

Mitsubishi UFJ Financial Group

Fiscal 2008 Results Presentation

May 25, 2009



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

Outline of Medium-term
business plan

- **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**

- ✓ In fiscal 2008 a rapid worsening of the financial and economic environment led to an increase in credit costs and losses on equity holdings, and as a result we recorded a net loss of 256.9 billion yen. Reflecting these results, we plan to reduce the year-end dividend payment on ordinary shares for fiscal 2008 to ¥5 per share, down ¥2 from the initial forecast. Furthermore, we have decided to forgo directors' bonuses for fiscal 2008 and to reduce directors' fees and employees' bonuses for fiscal 2009.
- ✓ We made steady progress in addressing key business issues during the year. In December 2008 we smoothly completed the transfer of Group banks to new systems, and this also marked the completion of the business integration.
- ✓ Also, In October last year we made a strategic investment of nine billion dollars in Morgan Stanley, as part of our initiatives to reinforce the comprehensive strengths of MUFG. In terms of our strategic alliance we have already announced that we entered into a memorandum of understanding regarding the integration of Mitsubishi UFJ Securities and Morgan Stanley Japan Securities and we are now considering the specific measures of our global alliance in a broad range of areas including corporate finance and investment banking. We also took other major initiatives to reinforce MUFG's comprehensive strengths, such as making UnionBanCal Corporation a wholly owned subsidiary and consolidating ACOM.
- ✓ Further, against the background of a rapid deterioration of the economic and financial environment since the collapse of Lehman Brothers, we have strengthened our capital through ordinary shares, preferred shares and other means with the aims of further stabilizing our financial foundations and preparing for further corporate growth.
- ✓ It is also true that, in this era of severe turmoil in our operating environment, a number of other key issues have emerged. These issues and our planned countermeasures are covered in our new three-year medium-term plan.
- ✓ We expect the difficult operating environment to continue in fiscal 2009, but through improving our operating efficiency and steadily implementing our medium-term plan we aim to return to profit.

Introduction

Outline of Fiscal 2008 Results

Outline of Medium-term
business plan

✓ Now I will outline our fiscal 2008 results. As we have already explained our financial figures in detail at the web conference following our results announcement, today I would like to summarize our results and then discuss our segmental performance based on management accounts figures. Please turn to page 7.

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

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 (¥)

| | | | |
|----------|-------|---------|----------|
| 17 EPS | 61.00 | (25.04) | (86.04) |
| 18 ROE*3 | 9.74% | (3.97%) | (13.72%) |

*3

Net income - Equivalent of annual dividends on nonconvertible preferred stocks
 ((Total shareholder equity at the beginning of the period - Number of nonconvertible preferred stocks 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 stocks at the end of the period * Issue price + Foreign currency translation adjustments at the end of the period) / 2

Please see pages 6-21 of the MUFG Databook

✓First I will explain our profits and losses.

✓As shown on line 14, we recorded a net loss for the fiscal year of 256.9 billion yen a decline of 893.5 billion yen compared to the previous fiscal year. The main reasons were: (1) increased net losses on equity securities (line 9) of 383.9 billion yen due to a write down of equity securities resulting from the fall in equity prices; and (2) credit costs (line 15) of 608.4 billion yen, a deterioration of 306.8 billion yen from the previous fiscal year as the business performance of corporate borrowers was affected by the worldwide economic slowdown.

✓Net business profits (line 7) declined by 207.7 billion yen, but this was mainly due to losses of 267.0 billion yen related to securitized products being recorded in net other business profits.

✓For fiscal 2009, we forecast net income of 300 billion yen. We are also forecasting that in fiscal 2009 the sum of net business profits at BTMU and MUTB will grow by 62.7 billion yen to 905.0 billion yen. At our recent web conference it was pointed out that despite the expected absence of losses related to securitized products in fiscal 2009, our forecast recovery in the net business profits of BTMU and MUTB seemed rather weak. This is because of three main assumptions underlying our forecasts: (1) lower interest rates in Japan and overseas resulting in a decline in interest income; (2) continued weakness in non-interest income due to a difficult economic environment; and (3) some falling off in elements of the trading income we recorded in fiscal 2008 due to trends in interest rates.

✓Please see page 9.

● **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)

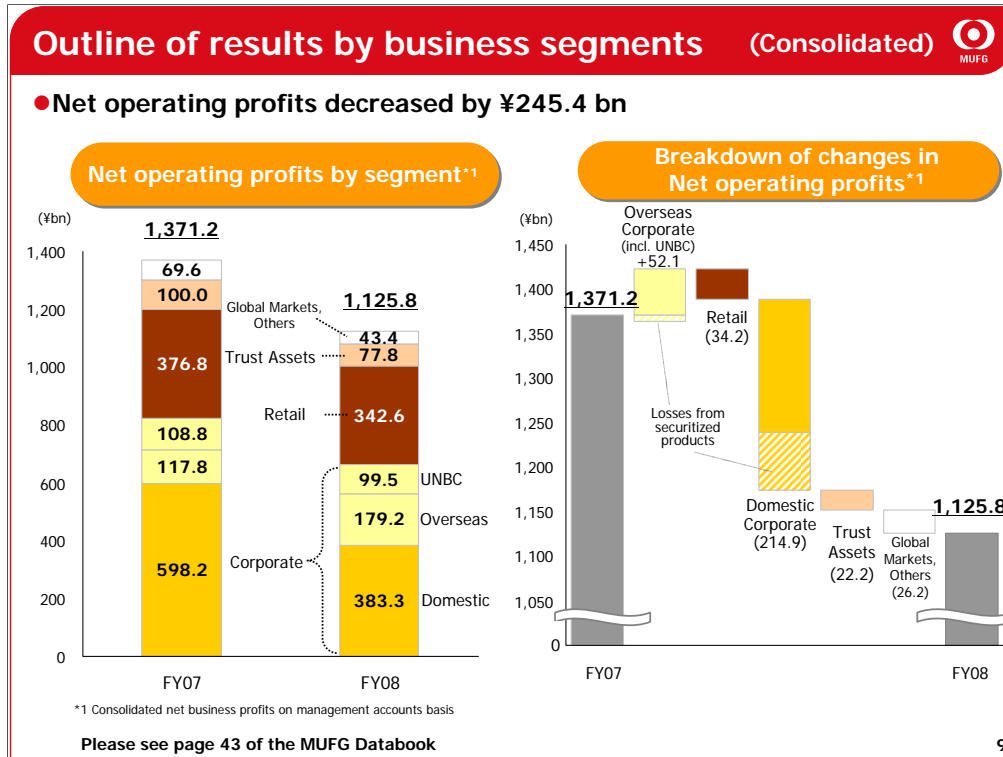
| | End Mar. 09 | Change from End Mar. 08 | Change from End Sep. 08 |
|---|---------------|-----------------------------|---------------------------|
| 1 Loans (Banking+Trust accounts) | 92,256.6 | 3,458.9 | 1,580.3 |
| Loans (Banking accounts) | [92,056.8] | [3,518.0] | [1,611.7] |
| 2 Domestic corporate 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 | 11.76% | 0.56% | 1.20% |
| Tier1 ratio | 7.76% | 0.15% | 0.12% |

*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 MUFU Databook



✓ This page shows the breakdown of changes in net operating profits by segment. Overall, net operating profit declined by 245.4 billion yen. As shown in the chart on the right, although profits grew in the Overseas Corporate segment, profits declined in the Retail, Domestic Corporate, Trust Assets and Global Markets, Others segments.

✓ Next I will explain in detail profit trends in each of the segments.

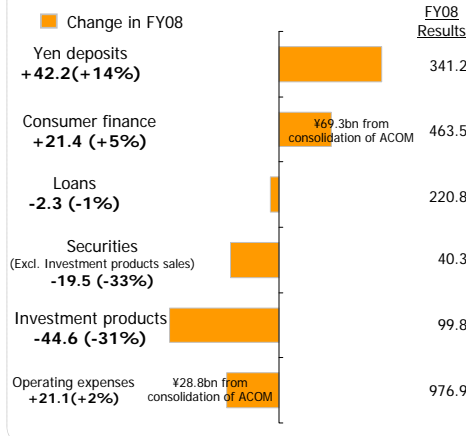
✓ Please see page 10.

● **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)

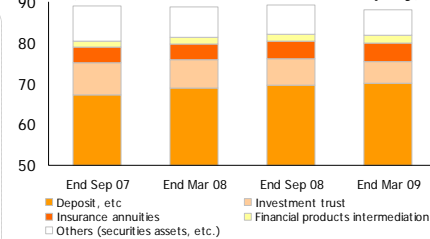
Change in net operating profits

FY08 ¥342.6bn (down ¥34.2bn on FY07)

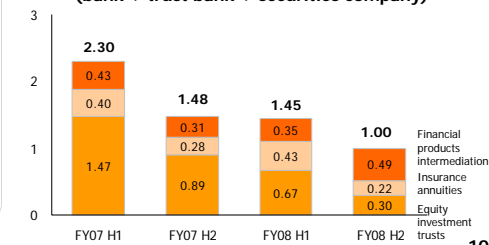


Please see pages 44-49 of the MUFG Databook

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

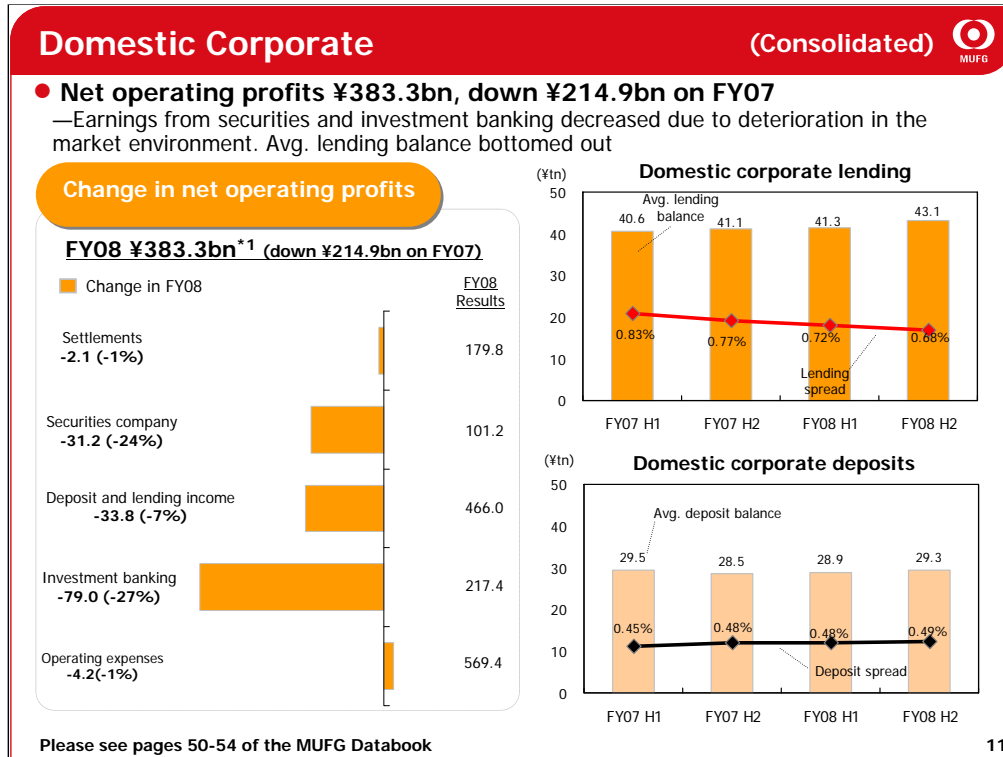


Sales of investment products (bank + trust bank + securities company)



10

- ✓ First, the Retail segment.
- ✓ Net operating profit was 342.6 billion yen, down 34.2 billion yen compared to the previous fiscal year. The main reasons for the changes are shown in the chart on the left. Income from deposits increased by 14% as the interest rate spread improved on a full year basis, despite a monetary easing in the second half. Consumer finance also increased but this was due to the consolidation of ACOM. However, due to a worsening of the market environment, securities business and investment products sales declined year on year.
- ✓ The chart on the right shows the balance of overall customer assets. The balance of deposits continued to grow. However, due to the decline in market prices, the balance of investment trusts and equities, etc. declined, and as a result the overall balance was down slightly from the end of September. Also, the sales amount of investment products declined, reflecting market conditions.
- ✓ Next page shows the Domestic Corporate segment. Please turn to page 11.



11

- ✓ Net operating profits declined by 214.9 billion yen to 383.3 billion yen. The main reasons, as shown in the chart on the left, were declines in securities and investment banking income due to the deteriorating market environment, and lower deposit and lending income, mainly reflecting a decline in the lending spread. As shown in the chart on the upper right, the corporate sector's need for financing led to an increase in the lending balance to corporations of around two trillion yen in the second half, compared to the second half of last fiscal year. The lending spread continued to decline but as the spread on new lending seems to be bottoming out, the pace of decline in the overall spread is slowing.
- ✓ Also, as shown in the chart on the lower right, the balance of corporate deposits, which had been showing a steady decline, increased in the second half of fiscal 2008.
- ✓ Please see Slide 12, the Overseas Corporate segment.

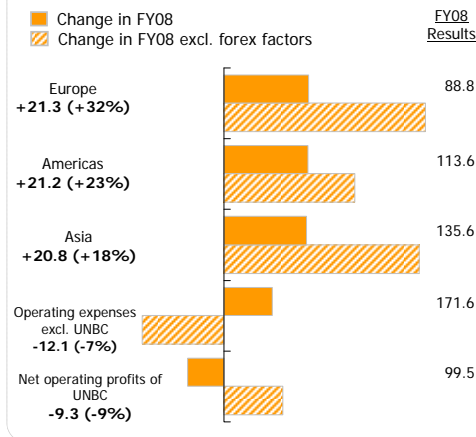
● **Net operating profits ¥278.7bn, up ¥52.1bn on FY07**

—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

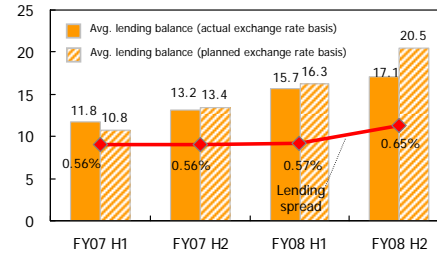
FY08 ¥278.7bn (up ¥52.1bn on FY07)



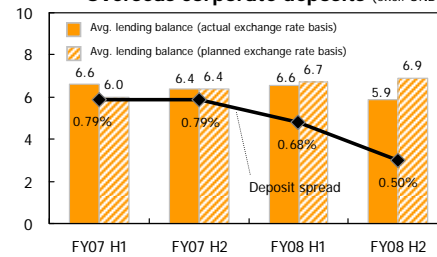
Planned exchange rates: Exchange rates used in our business plan (¥/\$=¥105, etc.)

Please see pages 55-58 of the MUFG Databook

Overseas corporate lending (excl. UNBC)



Overseas corporate deposits (excl. UNBC)



✓ One of MUFG's key strengths is overseas business, and the business performed strongly throughout fiscal 2008, resulting in an increase of 52.1 billion yen in net operating profits to 278.7 billion yen. In the currency market the yen continued to strengthen, particularly against European currencies, resulting in a significant erosion of profit growth on a reported basis. Excluding these currency effects, segmental profits were up by more than 100 billion yen.

✓ As shown in the left hand chart we saw a large increase in profits, driven by growth in lending to and fee income from non-Japanese corporations in the Americas and Europe, as well as in the growing Asian region. Excluding currency effects profits from UNBC also increased.

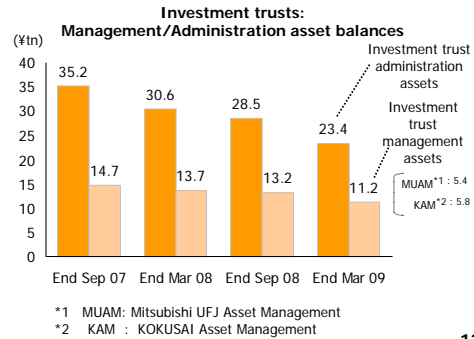
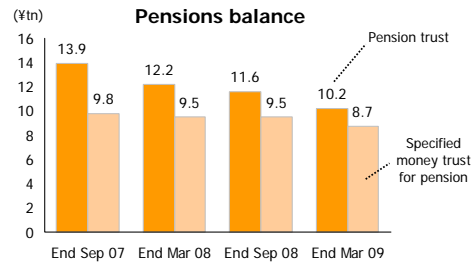
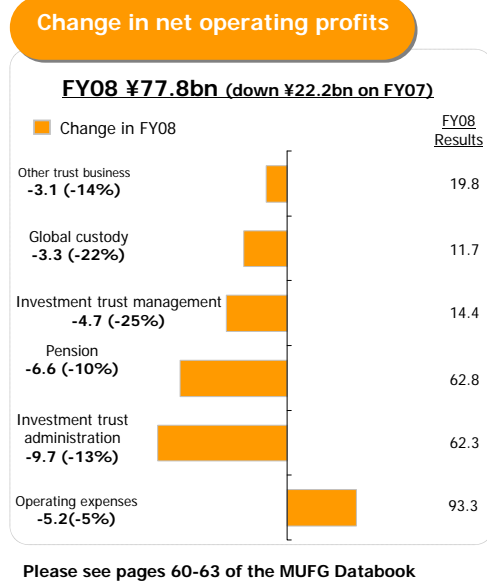
✓ The chart on the upper right shows clearly the strong increase in our lending balance. Moreover, due to our focus on accumulating profitable loans the lending spread showed a large increase.

✓ Finally, please see our Trust Assets segment on page 13.

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



- ✓ Net operating profit was 77.8 billion yen, a decline of 22.2 billion yen on fiscal 2007. As you can see from the two charts on the right, asset balances declined in all areas as worsening market conditions led to a fall in market prices and a decline in fund flows. As a result, the performance of each business was severely affected, as shown in the chart on the left.
- ✓ That completes the financial results presentation.

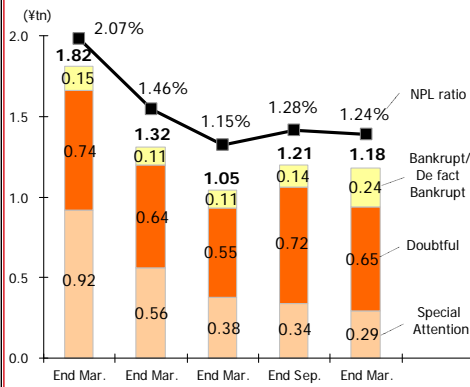
Loan assets

(Consolidated/Non-consolidated)

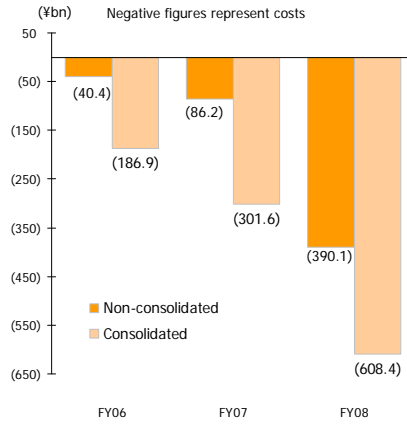


- NPL ratio slightly down from End Sep. 08 to 1.24% due to decrease in Doubtful and Special attention category loans
- Total credit costs significantly increased by approx. ¥300 bn compared with FY07 and showed an expense of ¥390.1bn on non-consolidated basis and ¥608.4bn on consolidated basis

Balance of FRL disclosed loans (Non-consolidated)



Total credit costs



Please see pages 65-68 of the MUFG Databook

Holdings of investment securities

(Consolidated)



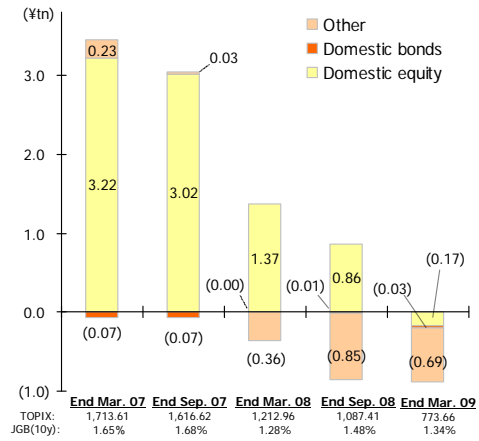
- Total unrealized gains/losses on available-for-sale securities decreased by approx. ¥0.92tn from End Sep 08 to approx ¥0.92tn net losses, due to lower market prices of domestic equity securities

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



Please see page 69 of the MUFG Databook

Holdings of securitized products

(Consolidated)



- 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 | | Unrealized gains (losses) | |
|---|---------------------|---------|-------------------------|---------------------------|-------------------------|
| | | | Change from end Sep. 08 | | 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. ¥241bn
 The effects on the P/L for the fiscal year ended March 31, 2009 was approx. ¥131bn

- 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 | | Unrealized gains (losses) | | Net unrealized gains (losses) as % of balance ^{*2} |
|---|---------------------|---------|-------------------------|---------------------------|-------------------------|---|
| | | | Change from end Sep. 08 | | Change from end Sep. 08 | |
| 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 |

^{*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
 Net unrealized losses (¥221 bn)

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Capital

(Consolidated) 

● 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 ¥12.17 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** : **11.76%**
 ● **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% | 11.76% | 1.20% |
| 2 Tier1 ratio | 7.60% | 7.63% | 7.76% | 0.12% |
| 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 | 4,217.6 | 451.5 |
| 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 | 11,479.9 | (110.3) |
| 11 Risk-adjusted assets | 109,075.6 | 109,789.1 | 97,611.4 | (12,177.7) |
| 12 Credit risk | 100,962.2 | 101,536.4 | 90,360.9 | (11,175.5) |
| 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 | (299.6) |

*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 17

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**

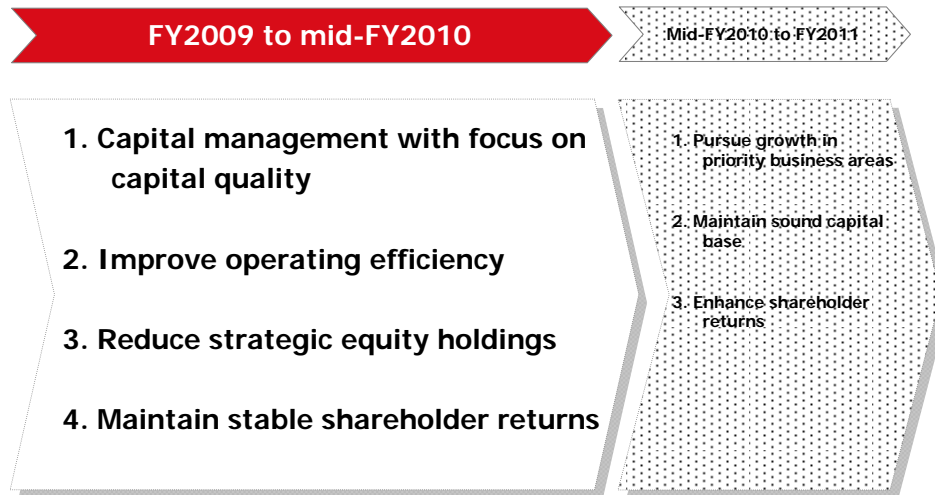
- **Severe economic conditions are expected to continue, economic recovery is expected from second half of plan period**
 - ⇒ **Plan period will be managed in two phases**
 - Phase 1: Crisis management responding to a rapidly changing environment**
 - Phase 2: Accelerate growth in a recovering economy**

- ✓ First I would like to explain the thinking that underlies our medium-term business plan.
- ✓ In fiscal 2009, the first year of our medium-term plan, operating conditions are expected to remain severe globally for some time. However, countries worldwide are implementing major economic stimulus measures, and in Japan also we expect the effects of the government's large-scale economic stimulus package to emerge. For this reason we expect the economy to experience a bottoming-out in the second half of fiscal 2009, but we do not expect a full-scale recovery until the second half of our three-year plan period.
- ✓ Base on this view of the operating environment we have separated our three-year medium-term period into two phases, matched to this outlook.

Business strategy: Phase 1

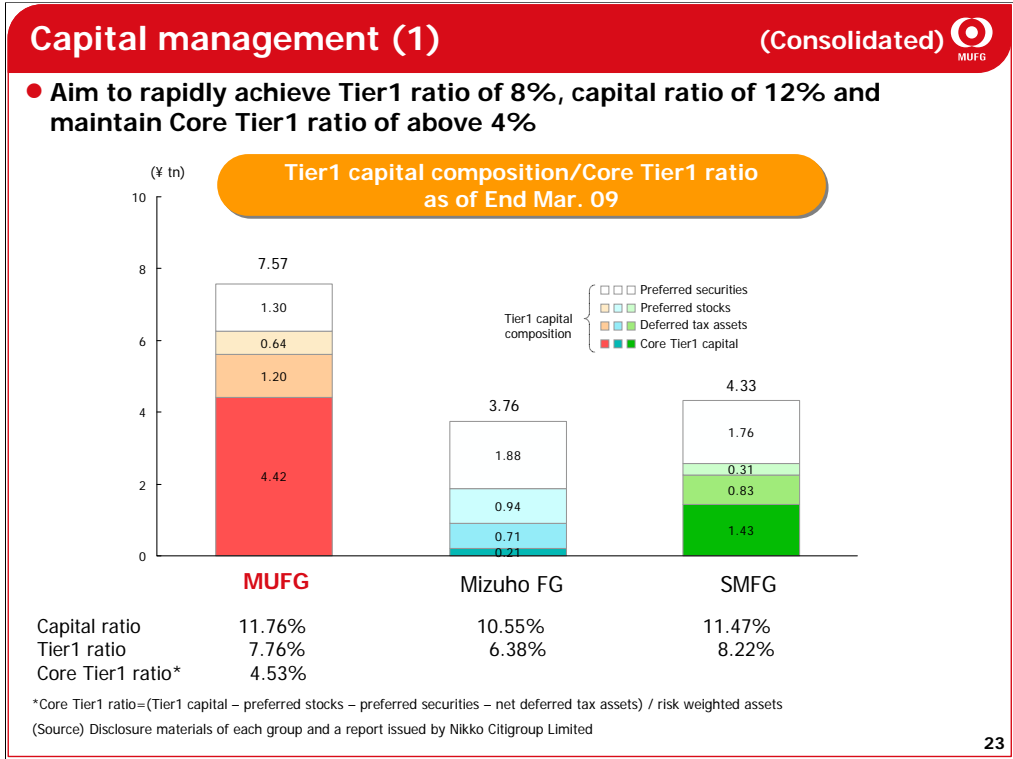


- In Phase 1, pursue operating efficiency and a reduction in strategic equity holdings while maintaining fully adequate capital



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- ✓ In the first half of the plan period the severe economic environment is expected to continue. During this phase we will strive to achieve operational efficiencies and manage our capital with an emphasis on capital quality, while ensuring that we fulfill our social responsibility of serving as a financial intermediary.
- ✓ The four key points of our strategy are as shown on the slide.



- ✓ Regarding the first point, capital management, as it always has been in the past, we have not simply focused on maintaining the required amount of capital, but have also managed our capital with a focus on maintaining the quality of our capital or maintaining so called “core Tier1 capital”.
- ✓ A new debate on capital regulations has started, and in the U.S. stress tests the concept of core Tier I capital has been identified, so we also must pay renewed attention to the quality of our capital.
- ✓ Some have pointed out that MUFG’s core capital ratio seems low compared to some U.S. and European banks, but we understand that U.S. and European banks have yet to fully address the treatment of non-performing assets. Given these circumstances, we think it is premature to make such comparisons at this point in time. It is important to consider what the comparison of levels of core capital may show after U.S. and European banks have dealt with their non-performing assets.
- ✓ In consideration of this point we intend to manage our capital aiming to achieve a consolidated BIS capital ratio of 12%, a Tier I capital ratio of 8% and core Tier 1 ratio of above 4%.

- **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 >

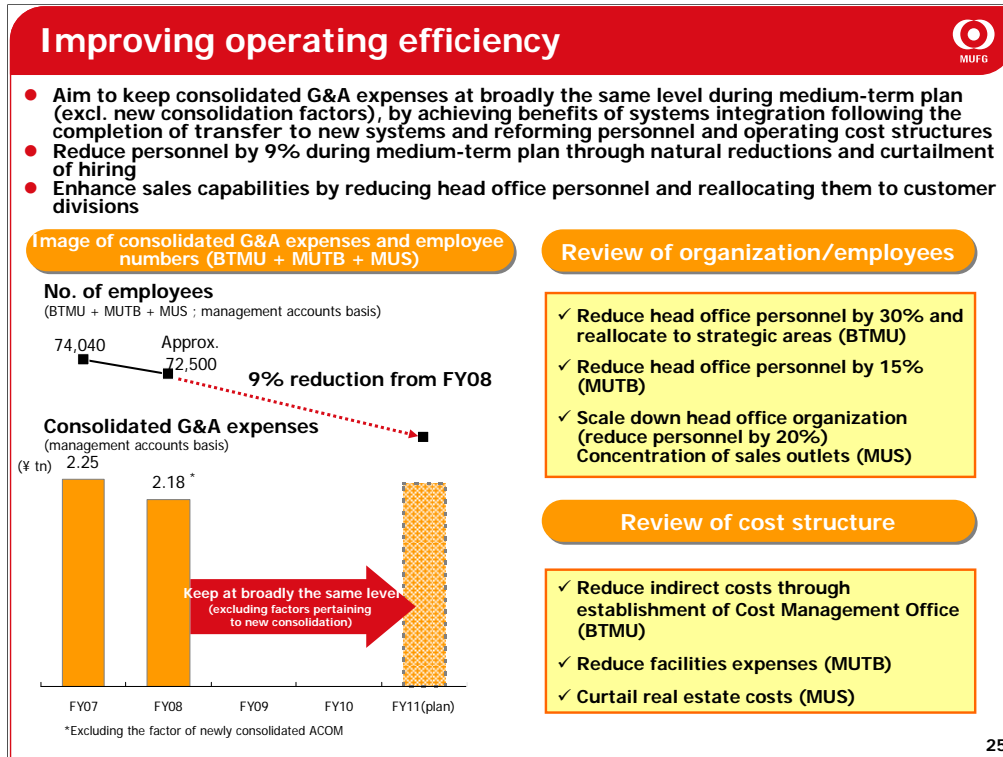
- **Subordinated bonds**

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)

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- ✓ In response to the drastic deterioration of the external environment since last October, we responded rapidly to reinforce our Group's capital base. As you can see, we implemented capital raisings totaling 1.3 trillion yen of Tier 1 and Tier 2 capital.
- ✓ The environment was extremely adverse, but the success of these capital raising was a testament to the trust that investors, customers, and others have in our Group and their expectations of MUFG. We are very conscious of the scale of the responsibility we have to them and we intend to fully live up to the expectations they have of our Group.



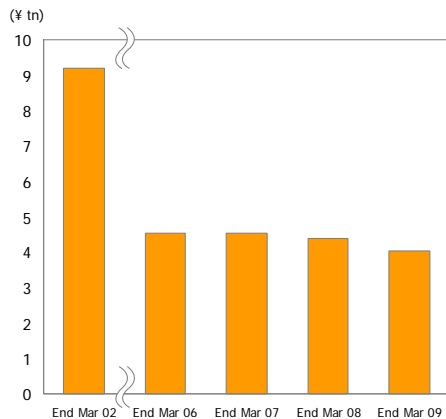
- ✓The second point is to improve operating efficiency.
- ✓We completed the transfer to new systems in December 2008, and from now we intend to fully realize the benefits of integration.
- ✓We are also taking steps to reduce fixed costs.
- ✓By streamlining our headquarters organization and improving operating efficiency we plan to reduce headquarters staff numbers, and by actively allocating staff to frontline sales and strategic business areas we aim to realize a policy of selection and concentration.

Reduction in strategic equity holdings

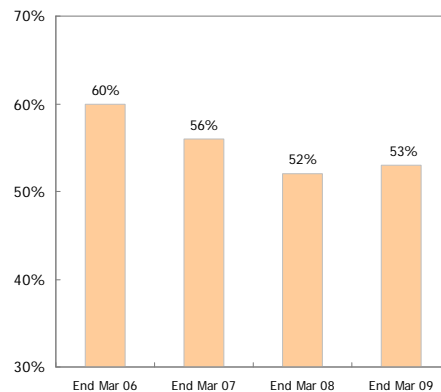
(Consolidated) 

- 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



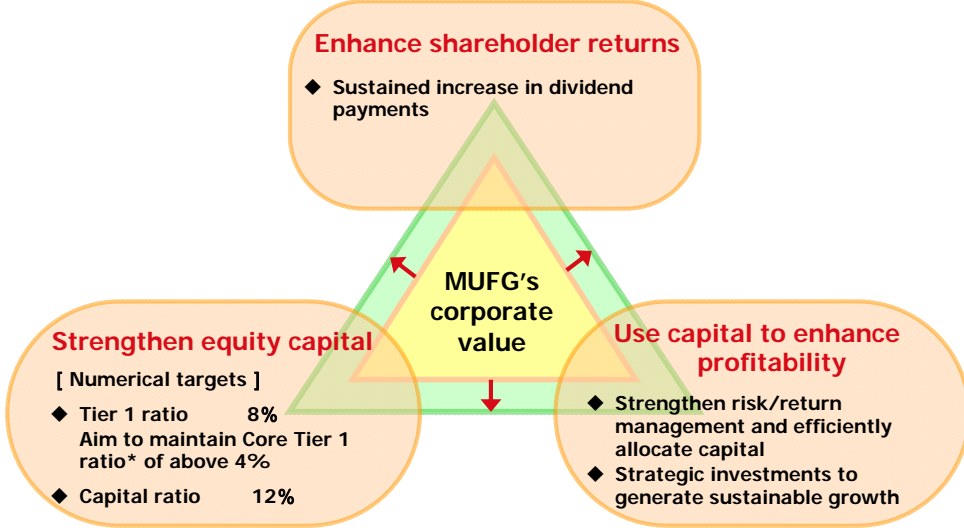
^{*1} Total of domestic and overseas equity securities in the category of "other securities" with fair value
^{*2} End Mar 02 figure is simple sum of former MTFG and UFJ.

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- ✓ Next is our effort to reduce our strategic equity holdings.
- ✓ This is a key issue that we have been aware of and addressing for some time. Seven years ago, our balance of strategic equity holdings was 9 trillion yen. We have now reduced that to below 4 trillion yen, representing around 50% of Tier 1 capital.
- ✓ Declines in stock prices continue to have a large financial impact on our Group, and we believe a further reduction in these holdings is necessary.
- ✓ However, this issue involves certain unique aspects in the Japan context, and our view is that this process must be conducted based on a consensus of society as a whole.
- ✓ In an effort to avoid affecting market supply and demand, we plan to use the frameworks provided by the Bank of Japan and the Banks' Shareholdings Purchase Corporation. We will discuss this with all of our customers that are affected, and subject to gaining their understanding we plan to proceed with sales of our holdings.

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



Enhance shareholder returns

- ◆ Sustained increase in dividend payments

Strengthen equity capital

[Numerical targets]

- ◆ Tier 1 ratio 8%
Aim to maintain Core Tier 1 ratio* of above 4%
- ◆ Capital ratio 12%

Use capital to enhance profitability

- ◆ Strengthen risk/return management and efficiently allocate capital
- ◆ Strategic investments to generate sustainable growth

MUFG's corporate value

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

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✓We have stated in our capital policy, that it is important to achieve a balance among the three elements shown here. However, depending on the circumstances, our emphasis on each element will be adjusted, and during the first phase of our medium-term plan we will seek to strengthen our capital base, while always endeavoring to provide a return to shareholders.

✓We will remain open to strategic investment opportunities as they present themselves, but for the moment we will focus on seeking to ensure that we achieve the benefits expected from our alliance with Morgan Stanley.

Business strategy: Phase 2



- 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

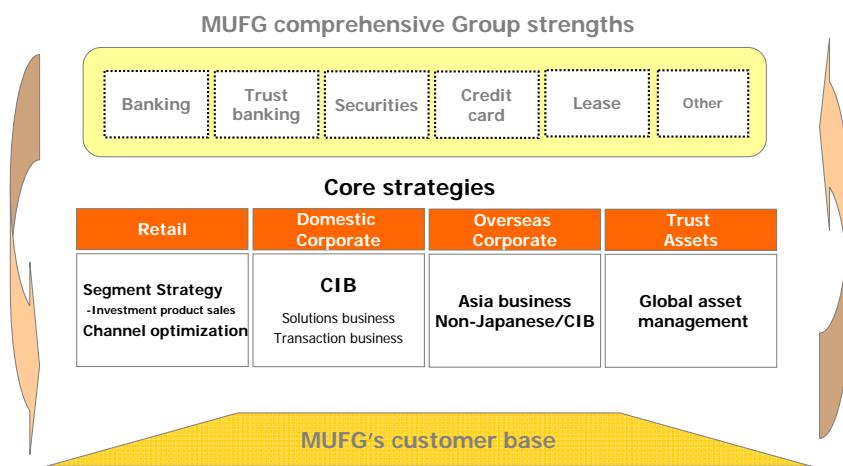
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- ✓ In the second phase of our medium-term plan, we expect an improved economic environment, and plan to emphasize a growth strategy focusing on the three points shown on the slide.

Growth strategy (1) Core strategies

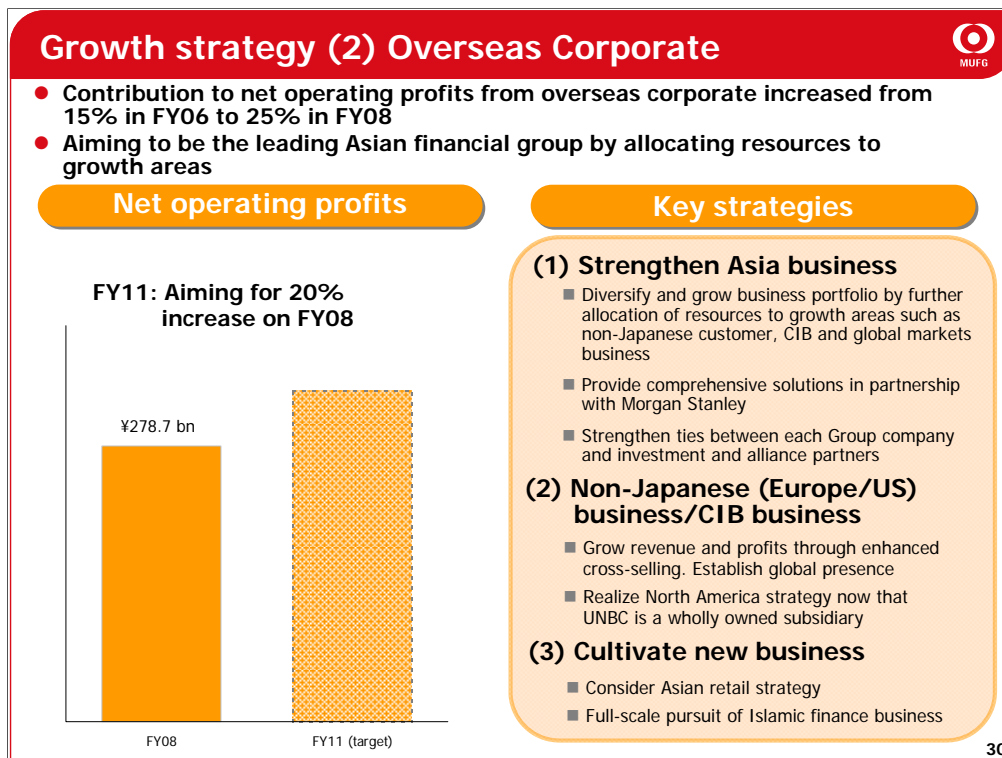


- Pursue business strategy in growth areas leveraging MUFG's unrivalled comprehensive Group strengths and customer base
 - Segment strategy, CIB strategy, Asia strategy, Global asset management strategy



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- ✓ We intend to pursue a growth strategy focused on key areas that leverage MUFG's strengths, our comprehensive Group capabilities and our broad and deep customer base. Our key target areas are as shown in the slide.
- ✓ In the Retail business, we plan to grow our insurance sales, financial products intermediation and other businesses by effectively responding to the needs of customers.
- ✓ In the Domestic Corporate business, one example of our target areas is foreign exchange business, where, despite an overall decline in trade volumes, we enjoy a market share of more than 50% in Japan. This is a good example of one of the many lower profile areas where we intend to leverage MUFG's advantages of scale and expertise to grow our business.
- ✓ The next page outlines our Overseas Corporate business, which is performing extremely well despite the current environment.



- ✓ In fiscal 2008, excluding the effects of currency rate fluctuations, profits from our Overseas Corporate business grew by more than 100 billion yen. Furthermore, the growth was balanced with each of our target geographic regions—Europe, the Americas and Asia—growing strongly.
- ✓ Also, in terms of share of net operating profit, Overseas Corporate has grown significantly from 15% of the total two years ago to 25% now.
- ✓ Looking ahead, we aim to pursue a strategy that further leverages the strengths of MUFG. In particular, we aim to achieve balanced growth across all of the geographic regions, while remaining aware of the promising growth prospects of Asia.

Growth strategy (3) Global Strategic Alliance with Morgan Stanley

- 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.

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- ✓ We are receiving a relatively high return from our investment in Morgan Stanley. However, the main thrust of this initiative was to raise our investment banking business to a global standard, an issue that has occupied us for several years, and to achieve growth by fully utilizing our strong customer base.
- ✓ In March 2009, with the aim of creating a leader in Japan's securities business, we entered into a memorandum of understanding to integrate our Japan securities operations by March 2010. In addition, we are currently discussing the specific measures of a number of collaborations that could bring together the respective strengths of Morgan Stanley and MUFG.
- ✓ Looking ahead, with a full-scale economic recovery anticipated in the future, we expect a wide variety of merger and acquisition projects to be planned and implemented in the global market, and we are considering how we can be of value to our customers when that happens.

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 | 11.76% | 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% |

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- ✓Based on these plans and assumptions, our numerical targets from fiscal 2009 to fiscal 2011 are as shown here.
- ✓In fiscal 2009, we aim to achieve net income of 300 billion yen while also maintaining a dividend of 12 yen per share, the same level as in fiscal 2008.
- ✓In the second half of the plan, as the economy recovers, we expect increased profit growth, and we are targeting fiscal 2011 net operating profit to be 50% higher than that in fiscal 2008. By thoroughly pursuing improvements in operating efficiency, we aim to keep operating expenses generally at the current levels with an operating expense ratio of 50-55% (on the basis of a simple sum of the figures of BTMU and MUTB).

- **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**

- ✓ Currently, some global financial institutions are beset by difficulties, which often seem to have resulted from taking on too much risk in their pursuit of scale. MUFG is Japan's largest financial institution, but we believe what distinguishes us from others is the fact that our scale is based on deposits, particularly deposits from individuals.
- ✓ As a result, we are in a position to pursue our plans and strategies to utilize our strength even in a drastically changing and increasingly competitive business landscape worldwide. Looking ahead we will continue to manage the group with a clear focus on Quality.



- ✓ Since the birth of MUFG, our corporate slogan has been based on Quality. Looking ahead, in each of the three areas of Service, Reliability and Global Coverage, we will continue to manage MUFG with a clear emphasis on quality.
- ✓ All of the members of management and employees of MUFG will work together and seek to raise corporate value while achieving stable returns to shareholders. We hope that we have gained your support, and I would like to thank you all for your time and attention.

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Appendix



Domestic deposit/lending rates

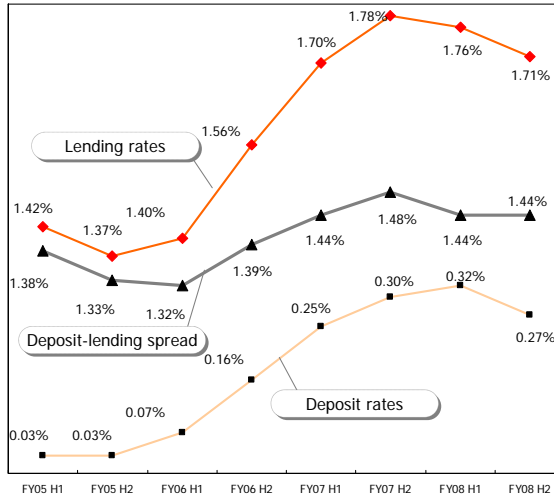
(Non-consolidated)



- 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



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

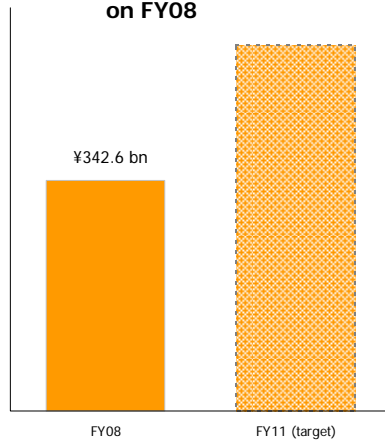
Growth strategy: Retail



- 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)

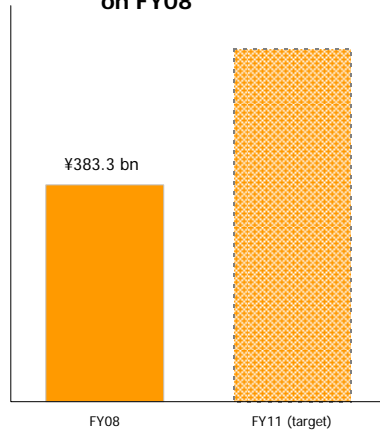
Growth strategy: Domestic Corporate



- 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

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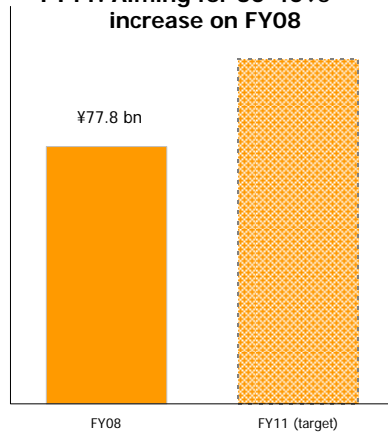
Growth strategy: Trust Assets



- 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

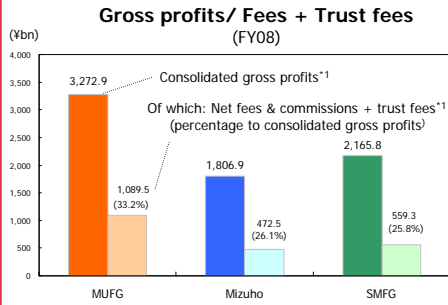
(3) Investment trust business

- 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)

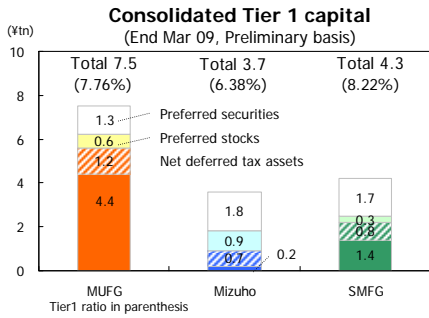
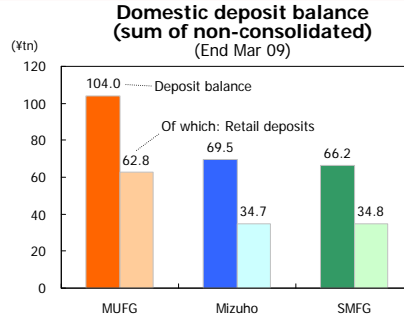
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Comparison with other Japanese financial groups

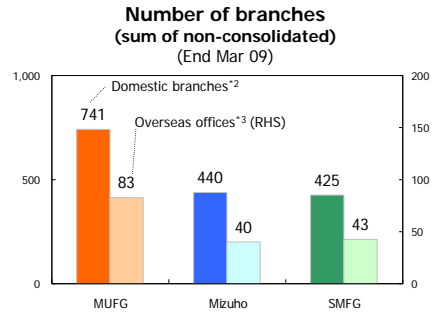
Source :Disclosure materials of each group and a report issued by Nikko Citigroup Limited



*1 Before credit costs for trust accounts



Tier1 ratio in parenthesis



*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