



Mitsubishi UFJ Financial Group

IR Presentation

February, 2013

Quality for You

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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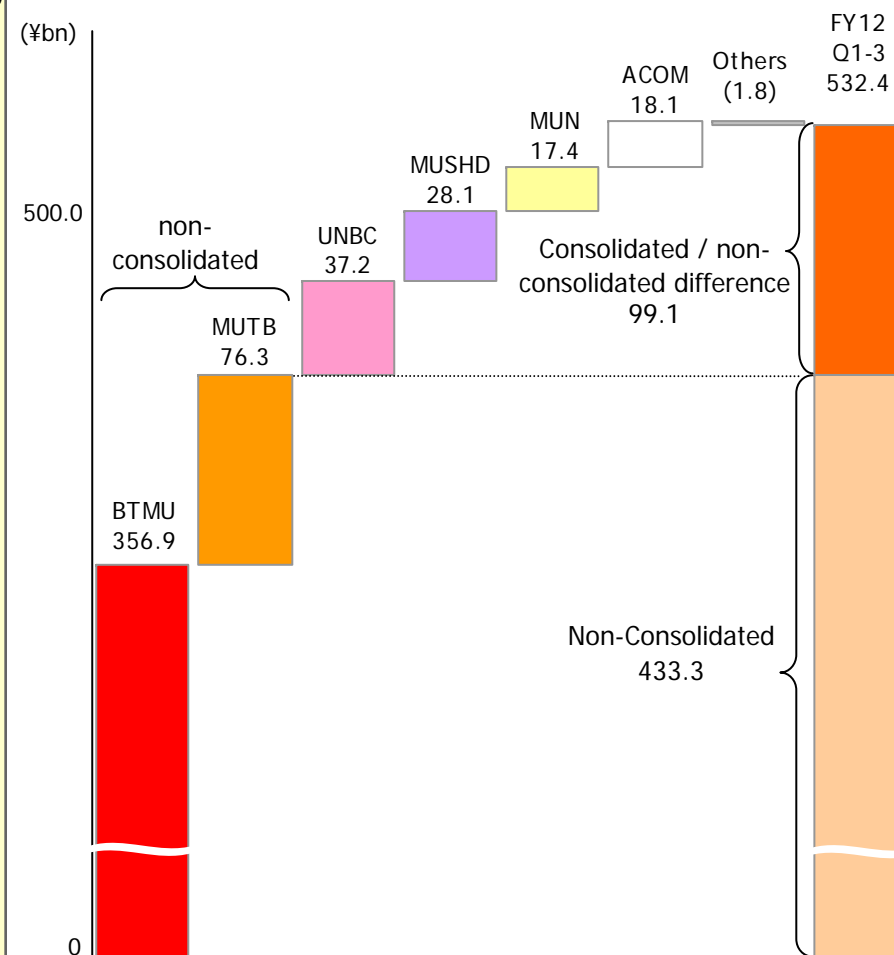
Outline of FY2012 Q3 Results

FY2012 Q3 key points



- **Q1-3 net income was ¥532.4 bn**
 - Good progress (approx. 80%) towards our full-year net income target of ¥670 bn. Subsidiaries' performance was solid. Difference between consolidated and non-consolidated net income was ¥99.1 bn
- **Overseas business continued to grow strongly**
 - The risk-monitored overseas loan ratio remained low, even under growing lending balance
 - Completed the acquisition of Pacific Capital Bancorp in Dec 12
 - Announced the acquisition of approx. 20% shares in Vietnam's Vietinbank (Dec 12)
- **Steadily deploying growth strategies, while tackling difficult domestic business environment due to declining interest rates**
 - Declining trend of corporate lending balance seemed to stop. Solution business such as structure finance continued to expand steadily
 - Sales of investment products were performing well

Breakdown of net income*1



*1 The above figures take into consideration the percentage holding in each subsidiary (after-tax basis)

FY2012 Q3 summary (Income statement) (Consolidated)



● Net business profits

- Net interest income decreased due to lower deposits and lending income, lower interest income in Global Markets segment and lower income from consumer-finance subsidiaries, partially offset by an increase in lending income in overseas business. Gross profits, however, increased mainly due to an increase in income from sales & trading, and net gains on debt securities
- G&A expenses increased due to an increase in costs to strengthen overseas business
- Net business profits decreased

● Total credit costs

- Increased mainly due to a lower reversal of provision for general allowance for credit losses, partially offset by a decrease in losses on loans written-off

● Net losses on equity securities

- Decreased due to smaller losses on write-down, resulting from higher stock prices

● Net income

- Net income excluding one-time negative goodwill was almost flat from FY11 Q1-3

| Reference | FY11 | FY12 Q1-3 | Change |
|---|-------|-----------|---------|
| Consolidated ROE ^{*3} | 7.7% | 7.51% | (0.41%) |
| EPS(¥) | 68.09 | 37.00 | (20.04) |
| Excl. negative goodwill ^{*3} (¥) | 47.54 | 37.00 | 0.50 |

*3 Excluding negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley

Income statement (¥bn) <Consolidated>

| | FY11 | FY12 Q1-3 | Change |
|---|---------|-----------|---------|
| 1 Gross profits (before credit costs for trust accounts) | 3,502.0 | 2,678.1 | 31.4 |
| 2 Net interest income | 1,840.5 | 1,309.8 | (68.2) |
| 3 Trust fees | 96.9 | 67.7 | (3.1) |
| 4 Net fees and commissions | 964.2 | 716.4 | 17.4 |
| 5 Net trading profits | 225.5 | 200.8 | 66.0 |
| 6 Net other business profits | 374.7 | 383.2 | 19.2 |
| 7 Net gains (losses) on debt securities | 270.3 | 344.3 | 59.1 |
| 8 G&A expenses | 1,994.5 | 1,523.9 | 50.6 |
| 9 Net business profits | 1,507.4 | 1,154.1 | (19.1) |
| 10 Total credit costs ^{*1} | (193.4) | (103.5) | (12.8) |
| 11 Net gains (losses) on equity securities | (88.6) | (90.9) | 64.1 |
| 12 Losses on write-down of equity securities | (79.2) | (110.2) | 45.3 |
| 13 Other non-recurring gains (losses) ^{*2} | 246.6 | (23.2) | (327.1) |
| 14 Ordinary profits | 1,471.9 | 936.4 | (294.9) |
| 15 Net extraordinary gains (losses) | (23.8) | (27.1) | (9.3) |
| 16 Total of income taxes-current and income taxes-deferred | (376.4) | (282.9) | 36.4 |
| 17 Minority interests | (90.2) | (93.8) | (15.4) |
| 18 Net income | 981.3 | 532.4 | (283.3) |
| 19 Without one-time effect of negative goodwill | 690.6 | 532.4 | 7.2 |

<Non-consolidated>

| | FY11 | FY12 Q1-3 | Change |
|--|---------|-----------|--------|
| 20 Gross profits (before credit costs for trust accounts) | 2,362.0 | 1,811.5 | (0.2) |
| 21 G&A expenses | 1,191.0 | 920.0 | 36.2 |
| 22 Net business profits | 1,171.0 | 891.5 | (36.4) |
| 23 Total credit costs ^{*1} | (134.5) | (54.3) | (11.3) |
| 24 Ordinary profits | 853.4 | 673.0 | 32.3 |
| 25 Net income | 544.9 | 433.3 | 52.6 |

*1 Credit costs for trust accounts+Provision for general allowance for credit losses
+Credit costs (included in non-recurring gains/losses)+Reversal of allowance for credit losses
+Reversal of reserve for contingent losses included in credit costs+Gains on loans written-off

*2 Included Profits (losses) from investments in affiliates and provision for losses on interest repayment

FY2012 Q3 summary (Income statement) supplementary explanation

(Consolidated) 

Breakdown of net interest income (Managerial accounting base)

| | (¥bn) | y-o-y | |
|--------------------------|--------|--------|---|
| 1 Total | | (68.2) | |
| 2 Non-consolidated | (55.3) | | Down due to decreases in Yen deposits income and market income & others, partially offset by increase in lending income |
| 3 Lending income | 23.7 | | Declines in Retail and Corporate segments(-18.5) were more than offset by Global segment(+42.6) |
| 4 Yen deposits income | (29.2) | | Retail segment decreased in particular due to lower market interest rates |
| 5 Market income & others | (50.8) | | Down mainly due to effects of lower market interest rates on yen-denominated ALM |
| 6 Subsidiaries | (12.8) | | Good performance in UNBC. However, down in consumer finance companies |
| 7 MU NICOS/ACOM | (24.8) | | Loan balance declined due to continued effects of the regulation of total lending limit |
| 8 UNBC | 10.4 | | Up due to increase in residential mortgage and commercial and industrial lending |

Breakdown of net fees & commissions (Managerial accounting base)

| | (¥bn) | y-o-y | |
|---------------------------------|-------|-------|--|
| 1 Total | | 17.4 | |
| 2 Non-consolidated | 12.3 | | Good performance in investment banking business in domestic and overseas. Investment products sales also good |
| 3 Investment products sales | 5.9 | | Investment trust sales income increased, and income from financial products intermediation continued to perform well |
| 4 Investment banking (domestic) | 6.8 | | Strong performance in the syndicated loan and structured finance businesses |
| 5 Overseas commissions | 7.3 | | Strong performance in the structured finance and trade finance businesses |
| 6 Others | (7.7) | | Down due to a decrease in guarantee commission of private notes, etc |
| 7 Subsidiaries | 5.1 | | Up mainly due to an increase in fee income at MUSHD resulting from strong stock markets |

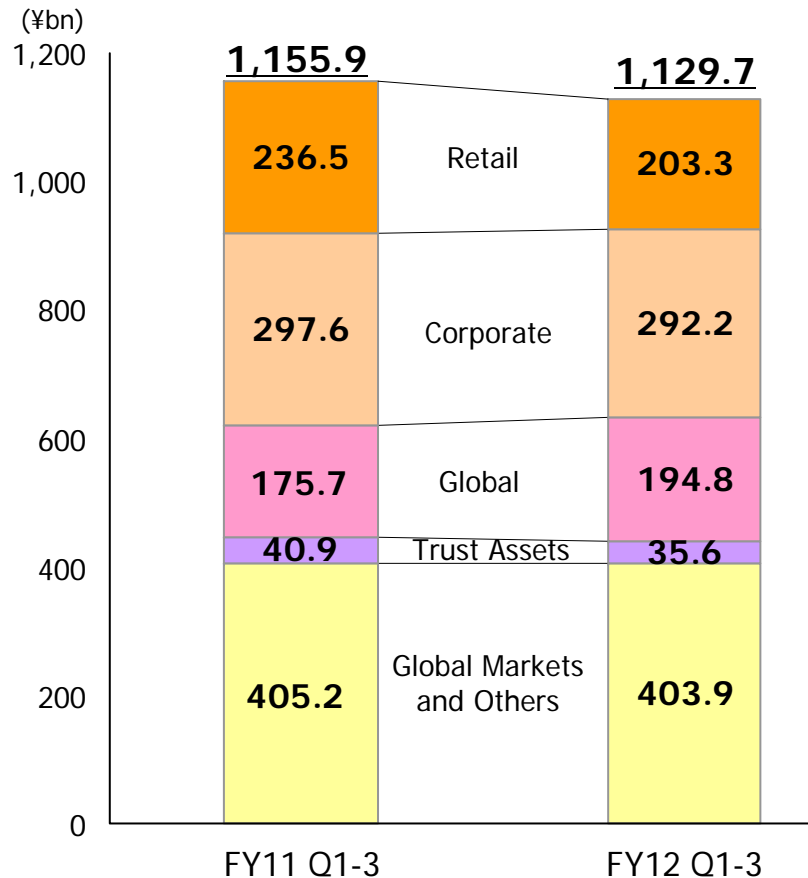
Outline of results by business segment

(Consolidated)



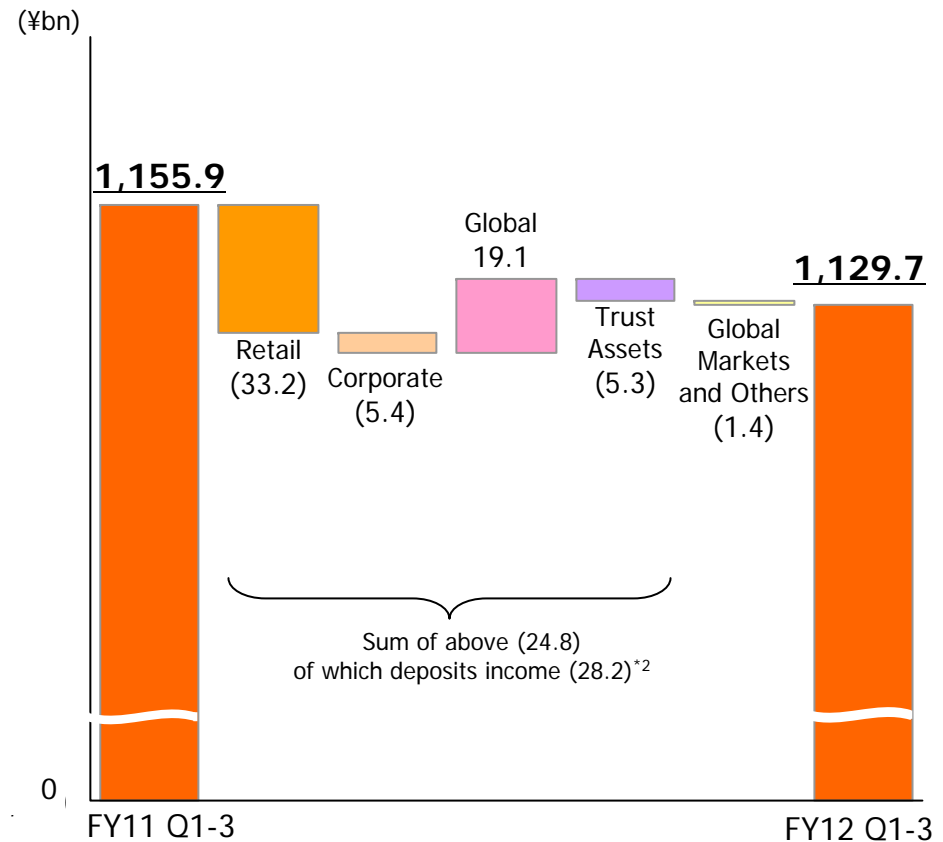
- Global segment increased profits by higher lending related income, Retail, Corporate and Trust Assets segments decreased profits. Overall net operating profits decreased by ¥26.2 bn from FY11 Q1-3. However, customer division's profits increased by ¥3.4 bn excluding a decrease in deposits income due to lower market interest rates

Net operating profits by segment*1



*1 Consolidated net business profits on a managerial accounting base

Breakdown of changes in net operating profits



*2 Deposits income is non-consolidated figures

Initiatives for FY2012 H2



- Aiming to achieve medium-term business plan targets; Key initiatives in FY2012 H2:

Retail

- (1) **Strengthen sales of investment products** : Enhance products, strengthen professional support staff for counter sales, roll out of about 2,000 tablet computers at BTMU branches
- (2) **Strengthen total asset marketing through intra-Group collaboration** : Address customers' needs for inheritance/real estate/asset management by strengthening BTMU/MUTB/MUMSS collaboration
- (3) **Increase unsecured consumer loans** : Expand sales of BTMU card loans (BANQUIC). ACOM's loan balance is forecasted to bottom-out
- (4) **Promote MU NICOS as main card for customers** : Increase acquisition of high-use cards and revolving payments on major allied cards

Corporate

- (1) **Increase core transactions: lending, settlement, forex, etc** : Provide high value-added proposals for business inheritance, rationalization of settlement transaction and overseas expansion
- (2) **Increase event finance mandates** : Cooperate between BTMU and MUMSS, leverage Morgan Stanley's global network
- (3) **Strengthen trust businesses (securities agency, real estate, corporate pensions)** : Deepen BTMU/MUTB collaboration
- (4) **Discover and support growing companies** : Apply Group's diverse financial functions

Global

- Please refer to pages 22-29

Trust Assets

- (1) **Expand pension business** : Further reinforce BTMU/MUTB collaboration, improve investment performance and develop products with alliance partners
- (2) **Expand investment trust business** : Increase cooperation with distributors inside and outside of Group, strengthen asset management and product development
- (3) **Increase cooperation with alliance partners** : Provide new products from strategic partners (Aberdeen, AMP, etc) and expand sales of existing partner products

FY2012 financial targets

(Consolidated/Non-consolidated)



- No changes to FY12 net income target from ¥670.0 bn
(MUTB revise non-consolidated net income target from ¥80 bn to ¥100 bn due to an expectation of extraordinary gain with return of substitute portion which relates to past employee services of employees' pension fund)

<Financial Targets>

<Consolidated>

| | FY11 | | FY12 | | Progress in % |
|---|----------------|---------------------|----------------|---------------------|---------------|
| | Q1-3 (Results) | Full year (Results) | Q1-3 (Results) | Full year (Targets) | |
| 1 Ordinary profits | ¥1,231.4 bn | ¥1,471.9 bn | ¥936.4 bn | ¥1,110.0 bn | 84.3% |
| 2 Net income | ¥815.8 bn | ¥981.3 bn | ¥532.4 bn | ¥670.0 bn | 79.4% |
| 3 Net income (w/o MS negative goodwill) | ¥525.1 bn | ¥690.6 bn | ¥532.4 bn | ¥670.0 bn | - |
| 4 Total credit costs | ¥90.7 bn | ¥193.4 bn | ¥103.5 bn | ¥160.0 bn | 64.6% |

<Non-consolidated>

| | | | | | |
|------------------------|-----------|-------------|-----------|-------------|-------|
| 5 Net business profits | ¥927.9 bn | ¥1,171.0 bn | ¥891.5 bn | ¥1,145.0 bn | 77.8% |
| 6 Ordinary profits | ¥640.7 bn | ¥853.4 bn | ¥673.0 bn | ¥800.0 bn | 84.1% |
| 7 Net income | ¥380.6 bn | ¥544.9 bn | ¥433.3 bn | ¥560.0 bn | 77.3% |
| 8 Total credit costs | ¥43.0 bn | ¥134.5 bn | ¥54.3 bn | ¥85.0 bn | 63.8% |

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

● Loans

- Increased from both end Mar 12 and end Sep 12, mainly due to higher domestic corporate loans and overseas loans

● Investment securities

- Decreased from both end Mar 12 and end Sep 12, mainly due to a decrease in Japanese government bonds, partially offset by an increase in foreign bonds

● Deposits

- Increased from both end Mar 12 and end Sep 12, mainly due to higher individual deposits, overseas and others

● Non performing loans (“NPLs”)

- NPLs increased from end Mar 12 caused by downgrade of debtor credit ratings of large borrowers. Remained almost unchanged from end Sep 12

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

- Increased from both end Mar 12 and end Sep 12, mainly due to an increase in unrealized gains on equity securities

| Balance sheet (¥bn) | | End Dec 12 | Change from end Mar 12 | Change from end Sep 12 |
|---------------------|--|------------|---------------------------|---------------------------|
| 1 | Total assets | 224,470.2 | 5,608.6 | 5,829.1 |
| 2 | Loans(Banking+Trust accounts) | 87,080.1 | 2,440.0 | 2,251.6 |
| 3 | Loans(Banking accounts) | 86,979.5 | 2,486.8 | 2,298.3 |
| 4 | Housing loans ^{*1} | 16,611.4 | (254.6) | (80.2) |
| 5 | Domestic corporate loans ^{*1} | 46,333.3 | 698.6 | 563.2 |
| 6 | Overseas loans ^{*2} | 21,922.8 | 1,975.6 | 1,773.6 |
| 7 | Investment securities (banking accounts) | 75,403.4 | (2,861.2) | (1,873.3) |
| 8 | Domestic equity securities | 4,157.3 | (59.2) | 432.6 |
| 9 | Japanese government bonds | 44,196.5 | (4,366.1) | (3,877.3) |
| 10 | Foreign bonds | 20,094.2 | 1,322.1 | 1,422.3 |
| 11 | Receivables under resale agreements and Receivables under securities borrowing transactions | 7,875.3 | 65.8 | (239.6) |
| 12 | Total liabilities | 212,199.9 | 5,014.1 | 5,425.7 |
| 13 | Deposits | 126,931.2 | 2,142.0 | 1,845.3 |
| 14 | Individual deposits (Domestic branches) | 67,828.9 | 1,984.5 | 1,347.7 |
| 15 | Payables under repurchase agreements and Payables under securities lending transactions | 20,037.0 | 1,472.2 | 1,810.1 |
| 16 | Total net assets | 12,270.2 | 594.5 | 403.3 |
| 17 | FRL disclosed loans ^{*1*3} | 1,670.6 | 88.4 | 19.4 |
| 18 | NPL ratio ^{*1} | 1.83% | 0.05% | (0.03%) |
| 19 | Net unrealized gains (losses) on securities available for sale | 1,026.9 | 194.8 | 327.3 |

*1 Non-consolidated+trust accounts

*2 Loans booked in overseas branches, UNBC and BTMU(China)

*3 FRL=the Financial Reconstruction Law

Loans/Deposits

● **Loan balance ¥87.0 tn**
(up by ¥2.2 tn from end Sep 12)

<Changes from end Sep 12>

- Housing Loan (¥0.0 tn)
- Domestic corporate ¥0.5 tn
- Overseas*1 ¥1.7 tn
- Excluding impact of foreign currency exchange ¥0.3 tn

*1 Overseas branches + UNBC + BTMU (China)

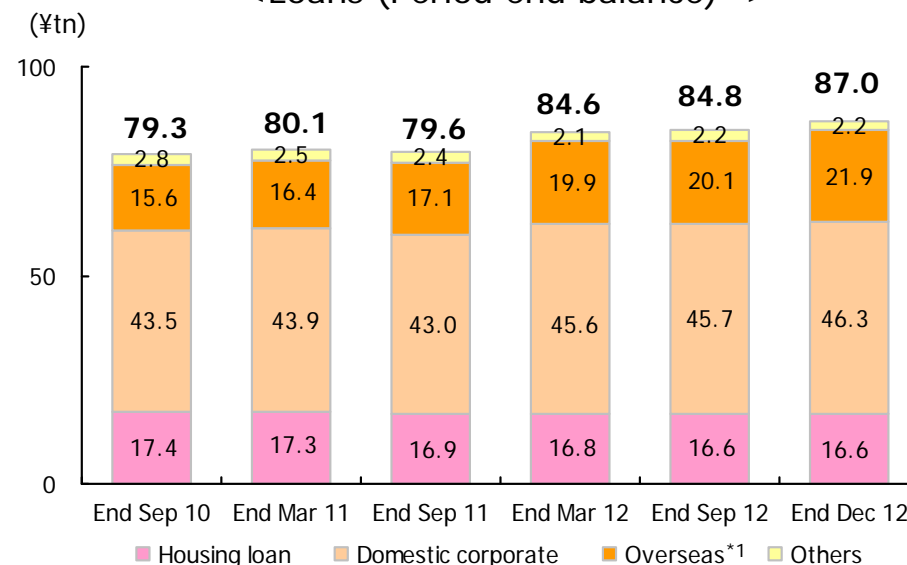
*2 Sum of banking and trust accounts

● **Deposit balance ¥126.9 tn**
(up by ¥1.8 tn from end Sep 12)

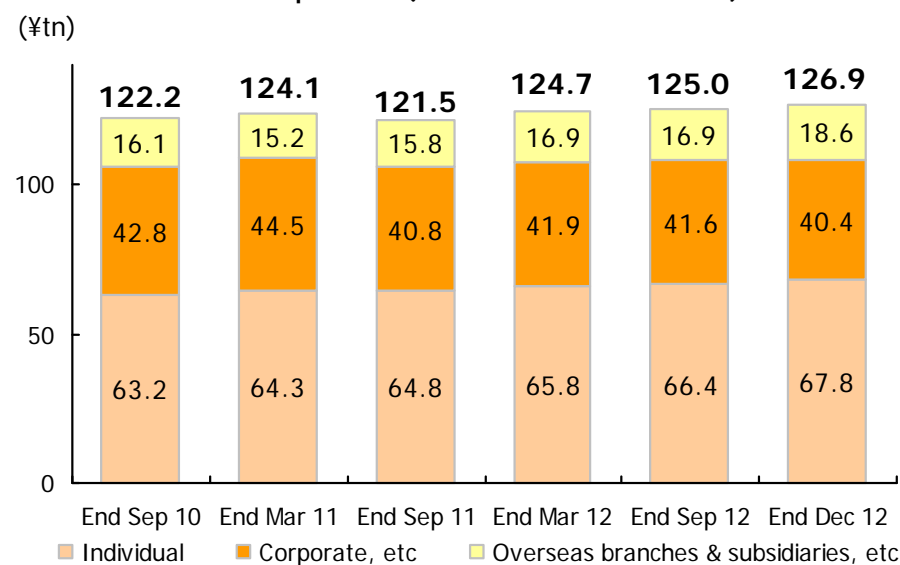
<Changes from end Sep 12>

- Individual ¥1.3 tn
- Corporate, etc. (¥1.1 tn)
- Overseas and others ¥1.6 tn
- Excluding impact of foreign currency exchange ¥0.7 tn

<Loans (Period end balance)*2>



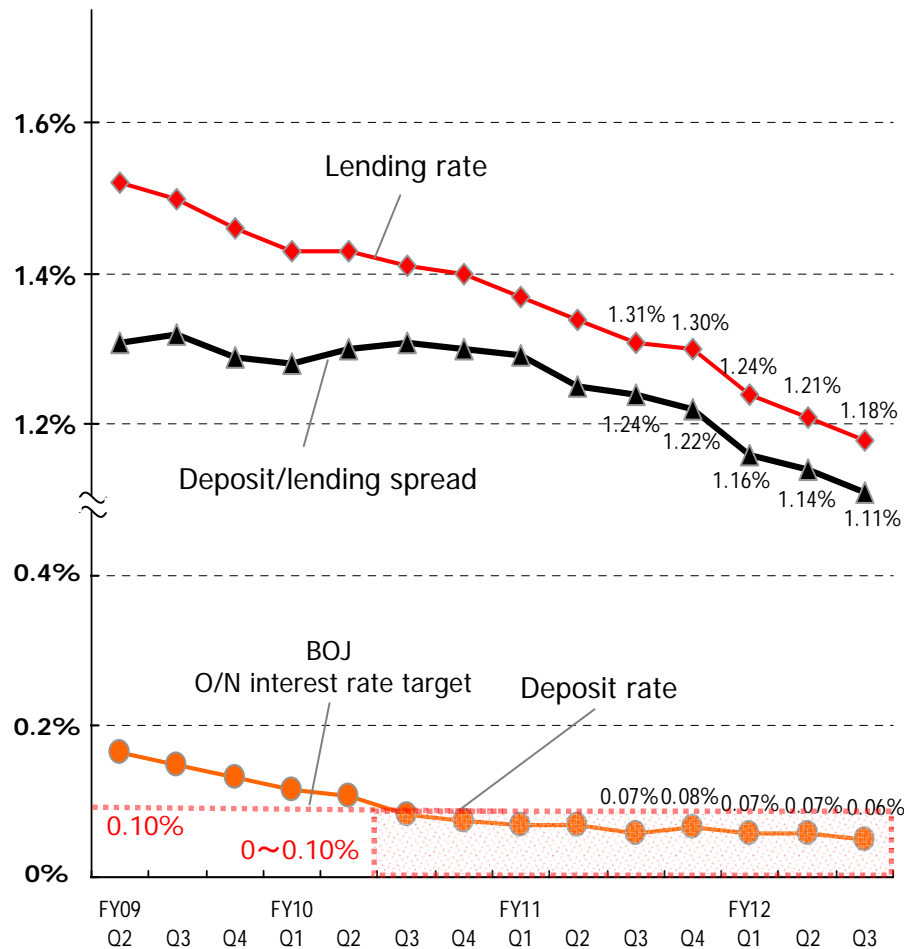
<Deposits (Period end balance)>



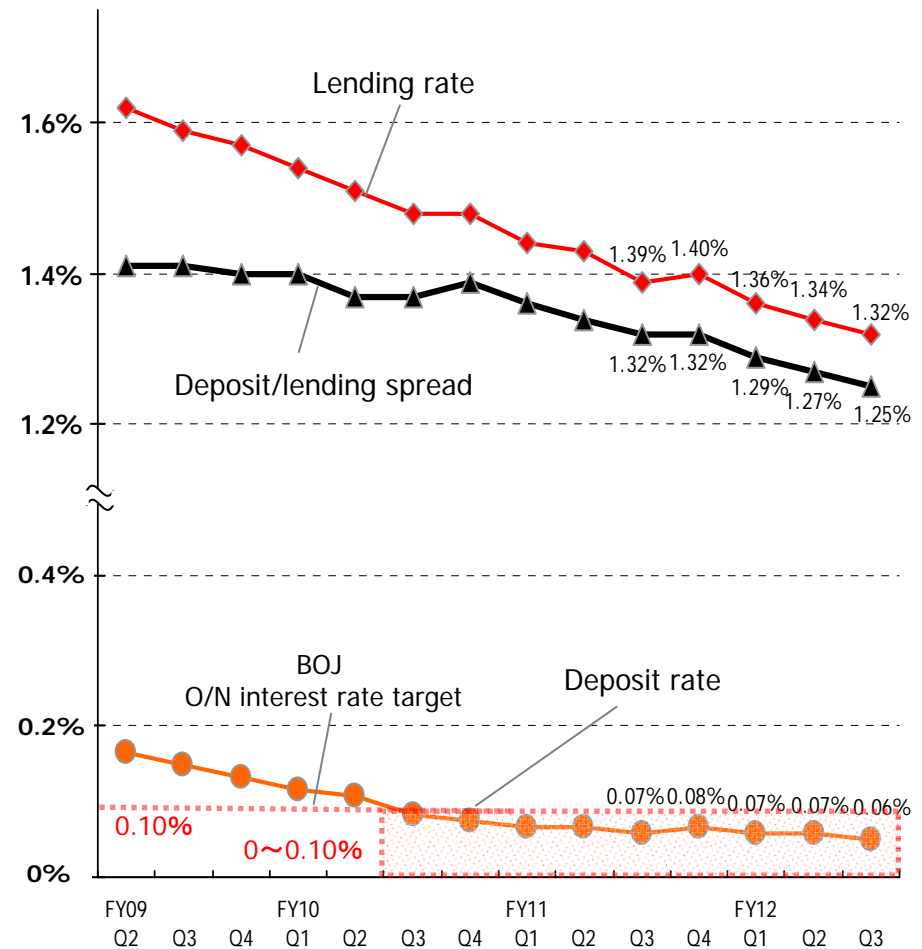
Domestic deposit/lending rates

- Deposit/lending spread in FY12 Q3 decreased mainly due to a decline in lending rate

Domestic deposit/lending rates



Domestic deposit/lending rates (Excl. Lending to government)

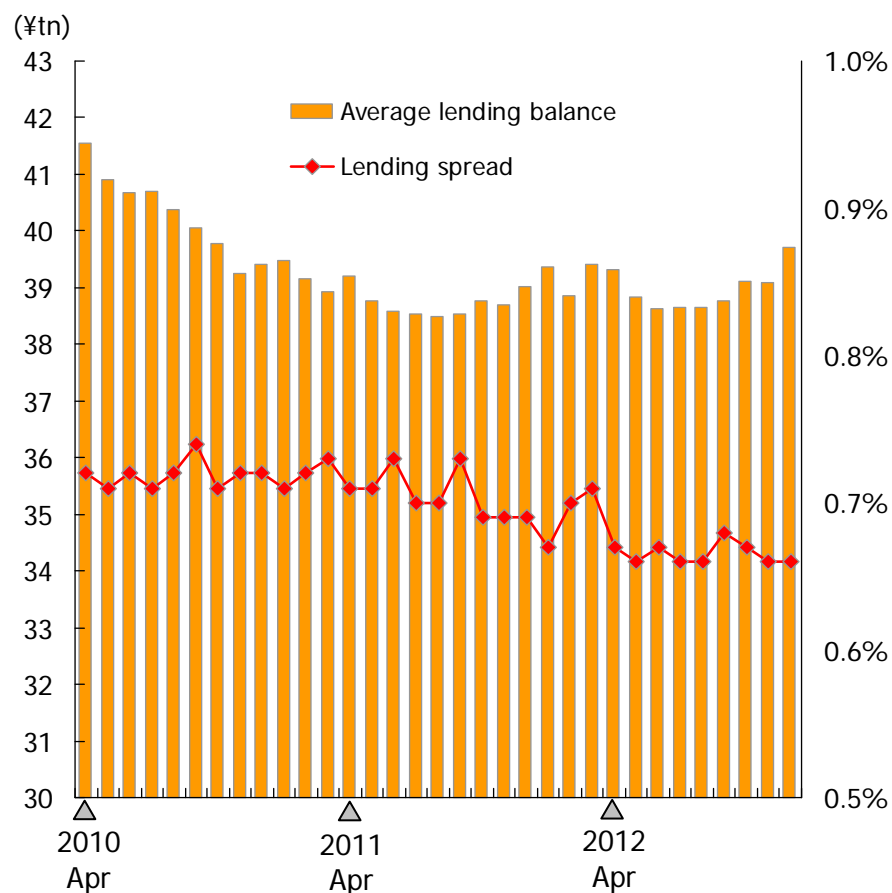


Domestic and overseas lending(1)



- Declining trend of domestic corporate lending balance seemed to stop. Overseas corporate lending expanded constantly

Domestic corporate lending/Spread*1

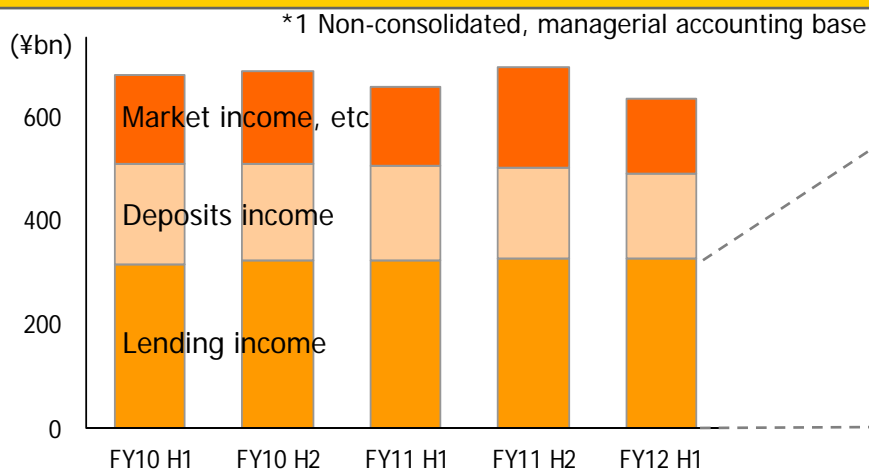


Domestic and overseas lending(2)

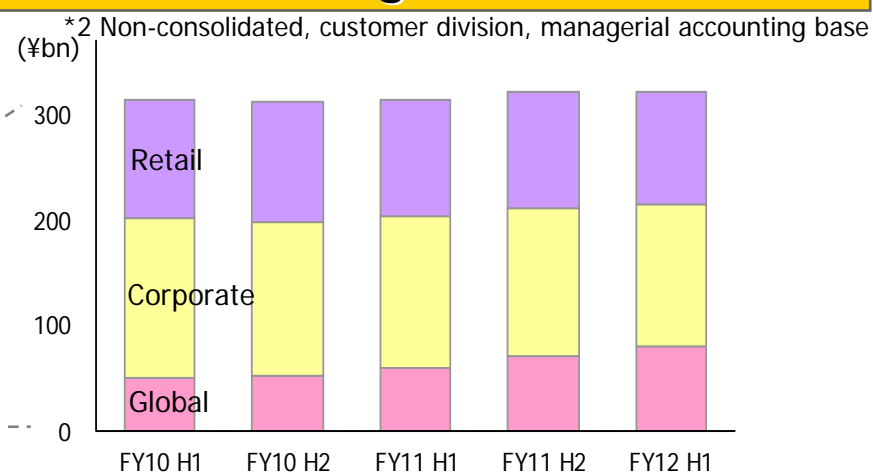


- Although net interest income was on a declining trend, growth in lending income from Global segment more than offset lower lending income from Corporate and Retail segments
- Total average lending balance of domestic corporate and overseas Japanese corporate is on an increasing trend

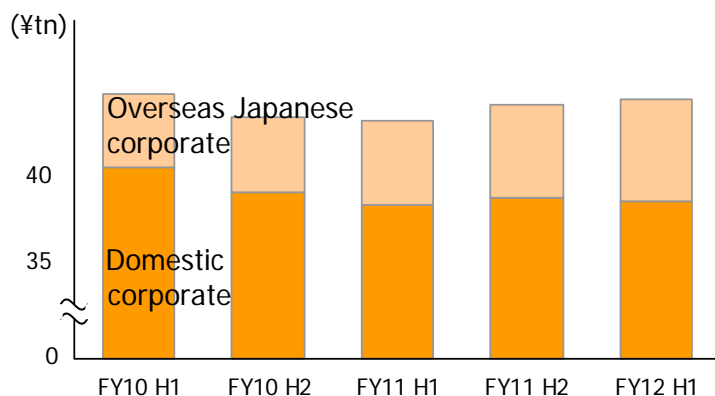
Net interest income*1



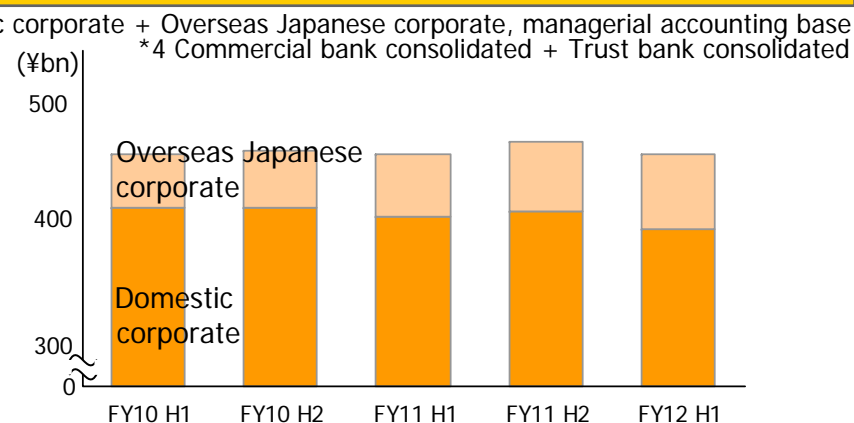
Lending income*2



Average lending balance*3*4



Gross profits*3*4



(Note) Exchange rates: Those adopted in our business plan (\$/¥=83, etc)

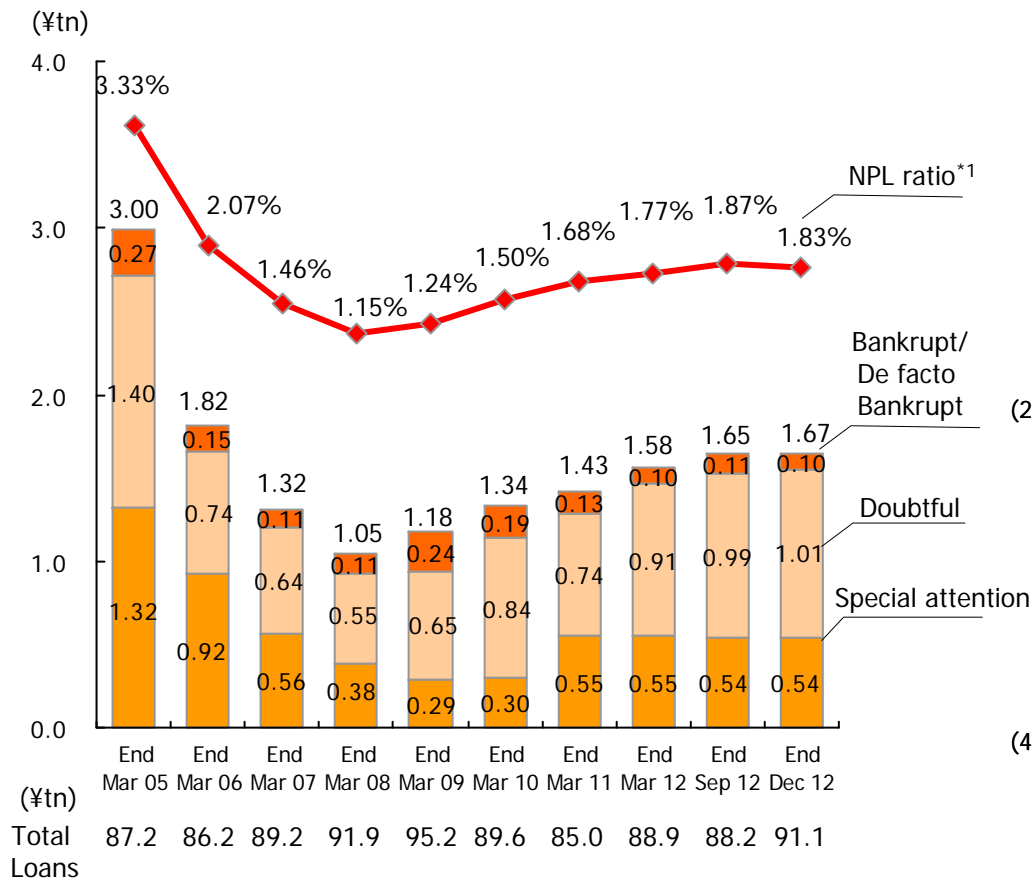
Loan assets

(Consolidated/Non-consolidated)



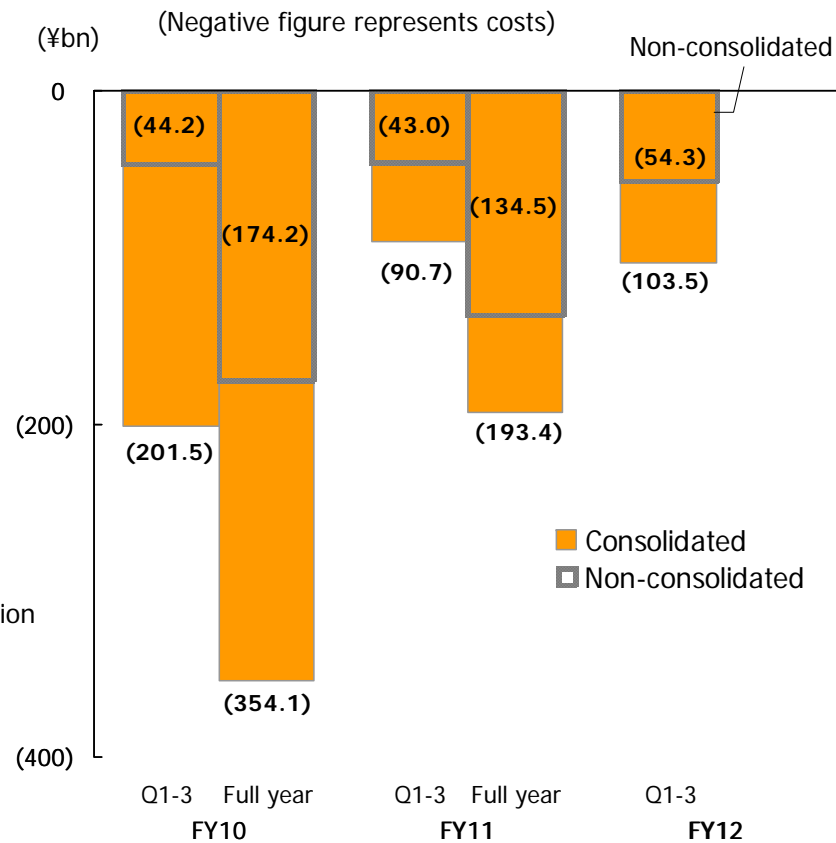
- NPLs almost flat from end Sep 12, NPL ratio was 1.83%
- Total credit costs increased by ¥12.8 bn from FY11 Q1-3 to ¥103.5 bn on consolidated basis. ¥54.3 bn on non-consolidated basis

Balance of FRL disclosed loans (non-consolidated)



*1 Non performing loan / Total loans

Total credit costs*2



*2 Figures included gains on loans written-off

Holdings of investment securities

(Consolidated)



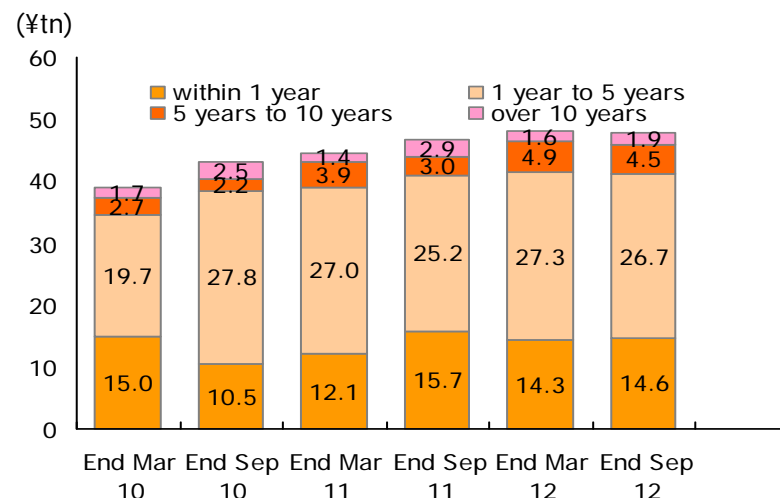
- Maintained high level of unrealized gains. Unrealized gains on domestic and foreign equity securities increased reflecting strong stock performance

Breakdown of other securities (with market value)

| (¥bn) | | Balance | | Unrealized gains(losses) | |
|-------|----------------------------|------------|------------------------|--------------------------|------------------------|
| | | End Dec 12 | Change from end Sep 12 | End Dec 12 | Change from end Sep 12 |
| 1 | Total | 72,904.8 | (1,189.2) | 1,026.9 | 327.3 |
| 2 | Domestic equity securities | 3,296.7 | 426.4 | 419.8 | 358.2 |
| 3 | Domestic bonds | 47,220.0 | (3,642.1) | 210.2 | (53.6) |
| 4 | Government bonds | 43,946.6 | (3,597.3) | 151.9 | (49.0) |
| 5 | Others | 22,388.1 | 2,026.4 | 396.8 | 22.7 |
| 6 | Foreign equity securities | 186.6 | 36.3 | 65.3 | 33.5 |
| 7 | Foreign bonds | 19,531.9 | 1,571.2 | 312.2 | (18.2) |
| 8 | Others | 2,669.5 | 418.8 | 19.2 | 7.4 |

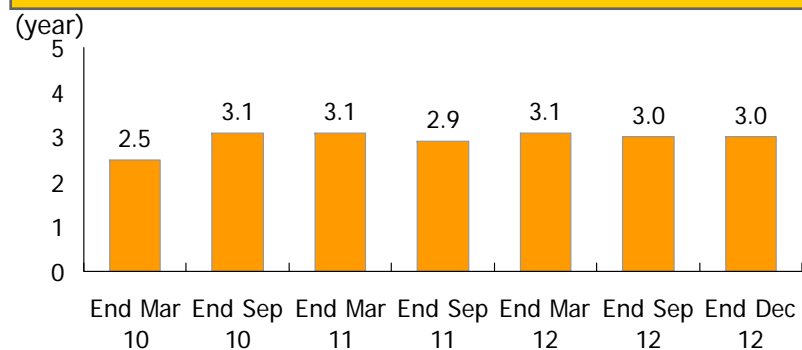
End Dec 12 TOPIX:859.80, JGB(10yrs):0.79%

Redemption schedule of JGB*1



*1 Other securities with maturities and debt securities being held to maturity. Non-consolidated

JGB Duration*2



*2 Non-consolidated

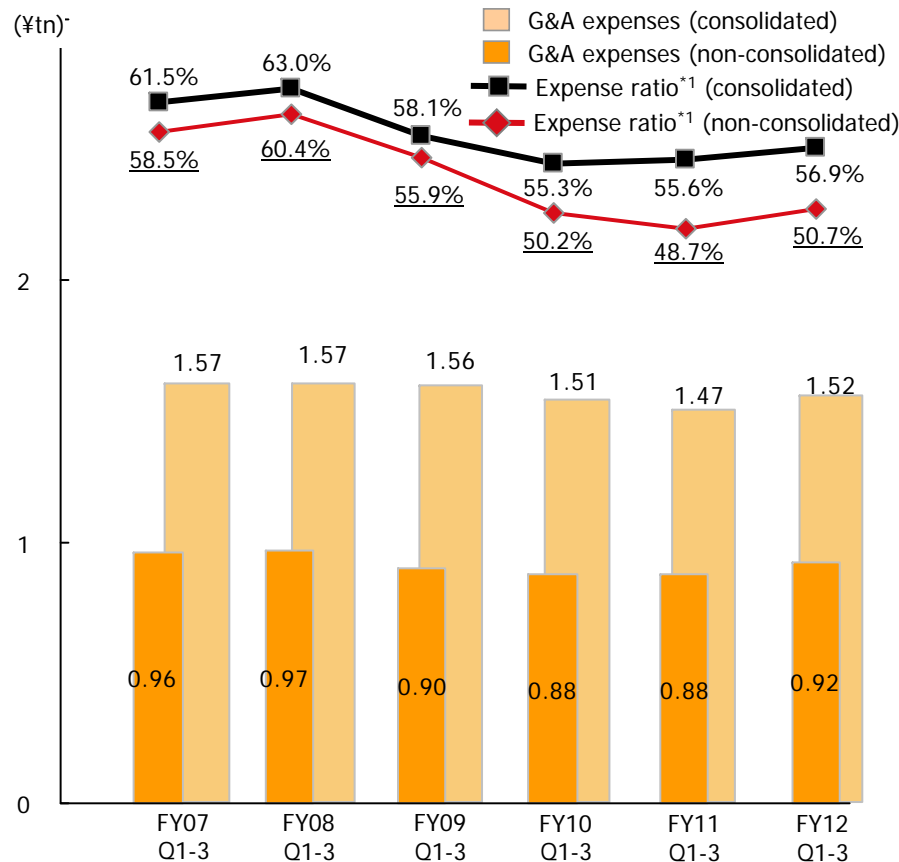
Expenses/Equity holdings

(Consolidated/Non-consolidated)



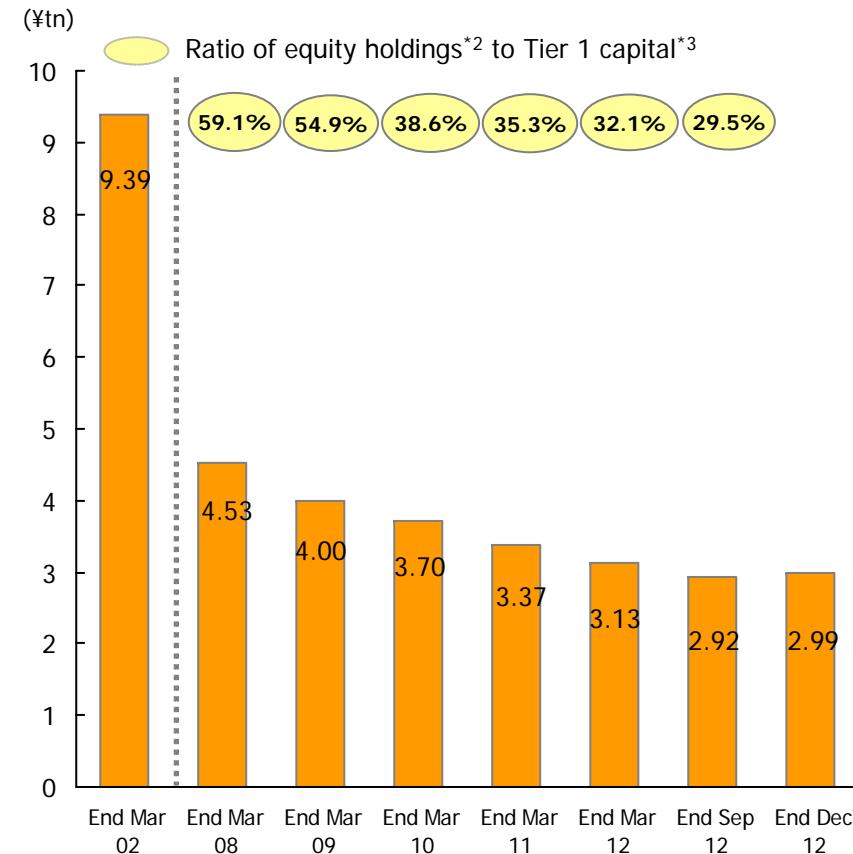
- Expenses increased due to distribution of resources to strengthen some business areas, such as overseas business, while maintain corporate-wide cost reduction efforts. Consolidated expense ratio was 56.9%, non-consolidated expense ratio was 50.7%
- Sold equity holdings by approx. ¥25.0 bn in FY12 Q1-3. 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



*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)

Mitsubishi UFJ Securities Holdings



- FY12 Q1-3 net income ¥28.1 bn as commission income increased, trading income expanded driven by client transaction flow and G&A expenses contained
- MUMSS (non-consolidated) profits up strongly due to good investment trusts sales and trading performance

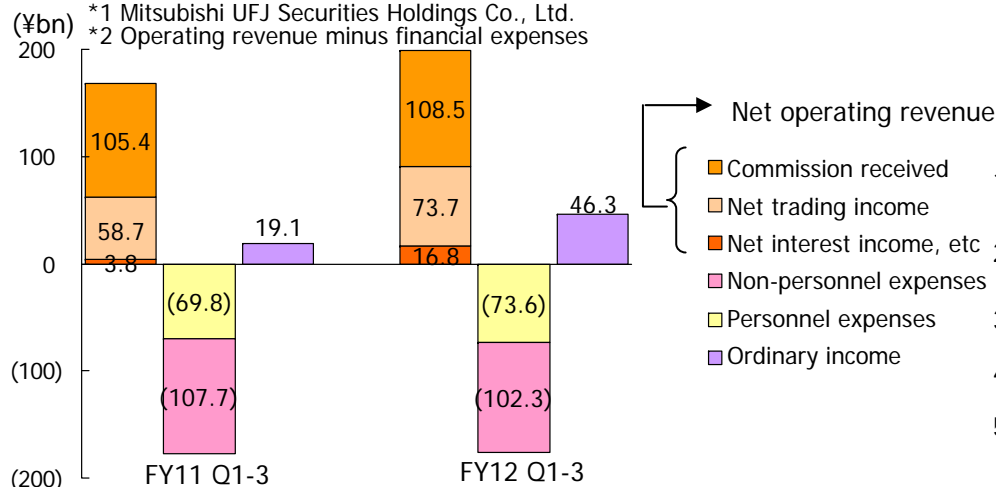
Results of MUSHD

<MUSHD*1

consolidated>

| (¥bn) | FY11 | FY12 Q1-3 | Change from FY11 Q1-3 |
|--|--------|-----------|-----------------------|
| 1 Net operating revenue*2 | 238.5 | 199.1 | 31.1 |
| 2 Selling, general and administrative expenses | 240.1 | 175.9 | (1.5) |
| 3 Operating income | (1.5) | 23.1 | 32.7 |
| 4 Ordinary income | 38.1 | 46.3 | 27.1 |
| 5 Extraordinary income | (13.6) | 2.2 | 16.3 |
| 6 Net income | 16.5 | 28.1 | 24.0 |

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



Results of MUMSS

<MUMSS*3

non-consolidated>

| (¥bn) | FY11 | FY12 Q1-3 | Change from FY11 Q1-3 |
|--|--------|-----------|-----------------------|
| 1 Net operating revenue*2 | 170.1 | 145.8 | 26.8 |
| 2 Selling, general and administrative expenses | 169.6 | 122.2 | (3.6) |
| 3 Operating income | 0.4 | 23.6 | 30.5 |
| 4 Ordinary income | 2.7 | 25.1 | 30.7 |
| 5 Net income | (16.7) | 31.1 | 56.4 |

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

<MUMSS non-consolidated quarterly base>

| (¥bn) | FY11 | | | | FY12 | | |
|--|-------|------|--------|------|------|------|------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| 1 Net operating revenue*2 | 37.6 | 43.7 | 37.5 | 51.0 | 43.1 | 51.6 | 51.0 |
| 2 Selling, general and administrative expenses | 43.6 | 42.9 | 39.2 | 43.7 | 40.0 | 41.5 | 40.6 |
| 3 Operating income | (5.9) | 0.7 | (1.6) | 7.3 | 3.1 | 10.0 | 10.4 |
| 4 Ordinary income | (5.5) | 1.1 | (1.1) | 8.3 | 3.9 | 10.4 | 10.8 |
| 5 Net income | (5.4) | 2.2 | (22.1) | 8.4 | 5.7 | 13.1 | 12.2 |

Consumer finance



- Number of requests for interest repayment declining at both MU NICOS and ACOM
- Both companies posted profits in FY12 Q1-3

Results of MU NICOS

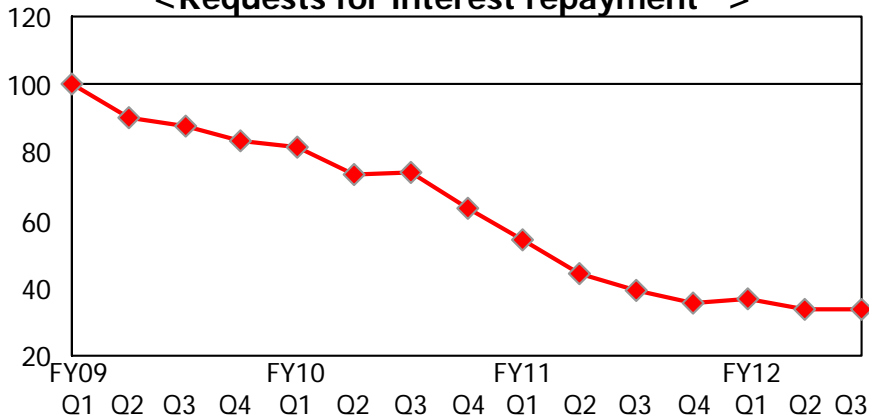
| (¥bn) | FY11 | FY12 Q1-3 | y-o-y | FY12 (plan) |
|----------------------------|-------|-----------|--------|-------------|
| 1 Operating revenue | 281.2 | 200.1 | (11.9) | 274.5 |
| 2 Card shopping | 160.8 | 121.3 | 1.9 | - |
| 3 Operating expenses | 252.2 | 180.8 | (8.1) | 244.5 |
| 4 G&A expenses | 228.3 | 171.7 | 3.3 | 229.8 |
| 5 Credit related costs | 23.8 | 9.1 | (11.5) | 14.6 |
| 6 Repayment expenses | 0.0 | 0.0 | 0.0 | 0.0 |
| 7 Operating income | 29.0 | 19.2 | (3.7) | 29.9 |
| 8 Underlying earnings(6+7) | 29.0 | 19.2 | (3.7) | 29.9 |
| 9 Ordinary profits | 29.5 | 19.5 | (3.7) | 30.4 |
| 10 Net income | 28.7 | 20.5 | (1.9) | 31.0 |

Results of ACOM

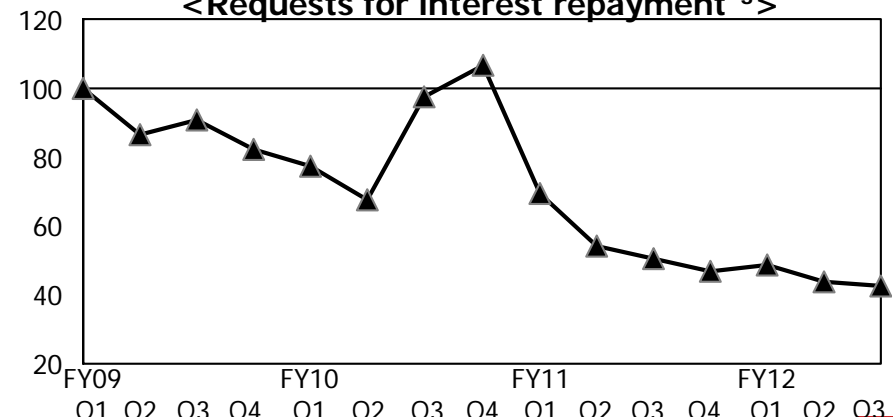
| (¥bn) | FY11 | FY12 Q1-3 | y-o-y | FY12 (plan) |
|--|-------|-----------|--------|-------------|
| 1 Operating revenue | 210.4 | 145.6 | (14.6) | 186.9 |
| 2 Operating expenses | 179.5 | 98.6 | (13.3) | 145.6 |
| 3 G&A expenses | 71.8 | 53.5 | (0.0) | 74.1 |
| 4 Provision for bad debts | 34.7 | 28.1 | (11.8) | 47.2 |
| 5 Provision for loss on interest repayment | 48.8 | 0.0 | 0.0 | 0.0 |
| 6 Operating income | 30.8 | 47.0 | (1.3) | 41.3 |
| 7 Underlying earnings(5+6) | 79.6 | 47.0 | (1.3) | 41.3 |
| 8 Net income | 21.4 | 45.3 | 3.2 | 40.5 |
| 9 Guaranteed receivables (Non-consolidated) | 483.2 | 564.7 | 98.1 | 570.0 |
| 10 Unsecured consumer loans (Non-consolidated) | 779.9 | 703.8 | (94.7) | 698.0 |
| 11 Share of loans*1 | 31.6% | 31.9%*2 | 0.8%*2 | |

*1 ACOM unsecured consumer loan balance (non-consolidated) / Consumer finance industry loan balance (Source) Japan Financial Services Association
 *2 As of end Nov 12

<Requests for interest repayment*3>



<Requests for interest repayment*3>



*3 Requests for interest repayment in FY09 Q1 = 100

Growth strategy of medium-term business plan

Growth strategy



- Above mentioned business strategies, the businesses below are the principal earnings drivers and aims for sustainable growth

- Global strategy by regions including emerging markets (Asia, Americas, EMEA)
- Transaction banking business
- Sales & Trading business
- Project finance
- Global strategic alliance with Morgan Stanley
- Integrated corporate & retail business
- Investment product sales
- Consumer finance
- Global asset management & administration strategy

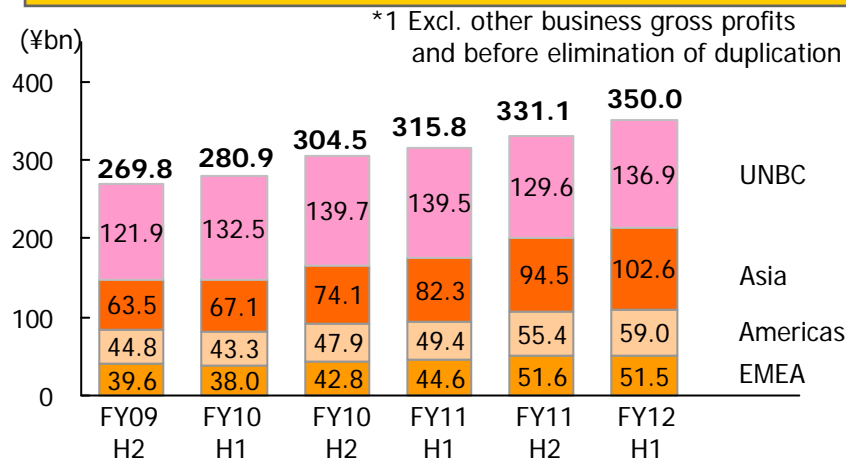
Global strategy(1)

(Commercial bank Consolidated)

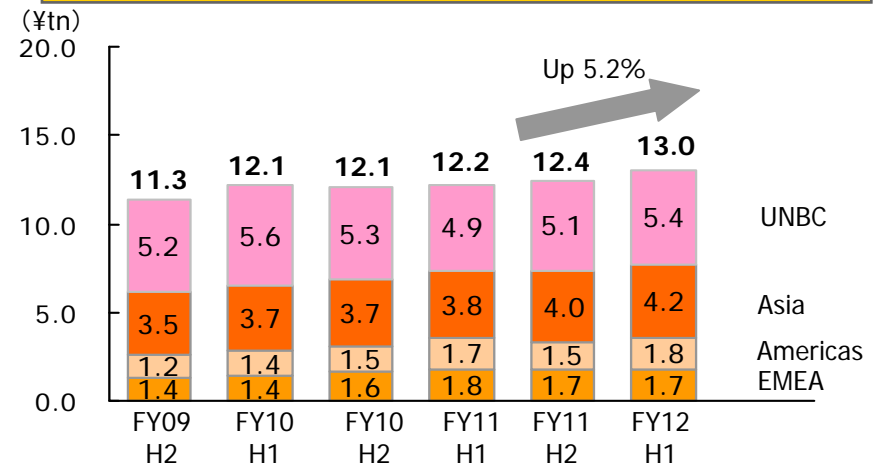


- Solid increase in gross profits
- Expanded our lending in the Asia, Americas and EMEA. Customer deposits also growing well. In addition, due to our strict credit controls, the risk-monitored overseas loans ratio remains at a low level

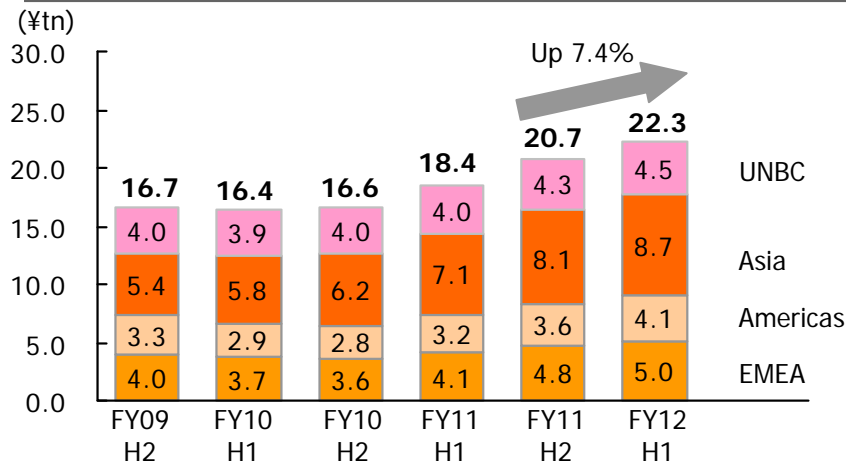
Gross profits by regions *1*2



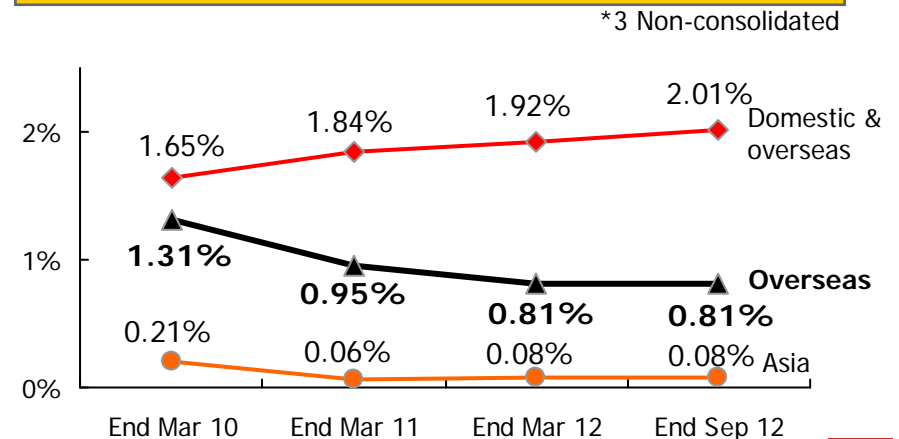
Average deposits balance by regions *2



Average lending balance by regions *2



Risk-monitored overseas loan ratio *3



Global strategy(2)



- Implement growth strategies in each region worldwide. Expand global network through strategic investments and alliances

| | | |
|--|---|--|
| <p>★ Vietnam</p> <ul style="list-style-type: none"> ● Signed agreement to acquire approx.20% shares in state-owned VietinBank and form a capital and business alliance (Dec 12). Scheduled to become an equity method affiliate <p><Strategic implications></p> <ul style="list-style-type: none"> ■ Make use of VietinBank's top class Vietnam branch network (1,274 branches and sub-branches^{*1}) to strengthen our settlement and other services to local Japanese companies and develop BTMU business ■ Participate in high-growth economy of Vietnam ■ Provide BTMU's risk management expertise, etc to develop their operations and management <p><VietinBank profile></p> <ul style="list-style-type: none"> ■ Second in total assets in Vietnam: approx. ¥1.88 tn^{*1} ■ Achieving high growth consistently as one of the most healthiest banks in Vietnam <p>Lending balance: approx. ¥1.2 tn^{*1} - CAGR (07-11) 30.2%</p> <p>Net income: approx. ¥25.3 bn^{*1} - CAGR (07-11) 52.7%</p> <p>^{*1} As of end Dec 11, ¥1=245.1VND</p> | <p>🇲🇾 Malaysia</p> <ul style="list-style-type: none"> ● Opened Penang branch (Jul 12) | <p>🇺🇸 U.S.A</p> <ul style="list-style-type: none"> ● UNBC completed acquisition of Pacific Capital Bancorp (Dec 12). For details see P28 |
| <p>🇇🇲 Myanmar</p> <ul style="list-style-type: none"> ● Business alliance with a leading private bank Co-operative Bank (Dec 12) | <p>🇷🇺 🇮🇹 🇲🇽 Latin America</p> <ul style="list-style-type: none"> ● Started marketing activities at Bogota and Lima rep.offices (Mar 12) ● Business alliance with major Mexican bank Banorte (Aug 12) | |
| <p>🇮🇳 India</p> <ul style="list-style-type: none"> ● Opened Neemrana branch (Nov 12, our 4th location in India) ● Preparing to open Bangalore branch (already approved) | <p>🇷🇺 Russia</p> <ul style="list-style-type: none"> ● Increased capital in Russia subsidiary (Jun 12) ● Opened Vladivostok sub-branch (Sep 12) | |
| <p>🇺🇸 Australia</p> <ul style="list-style-type: none"> ● Made AMP, one of Australia's "big 5" financial institutions, an equity method affiliate (Mar 12) ● Opened Perth branch (Apr 12, our 3rd location in Australia) ● Acquired Australian Infrastructure Advisory Team from RBS and established Australian Structured Finance Office (Mar 12) | <p>🇹🇷 Turkey</p> <ul style="list-style-type: none"> ● Decided to establish an subsidiary in Turkey (to open in 13) ● Business alliance with major Turkish bank Isbank (Oct 12) | |
| <p>🇨🇦 Canada</p> <ul style="list-style-type: none"> ● Increased capital in Canada subsidiary (Aug 12) | <p>🇦🇪 UAE</p> <ul style="list-style-type: none"> ● Upgraded Dubai office to branch status to strengthen supervisory functions in the Middle East (Oct 12) | |

Asia strategy(1)

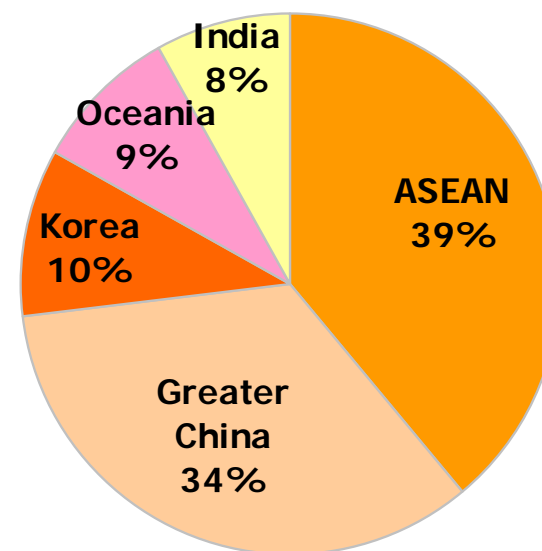
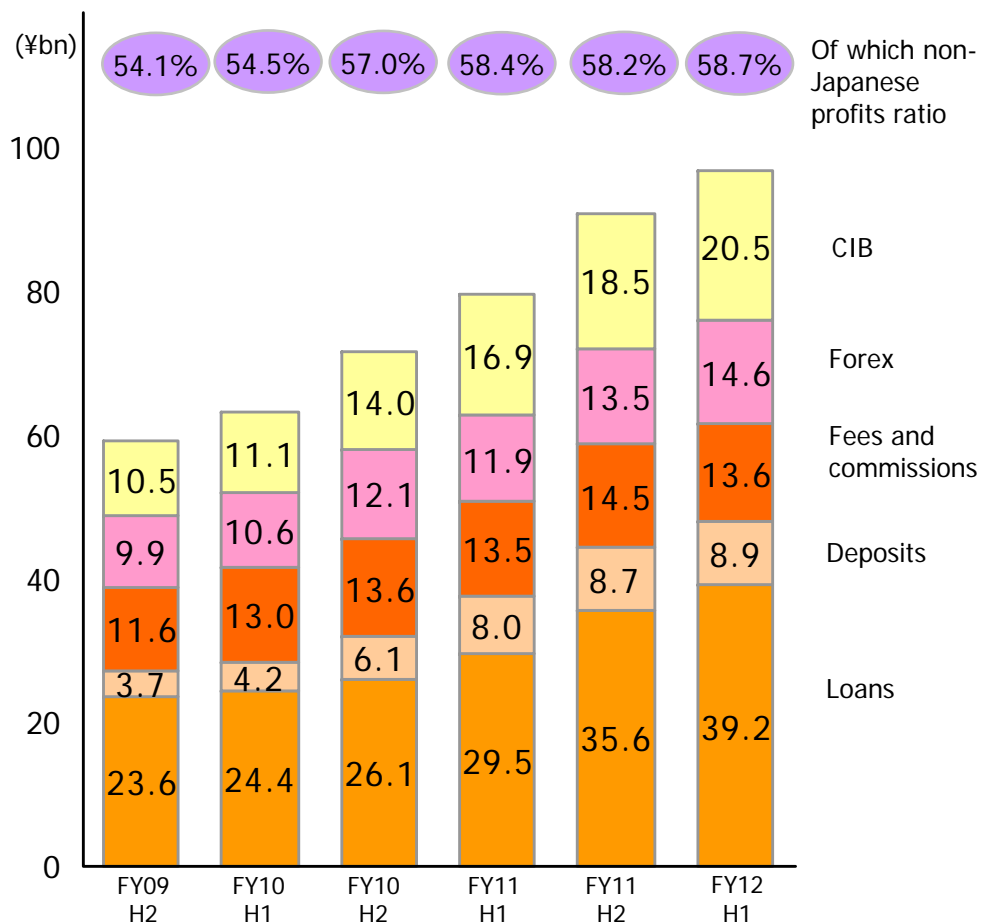
(Commercial bank Consolidated)



- Solid increase in gross profits with both Japanese and non-Japanese. Growing in CIB and forex income in addition to income from loans. Ensuring a good revenue balance in each region
- Aiming to increase gross profits for FY14 by 50% from FY11

Customer business gross profits

Gross profits by regions



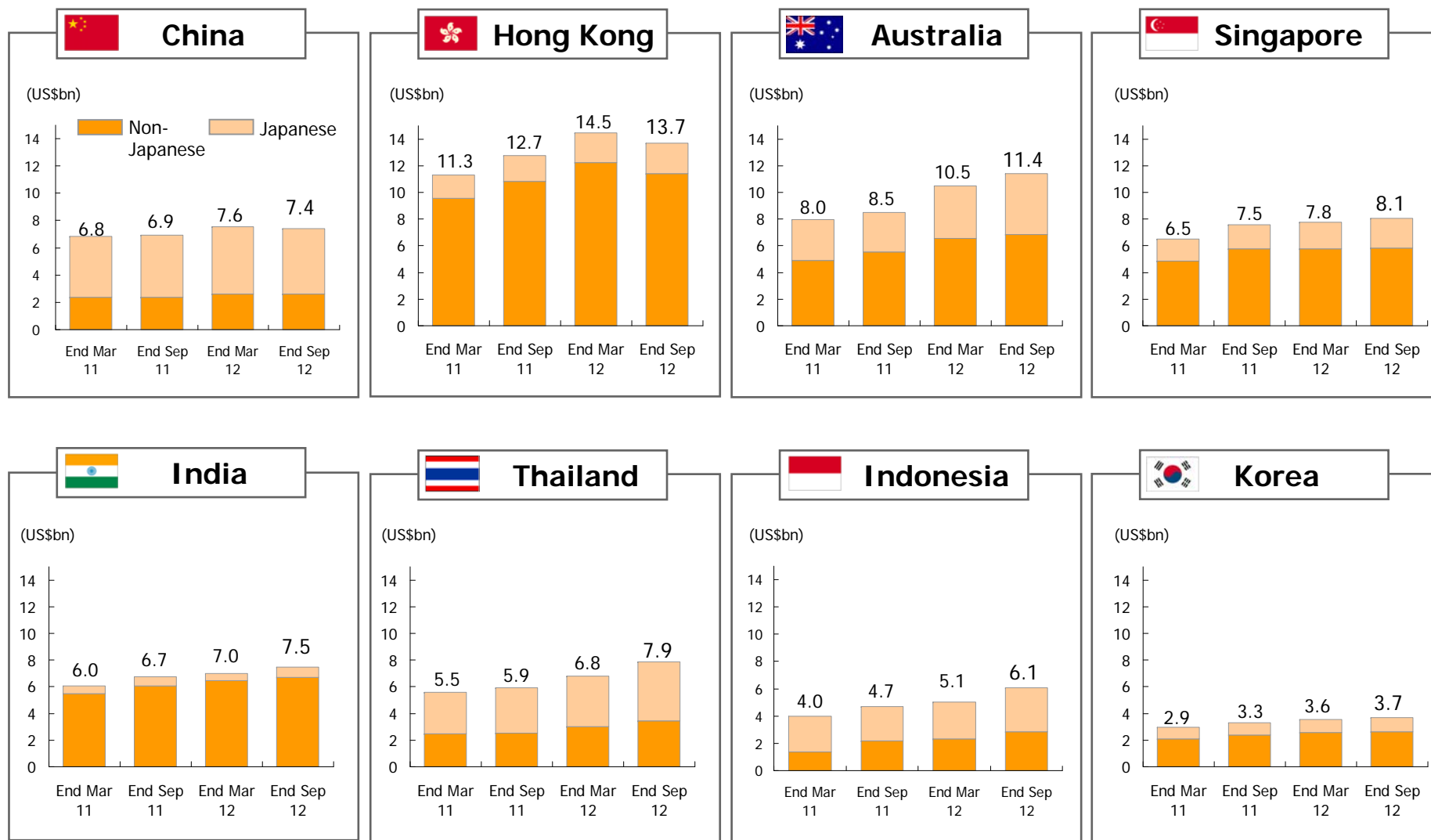
(Note) Exchange rates: Those adopted in our business plan (\$/¥=83, etc)

Asia strategy(2)

(Commercial bank Consolidated)



- Increased total lending balance through adopting strategy to the characteristics of each market



(Note) Loans outstanding on consolidated basis, counted by the nationality of each borrower for internal management purpose. Excl. Financial institution

Asia strategy(3)

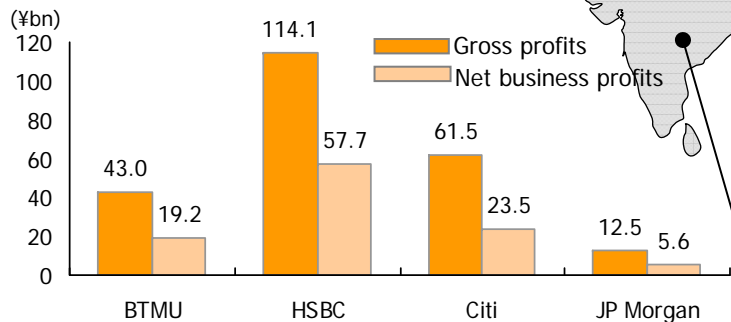


- Upgrade the Asian business model and become established as the leading foreign bank
- Improve products and services while strengthening marketing within and beyond the region through BTMU/MUTB/MUSHD; improve regional governance by bringing Head Office functions to the Asian front line

Greater China (China/HK/Taiwan)

- Through steps such as obtaining a first foreign bank certification for each of new operations, establish position as a first class foreign bank. Obtained a first Japanese bank certification of QFII custodian
- Strengthen loan and settlement business, etc. by cooperating with branches (20 locations) within the region. Upgrade RMB-related business
- Aim to expand network centered on China

Comparison with foreign banks' subsidiaries in China (2011)



India

- Strengthen loan and cross-selling business to major non-Japanese corporations
- Achieve critical mass in S&T business by bringing it under joint control with Global Markets
- Further strengthening largest network of any Japanese bank by opening new branches (now 4 branches)

Korea

- No.2 in net business profits after HSBC among local branches of foreign banks*, as a result of close relationships with Korean corporations
- Strengthen marketing and aim for core bank status, assisting Korean corporations with globalization. (Set up Global Korean Business Office)
- Strengthen securitization, ECA finance, project finance and capital market business

* Japanese banks: Apr 11 - Mar 12, other foreign banks: Jan 11 - Dec 11

Indonesia

- Having opened the branch more than 40 years ago, solid business base centered on Japanese corporations. Top lender among foreign banks
- Capture more infrastructure/resource finance and M&A projects. Strengthen business with financial institutions and syndicated loans
- Strengthen local group synergies (CIMB, etc)

Australia

- Strengthen project finance and resource/infrastructure-related loans to large non-Japanese organizations (Setting up the Perth branch to make 3 branches in Australia and Australian Structured Finance Office)
- Alliance with AMP, one of the Australian "big 5" financial institutions

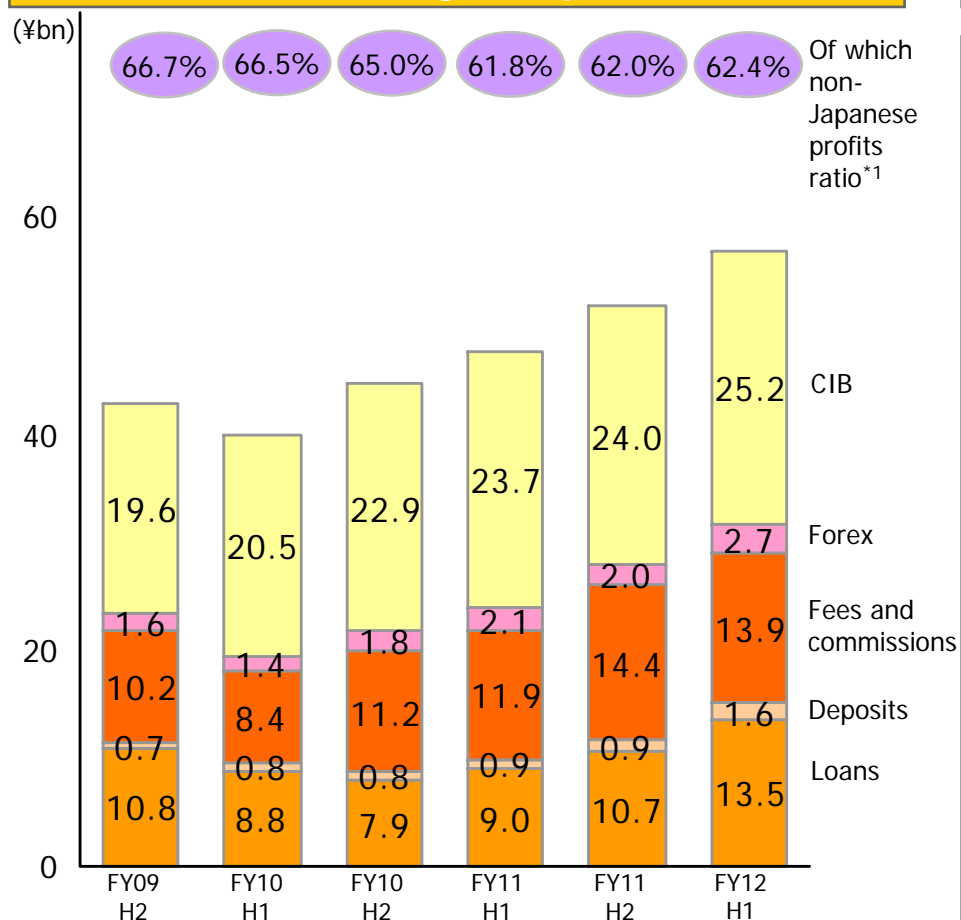
Americas strategy(1)

(Commercial bank Consolidated)



- Americas gross profits (incl. UNBC) is approx. 60% of overseas revenues. Latin America business growing
- Aiming to increase gross profits for FY14 by 30% from FY11
- Aspire to achieve a premier position among U.S. banks by becoming one of the top 10 banking groups as measured by size and profitability

Customer business gross profits (Excl. UNBC)



Key points of Americas strategies

- **Organic Growth**
 - Accelerate growth with expanding customer base and MUFG group collaboration
 - Achieve strong foundation with support functions, such as HR/IT/Risk management
- **Organizational Synergy between BTMU/UB**
 - Maximize opportunities with realizing revenue and cost synergies
- **Non-Organic Growth**
 - Unlock strategic potential. Actively pursue high value acquisition
- **Latin America**
 - Business promotion and enhancement based on country specific strategies by allocating necessary resources and enhancing structures. Gross profits FY12 H1 of Latin America and others ¥9.9 bn, up ¥2.9 bn from FY11 H1

*1 Excl. Latin America and others

(Note) Exchange rates: Those adopted in our business plan (\$/¥=83, etc)

Americas strategy(2)

(Commercial bank Consolidated)



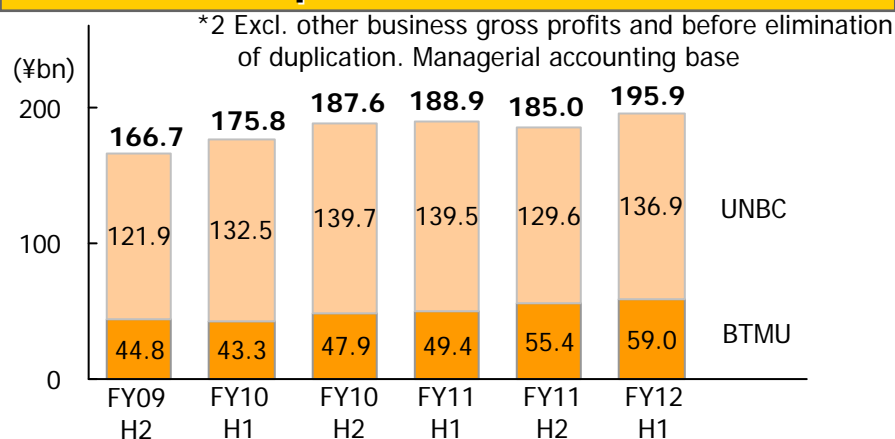
- UNBC performance was well. Loans and deposits increased steadily
- Actively consider high added value acquisitions using strong equity capital base

UNBC business performance

| (US\$mm) | FY10 | FY11 | FY12 | | | | |
|---|-------|-------|------|------|-----|-----|-------|
| | | | Q1 | Q2 | Q3 | Q4 | |
| 1 Gross profits | 3,347 | 3,294 | 855 | 834 | 843 | 889 | 3,421 |
| 2 Non-interest expenses | 2,372 | 2,415 | 614 | 599 | 638 | 715 | 2,566 |
| 3 Net business profits | 975 | 879 | 241 | 235 | 205 | 174 | 855 |
| 4 Provision for allowance for credit losses*1 | 182 | (202) | (1) | (14) | 45 | (5) | 25 |
| 5 Net income | 573 | 778 | 195 | 187 | 124 | 123 | 629 |

*1 Negative figures are reversal

Gross profits in Americas*2



Acquisition of Pacific Capital Bancorp

- Completion of acquisition in Dec 12
- Strategic implications
 - Acquisition of a leading bank in Santa Barbara
 - Expansion of retail business and branch network
 - Provision of community-based banking services to customers in Santa Barbara and California's Central Coast area
 - Provision of products and services in commercial and small business lending along with wealth management; expansion of revenue through enhancement of cross-selling and other approaches
- Assets and deposits
 - Assets: US\$ 5.9bn, Deposits: US\$ 4.6bn



(Note) Exchange rates: Those adopted in our business plan (\$/¥=83, etc)

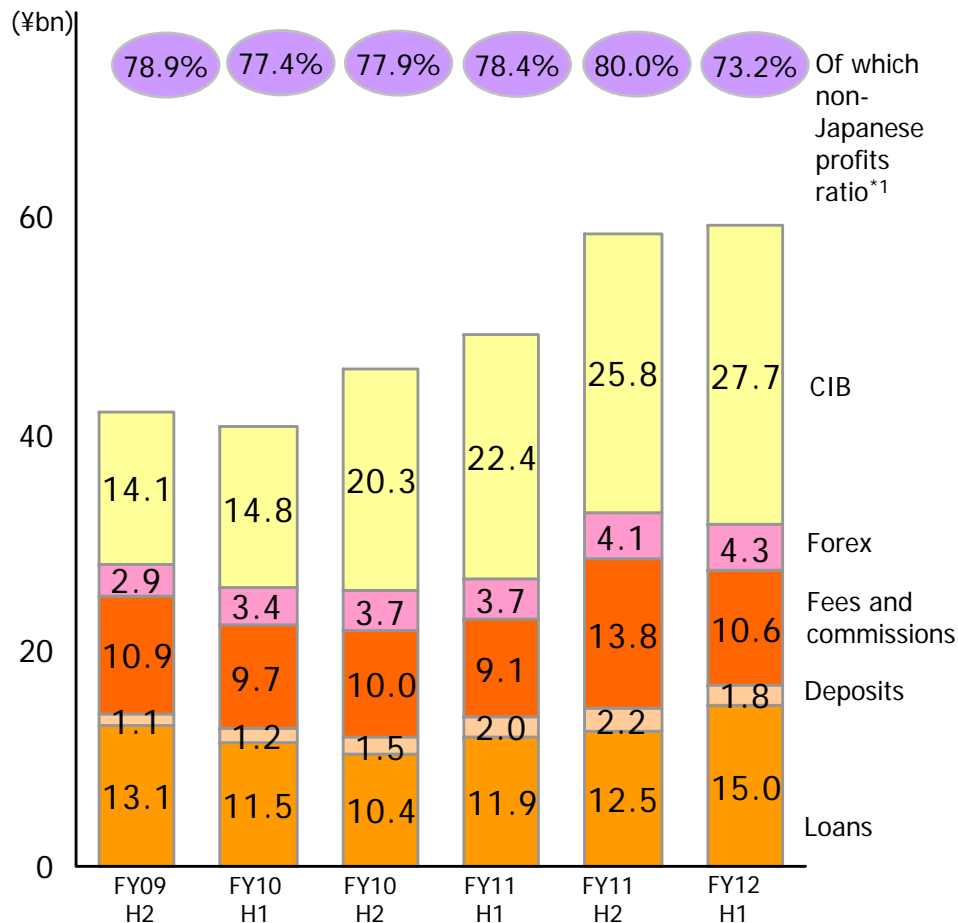
EMEA strategy

(Commercial bank Consolidated)



- Based on individual strategies for each region, customer segment and operating segment, promoting cross selling to become a core bank of non-Japanese customers. CIB income growing due to successful cooperation with overseas securities subsidiaries
- Aiming to increase gross profits for FY14 by 20% from FY11

Customer business gross profits



*1 Incl. Middle East

Key points of EMEA strategy

- **Expand business while taking into account European debt crisis, status of competitors and other factors**
 - Region: Core Europe, Middle East resource-rich countries, emerging countries (Russia, Turkey, South Africa, etc)
 - Customers: Quality non-Japanese major corporations, local entities of Japanese
 - Operations: CIB (project finance, syndicated loans, DCM in cooperation between BTMU and securities subsidiaries, etc), transaction banking
- **Enhance network in growth regions**
 - Increased capital at Russian subsidiary, established representative at Vladivostok
 - Upgraded Dubai office to branch status to strengthen supervisory functions in the Middle East
 - Decided to establish a subsidiary in Turkey and signed cooperation agreement with major Turkish bank Turkiye Is Bankasi A.S.
- **Strengthen operating base such as monitoring system of country conditions and risk management to support continuous growth**

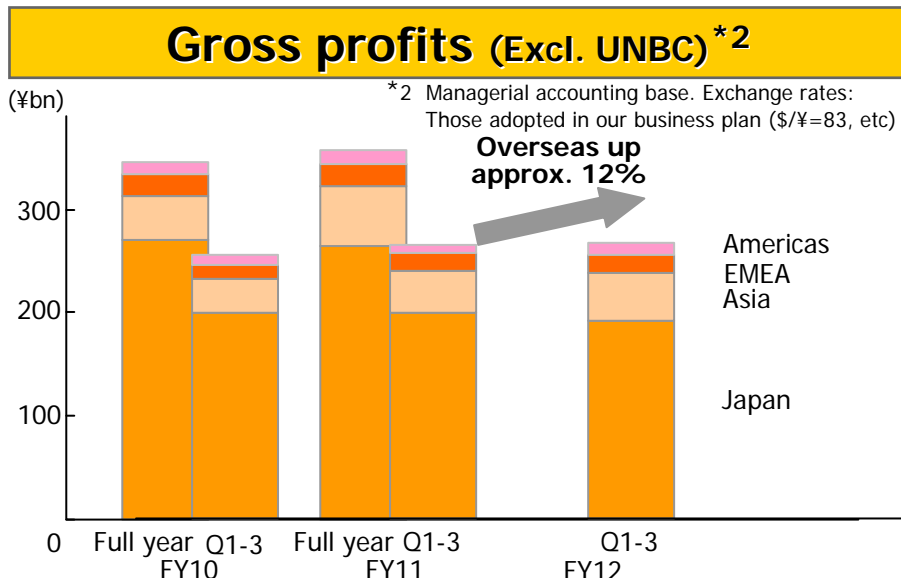
(Note) Exchange rates: Those adopted in our business plan (\$/¥=83, etc)

Transaction banking business (Commercial bank Consolidated)



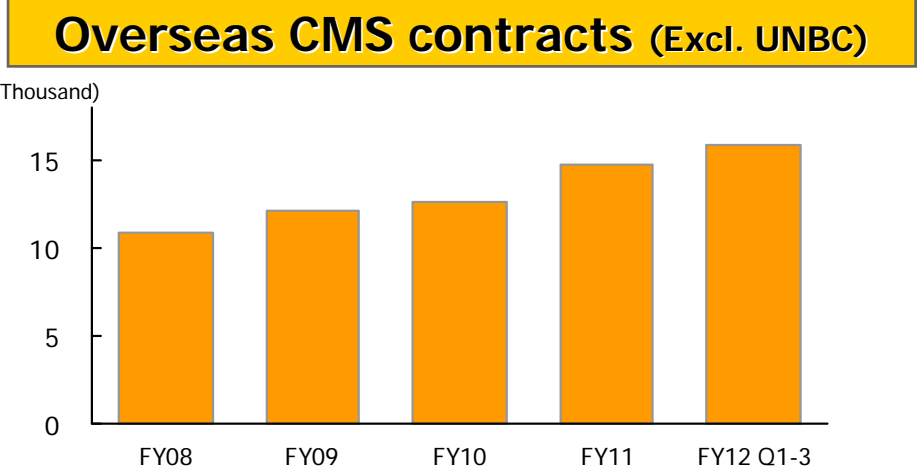
- Transaction banking business*¹ gross profits increased mainly in overseas. CMS contracts at overseas also expanded steadily
- Aiming to increase revenue for FY14 by ¥100 bn from FY11

*1 Collectively refers to services capturing commercial flows of customers such as deposits, settlements and trade finance



Strategies to strengthen the business

- **Develop a business targeting the entire supply chain particularly in Asia**
 - Make the greatest possible use of overseas network, the best among Japanese banks, and our strong Japanese customer base to effectively provide solutions combining trade finance and cash management
- **Substantially increase system investment and development personnel, expand lineup of strategic products and services**
 - Expand functionality of existing settlement-related systems products such as BizSTATION and GCMS Plus. Also expand strategic products and services, such as electric trade operation management (TSU*³) and centralized payment operation management system (GPH*⁴)
- **Strengthen new regions and businesses**
 - Intensify business promotion for multinational companies and local Asian companies while refining approach to project-related business such as account banking business



*3 TSU: Trade Services Utility

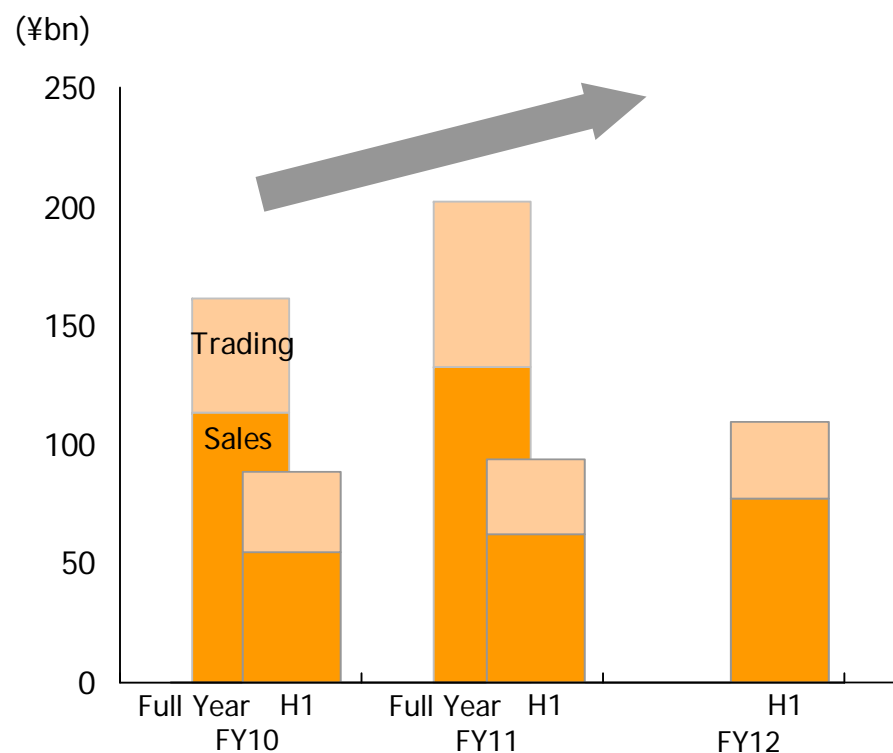
*4 GPH: Global Payment Hub

Sales & Trading business



- Strengthen flow trading as a commercial bank, build on customer base
- Correspond to the diversifying and globalizing needs of customers by progressing high value-added proposals and actively linking business between global regions. Maximize profit from global interbank flow trading business
- Aiming to increase gross profits for FY14 by 30% from FY11

Gross profits (BTMU consolidated, excl UNBC)*1



*1 Sum of customer division and global markets segment

Strategies to strengthen the business

- **Link actively between global regions and pursue cross-sell opportunities**
 - Strengthen approach towards cross-border business and event finance
- **Expand emerging currencies business**
 - Further develop RMB business, increase product providing capabilities and expand business in Latin America
- **Advance interbank business**
 - Emphasize effort towards 3 focusing segments (Overseas asset Managers, Asian regional banks, Central banks and Governmental funds)
- **Increase offices co-managed with Global Business segment and Global Markets segment**
 - Established joint management offices in BTMU China, Mumbai branch, Bangkok branch, Sydney branch, Jakarta branch and BTMU Malaysia
- **Recruit skilled personnel**
- **Adapt to regulations and strengthen legal compliance**

(Note) Exchange rates: Those adopted in our new business plan (\$/¥=83, etc)

Project finance



- Ranked No.1 in 2012 global rankings. Ranked No.1 in Americas for 3 consecutive years, rising our ranking in EMEA and Asia Pacific
- Increase personnel and take other steps to establish status as a leading bank. Solution business centered on project finance, aiming to increase gross profits for FY14 by 40% from FY11

Global presence

<Global project finance league table (Jan-Dec 12)>

| Rank | Mandated Arrangers | Origination Volumes (US\$ bn) | # | Rank Jan-Dec 11 |
|----------|---------------------|-------------------------------|-----------|-----------------|
| 1 | MUFG | 11.62 | 96 | 2 |
| 2 | State Bank of India | 10.95 | 32 | 1 |
| 3 | SMFG | 7.58 | 68 | 3 |

(Source) Thomson Reuters

Strategies to strengthen the business

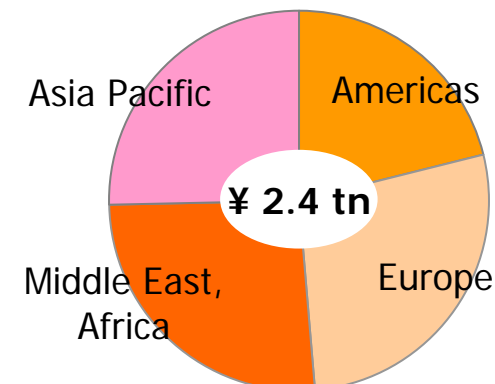
- Global approach: strengthening our platform in the infrastructure sector, renewable energy business and others on a global basis
- Initiatives in Japan: enhancing our supports in relation to Japanese companies' acquisition of resource interests, infrastructure exports to Asia, and domestic reconstruction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

<By regions>

| | Jan-Dec 11 | | → | Jan-Dec 12 | |
|--------------|------------|-------|---|------------|-------|
| | Rank | Share | | Rank | Share |
| Americas | 1 | 12.3% | → | 1 | 11.5% |
| EMEA | 9 | 3.0% | → | 6 | 3.2% |
| Asia Pacific | 12 | 2.5% | → | 2 | 5.4% |

(Source) Thomson Reuters

Project finance loan portfolio*1



*1 Commercial bank (consolidated, excl. UNBC). As of end Sep 12

Global strategic alliance with Morgan Stanley



- Enhance the strategic alliance and expand scope of collaboration, fully leveraging BTMU customer base
- Aiming to achieve No.1 position in cross-border M&A transactions involving Japanese corporations in FY14

Morgan Stanley performance

| | FY11 | FY12 | | | | | |
|--|--------|-------|-------|---------|-------|--------|--|
| | | Q1 | Q2 | Q3 | Q4 | | |
| (US\$m) | | | | | | | |
| 1 Net Revenues | 32,236 | 6,935 | 6,953 | 5,280 | 6,966 | 26,112 | |
| 2 Net Revenues (Excl. DVA)*1 | 28,555 | 8,913 | 6,603 | 7,542 | 7,477 | 30,514 | |
| 3 Non-interest expenses | 26,137 | 6,732 | 6,013 | 6,763 | 6,107 | 25,597 | |
| 4 Income from continuing operations before taxes | 6,099 | 203 | 940 | (1,483) | 859 | 515 | |
| 5 Income from continuing operations before taxes (Excl. DVA)*1 | 2,418 | 2,181 | 590 | 779 | 1,370 | 4,917 | |
| 6 Net income applicable to MS | 4,110 | (94) | 591 | (1,023) | 507 | (19) | |
| 7 Earnings applicable to MS common shareholders | 2,067 | (119) | 564 | (1,047) | 481 | (117) | |

*1 Calculated by MUFG based on Morgan Stanley public data

Impact on MUFG P/L due to application of equity method

- **Equity in net income of affiliates was taken in**
 - About 22% of post-tax profits of MS. MS Oct-Dec 12 earnings to be reflected in MUFG Jan-Mar 13 earnings
- **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 cooperation

| M&A advisory (Apr-Dec 12) | | | | |
|---------------------------|--------------|-----------|----------------|-------------|
| Rank | FA | # | Amount (¥bn) | Share (%) |
| 1 | Mizuho FG | 102 | 4,765.3 | 41.2 |
| 2 | Nomura | 103 | 4,235.8 | 36.6 |
| 3 | MUMSS | 93 | 3,657.3 | 31.6 |
| 4 | JP Morgan | 15 | 2,437.7 | 21.1 |

Deal value amount. Any Japanese involvement completed (Excl. Real estate)

(Source) Thomson Reuters

| M&A advisory (cross border deals) (Apr-Dec 12) | | | | |
|--|------------------|-----------|----------------|-------------|
| Rank | FA | # | Amount (¥bn) | Share (%) |
| 1 | Mizuho FG | 27 | 2,628.5 | 37.7 |
| 2 | Deutsche Bank AG | 10 | 2,060.0 | 29.5 |
| 3 | Nomura | 25 | 1,969.8 | 28.2 |
| 4 | Rothschild | 9 | 1,963.4 | 28.1 |
| 5 | Citi | 5 | 1,827.3 | 26.2 |
| 6 | MUMSS | 22 | 1,697.9 | 24.3 |

Any Japanese involvement announced

(Source) Thomson Reuters

● JAL IPO – Domestic and overseas bookrunner

- Deal value: approximately ¥660 bn
- World's largest airline IPO in history
- Japan's largest privatization IPO since book building method was introduced in Sep 97
- MUMSS and MSMS (MS) jointly involved in bookrunning both the domestic and overseas tranches

● Advised DENTSU in the acquisition of Aegis Group

- Deal value: approximately ¥395.5 bn
- Fully utilized Morgan Stanley's global expertise

Integrated corporate & retail business

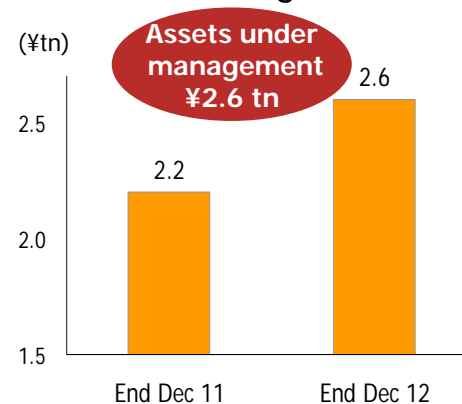


- To expand integrated corporate & retail business, increase business owners assets under management and housing loans for corporate employee sales. Aiming to generate additional revenue for FY14 by ¥10 bn from FY11
- Have 53 offices that can offer combined corporate and retail business (one-stop sales locations) by the end of FY12 (39 as of end Dec 12)

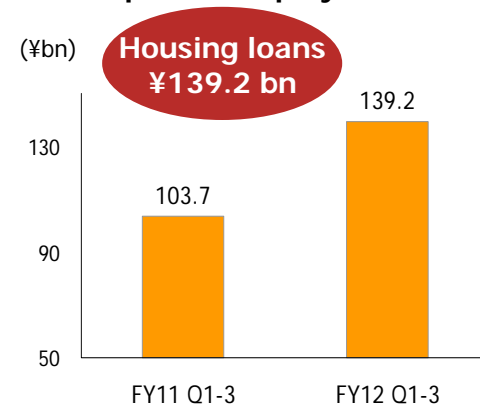
Expand integrated corporate & retail business

- Expand owner business
 - Increase asset management business primarily through total asset marketing
 - Increase investment product sales through cooperation with MUMSS
- Expand business with corporate employee sales
 - Enhance framework for 'life event' products/initiatives
- Support for growing SMEs
 - Establish a specialist line within BTMU to support growing companies
- Integrated offices (one-stop sales locations)
 - Expand one-stop offices unifying corporate and retail business, increase regionally-centered business

<Business owners assets under management>



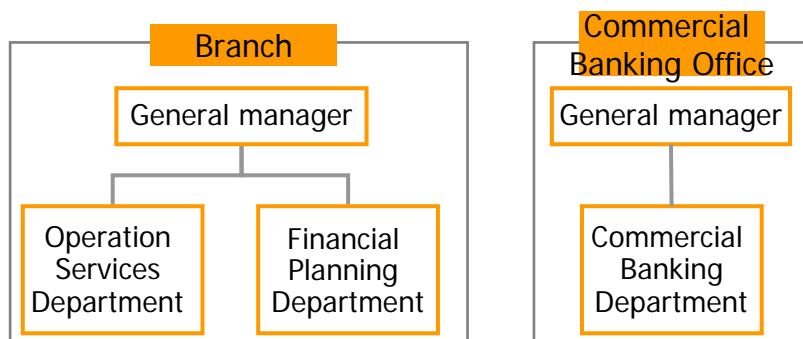
<Executed housing loans for corporate employee>



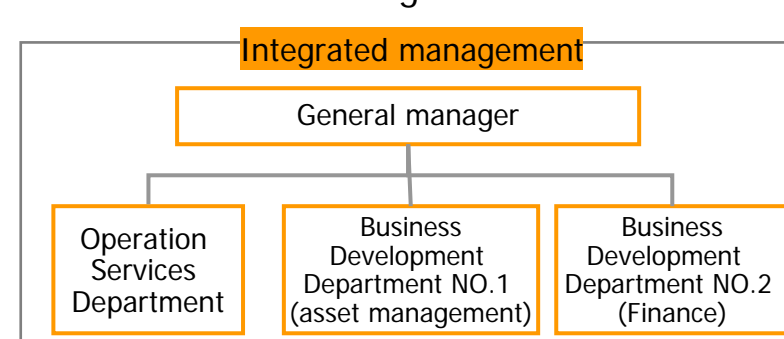
One-stop sales locations (unified corporate and retail business)

Expand to 53 offices in FY12

<Current status>



<After reorganization>

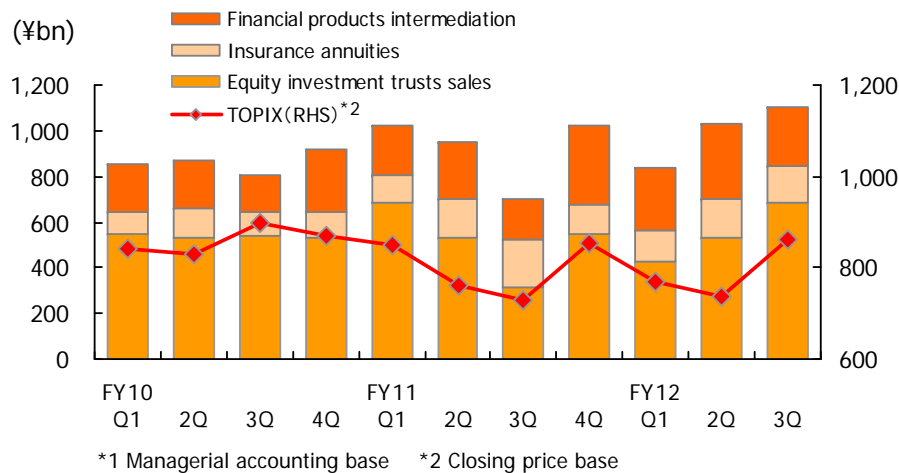


Investment product sales

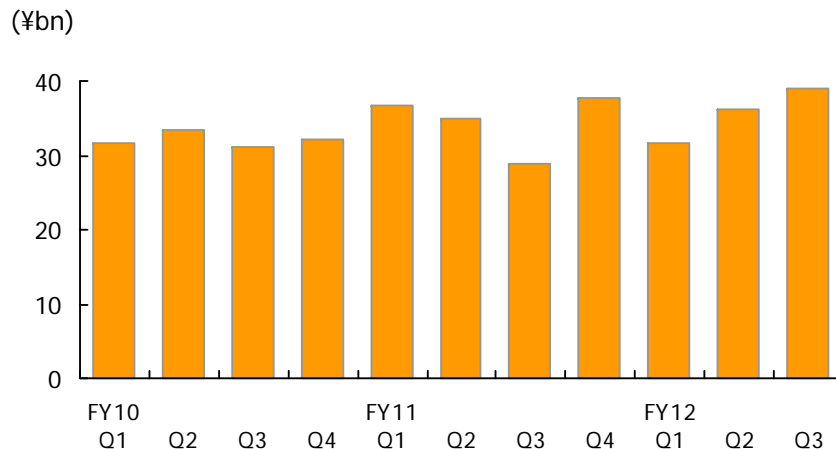


- Recovery seen in sales and income from investment products, led by investment trust and financial products intermediation. Aiming to increase gross profits for FY14 by 40% from FY11
- Continue strengthening of collaboration among the group companies

Investment product sales*1



Income from investment products



Group cooperation to strengthen 'Total Asset Sales'

【BTMU】

- **Strengthen retail money desk***3
 - Increase staff seconded from MUMSS
- **Increase total asset advisors***4
 - Increase number of private banking specialists to improve consulting services, who assess customer assets and advise on inheritance, etc

【MUTB】

- **Develop total asset marketing approach, based on trust capabilities in inheritance & real estate**
 - Strengthen proposal marketing through BTMU/MUTB joint promotion for inheritance business
 - Fully function the real estate section of MUTB in order to strengthen approach to real estate related needs from succession and inheritance

【MUMSS】

- **Strengthen marketing of consulting business**
 - Extend business with company owners with BTMU
 - Enhance internal training programs to foster and strengthen advisors

*3 Team of experts with high level investment product sales expertise. As of end Dec 12, assigned to 63 locations in Japan

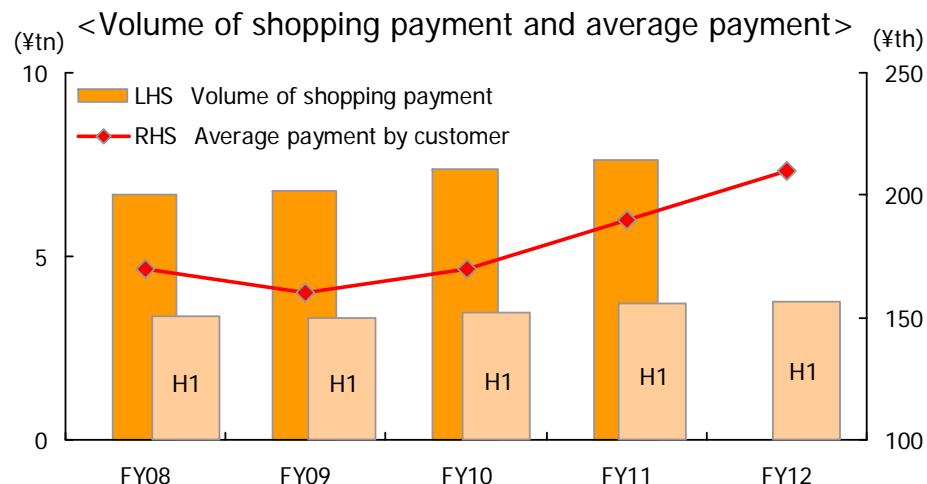
*4 Team with specialist knowledge of investment assets, real estate, wills and trusts is assigned to use their skills to promote sales targeting overall customer assets. As of end Dec 12, 135 advisors

Consumer finance

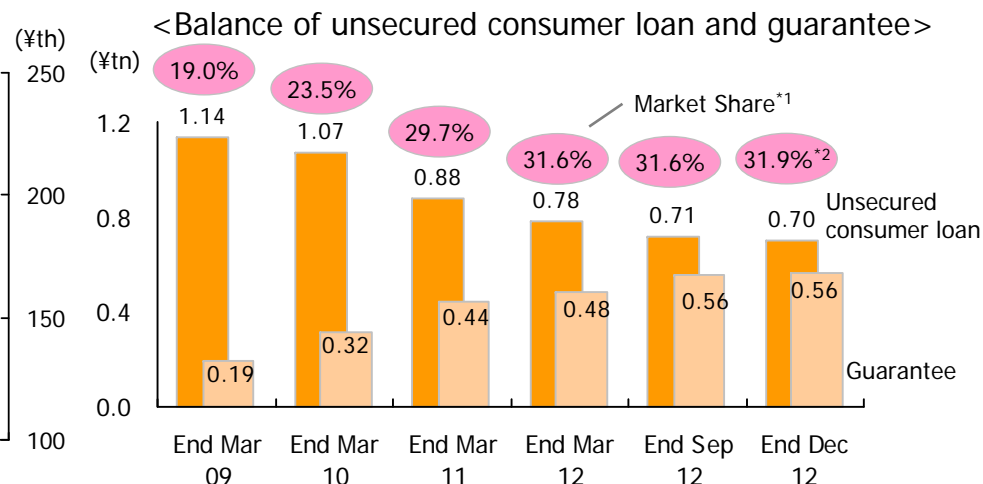


- **MU NICOS**: Aiming to increase volume of shopping and balance of revolving credit in the growing credit card business
- **ACOM**: Pace of decline in unsecured consumer loan balance has slowed. Aiming to increase gross profits, including growth from guarantee business
- **BTMU**: Loan balance of BANQIC shown consistent growth, aiming to double or more by FY14

MU NICOS

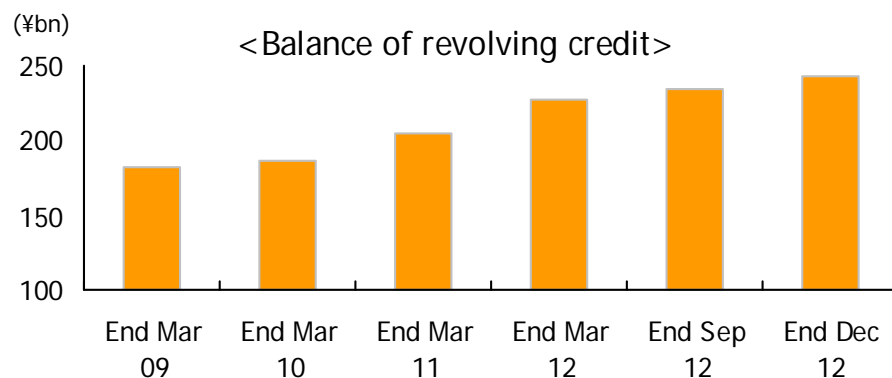


ACOM

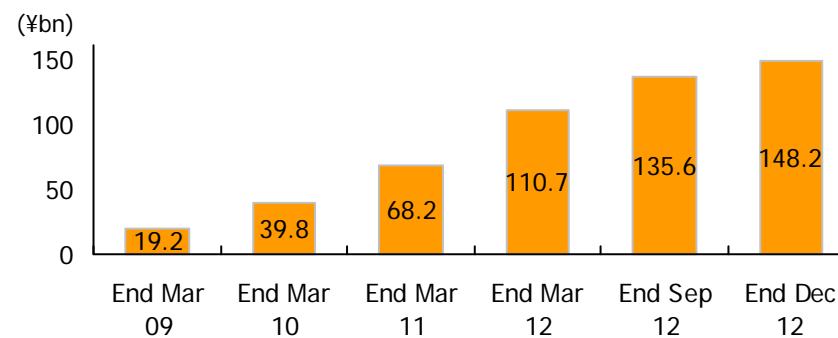


*1 Unsecured consumer loan of ACOM / Unsecured consumer loan
 (Source) Japan Financial Service Association *2 Share at end of Nov 12

<Balance of revolving credit>



Loan balance of BTMU BANQUIC



Global asset management & administration strategy



- Further expand robust operating base in Japan by meeting local demand for overseas investment, and develop business with overseas customers

Pension business

- Extend BTMU/MUTB cooperation and proposal marketing by integrating regulation, investment and accounting to suit customer needs
- Increase product performance and develop products with alliance partners
 - **【MUTB】** Ranked No.1 as a trust bank in “Greenwich Survey 2012 Japan” for two years
 - ~ Proposal marketing and Information service highly esteemed

*1 Greenwich Associates 2012 survey to institutional investors

Investment trust management business

- Support sales institutions to increase AUM
- Strengthen investment management and product development skills
- Increase efficiency in middle & back office
 - **【MUAM】** Morningstar Award “Fund of the year 2011” Award of excellence
 - ~ 5 awarded funds, including award of excellence in global bond type fund (w/o currency hedge)
 - **【KAM】** Ranked No.1 in “R&I Poll on asset manager’s business performance 2012*2” for two years
 - ~ Level of support to client has been No.1 for 6 years


*2 Rating and Investment Information, Inc. Newsletter 8th Oct 12 No.134
R&I 2012 poll to Japanese mutual fund retail distributors

•References to any specific securities do not constitute an offer to buy or sell securities. Those awarded funds based upon the past performance cannot guarantee their future performance. Data or statements are obtained from sources Morningstar Japan K.K believed to be reliable but are not guaranteed as to accuracy or completeness. All information is the property of Morningstar Japan K.K. or Morningstar, Inc. and protected by copyright and intellectual property laws. All rights reserved.

•R&I Poll is conducted to Japanese mutual fund retail distributors on client satisfaction and fact finding regarding AM companies.

Global business

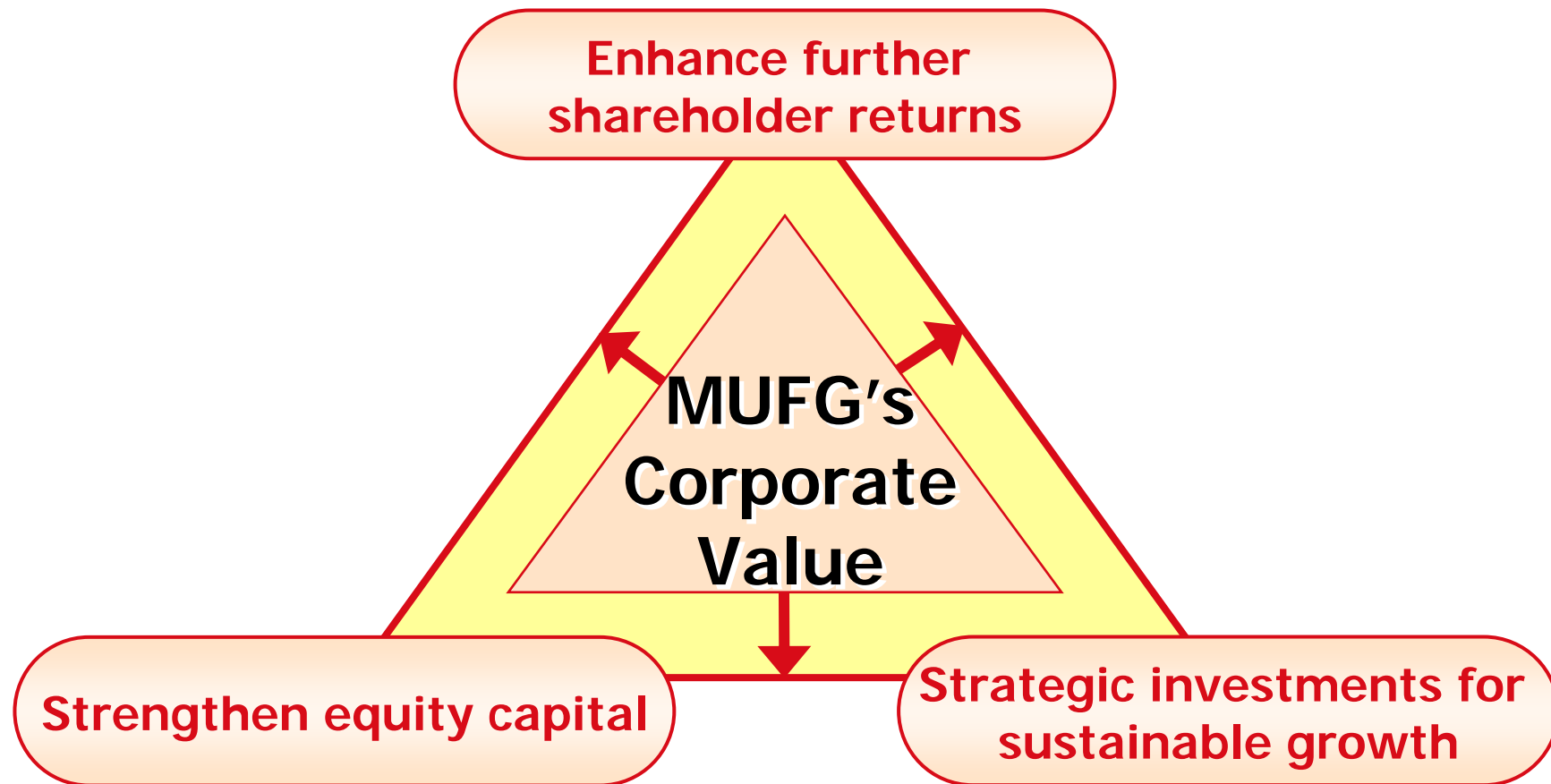
- Become a globally competitive asset management company, including investments and alliances
 - Enhance foreign investment trust products and trust admin products lineup
 - Use Group network to develop overseas customers

| | |
|------------------|--|
| Asset management | <p>【MUTB】</p> <ul style="list-style-type: none"> ■ Enhance product lineup centered on Japan equities (Japan, global and Asia/emerging market equities, etc) |
| | <p style="text-align: center;">  </p> <p>【Investment and alliances】</p> <ul style="list-style-type: none"> ■ Joint product development and other initiatives with strategic alliance partners <ul style="list-style-type: none"> •First joint developed retail product with AMP “MUAM AMP Global Infrastructure Bond Fund” was released in Jun 12. AUM of this fund by MUFG group totaled ¥31.9 bn as of end Dec 12 •Second joint developed retail product with AMP “MUAM AMP Australia High Income Fund” was released in Dec 12, AUM of this fund by MUFG group totaled ¥15.9 bn as of end Dec 12 ■ Consider new alliances with foreign AM |
| Asset admin | <ul style="list-style-type: none"> ■ Grow customer base in foreign trust admin ■ Gain new customers via group collaboration |

Capital policy



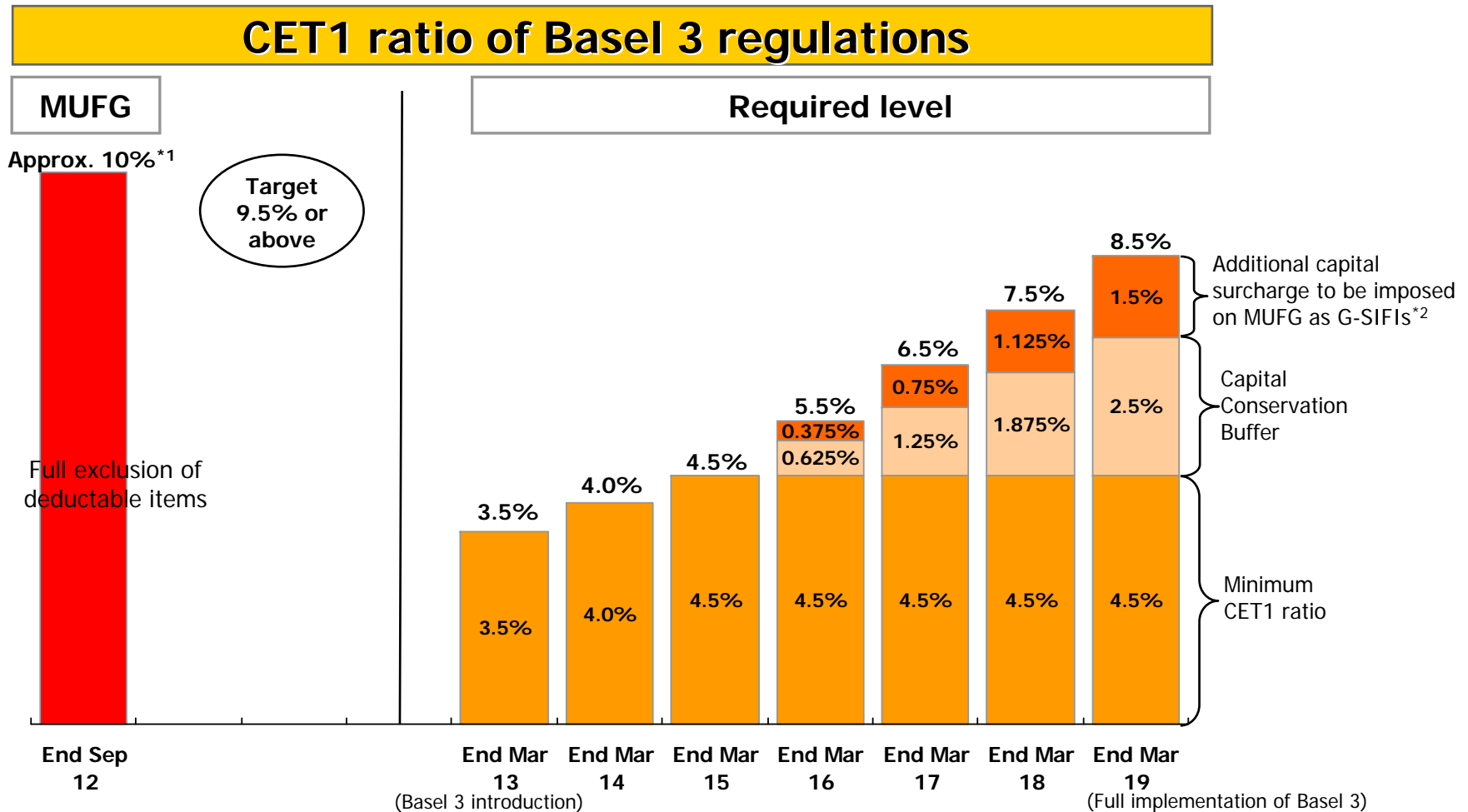
- Enhance further shareholder returns while maintaining a balance among 3 priorities including strengthening capital and making strategic investment for sustainable growth



Strengthen equity capital



- CET1 ratio on the basis of full exclusion of deductible items is estimated to have approx. 10% as of the end Sep 12. Secured appropriate levels in response to regulations
- Taking into account buffer for market and economic uncertainty, targeting 9.5% or above



*1 Calculated on the basis of current information

*2 Level of surcharge (1.5%) is based on the classification into buckets announced by the Financial Stability Board in Nov 12. Assuming that this will be introduced from the end of Mar 16, in similar way (equally-phased in base) to Capital Conservation Buffer. The buckets classification imposed on the end of Mar 16 is expected to be announced in Nov 14

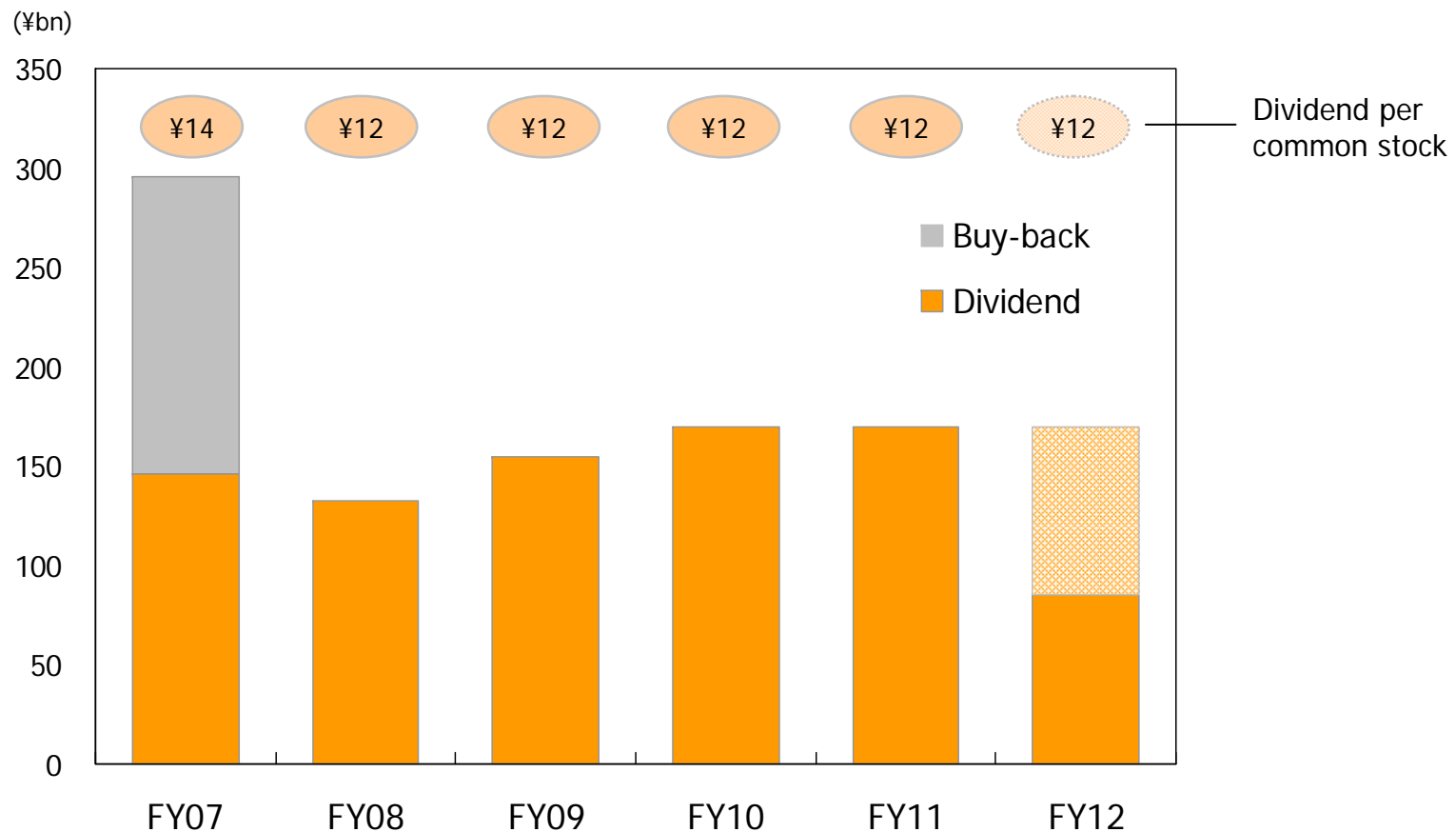
- **Make strategic investments when good opportunities arise with due regard to the external environment and regulatory trends**
- **Asset purchases to be considered provided they contribute to strengthening existing business and offer reasonable returns**
- **Existing investments to be reviewed periodically based on established rules, taking into account investment efficiency and other factors**

Enhance further shareholder returns



- Policy of steady increase in dividends per share through sustainable strengthening of profitability
- Buy-back is also an option depending on the circumstances

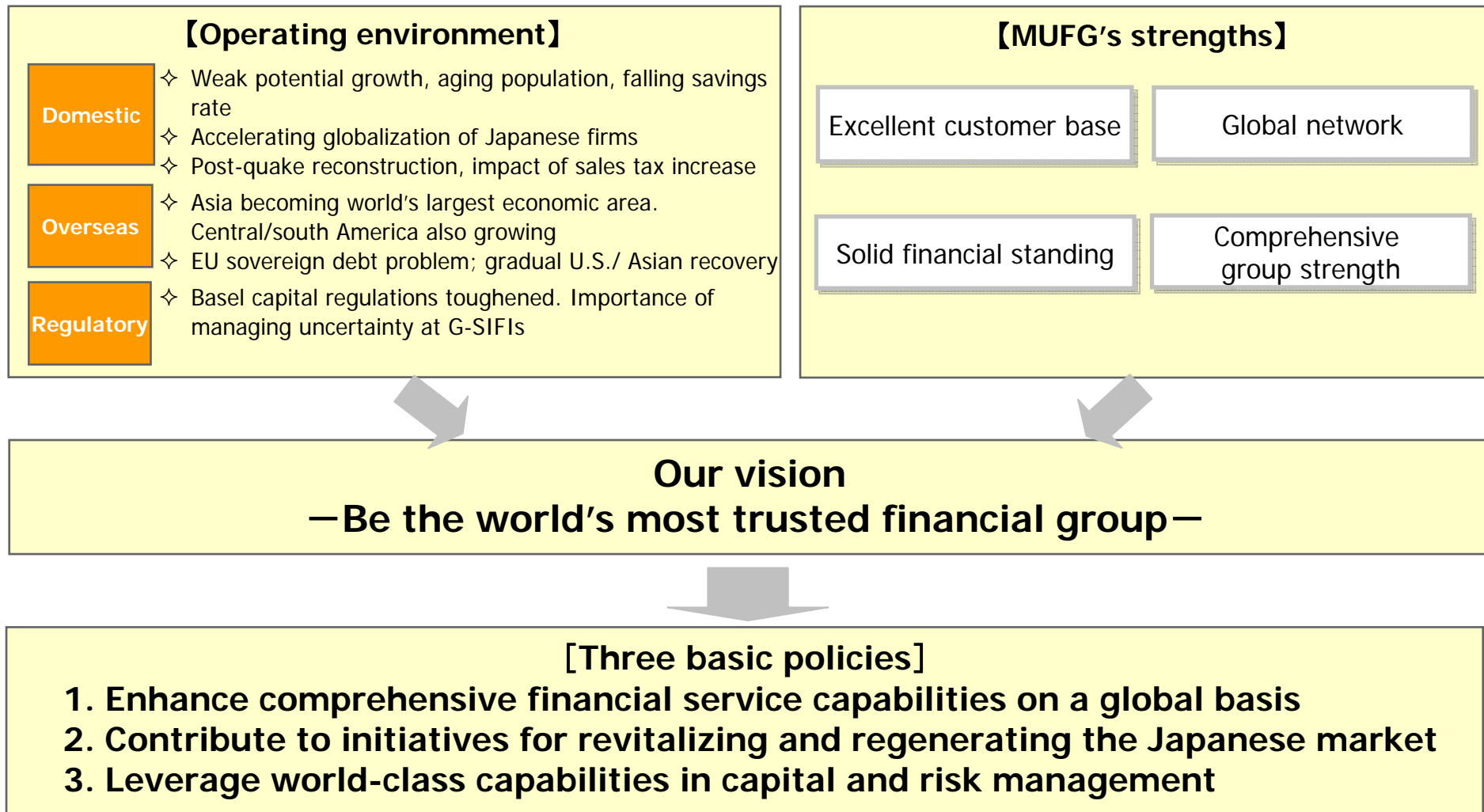
Results of shareholder returns/Dividend forecast



Appendix: Basic policies of the medium-term business plan



- As structural change proceeds inside and outside Japan, the competitive environment remains challenging and global financial regulation is tighter
- Respond to the changing environment by maximizing MUFG's strengths. With the aim of "be the world's most trusted financial group", formulated the new medium-term plan



Appendix: Financial targets



- Continue pursuit of sustainable increase of profitability and efficient capital management. Introduction of new economic capital framework in response to Basel 3
- The target for consolidated net operating profit (customer division) is 20% increase from FY11. Newly-established benchmark targets, consolidated net income RORA is approx. 0.9%, consolidated ROE of approx. 8%

| | | FY11 results | FY12 H1 results | FY14 Targets |
|---------------------------|---|--------------|-----------------|------------------------|
| Growth | Consolidated net operating profit (customer division) ^{*1} | ¥1,050.9 bn | ¥492.0 bn | 20% increase from FY11 |
| Profitability | Consolidated expense ratio | 56.9% | 55.3% | Between 55-60% |
| | (Non-consolidated) | 50.4% | 48.3% | Between 50-55% |
| | Consolidated net income RORA ^{*2*3} | 0.8% | Approx. 0.7% | Approx. 0.9% |
| | Consolidated ROE ^{*2} | 7.7% | 6.14% | Approx. 8% |
| Financial Strength | CET1 ratio ^{*3} | Approx. 9% | Approx. 10% | 9.5% or above |

*1 Simple sum of consolidated operating profits for retail, corporate, global and trust assets segments

*2 FY11 figures exclude negative goodwill associated with application of equity method accounting on our investment in Morgan Stanley

*3 Under Basel 3 regulatory regime, fully reflective of all necessary adjustment on capital

(Underlying macroeconomic assumptions)

| | FY12 | FY13 | FY14 |
|--------------------------------------|-------|-------|-------|
| Unsecured call rate (period average) | 0.07% | 0.07% | 0.17% |
| Dollar-yen (period-end rate) | ¥83 | ¥83 | ¥83 |
| Real GDP growth rate (annual rate) | 2.5% | 0.2% | 2.3% |

| Consolidated net operating profit by segments : FY11 results | |
|--|-----------|
| Retail | ¥314.8 bn |
| Corporate | ¥419.3 bn |
| Global | ¥264.0 bn |
| Trust Assets | ¥52.8 bn |

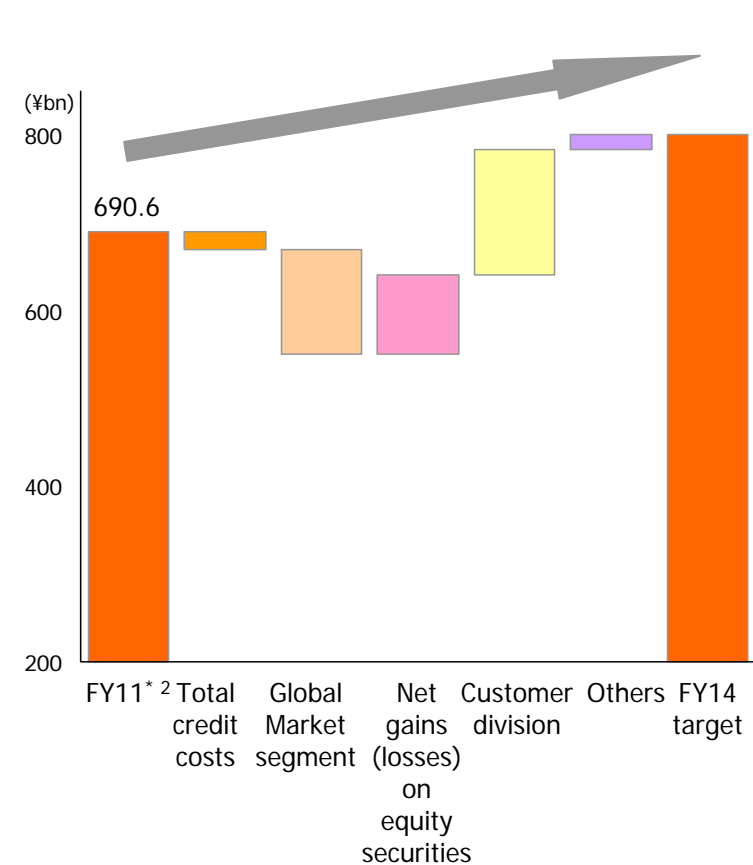
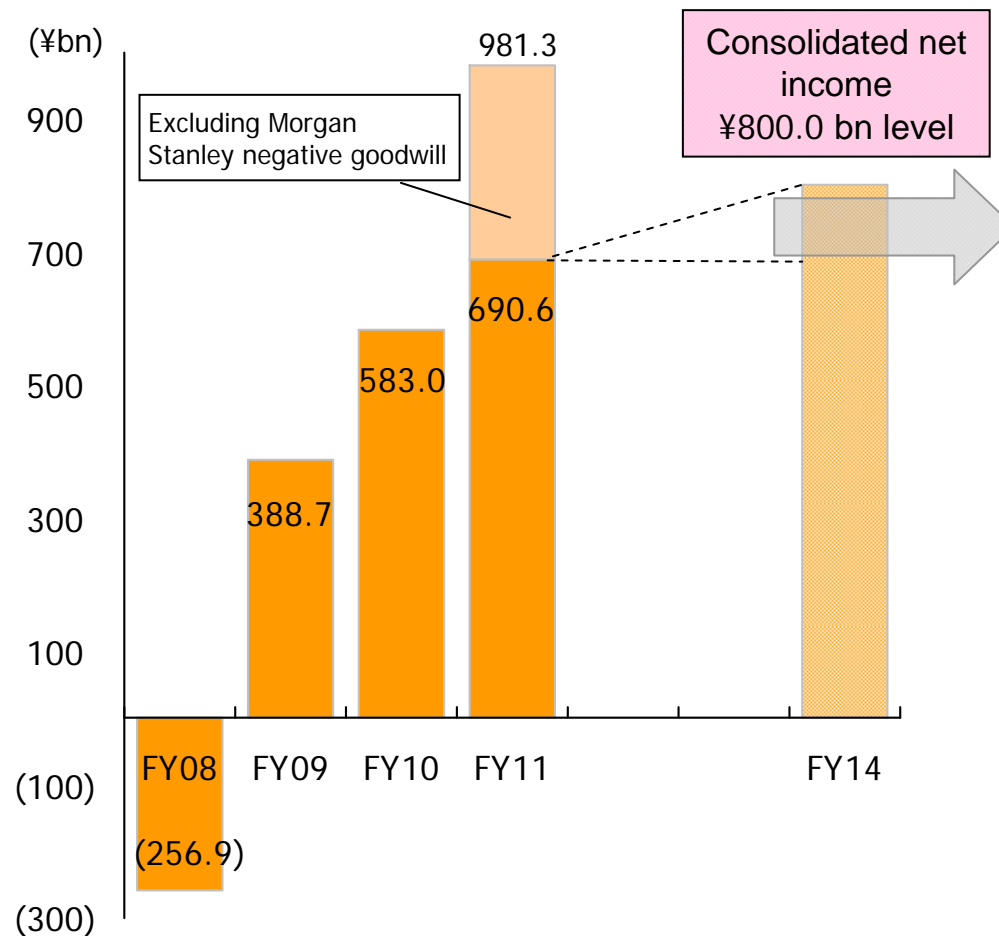
| FY14 targets (from FY11) |
|--------------------------|
| Up 15% |
| Up 15% |
| Up 35% |
| Up 45% |

Appendix: (Reference) Estimation of net income growth



- Reduction in Global Market segment to be covered by increased profit in the customer division with a view to posting consolidated net income of ¥800.0 bn level in FY14

Net income



*1 Breakdown of changes above are after-tax base

*2 Excluding Morgan Stanley negative goodwill

Appendix: Basic strategy



- Advance the business strategy, strengthen management fundamentals and control according to the three basic policies

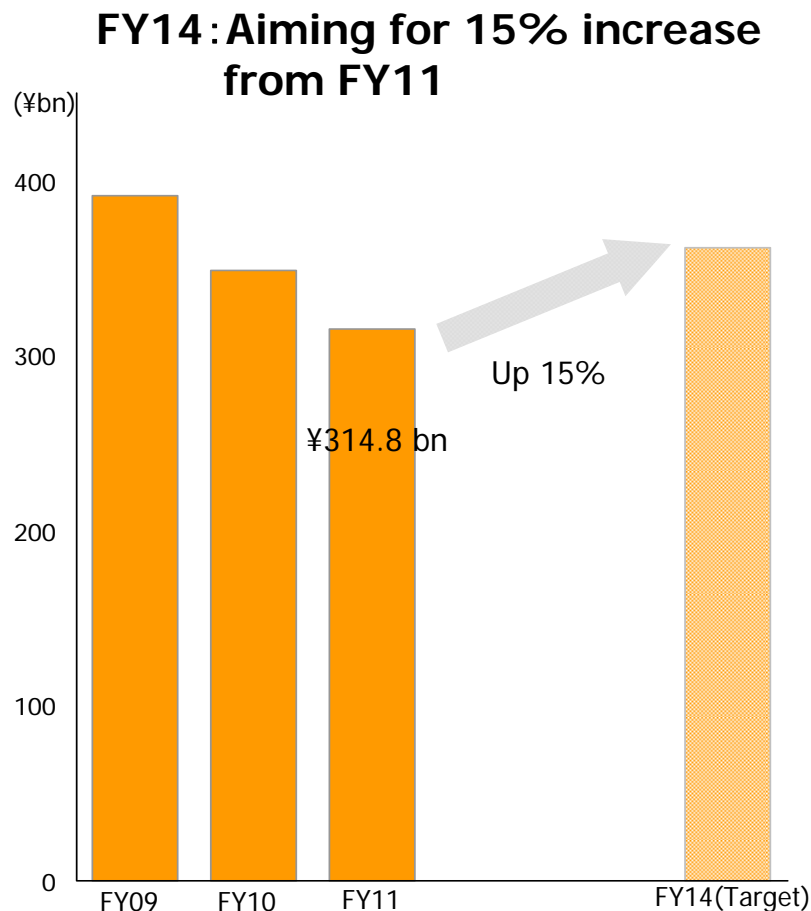


Appendix: Retail strategy



- Provide services optimized for the life stage of each customer
- Leverage BTMU's customer base to build dominant presence as a comprehensive financial services group

Net operating profits target



Key strategies

- **Strengthen Internet Banking**
 - Expand internet banking channel services by improving smartphone applications, expanding transaction menu, etc
 - Review customer interface to improve usability and convenience
- **Enhance consulting business**
 - Expand customer contact and proposal opportunities by reforming outside visits, call centers and other operational processes
- **Grow private banking**
 - Boost personnel with specialist skills in asset management, inheritance, corporate owner transactions, etc
 - Deepen inter-group cooperation based on long-term relationships and specialist skills to service wider customer needs in areas such as asset management and intergenerational transactions

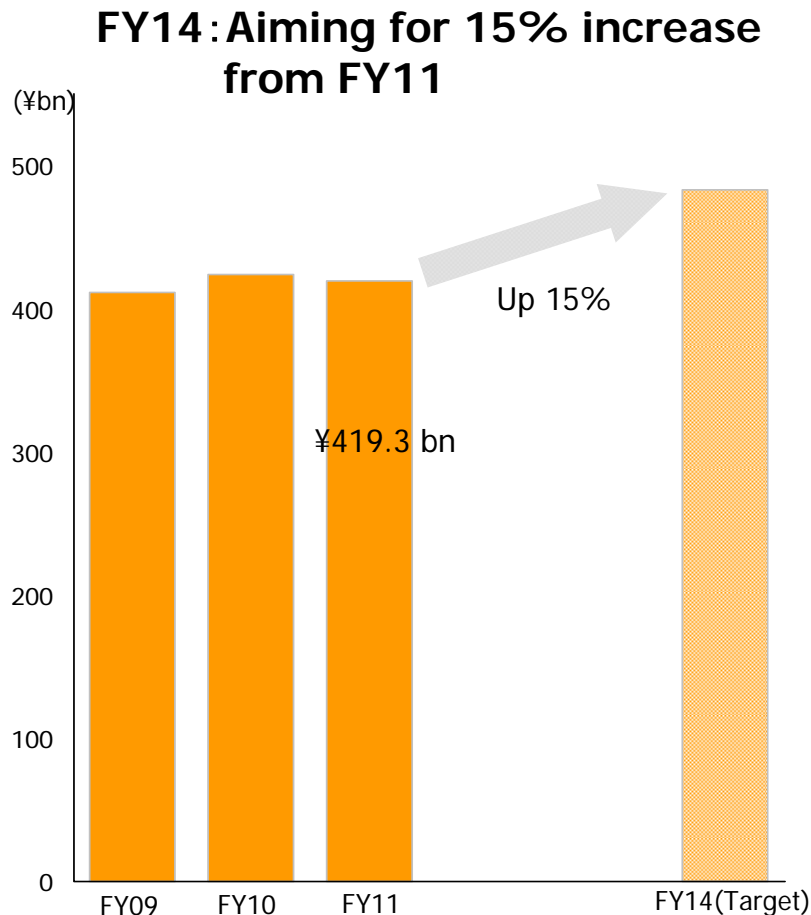
(Note) Exchange rates: Those adopted in our business plan (\$/¥=83, etc)

Appendix: Corporate strategy



- Progress and reform each business model of BTMU, MUTB and MUMSS, aiming to achieve leading position in each operation
- Leverage MUFG group capabilities to provide compelling solutions and support customers' domestic and foreign growth

Net operating profits target



Key strategies

- **Expand global financial services (large/global corporate companies)**
 - Expand solutions business, such as project finance
 - Grow overseas business through deeper links with Global segments
 - Leverage Morgan Stanley's global network and strengthen primary business through cooperation between BTMU and MUMSS
 - Leverage commercial bank customer base to grow Trust Bank operations (securities agency service, real estate, DC pension plans) and corporate secondary transactions
- **Strengthen consulting business (medium-sized companies)**
 - Accelerate provision of tailored solutions-based services that address key management issues
 - Increase support for overseas expansion, business succession and other such needs
- **Develop integrated corporate and retail business (SMEs, owners)**
 - Expand integrated corporate/individual business for owners by integrating commercial bank's corporate and retail branches
 - Provide detailed support for SME growth

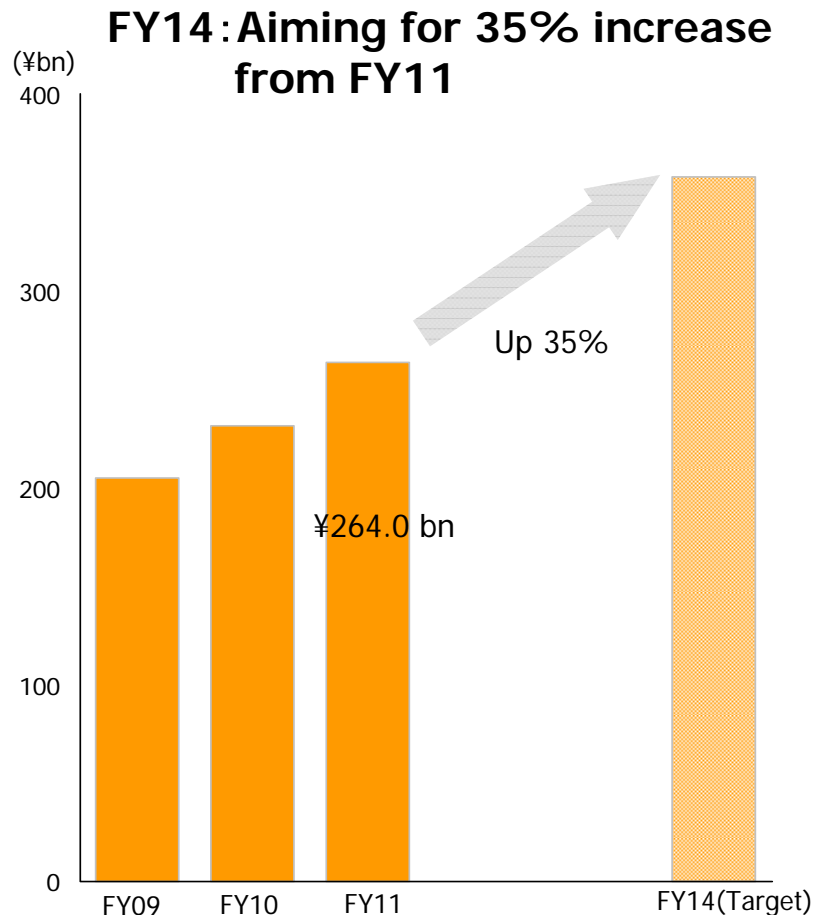
(Note) Exchange rates: Those adopted in our business plan (\$/¥=83, etc)

Appendix: Global strategy



- Collaborate between regions and operations, using overseas customer base of commercial bank to construct competitive, added-value model
- Pursue non-organic growth while developing new businesses and emerging markets

Net operating profits target



Key strategies

- **Expand presence in Asia and other emerging markets**
 - Strengthen marketing to target non-Japanese and financial institutions
 - Within Asia and between Europe and Americas, enhance collaboration between BTMU and securities subsidiaries to support customers' business expansion outside Asia region
 - In Latin America, the Middle East and Russia, pursue business strategies that take into account national and regional differences, and expand network
- **Pursue Global CIB business**
 - Provide optimal solutions for customers in commercial banking to satisfy their needs in overseas markets in collaboration with Morgan Stanley and our local securities entities
 - Strengthen business in project finance, ECA finance and trade finance
- **Grow transaction banking business**

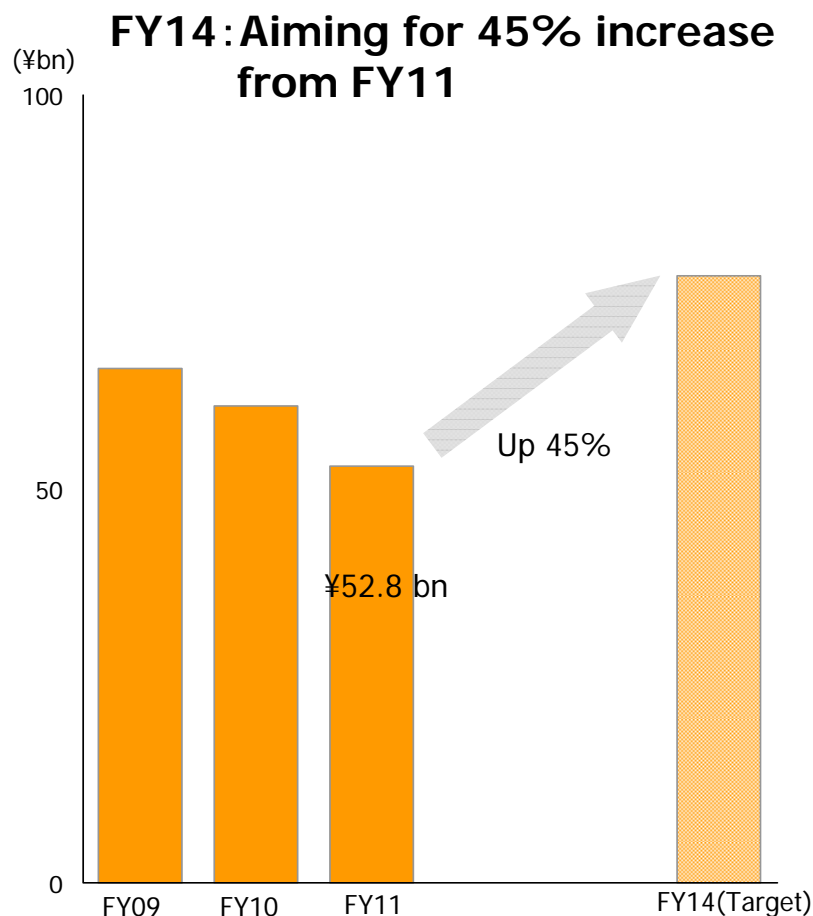
(Note) Exchange rates: Those adopted in our business plan (\$/¥=83, etc)

Appendix: Trust assets strategy



- Leverage MUFG Group customer base and overseas network to develop as Japan's leading asset manager and administrator, recognized globally

Net operating profits target



Key strategies

● Expand pension business

- Increase cooperation between BTMU and MUTB, strengthen marketing infrastructure
- Lift performance of own products, and develop products that also incorporate characteristics of partners

● Boost investment trust business

- Strengthen collaboration between internal and external distribution partners
- Unify asset management operating platforms to boost management and product development

● Develop globally

- Use investment and tie-ups to develop globally, focusing on high-growth Asia and large-scale Europe and U.S. markets
- Aim to become globally competitive asset management company and also expand foreign investment trust management business

(Note) Exchange rates: Those adopted in our business plan (\$/¥=83, etc)

Exposures in European peripheral countries



- Exposures to European peripheral countries in BTMU consolidated were limited compared to the size of consolidated total assets

Exposures (BTMU consolidated)

| | End Sep 12 | End Dec 12 |
|--------------|------------------|------------------|
| Spain | Approx.\$5.2 bn | Approx.\$5.1 bn |
| Italy | Approx.\$6.1 bn | Approx.\$6.0 bn |
| Ireland | Approx.\$0.2 bn | Approx.\$0.2 bn |
| Portugal | Approx.\$0.6 bn | Approx.\$0.6 bn |
| Greece | Approx.\$0.2 bn | Approx.\$0.2 bn |
| Total | Approx.\$12.2 bn | Approx.\$12.1 bn |

Balance of sovereign bonds (MUFG)

| | End Sep 12 | End Dec 12 |
|--------------|-----------------|-----------------|
| Spain | Approx.\$0.1 bn | Approx.\$0.1 bn |
| Italy | Approx.\$1.5 bn | Approx.\$1.5 bn |
| Ireland | - | - |
| Portugal | \$0.0 bn | \$0.0 bn |
| Greece | - | - |
| Total | Approx.\$1.6 bn | Approx.\$1.6 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 for infrastructure, such as electricity, gas and telecommunications, etc
- Limited exposures to financial institutions
- Exposures including CDS hedge were approx. \$11.1bn

● Balance of sovereign bonds (MUFG)

- No Greek or Irish government bonds
- Hold-to-Maturity accounting has been used for most of Italian government bonds which will be redeemed within next 2 years

Risk-Adjusted Capital ratios (Based on the Basel 2 Standards)

(¥bn)

| | End Mar 12 | End Sep 12 |
|--|------------|------------|
| 1 Total qualifying capital | 12,742.5 | 12,318.4 |
| 2 Tier 1 | 10,522.2 | 10,832.2 |
| 3 Preferred stocks | 390.0 | 390.0 |
| 4 Preferred securities | 1,207.3 | 1,204.3 |
| 5 Net unrealized losses on investment securities | - | - |
| 6 Tier2 (includable as qualifying capital) | 4,038.7 | 3,268.7 |
| 7 Net unrealized gains on investment securities | 343.0 | 264.3 |
| 8 Subordinated debt | 3,446.5 | 2,676.5 |
| 9 General allowance for credit losses, etc. | 104.5 | 98.1 |
| 10 Deduction from total qualifying capital | 1,818.4 | 1,782.4 |
| 11 Risk-adjusted assets | 85,456.5 | 86,117.9 |
| 12 Credit risk weighted asset | 71,672.0 | 64,882.7 |
| 13 Market risk weighted asset | 2,380.0 | 2,191.1 |
| 14 Operational risk weighted asset | 4,798.5 | 4,952.6 |
| 15 Transitional floor | 6,606.0 | 14,091.2 |
| 16 Risk-adjusted capital ratio (%) | 14.91% | 14.30% |
| 17 Tier 1 ratio (%) | 12.31% | 12.57% |
| 18 Outlier ratio | 9.49% | 9.73% |

● Tier1 +¥309.9 bn

- Net income +¥290.4 bn
- Interim dividend ¥(93.9) bn
- Foreign currency translation adjustments +¥63.4 bn

● Tier2 ¥(770.0) bn

- Change of 45% of unrealized gains on investment securities ¥(78.7) bn
- Change of subordinated debt ¥(770.0) bn

● RWA +¥0.6 tn

- Credit risk ¥(6.7) tn
- Adjustment to the transitional floor +¥7.4 tn (arose from AMA adoption at End Mar 12)

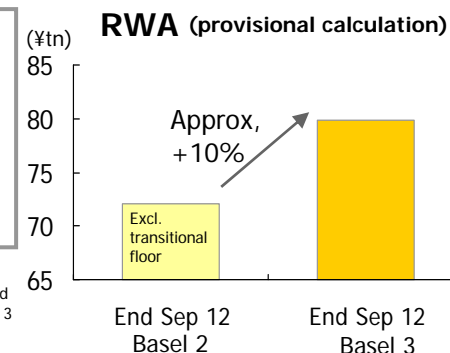
Reference: Basel 3 Standards

● CET1 ratio *1

Approx, 10%
(under full deductions*2)

Approx, 12%
(under phase-in approach*3)

*1 Calculated on the basis of current information
*2 Based on the standard when Basel 3 is fully implemented
*3 Based on the standard at the end of Mar 13 when Basel 3 is introduced, taking into account transitional measures



—Be the world's most trusted financial group—

1. Work together to exceed the expectations of our customers

Strive to understand and respond to the diversified needs of our customers.
Maintain and expect the highest levels of professionalism and expertise, supported by our consolidated strength

2. Provide reliable and constant support to our customers

Give the highest priority to protecting the interests of our customers.
Promote healthy, sustainable economic growth.
Maintain a robust organization that is effective, professional, and responsive

3. Expand and strengthen our global presence

Leverage our strengths and capabilities to attract a loyal global customer base.
Adapt rapidly to changes in the global economy and their impact on the needs of our customers

Quality for You