Bank of America Merrill Lynch Japan Conference 2011

Mitsubishi UFJ Financial Group

September 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)

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FY2011 targets and Q1 Results

Key Management issues

FY2011 targets

- **FY2011 net income target is ¥600.0bn, excluding MS negative goodwill**

<Consolidated>	FY10 (Results)	FY11 (Targets)	FY11 Q1 (Results)
Ordinary profits	¥646.4 bn	¥1,070.0 bn	¥601.2 bn
Net income (w/o MS negative goodwill)	-	¥600.0bn	¥209.9 bn
Net income	¥583.0 bn	-	¥500.5 bn

Total credit costs	¥354.1 bn	¥280.0 bn	¥18.9 bn

<Non-consolidated>	FY10 (Results)	FY11 (Targets)	FY11 Q1 (Results)
Net business profits	¥1,156.9 bn	¥1,020.0 bn	¥272.1 bn
Ordinary profits	¥762.6 bn	¥760.0 bn	¥192.5 bn
Net income	¥714.7 bn	¥490.0 bn	¥141.8 bn

Total credit costs	¥174.2 bn	¥155.0 bn	¥13.8 bn

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

FY2011 Q1 key points

Overview

- Quarterly net income totaled ¥500.5 bn with MS negative goodwill of ¥290.6 bn
- Even excluding negative goodwill, quarterly net income was ¥209.9 bn, up ¥43.5 bn y-o-y
- Achieved 35% of the annual earnings target excluding negative goodwill

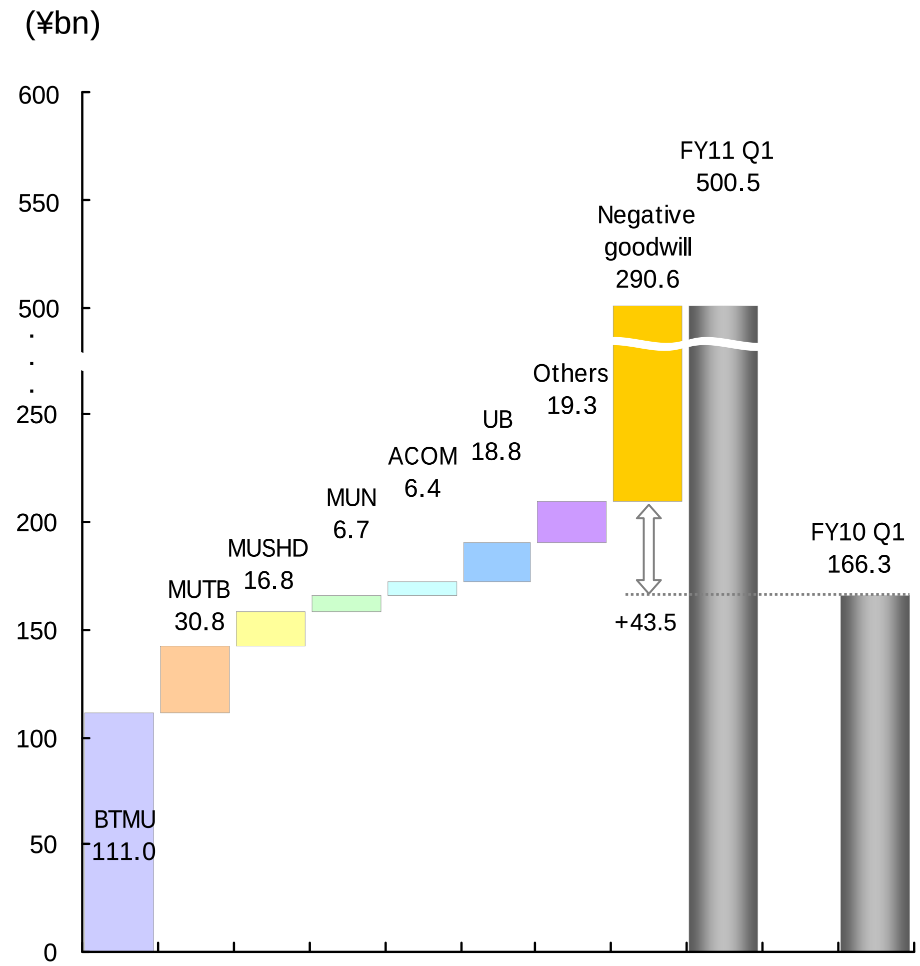
Non-consolidated

- Posted quarterly profit exceeding the previous Q1 with high profit level from gains on sales of bonds and stabilized credit costs as leading factors

Subsidiaries

- Difference between consolidated and non-consolidated, excluding negative goodwill, was ¥68.1 bn. MUSHD, MU Nicos, and ACOM regained profitability after posting large losses in the previous fiscal year, with UB also doing well

Breakdown of net income*1



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

FY2011 Q1 summary (P/L) (Consolidated)

MUFG

● Net business profits

- Gross profits decreased due to lower net interest income, such as consumer-finance income, and net trading profits
- As for G&A expenses, corporate-wide cost reduction efforts are continuing

● Total credit costs

- Non-consolidated credit costs remained almost unchanged. Meanwhile, consolidated credit costs significantly decreased due to lower credit costs from other subsidiaries

● Net gains (losses) on equity securities

- Decreased mainly due to lower gains on sales of equity securities, reflecting generally weak stock performance

● Other non-recurring gains (losses)

- Significantly increased due to negative goodwill recorded as a result of conversion of Morgan Stanley convertible preferred stock into common stock

● Net income

- Increased even without a one-time effect of negative goodwill

	Income statement (¥bn)	FY10	FY11 Q1	Change from FY10Q1
1	Gross profits (before credit costs for trust accounts)	3,522.5	854.9	(55.6)
2	Net interest income	2,020.0	470.9	(30.6)
3	Trust fees+Net fees and commissions	1,079.8	247.9	(0.3)
4	Net trading profits +Net other business profits	422.6	136.0	(24.6)
5	Net gains (losses) on debt securities	221.3	77.7	(0.5)
6	G&A expenses	2,020.8	505.5	(9.6)
7	Expense ratio	57.4%	59.1%	2.6pt
8	Net business profits	1,501.6	349.4	(46.0)
9	Credit costs*1	(424.2)	(37.6)	32.6
10	Net gains (losses) on equity securities	(57.1)	(22.4)	(23.5)
11	Other non-recurring gains (losses)*2	(373.7)	311.9	339.0
12	Ordinary profits	646.4	601.2	302.1
13	Net extraordinary gains (losses)	(6.8)	10.2	21.6
14	Total of income taxes-current and income taxes-deferred	(175.4)	(79.9)	15.6
15	Minority interest	119.0	(31.0)	(5.1)
16	Net income (losses)	583.0	500.5	334.2
17	Total credit costs*3	(354.1)	(18.9)	35.1
18	Non-consolidated	(174.2)	(13.8)	(0.5)

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

*2 Included Profits (losses) from investments in affiliates, provision for losses on interest repayment, Reversal of allowance for credit losses, Reversal of reserve for contingent losses included in credit costs and Gains on loans written-off. Reversal of allowance for credit losses, Reversal of reserve for contingent losses included in credit costs and Gains on loans written-off were recorded in Net extraordinary gains(losses) at FY10 1Q

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

Reference (¥)

		FY10	FY11 Q1	Change from FY10Q1
19	EPS	39.95	35.40	23.63
20	ROE*4	6.89%	13.00%	5.02pt

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

$$\frac{\text{Net income}\times 4-\text{Equivalent of annual dividends on nonconvertible preferred stocks}}{\{(\text{Total shareholders' equity at the beginning of the period}-\text{Number of nonconvertible preferred stocks at the beginning of the period}\times\text{Issue price}+\text{Foreign currency translation adjustments at the beginning of the period})+(\text{Total shareholders' equity at the end of the period}-\text{Number of nonconvertible preferred stocks at the end of the period}\times\text{Issue price}+\text{Foreign currency translation adjustments at the end of the period})\}/2}\times 100$$

FY2011 Q1 summary (B/S)

(Consolidated)

MUFG

Loans

- Loans balance decreased from End Mar 11, an increase in overseas lending was offset by the decrease in domestic corporate lending

Investment securities

- Decreased from End Mar 11, mainly due to the change in JGB holdings

Deposits

- Individual deposits showed growth, although the decrease in corporate deposits pushed the total balance of deposits down from End Mar 11

Total net assets

- Increased from End Mar 11, mainly due to the increase in retained earnings

Non performing loans (“NPLs”)

- NPL ratio gained slightly from End Mar 11, but keeping at a low level

Net unrealized gains (losses) on securities available for sale

- Improved from End Mar 11, mainly due to the increase in net unrealized gain on domestic and foreign bonds

Balance sheet (¥bn)

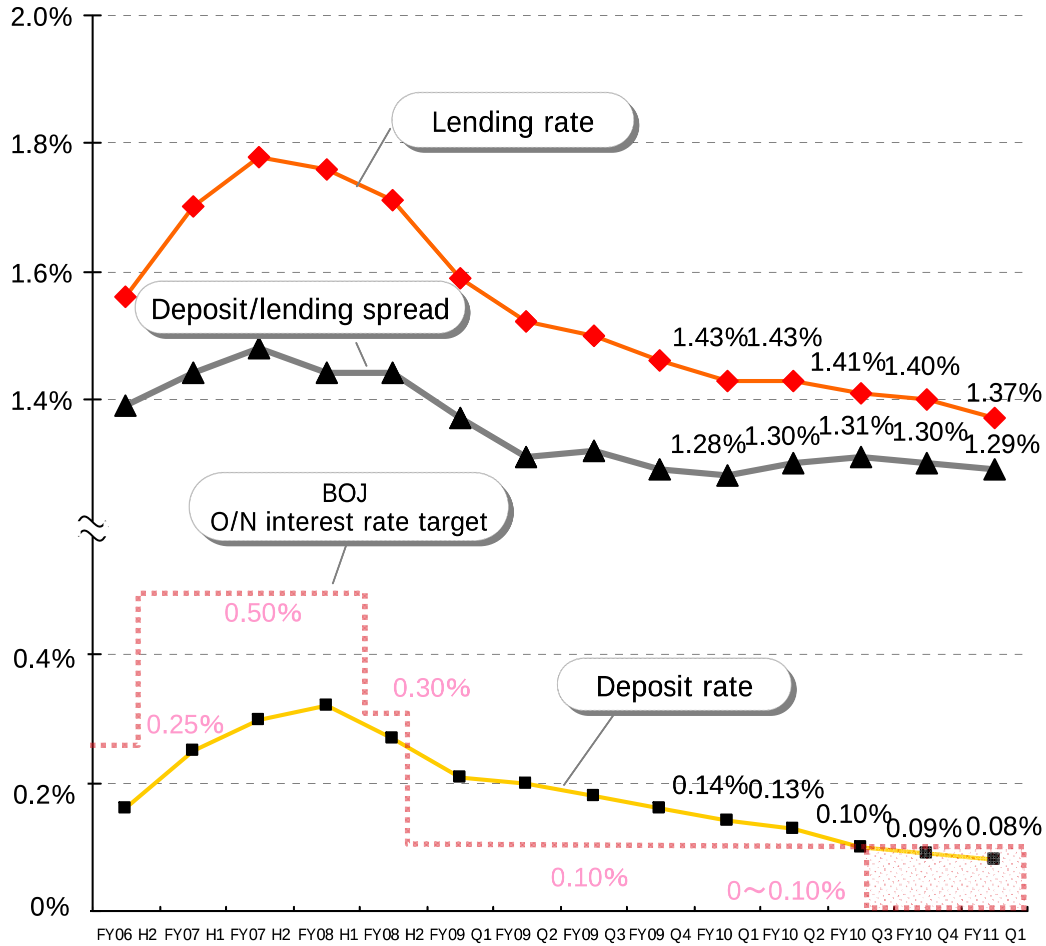
		End Mar 11	End Jun 11	Change from End Mar 11
1	Total assets	206,227.0	206,196.4	(30.6)
2	Loans(Banking+Trust accounts)	80,142.3	79,609.9	(532.3)
3	Loans(Banking accounts)	79,995.0	79,459.6	(535.3)
4	Domestic corporate loans*1	43,916.9	42,735.9	(1,181.0)
5	Housing loans*1	17,300.6	17,110.8	(189.8)
6	Overseas loans*2	16,422.1	17,289.8	867.6
7	Investment securities (banking accounts)	71,023.6	69,171.5	(1,852.0)
8	Japanese government bonds	44,941.8	42,777.2	(2,164.5)
9	Total liabilities	195,412.6	194,864.7	(547.9)
10	Deposits	124,144.3	122,398.5	(1,745.7)
11	Individual deposits (Domestic branches)	64,384.6	65,436.5	1,051.9
12	Total net assets	10,814.4	11,331.7	517.3
		FY10 H2	FY11 Q1	Change from FY10 Q4
13	Deposit/lending spread (Domestic, non-consolidated)	1.30%	1.29%	(0.01pt)
14	FRL disclosed loans*1*3	1,430.7	1,467.4	36.7
15	NPL ratio*1	1.68%	1.74%	0.06pt
16	Net unrealized gains(losses) on securities available for sale	327.6	483.8	156.2

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

Domestic deposit / lending rates (Non-consolidated)

● **Deposit / lending spread in FY11 Q1 was 1.29%, virtually unchanged**

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%

Capital

(Consolidated)

- **Capital ratio at 14.53% (down 0.36points from end of Mar 11) and Tier1 ratio at 12.15% (up 0.81points from the same)**
- **Capital ratio declined with investment in MS deducted from capital after turning the company into an equity method affiliate, while the Tier1 ratio increased**

Risk-Adjusted Capital ratios

(¥ bn)

		End Mar 11	End Jun 11	Change from End Mar 11
1	Total qualifying capital	13,080.8	12,552.6	(528.1)
2	Tier1	9,953.3	10,493.2	539.9
3	Preferred stock	390.0	390.0	-
4	Preferred securities	1,362.7	1,370.4	7.6
5	Net unrealized losses on securities available for sale	-	-	-
6	Tier2	3,920.4	3,903.6	(16.8)
7	Net unrealized gains on securities available for sale	136.5	200.3	63.7
8	Subordinated debt	3,463.3	3,402.7	(60.5)
9	General allowance for credit losses, etc.	172.9	153.2	(19.7)
10	Deduction from total qualifying capital	792.9	1,844.2	1,051.2
11	Risk-adjusted asset	87,804.9	86,362.7	(1,442.1)
12	Risk-adjusted capital ratio	14.89%	14.53%	(0.36pt)
13	Tier1 ratio	11.33%	12.15%	0.81pt

Changes: Main factor

Tier1: + ¥539.9 bn

- Q1 net income : + ¥500.5 bn
- Foreign currency translation adjustment : + ¥46.7 bn

Tier2: - ¥16.8 bn

- Change of 45% of unrealized gains on securities available for sale : + ¥63.7 bn
- General allowance for credit losses : - ¥19.7 bn
- Change of subordinated debt, etc. : - ¥60.5 bn

Deducted items: + ¥1,051.2 bn

~ increased after turning MS into an equity method affiliate

FY2011 targets and Q1 Results

Key Management issues

Management policy

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

FY2009	FY2010	FY2011
Risk management and enhancement of core business fundamentals		Growth acceleration
1. Act on anticipated new regulatory capital requirements 2. Improve operational efficiency 3. Reduce strategic equity holdings 4. Maintain stable shareholder returns		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

Key points for FY2011 financial results

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

Domestic and overseas lending

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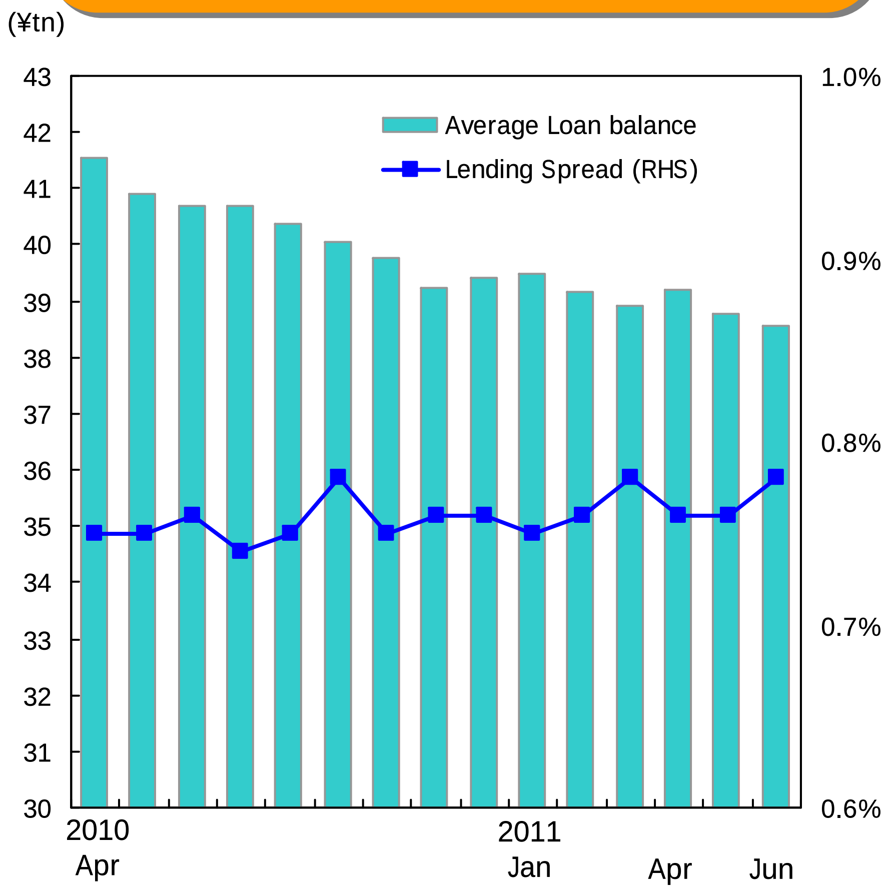
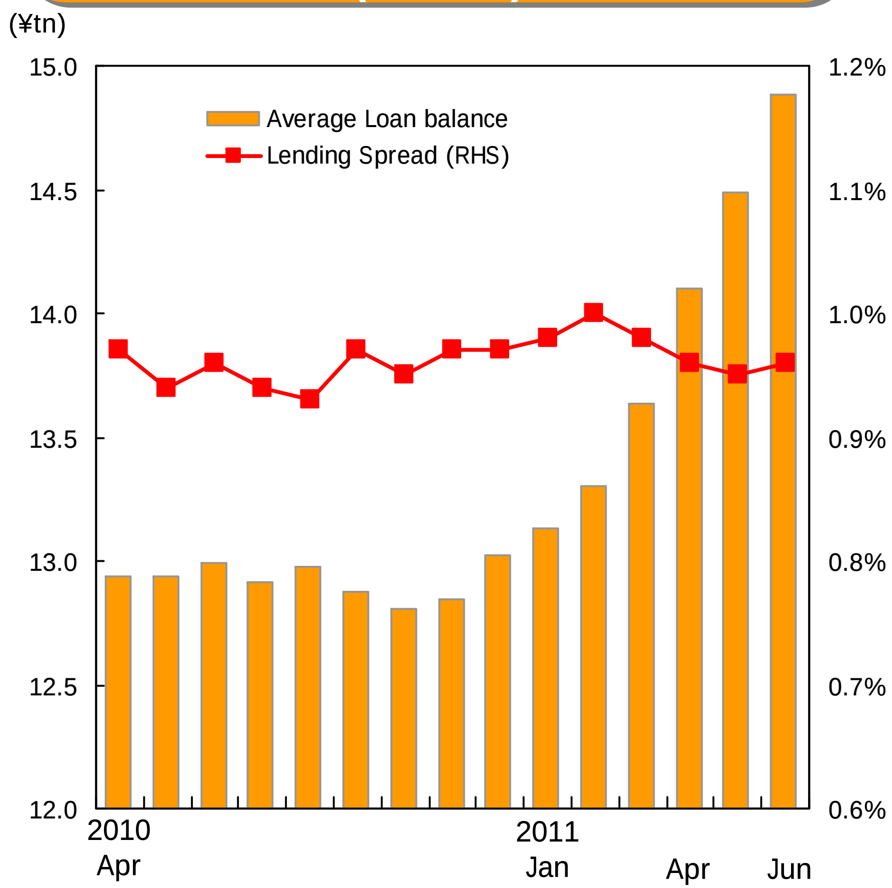
- **Decline in domestic lending bottoming, focus on smooth provision of funds including for earthquake recovery**
- **Grow loan balance further in high growth overseas regions**

Domestic corporate lending / Spread



Overseas corporate lending / Spread (excl.UB)



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

➢ For internal management purposes, “overseas lending of MUTB (approximately ¥900 bn)” is now categorized as “domestic lending”, instead of “overseas lending”. As a result, the average SP of overseas has risen compared to the former criteria

Exposures in European peripheral countries

- Exposures in European peripheral countries are limited compared to consolidated total assets, and are mostly consisted of non-Japanese industrial corporations
- Loans in Spain and Italy are mainly towards infrastructure sector, such as electricity, gas, and telecommunications

Exposures (BTMU consolidated)

	End Jun 11
Spain	Approx. $7.2 bn
Italy	Approx. $6.9 bn
Ireland	Approx. $0.3 bn
Portugal	Approx. $0.6 bn
Greece	Approx. $0.4 bn
Total	Approx. $15.4 bn

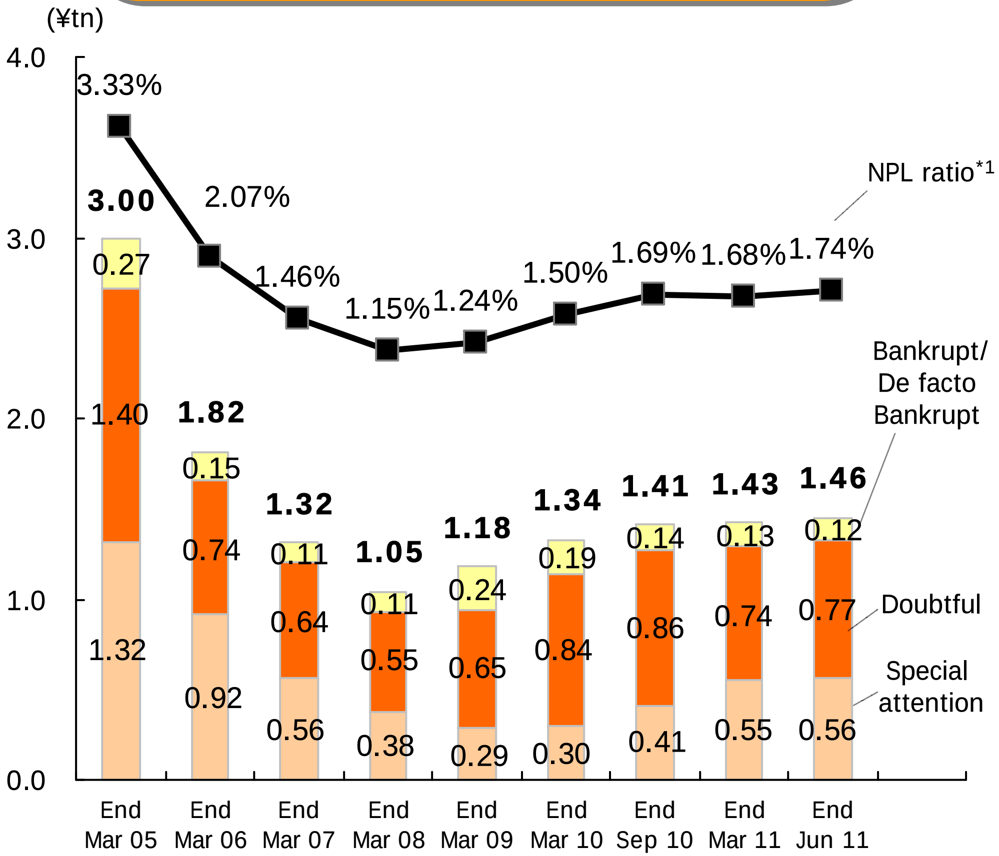
Balance of sovereign bonds as of end Jun 11 (MUFG)

Spain	Italy	Ireland	Portugal	Greece	Total
Approx. $1.1 bn	Approx. $3.4 bn	—	—	—	Approx. $4.5 bn

Credit costs (Consolidated / Non-consolidated)

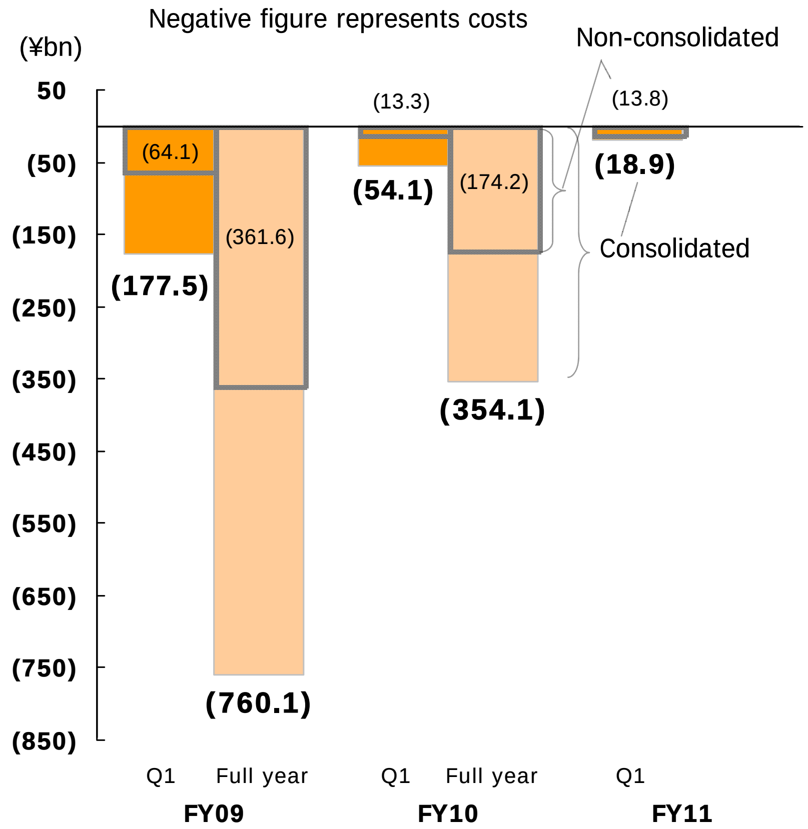
- NPL ratio increased 0.06points from End Mar 11 to 1.74%, but keeping at a low level
- Total credit costs of non-consolidated were ¥13.8 bn and those of consolidated were ¥18.9 bn

Balance of FRL disclosed loans (Non-consolidated)



*1 Non Performing Loans / Total loans

Total credit costs*2



*2 Figures included gains on loans written-off

Investment securities (Consolidated)

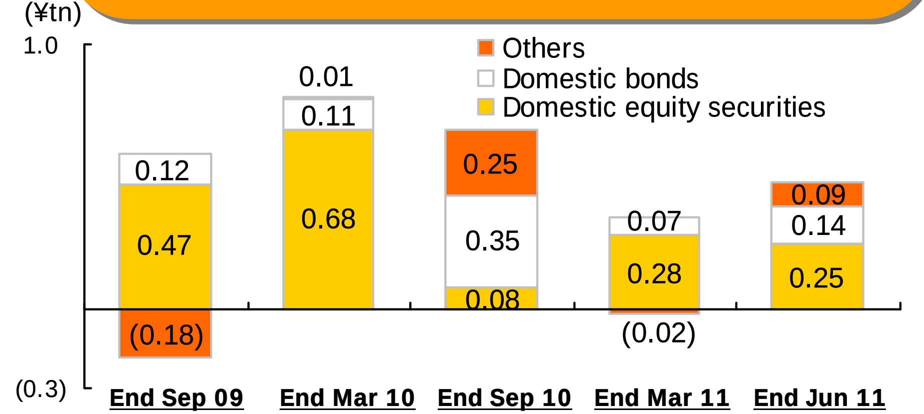
- **Total unrealized gains on securities available for sale increased by ¥156.2bn from End Mar 11**
- **A decrease in unrealized gains on domestic equity securities was more than offset by an increase in those on Japanese government bonds and foreign bonds**

Breakdown of securities available for sale (with market value)

(¥bn)

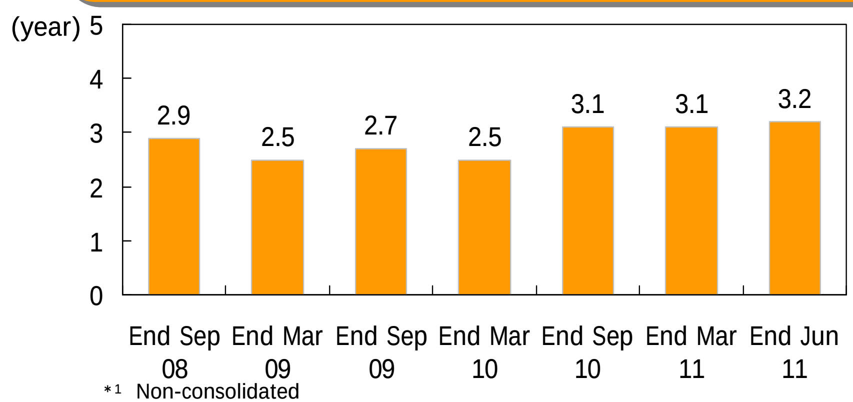
		Balance		Unrealized gains(losses)	
		End Jun.11	Change from End Mar.11	End Jun.11	Change from End Mar.11
1	Total	65,250.2	(1,948.2)	483.8	156.2
2	Domestic equity securities	3,485.2	(81.0)	250.1	(31.1)
3	Domestic bonds	46,156.8	(1,941.5)	140.9	70.1
4	Government bonds	42,025.2	(1,949.3)	80.7	56.7
5	Others	15,608.0	74.3	92.7	117.2
6	Foreign equity securities	174.6	(107.5)	72.6	(11.0)
7	Foreign bonds	13,555.4	(82.1)	95.5	142.3
8	Others	1,878.0	264.0	(75.4)	(14.0)

Unrealized gains (losses) on securities available for sale



	End Sep 09	End Mar 10	End Sep 10	End Mar 11	End Jun 11
Total unrealized gains (losses)	¥0.41 tn	¥0.81 tn	¥0.69 tn	¥0.32 tn	¥0.48 tn
TOPIX:	909.84	978.81	829.51	869.38	849.22
JGB(10yrs):	1.30%	1.40%	0.93%	1.26%	1.13%

JGB Duration[*1]



*1 Non-consolidated

Consumer finance

- **Number of request for interest repayment declining y-o-y for both MUN and ACOM**
- **Both companies did not record additional provision for interest repayments in Q1, and turned profitable as planned**

Results of MU NICOS & ACOM

MU NICOS (¥bn)

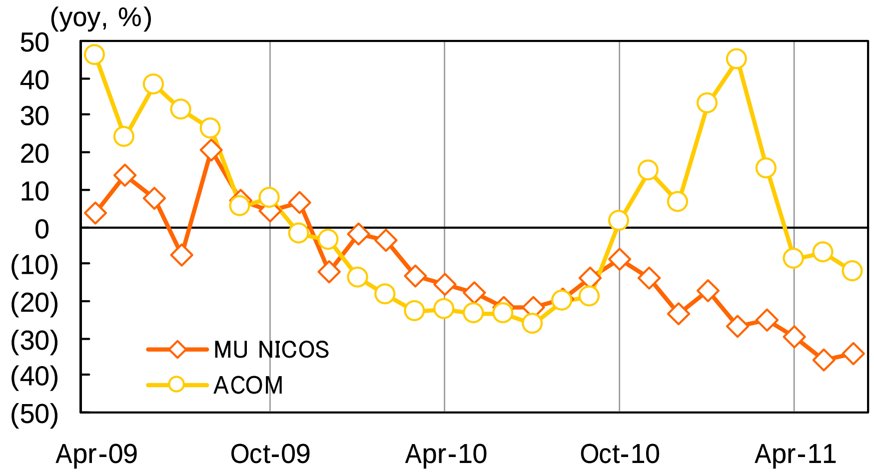
		FY10 Q1	FY11 Q1	FY11 (plan)
1	Operating revenue	77.0	71.0	292.0
2	Card shopping	35.7	38.8	-
3	Operating expenses	81.3	63.5	270.4
4	G&A expenses	58.1	55.1	233.3
5	Credit costs	16.0	8.3	37.0
6	Repayment expenses	7.2	0.0	0.0
7	Operating income	(4.2)	7.4	21.6
8	Underlying earnings (6+7)	2.9	7.4	21.6
9	Ordinary profits	(4.2)	7.7	22.0
10	Net income	(4.3)	7.9	22.0

ACOM (¥bn)

		FY10 Q1	FY11 Q1	FY11 (plan)
1	Operating revenue	66.6	54.1	204.3
2	Operating expenses	44.4	35.8	158.1
3	G&A expenses	21.6	17.6	73.6
4	Provision of Allowance for Doubtful Accounts	14.9	12.2	60.2
5	Provision for Loss on Interest Repayment	2.2	0.0	0.0
6	Operating income	22.1	18.2	46.2
7	Underlying earnings (5+6)	24.3	18.2	46.2
8	Net income	6.5	16.0	42.9
9	Guaranteed receivables (Non-consolidated)	319.1	449.6	482.2
10	Unsecured consumer loans (Non-consolidated)	1,041.1	851.3	742.6
11	Share of loans*1	27.5%	30.6%	

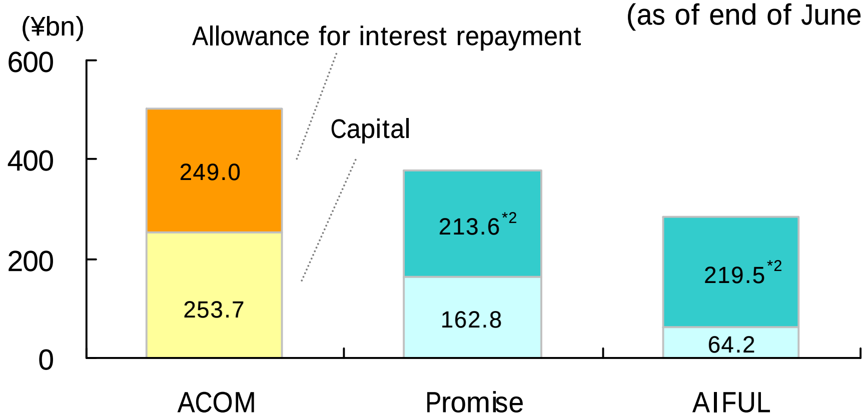
*1 ACOM unsecured consumer loan balance (non-consolidated)/Consumer finance industry loan balance
Source: Japan Financial Services Association

Requests for interest repayment



Capital and allowance for interest repayment

(as of end of June 11)



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

Mitsubishi UFJ Securities Holdings

MUFG

- **Posted ¥16.8 bn net income in FY11 Q1 with profit from sales of Kim Eng shares**
- **Striving to reduce costs, change business model to adapt to harsh environment**

Results of MUSHD and MUMSS

MUSHD*1
Consolidated

(¥bn)

		FY10 Q1	FY11 Q1
1	Net operating revenue*2	66.4	60.2
2	Selling, general and administrative expenses	65.7	63.5
3	Operating income	0.6	(3.2)
4	Ordinary profits	6.4	14.4
5	Extraordinary income (loss)	21.8	6.6
6	Net income	22.7	16.8

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

MUMSS*3
Non-consolidated

(¥bn)

		FY10 Q1	FY11 Q1
1	Net operating revenue*2	42.1	37.6
2	Selling, general and administrative expenses	46.9	43.6
3	Operating income	(4.8)	(5.9)
4	Ordinary profits	(3.3)	(5.5)
5	Net income	(5.4)	(5.4)

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

Structural reform of MUMSS

Building a lean structure through further cost reduction and thorough management optimization

- Continue to slice costs by approx. ¥10 bn from the previous year with cost reduction with no exceptions
- Streamlining of head office functions/personnel reduction, relocation of head office completed, larger-sized outlets through consolidation, shrinking investment in system, etc.

Strengthening profit base

- Taking full advantage of MUFG customer base
- Making full use of Morgan Stanley's strength in providing products and global reach

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

- Maintain strengthening of risk governance
- Thorough implementation of "client transaction flow oriented" business model

Promoting a growth strategy

- **Corporate** ➔ **Established the Integrated Global Business Group on July 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

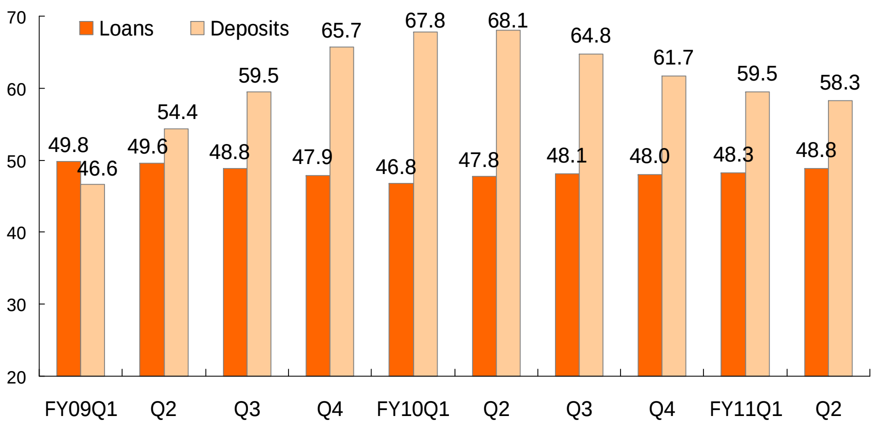
- **UB results shows strong and posted reversal of provision for allowance for credit losses in FY11 Q2**
- **Continue to strengthen ties between BTMU and UB**

UB Business performance

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

Average balance of loans and deposits

(US$ bn)



Key points of North America strategy

Stronger ties between BTMU and UB

- Formed virtual holding company in July 2011 placing BTMU Headquarters for the Americas and Union Bank under its umbrella for unified business management in US
- 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

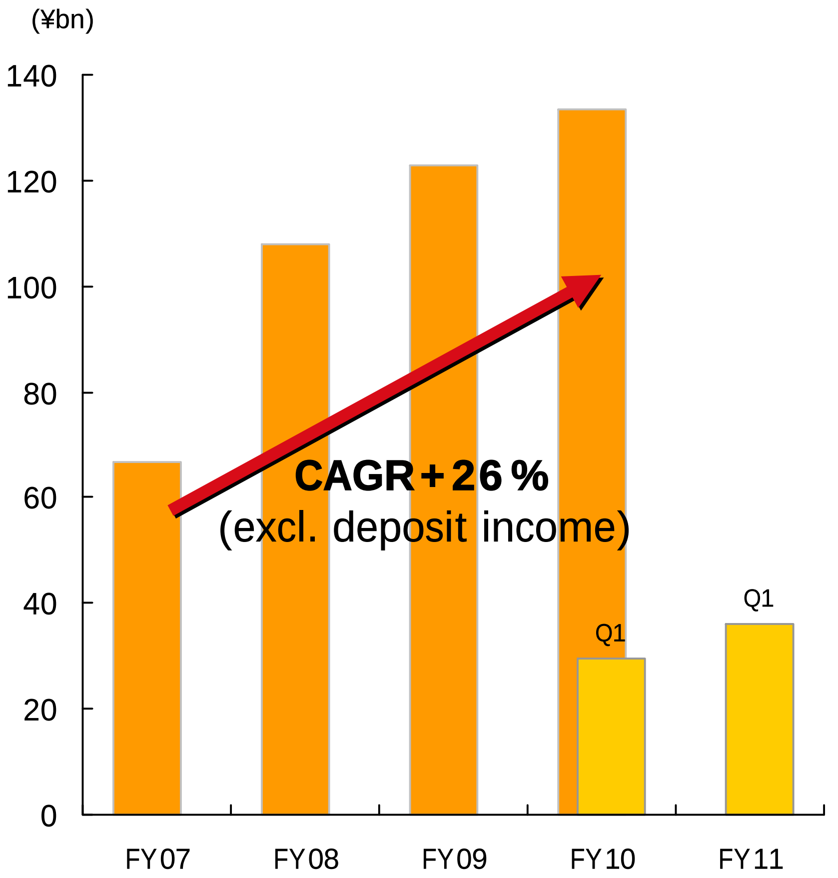
Non-organic growth

- Actively consider quality investment opportunities

Asia strategy

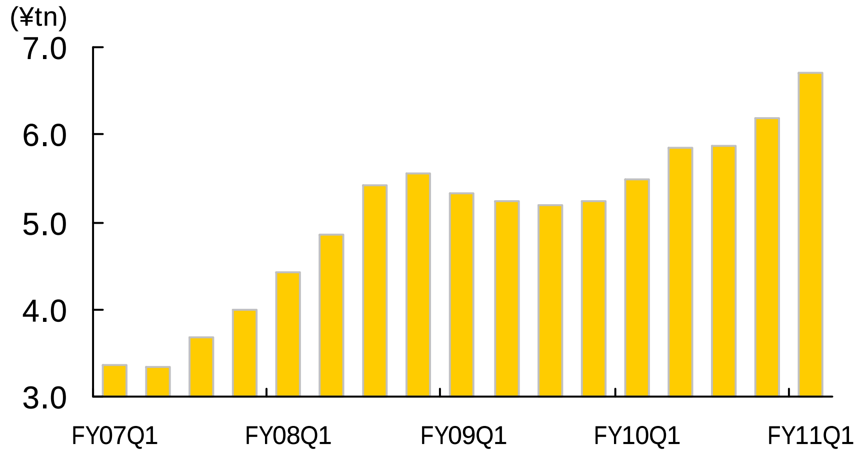
- **Solid increase in gross profits**
- **Preparing for further growth—increased capital for India and China operations and expanded network**

Gross profits*1*2 - Asia business



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

Average balance of loans*2 in Asia



Organic strategies

- **BTMU (China)**
  - ·Opened Shanghai Hongqiao sub-branch (Mar 2011) and Tsingtao branch (Aug 2011)
  - ·Aiming to quickly expand to 20 offices (currently 14 offices)
- **Promoting treasury business in Bangkok and Mumbai, in addition to Singapore, Hong Kong, and Shanghai through cooperation between Market division and Global division**

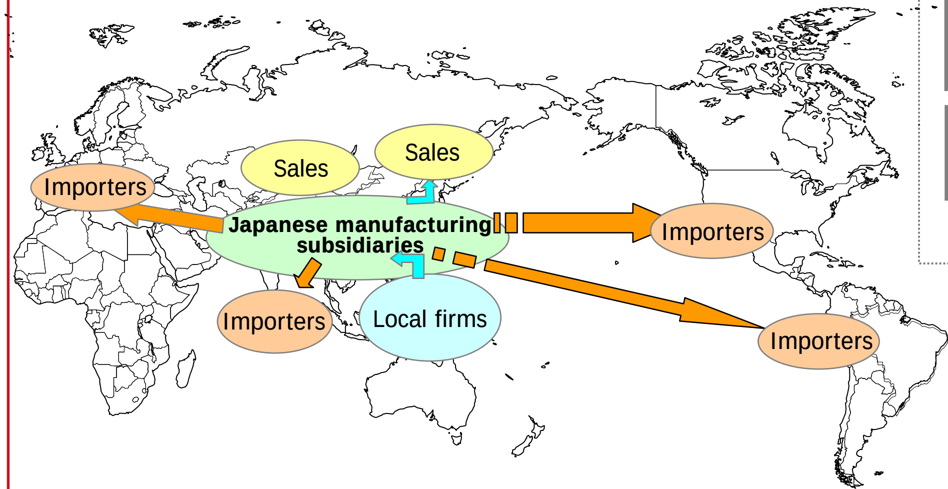
Transaction banking business

MUFG

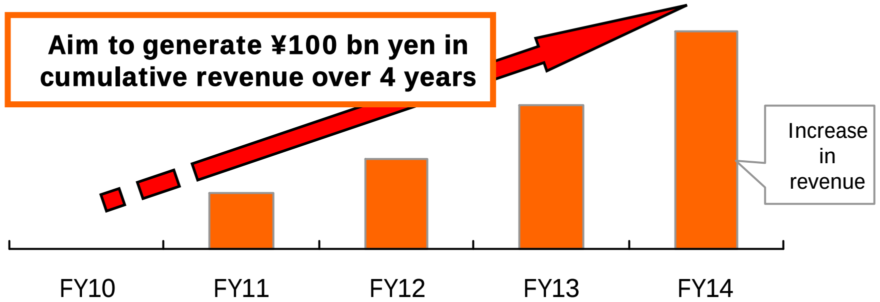
● **Expand transaction banking business*1 by leveraging strong customer base and extensive network to respond to change in commercial flows especially in Asia where an economy is rapidly growing**

Change in commercial flows

Increasing regional sales
Developing local procurement



Transaction banking business revenue targets



Our strengths

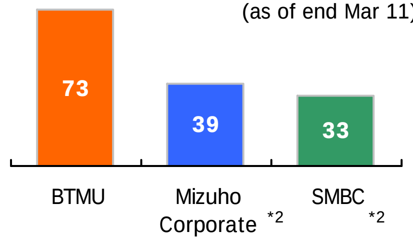
Strong corporate customer base

Japan	500,000 customers
Overseas	50,000 customers

Extensive network

Number of overseas offices

(as of end Mar 11)



*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

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 has become equity-method affiliate of MUFG** **✓Preferred stock dividends (US$ 780 mm annually : pre-tax) disappeared and equity in net income of affiliates will be taken in** ~ 22.4% of post-tax profit of Morgan Stanley (US$ 4.7 bn in FY10) ~ Morgan Stanley Jul-Sep earnings to be reflected in MUFG Oct-Dec earnings **✓Posted negative goodwill** ~ Recorded ¥ 290.6 bn as profit (preliminarily) at time of making MS into equity-method affiliate **✓Fall of MS share price will not affect MUFG consolidated earnings** ~ No impairment from equity-method affiliates' shares in consolidated earnings. No impairment from goodwill as there is no goodwill for the investment in MS

Results of domestic cooperation

M&A (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)

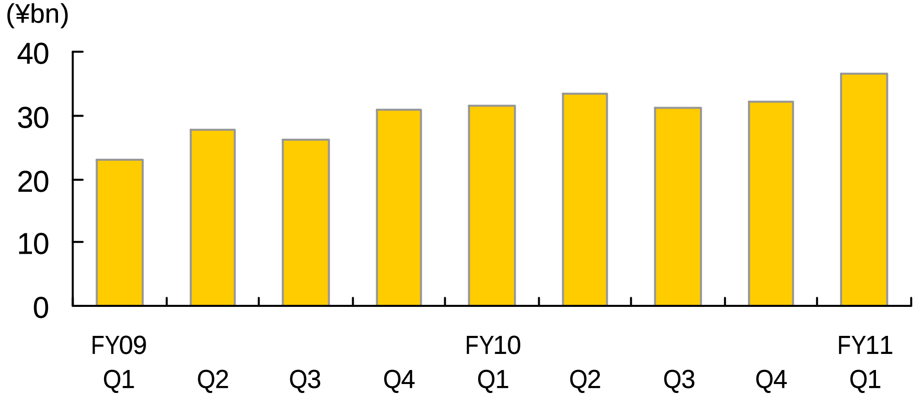
Rank	Bank Holding Company	#	Amount ($ mm)	Share(%)
1	Bank of America Merrill Lynch	433	359,288	18.1
2	JP Morgan	322	345,697	17.4
3	Citi	141	242,379	12.2
4	Wells Fargo & Co	318	177,831	9.0
5	**MUFG+Morgan Stanley**	**140**	**96,935**	4.9
9	**MUFG***	**121**	**71,276**	3.6
12	Morgan Stanley*	19	25,659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

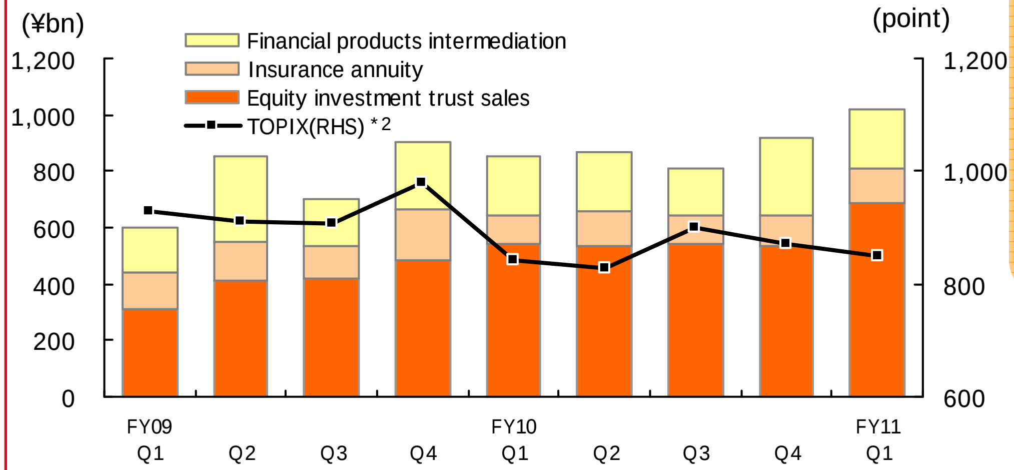
Investment product sales

- **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

- **Provide trust bank features; inheritance/ real estate/property management etc.**
  - -Establish Real Estate Sales Division No.3 in order to accommodate real estate related needs (sales of land for development/purchase of investment property) arising from property succession/ inheritance

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 March 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 March 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 March 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 investment products for domestic customers

■ 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 June 30, 2011
- 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	111 (as of June 30, 2011)

Addressing key issues

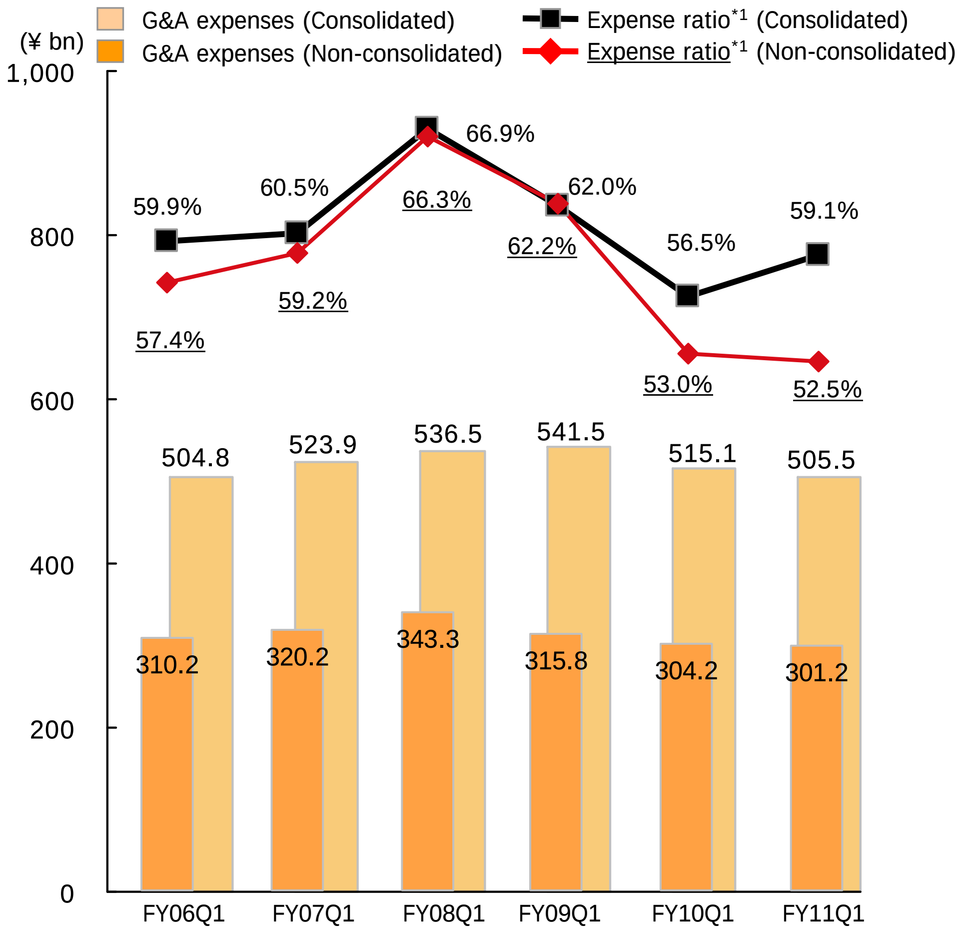
- Maintain and improve operational efficiency
- Reduce equity holdings
- Maintain and enhance capital base

Maintain and improve operational efficiency

MUFG

- Decreased non-consolidated G&A expenses by ¥2.9 bn and consolidated expenses by ¥9.6 bn due to maintaining corporate-wide cost reduction efforts while distributing resource to measures of strengthening profits
- 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

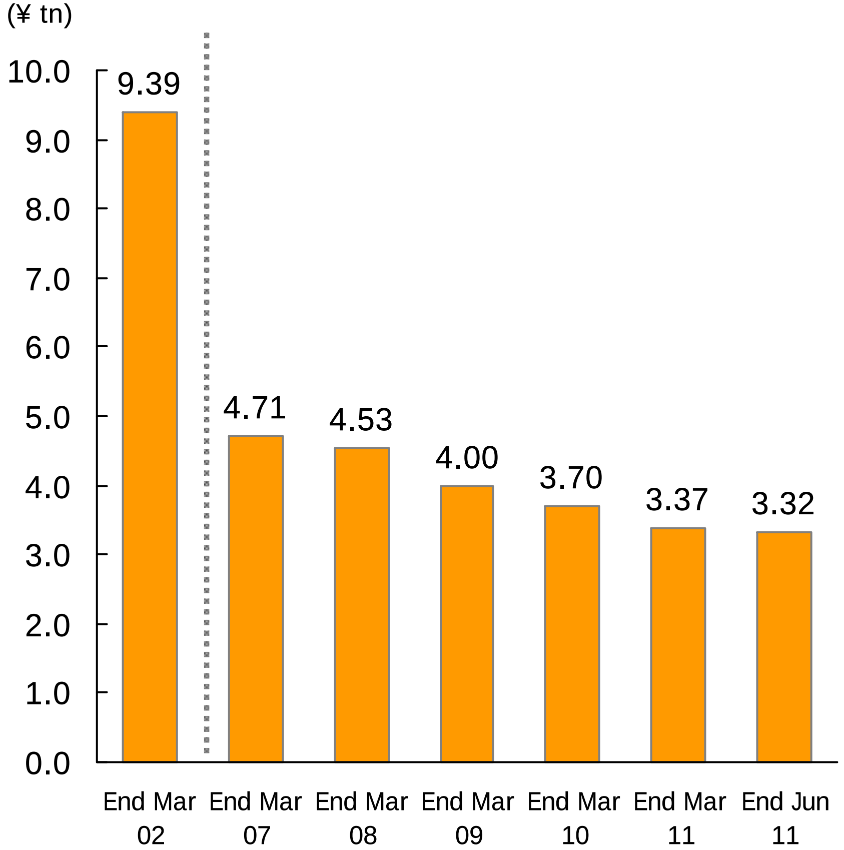
	HQ staff reduction targets	% achieved (End June 11)
BTMU	**30% reduction** (around 2,000 staff)	**84%**
MUTB	**15% reduction** (around 250 staff)	**76%**
MUMSS	**20% reduction** (around 400 staff)	**53%** *2

*2 As of end Mar 11

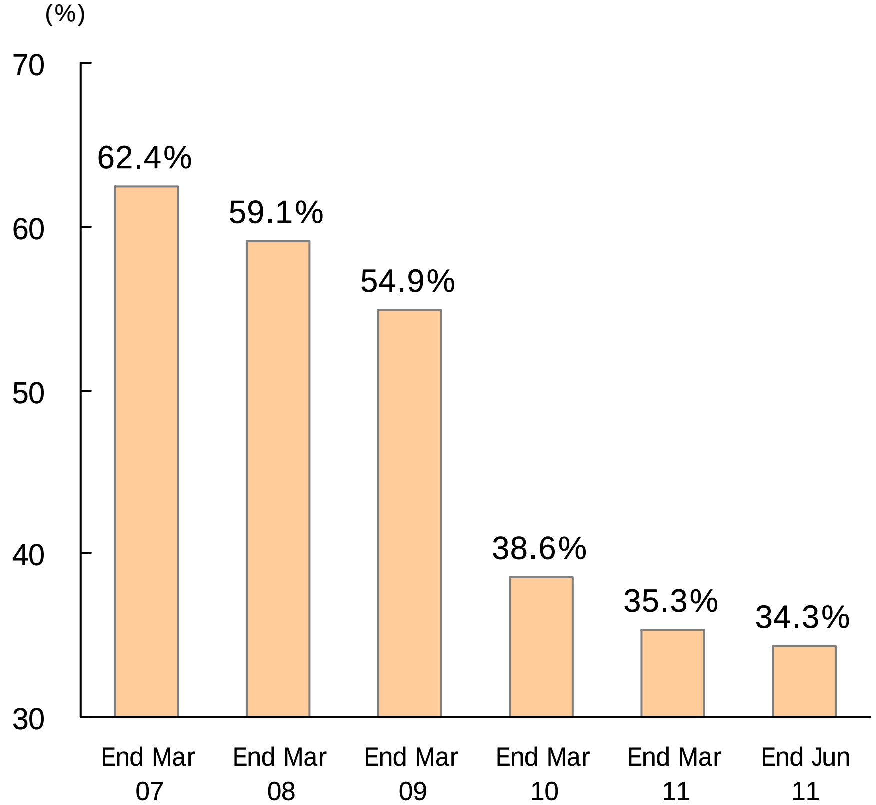
Reduce equity holdings (Non-consolidated)

- **Reduced equity holdings by approx. ¥18 bn in FY11Q1, ratio of equity holdings to Tier 1 capital declined to 34%**
- **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

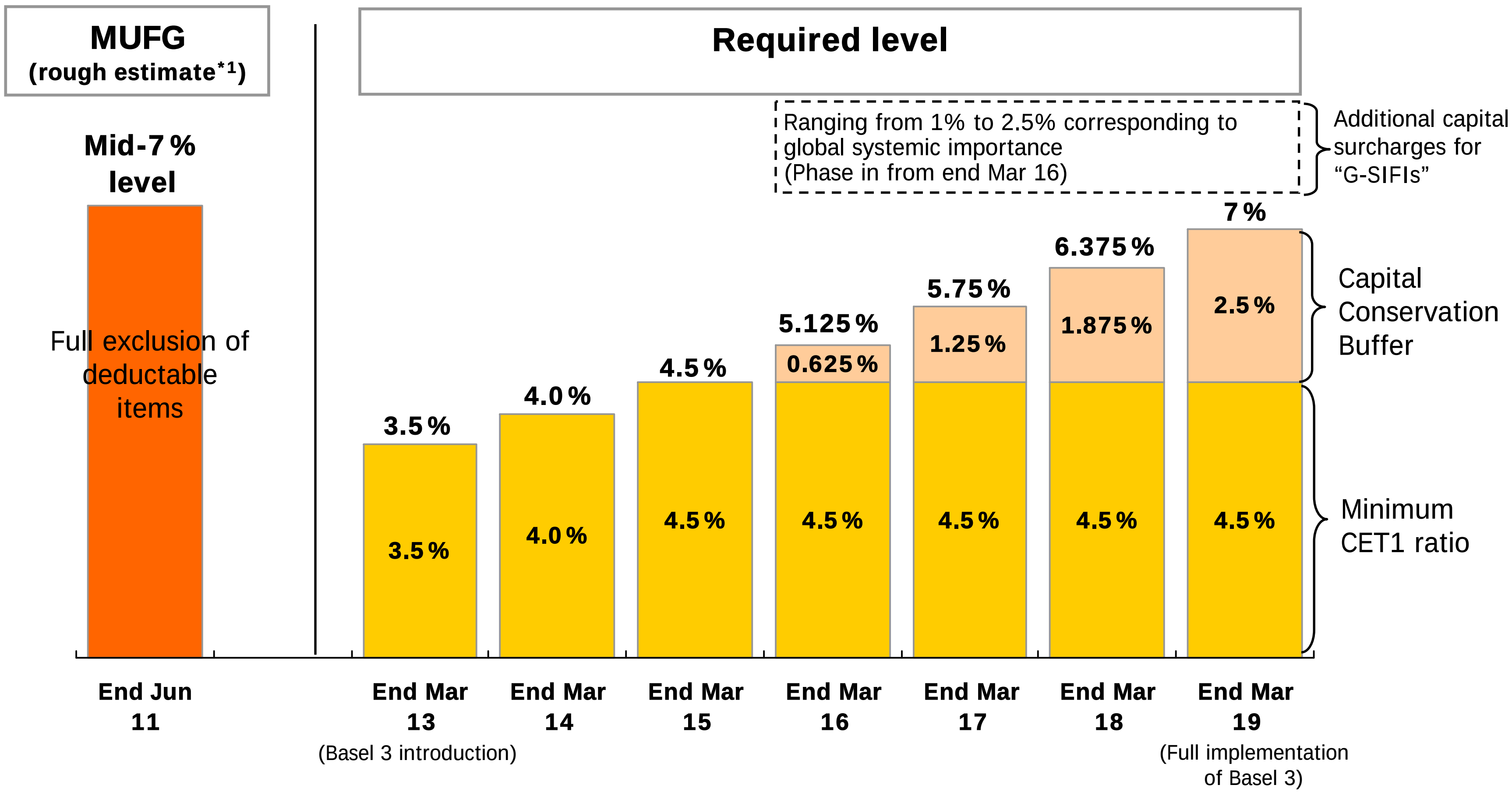


*1 Acquisition price (after impairment) of domestic equity securities in the category of "other securities" with market value (Non-consolidated)
*2 Tier 1 Capital (Non-consolidated)

Maintain and enhance capital base

- **CET1 ratio on the basis of full exclusion of deductable items is estimated to be mid-7% level as of end June 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**

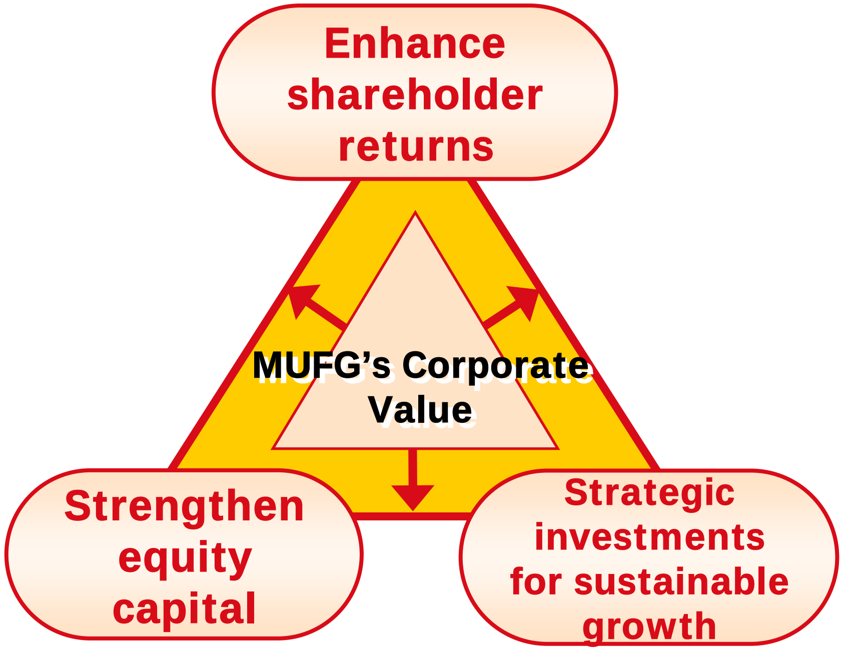
CET1 ratio of new Basel regulations



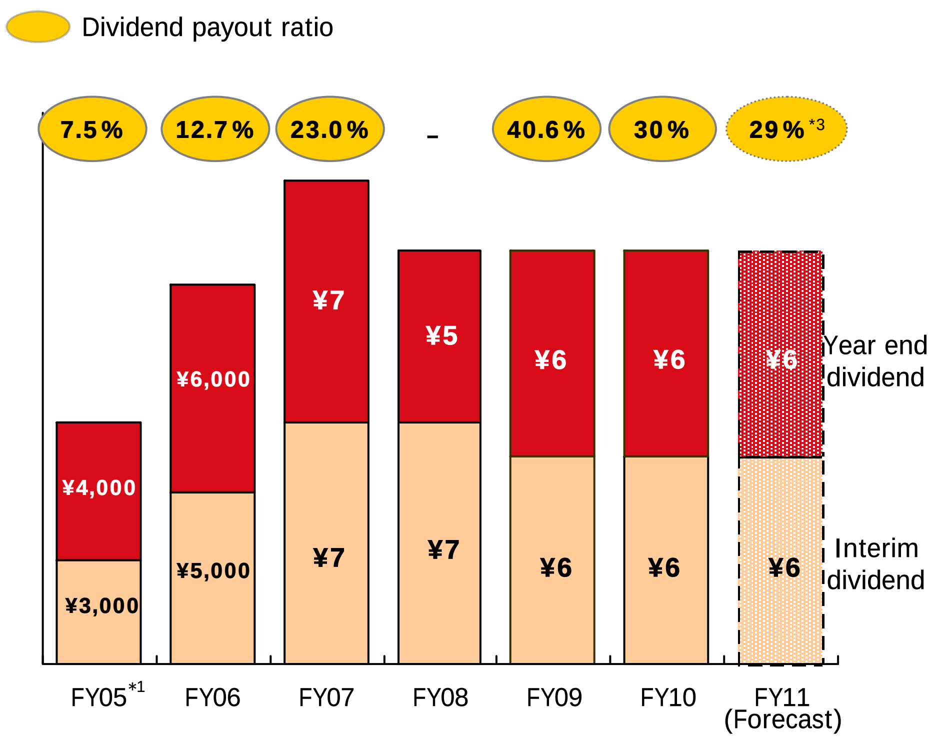
*1 Calculated on the basis of current information

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

MUFG

Strong profitability

Strong financial strength

Strong brand

A sound financial group with strong profitability and integrity

A globally respected financial group