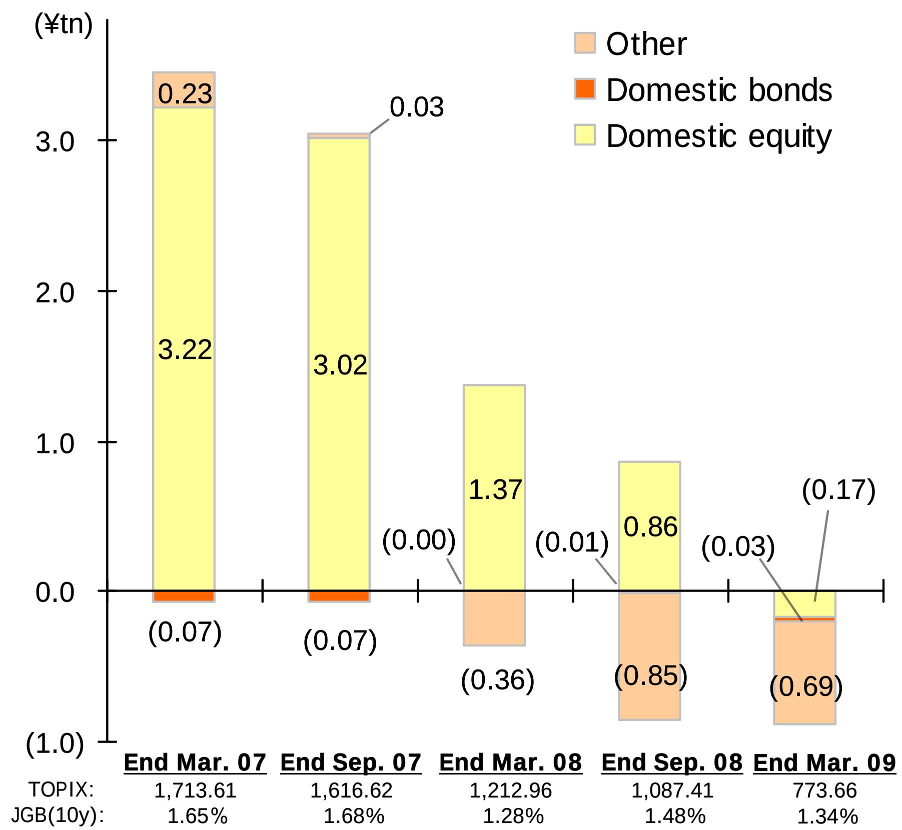
- **Total unrealized gains/losses on available-for-sale securities decreased by approx. ¥0.92tn from End Sep 08 to approx ¥0.92tn net losses, due to lower market prices of domestic equity securities**

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

(¥bn)

		Balance (End Mar.09)	Unrealized gains (losses)	Change from End Sep. 08
1	Total	41,595.2	(917.7)	(918.0)
2	Domestic equity securities	3,732.5	(179.8)	(1,040.4)
3	Domestic bonds	25,000.4	(38.5)	(28.1)
4	Other	12,862.2	(699.4)	150.5
5	Foreign equity securities	107.9	(20.6)	(47.7)
6	Foreign bonds	10,644.6	(29.1)	73.6
7	Other	2,109.6	(649.5)	124.6

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



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Holdings of securitized products (Consolidated)

MUFG

- **Balance of investments in securitized products approx. ¥2.3tn (down ¥0.8tn from end Sep. 08)**

(managerial accounting basis)

(1)Balance, net unrealized gains (losses)

	(¥bn)	Balance	Change from end Sep. 08	Unrealized gains (losses)	Change from end Sep. 08
1	RMBS	197	(322)	(46)	58
2	Sub-prime RMBS	50	(90)	(9)	29
3	CMBS	27	(8)	(2)	(1)
4	CLOs*1	1,695	(316)	(286)	53
5	Others (card, etc.)	354	(159)	(46)	3
6	CDOs	19	(18)	(3)	4
7	SIV investments	0	(3)	0	0
8	Total	2,293	(825)	(384)	118

*1 Figures are rounded off. Balance is the amount after impairment and before deducting net unrealized losses
Starting from 08Q3, most of the CLOs 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 March 31, 2009 increased by approx. ¥131bn
2) The net unrealized losses as of March 31, 2009 decreased by approx. ¥241 bn
The effects on the P/L for the fiscal year ended March 31, 2009 was approx. ¥131 bn

- The balance of investments in securitized products decreased to ¥2.3tn (down ¥0.8tn from end Sep. 08), due to proceeding with sales and write-offs of the products with high downgrade risk such as RMBS. The balance of net unrealized losses improved by ¥118bn from end Sep.08 to ¥384bn
- The effect on the FY08 (full-year) P&L was a loss of ¥267bn (Impairment loss:¥101bn, loss on sales:¥167bn)
- Given its investment purpose as a substitute for lending, a large portion of CLOs was reclassified as “securities being held to maturity” in accordance with accounting rules after checking probability of principal repayment on each security

(2) Of which securities available for sale

	(¥ bn)	Balance	Change from end Sep. 08	Unrealized gains (losses)	Change from end Sep. 08	Net unrealized gains (losses) as % of balance*2
1	RMBS	197	(322)	(46)	58	(23.5%)
2	Sub-prime RMBS	50	(90)	(9)	29	(17.1%)
3	CMBS	27	(8)	(2)	(1)	(7.2%)
4	CLOs	364	(1,647)	(70)	269	(19.3%)
5	Others (card, etc.)	324	(189)	(43)	6	(13.2%)
6	CDOs	15	(22)	(1)	5	(7.6%)
7	SIV investments	0	(3)	0	0	0.0%
8	Total	928	(2,191)	(162)	339	(17.5%)

Please see pages 70-74 of the MUFG Databook

(3) Of which securities being held to maturity*3

	(¥ bn)	Balance*4
1	RMBS	-
2	Sub-prime RMBS	-
3	CMBS	-
4	CLOs	1,331
5	Others (card, etc.)	30
6	CDOs	4
7	SIV investments	-
8	Total	1,365

Net unrealized losses (¥221 bn)

*2 “securities being held to maturity” not included

*3 Following the publication of Practical Issue Task Force No. 26, some of our securitized products were reclassified into “securities being held to maturity” from “securities available for sale” at and after the end of January 2009

*4 Principal balance on a managerial accounting basis. Differs from amount recorded on balance sheet

Capital

(Consolidated)

MUFG

- **Total capital**
  - Declined ¥0.11 tn from End Sep. 08, as a large capital increase was offset by the recording of a net loss and higher unrealized losses on securities
- **Risk-adjusted assets**
  - Decreased ¥12.29 tn mainly reflecting lower credit risk portion on shifting to the AIRB approach

<Adopted method>

- Credit risk:
  〔End Mar. 08, End Sep. 08〕
  FIRB (Foundation Internal Ratings-Based approach)
  〔End Mar. 09〕
  AIRB (Advanced Internal Ratings-Based approach)
- Operational risk: The Standardized Approach (TSA)

- **Capital ratio :11.77%**
  Tier1 ratio : 7.76%
  Core Tier1 ratio*1 : 4.53%

(¥bn)

		End Mar. 08	End Sep. 08	End Mar. 09	Change from End Sep.08
1	Capital ratio	11.19%	10.55%	11.77%	1.21%
2	Tier1 ratio	7.60%	7.63%	7.76%	0.13%
3	Tier 1	8,293.7	8,380.4	7,575.1	(805.2)
4	Preferred stock	336.8	261.3	640.0	378.7
5	Preferred securities	1,240.3	1,370.3	1,307.1	(63.2)
6	Unrealized losses on investment securities	-	(41.6)	(803.8)	(762.1)
7	Tier 2	4,441.8	3,766.0	4,216.1	450.0
8	Unrealized gains on investment securities	462.4	-	-	-
9	Subordinated debt	3,639.5	3,439.6	3,779.2	339.5
10	Total capital	12,215.8	11,590.2	11,478.4	(111.8)
11	Risk-adjusted assets	109,075.6	109,789.1	97,493.4	(12,295.7)
12	Credit risk	100,962.2	101,536.4	90,242.9	(11,293.4)
13	Market risk	2,147.6	2,320.2	1,587.6	(732.5)
14	Operational risk	5,965.6	5,932.4	5,662.7	(269.6)

*1 Core Tier1 = Tier1-(Preferred stock + Preferred securities + Net deferred tax assets)
Core Tier1 ratio = Core Tier1 ÷ Risk-adjusted assets

Please see page 76 of the MUFG Databook

FY2009 targets / dividend forecasts (Consolidated / Non-consolidated)

Earnings targets

Consolidated

		Interim (targets)	FY2009 Full Year (targets)
1	Ordinary profits	**¥220.0 bn**	**¥600.0 bn**
2	Net income	**¥100.0 bn**	**¥300.0 bn**

Dividend forecasts

		Interim dividend (forecasts)	Year-end dividend (forecasts)	FY2009 Annual dividend (forecast)
1	Dividend per common share	**¥6**	**¥6**	**¥12**

Bank of Tokyo-Mitsubishi UFJ

	(non-consolidated)	Interim (targets)	FY2009 Full Year (targets)
1	Net business profits	**¥340.0 bn**	**¥785.0 bn**
2	Ordinary profits	**¥115.0 bn**	**¥320.0 bn**
3	Net income	**¥65.0 bn**	**¥175.0 bn**

Mitsubishi UFJ Trust and Banking

	(non-consolidated)	Interim (targets)	FY2009 Full Year (targets)
1	Net business profits	**¥55.0 bn**	**¥120.0 bn**
2	Ordinary profits	**¥25.0 bn**	**¥60.0 bn**
3	Net income	**¥15.0 bn**	**¥40.0 bn**

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Introduction

Outline of Fiscal 2008 Results

Outline of Medium-term business plan

Medium-term business plan: Key points

- Severe economic conditions are expected to continue, economic recovery is expected from second half of plan period

⇒ Plan period will be managed in two phases

Phase 1: Crisis management responding to a rapidly changing environment

Phase 2: Accelerate growth in a recovering economy

Business strategy: Phase 1

- **In Phase 1, pursue operating efficiency and a reduction in strategic equity holdings while maintaining fully adequate capital**

FY2009 to mid-FY2010

1. Capital management with focus on capital quality
2. Improve operating efficiency
3. Reduce strategic equity holdings
4. Maintain stable shareholder returns

Mid-FY2010 to FY2011

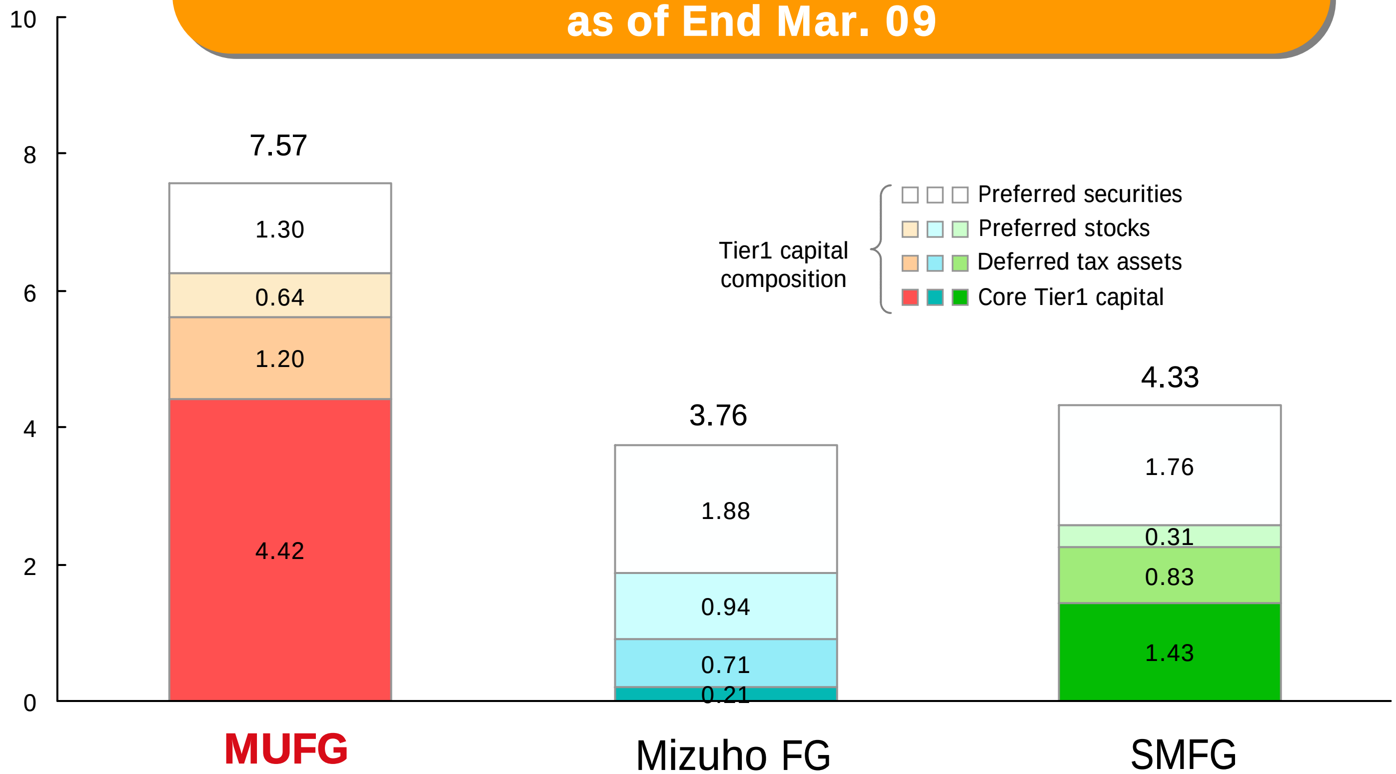
1. Pursue growth in priority business areas
2. Maintain sound capital base
3. Enhance shareholder returns

Capital management (1)

(Consolidated)

- **Aim to rapidly achieve Tier1 ratio of 8%, capital ratio of 12% and maintain Core Tier1 ratio of above 4%**

Tier1 capital composition / Core Tier1 ratio as of End Mar. 09



	MUFG	Mizuho FG	SMFG
Capital ratio	11.77%	10.55%	11.47%
Tier1 ratio	7.76%	6.38%	8.22%
Core Tier1 ratio*	4.53%		

*Core Tier1 ratio=(Tier1 capital – preferred stocks – preferred securities – net deferred tax assets) / risk weighted assets

(Source) Disclosure materials of each group and a report issued by Nikko Citigroup Limited

Capital management (2)

- **Increased and strengthened capital since October 2008 in order to further stabilize our financial base and aim for further corporate growth**

<Tier1>

- **Common stock**

  Raised approx. ¥400 bn from sale of shares comprising issue of 700 million new shares and sale of 300 million treasury shares (9.4% dilution*) (Dec 08 to Jan 09)

- **Preferred stock**

  ¥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 security**

  Issued ¥97.4 bn of non-dilutive preferred securities through private placement to professional investors in Japan (Mar 09)

<Tier2>

- **Subordinated bonds**

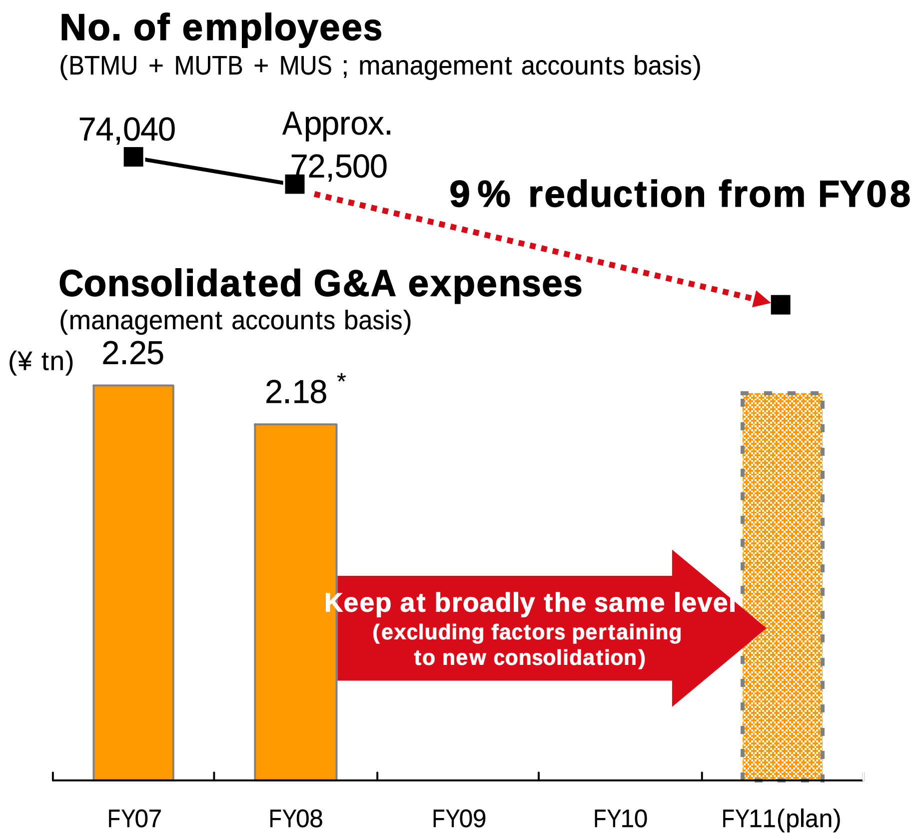
  BTMU raised ¥450 bn through issue of subordinated bonds to retail investors (Mar 09), etc.

*9.4% dilution=1 billion shares / (outstanding common shares – treasury shares)

Improving operating efficiency

- Aim to keep consolidated G&A expenses at broadly the same level during medium-term plan (excl. new consolidation factors), by achieving benefits of systems integration following the completion of transfer to new systems and reforming personnel and operating cost structures
- Reduce personnel by 9% during medium-term plan through natural reductions and curtailment of hiring
- Enhance sales capabilities by reducing head office personnel and reallocating them to customer divisions

Image of consolidated G&A expenses and employee numbers (BTMU + MUTB + MUS)



*Excluding the factor of newly consolidated ACOM

Review of organization/employees

- ✓ Reduce head office personnel by 30% and reallocate to strategic areas (BTMU)
- ✓ Reduce head office personnel by 15% (MUTB)
- ✓ Scale down head office organization (reduce personnel by 20%)
  Concentration of sales outlets (MUS)

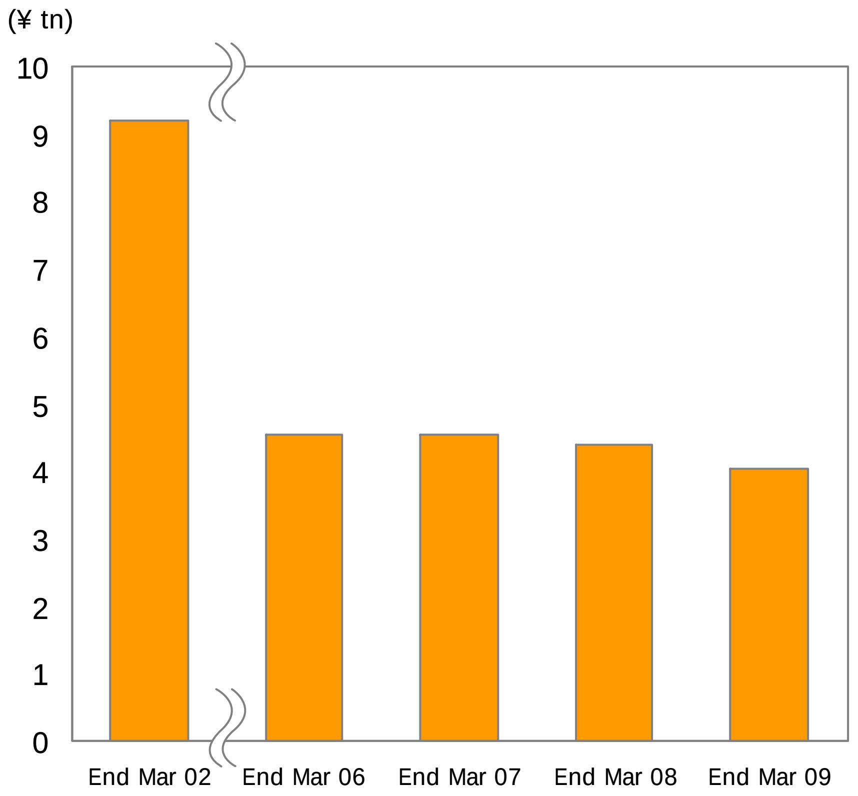
Review of cost structure

- ✓ Reduce indirect costs through establishment of Cost Management Office (BTMU)
- ✓ Reduce facilities expenses (MUTB)
- ✓ Curtail real estate costs (MUS)

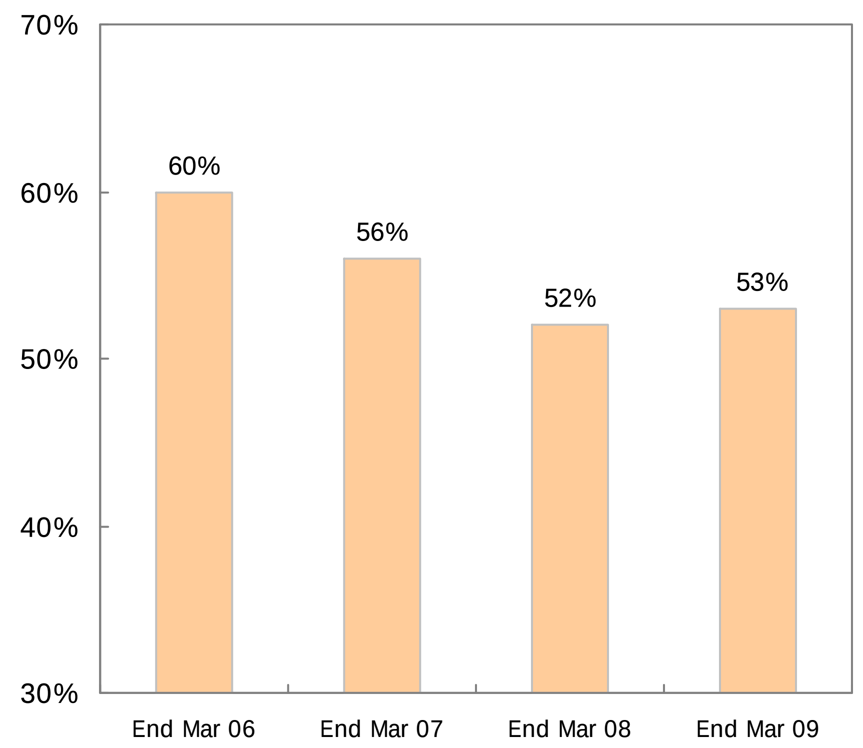
Reduction in strategic equity holdings (Consolidated)

- **Reduce strategic equity holdings to curtail the impact of share price fluctuations on capital**
  - Execute after sounding our clients out and obtaining their understanding
  - Make every effort to avoid negative impact on markets utilizing the stock purchase programs provided by BOJ, Banks' Shareholdings Purchase Corp., etc.

Equity holdings (acquisition price)*1*2



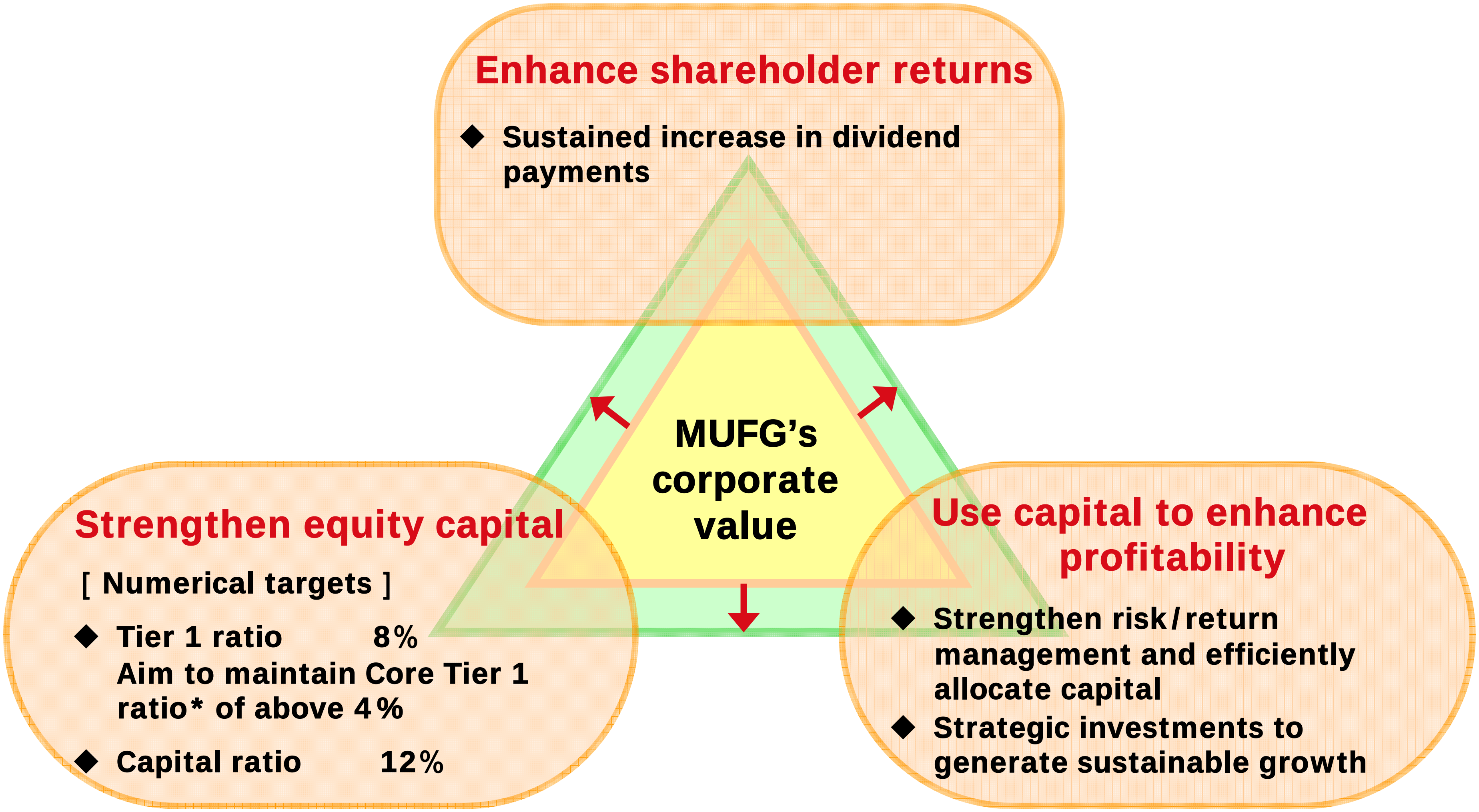
Ratio of equity holdings (acquisition price)*1 to Tier 1



*1 Total of domestic and overseas equity securities in the category of "other securities" with fair value
*2 End Mar 02 figure is simple sum of former MTFG and UFJ.

Maintain stable shareholder returns

- **Aiming to secure stable shareholder returns while maintaining a balance between strengthening capital, enhancing shareholder returns and using capital to enhance profitability**



*Core Tier1 ratio=(Tier1 capital – preferred stocks – preferred securities – net deferred tax assets) / risk weighted assets

Business strategy: Phase 2

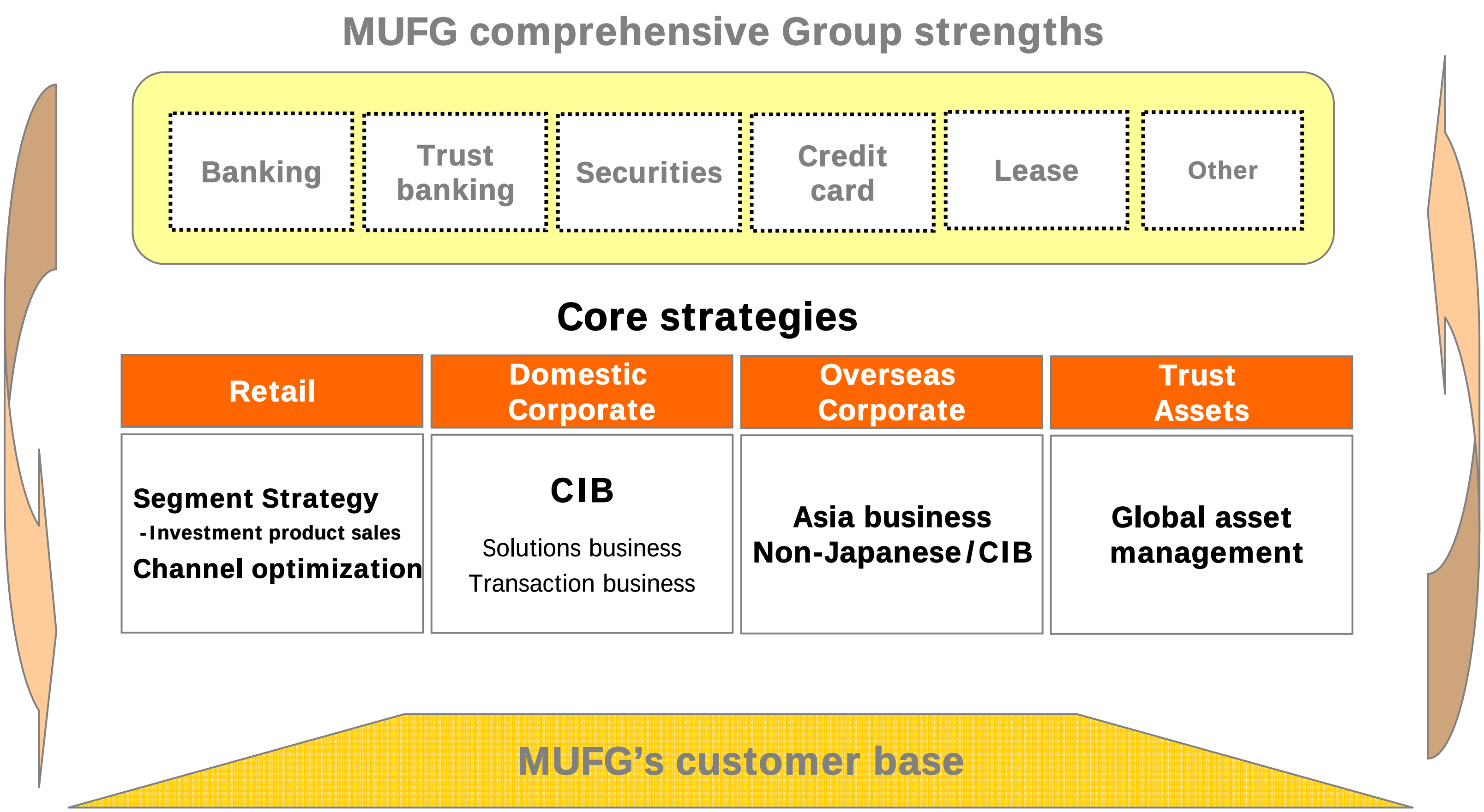
MUFG

- **In Phase 2, when economic recovery is expected to start, maintain efficiency and soundness while accelerating growth in priority areas, enhance profit growth and shareholder returns**

FY2009 to mid-FY2010	Mid-FY2010 to FY2011
1. Capital management with focus on capital quality 2. Improve operating efficiency 3. Reduce strategic equity holdings 4. Maintain stable shareholder returns	1. Pursue growth in priority business areas 2. Maintain sound capital base 3. Enhance shareholder returns

Growth strategy (1) Core strategies

- **Pursue business strategy in growth areas leveraging MUFG's unrivalled comprehensive Group strengths and customer base**
  - Segment strategy, CIB strategy, Asia strategy, Global asset management strategy

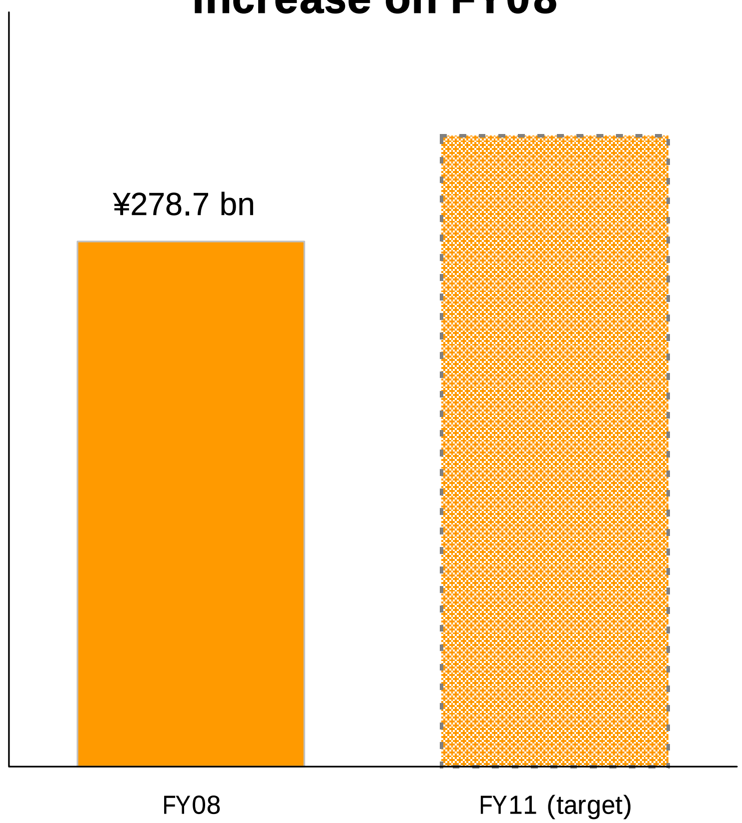


Growth strategy (2) Overseas Corporate

- **Contribution to net operating profits from overseas corporate increased from 15% in FY06 to 25% in FY08**
- **Aiming to be the leading Asian financial group by allocating resources to growth areas**

Net operating profits

FY11: Aiming for 20% increase on FY08



Key strategies

(1) Strengthen Asia business

- Diversify and grow business portfolio by further allocation of resources to growth areas such as non-Japanese customer, CIB and global markets business
- Provide comprehensive solutions in partnership with Morgan Stanley
- Strengthen ties between each Group company and investment and alliance partners

(2) Non-Japanese (Europe/US) business/CIB business

- Grow revenue and profits through enhanced cross-selling. Establish global presence
- Realize North America strategy now that UNBC is a wholly owned subsidiary

(3) Cultivate new business

- Consider Asian retail strategy
- Full-scale pursuit of Islamic finance business

Growth strategy (3) 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**
- **Explore concrete strategies to maximize the strategic benefits of alliance by June 30, 2009**

MUS and Morgan Stanley joint venture combining Japanese operations

■On March 26, MUFG and Morgan Stanley signed a memorandum of understanding to form a securities joint venture combining Mitsubishi UFJ Securities Co., Ltd. and Morgan Stanley Japan Securities Co., Ltd., to create a new industry leader in Japan

Ownership of new company	MUFG: 60% Morgan Stanley: 40%
Date of establishment	Targeting by end of Mar 2010
Directors	Chairman: appointed by Morgan Stanley President & CEO: appointed by MUFG Deputy president and CEO of Retail /Middle Markets: appointed by MUFG Deputy president and CEO of Institutional Securities: appointed by Morgan Stanley Deputy head of Institutional Securities : appointed by MUFG
Other	Subsidiaries and affiliates in principle not included in scope of merger

Global Strategic Alliance

■**Agreed to explore a global strategic alliance in a broad range of areas primarily in corporate and investment banking fields**

-Pursue synergies between MUFG's strength in corporate banking and Morgan Stanley's investment banking

-Pursue synergies between Morgan Stanley's competitive products and MUFG's customer base

-Cooperation with Morgan Stanley in strategically important regions for MUFG

etc.

Numerical targets

●FY09 targets

	Consolidated	Non-consolidated
Net business profits	-	¥905.0 bn
Ordinary profits	¥600.0 bn	¥380.0 bn
Net income	¥300.0 bn	¥215.0 bn

●Mid-term targets

	FY08 (actual)	FY11 (target)
Consolidated net operating profits	¥1,125.8 bn	Up 50% on FY08
Consolidated G&A expense ratio	63.6%	55-60%
Non-consolidated	60.4%	50-55%
Capital ratio	11.77%	12%
Tier 1 ratio	7.76%	8%

< Underlying macroeconomic assumptions >

	FY09	FY10	FY11
Unsecured call rate (period average)	0.10%	0.17%	0.56%
10-year JGB (period average)	1.25%	1.57%	1.75%
Dollar-yen (period-end rate)	¥95	¥95	¥95
Real GDP growth rate (annual rate)	(1.4)%	1.5%	1.7%

Management policy

- **Meet the expectations of customers and society by providing products and services globally using our comprehensive Group strengths and further increasing trust in us as a financial institution**
- **Aim to raise shareholder value over the medium term by managing the business with awareness of a broad range of stakeholders**


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

Blank

Appendix

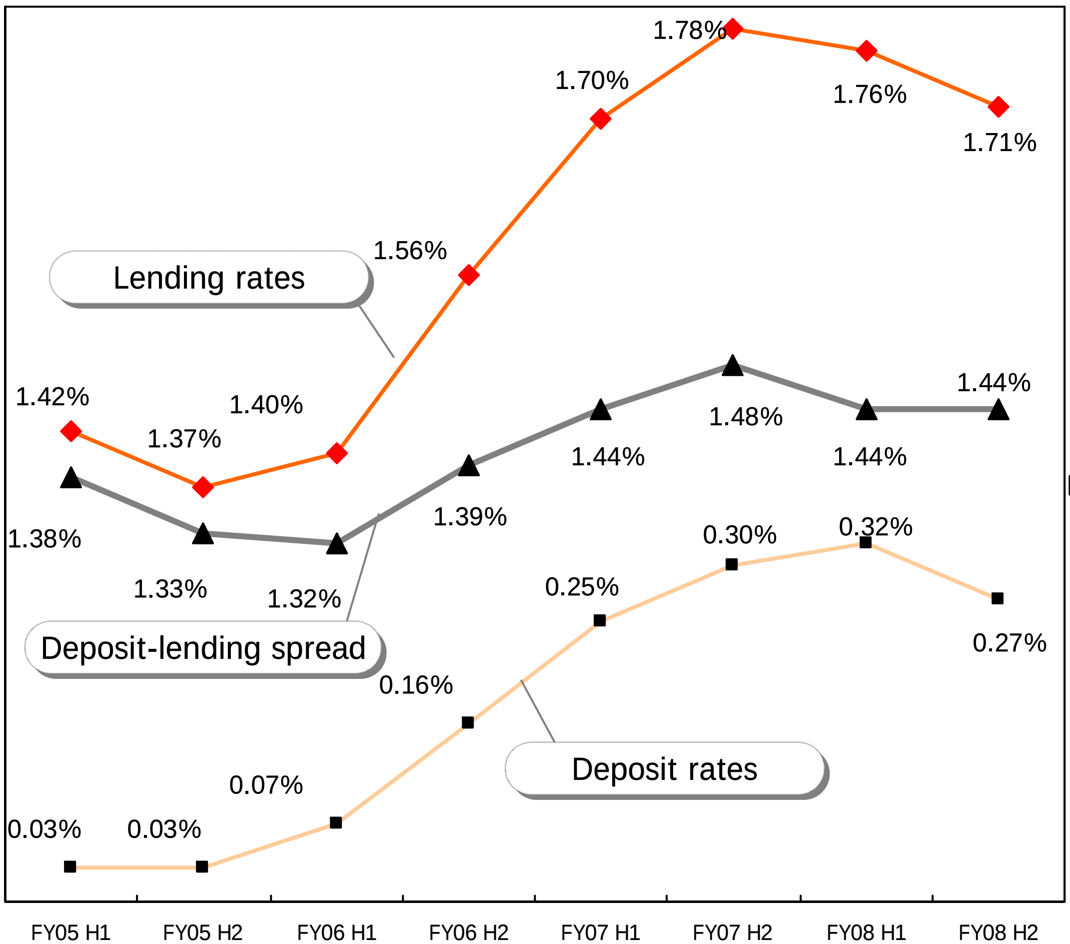
Quality for You

MUFG

Domestic deposit / lending rates (Non-consolidated)

- **At 1.44%, the FY08 H2 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
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

Effects of major transactions on financial statements (Consolidated)

MUFG

Global strategic alliance with Morgan Stanley	Effect on FY08 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*) *As a result of purchase of common stock of Morgan Stanley in the public offering on condition of partial sale of preferred stock on May 2009, approx. USD640 million of non-convertible preferred stock was redeemed	**P/L** ● JPY 43.0 bn of dividend income received in Jan. and Apr. 2009 was recorded in FY08 **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 was recognized as a consolidated subsidiary from Q4 (Gross profits:¥64.2 bn, net business profits: ¥32.3 bn) **B/S** ● Newly consolidated (Lending +JPY 1.3tn, etc.)

Making UNBC a wholly-owned subsidiary

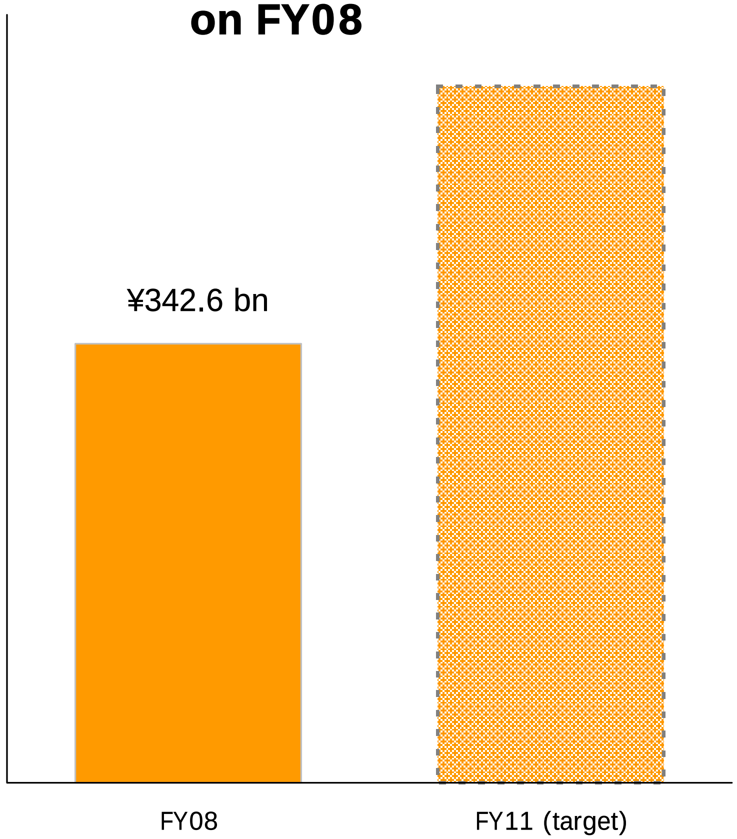
September 2008 Completed tender offer aiming to make UNBC a wholly-owned subsidiary **November 2008** Completed making UNBC a wholly-owned subsidiary	**P/L** ● In MUFG's Q4, UNBC Oct.-Dec. was recognized as a wholly-owned subsidiary **B/S** ● Already consolidated

Growth strategy: Retail

- **Enhance strategic businesses using comprehensive Group strengths, a strong point of MUFG**

Net operating profit target

FY11: Aiming for 1.6 times on FY08



Key strategies

(1) Enhance segment strategies

- Shift current product strategy to achieve more detailed match to customer specific characteristics
- Leverage group synergies to the maximum, strengthen service provision to cover customer's total assets from financial assets to physical assets
- Realize better service and improved efficiency by enhanced marketing and more use of non face-to face channels

(2) Consumer finance

- Leverage the strengths and expertise of each Group company to achieve focused delivery of products and services matched to customer needs

(3) Optimize MUFG network

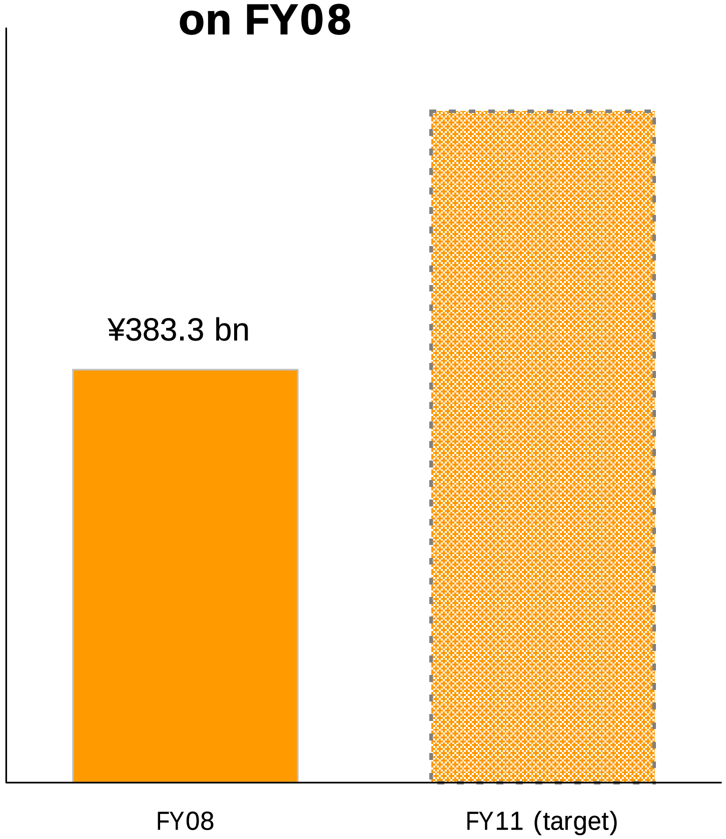
- Further strengthen area management on a Group basis and consider more effective use of branch space (Joint branches)

Growth strategy: Domestic Corporate

- **Targeting top line growth through enhanced collaboration between Japan and overseas and among banking, trust banking and securities**

Net operating profit target

FY11: Aiming for 1.6 times on FY08



Key strategies

(1) Step up CIB strategy

- Further pursue approach attuned to customer characteristics in each sector, in Japan and overseas and on a Group basis
- Strengthen products leveraging Morgan Stanley's solutions capabilities

(2) Securities business

- Strengthen corporate RM functions and develop system for grasping customer needs
- Enhance asset management and administration services for company owners through Group collaboration

(3) Enhance real estate / asset administration business

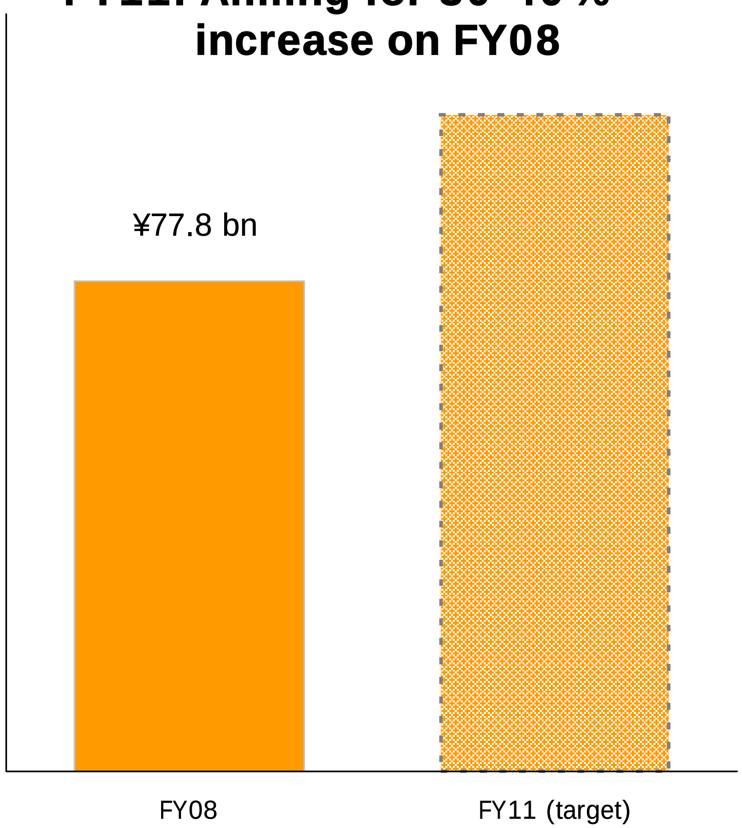
- Bolster banking/trust banking collaboration in transfer agency business, etc.
- Enhance database marketing in real estate business

Growth strategy: Trust Assets

- Establish position as Japan’s No. 1 trust/asset management institution that provides a full lineup of high-quality services
- Raise presence as global asset management institution through overseas business development

Net operating profit target

FY11: Aiming for 30-40% increase on FY08



Key strategies

(1) Global asset management

- Cultivate business in overseas asset management markets by allocating resources to overseas operations and enhancing network
- Pursue alliance with Aberdeen and materialize alliance with Morgan Stanley

(2) Pension business

- DB pensions: Grow share by developing and distributing new products based on global asset management needs
- DC pensions: Increase customers by becoming management agency for pension funds, with bank/trust bank collaboration playing a central role

(3) Investment trust business

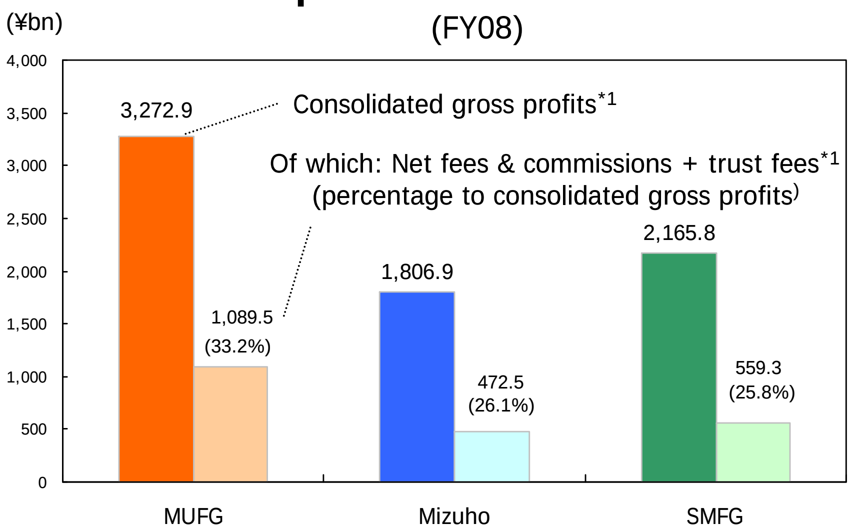
- Investment trust management: Increase presence by enhancing channel marketing capabilities and nurturing megafunds
- Investment trust administration: Expand share by highlighting investment trust administration and custody functions (particularly emerging market research capabilities)

Comparison with other Japanese financial groups

Source :Disclosure materials of each group and a report issued by Nikko Citigroup Limited

Gross profits / Fees + Trust fees

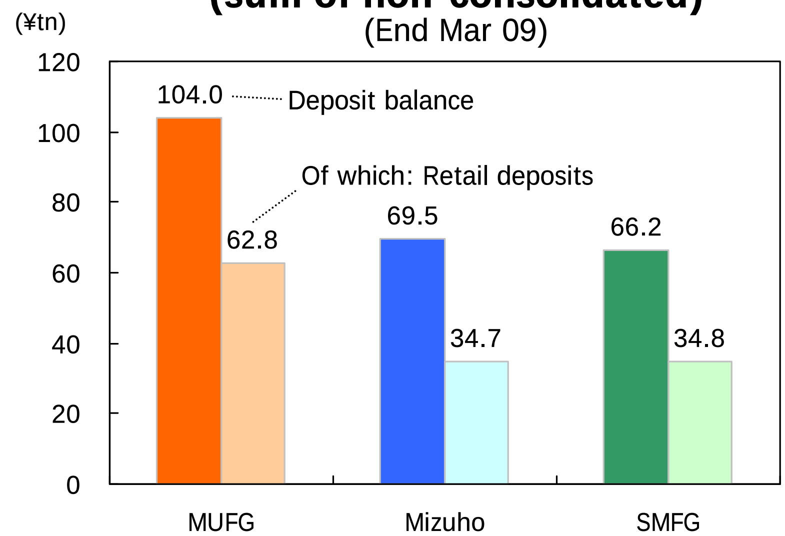
(FY08)



*1 Before credit costs for trust accounts

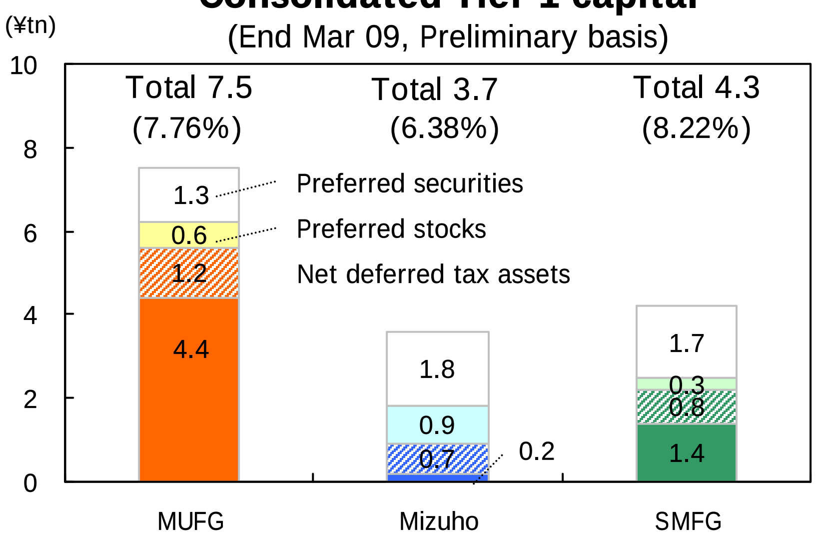
Domestic deposit balance (sum of non-consolidated)

(End Mar 09)



Consolidated Tier 1 capital

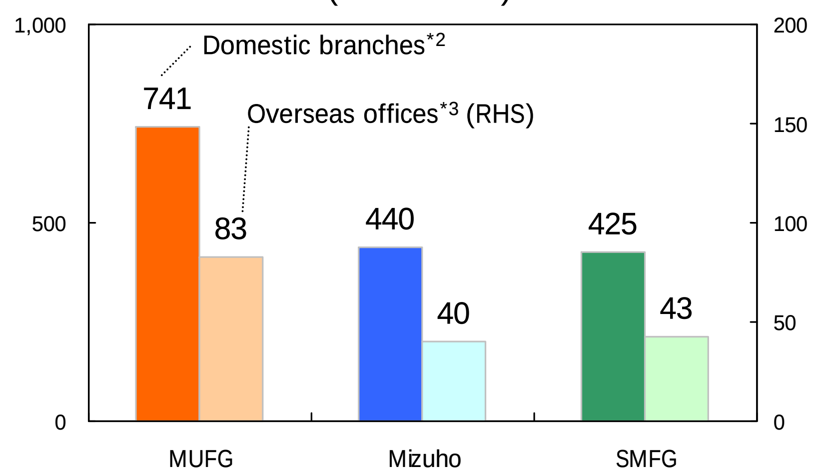
(End Mar 09, Preliminary basis)



Tier1 ratio in parenthesis

Number of branches (sum of non-consolidated)

(End Mar 09)



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

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

Please see page 89 of the MUFG Databook