Mitsubishi UFJ Financial Group

Fiscal 2010 Interim Results Presentation

November 19, 2010

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.

Definitions of figures used in this document

Consolidated	Mitsubishi UFJ Financial Group (consolidated)
Non-consolidated	Bank of Tokyo-Mitsubishi UFJ (non-consolidated) + Mitsubishi UFJ Trust and Banking Corporation (non-consolidated) (without any adjustments)

Contents

Introduction

Outline of FY2010 Interim Results

Initiatives for achieving mid-term business plan

Appendix

Introduction

Outline of Fiscal 2010 Interim Results

Initiatives for achieving mid-term business plan

FY2010 interim key points

- **Net income ahead of target at ¥ 356.7 billion**
  - Net business profits increased significantly mainly due to strong income in Global Markets segment
  - Credit costs decreased substantially
- **Preparing for growth**
  - Asia (capital increase, branch openings), North America (acquisitions by Union bank)
  - Launched securities joint ventures in Japan
- **Made steady progress towards addressing medium-term business plan issues**
  - Streamlined operations, reduced strategic equity holdings

4

✓As we have already announced, net income for the interim period was 356.7 billion yen, much higher than our original target of 170 billion yen.

✓We also made steady progress in building our platform for future growth. This includes initiatives in Asia and North America, our securities joint ventures in Japan with Morgan Stanley, and others.

✓We have also made steady progress in addressing the key issues of the first phase of our medium-term business plan.

Introduction

Outline of Fiscal 2010 Interim Results

Initiatives for achieving mid-term business plan

FY2010 H1 summary (P/L) (Consolidated)

MUFG

● Net business profits

- Gross profits increased due to an increase in market product income such as net gains on sales of debt securities, partially offset by a decrease in net interest income caused by a decline of interest-rates and a decrease in loan balance
- G&A expenses decreased reflecting the progress of an intensive corporate-wide cost reduction. Expense ratio improved to mid-50% range
- As a result, net business profits increased significantly to the record high for a interim financial period since the inception of MUFG

● Total credit costs

- Significantly decreased due to a decrease in provision for credit losses reflecting a decrease in number of bankruptcies

● Net gains (losses) on equity securities

- Net gains (losses) on equity securities decreased mainly due to an increase in write-downs of equity securities and lower gains on sales of equity securities

● Net income

- Net income increased significantly, partially offset by an increase in total of income taxes-current and income taxes-deferred

Income statement (¥bn)

		FY09 H1	FY10 H1	Change
1	Gross profits (before credit costs for trust accounts)	1,813.2	1,870.7	57.4
2	Net interest income	1,115.2	1,009.3	(105.8)
3	Trust fees+Net fees and commissions	545.6	524.7	(20.8)
4	Net trading profits+Net other business profits	152.4	336.6	184.1
5	Net gains (losses) on debt securities	24.8	170.7	145.8
6	G&A expenses	1,061.4	1,018.8	(42.6)
7	Expense ratio	58.5%	54.5%	(4.1%)
8	Net business profits	751.7	851.8	100.0
9	Credit costs*1	(444.2)	(190.4)	253.8
10	Net gains (losses) on equity securities	13.3	(27.3)	(40.7)
11	Other non-recurring gains (losses)	(87.7)	(91.9)	(4.2)
12	Ordinary profits	233.0	542.0	309.0
13	Net extraordinary gains (losses)	(18.6)	6.9	25.6
14	Total of income taxes-current and income taxes-deferred	42.5	184.8	142.2
15	Net income	140.9	356.7	215.8
16	Total credit costs*2	(444.2)	(186.7)	257.4
17	(Non-consolidated)	(224.0)	(58.0)	166.0

*1 Credit costs= Credit costs for trust accounts + Provision for general allowance for credit losses + Credit costs (included in non-recurring gains/losses)
*2 Total credit costs= Credit costs + Reversal of allowance for credit losses +Reversal of reserve for contingent losses included in credit costs. Total credit costs including gains on loans written-off posted (¥153.0bn), decreased by ¥266.3bn compared to FY09 H1

Reference

		FY09 H1	FY10 H1	Change
18	EPS (¥)	11.08	24.60	13.52
19	ROE*3	3.77%	8.51%	4.73%

*3

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

Please see pages 6-20 of the MUFG Databook

6

- ✓ In the table on the right you can see on Line 1 that gross profits were up 57.4 billion on the interim period of last fiscal year.
- ✓ Net interest income, on Line 2, was down, as subdued demand for funds led to a lower lending balance and interest rates declined, but as shown on Line 5, this was offset by treasury income, mainly gains on debt securities, and overall gross profits were up.
- ✓ G&A expenses on Line 6 were down by 42.6 billion due to our continuing group-wide cost reduction initiatives, and the expense ratio on Line 7 improved by about 4 percentage points to 54.5%.
- ✓ As a result, net business profits increased by 100 billion yen to 851.8 billion yen, our highest interim profits since the formation of MUFG.
- ✓ Turning to credit-related expenses as shown on Line 17, the sum of BTMU and MUTB figures improved by 166 billion yen, and as shown on Line 16, on a consolidated basis including the declines in expenses at Union Bank, ACOM and NICOS, the improvement was 257.4 billion yen.
- ✓ On the other hand, as shown in net gains (losses) on equity securities on Line 10, we recorded a loss of 27.3 billion yen mainly due to write-downs of equity securities due to a weak stock market.
- ✓ Our effective tax rate increased to 33.6% from 19.8% in the first half of last fiscal year and we recorded 356.7 billion yen interim net income shown on Line 15, increased by 215.8 billion yen.

FY2010 H1 summary (B/S)

(Consolidated)

MUFG

● Loans
- Decreased from End Mar. 10 due to lower demand of domestic corporate loans.
  Overseas loans decreased mainly due to an appreciation of the Japanese yen

● Investment securities
- Increased from End Mar. 10 mainly due to an increase in Japanese government bonds and foreign bonds

● Deposits
- Decreased from End Mar. 10 due to a decrease in domestic corporate deposits, partially offset by an increase in individual deposits

● Total net assets
- Almost flat from End Mar. 10 mainly due to acquisition and cancellation of preferred shares offset by net income

● Non performing loans （"NPLs"）
- NPL ratio up from End Mar. 10 as a result of an increase in FRL disclosed loans, but keeping at a low level

● Net unrealized gains (losses) on securities available for sale
- Decreased from End Mar. 10 mainly due to a decrease in net unrealized gains on domestic equity securities, offset by an increase in those on Japanese government bonds and foreign bonds

Balance sheet (¥bn)

		End Mar. 10	End Sep. 10	Change from End Mar. 10
1	Total assets	204,106.9	206,380.8	2,273.9
2	Loans (Banking+Trust accounts) [Loans (Banking accounts)]	85,035.9 [84,880.6]	79,397.1 [79,254.4]	(5,638.7) [(5,626.1)]
3	Domestic corporate loans[*1]	47,771.9	43,562.6	(4,209.3)
4	Housing loans[*1]	17,467.3	17,417.2	(50.1)
5	Overseas loans[*2]	16,651.7	15,612.2	(1,039.4)
6	Investment securities (Banking accounts)	63,964.4	70,053.1	6,088.6
7	Government bonds	39,725.3	43,541.6	3,816.2
8	Total liabilities	192,807.4	195,048.9	2,241.4
9	Deposits	123,891.9	122,268.7	(1,623.2)
10	Individual deposits (Domestic branches)	63,045.3	63,290.7	245.4
11	Total net assets	11,299.4	11,331.9	32.5

		FY09 H2	FY10 H1	Change from FY09 H2
12	Deposit/lending spread (Domestic, non-consolidated)	1.31%	1.29%	(0.01%)
13	FRL disclosed loans[*1*3]	1,348.7	1,415.9	67.1
14	NPL ratio[*1]	1.50%	1.69%	0.19%
15	Net unrealized gains (losses) on securities available for sale	812.7	697.3	(115.3)
16	BIS capital ratio	14.87%	15.24%	0.37%
	Tier1 ratio	10.63%	11.57%	0.93%

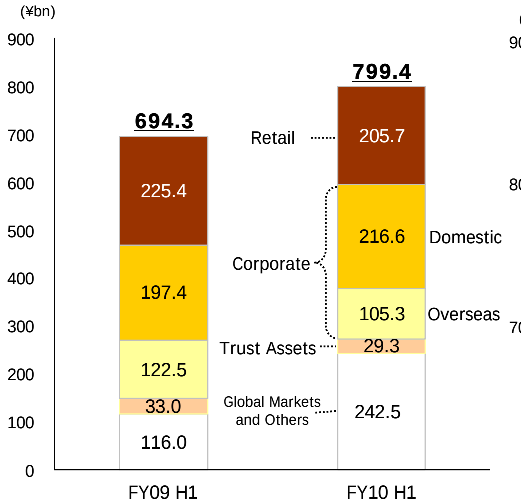
*1 Non-consolidated + trust accounts
*2 Loans booked in overseas branches, UnionBanCal Corporation and BTMU (China)
*3 FRL=the Financial Reconstruction Law

Please see page 21 of the MUFG Databook

Outline of results by business segment (Consolidated)

- Total net business profits increased ¥100.0bn compared to FY09 H1. An increase in net business profits from Global Markets segment and cost reduction throughout the segments more than offset a decrease in profits from Retail, Overseas Corporate and Trust Assets segments in aggregate due to downturn of market environment, such as decline of interest rates

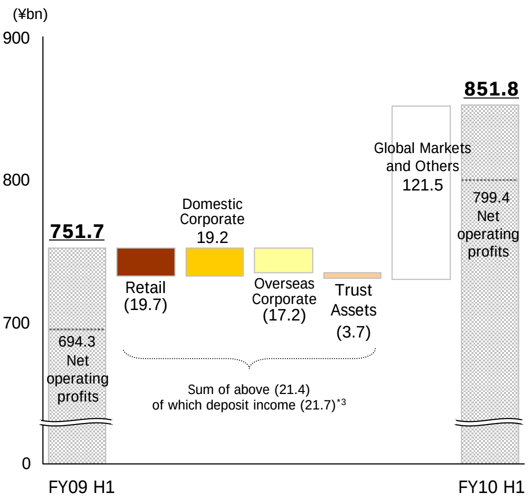
Net operating profits by segment*1



*1 Consolidated net business profits on a managerial accounting basis

Please see page 39 of the MUFG Databook

Breakdown of changes in Net business profits*2



*2 Changes in segmental income are on a managerial accounting basis

*3 Deposit income is the total of BTMU and MUTB figures

8

- ✓ The graph on the right shows the breakdown of changes in net business profits based on our analysis of segmental net operating profits on a managerial accounting basis.
- ✓ In our customer businesses, tough operating environment continued as lower interest rates led to a decline in deposit income, while in our markets businesses we saw a large increase in profits, which was the main factor in the increase in net business profits.

Retail

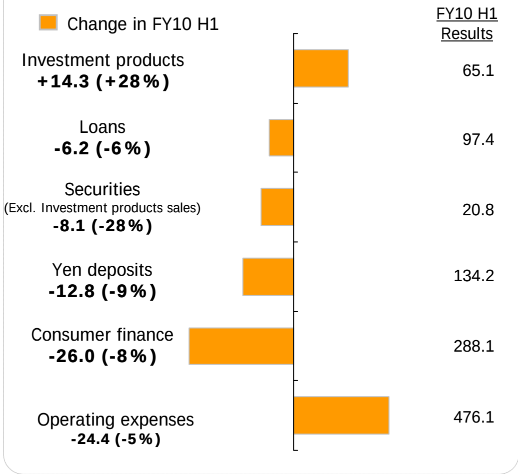
(Consolidated)

● Net operating profits ¥205.7bn, down ¥19.7bn on FY09 H1

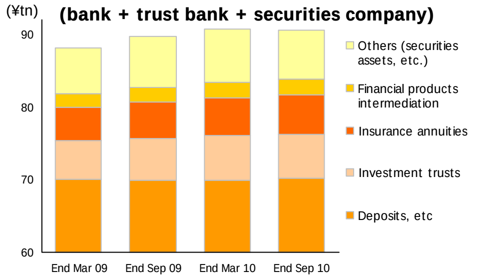
— Revenue from Consumer finance and Yen deposits decreased, while Investment product sales performed well

Change in net operating profits

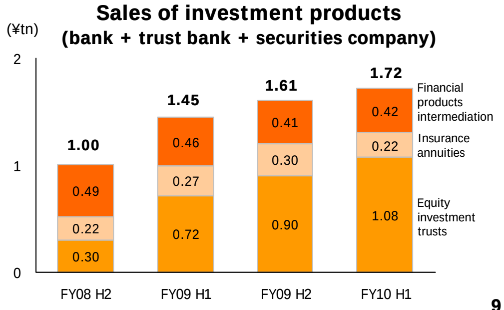
FY10 H1 ¥205.7bn (down ¥19.7bn on FY09 H1)



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



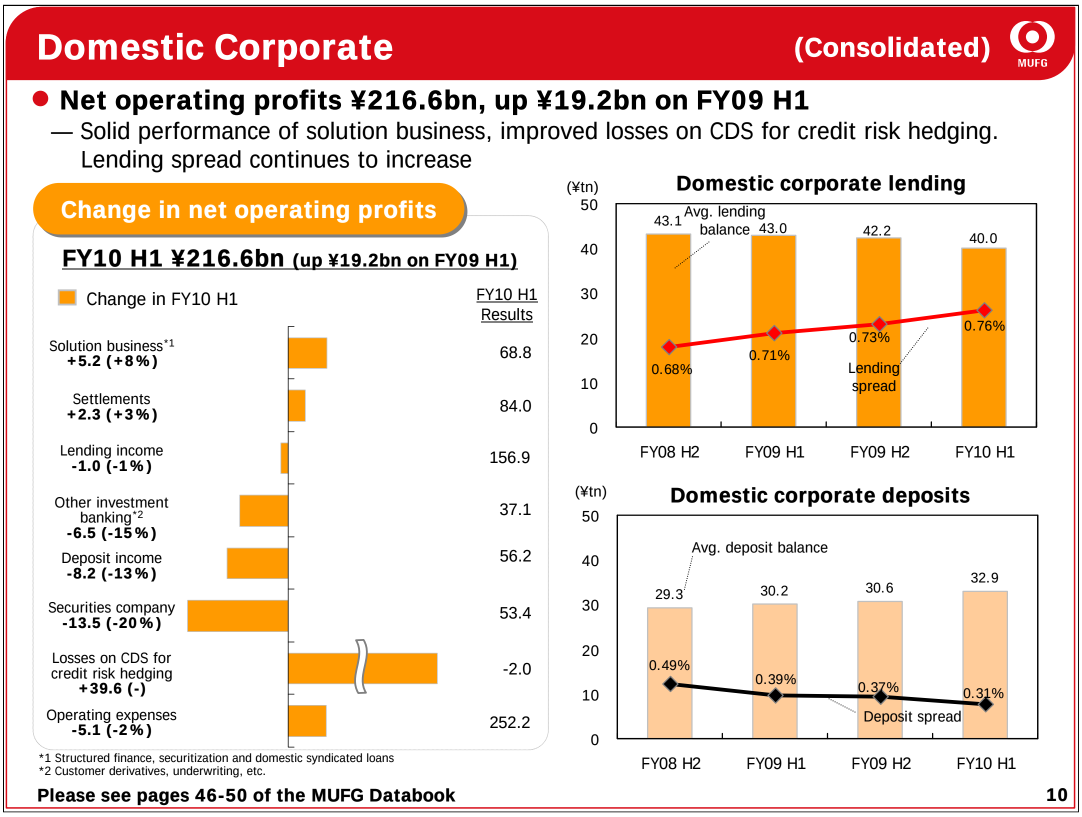
Sales of investment products (bank + trust bank + securities company)



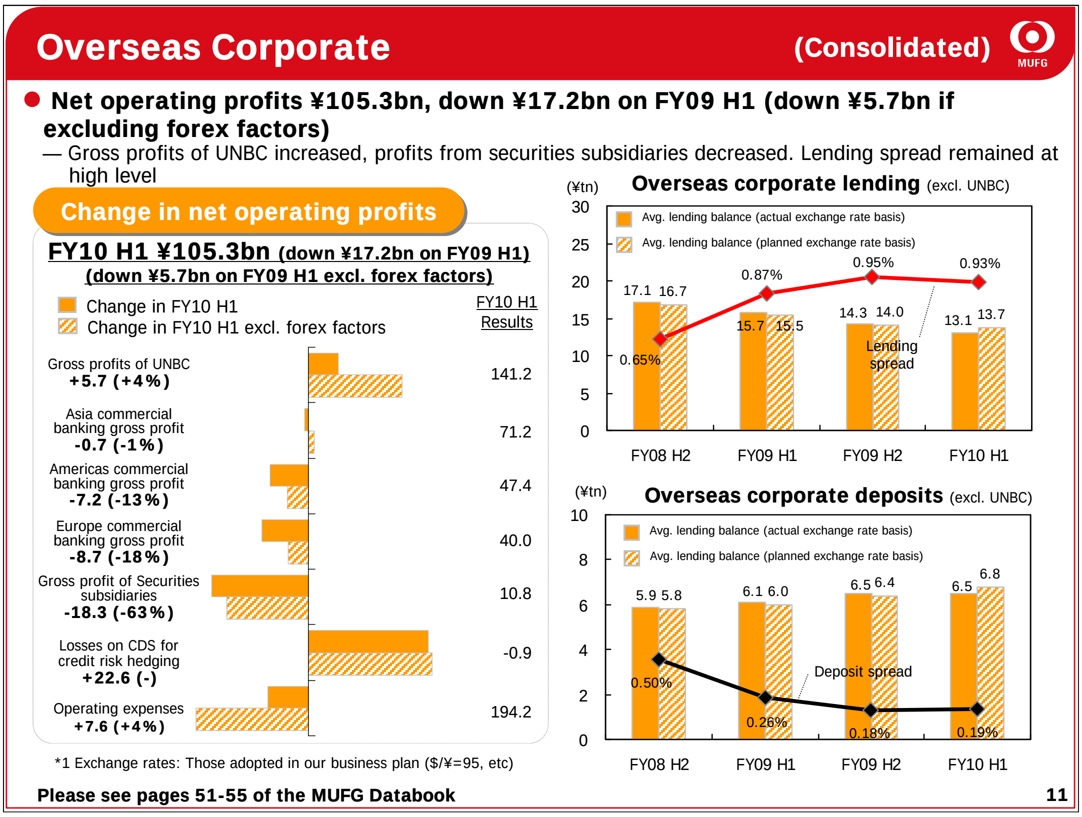
Please see pages 40-45 of the MUFG Databook

9

- ✓ First the Retail segment.
- ✓ Net operating profits declined by 19.7 billion yen to 205.7 billion yen.
- ✓ As you can see in the graph on the left, the main reasons for the decline in profits were lower consumer finance profits due to changes in the regulatory environment, and a decline in deposit income along with the decline in interest rates. On the other hand, sales of investment products, mainly investment trusts, grew strongly and profits were up 14.3 billion yen. Also we reduced G&A expenses by 24.4 billion yen amid a sluggish business environment to grow gross profits.



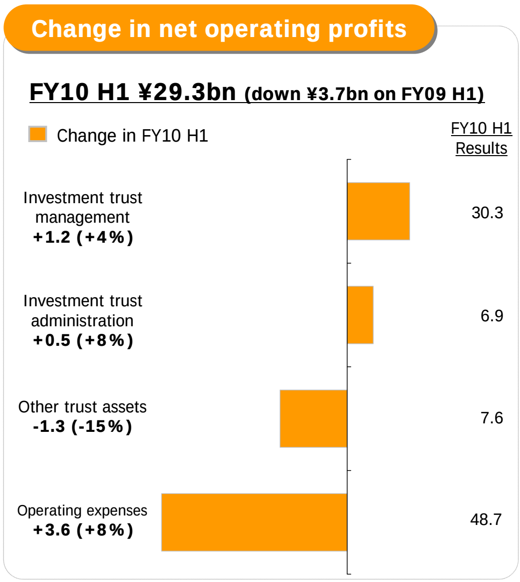
- ✓ Next is the Domestic Corporate segment.
- ✓ Net operating profits increased by 19.2 billion yen to 216.6 billion yen.
- ✓ As shown in the graph on the left, the main reason for the increase in profits is the improvement from the large loss recorded on CDS for credit risk hedging last year. Among core businesses in this segment, securities income and deposits income each declined in a tough market environment and against a background of declining interest rates. On the other hand, solutions businesses, particularly structured finance, continued to perform strongly. In addition, although our loan balance declined, this was largely offset by an improvement in spreads, and the decline in lending profits was small.
- ✓ If you look at the right hand graph you can see that the lending spread continued to increase, due in part to an improvement in the spread on new lending.

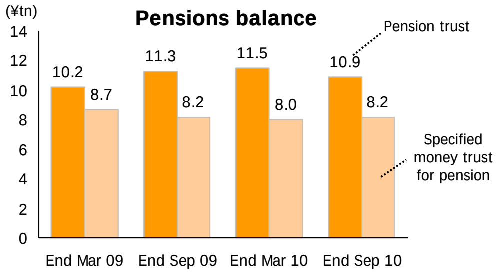


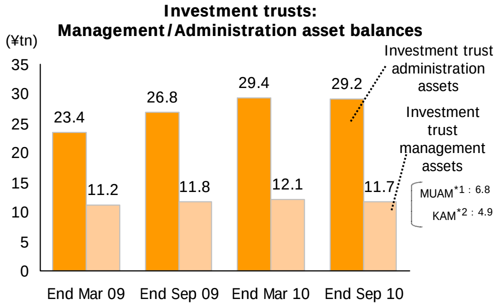
- ✓ Next is the Overseas Corporate segment.
- ✓ Net operating profits declined by 17.2 billion yen to 105.3 billion yen, but these figures include the effects of the strong yen. If we exclude currency effects, profits declined by 5.7 billion yen compared to the first half of last fiscal year.
- ✓ The improvement in losses on CDS for credit risk hedging and Union Bank were positive factors, while a tough market environment and higher yen contributed to declines in profits in the commercial banking business in Europe and the US, and in the securities business. Excluding currency effects, profits from business in Asia continued to grow.
- ✓ Also, as shown in the graph on the right, although the average loan balance declined by 1.2 trillion yen from the second half of fiscal 2009, 0.9 trillion of this decline was due to translation of amounts into yen following the rise in the yen. The lending spread continued at a high level and the deposit balance increased steadily.

Trust Assets (Consolidated)

- **Net operating profits ¥29.3bn, down ¥3.7bn on FY09 H1**
  — Net operating profits decreased due to higher operating costs for expanding investment management business, while gross profits of Investment trust related businesses increased







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

Please see pages 56-59 of the MUFG Databook

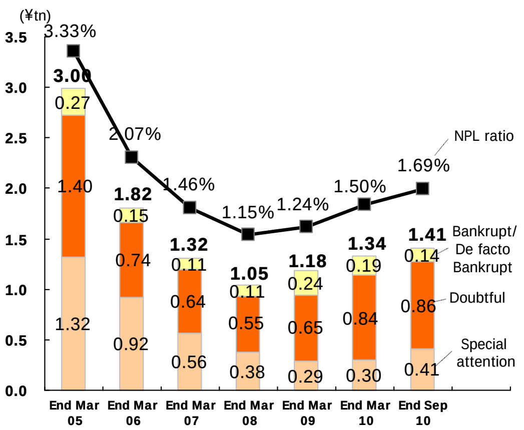
12

- ✓ Finally, Trust Assets.
- ✓ Net operating profits declined by 3.7 billion yen to 29.3 billion yen. Profits from asset management and asset administration were up, but along with expansion of our investment trust management business, operating expenses also increased, contributing to the decline in overall profits.
- ✓ The balance of assets under management declined slightly, affected by worsening market conditions.

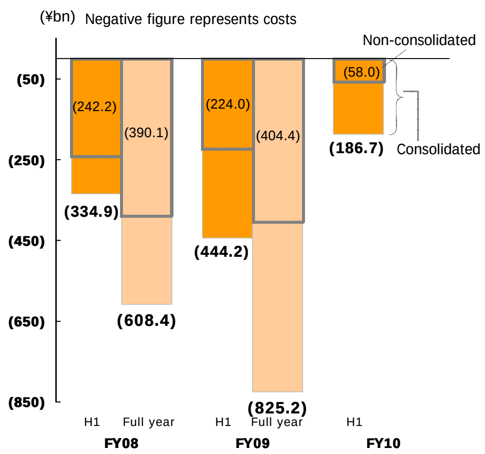
Loan assets (Consolidated / Non-consolidated)

- NPL ratio up by 0.19% from End Mar. 10 to 1.69% due to an increase in special attention category loans and an decrease in total loan assets, however still keeping at a low level
- Total credit costs of non-consolidated were ¥58.0bn and those of consolidated were ¥186.7bn

Balance of FRL disclosed loans (Non-consolidated)



Total credit costs



Please see pages 61-64 of the MUFG Databook

Holdings of investment securities (Consolidated)

- Total unrealized gains (losses) on securities available for sale decreased by ¥115.3bn from End Mar 10
- An increase in unrealized gains on Japanese government bonds and foreign bonds was more than offset by a decrease in those on domestic equity securities

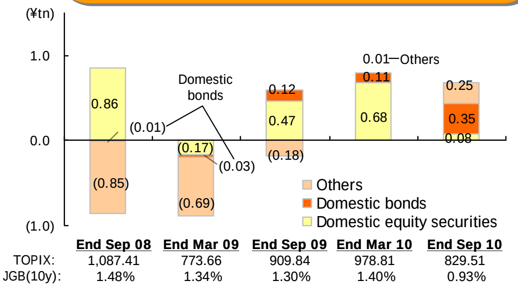
Breakdown of securities available for sale (with market value)

(¥bn)

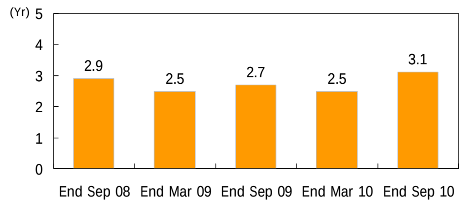
		Balance (End Sep.10)	Change from End Mar 10	Unrealized gains (losses)	Change from End Mar 10
1	**Total**	66,340.5	5,934.1	697.3	(115.3)
2	Domestic equity securities	3,538.0	(739.3)	87.9	(593.8)
3	**Domestic bonds**	46,896.5	3,519.8	353.6	236.5
4	Government bonds	42,564.3	3,816.2	279.5	199.6
5	**Others**	15,905.9	3,153.6	255.7	241.9
6	Foreign equity securities	261.8	(20.7)	64.3	(9.2)
7	**Foreign bonds**	13,931.5	3,228.9	278.9	201.6
8	**Others**	1,712.6	(54.5)	(87.4)	49.5

Please see page 65 of the MUFG Databook

Unrealized gains (losses) on securities available for sale



JGB Duration*1



*1 Non-consolidated

Capital

(Consolidated)

- **Total capital**
  - Tier1 Increased ¥0.18 tn from End Mar 10 mainly due to increases in retained earning, partially offset by an acquisition and cancellation of preferred shares
  - Total capital decreased ¥0.57 tn from End Mar 10 mainly due to redemption of subordinated debt and lower net unrealized gains
- **Risk-adjusted assets**
  - Decreased ¥6.02 tn from End Mar 10 mainly due to a decrease in corporate loans

<Adopted methods>

- Credit risk: AIRB
  (Advanced Internal Ratings-Based approach)
- Operational risk: TSA
  (The Standardized Approach)

- **Capital ratio : 15.24%**
  Tier 1 ratio : 11.57%

(¥bn)

		End Sep 09	End Mar 10	End Sep 10	Change from End Mar 10
1	Capital ratio	13.29%	14.87%	15.24%	0.37%
2	Tier 1 ratio	9.13%	10.63%	11.57%	0.93%
3	Tier 1	8,894.3	10,009.6	10,194.1	184.5
4	Capital stock and Capital surplus	3,518.8	4,559.9	4,311.6	(248.2)
5	Retained earnings	4,238.2	4,405.5	4,666.1	260.6
6	Tier 2	4,383.5	4,449.6	3,990.7	(458.8)
7	Net unrealized gains on other investment securities	185.1	362.7	296.5	(66.1)
8	Subordinated debt	3,751.5	3,684.6	3,323.6	(360.9)
9	Total capital	12,948.9	13,991.7	13,421.6	(570.0)
10	Risk-adjusted assets	97,368.2	94,081.3	88,054.3	(6,026.9)
11	Credit risk	89,902.3	85,292.7	79,345.9	(5,946.8)
12	Market risk	1,777.6	1,902.7	1,973.3	70.5
13	Operational risk	5,688.3	6,885.8	6,735.1	(150.6)

Please see page 69 of the MUFG Databook

FY2010 targets / dividend forecasts (Consolidated / Non-consolidated)

- **Revised upward FY2010 targets from ¥400.0bn to ¥500.0bn**

Earnings targets

[Consolidated]

		FY2010 Interim (results)	FY2010 Full Year (targets)	FY2009 Interim (results)	FY2009 Full Year (results)
1	Ordinary profits	**¥542.0 bn**	**¥900.0 bn**	**¥233.0 bn**	**¥545.6 bn**
2	Net income	**¥356.7 bn**	**¥500.0 bn**	**¥140.9 bn**	**¥388.7 bn**

[Non-consolidated]

(Bank of Tokyo-Mitsubishi UFJ)

		FY2010 Interim (results)	FY2010 Full Year (targets)	FY2009 Interim (results)	FY2009 Full Year (results)
3	Net business profits	**¥544.5 bn**	**¥970.0 bn**	**¥408.0 bn**	**¥863.1 bn**
4	Ordinary profits	**¥394.4 bn**	**¥660.0 bn**	**¥125.0 bn**	**¥407.8 bn**
5	Net income	**¥282.3 bn**	**¥450.0 bn**	**¥130.7 bn**	**¥342.6 bn**

(Mitsubishi UFJ Trust and Banking)

		FY2010 Interim (results)	FY2010 Full Year (targets)	FY2009 Interim (results)	FY2009 Full Year (results)
6	Net business profits	**¥76.2 bn**	**¥150.0 bn**	**¥52.9 bn**	**¥110.2 bn**
7	Ordinary profits	**¥62.8 bn**	**¥110.0 bn**	**¥35.3 bn**	**¥53.2 bn**
8	Net income	**¥41.5 bn**	**¥70.0 bn**	**¥24.7 bn**	**¥67.2 bn**

Dividend forecasts

		FY2010 Interim	FY2010 Year-end (forecasts)	FY2010 Annual (forecasts)	FY2009 Interim (results)	FY2009 Year-end (results)	FY2009 Annual (results)
9	Dividend per common share	**¥6**	**¥6**	**¥12**	**¥6**	**¥6**	**¥12**

16

- ✓ The slide shows our earnings targets and dividend forecasts for this fiscal year.
- ✓ As I have just explained, our interim results were higher than our initial target. However, currently there are a number of uncertainties in the outlook, including fears of an global economic slowdown and concerns over the environment for the consumer finance business in Japan.
- ✓ Considering this overall situation we have revised up our full year consolidated net income target to 500 billion yen.
- ✓ Regarding the dividend on common shares, we expect to pay a total of 12 yen per share for the fiscal year as we originally planned, comprising the 6 yen interim dividend and a 6 yen year-end dividend.

MUFG

Introduction

Outline of Fiscal 2010 Interim Results

Initiatives for achieving mid-term business plan

17

Management policy

MUFG

- **Further accelerate growth strategies in second half of the medium-term business plan**

FY2009 | **FY2010** | **FY2011**

Risk management and enhancement of core business fundamentals

1. Act on anticipated new regulatory capital requirements
2. Improve operational efficiency
3. Reduce strategic equity holdings
4. Maintain stable shareholder returns

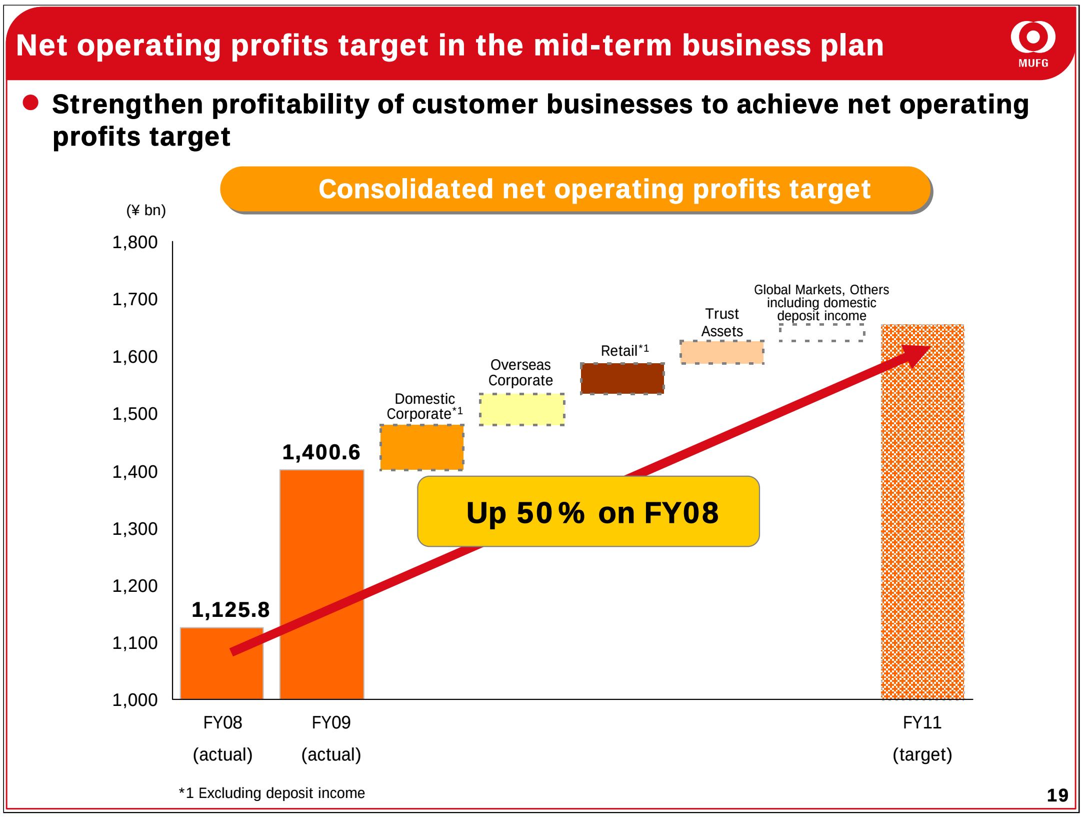
Growth acceleration

1. **Pursue growth in priority business areas**
2. **Maintain and improve operational efficiency**
3. **Reduction of equity holdings**
4. **Maintain and enhance capital base**
5. **Increase shareholder value**
   —Maintain stable shareholder returns/Enhance shareholder returns

18

✓ Our three-year medium term plan started in April last year, and from October 2010 we entered the second half of the plan period.

✓ This second half is a key period for achieving our plan objectives. Despite expectations that the tough economic environment will continue we are changing gear from a defensive to a proactive stance and we plan to further accelerate our growth strategy.



- ✓ One of key objectives in our medium term plan is to grow our net operating profits in fiscal 2011 by 50% compared with the approximately 1.1 trillion yen recorded in fiscal 2008.
- ✓ Even though the trends in interest rates have been quite different from our initial expectations, we aim to cover the shortfall in deposit income with income from markets business and to steadily strengthen profit generation in each of our customer businesses.

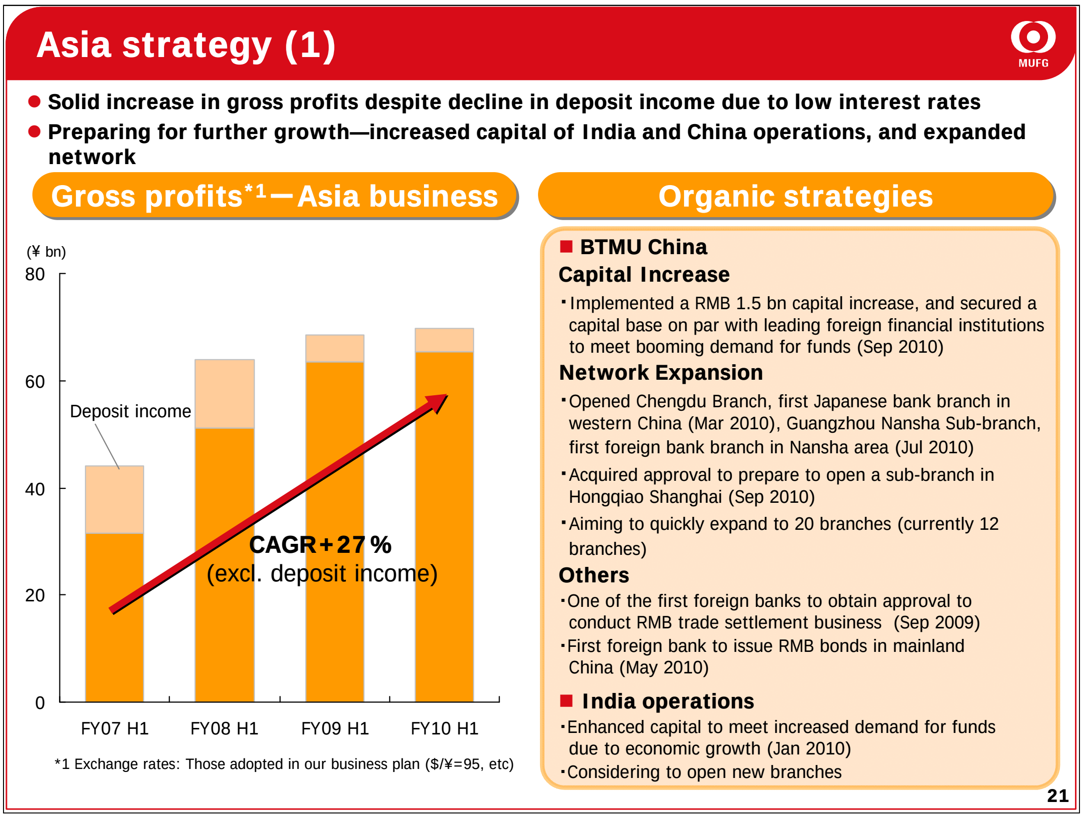
Priority business areas

- **Corporate**
  - ✓ Asia, North America
  - ✓ CIB
    - ~Strategic alliance with Morgan Stanley
    - ~Promotion of project finance
- **Retail**
  - ✓ Segment-based strategy
    - ~Investment product sales
- **Trust Assets**
  - ✓ Global asset management

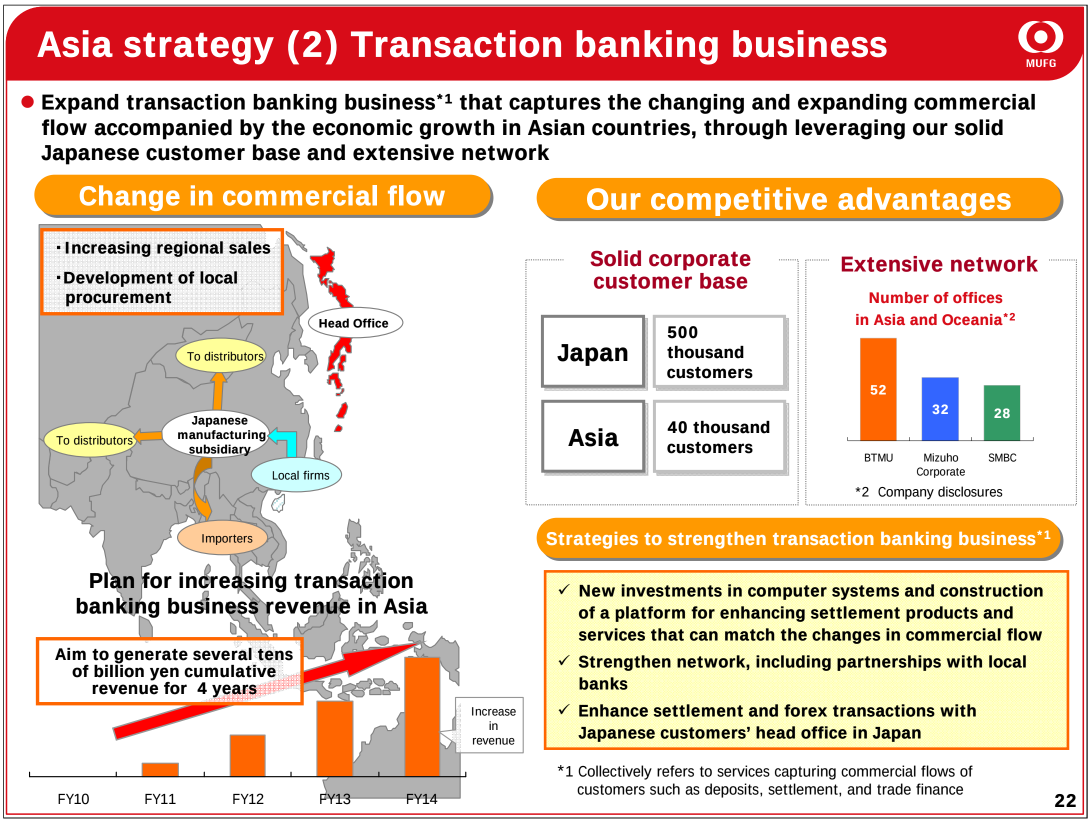
20

✓In our business strategy, we plan to leverage MUFG's key strengths such as integrated group capabilities and strong customer base, and focus on promoting growth areas.

✓I will now explain our strategy in each of these priority business areas.



- ✓ Among overseas markets, our key focus is Asia where expectations for growth are high.
- ✓ As you can see in the chart on the left, our profits in Asia are growing steadily, overcoming the fall in deposit income resulting from the decline in interest rates.
- ✓ On the right of the slide you can see that in the first half of the fiscal year we also made steady progress for future growth. First, in China we increased capital at BTMU China by RMB 1.5 billion responding to the buoyant local demand for funds. As a result BTMU China has maintained its capital base on a par with other leading foreign financial institutions in China.
- ✓ Also, we are strengthening our network in China. In July we opened a new sub-branch in Nansha, Guanzhou Province, and we obtained approval to prepare for establishing a sub-branch in Hongqiao in Shanghai. Currently, BTMU has a network of 12 branches and offices in China and we aim to raise this number to 20 as soon as possible.
- ✓ In rapidly-growing India we also increased our capital to meet the growing demand for funds and we are considering opening further branches there.

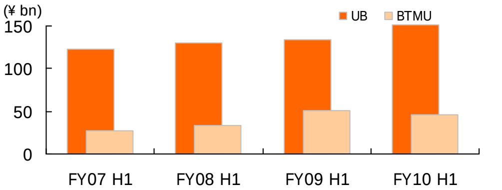


- ✓ One of our strategic approach to the fast-growing Asian markets is to focus on transaction banking business.
- ✓ Transactions within Asian countries are becoming more and more active as the commercial flows of Japanese companies shift from flows that link the local market and Japan, to expansion of sales in local markets and increased local sourcing.
- ✓ We are leveraging our key strengths, our strong business base with Japanese companies and the leading overseas network among Japanese banks, to offer enhanced settlement products and to collaborate with local financial institutions in Asia while strengthening settlement business with their domestic headquarters.
- ✓ In these ways we aim to strengthen our deposit, settlement, trade finance and other businesses. The contribution of these efforts in our current medium-term plan period will be limited but in the following mid-term plan period we expect these initiatives to contribute several tens of billions of yen to income.

North America strategy

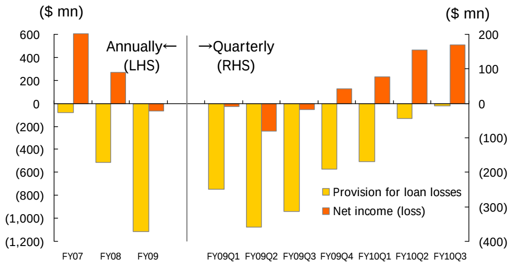
- **Solid gross profits of BTMU, mainly in business with non-Japanese customers, UB results improved steadily on lower credit costs**
- **Accelerating growth through acquisition, stronger ties between BTMU and UB**

Gross profits*1 — BTMU North America



*1 Exchange rates: Those adopted in our business plan ($/¥=95, etc)

Financial results of UB



Key points of North America strategy

■ Stronger ties between BTMU and UB

- Began joint marketing, using the MUFG brand name in project finance for electric power and other areas (Feb 2010)
- Ranked 1st in Americas project finance Jan-Sep 2010

Americas project finance league table (Jan-Sep 2010)

Rank	Mandated Arrangers	Origination volumes ($mn)	No. of Projects
1	MUFG	2,238	26
2	Credit Agricole	1,190	18
3	Mizuho FG	871	10

Source: Thomson Reuters

■ Non-organic growth

- UB acquired the assets and liabilities of Tamalpais Bank, California and Frontier Bank, Washington in a purchase and assumption agreement with the Federal Deposit Insurance Corporation (FDIC) (Apr 2010)
- Actively consider quality investment opportunities

23

- ✓ I will now explain our strategy in North America.
- ✓ As shown in the graph on the upper left, BTMU's profits in North America are resilient, particularly in our business with non-Japanese customers. The recovering trend in net income at Union Bank is also becoming clear as gross profits increase due to higher securities investment income accompanying an increase in deposits and as credit expenses have been decreasing since the peak in the second quarter of last year, which is shown on the graph on the lower left.
- ✓ Reflecting these trends and other factors, our basic strategy in North America is to pursue our growth strategy focused on BTMU and Union Bank.
- ✓ One of initiatives is the strengthening of links between BTMU and Union Bank. In February this year, BTMU and Union Bank began joint marketing under the MUFG brand for electric power and other project finance mandates. As a result, in the North America project finance league tables for the first nine months of 2010, MUFG was ranked No. 1 by a wide margin over the second ranked bank. We aim to further strengthen collaboration and further expand MUFG's presence in the US market.
- ✓ We are also pursuing a non-organic growth strategy. In the first half of the year Union Bank formed a platform for future growth and strengthened its branch network and customer base through the acquisition of Tamalpais Bank and Frontier Bank. Looking ahead we will actively consider further high-quality investment opportunities that will contribute to growth.

Global strategic alliance with Morgan Stanley (1) Domestic

MUFG

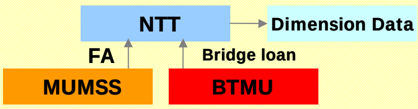
- **Established two securities joint ventures in Japan to leverage each firm's network and client base**
- **Aim to become No.1 in Japan in primary investment banking services including M&A, equity and debt**

Major investment bank deals

<Acquisition of major South African IT firm, Dimension Data Holdings by NTT>

-- Announced in Jul 2010 and still in process
-- Deal totaling approx. £2.12 bn

- Morgan Stanley acted as NTT's financial advisor and thoroughly supported NTT by leveraging its global reach
- BTMU offered bridge loan facility to NTT



<Acquisition of Unicharm PetCare and issuance of convertible bonds by Unicharm>

1) Acquisition of Unicharm PetCare (June 2010)
- Deal totaling ¥63 bn
- Morgan Stanley acted as Unicharm's financial advisor
- BTMU solely offered bridge loan facility to Unicharm

2) Issuance of convertible bonds (CB)
- Issued ¥80.5bn Euro-yen-CB for M&A funding
- Morgan Stanley acted as joint bookrunner

League table

M&A				(Apr 10 to Sep 10)
Rank	FA	#	Amount ($mn)	Share(%)
1	Nomura	55	39,436	58.0
2	JP Morgan	13	26,470	38.9
3	Daiwa	29	16,801	24.7
4	**MUMSS**	**31**	**15,259**	**22.4**

Any Japanese Involvement Announced excluding real estate

Equity total				(Apr 10 to Sep 10)
Rank	Book runner	#	Amount (¥bn)	Share(%)
1	Nomura	25	576.7	29.3
2	Mizuho Securities	13	383.1	19.5
5	**MUMSS**	**21**	**186.0**	**9.5**

Equity total : PO (Demestic + Overseas) + CB

Domestic Debt total				(Apr 10 to Sep 10)
Rank	Book runner	#	Amount (¥bn)	Share(%)
1	Mizuho Securities	153	1,487.3	20.5
2	**MUMSS**	**137**	**1,456.6**	**20.1**
3	Nomura	128	1,318.7	18.2

Demestic Debt total : SB + Agency bonds + Municipal Bonds

Source: Calculated by MUMSS based on Thomson Reuters data

24

- ✓ Next is our strategic alliance with Morgan Stanley.
- ✓ First I will discuss our collaboration in our securities business in Japan.
- ✓ Reflecting the global financial regulatory environment, and in order to leverage the networks and customer bases of MUFG and Morgan Stanley to the maximum, we decided to develop our securities business in Japan through a two-company joint venture structure. In May 2010, the two new securities companies commenced business.
- ✓ The securities business is operating in a very tough financial market environment, but despite that we are steadily progressing our collaboration.
- ✓ For example, in NTT's acquisition of a South African IT business, Morgan Stanley acted as financial advisor to NTT, while BTMU provided the loan facility for the transaction. We also collaborated in a similar way in the acquisition of Unicharm PetCare by Unicharm.
- ✓ Looking ahead we aim to be Japan's leader in M&A, equities, bonds, and other major product areas of investment banking.

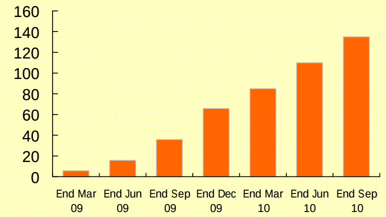
Global strategic alliance with Morgan Stanley (2) Overseas

MUFG

● **Steady progress in overseas corporate finance through strategic alliance**

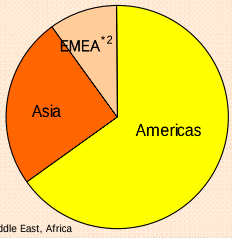
Cooperation with Morgan Stanley

(1) Cumulative number of deals*1



*1 MUFG figures, including mandates won

(2) Cumulative number of deals by region



*2 Europe, Middle East, Africa

Regional alliances

U.S.
・**Large acquisition by a commercial fertilizer producer (Apr 2010)**
Acted together as joint lead arrangers and fully underwrote $4.05 bn syndicated loan for large acquisition finance

EMEA
・**Commodity related trade finance for a UK oil production company（May 2010）**
Agreed a structured trade finance deal with commodity customers of MS (commodity-backed export advance)

ASIA
・**Finance for acquisition of African business by major Indian mobile phone company（June 2010）**
BTMU acted as MLA for $7.5 bn large acquisition finance syndicated loan, MS was a joint financial advisor for the buyer

Union Bank - MS collaboration

・**Started sales of Union Bank's investment and trust products to Morgan Stanley customers**

25

- ✓ Our collaboration in overseas corporate finance with Morgan Stanley has already resulted in 135 deals.
- ✓ Specific deals in the Americas include an acquisition by US chemical fertilizer maker CF Industries, while in Europe we were involved in arranging a structured trade finance deal for a UK oil company, and in Asia we participated in the acquisition finance for a major Indian mobile phone company.
- ✓ In the US we have also started an arrangement through which Union Bank's investment and trust products are sold to retail customers of Morgan Stanley Group.

Promotion of project finance

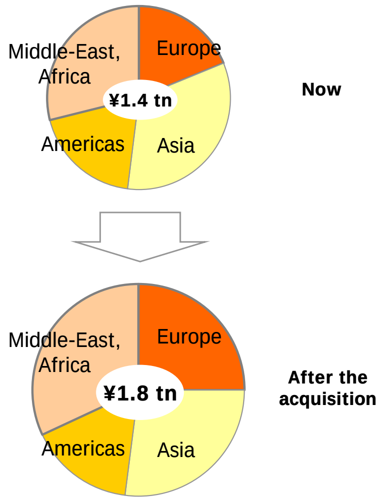
MUFG

- **Expand our presence in project finance in EMEA, the world largest project finance market, through acquisition of project finance assets from RBS**

Acquisition of project finance assets from RBS

Size of loan assets to be acquired	✓ **GBP 3.8 billion (approx. JPY 500 billion)**
Loan portfolio	✓ **Natural resources, power and other infrastructure assets in EMEA (Europe, Middle-East and Africa)**
Treatment of relevant employees of RBS	✓ **Transfer of certain employees to BTMU**
Definitive agreement	✓ **Expected to be reached and binding documentation signed before the end of 2010**

<Project finance loan portfolio of BTMU>



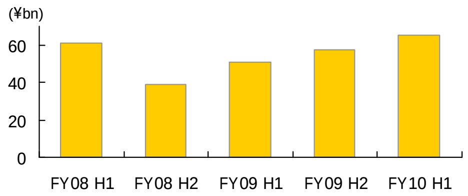
26

- ✓ Next is our progress in project finance. We recently announced an agreement to buy project finance assets from RBS of the UK.
- ✓ The size of loans we will acquire is around 3.8 billion pounds, or about 500 billion yen, and the portfolio is made up of loans to resources, electric power and other infrastructure related projects in Europe, the Middle East and Africa. We will also take on some project finance staff from RBS.
- ✓ Europe, the Middle East and Africa region is the world's largest project finance market and an area where buoyant future demand for infrastructure is expected. MUFG is already number one in the Americas project finance market, and by making this acquisition we aim to become the top project finance bank in Europe, the Middle East and Africa.

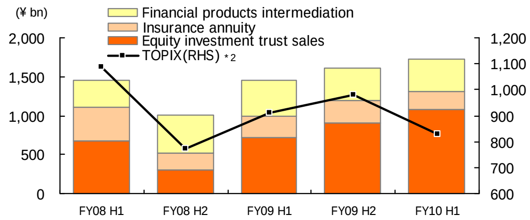
Investment product sales

- **Continued growth in income from investment products, driven by strong investment trust sales**
- **Aim to further grow income through further intra-Group collaboration**

Income from investment products



Investment products sales*1



*1 Managerial accounting basis
*2 Closing price base

Group measures to strengthen 'Total Asset Sales'

BTMU

✓ **Increase staff on Retail Money Desk*1**
-50 staff seconded from MUMSS to give total of 470 staff

✓ **Assigned Total Asset Advisor*2**
-Large increase in private banking specialist staff who assess customer assets, advise on inheritance, etc.
-assigned more specialists to branch network

MUTB

✓ **Increase staff for Total Asset Sales and Consulting**
-Training around 100 staff per year
-Leveraging trust capabilities to make broad proposals covering investment products, inheritance, real estate

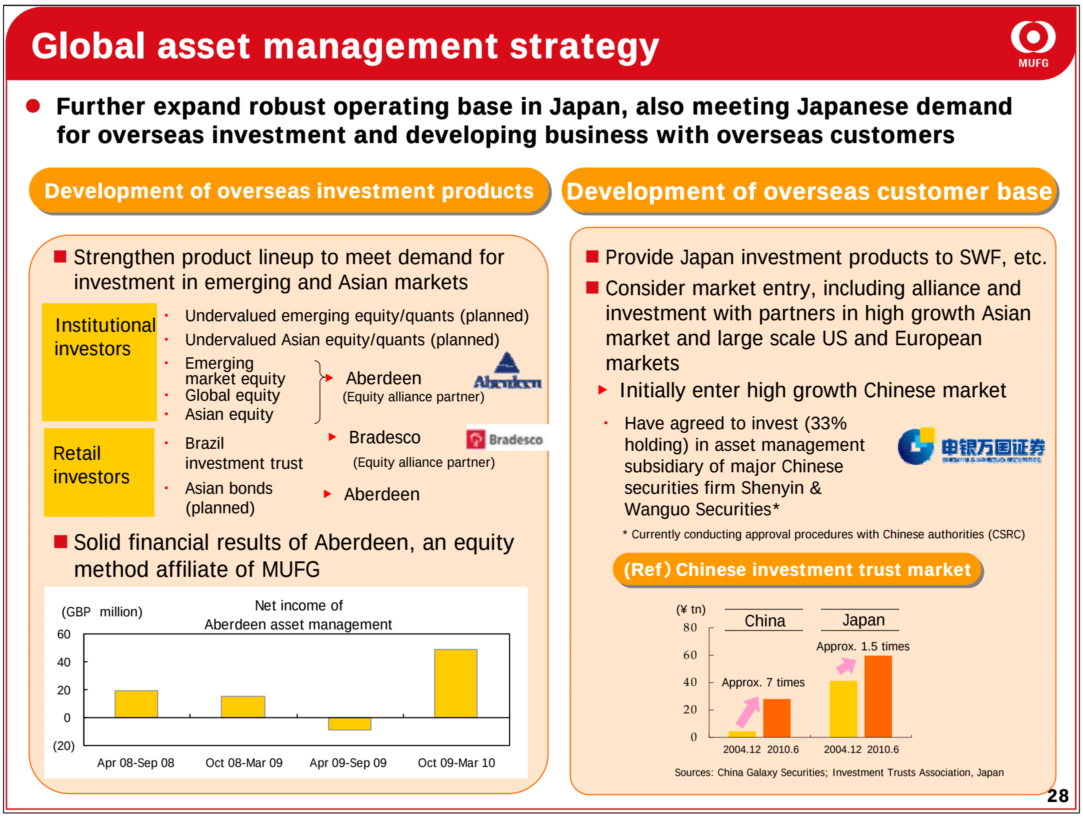
MUMSS

✓ **PB Consultants*3 assigned to branches**
-Link with BTMU Retail Money Desk to promote business with company owners

*1 A team of experts with high level investment product sales expertise. As of Sep 30, 2010 assigned to 50 locations in Japan
*2 A team with specialist knowledge of overall assets including wills and trusts, assigned to use their skills to promote sales targeting overall customer assets. As of Sep 30, 2010, 56 assigned, plan to steadily increase numbers
*3 Expert and knowledgeable private banking and investment product sales officers. To be newly assigned to 7 domestic locations in Nov. 2010

27

- ✓ In our Retail business, one of the pillars of our growth strategy is to strengthen our sales of investment products through capturing the flow of Japanese retail customers' funds from savings to investments.
- ✓ As I showed earlier, our profits from the sales of investment products are currently on a firm growth trend, driven by the sale of investment trusts.
- ✓ In this business our integrated Group capabilities are a key strength and in the future we aim to enhance group collaboration to grow profits further. At BTMU we have Retail Money Desks at 50 locations throughout Japan. These are specialist teams involved in the sales of investment products and include around 420 staff seconded from Mitsubishi UFJ Morgan Stanley Securities. We are planning to increase this number by 50, to 470 seconded staff.
- ✓ Also, at Mitsubishi UFJ Morgan Stanley Securities we have newly assigned PB Consultants to handle the business of high-net-worth customers with financial assets of more than 300 million yen. These staff will also cooperate with BTMU's Retail Money Desks to promote business with company owners.



- ✓ The asset management business is also expected to grow amid the flow of Japanese retail funds from savings to investments. MUFG’s balance of assets under management is around 40 trillion yen and represents a robust business base in the domestic market.
- ✓ Our strategy is to further expand our presence in the domestic market, while also strengthening our approach on a global basis.
- ✓ In Japan, our customers’ demand for investment products in growing countries has been increasing, and we have responded to this by expanding investments and alliances with overseas asset managers. For example, we are already providing our corporate customers with overseas investment products from UK firm Aberdeen Asset Management, which we made an equity-accounted affiliate in November last year, and we now plan to introduce their Asian bond funds to retail investors in Japan.
- ✓ The development of our overseas customer base is also an important theme, and in August of this year we agreed to make an investment in the asset management subsidiary of a major Chinese securities firm Shenyin and Wanguo Securities. Looking ahead, we will consider further organic and non-organic growth opportunities, including participation in the high-growth Asian market as well as the large-scale US and European asset management markets.

Addressing key issues

- Consumer finance
- Maintain and improve operational efficiency
- Reduction of equity holdings
- Maintain and enhance capital base

29

✓ I will explain how we are tackling these four key management issues in the order shown on the slide.

Consumer finance

MUFG

- **Despite a continuing tough environment, both ACOM and MU NICOS stayed profitable at the underlying earnings level by reducing G&A expenses**
- **Nurturing sound consumer finance market on a group-wide basis**

Acom, MU NICOS results

(¥bn)

ACOM

		FY08 H2	FY09 H1	FY09 H2	FY10 H1
1	Operating revenue	155.8	141.7	137.0	128.7
2	Operating expenses	156.2	133.6	139.0	155.4
3	G&A expenses	63.5	52.6	49.8	42.9
4	Interest repayment related expenses*1	32.5	8.7	49.6	68.4
5	Operating income	(0.3)	8.0	(2.0)	(26.6)
6	Underlying earnings (4+5)	32.2	16.7	47.6	41.7
7	Net income	(12.2)	2.4	(9.6)	(43.8)
8	Guaranteed receivables	115.7	313.5	317.2	324.9
9	Unsecured consumer loans	1,137.0	1,144.1	1,074.8	982.6
10	Share of loans*2	19.2%	21.6%	23.5%	28.0%

*1 Provision for loss on interest repayment
*2 Source: Japan Financial Services Association (Latest figures as of Sep 30, 2010 on preliminary basis)
Acom unsecured consumer loan balance (non-consolidated)/Consumer finance industry loan balance

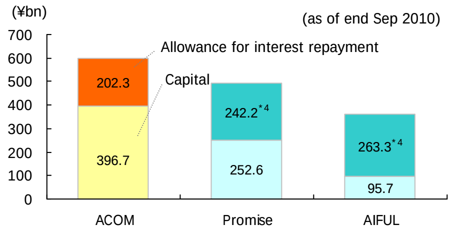
(¥bn)

MU NICOS

		FY08 H2	FY09 H1	FY09 H2	FY10 H1
1	Operating revenue	177.4	165.5	160.9	152.0
2	Card shopping	72.5	69.8	73.0	71.9
3	Operating expenses	178.9	194.3	177.5	158.8
4	G&A expenses	121.9	117.1	112.9	108.0
5	Interest repayment related expenses*3	20.3	28.4	19.9	13.3
6	Operating income	(1.5)	(28.8)	(16.6)	(6.8)
7	Underlying earnings (5+6)	18.8	(0.4)	3.3	6.5
8	Net income	0.8	(10.4)	(35.8)	(7.0)

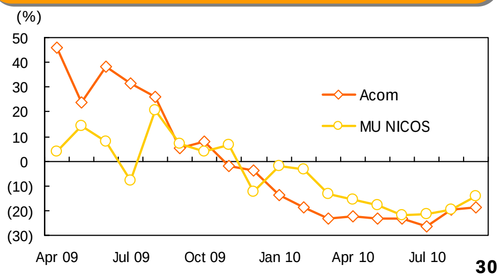
*3 Total of expenses for transfer to allowance for losses from reimbursement of loan payments and related expenses included in bad debt related expenses

Capital and allowance for interest repayment



Source: Company disclosure
*4 Including allowance for credit losses (applied to the principal)

YoY Change in requests for interest repayment



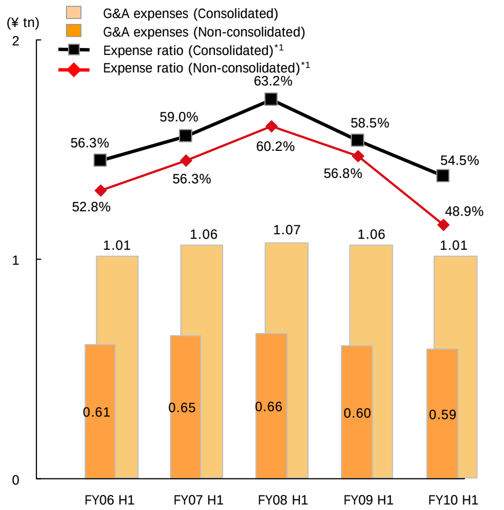
- ✓ First, consumer finance.
- ✓ Requests for the repayment of interest charged continue at a high level and the operating environment for the consumer finance business remains difficult. During the interim period ACOM and NICOS both recorded net losses, mainly due to increased provisions for losses on interest repayment. It is also possible that the trend of interest repayment demands will become more pronounced, due to the effects of full implementation of the revised money-lending law in June and the bankruptcy of Takefuji, so the situation must be very carefully monitored. However, as shown in the graph on the upper right, ACOM has 400 billion yen of capital and 200 billion yen of provisions, so we believe that they should be able to handle the situation with their own resources.
- ✓ Also, as shown in the table on the left, ACOM and NICOS have implemented cost reductions in response to the decline in business volume and as a result have managed to make an operating profit before expenses for interest repayment. In other words they are in the black at the underlying earnings level and they are getting their operations in order, so that they can be profitable when the repayment of interest problem has passed .
- ✓ Although the consumer finance market in Japan is shrinking, as you can see on Line 10 of the table on the upper left, ACOM's market share is expanding.
- ✓ Difficult market conditions are expected to continue for some time, but through developing a healthy consumer finance business, our Group aims to appropriately meet the needs of its customers.

Maintain and improve operational efficiency

MUFG

- **Decreased non-consolidated G&A expenses by ¥13.2 bn and consolidated expenses by ¥42.6 bn by achieving system integration in Dec 08 and improvement of operational efficiency**
- **Improving overall operational efficiency further while allocating resources to key areas**

G&A expenses



*1 Expense ratio = G&A expenses / Gross profits (before credit costs for trust accounts)

Outlook: Key points

■ **Operational reform project "FACE*1"**

・Enhance customer convenience through project to reform operations (automation; remove need for personal seals and passbooks, etc.), while increasing efficiency and reducing operating expenses (BTMU)

*1 Financial Architecture for Customer Experience

■ **Reduce HQ staff**

・Reductions proceeding in line with plan

・Reallocate staff to strategic areas

	HQ staff reduction targets	% achieved (End Sep 2010)
BTMU	**30% reduction** (around 2,000 staff)	**58%**
MUTB	**15% reduction** (around 250 staff)	**66%**
MUMSS	**20% reduction** (around 400 staff)	**51%**

31

✓ Next, I would like to mention improved operational efficiency.

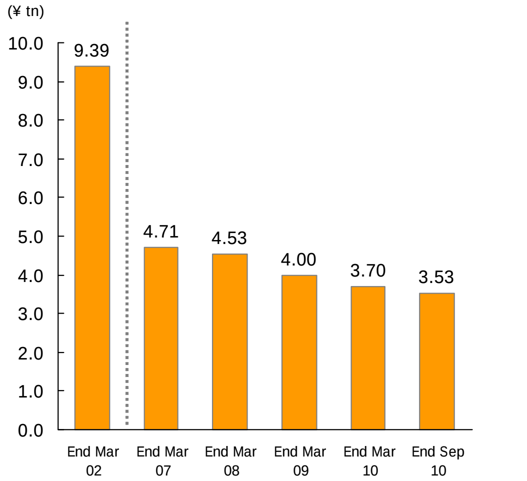
✓ In the first half of this fiscal year, through group-wide efforts to reduce costs as well as by realizing the benefits of systems integration, we reduced costs on a non-consolidated basis by 13.2 billion yen, and by 42.6 billion yen on a consolidated basis compared to the first half of last year. As a result the expense ratio declined significantly, to 48.9% on a non-consolidated basis and 54.5% on a consolidated basis.

✓ Looking ahead we will continue to strive to improve operating efficiency by pursuing our operations reform project at BTMU, reducing headquarters staff at our bank, trust bank and securities company, and other measures. At the same time we plan to accelerate our growth strategy by actively committing resources to priority areas.

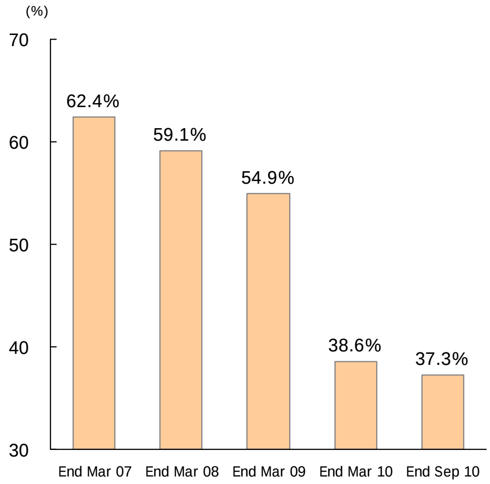
Reduction of equity holdings (Non-consolidated)

- **Reduced equity holdings by ¥ 157 bn in FY10 H1, ratio of equity holdings to Tier 1 capital declined to 37.3%**
- **Continue to reduce equity holdings to minimize stock price fluctuation risk on capital**

Equity holdings (acquisition price)*1



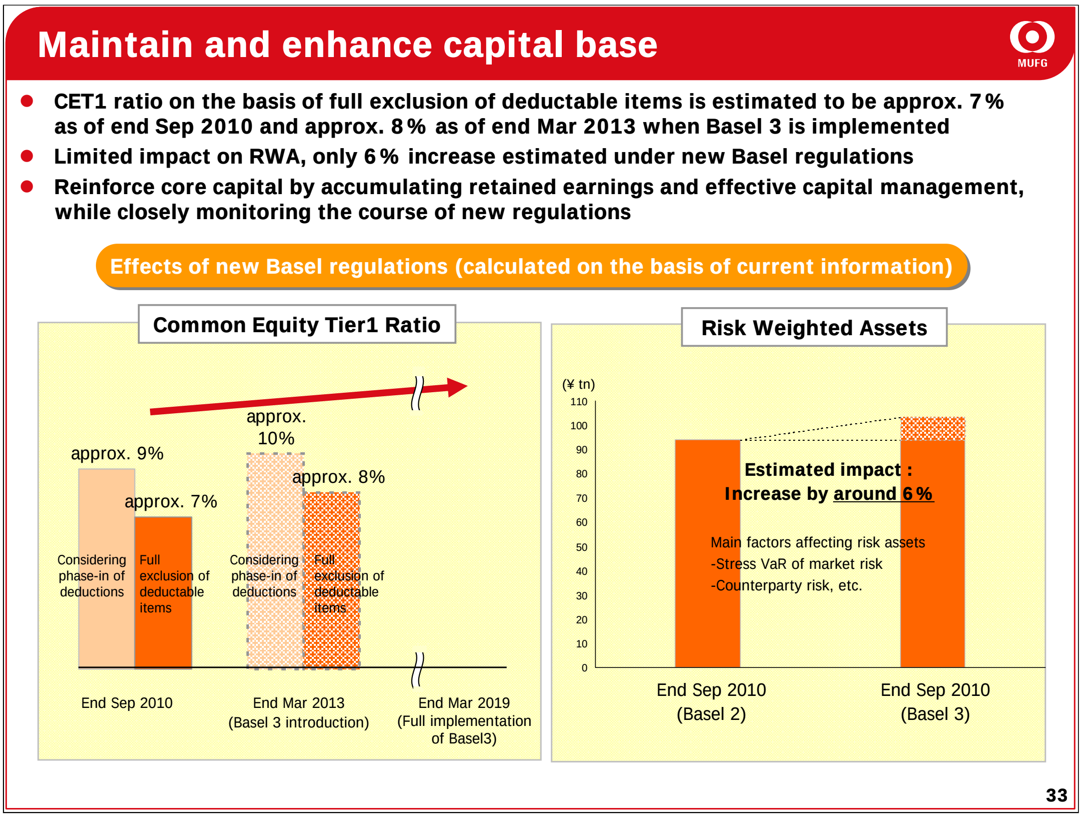
Ratio of equity holdings*1 (acquisition price) to Tier 1 capital*2



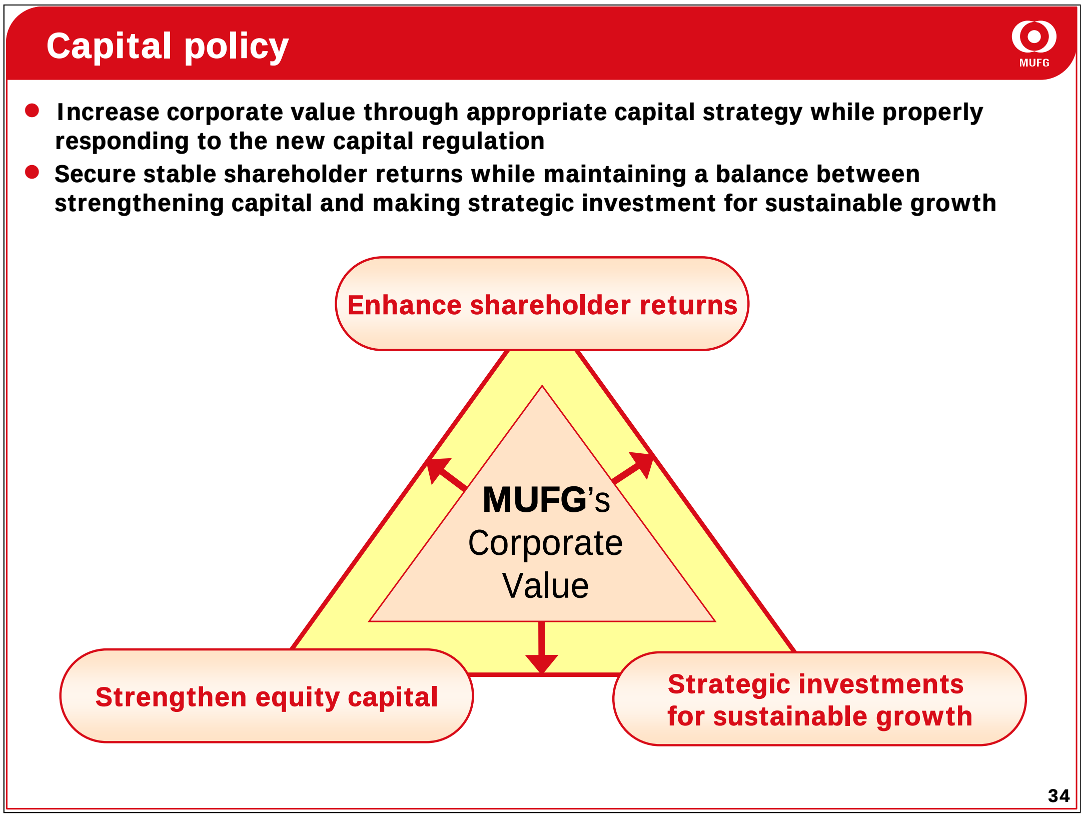
*1 Acquisition price (after impairment) of domestic equity securities in the category of "other securities" with market value (Non-consolidated)
*2 Tier 1 Capital (Non-consolidated)

32

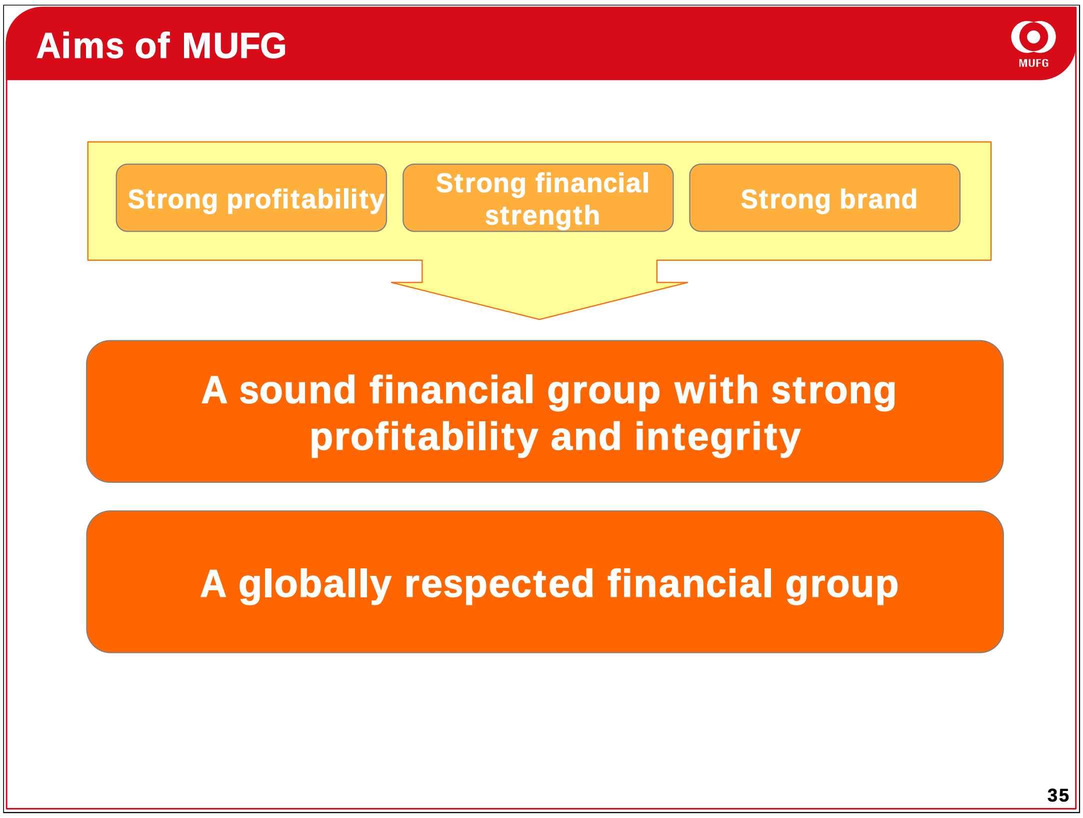
- ✓ Since last fiscal year we have renewed our efforts to reduce our equity holdings.
- ✓ During last fiscal year we sold 270 billion yen of equity holdings and in the first half of this fiscal year we have sold a further 157 billion yen worth. Our ratio of equity holdings to Tier 1 capital has declined to the 37% level.
- ✓ In the future, in order to limit the effects of changes in share prices on our capital, we will continue to work to further reduce our equity holdings.



- As regards the status of deliberations on the new capital regulations, I am sure you are all aware that in September central bank governors and the heads of banking regulatory authorities reached agreement on the level of minimum required capital and the timing of introduction, and the framework of regulation was endorsed by the recent G20 meeting.
- The left hand graph shows the calculation of MUFG's Common Equity Tier 1 ratio. As you can see, on this basis our Common Equity Tier 1 ratio under the new regulations after fully excluding deductable items was around 7% at the end of September this year. Assuming that our net income and dividends continue at around the level expected for this fiscal year, the ratio is expected to be around 8% when the new regulations are introduced at the end of March 2013.
- Some US and European banks have announced that under the new regulations their risk-weighted assets will increase by a large amount and so some people may have concerns that the risk-weighted assets of Japanese banks will also increase significantly. However, regarding MUFG, as shown on the right side of the slide we calculate that the increase in risk-weighted assets due to the introduction of new regulations will be around 6%.
- Of course details of the regulations have not yet been finalized so there is some room for adjustment in this calculation; nevertheless, we believe that the effects of the new regulations on the level of our risk-weighted assets will be limited.
- As agreement on the surcharge to be borne by global banks and other items of the new regulations have yet to be reached, we will continue to carefully monitor the deliberations on new regulations and fortify our core capital through accumulating retained profits and effective management of capital.



✓ As we have said previously, in our capital policy we believe it is important to strike a balance between the three priorities shown on the slide. We aim to secure stable shareholder returns, while maintaining a balance with strengthening capital and making strategic investments for sustainable growth.



- ✓ We expect the tough operating environment to continue, but even in these difficult times we will leverage our strengths: MUFG's integrated financial capabilities; our broad customer base; and our strong domestic and overseas networks, to accelerate our growth strategy and enhance shareholder value.
- ✓ With a commitment to strong profitability and integrity backed by our considerable earning power, robust financial position and strong brand, MUFG aims to become a globally respected leading financial group, and all of our executives and employees will join forces towards the attainment of this goal.
- ✓ Thank you very much for your time and attention.

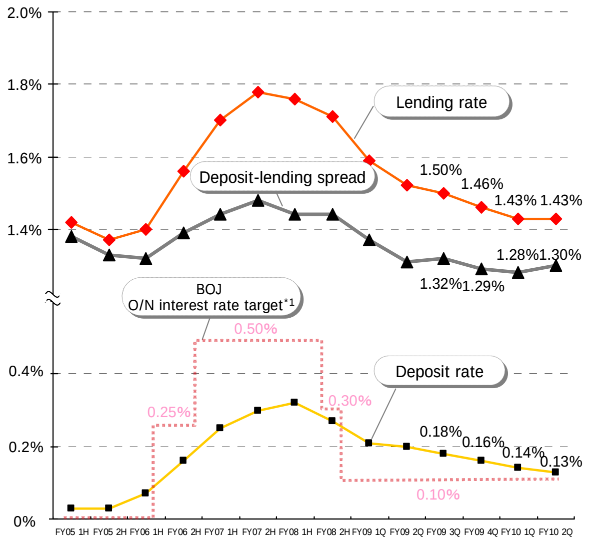
Appendix

Quality for You MUFG

Domestic deposit / lending rates (Non-consolidated)

● **Deposit / lending spread in FY10 2Q was 1.30%, slightly up from FY10 1Q**

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



*1 Before Mar 06, during quantitative easing : Actual O/N interest rate

Interest rate changes

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

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

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

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

April 1, 2009
Variable rate on new housing loans :
⇒ Changed based on the long-term lending rate linked to short-term prime rate as of March 1

July 1, 2009
Variable rate on existing housing loans :
⇒ Changed based on the long-term lending rate linked to short-term prime rate as of April 1

September 6, 2010
Interest rate on ordinary deposits: 0.040% ⇒ 0.020%

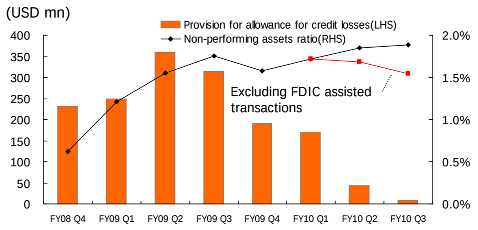
UNBC (1) Financial results

- **Posted $169 mn net income in FY10 Q3 due to increased gross profits and decreased credit costs**
- **NPA ratio declined for 2 consecutive quarters**

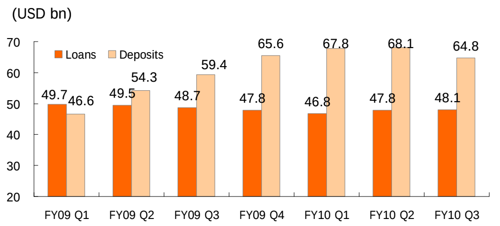
Business performance

(USD mn)	FY09	FY10 Q1	FY10 Q2	FY10 Q3	FY10 YoY change
Gross Profits	2,987	786	847	838	90
Noninterest Expenses	2,088	524	584	562	56
Net Business Profits	899	262	262	275	33
Provision for allowance for credit losses	1,114	170	44	8	(306)
Net Income / loss	(64)	77	153	169	186
Net Income / loss (excluding integration related cost (profits), discontinued operations)	(5)	89	162	178	184

Provision for allowance for credit losses, NPA ratio

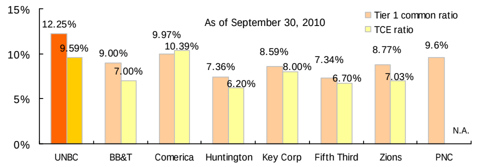


Average balance of loans and deposits



Comparison of core capital ratio*1 with peers

- Capital base comparable to US Banks supported by public funds
- Capital will be used for growth if the baseline scenario plays out



Source: Company disclosures

*1 BB&T: BB&T Corporation, Comerica: Comerica Incorporated, Huntington: Huntington Bancshares Incorporated, Key Corp: Key Corp Ltd, Fifth Third: Fifth Third Bancorp, Zions: Zions Bancorporation, PNC: The PNC Financial Services Group, Inc.

UNBC (2) Recent acquisitions

● **Acquired the assets and deposits of two banks in FDIC-assisted transactions**

Tamalpais Bank

■ Assets and deposits acquired

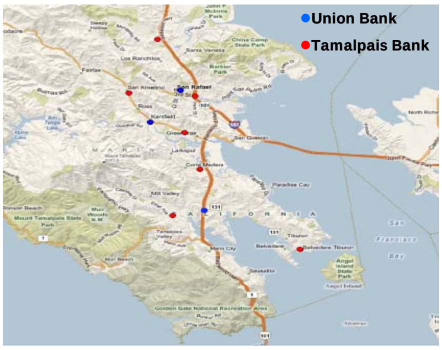
- Assets: approx. US$0.6 bn (including loans of approx. US$0.5 bn)
- Deposits: approx. US$0.4 bn

■ Network

- 7 branches in Marin County, California

■ Strategic implication

- Expand branch network and customer base in Marin County, home to many high-income individuals



Frontier Bank

■ Assets and deposits acquired

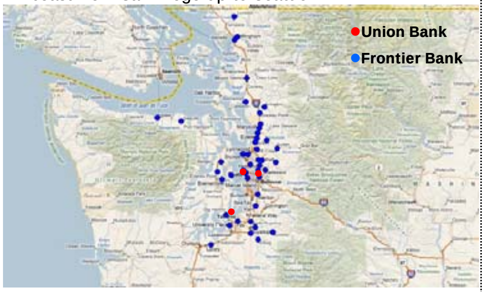
- Assets: approx. US$3.2 bn (including loans of approx. US$2.8 bn)
- Deposits: approx. US$2.5 bn

■ Network

- 47 branches in Washington State, 3 branches and 1 loan production office in Oregon

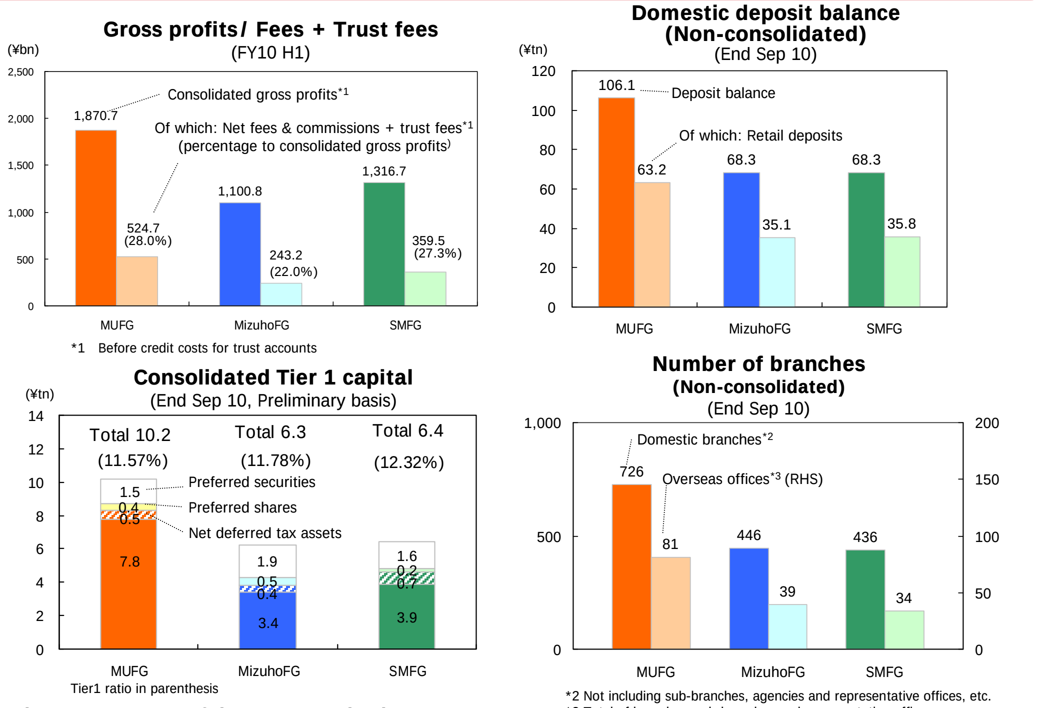
■ Strategic implication

- Washington State is a growing market, highly ranked by market size and population growth among all 50 U.S. states
- UB's branch network now covers the entire U.S. west coast from San Diego up to Seattle



Comparison with other Japanese financial groups

Source :Disclosure materials of each group (Part of figures estimated by MUFG)



Please see page 81 of the MUFG Databook

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


MUFG
No.1
Service
Quality for You
No.1
Reliability
No.1
Global
Coverage
41