9th CLSA Japan Forum 2012

Mitsubishi UFJ Financial Group

February, 2012

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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 FY2011 Q3 Results

Future Growth

Appendix

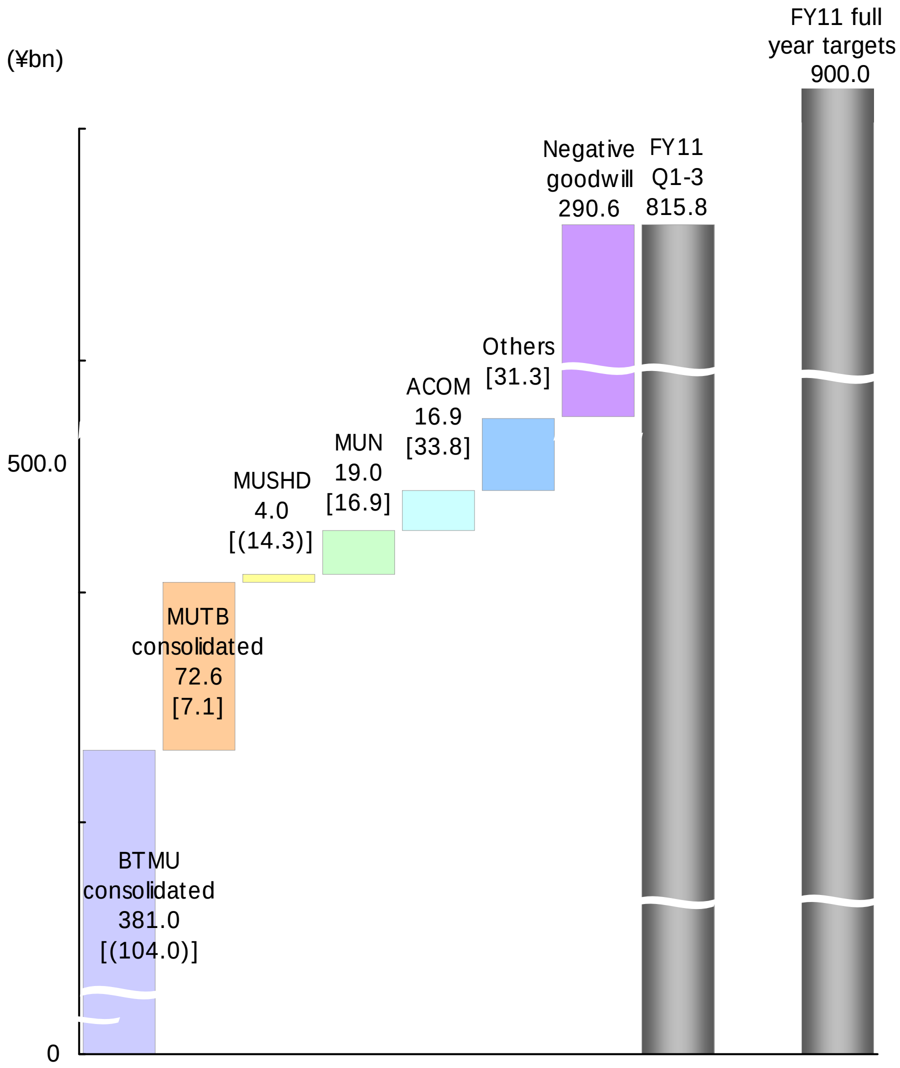
Outline of FY2011 Q3 Results

Future growth

FY2011 Q3 key points

- **Overview**
  - Q1-3 net income totaled ¥815.8 bn with Morgan Stanley negative goodwill of ¥290.6 bn
  - The achievement rate of FY11 earnings target (¥900.0 bn) is 90.6%
- **Non-consolidated**
  - In addition to the increase in net gains on sales of debt securities, net fees and commissions, mainly from overseas lending, was firm
  - Meanwhile, losses on write-down of equity securities increased, and deferred tax declined due to revisions to the corporate tax structure
- **Subsidiaries**
  - MUSHD, MU NICOS and ACOM returned to profit after recording large losses in the previous fiscal year. UB also strong. As a result, consolidated / non-consolidated differences were ¥144.7 bn except Morgan Stanley negative goodwill

Breakdown of net income*1



*1 The above figures take into consideration the percentage holding in each subsidiary (after-tax basis) and figures in brackets [] are the change compared to FY10 Q1-3.

Income statement summary (Consolidated)

MUFG

Net business profits

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

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 losses on equity securities

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

Other non-recurring gains (losses)

- Significantly improved due to a negative goodwill of ¥290.6 bn recorded as a result of application of equity method accounting for our investment in Morgan Stanley by completion of conversion of their convertible preferred stock into their common stock and lower provision for loss on interest repayment.

Net income

- As a result, net income increased significantly. Both EPS and ROE also improved substantially.

		FY10	FY11 Q1-3	Change from FY10 Q1-3
24	EPS	39.95	57.04	18.65
25	ROE[*4]	6.89%	11.30%	2.54%

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

$$\frac{\text{Net income X 4} \div \text{3 - Equivalent of annual dividends on nonconvertible preferred stocks}}{\begin{array}{c}\text{\{(Total shareholders' equity at the beginning of the period - Number of nonconvertible preferred stocks at the beginning}\\ \text{of the period}\times\text{Issue price+Foreign currency translation adjustments at the beginning of the period)}\\ \text{'+ (Total shareholders' equity at the end of the period -Number of nonconvertible preferred stocks at the end of the period}\\ \times\text{Issue price+Foreign currency translation adjustments at the end of the period)\} / 2}\end{array}} \times 100$$

Income statement (¥bn)

	(Consolidated)	FY10	FY11 Q1-3	Change from FY10 Q1-3
1	Gross profits (before credit costs for trust accounts)	3,522.5	2,646.6	(85.8)
2	Net interest income	2,020.0	1,378.0	(118.4)
3	Trust fees+Net fees and commissions	1,079.8	769.9	(9.3)
4	Net trading profits +Net other business profits	422.6	498.7	41.9
5	Net gains (losses) on debt securities	221.3	285.2	71.1
6	G&A expenses	2,020.8	1,473.3	(38.5)
7	Net business profits	1,501.6	1,173.3	(47.3)
8	Credit costs[*1]	(424.2)	(137.6)	117.3
9	Net gains (losses) on equity securities	(57.1)	(155.0)	(131.2)
10	Other non-recurring gains (losses)[*2]	(373.7)	350.8	456.5
11	Ordinary profits	646.4	1,231.4	395.2
12	Net extraordinary gains (losses)	(6.8)	(17.8)	(37.7)
13	Total of income taxes-current and income taxes-deferred	175.4	(319.4)	(41.5)
14	Minority interests	119.0	(78.3)	(52.0)
15	Net income (losses)	583.0	815.8	263.9
16	Total credit costs[*3]	(354.1)	(90.7)	110.8

	(Non-consolidated)	FY10	FY11 Q1-3	Change from FY10 Q1-3
17	Gross profits (before credit costs for trust accounts)	2,337.5	1,811.8	52.9
18	G&A expenses	1,180.5	883.8	0.5
19	Net business profits	1,156.9	927.9	52.4
20	Ordinary profits	762.6	640.7	(49.2)
21	Income before income taxes	776.3	635.6	(65.5)
22	Net income (losses)	714.7	380.6	(115.7)
23	Total credit costs[*3]	(174.2)	(43.0)	1.2

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

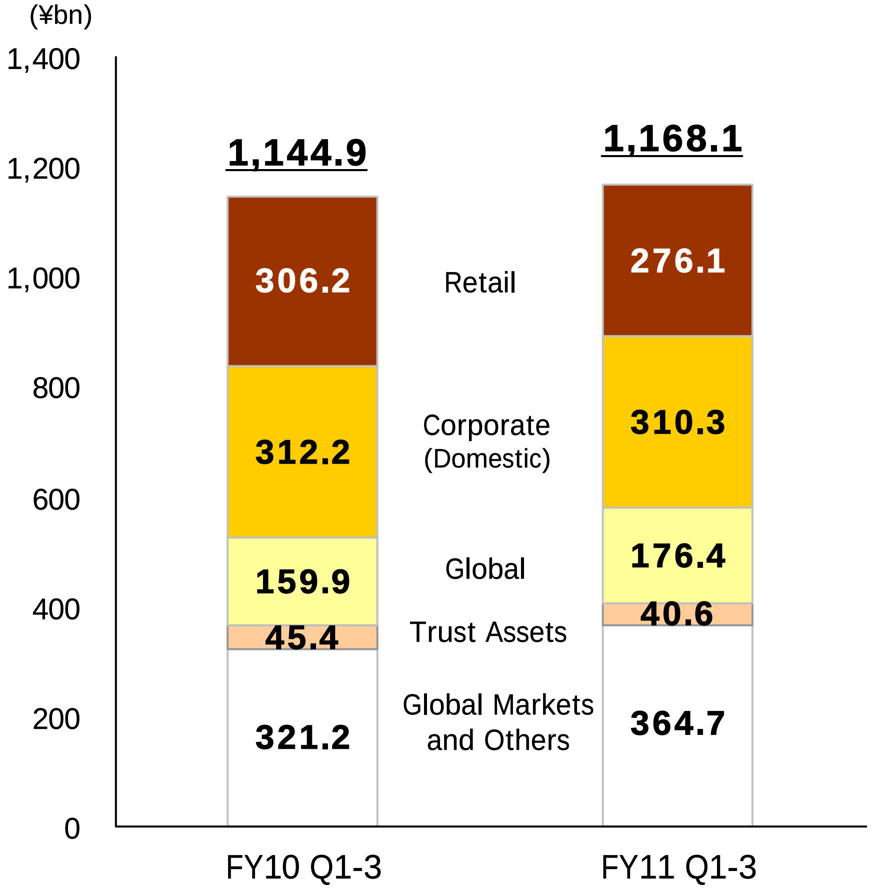
*2 Included Profits (losses) from investments in affiliates, provision for losses on interest repayment, Reversal of allowance for credit losses, Reversal of reserve for contingent losses included in credit costs and Gains on loans written-off. Reversal of allowance for credit losses, Reversal of reserve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

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

Outline of results by business segment (Consolidated)

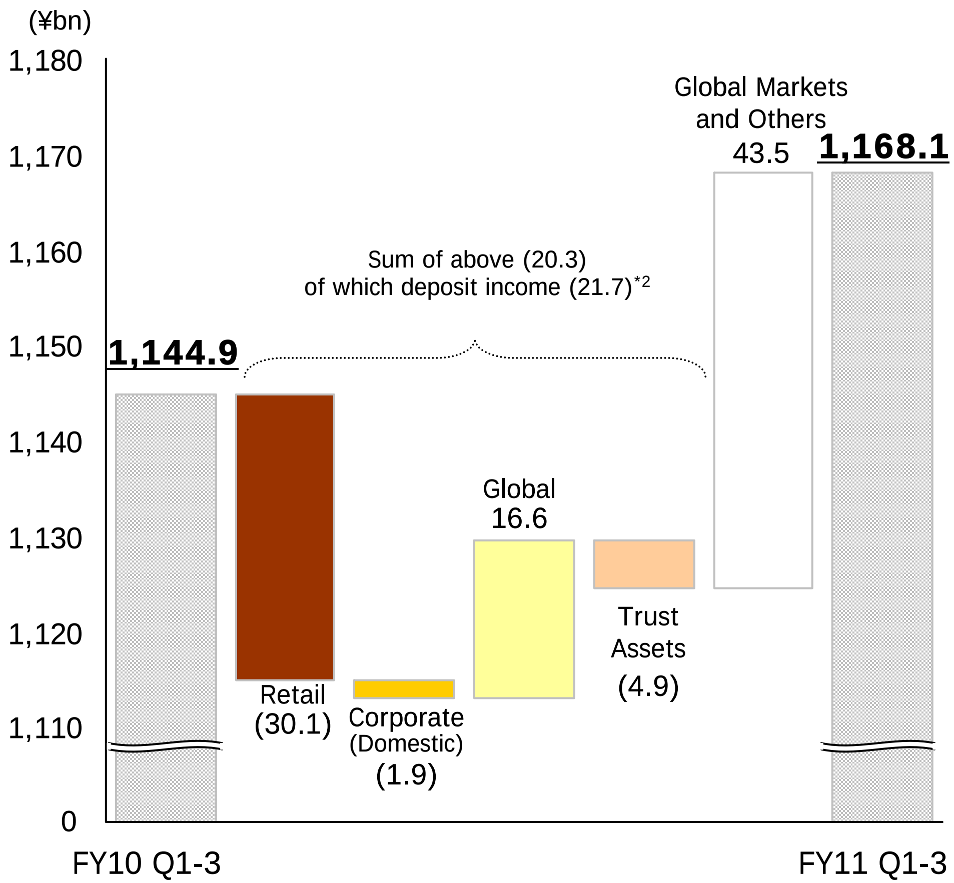
- **Net operating profits increased ¥23.2 bn compared to FY10 Q1-3. Higher net operating profits from "Global" and "Global Markets" were offset by "Retail", "Corporate" and "Trust Assets" due to decrease in net interest income**

Net operating profits by segment*1



*1 Consolidated net business profits on a managerial accounting basis

Breakdown of changes in net operating profits



*2 Deposit income is non-consolidated figures

Balance sheet summary (Consolidated)

MUFG

- **Loans**
  - Increased from End Mar 11 and End Sep 11 mainly due to higher overseas loans.
- **Investment securities**
  - Increased from End Mar 11 mainly due to a higher Japanese government bonds. Decreased from End Sep 11 mainly due to a lower foreign bonds.
- **Deposits**
  - Individual deposits increased from End Mar 11 and End Sep 11. Total deposits decreased from End Mar 11 mainly due to lower deposits from corporate.
- **Total net assets**
  - Increased from End Mar 11 mainly due to an increase in retained earnings. Decreased from End Sep 11 mainly due to an increase in negative impact of foreign currency translation adjustments associated with an appreciation of the Japanese yen.
- **Non performing loans (“NPLs”)**
  - NPL ratio slightly deteriorated from End Mar 11 and End Sep 11, but keeping at a low level.
- **Net unrealized gains (losses) on securities available for sale**
  - Decreased from End Mar 11 and End Sep 11 mainly due to a deterioration of unrealized gains (losses) on domestic equity securities.

Balance sheet (¥bn)

		End Dec 11	Change from End Mar 11	Change from End Sep 11
1	Total assets	210,870.1	4,643.0	(5,077.0)
2	Loans (Banking+Trust accounts)	80,981.2	838.8	1,316.5
3	Loans (Banking accounts)	80,825.9	830.9	1,314.5
4	Domestic corporate loans*1	43,552.1	(364.8)	468.3
5	Housing loans*1	16,901.1	(399.5)	(81.6)
6	Overseas loans*2	18,267.6	1,845.4	1,126.8
7	Investment securities (banking accounts)	72,620.4	1,596.7	(2,953.7)
8	Japanese government bonds	46,488.4	1,546.5	(774.4)
9	Foreign bonds	14,530.9	893.4	(1,782.7)
10	Receivables under resale agreements and Receivables under securities borrowing transactions	8,049.4	(568.8)	(2,366.6)
11	Total liabilities	199,661.9	4,249.2	(4,950.5)
12	Deposits	122,447.0	(1,697.3)	864.4
13	Individual deposits (Domestic branches)	66,101.6	1,717.0	1,224.8
14	Payables under repurchase agreements and Payables under securities lending transactions	16,366.2	1,877.8	(3,274.2)
15	Total net assets	11,208.2	393.8	(126.5)
16	Deposit/lending spread (Domestic, non-consolidated)	1.24%	(0.05%)	(0.01%)
17	FRL disclosed loans*1*3	1,516.6	85.9	52.7
18	NPL ratio*1	1.77%	0.08%	0.02%
19	Net unrealized gains (losses) on securities available for sale	298.5	(29.0)	(91.6)

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

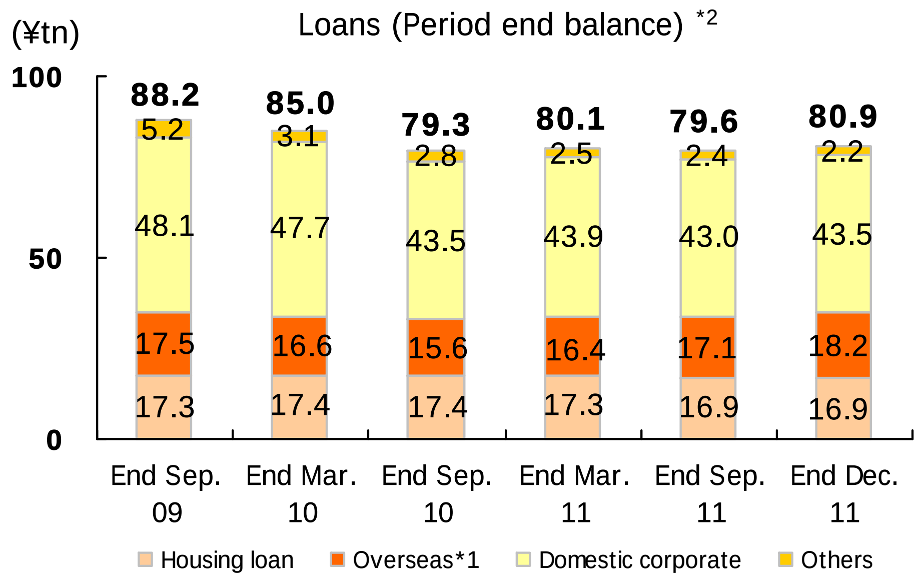
Loans / deposits (Consolidated)

●Loan balance ¥80.9 tn
(up ¥1.3 tn from End Sep 11)

Changes from End Sep 11:

■Housing Loan	(¥0.1 tn)
■Overseas*1	+¥1.1 tn
■Domestic corporate	+¥0.4 tn

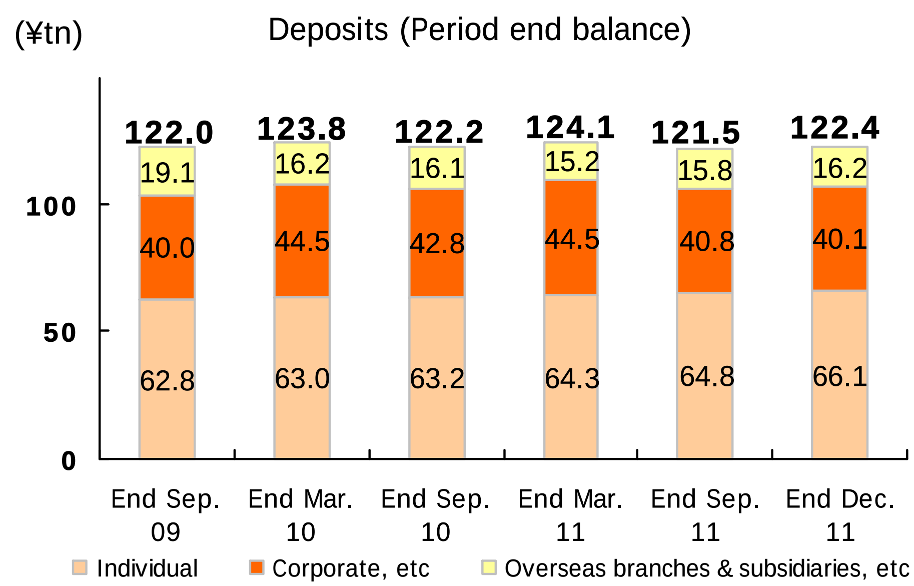
*1 Overseas branches + UnionBanCal Corporation + BTMU (China)



●Deposit balance ¥122.4 tn
(up ¥0.8 tn from End Sep 11)

Changes from End Sep 11:

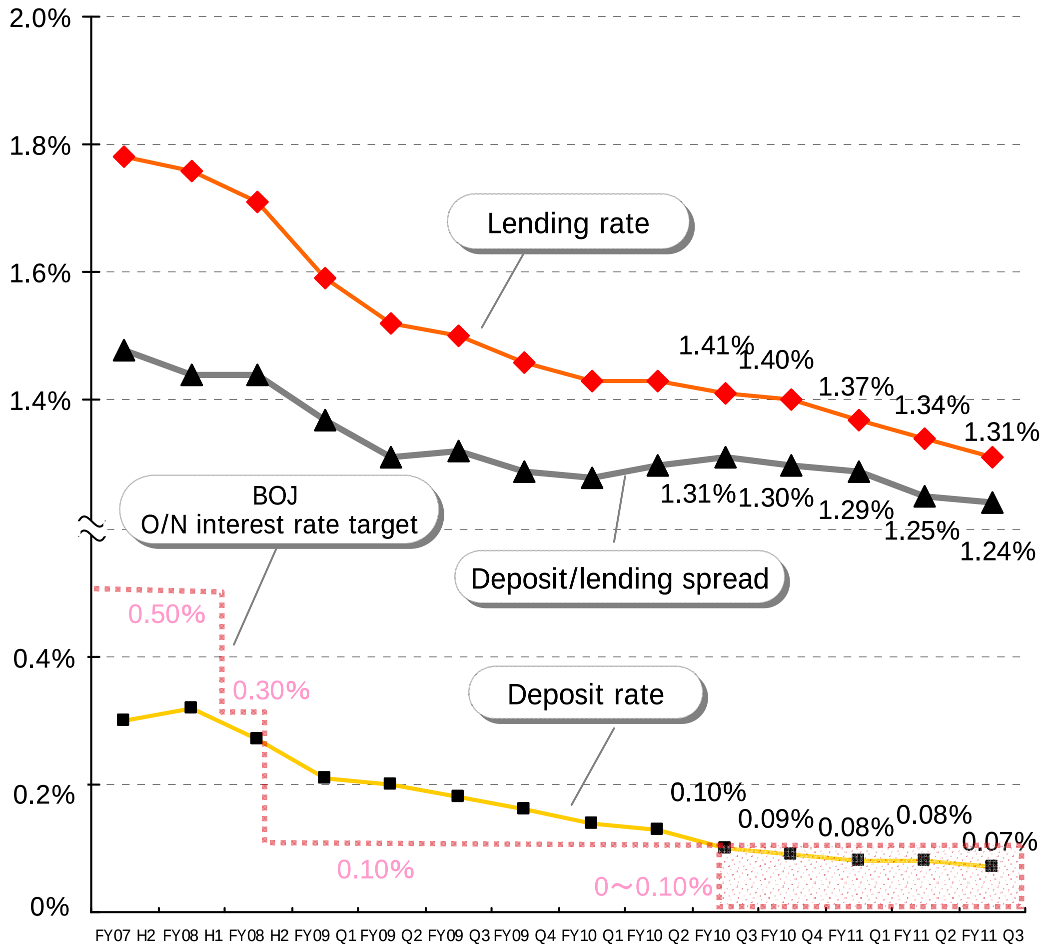
■Individual	+¥1.2 tn
■Corporate, etc.	(¥0.7 tn)
■Others	+¥0.3 tn



Domestic deposit / lending rates (Non-consolidated)

- **Deposit / lending spread in FY11 Q3 slightly decreased mainly due to a decrease in lending rate**

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



Interest rate changes

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

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

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

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

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

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

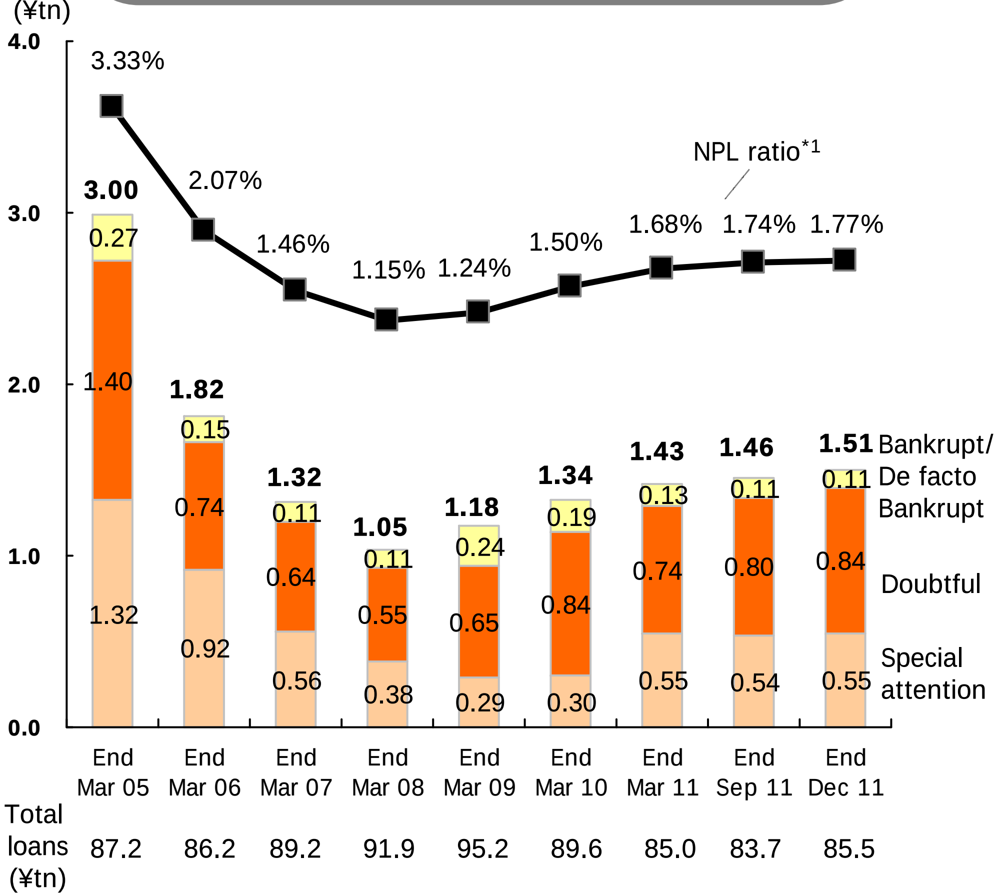
September 6, 2010
Interest rate on ordinary deposits: 0.040% ⇒ 0.020%

Loan assets

(Consolidated / Non-consolidated)

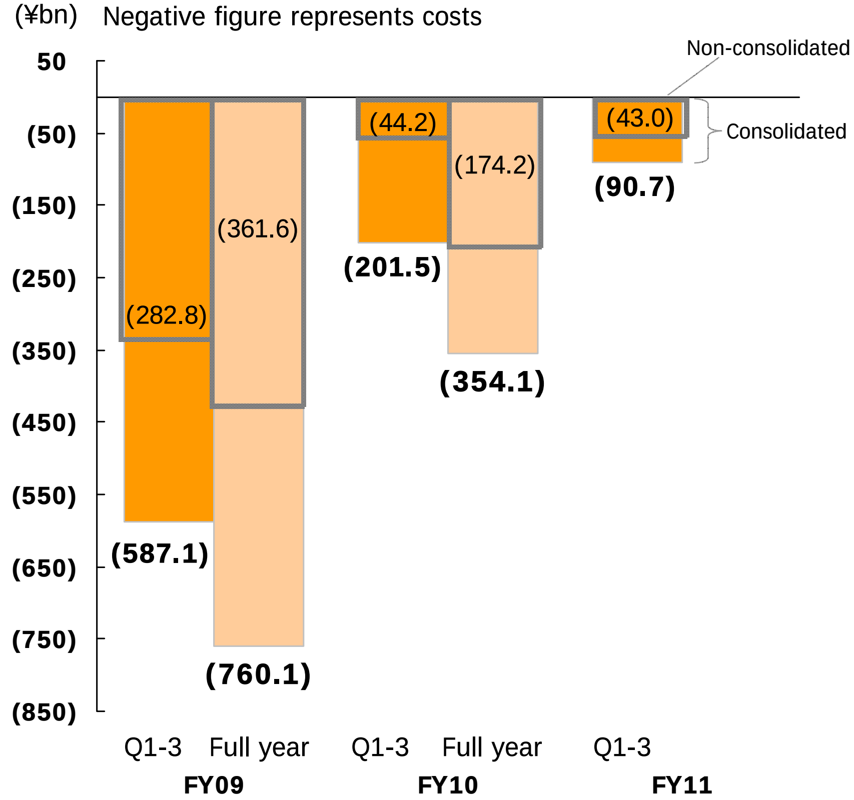
- NPL ratio increased 0.02% from End Sep 11 to 1.77%, but keeping at a low level
- Total credit costs were unchanged at ¥43.0 bn for Non-consolidated, but decreased significantly to ¥90.7 bn for Consolidated

Balance of FRL disclosed loans (Non-consolidated)



*1 Non performing loans / Total loans

Total credit costs*2



*2 Figures included gains on loans written-off

Holdings of investment securities (Consolidated)

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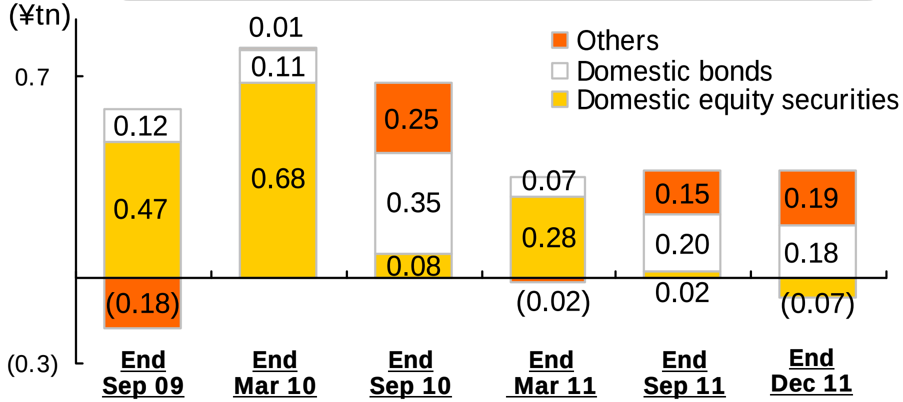
- **Total unrealized gains on securities available for sale decreased by ¥91.6 bn from End Sep 11, reflecting weak stock performance in general stock market**

Breakdown of securities available for sale (with market value)

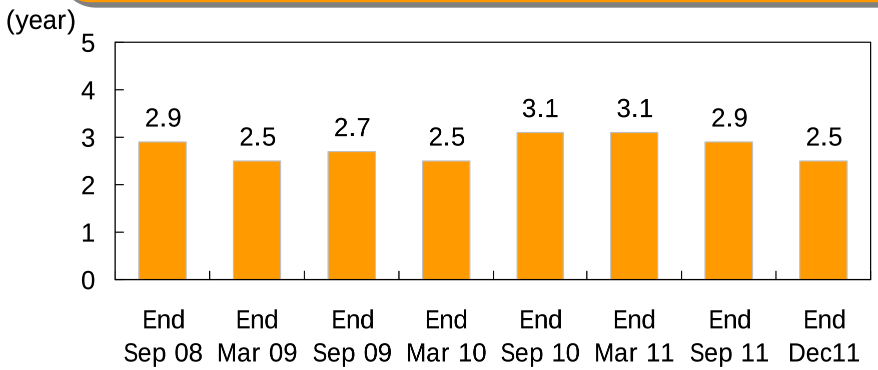
	(¥bn)	Balance		Unrealized gains(losses)	
		End Dec 11	Change from End Sep 11	End Dec 11	Change from End Sep 11
1	Total	68,955.3	(2,824.2)	298.5	(91.6)
2	Domestic equity securities	2,924.6	(191.6)	(73.7)	(96.9)
3	Domestic bonds	49,726.0	(862.5)	182.0	(27.6)
4	Government bonds	45,863.4	(774.3)	115.5	(25.6)
5	Others	16,304.6	(1,770.0)	190.2	32.9
6	Foreign equity securities	147.1	12.8	29.8	11.4
7	Foreign bonds	14,530.9	(1,782.7)	244.6	(8.5)
8	Others	1,626.6	(0.1)	(84.3)	29.9

Unrealized gains (losses) on securities available for sale



	End Sep 09	End Mar 10	End Sep 10	End Mar 11	End Sep 11	End Dec 11
Total unrealized gains (losses)	¥0.41 tn	¥0.81 tn	¥0.69 tn	¥0.32 tn	¥0.39 tn	¥0.29 tn
TOPIX:	909.84	978.81	829.51	869.38	761.17	728.61
JGB(10yrs):	1.30%	1.40%	0.93%	1.26%	1.02%	0.99%

JGB Duration*1



*1 Non-consolidated

FY2011 financial targets (Consolidated / Non-consolidated)

MUFG

<Financial Targets>

<Consolidated>

		FY10		FY11		
		Q1-3 (Results)	Full year (Results)	Q1-3 (Results)	Full year (Targets)	Progress in %
1	Ordinary profits	¥836.1 bn	¥646.4 bn	¥1,231.4 bn	¥1,450.0 bn	84.9%
2	Net income	¥551.8 bn	¥583.0 bn	¥815.8 bn	¥900.0 bn	90.6%
3	Net income (w/o MS negative goodwill)	-	-	¥525.1 bn	-	-
4	Total credit costs	¥201.5 bn	¥354.1 bn	¥90.7 bn	¥170.0 bn	53.3%

<Non-consolidated>

5	Net business profits	¥875.5 bn	¥1,156.9 bn	¥927.9 bn	¥1,130.0 bn	82.1%
6	Ordinary profits	¥689.9 bn	¥762.6 bn	¥640.7 bn	¥835.0 bn	76.7%
7	Net income	¥496.3 bn	¥714.7 bn	¥380.6 bn	¥490.0 bn	77.6%
8	Total credit costs	¥44.2 bn	¥174.2 bn	¥43.0 bn	¥80.0 bn	53.7%

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

Outline of FY2011 Q3 Results

Future growth

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

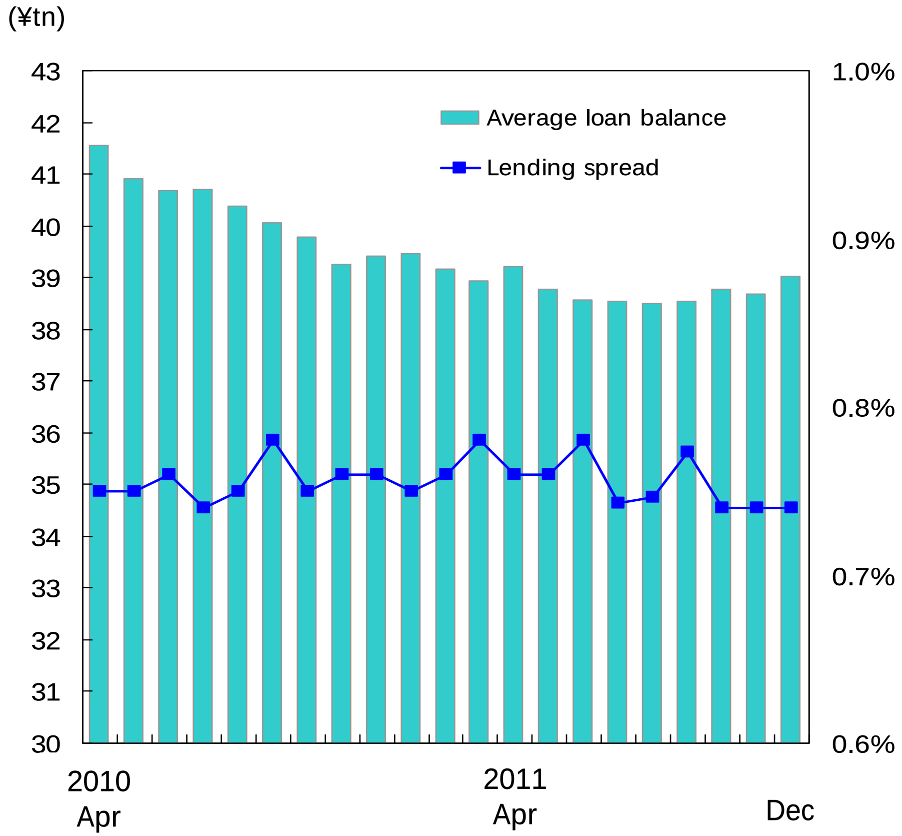
Key points

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

Domestic and overseas lending

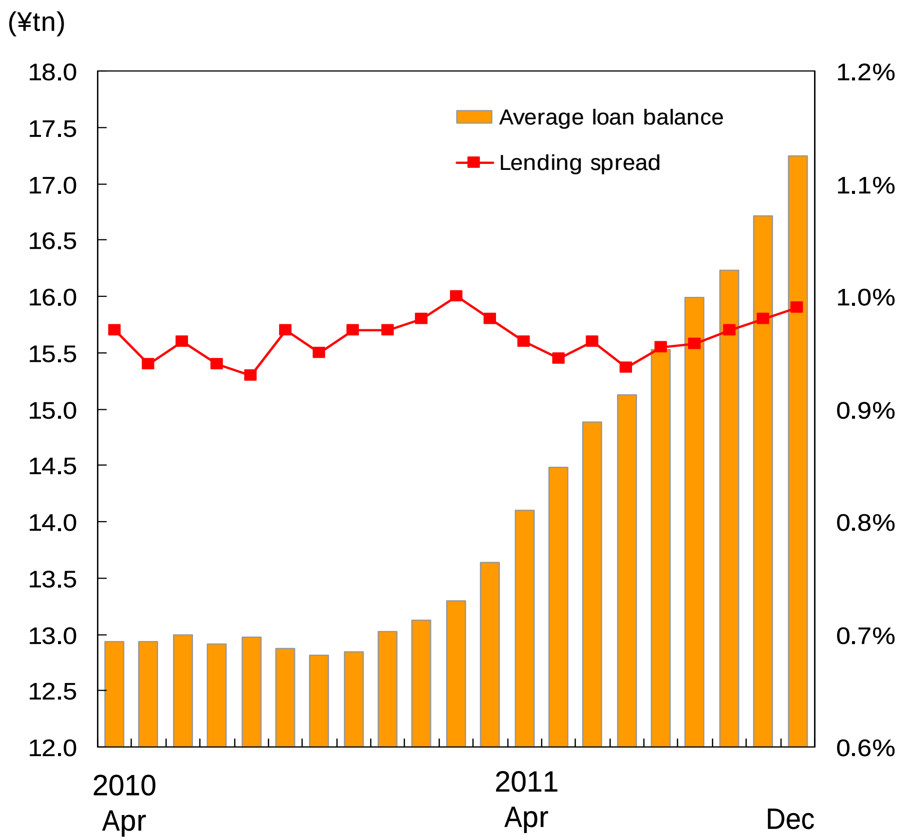
- **Domestic demand for lending was weak partly due to a faster than expected recovery in production, but declining trend seems to stop**
- **Overseas lending steadily expanded. Aiming for an increase in total lending balance of domestic and overseas lending**

Domestic corporate lending / Spread



Overseas corporate lending / Spread (Excl. UB)

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



Exposures in European peripheral countries

MUFG

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

Exposures (BTMU consolidated)

	End Sep 11	End Dec 11
Spain	Approx.$6.4 bn	Approx.$5.7 bn
Italy	Approx.$5.4 bn	Approx.$5.4 bn
Ireland	Approx.$0.3 bn	Approx.$0.3 bn
Portugal	Approx.$0.6 bn	Approx.$0.5 bn
Greece	Approx.$0.3 bn	Approx.$0.3 bn
Total	Approx.$13.0 bn	Approx.$12.2 bn

Balance of sovereign bonds (MUFG)

	End Sep 11	End Dec 11
Spain	Approx.$0.9 bn	Approx.$0.8 bn
Italy	Approx.$3.2 bn	Approx.$2.7 bn
Ireland	-	-
Portugal	$0.0 bn	$0.0 bn
Greece	-	-
Total	Approx.$4.1 bn	Approx.$3.5 bn

Limited exposures

- **Exposures (BTMU consolidated)**
  - No exposures to sovereign borrowers
  - More than 90% of exposures were to industrial corporations and structured finance
    - Exposures to Spain and Italy were mainly towards infrastructure sector, such as electricity, gas and telecommunications
  - Limited exposures to financial institutions
  - Exposures including CDS hedge were approx.$11.5bn
- **Balance of sovereign bonds (MUFG)**
  - No Greek or Irish government bonds
  - Very small amount of Portuguese government bonds in a trading account, all of which were hedged
  - Majority of our Spanish and Italian government bonds were held to maturity

Consumer finance

- **Number of requests for interest repayment declining y-o-y for both MUN and ACOM**
- **Both companies turned profitable in FY11 1-3Q as planned**

Results of MU NICOS & ACOM

<MU NICOS>

(¥bn)

		FY10	FY11 Q1-3	FY11 (plan)
1	Operating revenue	300.6	212.0	286.2
2	Card shopping	151.6	119.4	-
3	Operating expenses	381.7	189.0	258.8
4	G&A expenses	229.1	168.3	228.8
5	Credit related costs	46.3	20.6	30.0
6	Repayment expenses	106.3	0.0	0.0
7	Operating income	(81.1)	23.0	27.4
8	Underlying earnings(6+7)	25.2	23.0	27.4
9	Ordinary profits	(80.5)	23.3	27.9
10	Net income	(106.8)	22.4	27.2

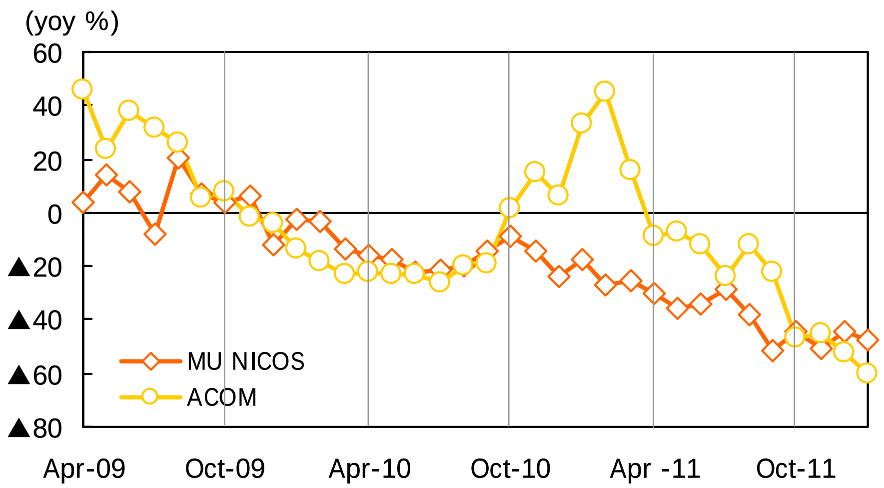
<ACOM>

(¥bn)

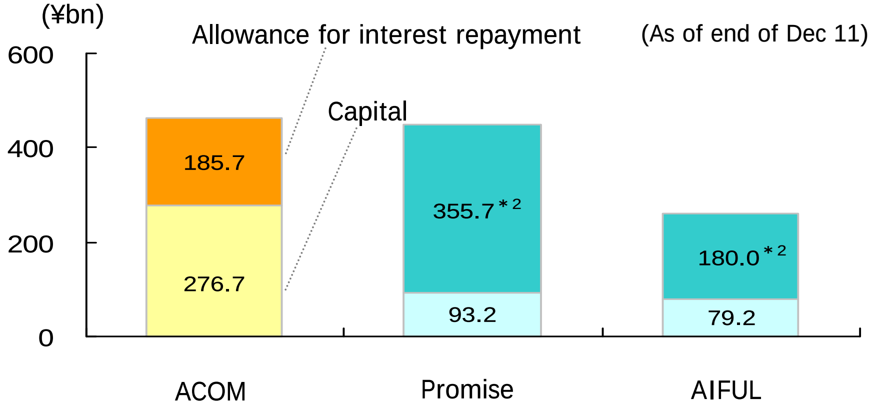
		FY10	FY11 Q1-3	FY11 (plan)
1	Operating revenue	245.8	160.2	204.3
2	Operating expenses	430.6	111.9	158.1
3	G&A expenses	86.4	53.6	73.6
4	Provision of allowance for doubtful accounts	78.1	40.0	60.2
5	Provision for loss on interest repayment	243.4	0.0	0.0
6	Operating income	(184.7)	48.3	46.2
7	Underlying earnings(5+6)	58.7	48.3	46.2
8	Net income	(202.6)	42.1	42.9
9	Guaranteed receivables (Non-consolidated)	443.4	466.5	482.2
10	Unsecured consumer loans (Non-consolidated)	878.7	798.5	742.6
11	Share of loans*1	29.7%	31.3%	

*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



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

Mitsubishi UFJ Securities Holdings

- **Posted ¥4.0 bn net income in FY11 Q1-3 with cost reduction and profit from sales of Kim Eng shares, partially offset by extraordinary losses (¥ 20.3 bn) with early retirement scheme at MUMSS**
- **Change business model and further reduce costs to adapt to harsh environment**

Results of MUSHD and MUMSS

MUSHD*1 Consolidated (¥bn)

		FY10	FY11 Q1-3
1	Net operating revenue*2	139.8	167.9
2	Selling, general and administrative expenses	254.8	177.5
3	Operating income	(115.0)	(9.5)
4	Ordinary profits (loss)	(95.8)	19.1
5	Extraordinary income	16.4	(14.1)
6	Net income	(50.4)	4.0

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

MUMSS*3 Non-consolidated (¥bn)

		FY10	FY11 Q1-3
1	Net operating revenue*2	61.4	119.0
2	Selling, general and administrative expenses	190.0	125.9
3	Operating income	(128.5)	(6.8)
4	Ordinary profits	(126.7)	(5.5)
5	Net income	(144.9)	(25.2)

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

Structural reform of MUMSS

- **Building a lean structure through enhancing operational efficiency and further cost reduction**
  - ･Achieved ¥18.6 bn in cost reduction, which exceeded the initial targets (y-on-y ¥10.0bn).
  - ･Realizing cost reduction by completing the early retirement scheme, relocation of head office completed. Aim to further improve operational efficiency and cost reduction by streamlining the headquarters` organization and investment in system, etc.
- **Strengthening profit base and transforming business model**
  - ･Taking full advantage of MUFG customer base
  - ･Thorough implementation of “client transaction flow oriented” business model

【MUMSS Non-consolidated quarterly base】

	(¥bn)	FY10				FY11		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
1	Net operating revenue*2	42.1	47.6	39.5	(67.9)	37.6	43.7	37.5
2	Selling, general and administrative expenses	46.9	50.6	46.9	45.4	43.6	42.9	39.2
3	Ordinary profits	(3.3)	(2.9)	(7.2)	(113.1)	(5.5)	1.1	(1.1)
4	Net income	(5.4)	(3.6)	(9.8)	(125.9)	(5.4)	2.2	(22.1)

Promoting a growth strategy

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

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

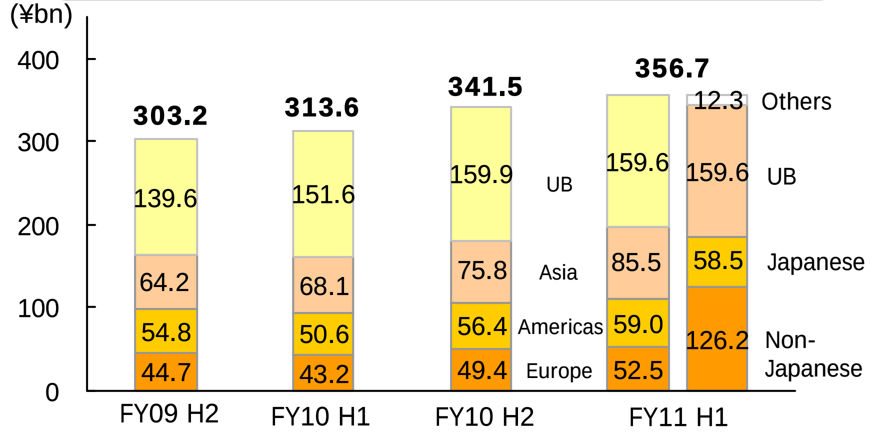
    ～Investment product sales
- **Trust Assets**
  - ✓ Global asset management

Global

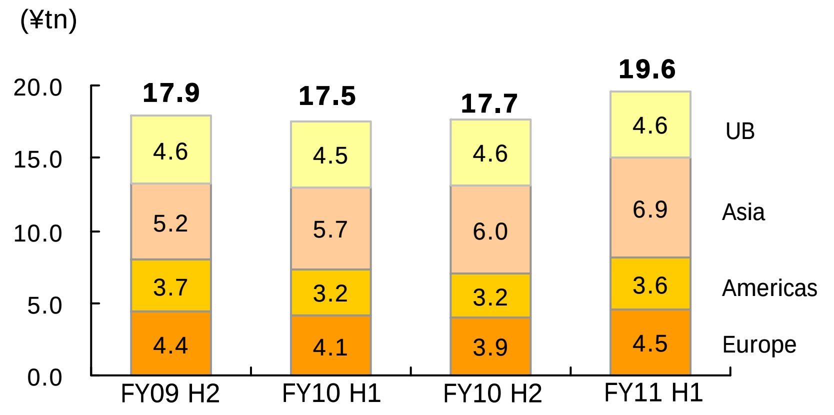
- **Gross profits and net operating profits increased in all regions compared to FY10 H1. Revenues from both Japanese and non-Japanese corporations grew**
- **Lending also expanded in Europe, Americas and Asia. The main driver was increased lending to non-Japanese corporations in Asia**

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

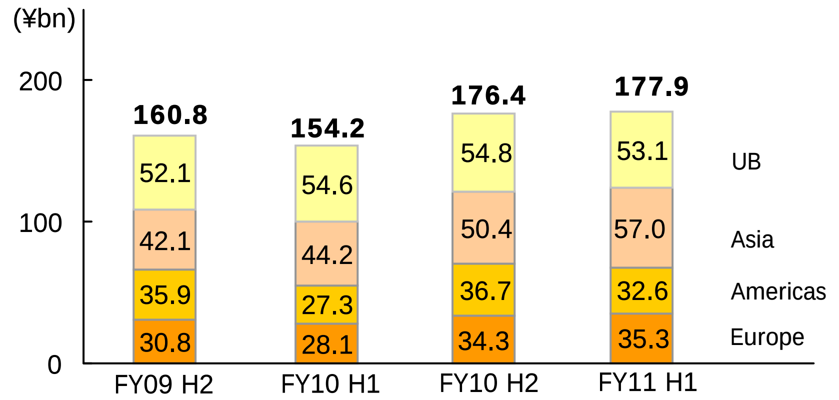
Gross profits by regions*1



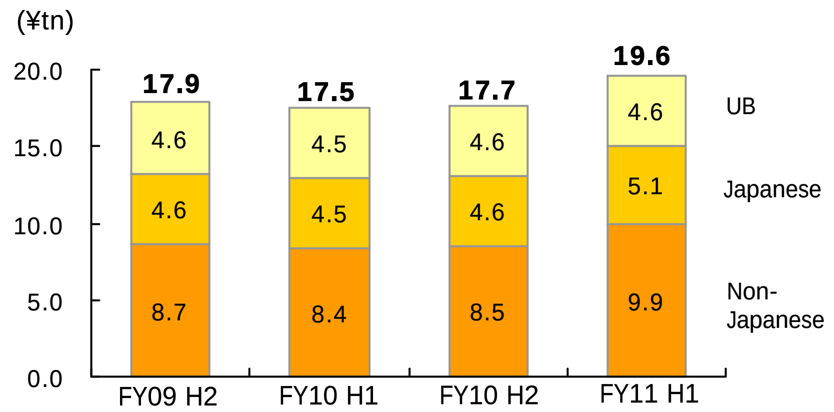
Average loan balance by regions



Net operating profits by regions*1*2



Average loan balance by segments



*1 Excl. CDS *2 Excl. expense of head office in Japan

Americas strategy

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

UB business performance

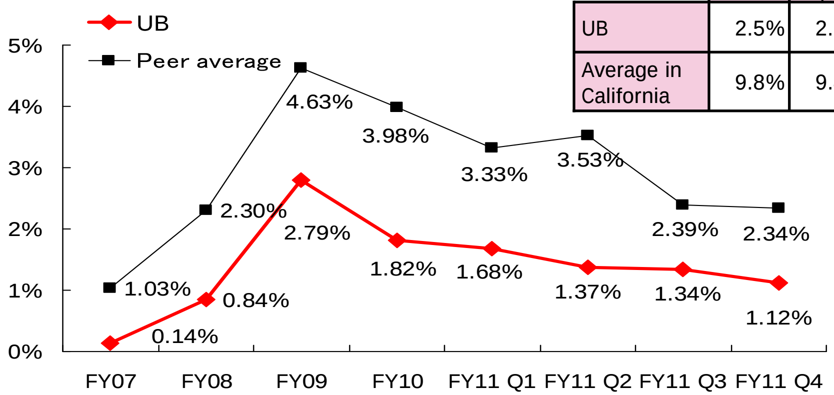
(US$ mm)	FY10	FY11				
		Q1	Q2	Q3	Q4	
Gross profits	3,347	858	854	791	791	3,294
Noninterest expenses	2,372	615	578	603	619	2,415
Net buiness profits	975	243	276	188	172	879
Provision for allowance for credit losses*1	182	(102)	(94)	(13)	7	(202)
Net income	573	235	242	172	129	778

*1 Negative figures are reversal

UB nonperforming loans/total loans*2

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

	End Jun 11	End Sep 11	End Dec 11
UB	2.5%	2.2%	2.2%
Average in California	9.8%	9.4%	-



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

Key points of Americas strategy

Stronger ties between BTMU and UB

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

Non-organic growth

- Actively consider quality investment opportunities

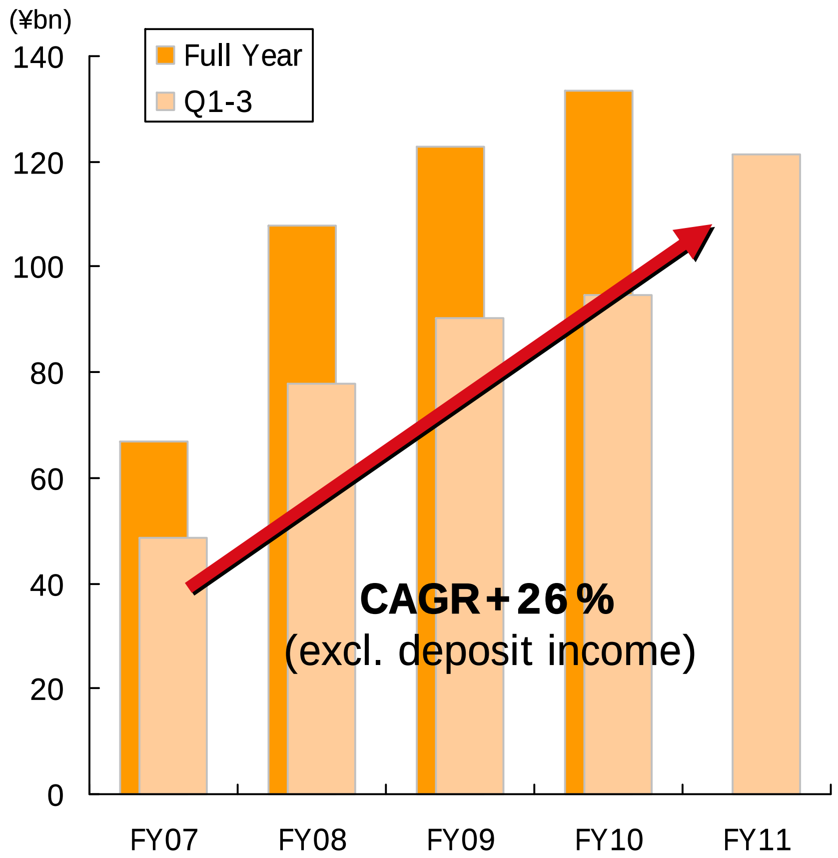
Central and South America

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

Asia strategy(1)

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

Gross profits*1*2*3 – Asia business

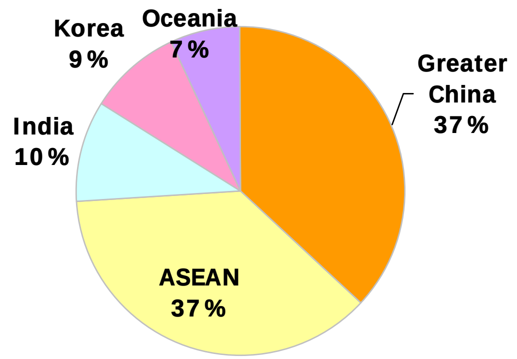


*1 Gross profits excluding deposit income
*2 Exchange rates: Those adopted in our business plan ($/¥=95, etc.)
*3 Commercial bank (consolidated)

Organic strategies

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

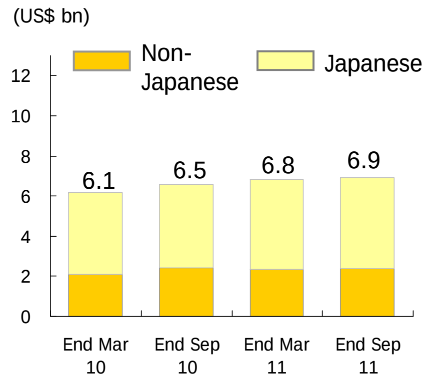
Gross profits by regions in Asia*3



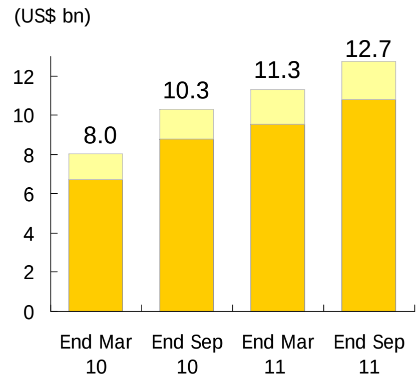
Asia strategy(2)

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

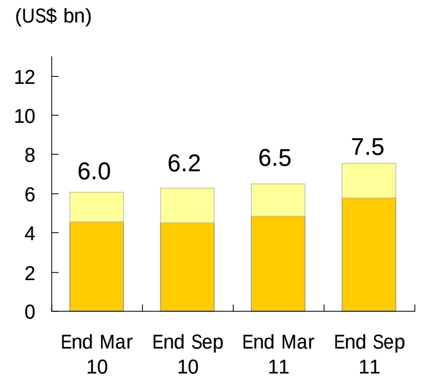
China



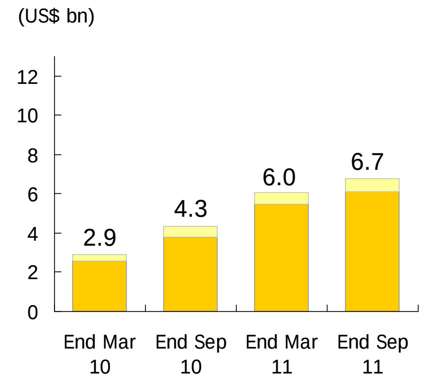
Hong Kong



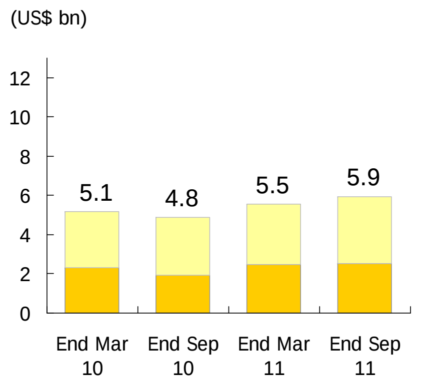
Singapore



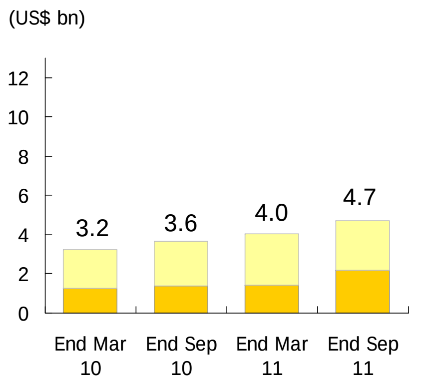
India



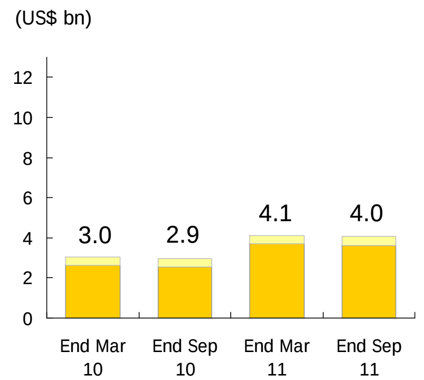
Thailand



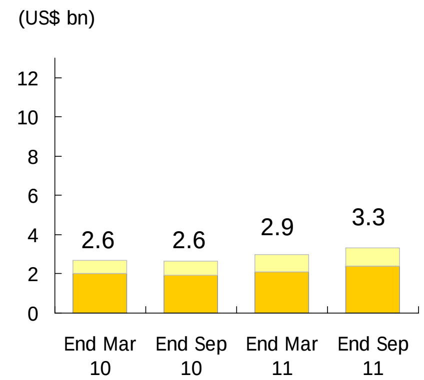
Indonesia



Malaysia



Korea

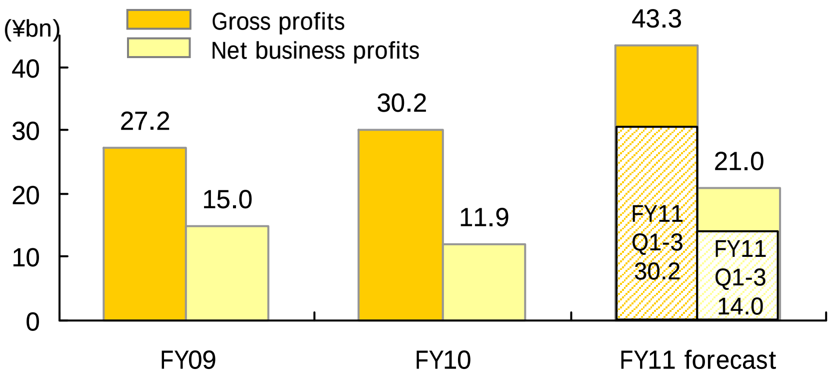


(Note) Loans outstanding on consolidated basis, counted by the nationality of each borrower for internal management purpose. Excl. financial institution.

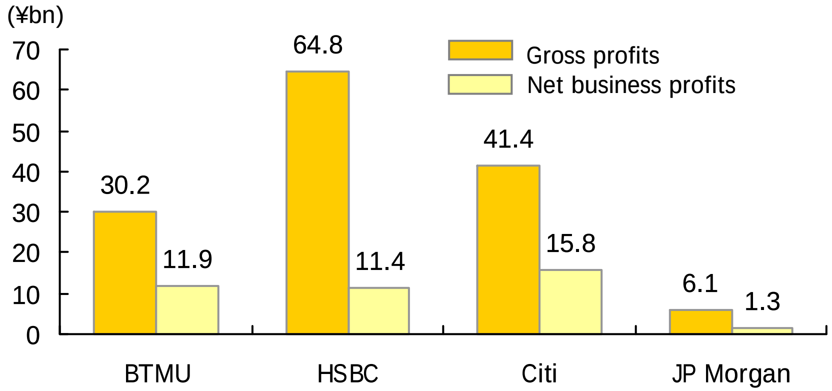
Asia strategy(3) China

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

BTMU China business performance



Comparison with foreign banks` subsidiaries in China (FY10)



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

Key points of Asia strategies

Expanding business with non-Japanese corporations

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

Strengthening market products business

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

Taking active initiatives to internationalize RMB

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

Expanding network

・Opened Qingdao branch (Aug 2011), Beijing Economic-Technological Development Area Sub-Branch (Dec 2011). Currently have 16 locations including 2 locations where we have acquired business establishment approvals. Aiming for further expansion

Transaction banking business

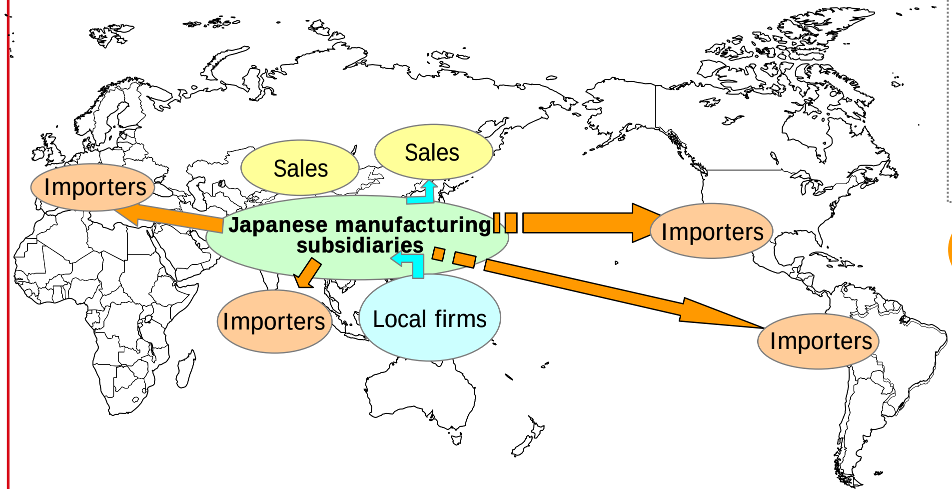
MUFG

- **Expand transaction banking business*1 by leveraging strong customer base and extensive network. Responding to changes in commercial flows especially in Asia where economy is rapidly growing**

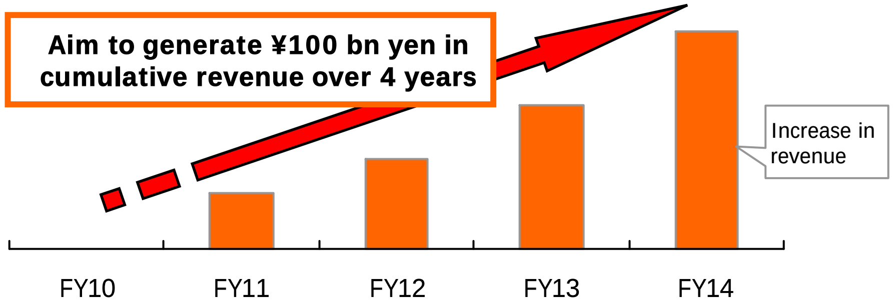
*1 Collectively refers to services capturing commercial flows of customers such as deposits, settlement, and trade finance

Change in commercial flows

Increasing regional sales
Developing local procurement



Transaction banking business revenue targets

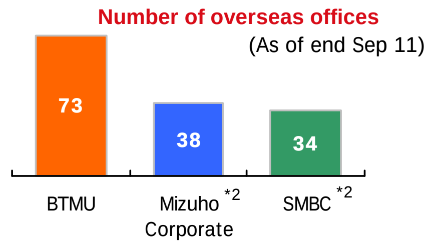


Our strengths

Strong corporate customer base

Japan	500,000 customers
Overseas	50,000 customers

Extensive network



*2 Company disclosures

Strategies to strengthen the business

- **New investments in computer systems for enhancing settlement products and services that can match the changes in commercial flows**
  - Launched Japan's first electric trade operation management system with e-payment guarantee (TSU*3). Expanding branches providing services in Asian countries
    ~ Operational streamlining by electric trade operation management
  - Launched centralized payment operation management system (GPH*4), and users increasing
    ~ Host to host connection of customer's accounting or treasury management system directly with BTMU
- **Strengthen network, including partnerships with local banks**
  - Launched a settlement service through alliances with local banks in China, Indonesia, Philippines and Vietnam

*3 TSU: Trade Services Utility *4 GPH: Global Payment Hub

Project finance

- **Won Global Bank of the Year 2011 for the first time *1**
- **Advanced to No.2 in 2011 global rankings**
- **Mostly completed transfer of RBS project finance assets. Aiming to establish leading bank status leveraging staff increases in Europe, etc.**

Global presence

Global project finance league table (Jan-Dec 2011)

Rank	Mandated Arrangers	Origination volumes (US$ bn)	#	Rank 2010
1	State Bank of India	21.63	52	1
2	**MUFG**	**9.49**	**88**	**8**
3	SMBC	8.19	71	10

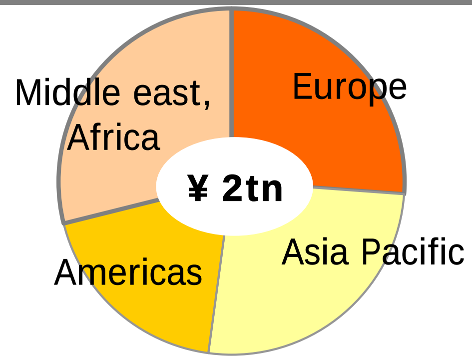
Source: Project Finance International

- **No.1 position since 2010 and built a track record in the Americas, primarily with renewable energy mandates**
- **Jumped to 9th from 22nd place in EMEA**
- **Major projects:**
  - Canada: Acquisition of interest in a major shale gas reserve
  - U.S.: One of the largest biomass power stations
  - Germany: Large-scale offshore wind power generation plants

Strategies to strengthen the business

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

Project finance loan portfolio*2



*1 The prize awarded by Project Finance International

*2 Commercial bank (consolidated, excl. UB). As of end Sep 11

Global strategic alliance with Morgan Stanley

MUFG

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

Morgan Stanley performance

(US$ mm)	FY10	FY11 Q1	FY11 Q2	FY11 Q3	FY11 Q4	FY11
Net Revenues	31,387	7,635	9,282	9,845	5,709	32,403
Net Revenues (Excl. DVA)*1	32,260	7,824	9,038	6,435	5,493	28,722
Non-interest expenses	25,156	6,763	7,338	6,154	6,166	26,289
Income from continuing operations before taxes	6,231	872	1,944	3,691	(457)	6,114
Income from continuing operations before taxes (Excl. DVA)*1	7,104	1,061	1,700	281	(673)	2,433
Net income applicable to MS	4,703	968	1,193	2,199	(250)	4,110
Earnings applicable to MS common shareholders	3,594	736	(558)	2,153	(275)	2,067

*1 Calculated by MUFG based on Morgan Stanley public data

Impact on P/L following conversion

- Equity in net income of affiliates was taken in
  - 22.4% of post-tax profits of MS
  - MS Jul-Sep earnings to be reflected in MUFG Oct-Dec 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 domestic cooperation

M&A advisor (Jan 2011 to Dec 2011)

Rank	FA	#	Amount (US$ mm)	Share(%)
1	Nomura	126	79,377	51.9
2	Goldman Sachs	23	37,657	24.6
3	**MUMSS*2**	**69**	**34,053**	**22.2**
4	JP Morgan	18	32,968	21.5

Deal value amount. Any Japanese involvement completed (excluding real estate)
Source : Calculated by MUMSS based on Thomson Reuters data
*2 Including deals handled by MUFG groups

Major M&A deals

- Merger of Nippon Steel and Sumitomo Metal Industries (Domestic industry consolidations, an ongoing deal)
- Acquisition of US company Stolle Machinery by Toyo Seikan (industry-defining cross-border transaction in the manufacturing sector)
- Acquisition of Italian IT service company Value Team by NTT DATA (strategic acquisition to strengthen and expand overseas operations)

Presence of Americas

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

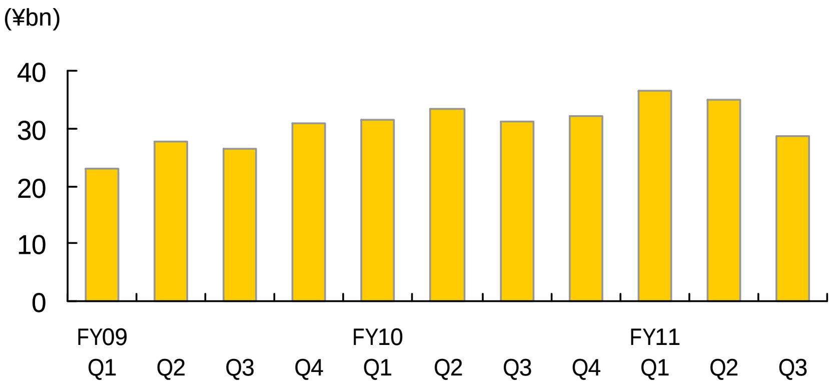
Rank	Bank Holding Company	#	Amount (US$ mm)	Share(%)
1	JP Morgan	600	748,258	18.7
2	Bank of America Merrill Lynch	688	703,640	17.6
3	Citi	267	512,708	12.8
4	Wells Fargo & Company	519	349,960	8.8
5	**MUFG+Morgan Stanley**	**189**	**212,670**	5.3
7	**MUFG*3**	**152**	**164,295**	4.1
14	Morgan Stanley*3	37	48,375	1.2

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

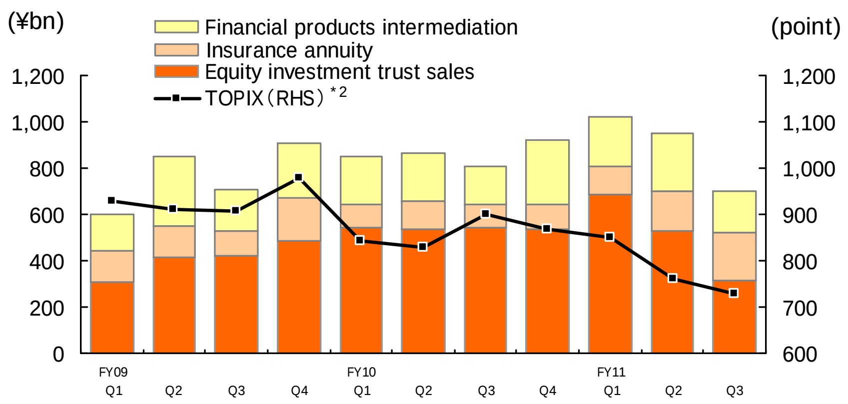
Investment product sales

● **Solid income from sales of insurance products. Aim to grow income through further intra-Group collaboration**

Income from investment products



Investment products sales*1



*1 Managerial accounting basis
*2 Closing price base

Group measures to strengthen 'Total Asset Sales'

BTMU

■ **Strengthen retail money desk*3**
-Increase staff seconded from MUMSS

■ **Increase the number of total asset advisor*4**
-Increasing private banking specialist who assess customer assets, advise on inheritance, etc., improving consulting services

MUTB

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

MUMSS

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

*3 A team of experts with high level investment product sales expertise. As of end Dec 11, assigned to 59 locations in Japan
*4 A team with specialist knowledge of overall assets including wills and trusts, assigned to use their skills to promote sales targeting overall customer assets. As of end Dec 11, 119 assigned

Global asset management strategy

MUFG

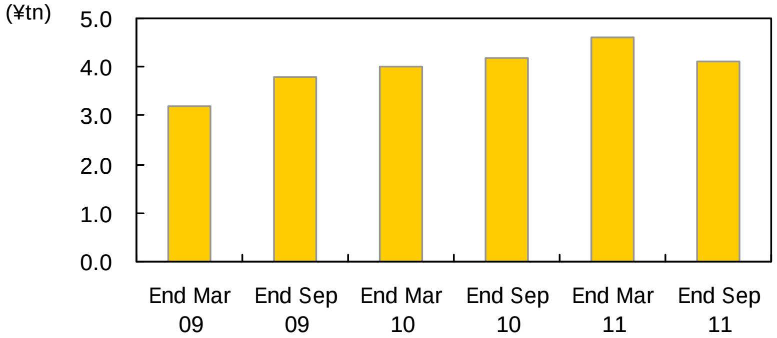
- **Further expand robust operating base in Japan, also meet Japanese demand for overseas investment and develop business with overseas customers**

Development of investment products for domestic customers

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

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

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



Development of overseas customer base

- Provide mainly Japan investment products to SWFs and other overseas customers and strengthen product lineup, in cooperation with overseas network
  - Japanese equity (Active fund)
  - Japanese equity/Global equity (Passive fund)
  - Asian/Emerging equity quant, etc
- Develop business with overseas customers, including alliance and investment with partners in high growth Asian markets and large scale European and American markets
  - Decided on strategic capital and business alliance with AMP Capital Holdings, the largest asset manager in Australia, following its alliance with Aberdeen in U.K. and SWS MU Fund Management in China
    (Plan to acquire 15% interest, appoint a representative as a non-executive director to the board, and adopt the equity accounting method for its investment in AMP Capital

AMP CAPITAL

- Manage approximately ¥10tn. Leader in global infrastructure products, property fund management and Australian asset management
- AMP Capital has a competitive specialisation to meet Japanese demand for attractive overseas investment products

Addressing key issues

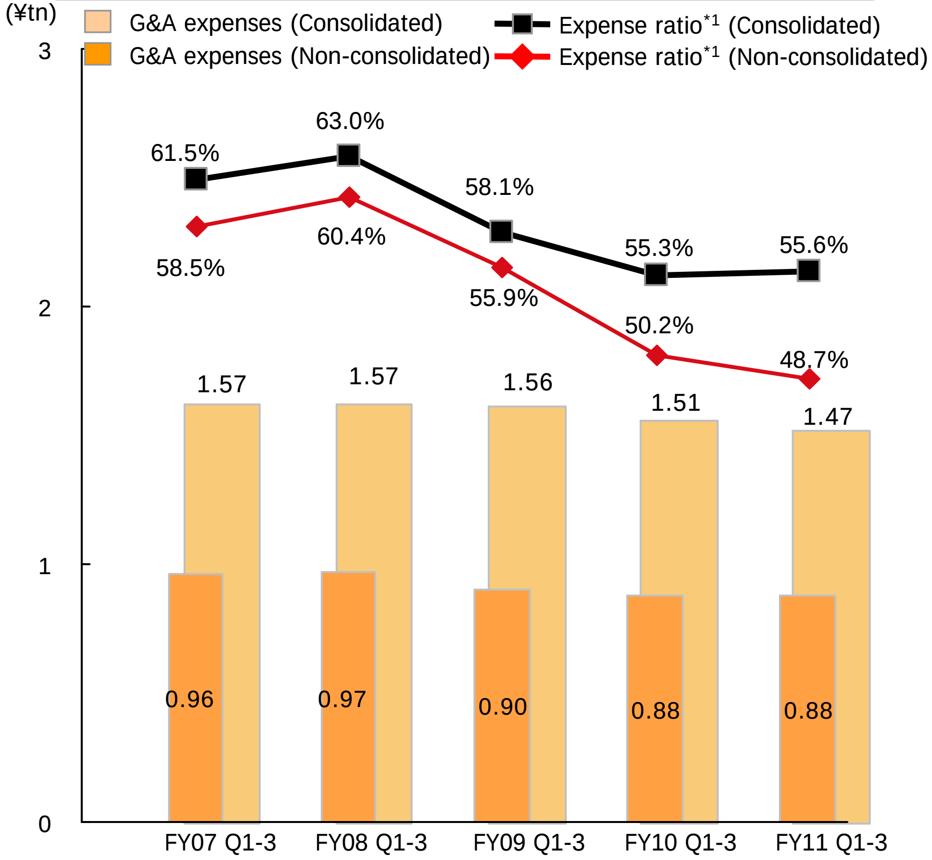
- Maintain and improve operational efficiency / Reduce equity holdings
- Maintain and enhance capital base
- Capital policy

Maintain and improve operational efficiency / Reduce equity holdings (Consolidated / Non-consolidated)

MUFG

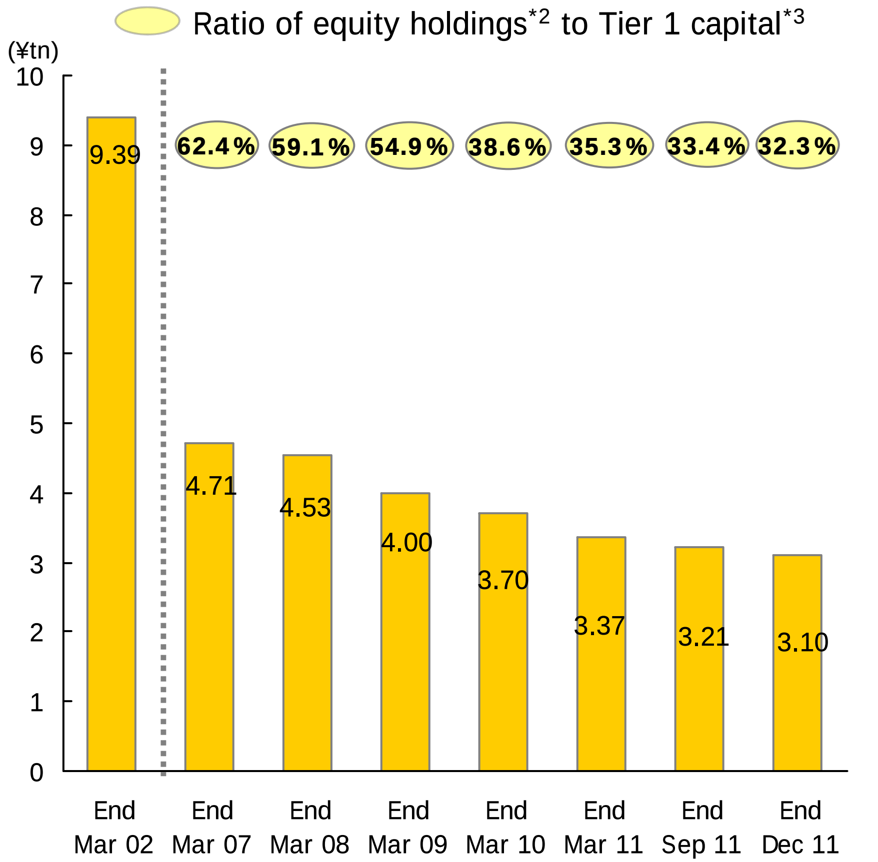
- **Decreased consolidated G&A expenses by ¥38.5 bn. Maintaining corporate-wide cost reduction efforts while distributing resource to strategically strengthening business areas**
- **Sold equity holdings by approx. ¥91.0 bn in FY11 Q1-3. Continue to reduce equity holdings to minimize stock price fluctuation 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 (acquisition price)*2

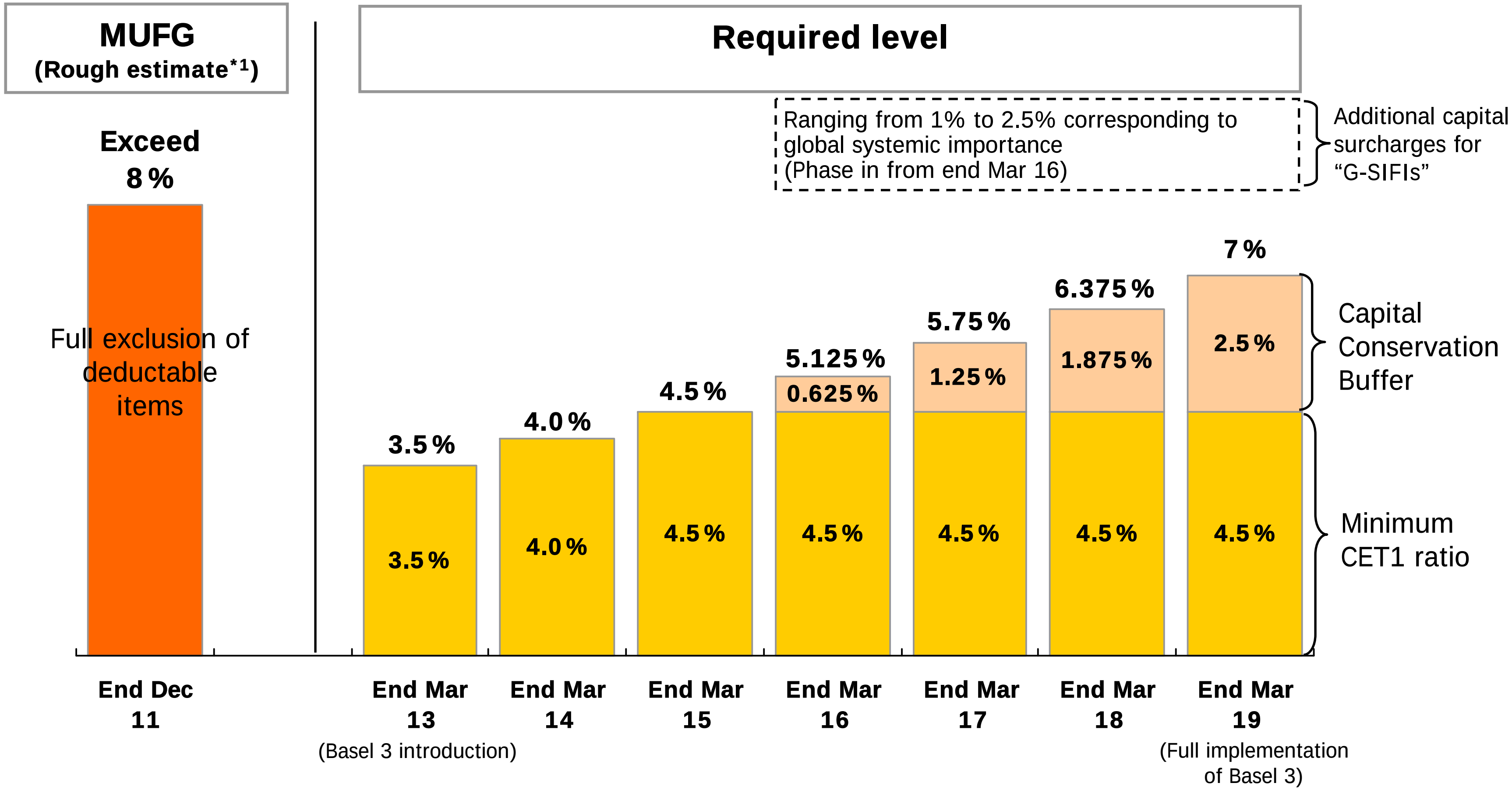


*2 Acquisition price (after impairment) of domestic equity securities in the category of "other securities" with market value (Non-consolidated)
*3 Tier 1 Capital (Non-consolidated)

Maintain and enhance capital base

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

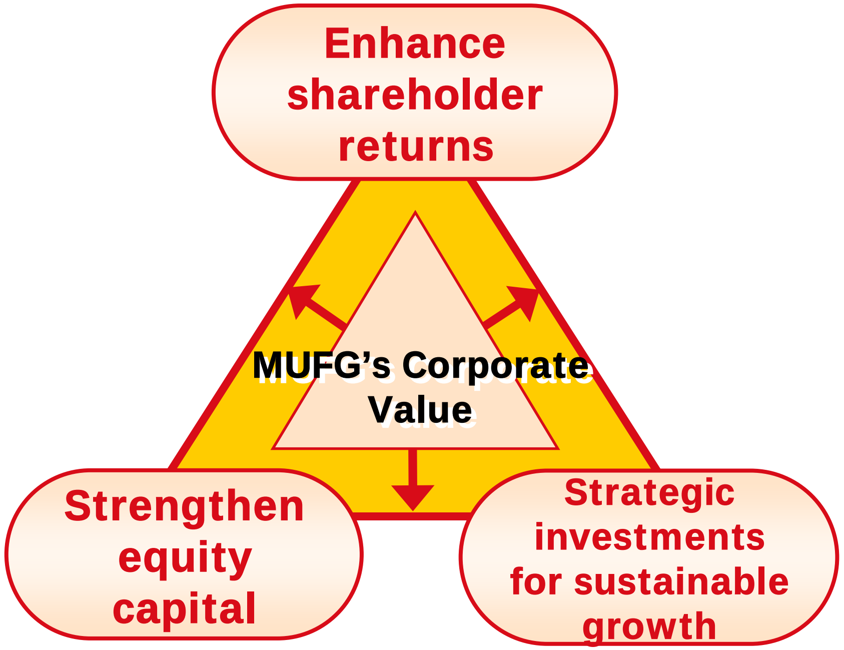
CET1 ratio of new Basel regulations



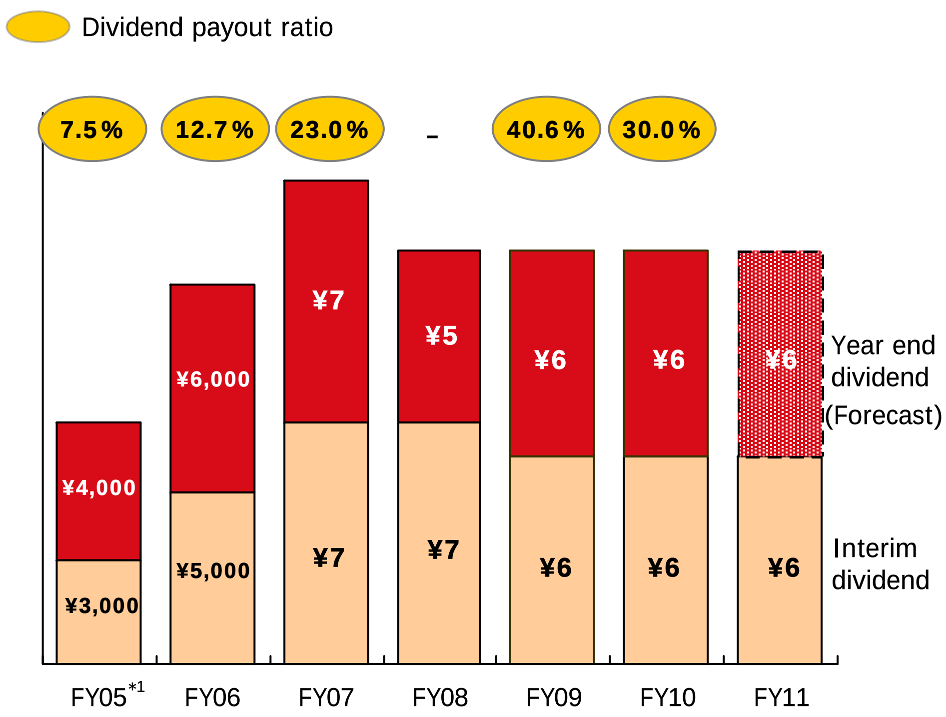
*1 Calculated on the basis of current information

Capital policy

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



Dividends on common stock*1



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

Aims of MUFG

Strong profitability

Strong financial strength

Strong brand

A sound financial group with strong profitability and integrity

A globally respected financial group

Appendix

Quality for You

MUFG

Capital ratio (based on Basel 2)

(Consolidated)

See page 33 for capital ratio based on Basel 3

MUFG

Total capital

- Tier1 showed slight decrease of ¥16.3bn from End Sep 11. Increase in retained earnings was offset by decrease in foreign currency translation adjustment
- Tier2 decreased by ¥91.0bn from End Sep 11. Downturn of stock market and lower subordinated debt were the main factors

Risk-adjusted assets

- Market risk increased by ¥0.9tn from End Sep 11, mainly due to the implementation of amendments to the Basel 2 framework, known as the Basel 2.5
- Credit risk increased by ¥0.3tn from End Sep 11, as loan balance increased

Capital ratio

- Capital ratio : 15.14%
- Tier1 ratio : 12.82%

	(¥bn)	End Mar 11	End Sep 11	End Dec 11	Change from End Sep 11
1	Capital ratio	14.89%	15.42%	15.14%	(0.28%)
2	Tier1 ratio	11.33%	13.04%	12.82%	(0.21%)
3	Tier1	9,953.3	10,471.0	10,454.6	(16.3)
4	Capital stock and capital surplus	4,311.7	4,313.7	4,313.7	0.0
5	Retained earnings	4,799.6	5,406.9	5,433.2	26.2
6	Minority interests	1,873.8	1,721.1	1,699.9	(21.1)
7	Tier2	3,920.4	3,776.5	3,685.5	(91.0)
8	Net unrealized gains on securities available for sale	136.5	147.5	101.2	(46.3)
9	Subordinated debt	3,463.3	3,353.7	3,316.4	(37.3)
10	Deductions from total qualifying capital	(792.9)	(1,862.8)	(1,794.6)	(68.1)
11	Total capital	13,080.8	12,384.7	12,345.5	(39.2)
12	Risk-adjusted assets	87,804.9	80,276.9	81,503.7	1,226.8
13	Credit risk	79,207.3	71,964.9	72,253.0	288.1
14	Market risk	1,994.1	1,851.9	2,790.6	938.7
15	Operational risk	6,603.4	6,459.9	6,459.9	—