Mitsubishi UFJ Financial Group

Fiscal 2010 Results Presentation

May 26, 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)

Contents

Outline of FY2010 results

Management Policy in final year of medium-term plan

Outline of FY2010 results

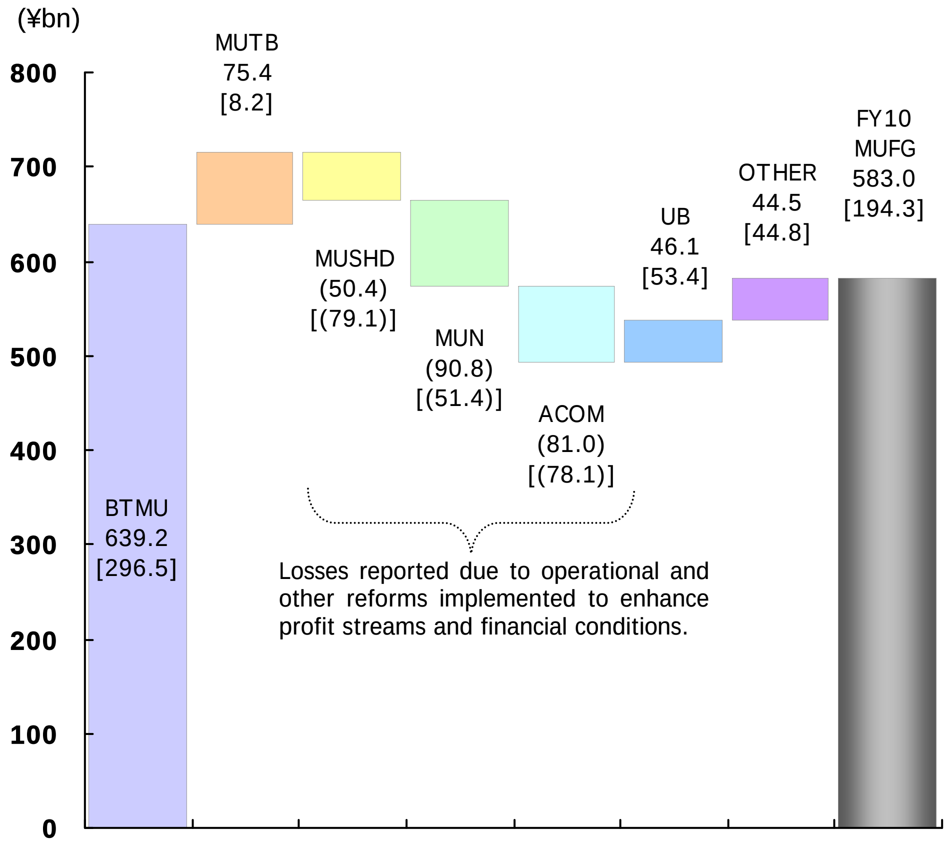
Management Policy in final year of medium-term plan

FY2010 key points

MUFG

- **Exceeded net income target in a difficult environment**
  - ～Maintained net business profit as sluggish customer businesses and loss from securities sub were offset by strong market businesses
  - ～Radical action taken on interest repayment issue
  - ～Large decline in core credit costs
- **Prepared for growth**
  - ～North America (UB acquisitions), Asia (capital increases, new branches), Europe (acquired RBS project finance assets)
  - ～Launched securities JVs in Japan
- **Addressing key challenges**
  - ～Enhanced efficiency, reduced equity holdings

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 FY09

FY2010 summary (P/L) (Consolidated)

MUFG

Net business profits

- Gross profits decreased due to lower net interest income such as deposit-lending spread and consumer-finance income, partially offset by an increase in income from market related products such as net gains on sales of debt securities
- G&A expenses decreased reflecting the progress in an ongoing intensive corporate-wide cost reduction
- Net business profits remained virtually unchanged

Total credit costs

- Significantly decreased due to a decrease in provision for credit losses and losses on loan write-off reflecting a decline in number of bankruptcies

Net gains (losses) on equity securities

- Posted ¥57.1 bn net losses due to increased write-down reflecting weak stock performance in general stock market

Other non-recurring losses

- Increased due to an increase in provision on for loss on interest repayment

Net income

- No more loss carried forward. Re-started payment of corporate income tax
- Lower effective tax rate applied as a result of a change in the example categories for tax calculation
- Achieved ¥583.0bn, ahead of target:¥500.0bn

Income statement(¥bn)

		FY10	FY09	Change
1	Gross profits (before credit costs for trust accounts)	3,522.5	3,600.4	(77.8)
2	Net interest income	2,020.0	2,177.1	(157.1)
3	Trust fees+Net fees and commissions	1,079.8	1,093.6	(13.7)
4	Net trading profits +Net other business profits	422.6	329.5	93.0
5	Net gains (losses) on debt securities	221.3	49.8	171.4
6	G&A expenses	2,020.8	2,084.8	(63.9)
7	Expense ratio	57.4%	57.9%	(0.5%)
8	Net business profits	1,501.6	1,515.5	(13.8)
9	Credit costs[*1]	(424.2)	(825.2)	400.9
10	Net gains (losses) on equity securities	(57.1)	32.4	(89.6)
11	Other non-recurring gains (losses)	(373.7)	(177.1)	(196.6)
12	Ordinary profits	646.4	545.6	100.7
13	Net extraordinary gains (losses)	(6.8)	51.0	(57.9)
14	Total of income taxes-current and income taxes-deferred	(175.4)	(150.9)	(24.5)
15	Minority interest	119.0	(57.0)	176.0
16	Net income (losses)	583.0	388.7	194.3
17	Total credit costs[*2]	(354.1)	(760.1)	406.0
18	Non-consolidated	(174.2)	(361.6)	187.3

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

*2 Credit costs+Reversal of allowance for credit losses+Reversal of reserve for contingent losses included in credit costs
+Gains on loans written-off.
Total credit costs excluding gains on loans written-off was (¥417.9bn), improved by ¥407.2bn compared to FY09
A portion of losses expected from the future repayment of interest was recorded as part of the provision for reserves for contingent losses since FY10, as compared to a part of provision for allowance for credit losses in prior years.
Had it been recorded under previous method, it would have been larger by ¥52.0bn.

Reference(¥)

		FY10	FY09	Change
19	EPS	39.95	29.57	10.38
20	ROE[*3]	6.89%	4.92%	1.96%

*3

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

Please see pages 10-24 of the MUFG Databook

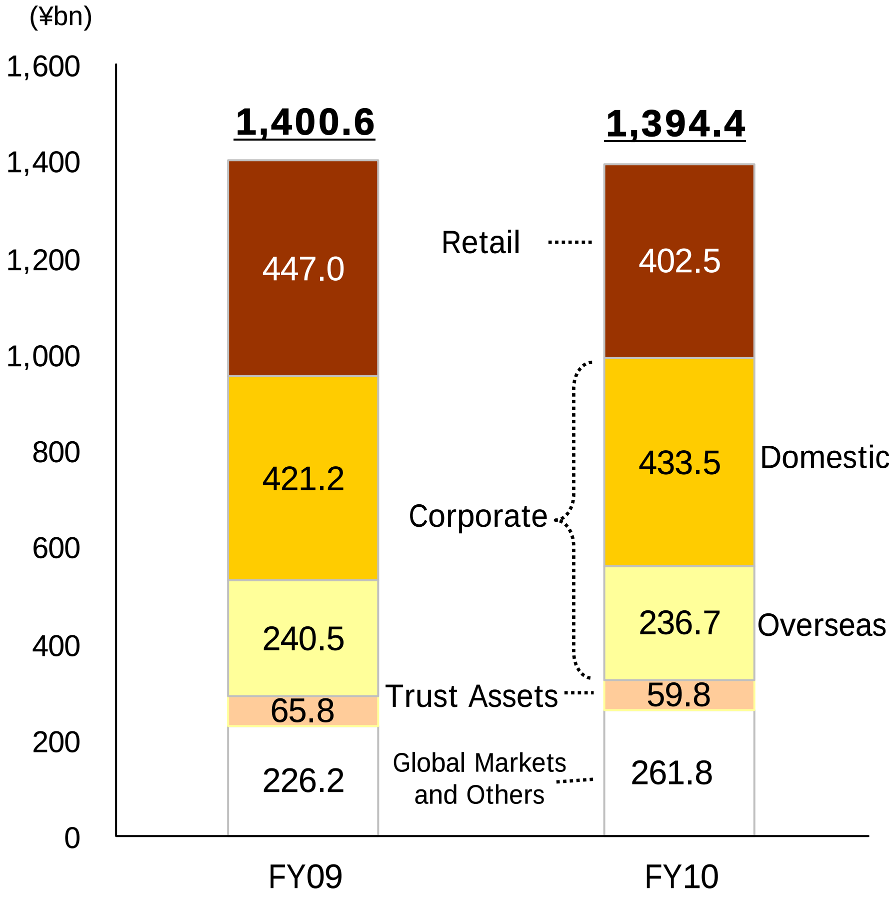
FY2010 P/L special items

	Effect on FY10 P/L
Mitsubishi UFJ Morgan Stanley Securities trading loss	
Posted approx. ¥110 bn trading loss in FY10 Q4 due to fixed income position trading business, etc.	● Loss of approx. ¥110 bn recorded in net trading profits
Non-consolidated credit costs	
1)Provisions related to facilitation of smooth financing 2)Japan earthquake disaster related expenses 3)Secondary Losses of Jusen Account	1)Expense of approx. ¥40bn recorded 2)Expense of approx. ¥19bn recorded (Expense of approx. ¥32bn on MUFG consolidated basis) 3)Expense of approx. ¥23bn recorded
Interest repayment expenses at consumer finance subs	
Set aside sufficient provision for interest repayment expenses at MU Nicos and Acom	● ¥329.1 bn addition to reserve for interest repayment in other non-recurring gains/losses
Change to definition of credit costs of consumer finance sub	
Formerly interest repayment expenses used to reduce loan principal amount were included in credit costs, and the cash outflow portion was included in other non-recurring gains/losses, but from FY 10 all interest repayment expenses included in other non-recurring gains/losses	● Compared with the former method, total credit costs decreased by ¥52bn
Change in deferred tax company classification	
Change from treatment as an exception to Article 4 to treatment under Article 2 (Future period for expected taxable income changed from 5 years to no limit)	● Resulted in an approx. ¥100bn benefit to the P/L

Outline of results by business segment (Consolidated)

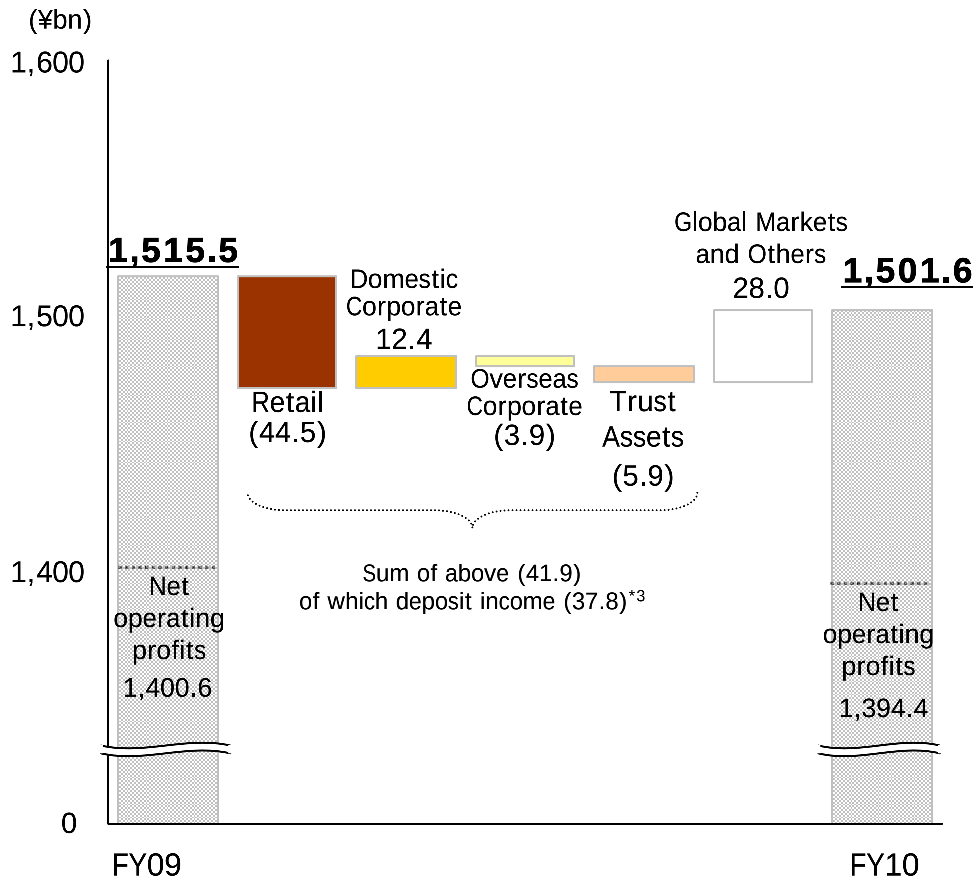
● **Total net business profits remained almost flat compared to FY09. An increase in net business profits from Global Markets segment and cost reduction throughout the segments were offset by a decrease in profits from customer segments in aggregate due to downturn of market environment, such as decline of interest rates**

Net operating profits by segment*1



*1 Consolidated net business profits on a managerial accounting basis.

Breakdown of changes in Net business profits*2



*2 Changes in segmental profit are on a managerial accounting basis.

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

Please see pages 43 of the MUFG Databook

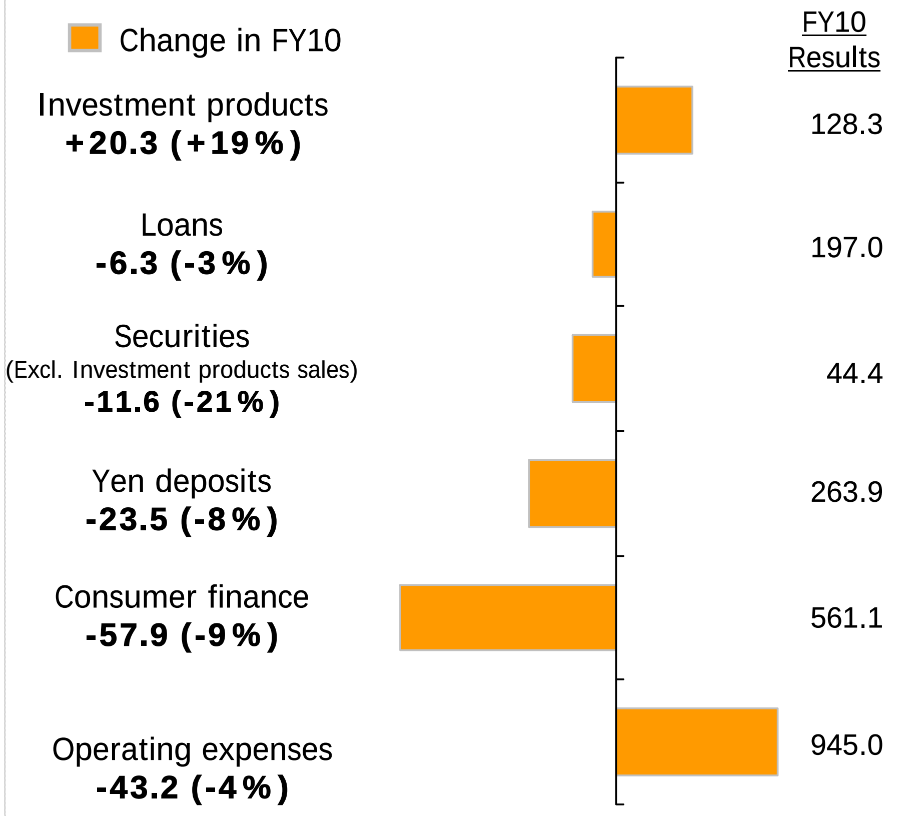
Retail

(Consolidated)

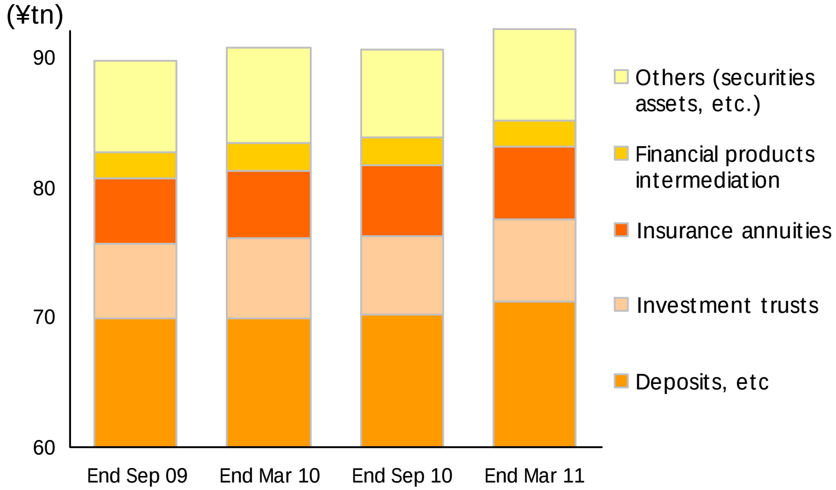
- **Net operating profits ¥402.5bn, down ¥44.5bn on FY09**
  — Revenue from Consumer finance and Yen deposits decreased, while Investment product sales performed well

Change in net operating profits

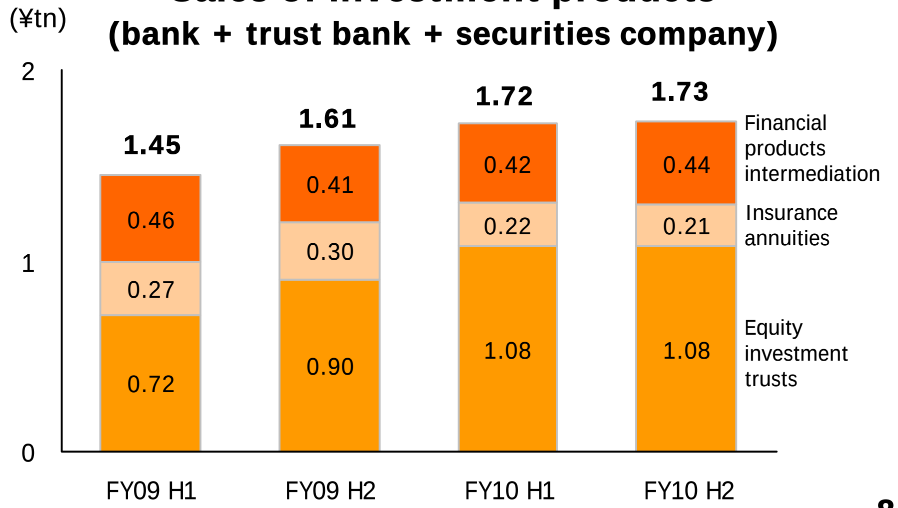
FY10 ¥402.5bn (down ¥44.5bn on FY09)



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



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



Please see pages 44-49 of the MUFG Databook

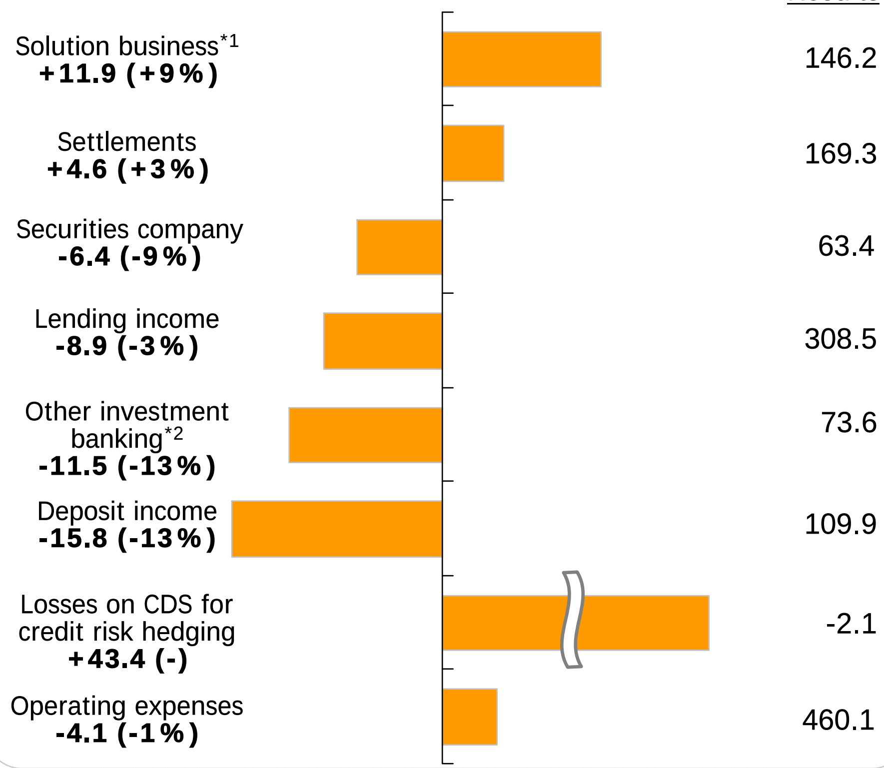
Domestic Corporate (Consolidated)

● Net operating profits ¥433.5bn, up ¥12.4bn on FY09

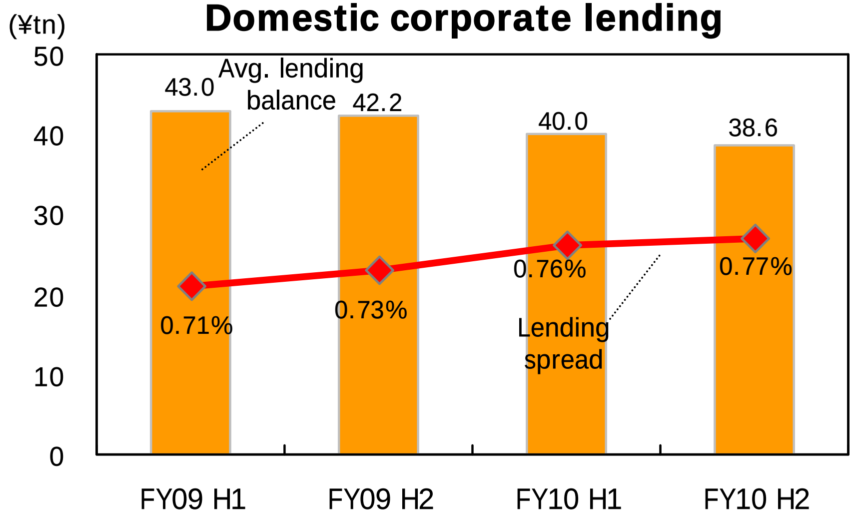
— Solid performance of solution business, improved losses on CDS for credit risk hedging.
Lending spread improved

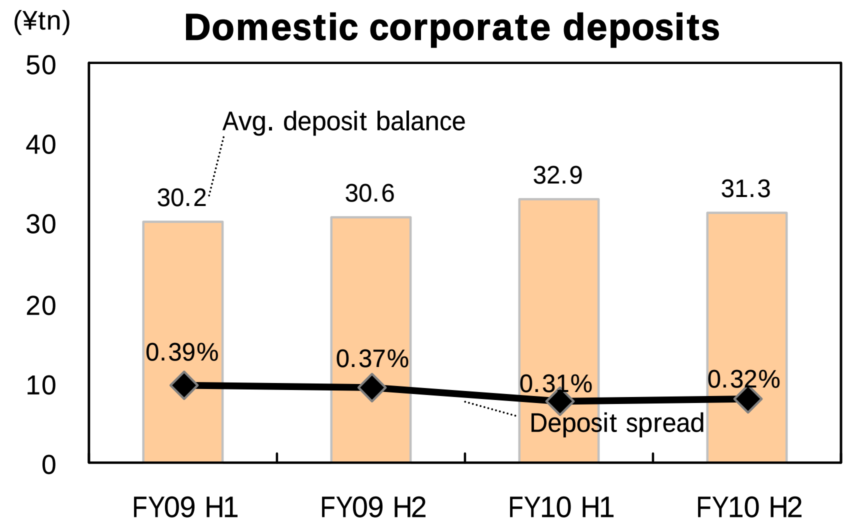
Change in net operating profits

FY10 ¥433.5bn (up ¥12.4bn on FY09)



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





Please see pages 50-54 of the MUFG Databook

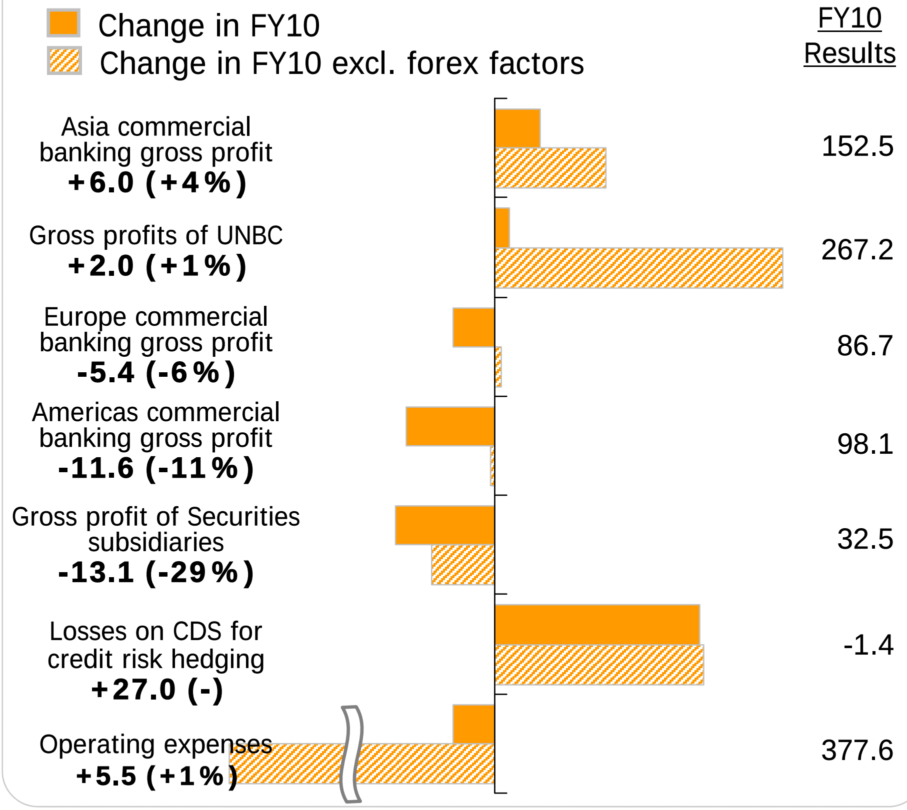
Overseas Corporate (Consolidated)

Net operating profits ¥236.7bn, down ¥3.9bn on FY09 (up ¥24.9bn if excluding forex factors)

— Gross profits of UNBC and Asia commercial banking increased, Lending balance turned to increase

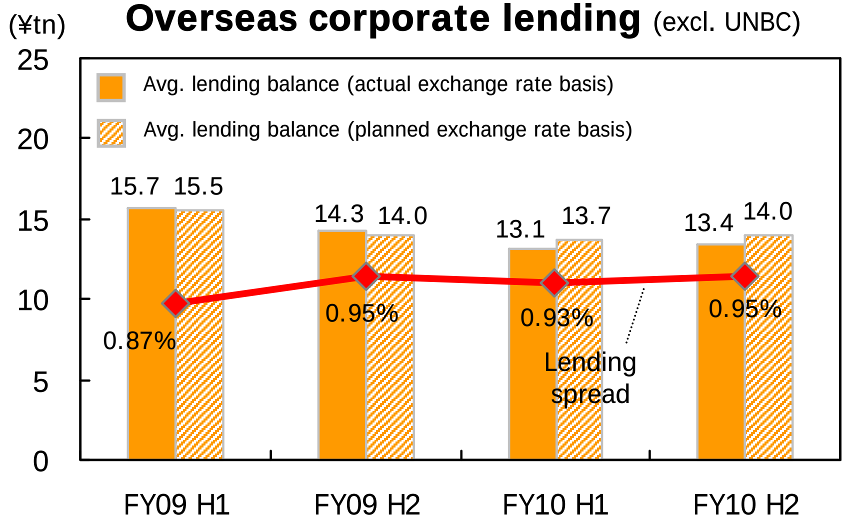
Change in net operating profits

FY10 ¥236.7bn (down ¥3.9bn on FY09)
(up ¥24.9bn on FY09 excl. forex factors)

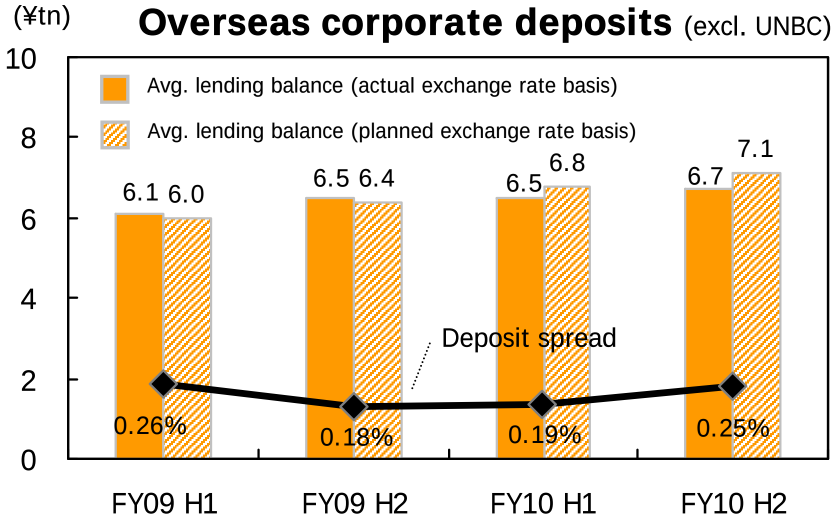


*1 Exchange rates: Those adopted in our business plan ($/¥=95, etc)

Overseas corporate lending (excl. UNBC)



Overseas corporate deposits (excl. UNBC)



Please see pages 55-59 of the MUFG Databook

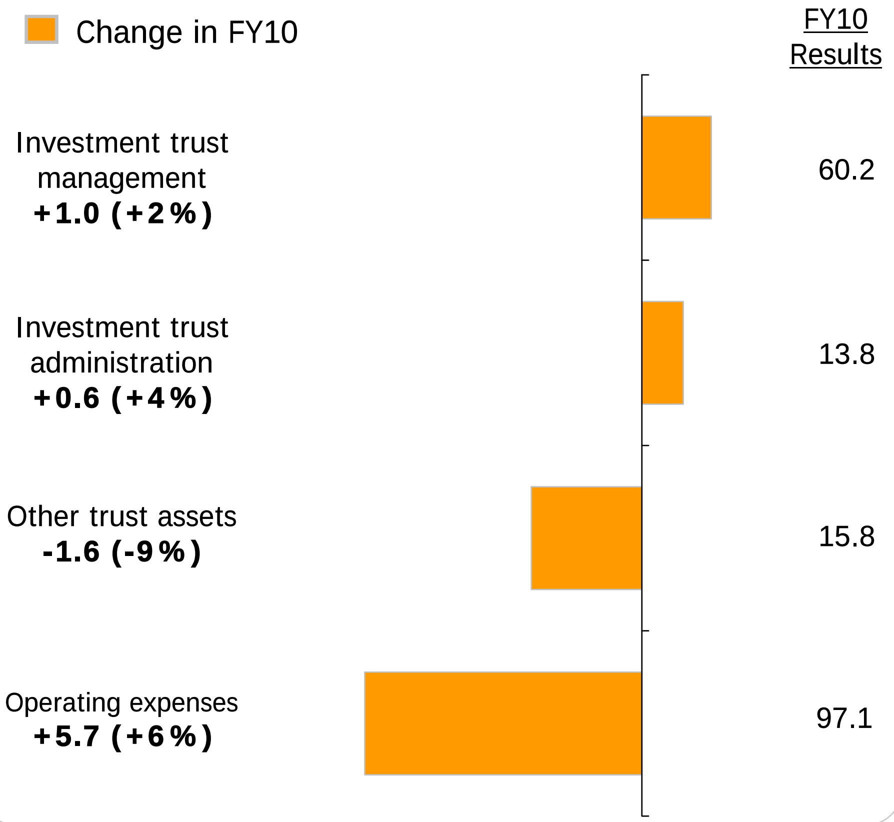
Trust Assets (Consolidated)

Net operating profits ¥59.8bn, down ¥5.9bn on FY09

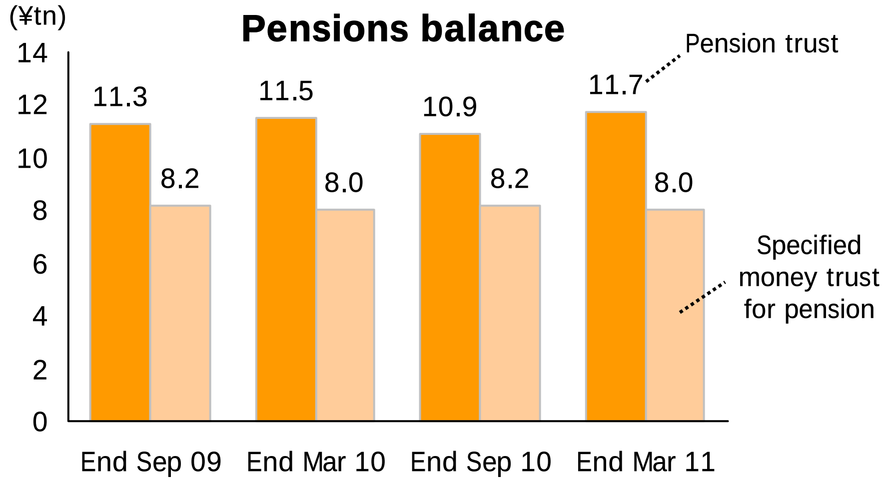
— Net operating profits decreased due to higher operating costs for expanding investment management business and other factors, while gross profits of Investment trust related businesses increased

Change in net operating profits

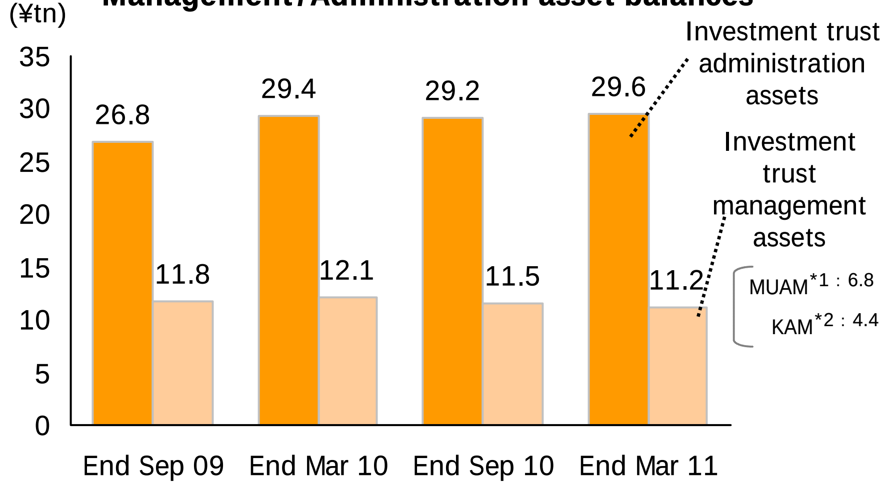
FY10 ¥59.8bn (down ¥5.9bn on FY09)



Pensions balance



Investment trusts: Management / Administration asset balances



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

Please see pages 60-63 of the MUFG Databook

FY2010 summary (B/S) (Consolidated)

MUFG

- **Loans**
  - Decreased from End Mar 10 due to lower domestic corporate loans and overseas loans. Increased slightly as compared to those at End Sep 10
- **Investment securities**
  - Increased from End Mar 10 and End Sep 10 mainly due to an increase in Japanese government bonds
- **Deposits**
  - Remained almost unchanged from End Mar 10, yet increased significantly from End Sep 10
- **Total net assets**
  - Decreased from End Mar 10 and End Sep 10 mainly due to decrease in net unrealized gains on other securities and redemption of preferred securities
- **Non performing loans (“NPLs”)**
  - FRL disclosed loans and NPL ratio almost flat from End Sep 10, and keeping at a low level
- **Net unrealized gains (losses) on securities available for sale**
  - Decreased from End Mar 10 and End Sep 10

Balance sheet(¥bn)

		End Mar 11	Change from End Mar 10	Change from End Sep 10
1	Total assets	206,227.0	2,120.1	(153.7)
2	Loans(Banking+Trust accounts)	80,142.3	(4,893.5)	745.2
3	Loans(Banking accounts)	79,995.0	(4,885.5)	740.5
4	Domestic corporate loans*1	43,916.9	(3,854.9)	354.3
5	Housing loans*1	17,300.6	(166.7)	(116.6)
6	Overseas loans*2	16,422.1	(229.5)	809.9
7	Investment securities (banking accounts)	71,023.6	7,059.1	970.5
8	Japanese government bonds	44,941.8	5,216.4	1,400.2
9	Total liabilities	195,412.6	2,605.1	363.7
10	Deposits	124,144.3	252.3	1,875.6
11	Individual deposits (Domestic branches)	64,384.6	1,339.2	1,093.8
12	Total net assets	10,814.4	(485.0)	(517.5)
		FY10 H2	Change from FY09 H2	Change from FY10 H1
13	Deposit/lending spread (Domestic, non-consolidated)	1.30%	(0.00%)	0.01%
14	FRL disclosed loans*1*3	1,430.7	81.9	14.7
15	NPL ratio*1	1.68%	0.17%	(0.01%)
16	Net unrealized gains(losses) on securities available for sale	327.6	(485.0)	(369.7)

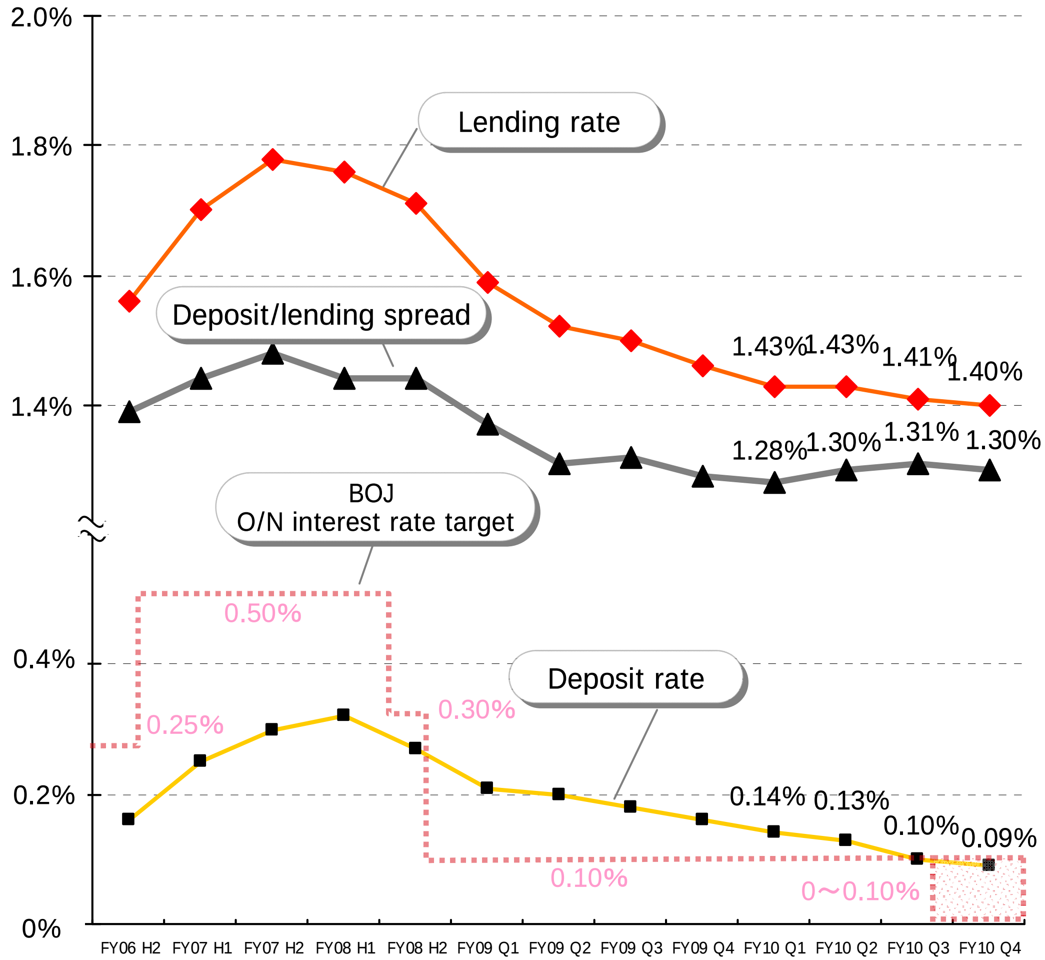
*1 Non-consolidated+trust accounts
*2 Loans booked in overseas branches, UnionBanCal Corporation and BTMU(China)
*3 FRL=the Financial Reconstruction Law

Please see pages 25 of the MUFG Databook

Domestic deposit / lending rates (Non-consolidated)

● **Deposit / lending spread in FY10 Q4 was 1.30 %, virtually unchanged since FY10 Q2**

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

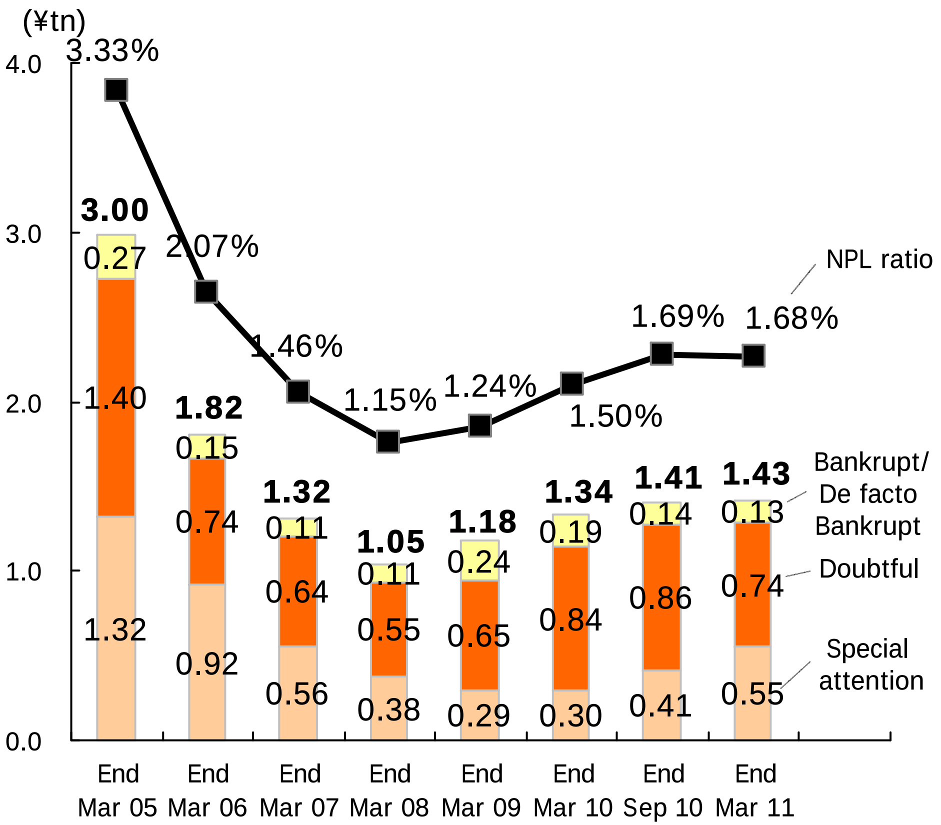
July 1, 2009
Variable rate on existing housing loans :
⇒ Changed based on the long-term lending rate linked to short-term prime rate as of April 1

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

Loan assets (Consolidated / Non-consolidated)

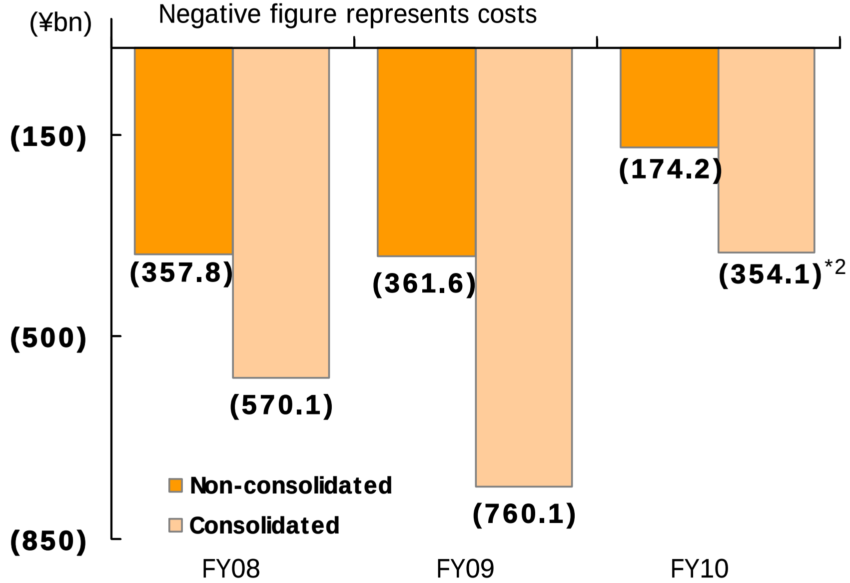
- NPL ratio almost flat from End Sep 10 to 1.68%, and keeping at a low level
- Total credit costs of Non-consolidated were ¥174.2bn and those of Consolidated were ¥354.1bn

Balance of FRL disclosed loans (Non-consolidated)



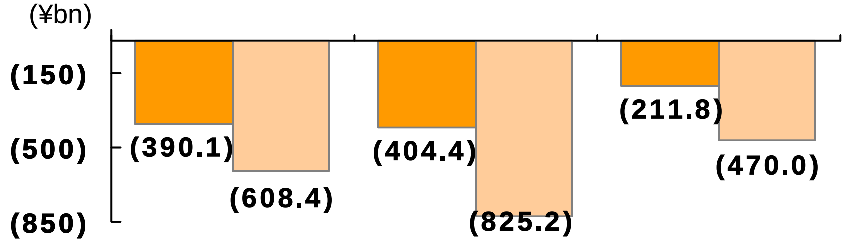
Please see pages 65 to 67 of the MUFG Databook

Total credit costs*1



*1 Figures included gains on loans written-off
*2 Figures excluding provision for losses on interest repayment (offset by principal balance) of (52.0bn)

【Total credit costs under previous method（Reference）】



Investment securities (Consolidated)

MUFG

- **Total unrealized gains (losses) on securities available for sale decreased by ¥369.7bn from End Sep 10**
- **An increase in unrealized gains on domestic equity securities was more than offset by a decrease in those on Japanese government bonds and foreign bonds**

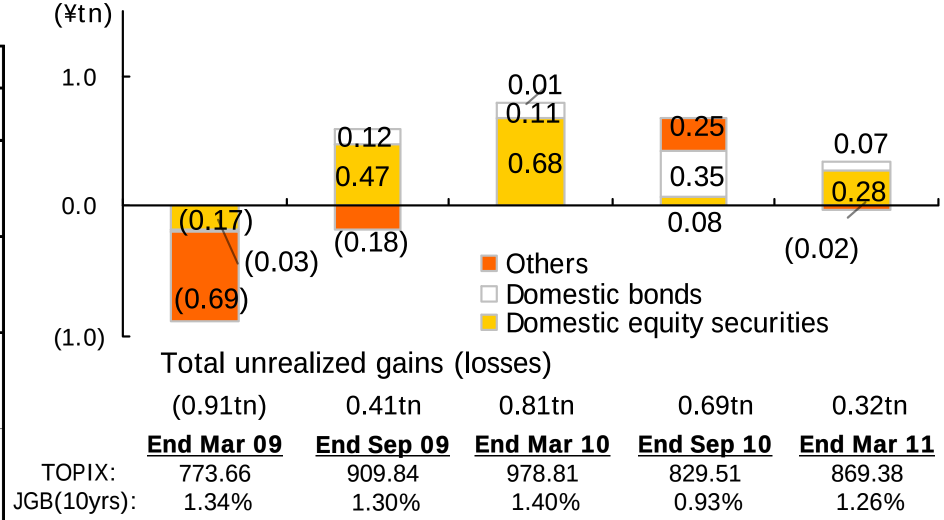
Breakdown of securities available for sale (with market value)

(¥bn)

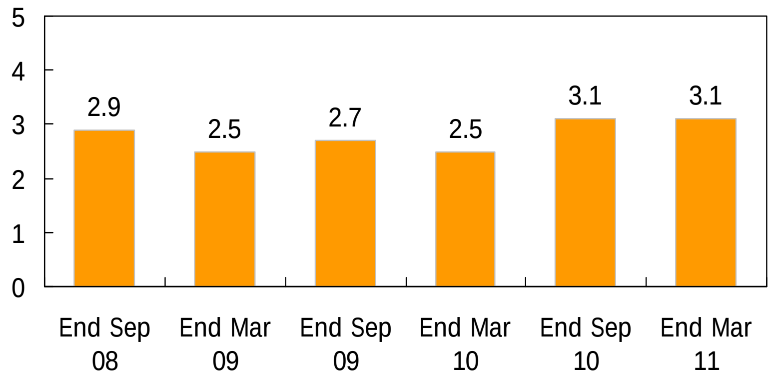
		Balance	Change from End Sep 10	Unrealized gains(losses)	Change from End Sep 10
1	Total	67,198.5	857.9	327.6	(369.7)
2	Domestic equity securities	3,566.3	28.3	281.2	193.3
3	Domestic bonds	48,098.4	1,201.9	70.8	(282.8)
4	Government bonds	43,974.5	1,410.2	23.9	(255.6)
5	Others	15,533.6	(372.2)	(24.4)	(280.2)
6	Foreign equity securities	282.2	20.4	83.6	19.2
7	Foreign bonds	13,637.5	(293.9)	(46.8)	(325.7)
8	Others	1,613.9	(98.6)	(61.3)	26.1

Please see page 68 of the MUFG Databook

Unrealized gains (losses) on securities available for sale



JGB Duration*1



*1 Non-consolidated

Capital

(Consolidated)

● Total capital

- Tier1 decreased ¥240.8 bn from End Sep 10 mainly due to lower minority interests such as redemption of preferred securities, offset by an increase in retained earnings
- Tier2 decreased ¥70.2 bn from End Sep 10 mainly due to lower net unrealized gains partially offset by higher subordinated debt
- As a result, total capital decreased ¥340.8 bn from End Sep 10

● Risk-adjusted assets

- Decreased ¥249.4 bn from End Sep 10 mainly due to lower credit risk and lower operational risk

● Capital ratio : 14.89%
Tier 1 ratio : 11.33%

Capital(¥bn)

		End Mar 10	End Sep 10	End Mar 11	Change from End Sep 10
1	Capital ratio	14.87%	15.24%	14.89%	(0.34%)
2	Tier1 ratio	10.63%	11.57%	11.33%	(0.24%)
3	Tier 1	10,009.6	10,194.1	9,953.3	(240.8)
4	Capital stock and capital surplus	4,559.9	4,311.6	4,311.7	0.0
5	Retained earnings	4,405.5	4,666.1	4,799.6	133.4
6	Minority interests	2,004.2	2,210.1	1,873.8	(336.2)
7	Tier 2	4,449.6	3,990.7	3,920.4	(70.2)
8	Net unrealized gains on securities available for sale	362.7	296.5	136.5	(159.9)
9	Subordinated debt	3,684.6	3,323.6	3,463.3	139.6
10	Total capital	13,991.7	13,421.6	13,080.8	(340.8)
11	Risk-adjusted assets	94,081.3	88,054.3	87,804.9	(249.4)
12	Credit risk	85,292.7	79,345.9	79,207.3	(138.5)
13	Market risk	1,902.7	1,973.3	1,994.1	20.8
14	Operational risk	6,885.8	6,735.1	6,603.4	(131.6)

Please see page 72 of the MUFG Databook

Outline of FY2010 results

Management Policy in final year of medium-term plan

Management policy

- **Accelerate growth strategy in final year of medium-term business plan**

FY2009	FY2010	FY2011

Risk management and enhancement of core business fundamentals

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

Growth acceleration

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

FY2011 financial targets

- **FY11 net income target ¥600.0bn, higher than FY10**

<Consolidated>	FY10 (Results)	FY11 (Targets)	Change
Ordinary profits	¥646.4bn	¥1,070.0bn	+¥423.6bn
Net income	¥583.0bn	¥600.0bn	+¥17.0bn*1

Total credit costs	¥354.1bn	¥280.0bn	¥(74.1)bn

*1 Not include gains from one time amortization of negative goodwill following conversion of preferred stocks of Morgan Stanley

<Non-consolidated>	FY10 (Results)	FY11 (Targets)	Change
Net business profits	¥1,156.9bn	¥1,020.0bn	¥(136.9)bn
Ordinary profits	¥762.6bn	¥760.0bn	¥(2.6)bn
Net income	¥714.7bn	¥490.0bn	¥(224.7)bn

Total credit costs	¥174.2bn	¥155.0bn	¥(19.2)bn

Note: Total credit costs include gains on loans written-off

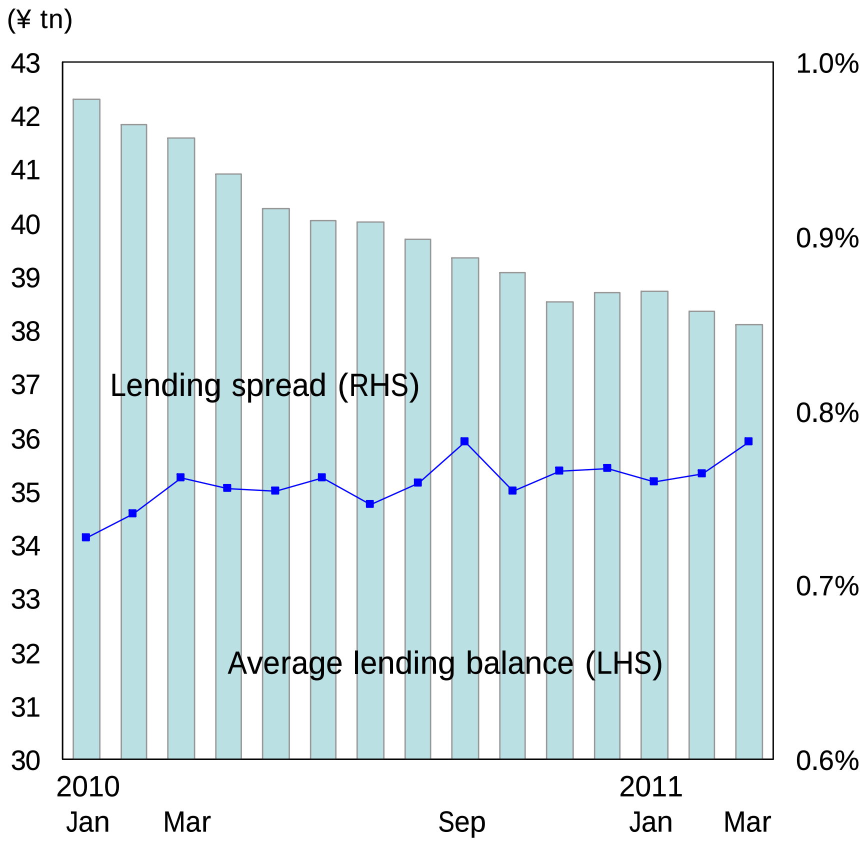
Key points of FY2011 financial targets

- Domestic and overseas lending
- Credit costs
- Improvement in major subsidiaries
- Promoting a growth strategy

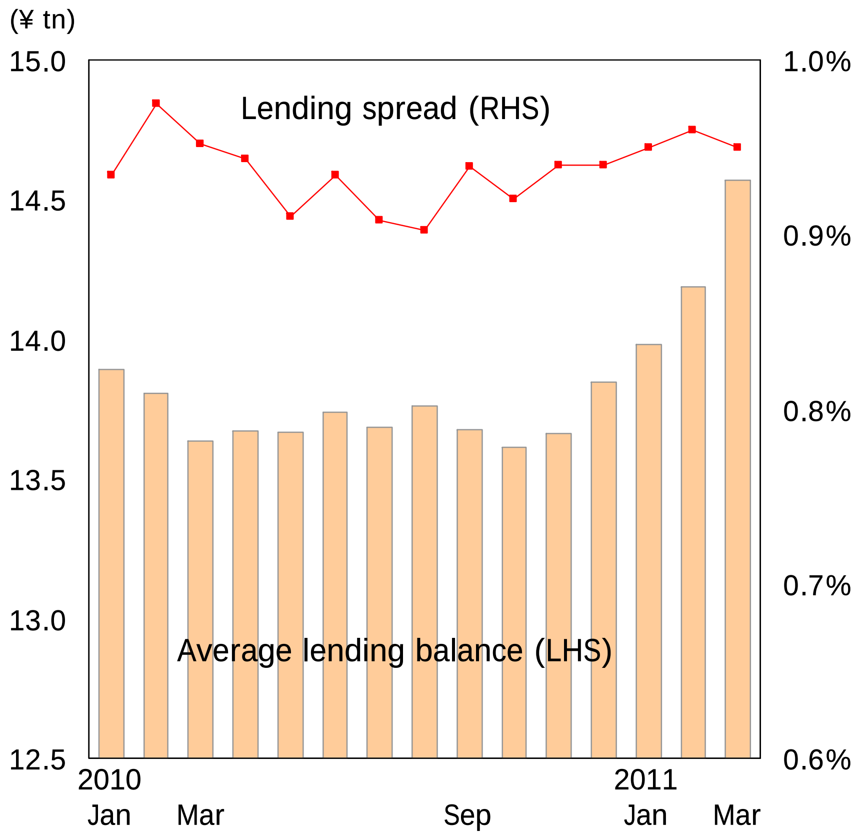
Domestic and overseas lending

- Decline in domestic lending bottoming out, focus on smooth provision of funds including for earthquake recovery
- Grow loan balance in high growth overseas regions

Domestic corporate lending / Spread



Overseas corporate lending / Spread (excl.UB)

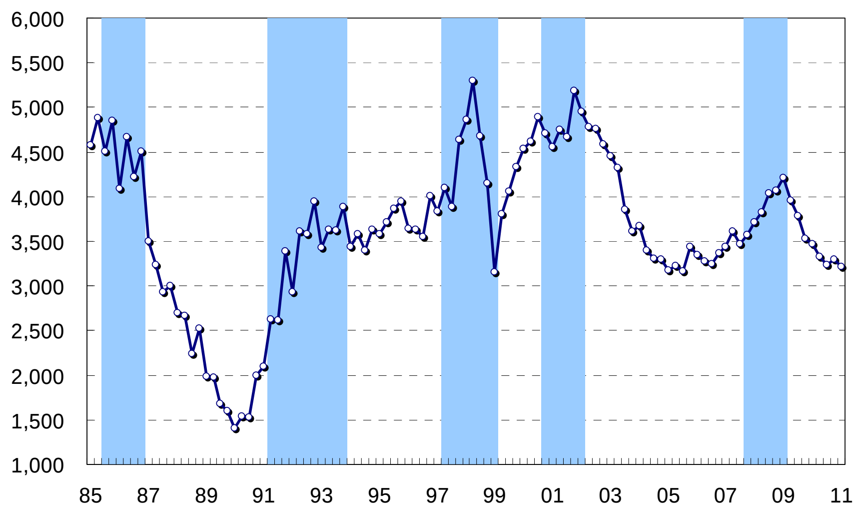


Exchange rates: Those adopted in our business plan ($/¥=95, others)

Credit costs

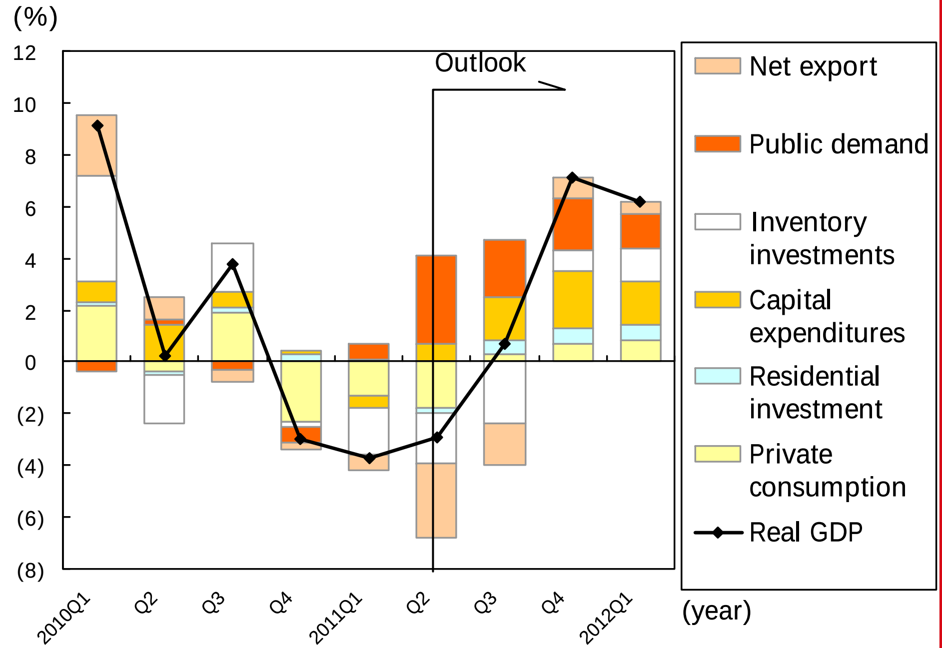
- Bankruptcies declining since economic recovery started in early 09
- Japan's economy to return to growth path in 2nd half of FY11, severe recession not expected
- Must remain alert to effects of earthquake, electricity shortage, etc.

Number of business failures



Note: Shadow represents recession period.
Source: Calculated by BTMU Economic Research Office based on Tokyo Shoko Research data.

Japanese economic outlook



Source: Compiled by BTMU Economic Research Office

(Note 1) Exposure in disaster-affected areas*1 approx. ¥400bn (approx. 0.5% of total claims)

*1 Balance of claims to corporations and individuals in Iwate, Miyagi and Fukushima prefectures

(Note 2) Plan for FY11 credit costs

Non-consolidated: ¥155bn (down ¥19.2bn from FY10)

Consolidated: ¥280bn (down ¥74.1bn from FY10)

Mitsubishi UFJ Nicos

MUFG

- **Set aside a sufficient provision in FY10 for interest repayment expenses to remove potential constraint on future profits**
- **Targeting ordinary profits of around ¥40 bn in FY13 through strengthened competitiveness and operational efficiencies**

Results and plan of MU NICOS

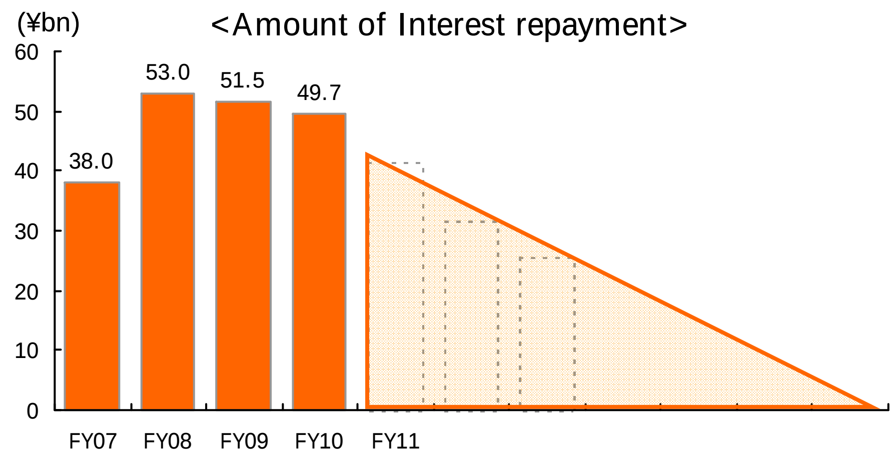
(¥bn)

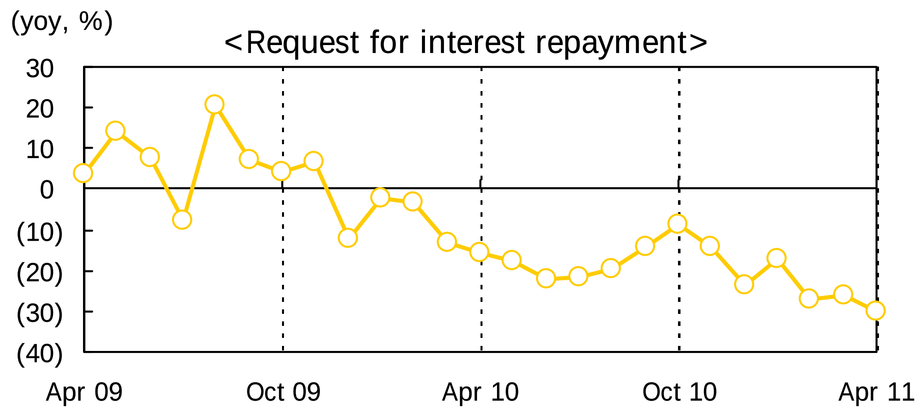
		FY09	FY10	FY11 (plan)	FY13 (plan)
1	Operating revenue	326.5	300.6	292.0	305.1
2	Card shopping	142.8	151.6	—	
3	Operating expenses	371.9	381.7	270.4	
4	G&A expenses	244.8	229.1	233.3	
5	Credit costs	66.9	46.3	37.0	
6	Interest repayment related expenses	60.2	106.3	0.0	
7	Operating income	(45.4)	(81.1)	21.6	
8	Underlying earnings (6+7)	14.7	25.2	21.6	38.6
9	Ordinary profits	(44.1)	(80.5)	22.0	39.0
10	Net income	(46.2)	(106.8)	22.0	

Key points of Mid-term business plan

- Focus on card settlement business and aim for a drastic improvement in business competitiveness
- Through early retirement and personnel efficiencies aim to reduce staff from current 5,700 to 5,000 by FY13

Interest repayment





ACOM

MUFG

- Set aside a sufficient provision in FY10 for interest repayment expenses, taking into account Takefuji bankruptcy and other factors
- Planning return to profit in FY11 with net income of ¥42.9 bn

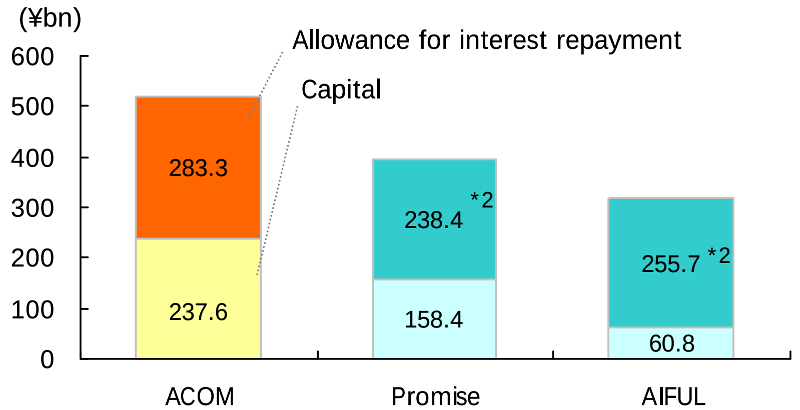
Results and plan of ACOM

(¥bn)

		FY09	FY10	FY11 (plan)
1	Operating revenue	278.7	245.8	204.3
2	Operating expenses	272.7	430.6	158.1
3	G&A expenses	102.5	86.4	73.6
4	Provision of Allowance for Doubtful Accounts	89.6	78.1	60.2
5	Provision for Loss on Interest Repayment	58.3	243.4	0.0
6	Operating income	6.0	(184.7)	46.2
7	Underlying earnings (5+6)	64.4	58.7	46.2
8	Net income	(7.2)	(202.6)	42.9
9	Guaranteed receivables (Non-consolidated)	317.2	443.4	482.2
10	Unsecured consumer loans (Non-consolidated)	1,074.8	878.7	742.6
11	Share of loans*1	23.5%	29.7%	

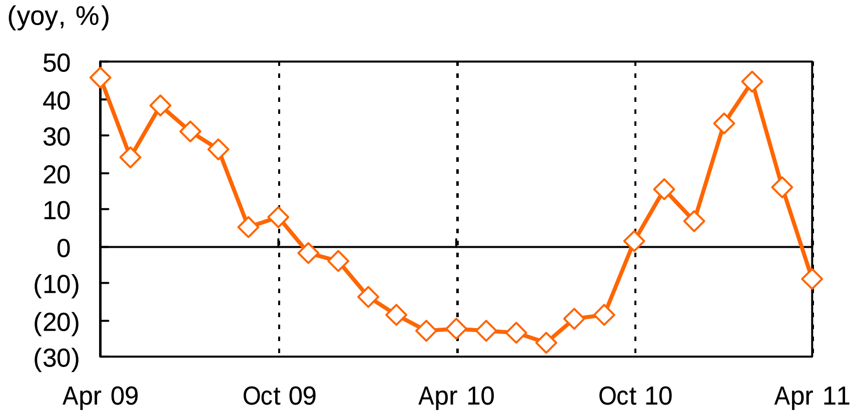
*1 Source: Japan Financial Services Association
ACOM unsecured consumer loan balance (non-consolidated)/Consumer finance industry loan balance

Capital and allowance for interest repayment



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

Requests for interest repayment



Mitsubishi UFJ Securities Holdings

MUFG

- **MUSHD recorded a loss of ¥50.4 bn in FY10 due to a one-time trading loss**
- **Working to prevent recurrence by transforming business model and strengthening risk management; targeting return to profitability**

Results of MUSHD and MUMSS

(¥bn)

	MUSHD*1 Consolidated	FY09	FY10
1	Net operating revenue*2	287.1	139.8
2	Selling, general and administrative expenses	263.1	254.8
3	Operating income	24.0	(115.0)
4	Extraordinary income (loss)	(1.9)	16.4
5	Net income	28.7	(50.4)

*1 Mitsubishi UFJ Securities Holdings Co., Ltd.

*2 Operating revenue minus financial expenses

(¥bn)

	MUMSS*3 Non-consolidated	FY09	FY10
1	Net operating revenue*2	202.9	61.4
2	Selling, general and administrative expenses	193.6	190.0
3	Operating income	9.3	(128.5)
4	Net income	11.0	(144.9)

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

Structural reform of MUMSS

■ **Global Market Business: Stronger business operating framework and business model transformation**

・Stronger risk governance

・Thorough implementation of “client transaction flow oriented” business model

■ **Strengthening of domestic retail business and investment banking business**

・Leverage MUFG’s solid customer base

・Leverage Morgan Stanley’s capabilities to supply products and global-reach

■ **Transformation of cost structure to meet changes in the market environment**

・Consolidation of branches

103 as of May 2010⇒87 as of Mar 2011⇒75 by Mar 2012

・Streamlining head quarter functions/Reduce headcount

Improve business efficiency by relocating head quarter functions and optimise head quarter functions/organisations

6,833 as of May 2010⇒6,621 as of Mar 2011

⇒Plan to reduce approx. 500 in FY11

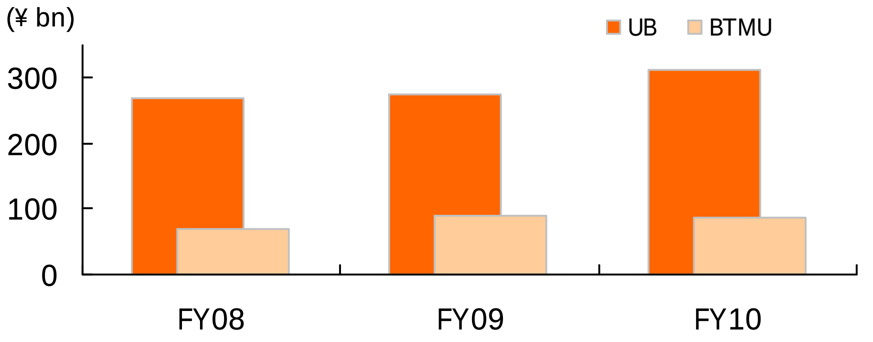
Promoting a growth strategy

- **Corporate** ➔ **Establish the Integrated Global Business Group effective Jul 1, 2011**
  - ✓ North America, Asia
  - ✓ Transaction banking business
  - ✓ CIB
    ~Strategic alliance with Morgan Stanley
- **Retail**
  - ✓ Segment-based strategy
    ~Investment product sales
- **Trust Assets**
  - ✓ Global asset management

North America strategy

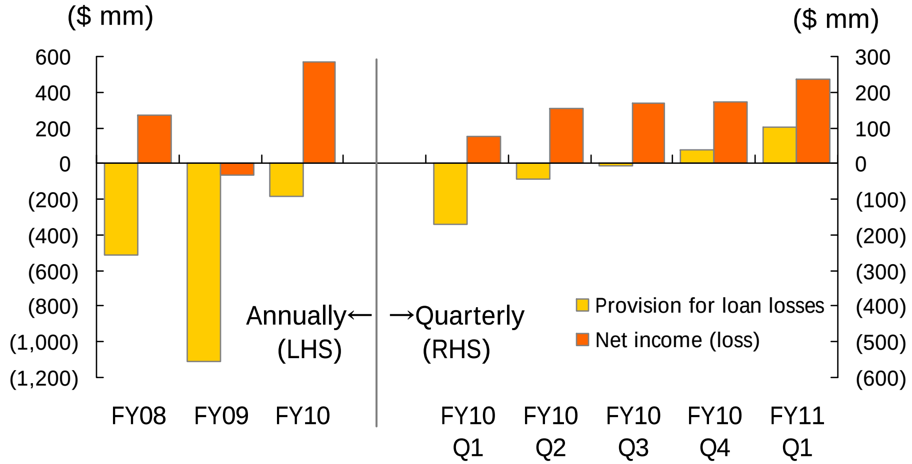
- **Solid gross profits of BTMU, mainly in business with non-Japanese customers, UB results improved steadily on lower credit costs**
- **Accelerating growth through acquisition, stronger ties between BTMU and UB**

Gross profits*1—North America



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

Financial results of UB



Key points of North America strategy

Stronger ties between BTMU and UB

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

Americas project finance league table (Jan-Dec 2010)

Rank	Mandated Arrangers	Origination volumes ($mm)	No. of Projects
1	MUFG	3,307	42
2	Credit Agricole	1,660	25
3	SMFG	1,263	12

Source: Thomson Reuters

- Established a single leadership structure to increase market share in corporate deposit and cash management, and accelerate strengthening collaboration (Jan 2011)

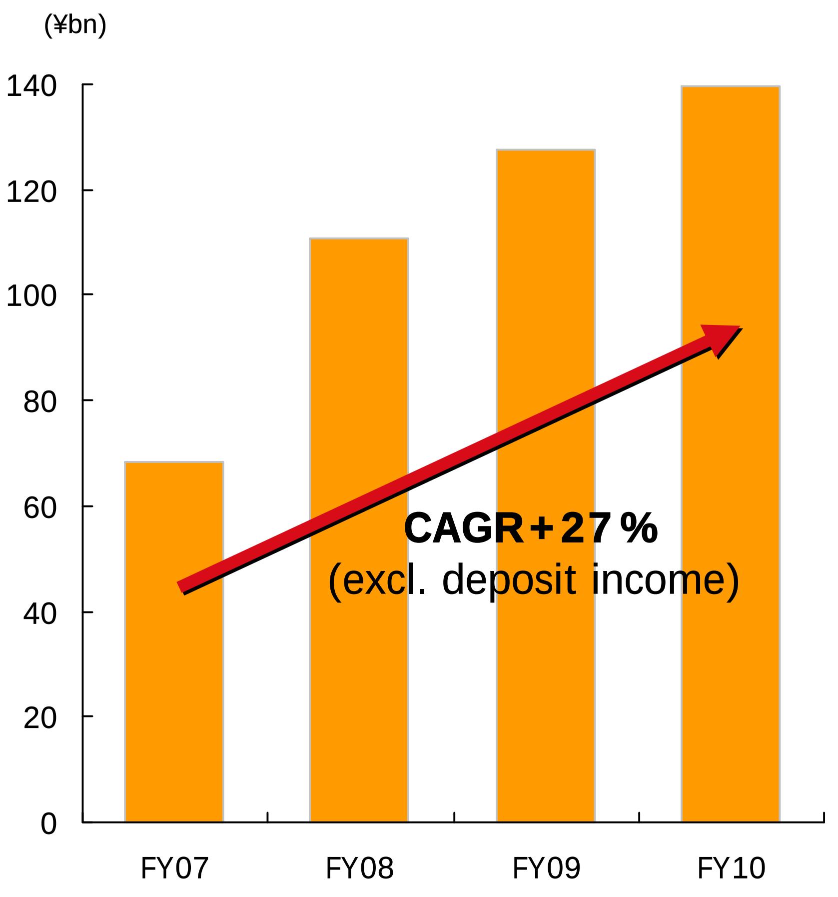
Non-organic growth

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

Asia strategy (1)

- **Solid increase in gross profits**
- **Preparing for further growth—increased capital of India and China operations, and expanded network**

Gross profits[*1]—Asia business



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

Organic strategies

■ **BTMU China**

Capital Increase

- Implemented a RMB 1.5 bn capital increase, and secured a capital base on par with leading foreign financial institutions to meet booming demand for funds (Sep 2010)

Network Expansion

- Opened Guangzhou Nansha Sub-branch, first foreign bank branch in Nansha area (Jul 2010)
- Acquired approval to prepare to open a branch in Tsingtao (Dec 2010)
- Opened Shanghai Hongqiao Sub-branch (Mar 2011)
- Aiming to quickly expand to 20 offices (currently 12 offices)

Others

- First foreign bank to issue RMB bonds in mainland China (May 2010)

■ **BTMU Hong Kong Branch**

- Starting Retail business (Dec 2010)

■ **India operations**

- Enhanced capital to meet increased demand for funds due to economic growth (Jan 2010), (Dec 2010)
- Considering to open new branches

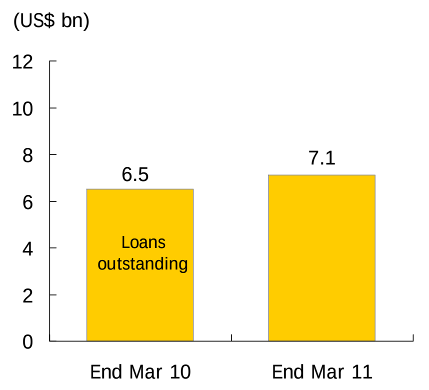
■ **Strengthen market business through cooperation between market business group and global business group**

Asia strategy (2)

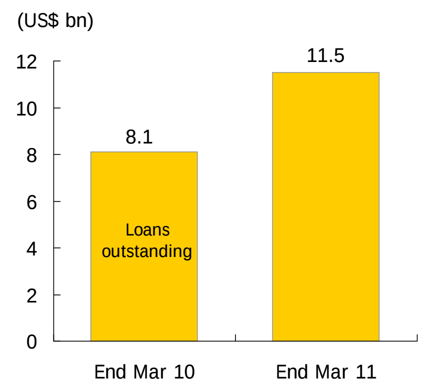
(Commercial bank consolidated)

- **Increased lending balance in each country through strategy adapted to the characteristics of each market**

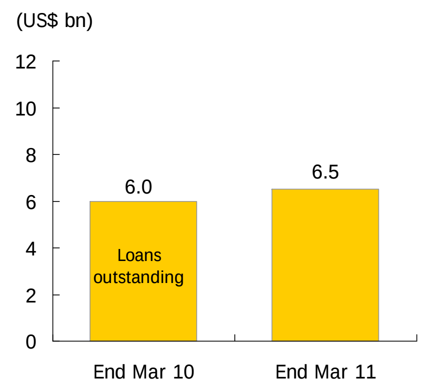
China



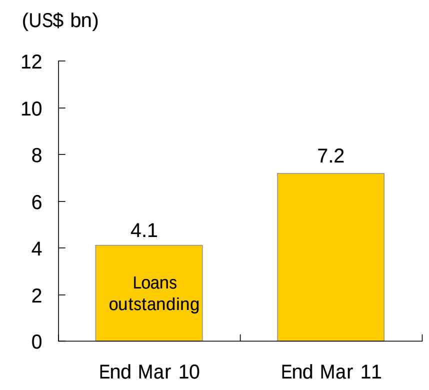
Hong Kong



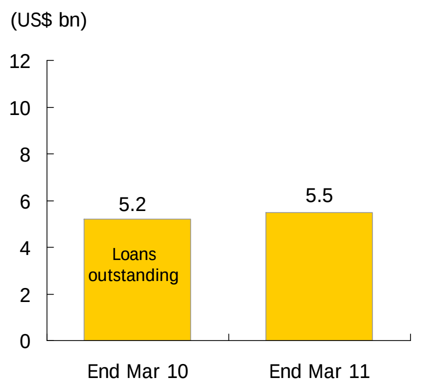
Singapore



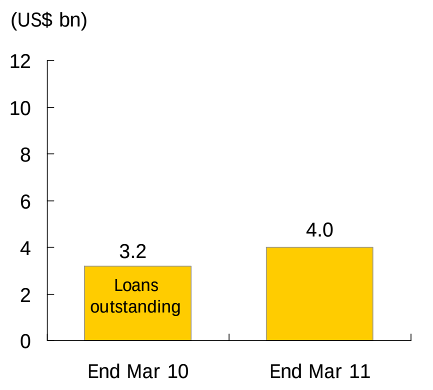
India



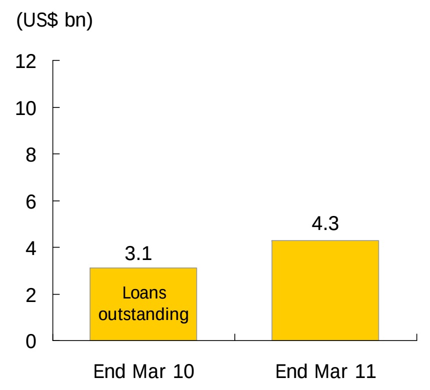
Thailand



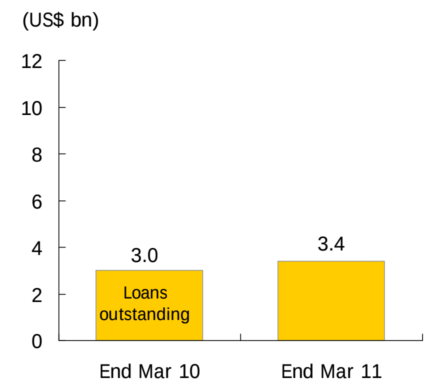
Indonesia



Malaysia



Korea



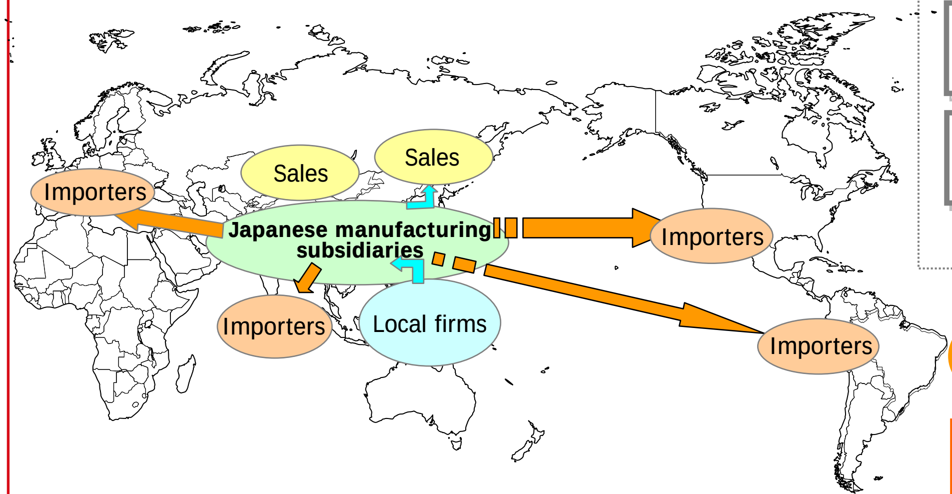
* Loans outstanding on consolidated basis, counted by the nationality of each borrower for internal management purpose

Transaction banking business

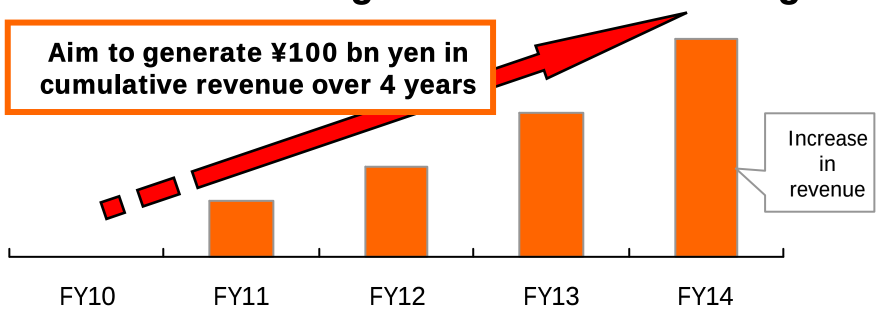
● **Expand transaction banking business*1 by leveraging strong customer base and extensive network to respond to change in commercial flows especially in Asia where an economy is rapidly growing**

Change in commercial flows

Increasing regional sales
Developing local procurement



Transaction banking business revenue targets



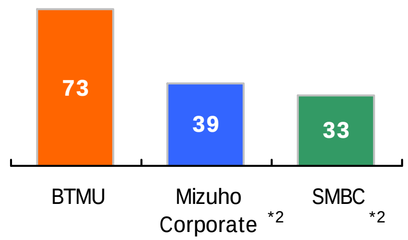
Our strengths

Strong corporate customer base

Japan	500,000 customers
Overseas	50,000 customers

Extensive network

Number of overseas offices



*2 Company disclosures

Strategies to strengthen transaction banking business*1

- ✓ **New investments in computer systems for enhancing settlement products and services that can match the changes in commercial flows**
- ✓ **Strengthen network, including partnerships with local banks**
- ✓ **Enhance domestic settlement and forex transaction**
- ✓ **Building framework to promote global transaction banking business**

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

Global strategic alliance with Morgan Stanley

MUFG

- **Further strengthen alliance with Morgan Stanley through conversion of preferred stock to common stock**
- **Steady progress globally from collaboration in corporate finance**

Conversion of preferred stock

Common stock acquired through conversion	✓**385 million shares** -Includes premium of approx.75 mm stocks in addition to conversion of Series B preferred stock ✓**Ownership interest following conversion: approx. 22.4%**
MUFG representative directors	✓**Increased number of MUFG representatives on MS board of directors from one to two**
Impact on P/L following conversion	**Morgan Stanley becomes an equity method affiliate of MUFG** ✓**Elimination of preferred stock dividends** (approx. $7.8 bn) ✓**Inclusion of equity in earnings of affiliate** ～ 22.4% of Morgan Stanley after-tax income ($4.7 bn in FY10) ✓**Recording of negative goodwill** ～One-time amortization upon making Morgan Stanley an equity method affiliate (Profits from investments in affiliates)

Results of domestic cooperation

M&A (Apr 2010 to Mar 2011)

Rank	FA	#	Amount (¥bn)	Share(%)
1	Nomura	116	5,327.4	51.3
2	JP Morgan	17	3,108.5	29.9
3	**MUMSS**	**63**	**2,663.7**	25.6

M&A (In-Out) (Apr 2010 to Mar 2011)

Rank	FA	#	Amount (¥bn)	Share(%)
1	**MUMSS**	**16**	**935.5**	**30.6**
2	Nomura	19	560.7	18.4
3	Goldman Sachs	8	466.3	15.3

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

Results of overseas cooperation

U.S. Syndicated Loan (Investment Grade Agent Only) (Jan 2010 to Dec 2010)

Rank	Bank Holding Company	#	Amount ($ mm)	Share(%)
1	Bank of America Merrill Lynch	433	359,288	18.1
2	JP Morgan	322	345,697	17.4
3	Citi	141	242,379	12.2
4	Wells Fargo & Co	318	177,831	9.0
5	**MUFG+Morgan Stanley**	**140**	**96,935**	4.9
9	**MUFG***	**121**	**71,276**	3.6
12	Morgan Stanley*	19	25,659	1.3

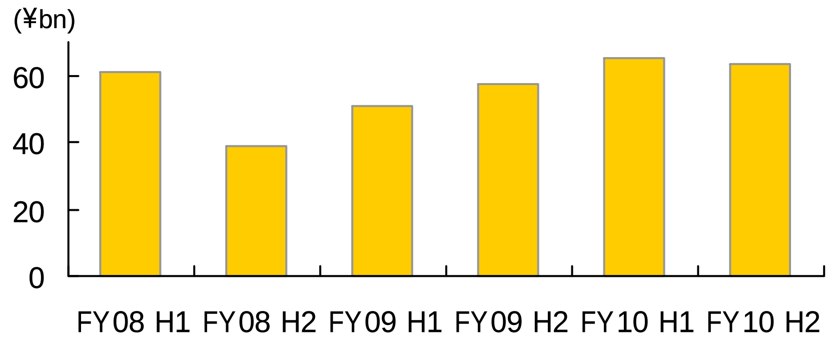
Source: Calculated by BTMU based on Loan Pricing Corporation data
* Including U.S. Loans which were not arranged by Loan Marketing Joint Venture

Investment product sales

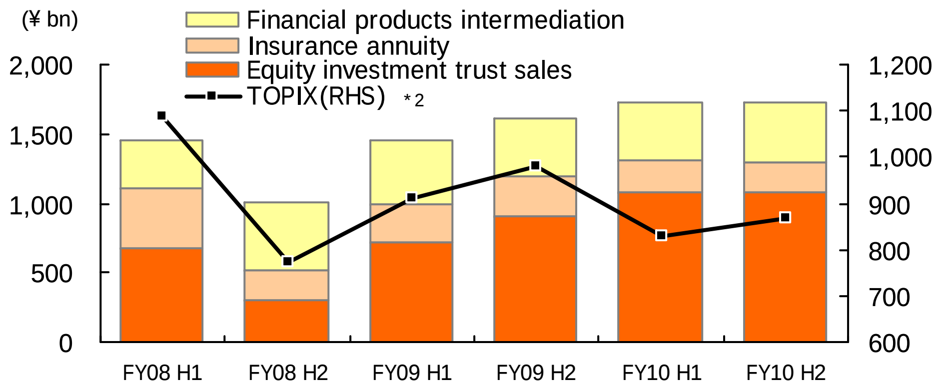
MUFG

- **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*1**
- Increase Retail Money Desk from current 52
- Increase staff seconded from MUMSS

✓ **Assigned Total Asset Advisor*2**
- Assigned private banking specialist staff who assess customer assets, advise on inheritance, etc.

MUTB

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

MUMSS

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

*1 A team of experts with high level investment product sales expertise. As of Mar 31, 2011 assigned to 52 locations in Japan
*2 A team with specialist knowledge of overall assets including wills and trusts, assigned to use their skills to promote sales targeting overall customer assets. As of Mar 31, 2011, 100 assigned
*3 Expert and knowledgeable private banking and investment product sales officers. Assigned to all of 90 domestic locations by the end of Mar 2011

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 overseas investment products

- Strengthen product lineup though both in-house MUFG- and affiliate investment products to meet demand for investment in emerging and Asian markets

Institutional investors

- Undervalued emerging equity/quants
- Emerging equity・minimum diversification
- Undervalued Asian equity/quants (planned)

▶ MUFG-products

- Asian equity ▶ Aberdeen (equity alliance partner)
- Emerging equity
- Global equity ▶ Baillie Gifford (alliance partner including JV)

Retail investors

- Brazil investment trust ▶ Bradesco (equity alliance partner)
- Asian bonds ▶ Aberdeen (equity alliance partner)

Development of overseas customer base

- Provide Japan investment products to SWFs and other overseas customers
- Consider market entry, including alliance and investment with partners in high growth Asian markets and large scale US and European markets

▶ Initially entered high-growth Chinese market

- China investment trust market＝ RMB 2.5 tn (approx. ¥31 tn) as of Dec 31, 2010
- Invested (33% holding) in asset management subsidiary of major Chinese securities firm Shenyin & Wanguo Securities, made an equity method affiliate

SWS MU Fund Management Co., Ltd.

Established	January 2004 (Made an equity method affiliate in April 2011)
Location	Shanghai, China
Shareholding	Shenyin & Wanguo Securities（67%） MUTB (33%)
Employees	Approx. 100 (as of Dec 31, 2010)

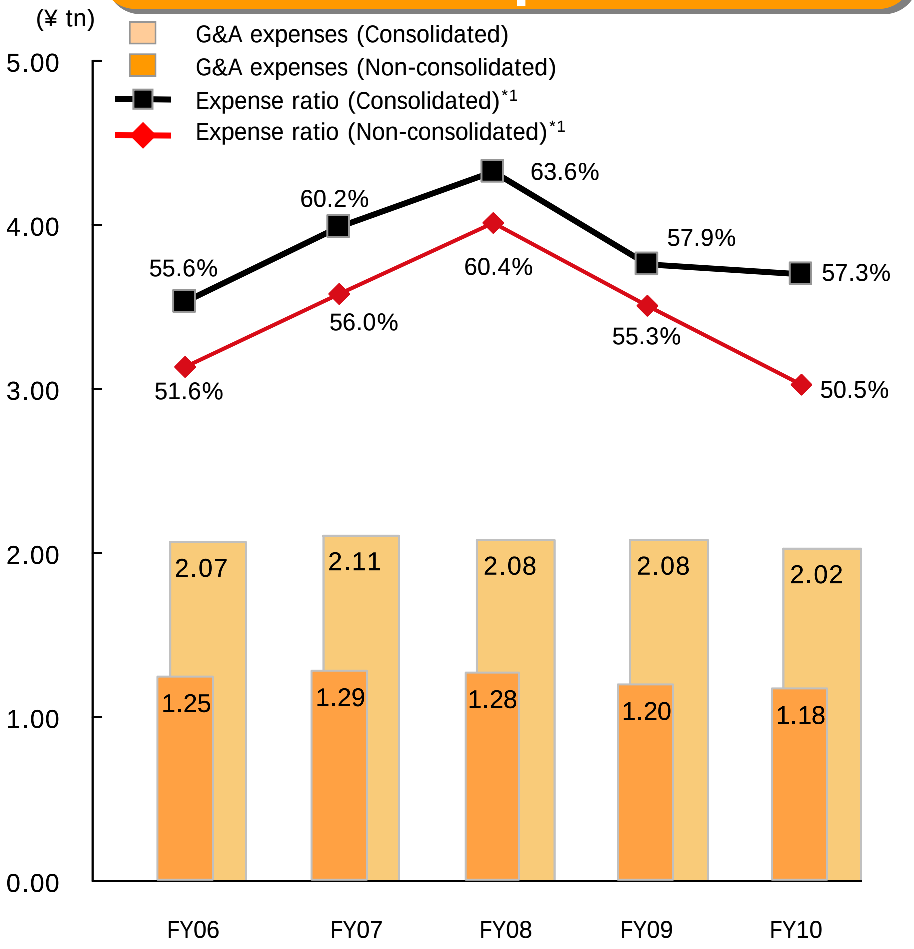
Addressing key issues

- Maintain and improve operational efficiency
- Reduce equity holdings
- Maintain and enhance capital base

Maintain and improve operational efficiency

- **Decreased non-consolidated G&A expenses by ¥26.4 bn and consolidated expenses by ¥63.9 bn by achieving system integration in Dec 08 and improvement of operational efficiency**
- **Improving overall operational efficiency further while allocating resources to key areas**

G&A expenses



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

Outlook: Key points

Operational reform project

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

Reduce HQ staff

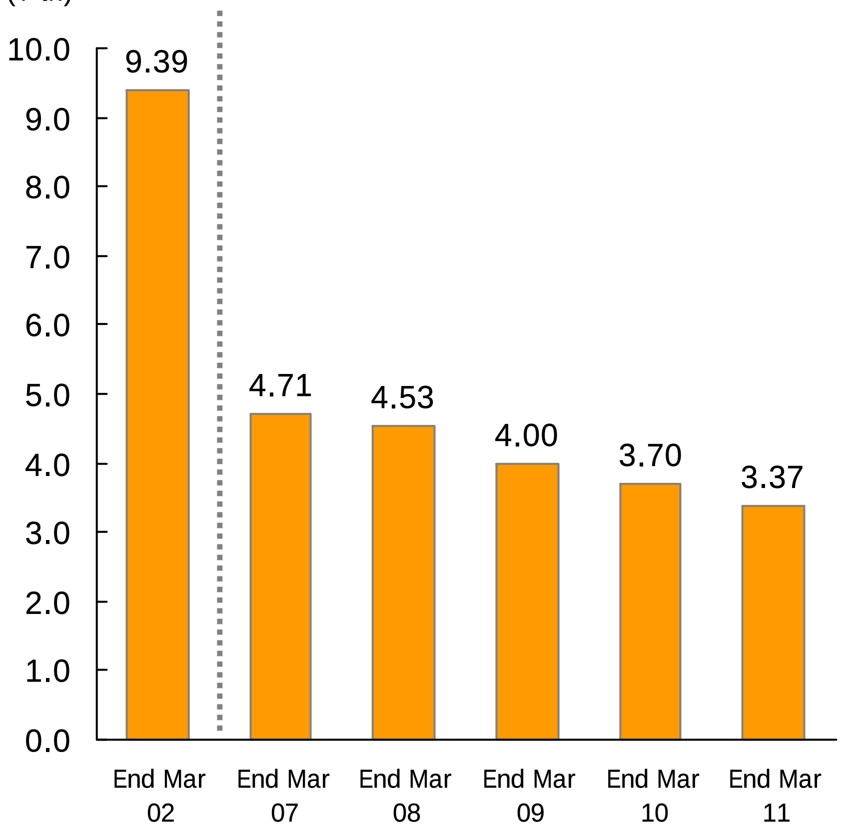
- Reductions proceeding in line with plan
- Reallocate staff to strategic areas

	HQ staff reduction targets	% achieved (End Mar 11)
BTMU	**30% reduction** (around 2,000 staff)	**75%**
MUTB	**15% reduction** (around 250 staff)	**79%**
MUMSS	**20% reduction** (around 400 staff)	**53%**

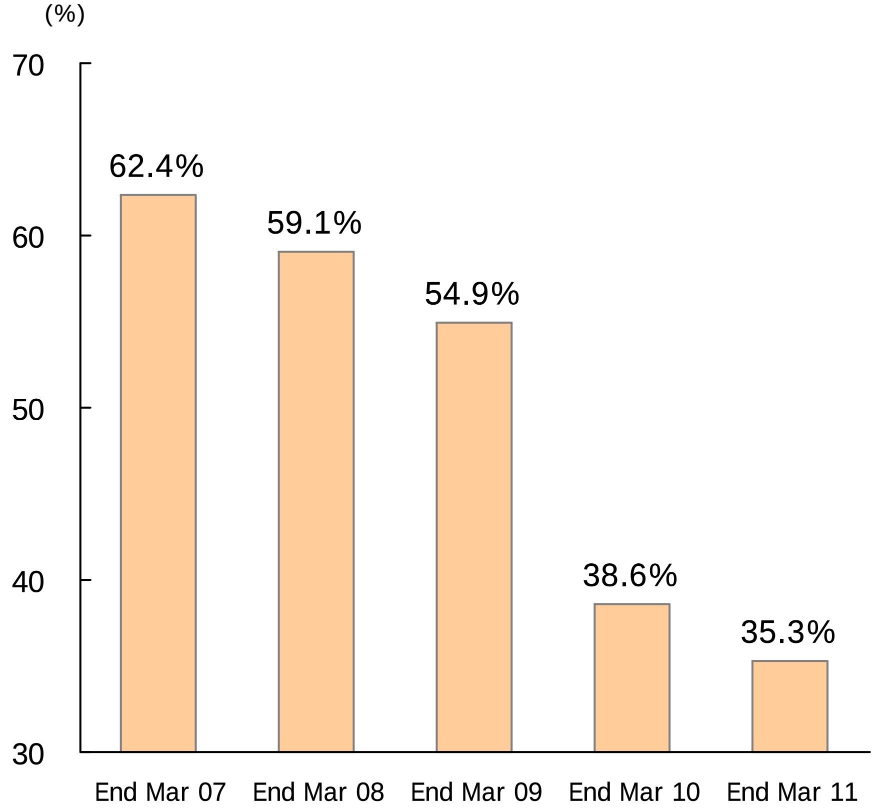
Reduce equity holdings (Non-consolidated)

- **Reduced equity holdings by approx. ¥300 bn in FY10, ratio of equity holdings to Tier 1 capital declined to 35%**
- **Continue to reduce equity holdings to minimize stock price fluctuation risk on capital**

Equity holdings (acquisition price)*1



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



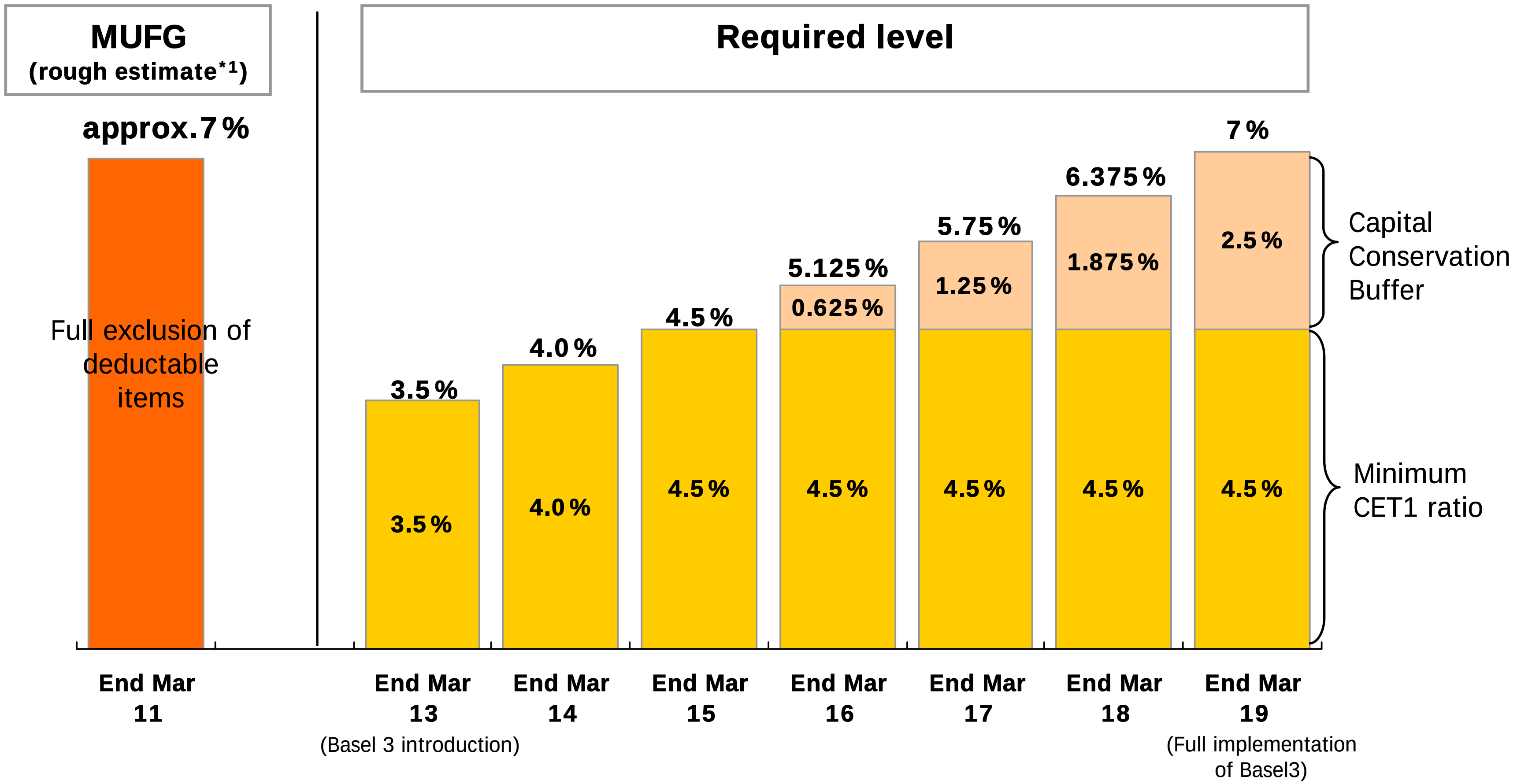
*1 Acquisition price (after impairment) of domestic equity securities in the category of "other securities" with market value (Non-consolidated)
*2 Tier 1 Capital (Non-consolidated)

Maintain and enhance capital base

MUFG

- **CET1 ratio on the basis of full exclusion of deductable items is estimated to be approx. 7% as of end Mar 2011**
- **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**

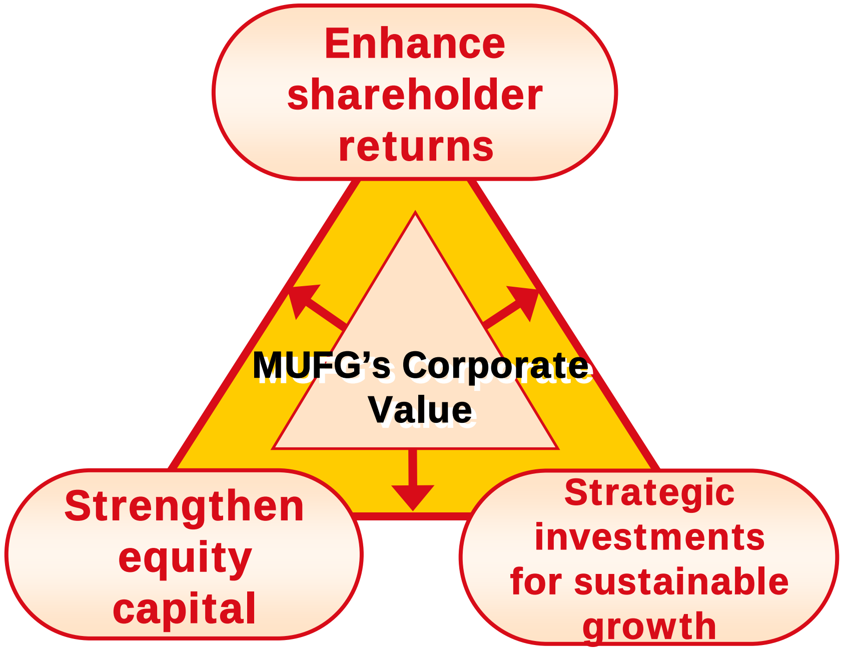
CET1 ratio of new Basel regulations



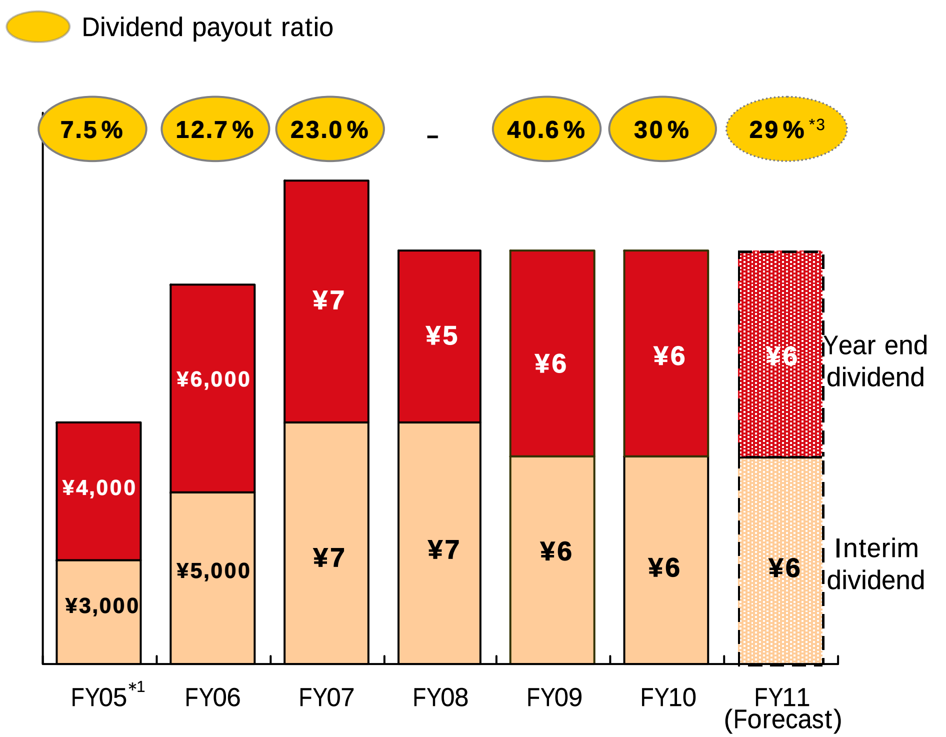
*1 Calculated on the basis of current information

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
- Dividend forecast ¥12 per common share in FY11



Dividends on common stock*2



*1: The interim dividend for FY05 was for the former Mitsubishi Tokyo Financial Group
*2: The dividends from FY07 are after adjusting for stock split effective Sep 30, 07 (1000 to 1 common stock split)
*3: Calculated based on the number of earnings targets and dividend forecasts

Aims of MUFG

Strong profitability

Strong financial strength

Strong brand

A sound financial group with strong profitability and integrity

A globally respected financial group