Mitsubishi UFJ Financial Group

Fiscal 2011 Interim Results Presentation

November 18, 2011

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)
Commercial bank consolidated	Bank of Tokyo-Mitsubishi UFJ (consolidated)

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Outline of FY2011 Interim Results

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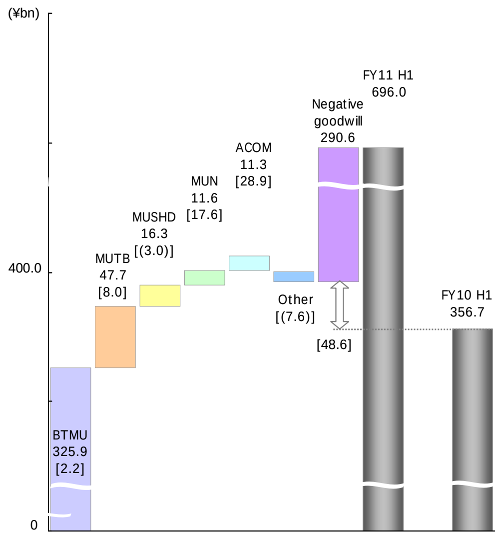
FY2011 interim key points

MUFG

- **Recorded highest interim net income since MUFG was established**
  - Interim net income totaled ¥696.0 bn with Morgan Stanley negative goodwill of ¥290.6 bn
  - Even excluding negative goodwill, interim net income was ¥405.4 bn, up ¥48.6 bn y-o-y
  - Primary factors included strong performance from the Global market segment and low level of credit expenses
- **Steady recovery of subsidiaries**
  - MUSHD, MU NICOS and ACOM returned to profit after recording large losses in the previous fiscal year
- **Poised for further growth**
  - Morgan Stanley became an affiliated company under equity method accounting
  - Opened new branches in Asia
  - Transfer of RBS project finance assets is nearly complete

Breakdown of net income*1



*1 The above figures take into consideration the percentage holding in each subsidiary (after-tax basis) and figures in brackets [] are the change compared to FY10 H1.

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✓Interim net income for fiscal 2011 was 696.0 billion yen with Morgan Stanley negative goodwill, and this was the highest interim net income achieved since MUFG was formed in October 2005.

✓As the graph on the right shows, even if negative goodwill is excluded, interim net income increased 48.6 billion yen compared to the same period of the previous fiscal year.

✓Additionally our efforts to restore major group companies are steadily making progress as Mitsubishi UFJ Securities Holdings, Mitsubishi UFJ NICOS and ACOM each returned to profit following the losses recorded last fiscal year.

✓We also made steady advances in building our platform for future growth, such as making Morgan Stanley as an equity-method affiliate, opening new branches in Asia, and having nearly completed the transfer of project finance assets from RBS.

✓At fiscal 2010 results meeting in May, I mentioned this year we aimed to accelerate our shift from a defensive to a proactive approach, and this period can be summarized as one in which the fruits of these efforts became steadily apparent.

FY11 H1 summary (Income statement) (Consolidated)

MUFG

● **Net business profits**

- Gross profits decreased mainly due to lower deposit spread, consumer-finance income and less dividend on preferred stock, partially offset by an increase in net gains on sales of debt securities
- Net business profits decreased, despite a decrease in G&A expenses, reflecting the progress in an ongoing intensive corporate-wide cost reduction

● **Total credit costs**

- Significantly decreased mainly due to a decrease in losses on loan write-off and a reversal of provision for credit losses

● **Net losses on equity securities**

- Increased mainly due to higher losses on write-down of equity securities, reflecting weak stock performance in stock market

● **Other non-recurring gains (losses)**

- Significantly increased due to the negative goodwill of ¥290.6bn, recorded as a result of equity method accounting for our investment in Morgan Stanley, decrease in provision for interest repayments by ¥59.2 bn

● **Net income**

- Increased even without one-time effect of negative goodwill

Reference (¥)	FY10 H1	FY11 H1	Change
EPS	24.60	48.58	23.99
ROE*4	8.51%	12.52%	4.00%

*4 The one-time impact of Morgan Stanley becoming an equity-method affiliate of MUFG is adjusted

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

Income statement (¥bn)

	(Consolidated)	FY10 H1	FY11 H1	Change
1	Gross profits (before credit costs for trust accounts)	1,870.7	1,789.8	(80.8)
2	Net interest income	1,009.3	907.8	(101.5)
3	Trust fees+Net fees and commissions	524.7	523.3	(1.4)
4	Net trading profits +Net other business profits	336.6	358.7	22.1
5	Net gains (losses) on debt securities	170.7	221.5	50.7
6	G&A expenses	1,018.8	990.1	(28.6)
7	Net business profits	851.8	799.7	(52.1)
8	Credit costs*1	(190.4)	(82.0)	108.3
9	Net gains (losses) on equity securities	(27.3)	(96.7)	(69.4)
10	Other non-recurring gains (losses)*2	(91.9)	337.8	429.8
11	Ordinary profits	542.0	958.6	416.5
12	Net extraordinary gains (losses)	6.9	4.4	(2.5)
13	Total of income taxes-current and income taxes-deferred	(184.8)	(209.3)	(24.5)
14	Minority interests	(7.4)	(57.6)	(50.2)
15	Net income (losses)	356.7	696.0	339.3
16	Total credit costs*3	(153.0)	(28.6)	124.3

	(Non-consolidated)	FY10 H1	FY11 H1	Change
17	Gross profits (before credit costs for trust accounts)	1,215.4	1,216.9	1.5
18	G&A expenses	594.6	588.4	(6.1)
19	Net business profits	620.7	628.4	7.6
20	Ordinary profits	457.2	480.6	23.4
21	Income before income taxes	460.1	478.9	18.7
22	Net income (losses)	323.8	317.9	(5.9)
23	Total credit costs*3	(38.2)	(0.5)	37.7

*1 Credit costs for trust accounts + Provision for general allowance for credit losses +Credit costs (included in non-recurring gains/losses)

*2 Included Profits (losses) from investments in affiliates, provision for losses on interest repayment, Reversal of allowance for credit losses, Reversal of reserve for contingent losses included in credit costs and Gains on loans written-off. Reversal of allowance for credit losses, Reversal of reserve for contingent losses included in credit costs and Gains on loans written-off were recorded in Net extraordinary gains (losses) at FY10 H1

*3 Credit costs + Reversal of allowance for credit losses + Reversal of reserve for contingent losses included in credit costs +Gains on loans written-off

Please see pages 10-24 of the MUFG Databook

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✓Gross profits (Line 1) decreased by 80.8 billion yen from the interim period of last fiscal year. Net gains on the sale of debt securities increased, but net interest income was down mainly on a decline in consumer-finance lending income and less dividend on Morgan Stanley preferred shares. However, the sum of non-consolidated gross profits (Line 17) rose 1.5 billion yen.

✓G&A expenses (Line 6) declined 28.6 billion yen from our continued efforts to reduce costs across the group.

✓This resulted in net business profits reaching 799.7 billion yen (Line 7). This was 52.1 billion yen less than the interim stage last year, which was the highest level of interim net business profits ever achieved by the group.

✓Total credit costs (Line 16) were 28.6 billion yen, a substantial 124.3 billion yen improvement from the first half of fiscal 2010.

✓Net gains (losses) on equity securities (Line 9) worsened by 69.4 billion yen, mainly due to an increase in write-downs of equity securities reflecting weak stock performance in the market.

✓Other non-recurring gains (losses) (Line 10), however, improved substantially by 429.8 billion yen, mainly on the previously explained negative goodwill and a reduction in provisions for losses on interest repayment at our consumer finance companies.

✓As a result, ordinary profits (Line 11) increased sharply by 416.5 billion yen to 958.6 billion yen, and net interim income (Line 15) also increased by 339.3 billion yen to 696.0 billion yen.

FY2011 financial targets (Consolidated / Non-consolidated)

- **FY2011 net income targets revised to ¥900.0bn, higher than targets announced on May 16, 2011**

<Financial Targets>

<Consolidated>

		FY10		FY11		Difference compared to previous targets
		Interim (Results)	Full year (Results)	Interim (Results)	Full year (Targets)	
1	Ordinary profits	¥542.0 bn	¥646.4 bn	¥958.6 bn	¥1,450.0 bn	+380.0 bn
2	Net income	¥356.7 bn	¥583.0 bn	¥696.0 bn	¥900.0 bn	+300.0 bn
3	Net income (w/o MS negative goodwill)	-	-	¥405.4 bn	-	-
4	Total credit costs	¥153.0 bn	¥354.1 bn	¥28.6 bn	¥170.0 bn	¥(110.0) bn

<Non-consolidated>

		FY10 Interim (Results)	FY10 Full year (Results)	FY11 Interim (Results)	FY11 Full year (Targets)	Difference compared to previous targets
5	Net business profits	¥620.7 bn	¥1,156.9 bn	¥628.4 bn	¥1,130.0 bn	+110.0 bn
6	Ordinary profits	¥457.2 bn	¥762.6 bn	¥480.6 bn	¥835.0 bn	¥75.0 bn
7	Net income	¥323.8 bn	¥714.7 bn	¥317.9 bn	¥490.0 bn	unchanged
8	Total credit costs	¥38.2 bn	¥174.2 bn	¥0.5 bn	¥80.0 bn	¥(75.0) bn

(Note) Total credit costs include gains on loans written-off

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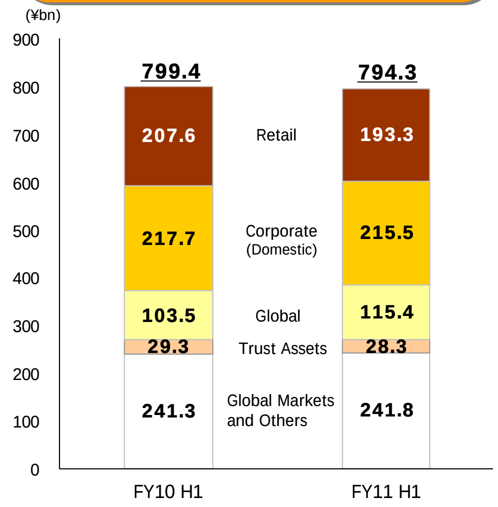
- ✓After considering first half results, we decided to raise our full-year net income target from 600 billion yen to 900 billion yen.
- ✓If you look at the implied net income target for the second half only, this is below our original target. It reflects the impact of tax revisions now being deliberated by the diet. Additionally, it reflects our conservative assumptions related to fiscal problems in Europe, concerns of further uncertainty in domestic and overseas financial markets including equity market declines, and the risk of further economic downside.
- ✓We intend to achieve our initial full-year net income target even if the effects of negative goodwill are excluded.

Outline of results by business segment (Consolidated)

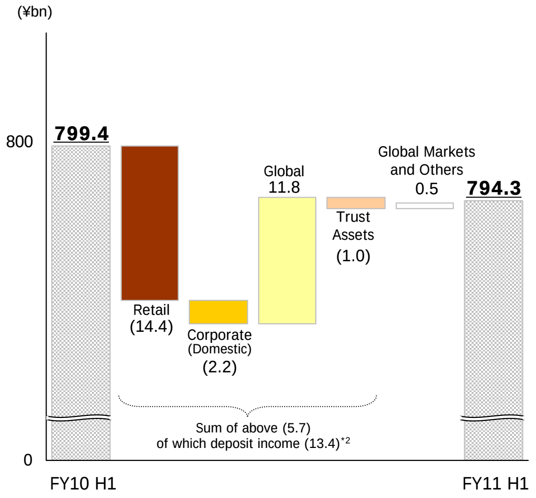
- Net operating profits remained almost flat compared to FY10 H1. Higher net operating profits from "Global" and "Global Markets" were offset by "Retail", "Corporate" and "Trust Assets" due to decrease in net interest income

Net operating profits by segment[*1]



*1 Consolidated net business profits on a managerial accounting basis

Breakdown of changes in net operating profits



*2 Deposit income is non-consolidated figures

Please see page 44 of the MUFG Databook

Retail

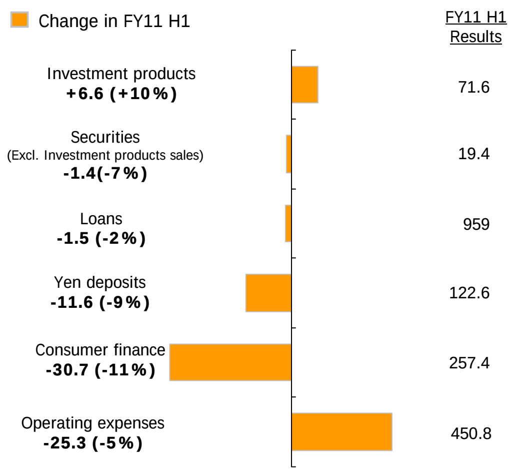
(Consolidated) MUFG

● Net operating profits ¥193.3 bn, down ¥14.4 bn from FY10 H1

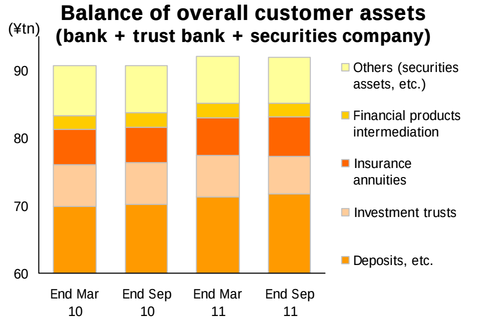
— Sales of investment products were strong, while revenues from consumer finance and yen deposits decreased

Change in net operating profits

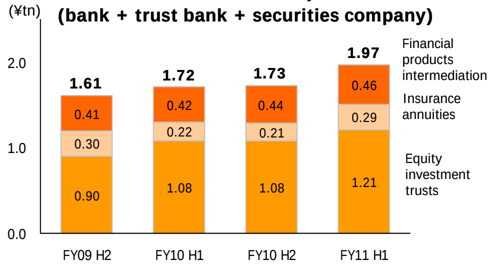
FY11 H1 ¥193.3 bn (down ¥14.4 bn from FY10 H1)



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



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



Please see pages 45-50 of the MUFG Databook

Corporate (domestic) (Consolidated)

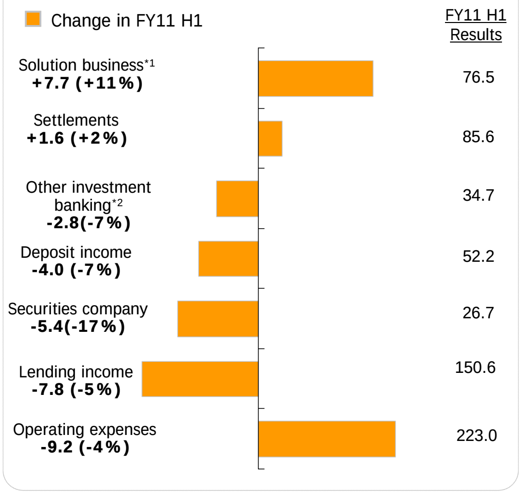
MUFG

Net operating profits ¥215.5 bn, down ¥2.2 bn from FY10 H1

— Solutions and settlement businesses were strong but lending income decreased

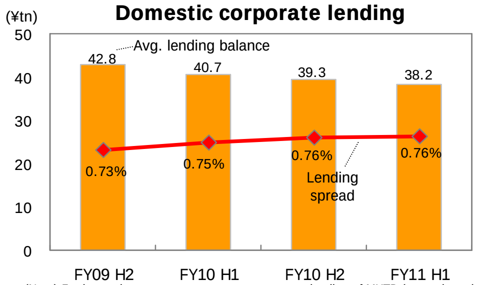
Change in net operating profits

FY11 H1 ¥215.5 bn (down ¥2.2 bn from FY10 H1)



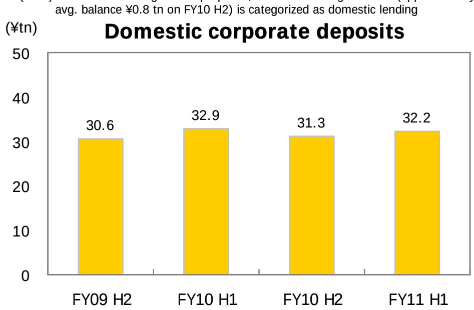
*1 Structured finance, securitization and domestic syndicated loans
*2 Customer derivatives, underwriting, etc.

Domestic corporate lending



(Note) For internal managements purposes, overseas lending of MUTB (approximately avg. balance ¥0.8 tn on FY10 H2) is categorized as domestic lending

Domestic corporate deposits



Please see pages 51-55 of the MUFG Databook

Global

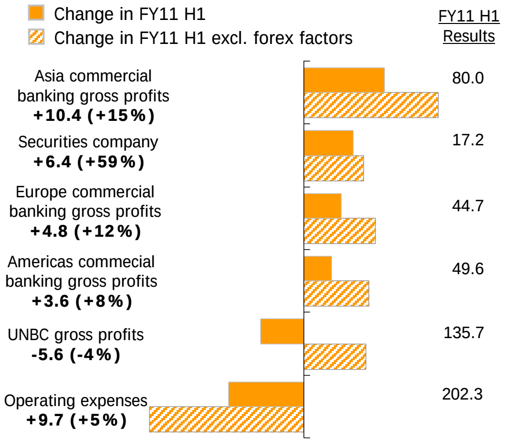
(Consolidated) MUFG

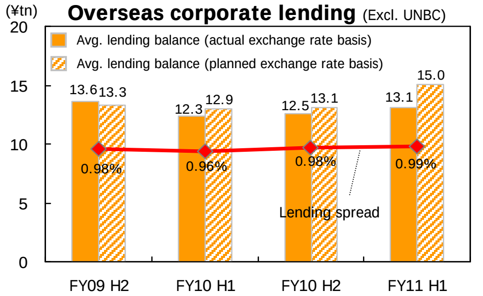
● Net operating profits ¥115.4 bn, up ¥11.8 bn from FY10 H1 (up ¥28.5 bn if excluding forex factors)

— Asia, Americas, Europe commercial banking were strong. Lending increased strongly

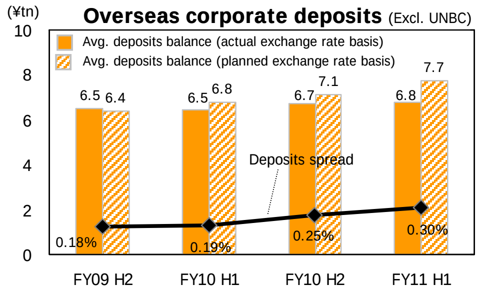
Change in net operating profits

FY11 H1 ¥115.4 bn (up ¥11.8 bn from FY10 H1)
(up ¥28.5 bn from FY10 H1 excl. forex factors)





(Note) For internal managements purposes, overseas lending of MUTB (approximately avg. balance ¥0.8 tn on FY10 H2) is categorized as domestic lending



Please see pages 56-60 of the MUFG Databook

Trust Assets

(Consolidated)

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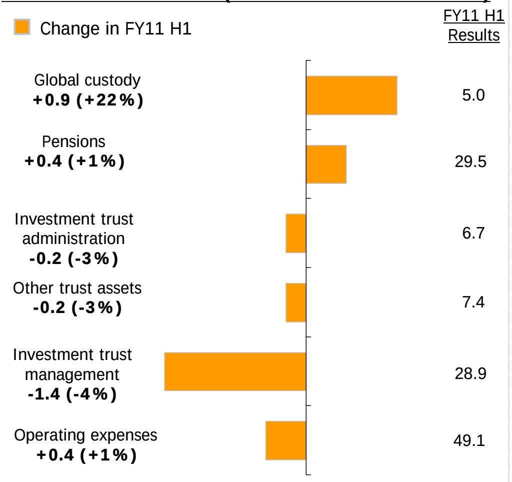
- **Net operating profits ¥28.3 bn, down ¥1.0 bn from FY10 H1**

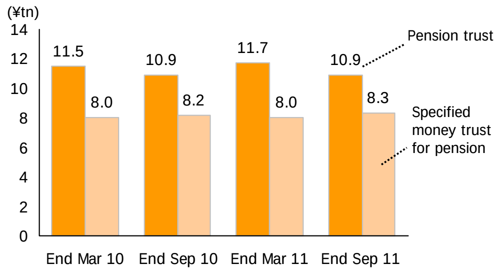
— Global custody business was well, but investment management profits decreased

Change in net operating profits

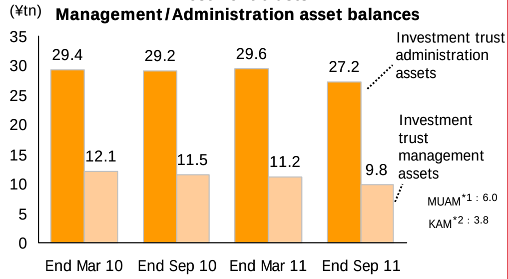
FY11 H1 ¥28.3 bn (down ¥1.0 bn from FY10 H1)



Pensions balance



Investment trusts: Management / Administration asset balances



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

Please see pages 61-64 of the MUFG Databook

FY11 H1 summary (Balance sheets) (Consolidated)

- **Loans**
  - Decreased from End Mar 11, mainly due to lower domestic corporate loans, partially offset by an increase in overseas loans
- **Investment securities**
  - Increased from End Mar 11, mainly due to an increase in Japanese government bonds and foreign bonds
- **Deposits**
  - Decreased from End Mar 11, mainly due to less deposits from corporate, partially offset by an increase in individual and overseas branch deposits
- **Total net assets**
  - Increased from End Mar 11, mainly due to an increase in retained earnings
- **Non performing loans （"NPLs"）**
  - NPLs and NPL ratio slightly up from End Mar 11, but keeping at a low level
- **Net unrealized gains (losses) on securities available for sale**
  - Improved from End Mar 11, mainly due to increases in net unrealized gains on Japanese government bonds and foreign bonds

Balance sheet (¥bn)

		End Mar 11	End Sep 11	Change from End Mar 11
1	Total assets	206,227.0	215,947.1	9,720.0
2	Loans(Banking+Trust accounts)	80,142.3	79,664.6	(477.6)
3	Loans(Banking accounts)	79,995.0	79,511.4	(483.5)
4	Domestic corporate loans*1	43,916.9	43,083.8	(833.1)
5	Housing loans*1	17,300.6	16,982.7	(317.8)
6	Overseas loans*2	16,422.1	17,140.7	718.5
7	Investment securities (banking accounts)	71,023.6	75,574.1	4,550.5
8	Japanese government bonds	44,941.8	47,262.9	2,321.0
9	Total liabilities	195,412.6	204,612.4	9,199.7
10	Deposits	124,144.3	121,582.5	(2,561.7)
11	Individual deposits (Domestic branches)	64,384.6	64,876.7	492.1
12	Total net assets	10,814.4	11,334.7	520.3
13	Deposit/lending spread (Domestic, non-consolidated)	FY10 H2 1.30%	FY11 H1 1.27%	Change from FY10 H2 (0.03pt)
14	FRL disclosed loans*1*3	1,430.7	1,463.9	33.1
15	NPL ratio*1	1.68%	1.74%	0.06pt
16	Net unrealized gains(losses) on securities available for sale	327.6	390.2	62.6

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

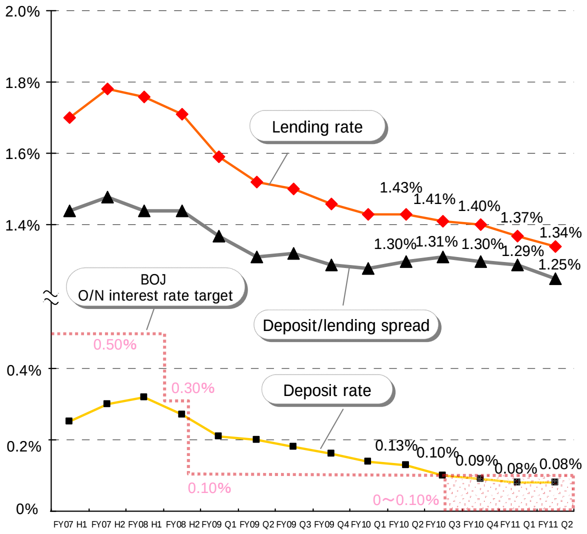
Please see page 25 of the MUFG Databook

Domestic deposit / lending rates (Non-consolidated)

MUFG

● **Deposit / lending spread in FY11 Q2 slightly decreased mainly due to a decrease in lending rate**

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



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

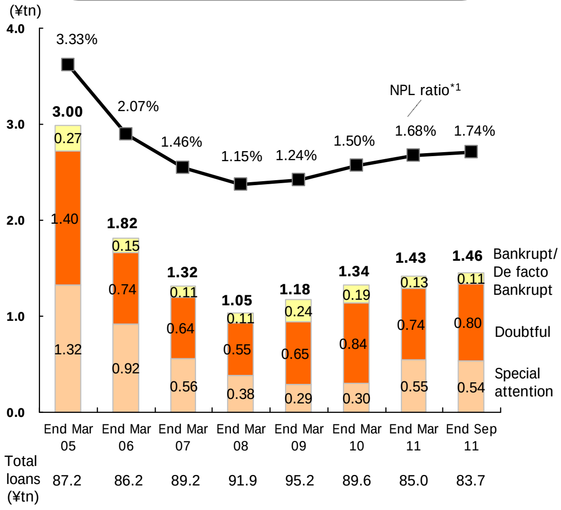
September 6, 2010
Interest rate on ordinary deposits: 0.040% ⇒ 0.020%

Loan assets

(Consolidated / Non-consolidated)

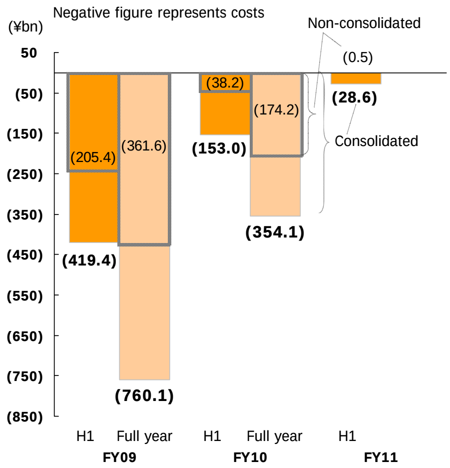
- NPL ratio increased 0.06% from End Mar 11 to 1.74%, but keeping at a low level
- Total credit costs significantly decreased to ¥0.5 bn for Non-consolidated, and ¥28.6 bn for Consolidated

Balance of FRL disclosed loans (Non-consolidated)



*1 Non performing loans / Total loans

Total credit costs*2



*2 Figures included gains on loans written-off

Please see pages 66-68 of the MUFG Databook

Holdings of investment securities (Consolidated)

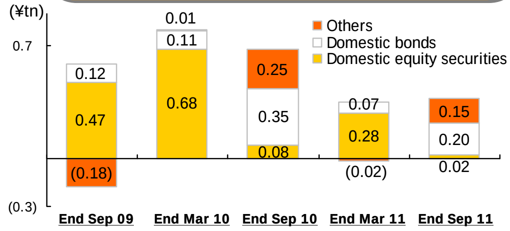
- Total unrealized gains (losses) on securities available for sale increased by ¥62.6 bn from End Mar 11
- An increase in unrealized gains on Japanese government bonds and foreign bonds, partially offset by a decrease in those on domestic equity securities

Breakdown of securities available for sale (with market value)

(¥bn)

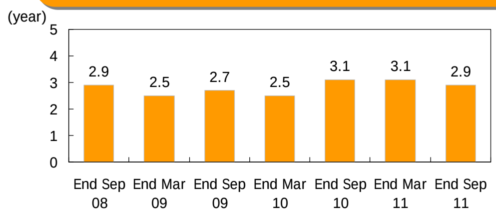
		Balance		Unrealized gains(losses)	
		End Sep 11	Change from End Mar 11	End Sep 11	Change from End Mar 11
1	Total	71,779.6	4,581.1	390.2	62.6
2	Domestic equity securities	3,116.2	(450.0)	23.1	(258.1)
3	Domestic bonds	50,588.6	2,490.1	209.7	138.9
4	Government bonds	46,637.8	2,663.3	141.2	117.2
5	Others	18,074.7	2,541.0	157.3	181.8
6	Foreign equity securities	134.2	(147.9)	18.4	(65.2)
7	Foreign bonds	16,313.6	2,676.1	253.1	299.9
8	Others	1,626.8	12.8	(114.2)	(52.8)

Unrealized gains (losses) on securities available for sale



	End Sep 09	End Mar 10	End Sep 10	End Mar 11	End Sep 11
Total unrealized gains (losses)	¥0.41 tn	¥0.81 tn	¥0.69 tn	¥0.32 tn	¥0.39 tn
TOPIX:	909.84	978.81	829.51	869.38	761.17
JGB(10yrs):	1.30%	1.40%	0.93%	1.26%	1.02%

JGB Duration*1



*1 Non-consolidated

Please see page 69 of the MUFG Databook

Capital (based on Basel 2)

(Consolidated)

See page 37 for capital based on Basel 3

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● Total capital

■Tier1 increased ¥517.6 bn from End Mar 11 mainly due to an increase in retained earnings partially offset by lower minority interests such as redemption of preferred securities

■Total capital decreased ¥696.0 bn from End Mar 11 due to a decrease in Tier2 mainly due to lower subordinated debt, and an increase in deductions from total qualifying capital reflecting an application of equity method accounting for our investment in Morgan Stanley

● Risk-adjusted assets

■Decreased ¥7,528.0 bn from End Mar 11 mainly due to a decrease in lower loans, downturn of stock market, appreciation of the yen, and elimination from credit risk of investment to Morgan Stanley

● Capital ratio

■Capital ratio : 15.42%

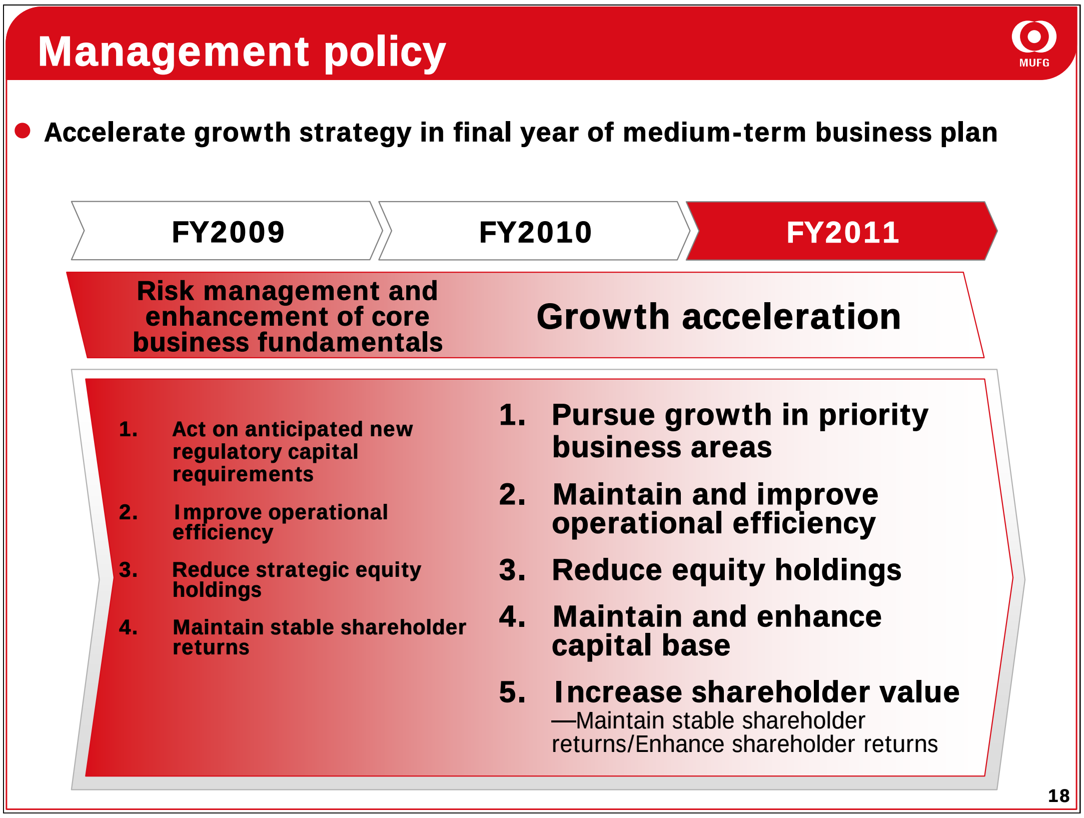
■Tier 1 ratio : 13.04%

	Capital (¥bn)	End Sep 10	End Mar 11	End Sep 11	Change from End Mar 11
1	Capital ratio	15.24%	14.89%	15.42%	0.52pt
2	Tier1 ratio	11.57%	11.33%	13.04%	1.70pt
3	Tier 1	10,194.1	9,953.3	10,471.0	517.6
4	Capital stock and capital surplus	4,311.6	4,311.7	4,313.7	2.0
5	Retained earnings	4,666.1	4,799.6	5,406.9	607.3
6	Minority interests	2,210.1	1,873.8	1,721.1	(152.7)
7	Tier 2	3,990.7	3,920.4	3,776.5	(143.9)
8	Net unrealized gains on securities available for sale	296.5	136.5	147.5	11.0
9	Subordinated debt	3,323.6	3,463.3	3,353.7	(109.5)
10	Deductions from total qualifying capital	(763.2)	(792.9)	(1,862.8)	(1,069.8)
11	Total capital	13,421.6	13,080.8	12,384.7	(696.0)
12	Risk-adjusted assets	88,054.3	87,804.9	80,276.9	(7,528.0)
13	Credit risk	79,345.9	79,207.3	71,964.9	(7,242.4)
14	Market risk	1,973.3	1,994.1	1,851.9	(142.1)
15	Operational risk	6,735.1	6,603.4	6,459.9	(143.4)

Please see page 73 of the MUFG Databook

Outline of FY2011 Interim Results

Future growth



✓The second half of fiscal 2011 marks the completion of our current medium-term business plan, and is also the stage in which we prepare our next medium-term plan. The environment surrounding financial institutions requires constant vigilance, but we intend to further accelerate our growth strategies and to link these to our next mid-term plan.

Key points

- Domestic and overseas lending
- Exposures in European peripheral countries
- Improvement in major subsidiaries
- Promoting a growth strategy
- Addressing key issues

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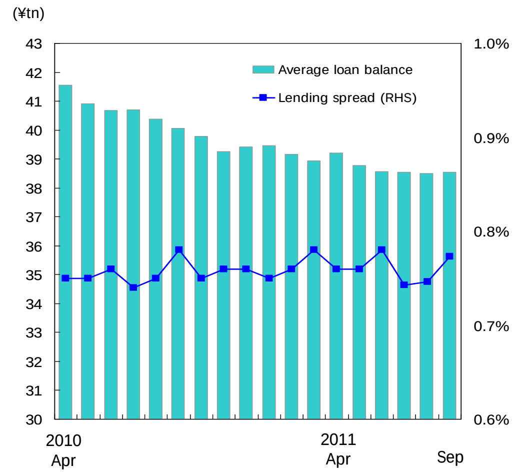
✓We see five key points with respect to our future growth and I would now like to explain them in order.

Domestic and overseas lending

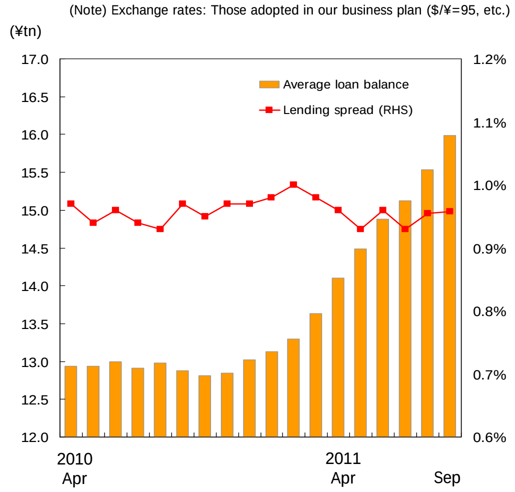
- **Domestic demand for lending was weak partly due to a faster than expected recovery in production, but declining trend is moderating**
- **Overseas lending steadily expanded. Aiming for an increase in total lending balance of domestic and overseas lending**

Domestic corporate lending / Spread



Overseas corporate lending / Spread (Excl. UB)

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



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✓The first key point is lending trends.

✓First, with respect to domestic lending on the left, I mentioned at the May results meeting that after the earthquake, we had inquiries for about 3 trillion yen in funding for purposes such as securing liquidity. However, production recovered faster than anticipated and earthquake-related demand fell short of expectations. On the other hand, the third supplementary budget will begin to be implemented shortly, and demand for funds for M&A activities is also expected. We expect these factors may stop the decline in average loan balance.

✓As for overseas lending on the right, we have been seeing a rebound at an increasing pace since the second half of fiscal 2010. Particularly in Asia, which continues to post high growth, the average lending balance is growing favorably, driven mainly by loans to non-Japanese customers. Also, as mentioned earlier, the transfer of RBS’s project finance assets is almost completed.

✓We intend to increase the total lending balance of domestic and overseas.

Exposures in European peripheral countries

MUFG

● **Exposures of BTMU consolidated in European peripheral countries were limited compared to consolidated total assets**

Exposures (BTMU consolidated)

	End Jun 11	End Sep 11
Spain	Approx.$7.2 bn	Approx.$6.4 bn
Italy	Approx.$6.7 bn	Approx.$5.5 bn
Ireland	Approx.$0.3 bn	Approx.$0.3 bn
Portugal	Approx.$0.6 bn	Approx.$0.6 bn
Greece	Approx.$0.4 bn	Approx.$0.3 bn
Total	Approx.$15.2 bn	Approx.$13.1 bn

Balance of sovereign bonds (MUFG)

	End Jun 11	End Sep 11
Spain	Approx.$1.1 bn	Approx.$0.9 bn
Italy	Approx.$3.4 bn	Approx.$3.2 bn
Ireland	-	-
Portugal	-	$0.0 bn
Greece	-	-
Total	Approx.$4.5 bn	Approx.$4.1 bn

Limited exposures

● **Exposures (BTMU consolidated)**

・No exposures to sovereign borrowers

・More than 90% of exposures were to industrial corporations and structured finance
  - Exposures to Spain and Italy were mainly towards infrastructure sector, such as electricity, gas and telecommunications

・Limited exposures to financial institutions

● **Balance of sovereign bonds (MUFG)**

・No Greek or Irish government bonds

・Very small amount of Portuguese government bonds in a trading account, all of which were hedged

・Majority of our Spanish and Italian government bonds were held to maturity
  – net amount of Spanish government bond were around $0.8 bn

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✓I will then discuss our exposures to the peripheral countries in Europe where fiscal problems are causing concern, the so-called “GIIPS”.

✓The table on the top left shows our exposures to the five countries making up the “GIIPS”. The total exposures were 13.1 billion US dollars, which were about 1 trillion yen, and very low level compared to our total assets of 216 trillion yen. It is also important to point out that none of this represents exposures to sovereign borrowers, and more than 90% of the exposures were to industrial corporations or for structured finance transactions. The exposures to financial institutions was less than 10% of the total.

✓In addition to the exposures to “GIIPS”, we hold 4.1 billion US dollars in government or government-guaranteed bonds issued by the “GIIPS”, which was about 310.0 billion yen. The Spanish and Italian government bonds we hold were largely short-term and the majority were intended to be held to maturity.

Consumer finance

MUFG

- Number of requests for interest repayment declining y-o-y for both MUN and ACOM
- Both companies turned profitable in FY11 H1 as planned

Results of MU NICOS & ACOM

<MU NICOS>

(¥bn)

		FY10 H1	FY11 H1	FY11 (plan)
1	Operating revenue	152.0	141.3	286.2
2	Card shopping	71.9	78.1	-
3	Operating expenses	158.8	127.1	258.8
4	G&A expenses	115.0	111.0	228.8
5	Credit related costs	30.4	16.1	30.0
6	Repayment expenses	13.3	0.0	0.0
7	Operating income	(6.8)	14.2	27.4
8	Underlying earnings(6+7)	6.5	14.2	27.4
9	Ordinary profits	(6.7)	14.2	27.9
10	Net income	(7.0)	13.7	27.2

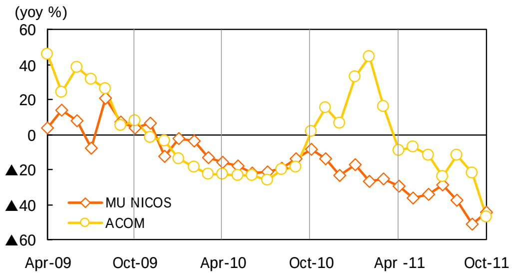
<ACOM>

(¥bn)

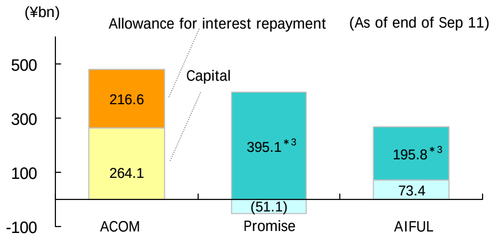
		FY10 H1	FY11 H1	FY11 (plan)
1	Operating revenue	128.7	108.0	204.3
2	Operating expenses	155.4	75.9	158.1
3	G&A expenses	42.9	36.3	73.6
4	Provision of allowance for doubtful accounts	33.1	27.5	60.2
5	Provision for loss on interest repayment	68.4	0.0	0.0
6	Operating income	(26.6)	32.1	46.2
7	Underlying earnings(5+6)	41.7	32.1	46.2
8	Net income	(43.8)	28.3	42.9
9	Guaranteed receivables (Non-consolidated)	324.9	464.2	482.2
10	Unsecured consumer loans (Non-consolidated)	982.6	825.8	742.6
11	Share of loans*1	28.0%	30.4%*2	

*1 ACOM unsecured consumer loan balance (non-consolidated)/Consumer finance industry loan balance
Source: Japan Financial Services Association
*2 As of end of Aug 11

Requests for interest repayment



Capital and allowance for interest repayment



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

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✓I will now talk about trends for our consumer finance subsidiaries.

✓The chart on the upper right shows year-on-year trends for monthly requests for interest repayment. Both the red dotted line, which represents MU NICOS, and the yellow dotted line which is ACOM demonstrate that the number of requests for interest repayment has entered a well-established downtrend from this fiscal year.

✓Against this background, during this interim period there were no additions to the allowance for interest repayment, and both companies returned to profit as planned.

✓Interim results for MU NICOS were better than expected, and the target for full-year net income was revised up from 22.0 billion yen to 27.2 billion yen.

✓For ACOM, continued monitoring of trends in requests for interest repayment are necessary, but we now consider that the company should be able to cover any further addition to reserves, assuming they are needed, out of profits generated.

Mitsubishi UFJ Securities Holdings

- **Posted ¥16.3 bn net income in FY11 H1 with cost reduction and profit from sales of Kim Eng shares. MUMSS turned profitable in FY11 Q2**
- **Change business model and further reduce costs to adapt to harsh environment**

Results of MUSHD and MUMSS

MUSHD*1 Consolidated (¥bn)

		FY10 H1	FY11 H1
1	Net operating revenue*2	127.2	114.0
2	Selling, general and administrative expenses	134.2	121.9
3	Operating income	(6.9)	(7.8)
4	Ordinary profits (loss)	(2.2)	17.7
5	Extraordinary income	23.8	6.8
6	Net income	19.4	16.3

*1 Mitsubishi UFJ Securities Holdings Co., Ltd.
*2 Operating revenue minus financial expenses

MUMSS*3 Non-consolidated (¥bn)

		FY10 H1	FY11 H1
1	Net operating revenue*2	89.8	81.4
2	Selling, general and administrative expenses	97.5	86.6
3	Operating income	(7.7)	(5.2)
4	Ordinary profits	(6.2)	(4.3)
5	Net income	(9.1)	(3.1)

*3 Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

Structural reform of MUMSS

- **Building a lean structure through enhancing operational efficiency and further cost reduction**
  - ・Achieved initial targets (y-on-y ¥10.0 bn cost reduction) in H1, due to cost reduction initiatives with no exceptions. Aiming for further reductions in H2
  - ・Streamlining of head office functions/personnel reduction, relocation of head office completed, larger-sized outlets through consolidation, shrinking investment in system, etc.
- **Strengthening profit base and transforming business model**
  - ・Taking full advantage of MUFG customer base
  - ・Thorough implementation of "client transaction flow oriented" business model

【MUMSS Non-consolidated quarterly base】

	(¥bn)	FY10				FY11	
		Q1	Q2	Q3	Q4	Q1	Q2
1	Net operating revenue*2	42.1	47.6	39.5	(67.9)	37.6	43.7
2	Selling, general and administrative expenses	46.9	50.6	46.9	45.4	43.6	42.9
3	Ordinary profits	(3.3)	(2.9)	(7.2)	(113.1)	(5.5)	1.1
4	Net income	(5.4)	(3.6)	(9.8)	(125.9)	(5.4)	2.2

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✓Next I would like to discuss our securities subsidiary.

✓Mitsubishi UFJ Securities Holdings made a loss at the operating income level, but solid results from 60% – owned Morgan Stanley MUFG Securities and profit on the sales of Kim Eng shares, a company of Singapore, led to 16.3 billion yen in net income.

✓The chart on the bottom right shows quarterly earnings trends for Mitsubishi UFJ Morgan Stanley Securities. The operating environment remains difficult, but ordinary profits and net income turned positive during the second quarter.

✓We expect the operating environment faced by securities companies will remain difficult for some time, and are now focused on pursuing further operating efficiencies and cost reductions. We will also aim to strengthen our profit base by further leveraging the customer base of MUFG as a whole.

Promoting a growth strategy

- **Corporate / Global**
  - ✓ North America, Asia
  - ✓ Transaction banking business
  - ✓ Project finance
  - ✓ CIB

    ~Strategic alliance with Morgan Stanley
- **Retail**
  - ✓ Segment-based strategy

    ~Investment product sales
- **Trust Assets**
  - ✓ Global asset management

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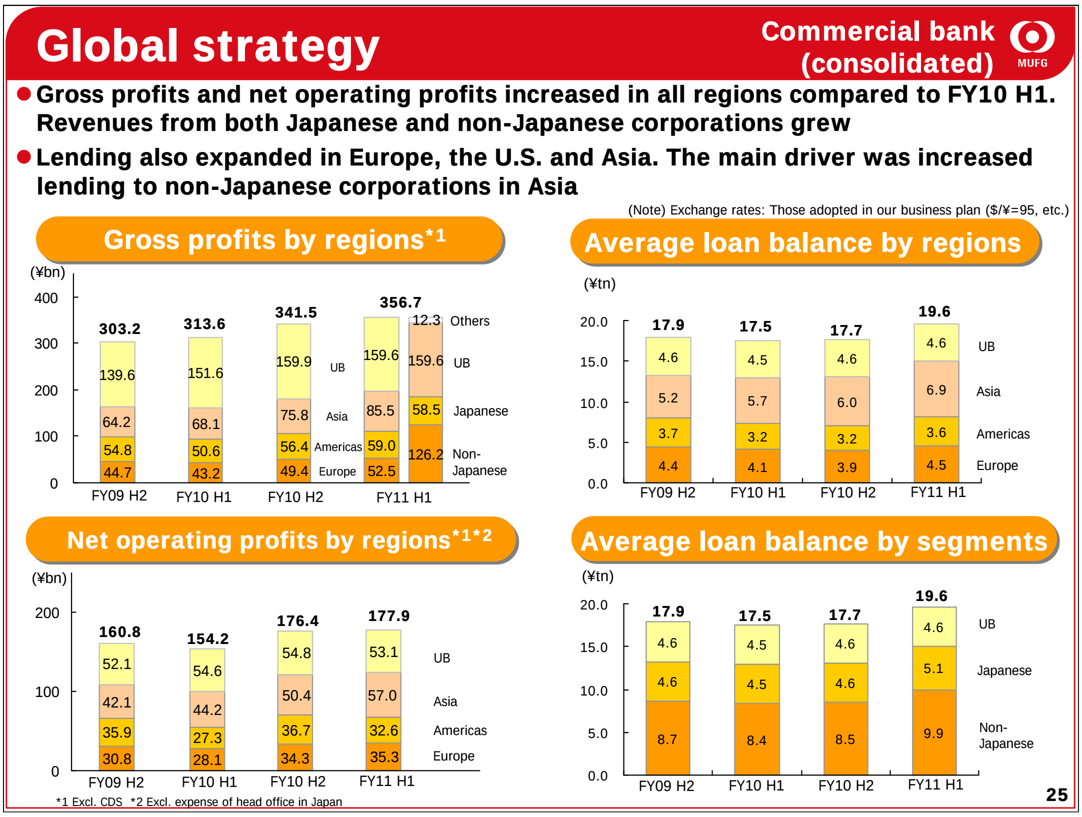
✓I will now explain the steps we are taking to promote our growth strategy.

✓This page shows the priority business areas for our customer divisions. I will explain detailed strategies of the priority business areas in the following pages.



✓The most essential aspect of our future growth plans is our global strategy. This page shows our overseas profits and loan balances overall.

✓First, the two graphs on the left show regional profit trends. As you can see, both gross profits and net operating profits expanded in a well-balanced manner across Europe, Americas, and Asia.

✓The current earnings driver is an expansion of transactions with non-Japanese customers. The graph in the lower right shows the strong increase in the average balance of loans for non-Japanese customers; you can see it far exceeds the average balance for Japanese customers.

✓I will explain our global strategy in more detail in the following pages.

Americas strategy

- **Strong results acheived by UB. NPL ratio consistently lower than peers, due to long-term commitment to conservative credit management**
- **Continue to strengthen ties between BTMU and UB**

UB business performance

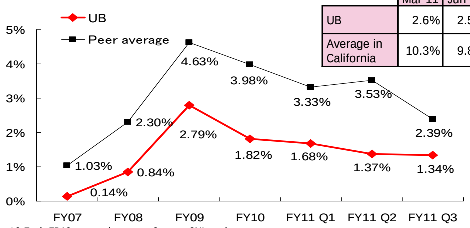
(US$ mm)	FY10 Q1	FY10 Q2	FY10 Q3	FY10 Q4	FY10	FY11 Q1	FY11 Q2	FY11 Q3
Gross profits	784	845	836	882	3,347	858	854	791
Noninterest expenses	525	584	562	701	2,372	615	578	603
Net buiness profits	259	261	274	181	975	243	276	188
Provision for allowance for credit losses*1	170	44	8	(40)	182	(102)	(94)	(13)
Net income	77	154	170	172	573	235	242	172

*1 Negative figures are reversal

UB nonperforming loans/total loans*2

<Delinquencies in residential mortgage loan portfolio of 30+ days>

	End Mar 11	End Jun 11	End Sep 11
UB	2.6%	2.5%	2.2%
Average in California	10.3%	9.8%	-



*2 Excl. FDIC covered assets Source:SNL and company reports

Key points of Americas strategy

Stronger ties between BTMU and UB

- Formed virtual holding company in Jul 2011 placing BTMU Headquarters for the Americas and Union Bank under its umbrella for unified business management in US
- Established a single leadership structure to increase market share in corporate deposit and cash management, and accelerate strengthening collaboration
- No. 1 in project finance rankings in the Americas for Jan to Dec 2010 and for Jan to Jun 2011

Non-organic growth

- Actively consider quality investment opportunities

Central and South America

- Increased capital of our Brazilian subsidiary, improved structure aiming to strengthen credit management system and markets business
- 11 locations in 8 countries after having established a representative office in Lima in Feb 2011

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✓You can see in the table in the upper left that Union Bank continues to achieve strong results. It has already reported third quarter figures, and continued reversal of provisions for allowance for credit losses led to net income of 172 million US dollars.

✓Near-term uncertainty surrounding the U.S. economy may be increasing, but as you can see in the graph in the lower left, Union Bank's conservative credit management have held the nonperforming loans ratio consistently below that of its peers. What's more, the delinquency ratio on home mortgages remained on a downtrend.

✓Based on these trends, our basic strategy for future growth in North America is to strengthen ties between BTMU and Union Bank, and also pursue non-organic growth.

✓In addition to being ranked No.1 in project finance in the Americas since 2010, BTMU and Union Bank have stepped up collaboration for corporate deposits and cash management services and MUFG intends to further increase its presence in the U.S. in the future.

✓As for non-organic growth, and if high-quality investment opportunities arise in the future, we intend to actively consider them.

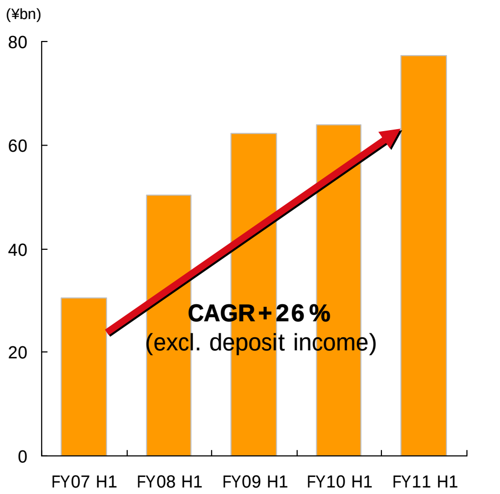
✓Additionally, we are taking steps to strengthen our business platforms in Central and South America, especially in those economies that are well-positioned for rapid growth on the demand for natural resources.

Asia strategy(1)

MUFG

- Solid increase in gross profits. Ensuring a good revenue balance in each region
- Preparing for further growth – expanding network, strengthening market products business and making alliances with Asian regional banks

Gross profits*1*2*3 – Asia business

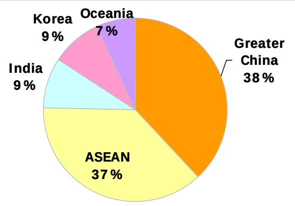


*1 Gross profits excluding deposit income
*2 Exchange rates: Those adopted in our business plan ($/¥=95, etc.)
*3 Commercial bank (consolidated)

Organic strategies

- **Expanding network**
  - Expanding branch network in China. Also plan to establish a representative office in Cambodia
- **Promoting market products business in Bangkok and Mumbai, in addition to Singapore, Hong Kong, and Shanghai**
- **Alliances with Asian regional banks**
  - CIMB - Expand areas where we cooperate to include securities and asset management (sales of investment trusts and ASEAN stocks, etc targeting Japanese investors)

Gross profits by regions in Asia*3



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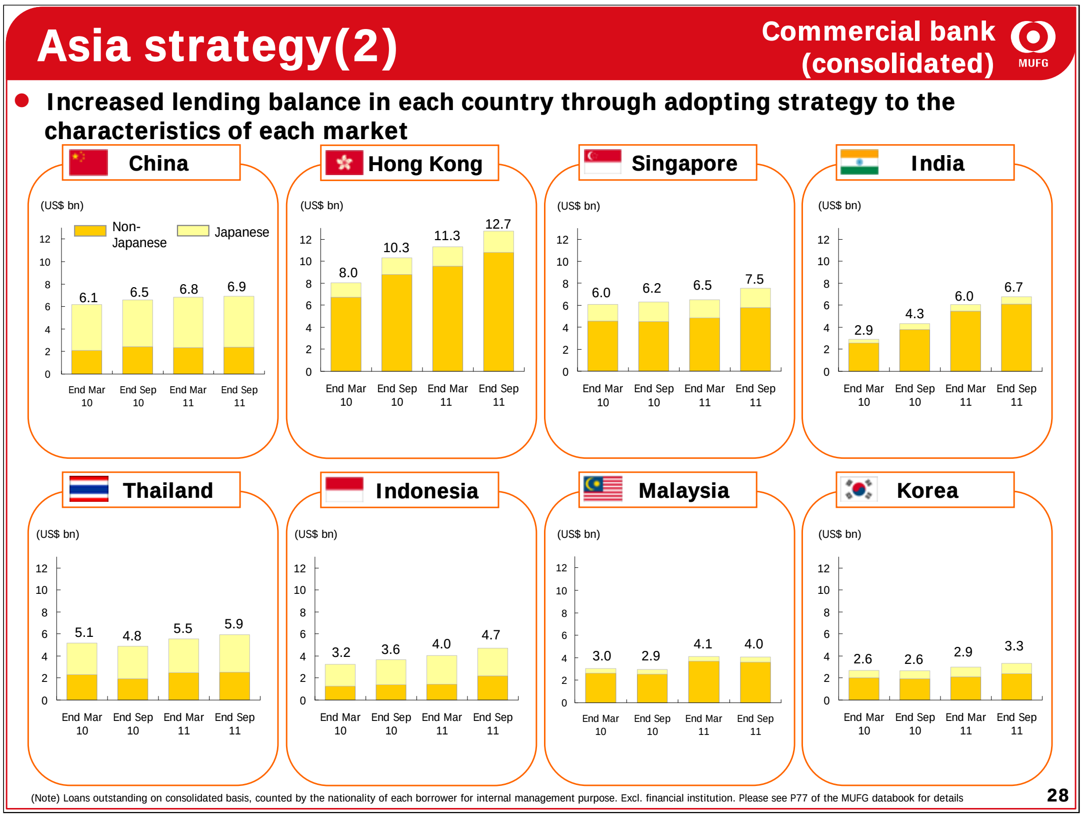
✓Next is Asia, where high growth is expected.

✓As shown in the graph on the left, Asia business gross profits continued to increase steadily. The chart on the lower right shows a regional break-down of gross profits, and you can see that profits have been fairly well-balanced across Greater China, ASEAN, India and the other areas.

✓Partly for regulatory reasons, organic growth forms the core of our growth strategy in Asia, and as you can see on the upper right side of the page, we took steps in expanding network, promoting market products business and alliances with Asian regional banks, to achieve steady growth.



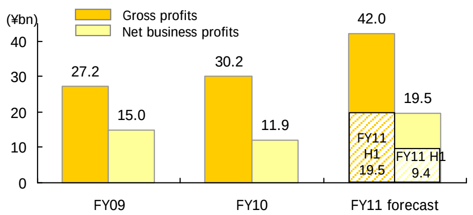
✓This page shows lending balance for each country in Asia. You can see that growth has been solid in all of the countries, and recently growth for non-Japanese customers has been especially firm, and for most countries, the lending to non-Japanese customers exceeded that for Japanese customers.

Asia strategy(3) China

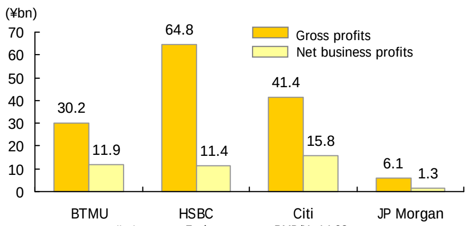
MUFG

- **Expanding business on the foundations of a strong Japanese customer base. Already in the top rank among foreign banks in terms of net business profits**
- **Aiming to expand revenues by further expanding our network, strengthening market products business, etc.**

BTMU China business performance



Comparison with foreign banks` subsidiaries in China (FY10)



Source: Company disclosures Exchange rates: RMB/¥=14.03

Key points of Asia strategies

Expanding business with non-Japanese corporations

・Leveraging MUFG's network and know how to support trade flows and accelerating overseas expansion of Chinese companies

Strengthening market products business

・Actively launching new businesses and offering new products such as in derivatives business

Taking active initiatives to internationalize RMB

・Transaction volumes steadily expanding after implementing the first RMB trade settlement between Japan and China. Japanese and overseas branches are actively cooperating to develop global RMB business

Expanding network

・Opened Qingdao branch (Aug 2011). Currently have 16 locations including 2 locations where we have acquired business establishment approvals. Aiming for further expansion

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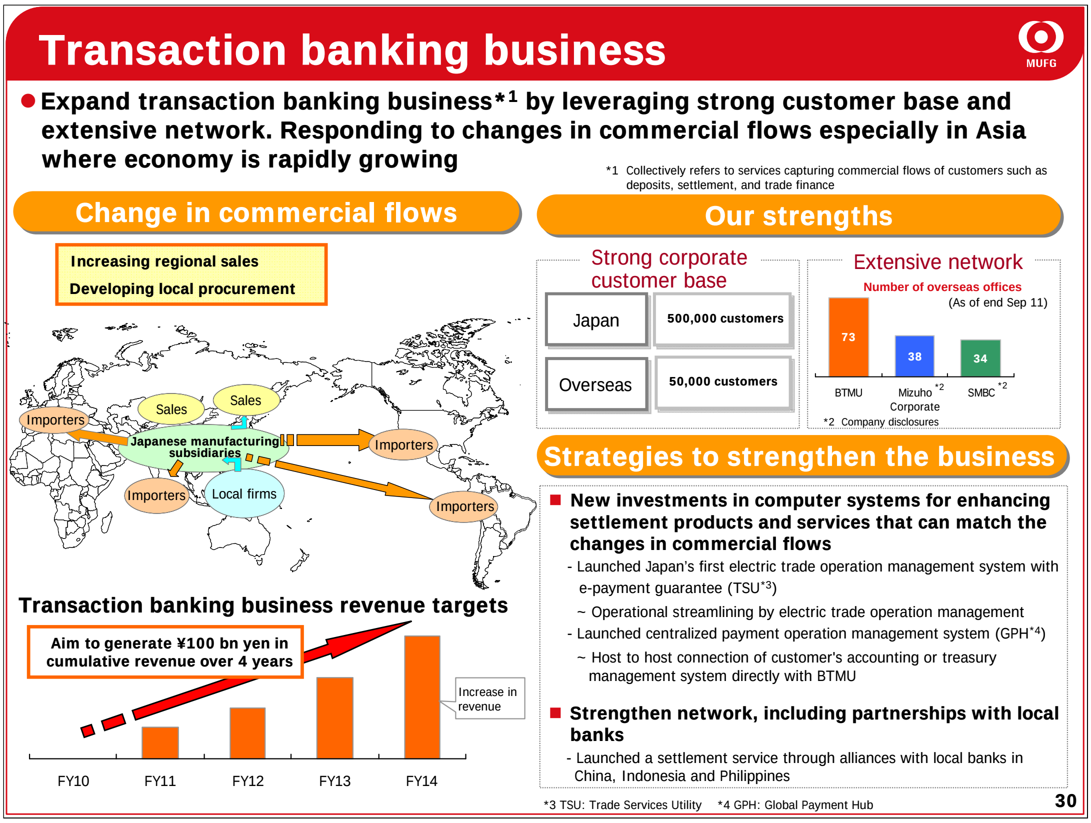
✓As a final point regarding our Asia strategy, I would like to discuss our situations in China.

✓The graph on the upper left shows that BTMU China, our local Chinese commercial banking operation, has expanded business on the back of a strong Japanese customer base.

✓The lower graph is a comparison of the profit levels of foreign banks' China subsidiaries, and shows that BTMU China, second only to Citi in net business profits, has staked out a clear position as a top rank among foreign banks.

✓We intend to increase profits of our China operations by further developing our branch network and strengthening market products business, etc.



✓Next I will talk about transaction banking business.

✓The core of our transaction banking business strategy is to leverage our strong Japanese customer relationships and to best utilize our extensive branch network. We aim to expand deposits, settlements and trade finance activities especially in growing Asia.

✓In terms of products and services, we launched Japan's first electric trade operation management system with e-payment guarantee, and released a centralized payment operation management system.

✓Through these new products and services, and through alliances with local banks, we aim to generate 100 billion yen in cumulative revenue over the next four years, by accurately capturing the changes in commercial flows.

Project finance

MUFG

- **Advanced to No.2 in 2011 Jan to Jun global rankings**
- **Mostly completed transfer of RBS project finance assets. Aiming to establish leading bank status leveraging staff increases in Europe, etc.**

Global presence

Global project finance league table (Jan-Jun 2011)

Rank	Mandated Arrangers	Origination volumes（US$ bn）	#	Rank 2010
1	State Bank of India	10.10	18	2
2	**MUFG**	**4.51**	**35**	**9**
3	Societe Generale	3.50	30	8

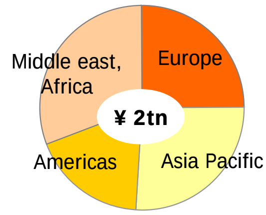
Source: Project Finance International

- **No. 1 position since 2010 and built a track record in the Americas, primarily with renewable energy mandates**
- **Jumped to 7th from 13th place in Asia Pacific**
- **Major projects:**
  - Canada: Acquisition of interest in a major shale gas reserve
  - U.S.: One of the largest biomass power stations
  - Germany: Large-scale offshore wind power generation plants

Strategies to strengthen the business

- **Global approach: strengthening our platform in the infrastructure sector, renewable energy business and others on a global basis**
- **Initiatives in Japan: enhancing our supports in relation to Japanese companies' acquisition of resource interests, infrastructure exports to Asia, and domestic reconstruction related PFI / renewable energy**
- **Strengthening marketing structure through staff increases**

Project finance loan portfolio*1



*1 Commercial bank (consolidated, excl. UB). As of end Jun 11

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✓For project finance, you can see in the table on the left we were ranked No.2 in global league table between January and June 2011, which is a big improvement from No. 9 last year. Considering that No.1 ranked State Bank of India specializes in domestic Indian projects, we believe that we are the top bank in this area with global operations.

✓On a regional basis, we have been No.1 in the Americas. since 2010, and in Asia Pacific, we jumped to 7th from 13th. Our position in Europe remains low, but we believe the new structure put in place, including the addition of staff from RBS, makes us well-positioned and have started to see mandates.

✓We expect firm demand for global infrastructure projects to continue, and we aim to become a leading provider of project finance services around the world by committing resources.

Global strategic alliance with Morgan Stanley

MUFG

- **Further strengthen alliance with Morgan Stanley through conversion of preferred stock to common stock**
- **Morgan Stanley Q3 net profit (common shareholder income including debt valuation adjustment (DVA)) of about $2.1bn -MUFG's holding (22.4%) will be reflected from the Oct to Dec period in gains/losses from equity method investments**

Morgan Stanley performance

(US$ mm)	FY10	FY11 Q1	FY11 Q2	FY11 Q3
Net Revenues	31,622	7,635	9,282	9,892
Net Revenues (Excl. DVA)[*1]	32,495	7,824	9,038	6,482
Non-interest expenses	25,420	6,763	7,338	6,214
Income from continuing operations before taxes	6,202	872	1,944	3,678
Income from continuing operations before taxes (Excl. DVA)[*1]	7,075	1,061	1,700	268
Net income applicable to MS	4,703	968	1,193	2,199
Earnings applicable to MS common shareholders	3,594	736	(558)	2,153

*1 Calculated by MUFG based on Morgan Stanley public data

Impact on P/L following conversion

- Preferred stock dividends (US$780 mm annually : pre-tax) disappeared and equity in net income of affiliates will be taken in
  - 22.4% of post-tax profits of MS
  - MS Jul-Sep earnings to be reflected in MUFG Oct-Dec earnings
- Posted negative goodwill ¥290.6 bn as profit
- Fall of MS share price will not affect MUFG consolidated earnings
  - No impairment from equity-method affiliates' shares in consolidated earnings
  - No impairment from goodwill as there is no goodwill for the investment in MS

Results of domestic cooperation

M&A advisor (Jan 2011 to Sep 2011)

Rank	FA	#	Amount(¥ bn)	Share(%)
1	Goldman Sachs	17	4,191.0	41.5
2	Nomura	92	3,930.8	38.9
3	Deutsche Bank Group	17	3,621.3	35.8
4	**MUMSS**	**38**	**2,930.5**	**29.0**

Deal value amount, any Japanese involvement announced excluding real estate
Source : Calculated by MUMSS based on Thomson Reuters data

Major M&A deals

- Merger of Nippon Steel and Sumitomo Metal Industries (one of Japan's largest ever domestic industry consolidations)[*2]
- Acquisition of US company Stolle Machinery by Toyo Seikan (industry-defining cross-border transaction in the manufacturing sector)
- Acquisition of Italian IT service company Value Team by NTT DATA (strategic acquisition to strengthen and expand overseas operations)

*2 Based on the public source. An ongoing deal

Presence of Americas

U.S Syndicated loan (Investment Grade Agent only) (Jan 2011 to Sep 2011)

Rank	Bank Holding Company	#	Amount(US$ mm)	Share(%)
1	JP Morgan	389	514,556	18.7
2	Bank of America Merrill Lynch	474	498,515	18.1
3	Citi	177	364,400	13.3
4	Wells Fargo & Company	353	231,733	8.4
5	**MUFG+Morgan Stanley**	**124**	**162,230**	**5.9**
6	**MUFG[*3]**	**98**	**127,155**	**4.6**
15	Morgan Stanley[*3]	26	35,075	1.3

Source: Calculated by BTMU based on Loan Pricing Corporation data
*3 Including U.S. Loans which were not arranged by Loan Marketing Joint Venture

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✓Next is our strategic alliance with Morgan Stanley.

✓At the end of June this year, the convertible preferred stock we owned in Morgan Stanley were all converted into common stock. As a result, Morgan Stanley became an equity-method affiliate of MUFG.

✓From the accounting viewpoint, July to September earnings for Morgan Stanley will be reflected in our October to December period as gains or losses in equity method investments, and we will continue to report our interest in the company's earnings with a three month time-lag moving forward.

✓For the July to September period, the earnings from Morgan Stanley, including DVA (debt valuation adjustment), reached 2.1 billion US dollars. Even if DVA is excluded, steady income from retail brokerage activities led to a pre-tax profit.

✓The results of our collaboration are shown in the tables on the right. Mitsubishi UFJ Morgan Stanley Securities was No.4 M&A advisor between January and September, and you can see in the middle table we are involved in domestic, cross-border, and large-scale transactions. Also, in North America we have seen successful collaboration in our loan marketing joint venture and we have raised our presence toward the level next to major North American banks.

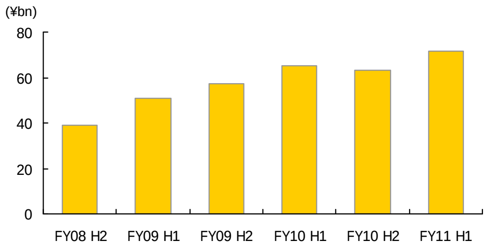
✓The outlook for conditions in the investment banking and brokerage business is likely to remain challenging for some time, but we intend to continue strengthening of our alliance with Morgan Stanley.

Investment product sales

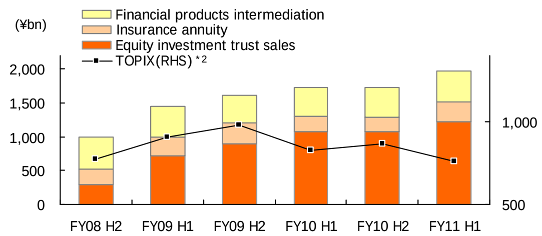
MUFG

- **Solid income from investment products driven by investment trust. Aim to 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

- **Strengthen retail money desk*3**
  - -Increase staff seconded from MUMSS
- **Increasing total asset advisor*4**
  - -Increasing private banking specialist who assess customer assets, advise on inheritance, etc., improving consulting services

MUTB

- **Developing total assets marketing approach based on trust capabilities in inheritance and real estate**
  - -Jointly promote inheritance business with BTMU
  - -Establish real estate sales division No.3 in order to accommodate real estate related needs arising from property succession/inheritance

MUMSS

- **Strengthen marketing of consulting business**
  - -PB consultants assigned. Link with BTMU Retail Money Desk to promote business with company owners

*3 A team of experts with high level investment product sales expertise. As of end Sep 11, assigned to 58 locations in Japan
*4 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 end Sep 11, 118 assigned

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✓You can see in the graphs on the left that despite the difficult market environment, we managed to increase sales of investment products. Sales of not only equity investment trusts, but insurance annuity and intermediation of other financial products were all higher than the second half of last year, and income from investment products also rose.

✓The market environment is likely to deteriorate further with the European debt problem, and developments do need to be followed closely. But a trend from saving to investment is clearly underway, and we aim to grow profits by strengthening sales that target the overall assets of retail customers through collaboration between our bank, trust, and securities businesses.

Global asset management strategy

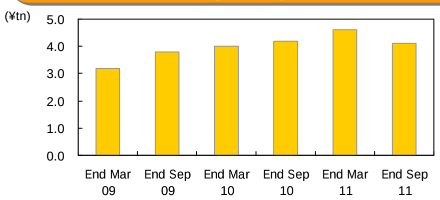
- **Further expand robust operating base in Japan, also meet Japanese demand for overseas investment and develop business with overseas customers**

Development of investment products for domestic customers

- Strengthen product lineup though both in-house MUFG and affiliate investment products

	Manager	Products
MUFG	**MUTB**	·Emerging quant value ·Emerging minimum variance ·FTSE GWA emerging ·Asian equity quant value
	Mitsubishi UFJ Asset Management (UK)	·Foreign bond (Global Aggregate Bond Portfolio)
Alliance partner	**Aberdeen** (equity alliance partner)	·Asian equity/Emerging equity ·Global equity ·Asian bonds
	Baillie Gifford (alliance partner including JV)	·Emerging equity ·Global equity
	Bradesco (equity alliance partner)	·Brazil investment trust (retail investors)

Foreign-currency-denominated invested assets balance for corporate pension funds



Development of overseas customer base

- Provide mainly Japan investment products to SWFs and other overseas customers and strengthen product lineup, in cooperation with overseas network
  - ·Japanese equity (Active fund)
  - ·Japanese equity/Global equity (Passive fund)
  - ·Asian equity/quant
  - ·Emerging equity/quant etc.
- Consider market entry, including alliance and investment with partners in high growth Asian markets and large scale US and European markets
- Entered Chinese investment market
  - ·Invested (33% holding) in asset management subsidiary (SWS MU Fund Management Co.,Ltd. established in Jan 2004) of major Chinese securities firm Shenyin & Wanguo Securities, made an equity method affiliate in Apr 2011
    - ·China investment trust market ＝RMB 2.1 tn (approx. ¥26 tn) as of Sep 11

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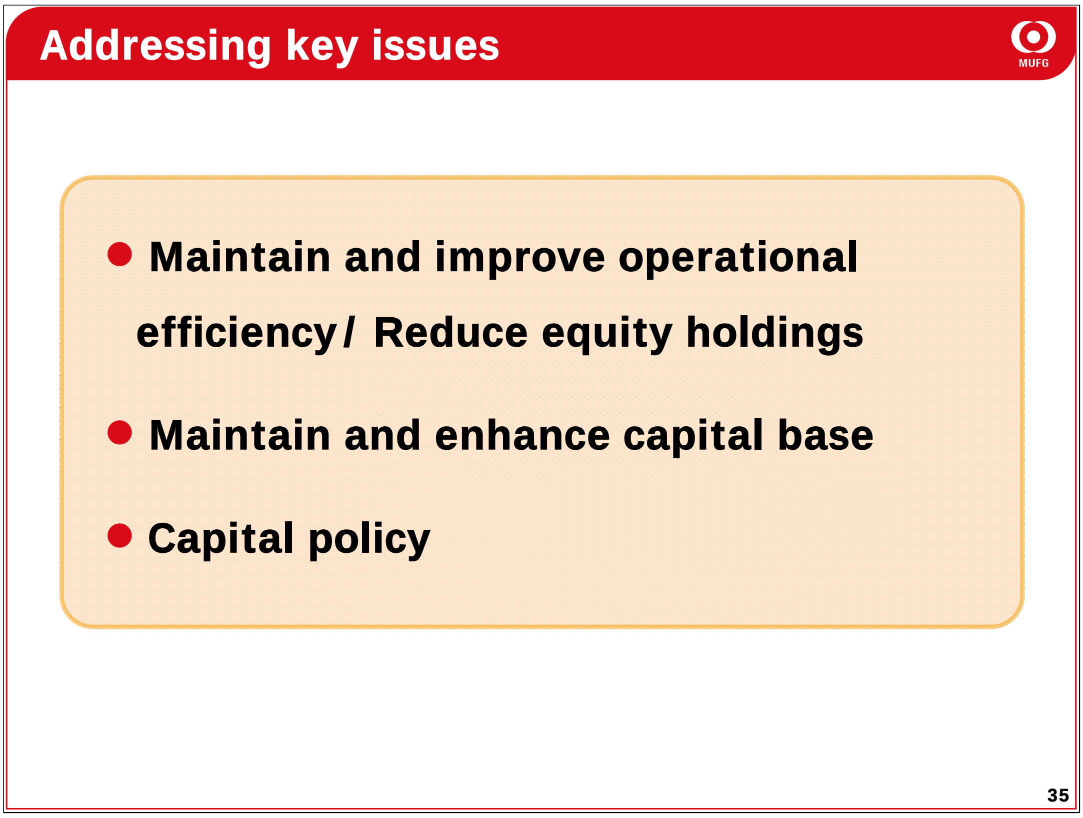
✓The asset management business is another area that has high growth potential.

✓We have been steadily expanding our product line-up to meet the growing demand for overseas investment products by our Japanese customers. This has resulted in a steady increase, excluding the impact of yen appreciation and lower equity prices, in the outstanding balance of our foreign-currency-denominated invested assets, which is shown in the graph in the bottom left of the page. We plan to grow our domestic operations by appropriately responding to customer needs.

✓From the perspective of developing overseas clients, we plan to continue to fill-out our product line-up with Japanese equity and other investment products. We will also consider market entry in overseas markets, including investments and alliances in high growth Asian markets and the large-scale U.S. and European markets.

✓This completes an overview of our growth strategies.



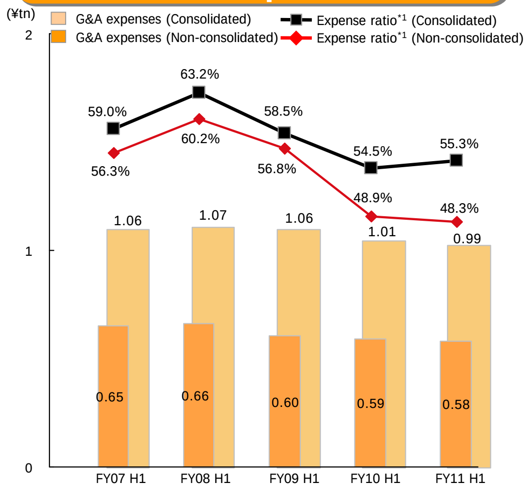
✓I will now explain our approach to the three issues shown in the slide.

Maintain and improve operational efficiency / Reduce equity holdings

(Consolidated / Non-consolidated) MUFG

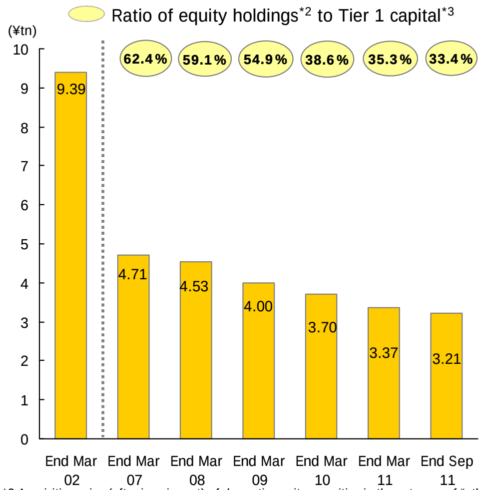
- Decreased consolidated G&A expenses by ¥28.6 bn and non-consolidated expenses by ¥6.1 bn. Maintaining corporate-wide cost reduction efforts while distributing resource to strategically strengthening business areas to increase profits
- Sold equity holdings by approx. ¥49.0 bn in FY11 H1. Continue to reduce equity holdings to minimize stock price fluctuation risk on capital while considering market conditions

G&A expenses



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

Equity holdings (acquisition price)*2



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

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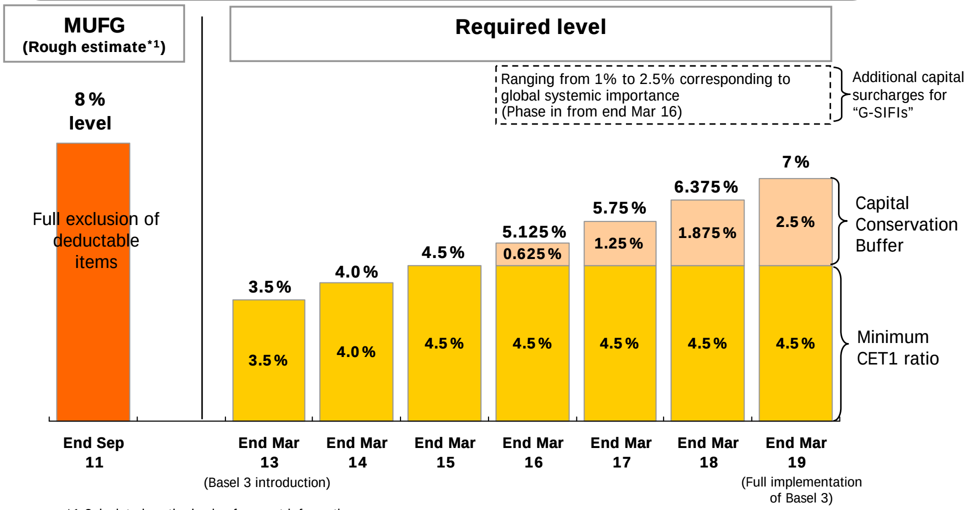
✓First, the chart on the left shows improving operational efficiency. Through a corporate-wide effort to reduce costs, we cut operating costs by 6.1 billion yen on a non-consolidated basis and by 28.6 billion yen on a consolidated basis. The expense ratio has also been held at a low 48.3% for non-consolidated and 55.3% for consolidated basis.

✓Next, the graph on the right shows our equity holdings. We sold around 49.0 billion yen in the first half. This was a slower pace than we have done in the past, but we have received consent from a number of customers to sell stocks held, and will continue to lower the balance of equity holdings while considering market conditions.

Maintain and enhance capital base

- **CET1 ratio on the basis of full exclusion of deductable items is estimated to be 8% level as of end Sep 11**
- **Limited impact on RWA under new Basel regulations**
- **Reinforce core capital by accumulating retained earnings and effective capital management, while closely monitoring the course of new regulations**

CET1 ratio of new Basel regulations



*1 Calculated on the basis of current information

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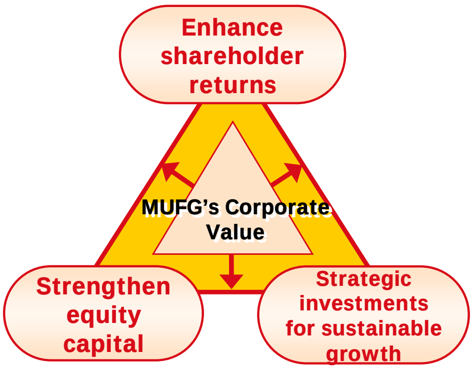
✓MUFG's Common Equity Tier 1 ratio under the Basel III regulations after fully excluding deductable items was 8% level at the end of September, already exceeded the minimum required level plus the capital conservation buffer.

✓We were included in the list of G-SIFIs(Global Systemically Important Financial Institutions) at the Cannes Summit. The level of capital surcharges will not be decided until 2014, but regardless, we will be asked to maintain a higher capital ratio than that of a non G-SIFIs in the future.

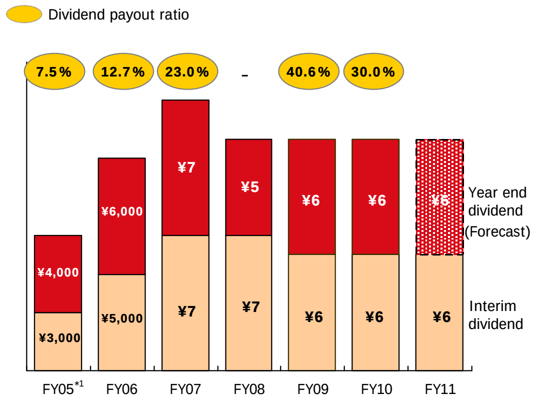
✓However, we believe that we can fully meet the new Basel III guidelines by reinforcing core capital through accumulating retained earnings and effective capital management, while closely monitoring the course of new regulations.

Capital policy

- Increase corporate value through appropriate capital strategy while properly responding to the new capital regulation
- Secure stable shareholder returns while maintaining a balance between strengthening capital and making strategic investment for sustainable growth
- Interim dividend ¥6. Dividend forecast ¥12 per common share in FY11



Dividends on common stock*1



*1 The dividends from FY07 are after adjusting for stock split effective Sep 30, 07 (1000 to 1 common stock split)
*2 The interim dividend for FY05 was for the former Mitsubishi Tokyo Financial Group

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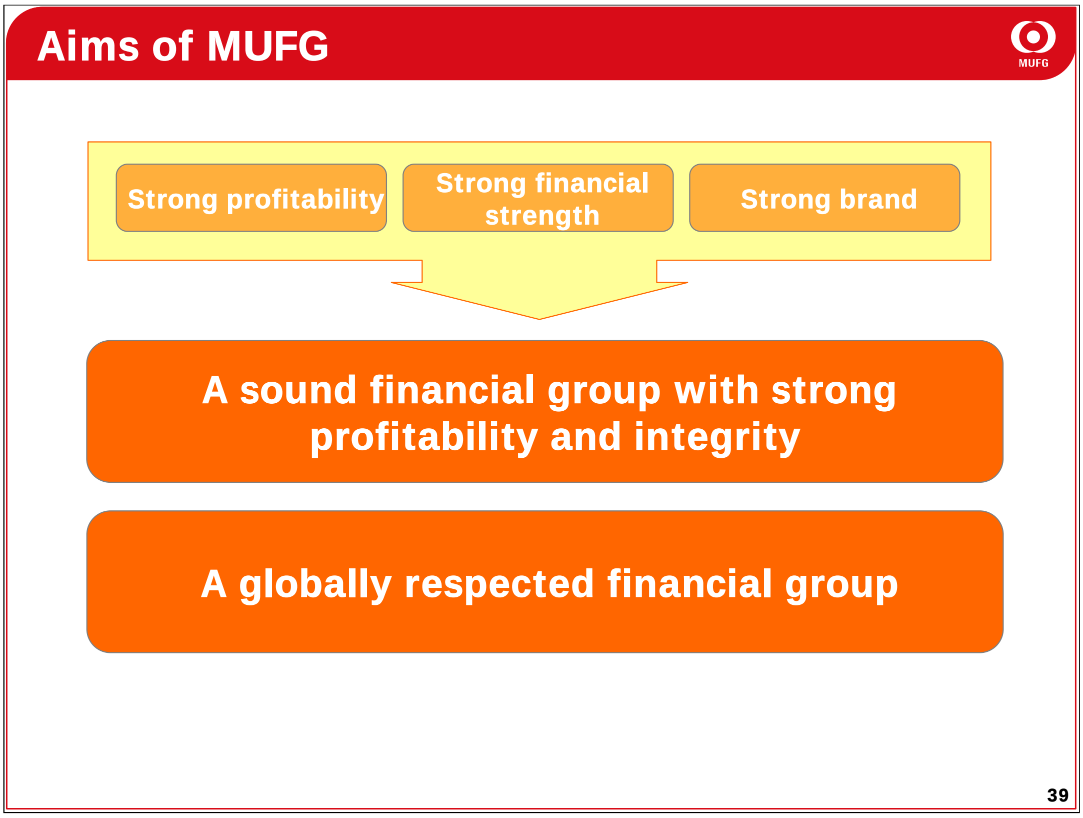
✓As I have said previously, in terms of capital policy we believe it is important to maintain a balance of the three factors shown on the page. We aim to secure stable returns for shareholders, while maintaining a balance of strengthening capital and using our capital to achieve enhanced profits.

✓In terms of dividends, the interim dividend was in-line with guidance at 6 yen per share, and the dividend paid at end-March and the full-year dividend are forecast at 6 yen and 12 yen per share respectively.

✓That concludes our discussion of addressing key issues.



✓As I mentioned earlier, this second half is an important time for us to finish our current medium-term business plan, and to prepare our next medium-term plan. The first thing I believe that needs to be done is to fully achieve the goals set out in our current plan.

✓The next mid-term plan is currently being prepared, and in that, we believe it will be important to clarify our growth strategy. This is likely to include the effective use of MUFG’s greatest strengths – namely the most comprehensive overseas network of any Japanese bank, our overwhelmingly strong Japanese customer base, and our solid financial base.

✓We aim to raise shareholder value through realization of our goal of becoming “a globally respected financial group”, and we ask for your continued support.