

**Financial Highlights under Japanese GAAP
for the Six Months Ended September 30, 2006**

Mitsubishi UFJ Financial Group, Inc.

November 20, 2006

The exhibits related thereto contain forward-looking statements and other information relating to MUFG (such statements and information are hereafter referred to as the “Forward-Looking Statements”) which are not historical facts and include, reflect or are otherwise based upon, among other things, MUFG’s current forecasts, views, policies, business strategies, targets, expectations, assumptions and evaluations with respect to general economic conditions, the result of operations, financial conditions, its management in general and other future events.

Some Forward-Looking Statements represent targets that MUFG’s management will strive to achieve through the successful implementation of MUFG’s business strategies. Accordingly, they are inherently susceptible to uncertainties, risks and changes in circumstances and are not guarantees of future performances. MUFG may not be successful in implementing its business strategy, and actual results may differ materially, for a wide range of possible reasons.

For information on the major factors that could cause these differences, please see MUFG’s latest annual report or other disclosures publicly available.

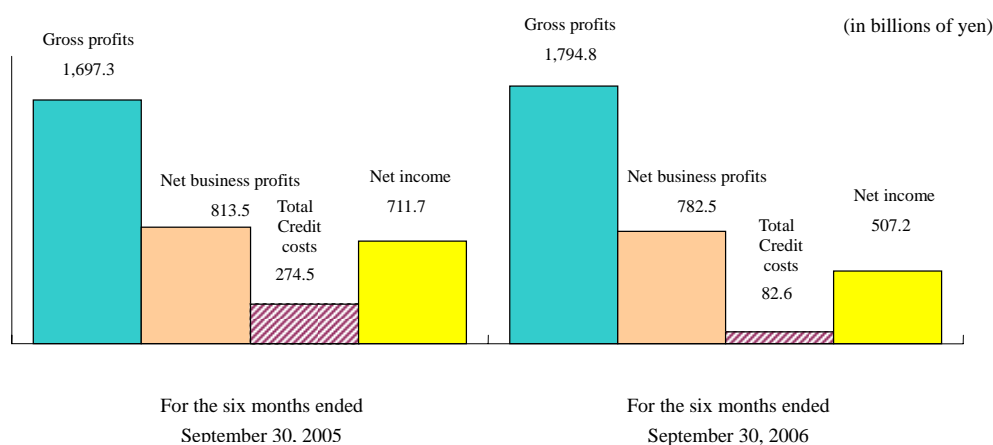
In light of the many risks, uncertainties and possible changes, you are advised not to put undue reliance on the Forward-Looking Statements. MUFG is under no obligation – and expressly disclaim any obligation – to update or alter the Forward-Looking Statements, except as may be required by any applicable laws and regulations or stock exchange rules.

1. Highlights of Consolidated Statements of Operations

Consolidated gross profit increased ¥97.5 billion compared to the previous interim period of fiscal 2005, mainly due to increased fees from investment related businesses and due to the increase in consolidated subsidiaries. This increase was partially offset by the decline in net gains (losses) on debt securities of ¥65.7 billion compared to the previous interim period.

Owing to the increase in consolidated subsidiaries, expenses increased by ¥128.4 billion compared to the previous interim period. As a result consolidated net business profit for the interim period of fiscal 2006 was ¥782.5 billion, a decrease of ¥30.9 billion compared to the previous interim period.

Consolidated net income was ¥507.2 billion, a decrease of ¥204.4 billion compared to the previous interim period. This was mainly due to the decline of ¥211.8 billion in the reversal of allowances for loan losses which was accounted for as extraordinary gains.



Highlights of Consolidated Statements of Operations [Consolidated]

(in billions of yen)

	Six months ended September 30, 2005 (A)	Six months ended September 30, 2006 (B)	(B) - (A)
1 Gross profits before credit costs for trust accounts	1,697.3	1,794.8	97.5
2 Net interest income	857.9	945.6	87.6
3 Trust fees before credit costs for trust accounts	65.7	79.4	13.7
4 Net fees and commissions	484.0	557.4	73.3
5 Total of net trading profits and net other business income	289.5	212.3	(77.2)
6 Net gains (losses) on debt securities	51.2	(14.5)	(65.7)
7 General and administrative expenses	883.7	1,012.2	128.4
8 Amortization of goodwill	-	4.4	4.4
9 Net business profits before credit costs for trust accounts and provision for general allowance for loan losses	813.5	782.5	(30.9)
10 Net business profits before credit costs for trust accounts, provision for general allowance for loan losses and amortization of Goodwill	813.5	787.0	(26.4)
11 Credit costs for trust accounts	(0.9)	(0.0)	0.8
12 Credit related costs	(73.4)	(54.2)	19.1
13 Total of net gains (losses) on equity securities and losses on write down of equity securities	30.7	13.7	(16.9)
14 Other net non-recurring gains (losses)	(33.6)	(78.4)	(44.8)
15 Ordinary profit	736.3	663.5	(72.8)
16 Net extraordinary gains	324.4	170.7	(153.6)
17 Reversal of allowance for loan losses	348.8	136.9	(211.8)
18 Total of income taxes-current and income taxes-deferred	321.7	293.0	(28.7)
19 Minority interests	27.2	34.0	6.8
20 Net income	711.7	507.2	(204.4)
21 Total credit costs	274.5	82.6	(191.8)

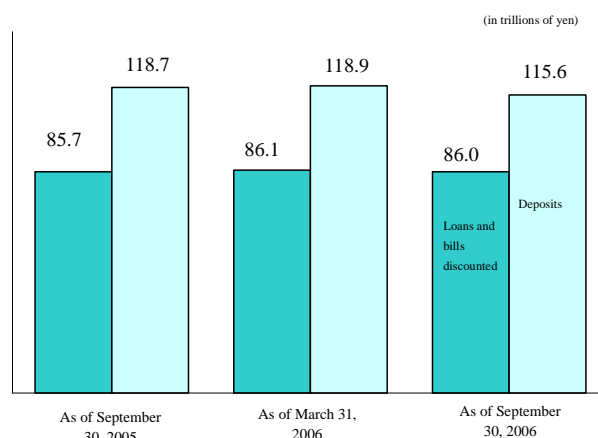
The financial results for the six months ended September 30, 2005 are the sum of the former Mitsubishi Tokyo Financial Group and former UFJ Holdings.

2. Highlights of Consolidated Balance Sheets

◇ Loans and Deposits

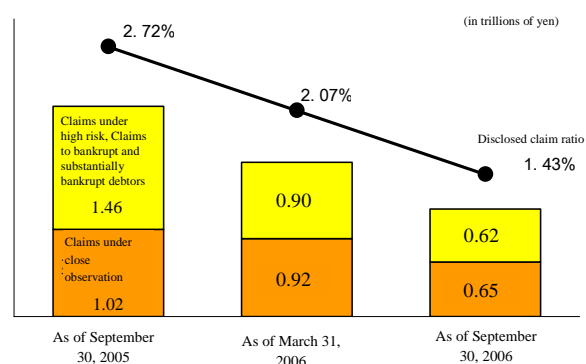
Loans and bills discounted (including trust accounts) was ¥86.0 trillion, which is basically unchanged compared to the end of fiscal 2005. The decreases in lending by domestic branches were offset by increases in lending by overseas branches.

Deposits were ¥115.6 trillion, a decrease of ¥3.3 trillion compared to the end of fiscal 2005. This decrease was mainly caused by the decrease in ordinary and checking accounts due to the rising interest rate environment.



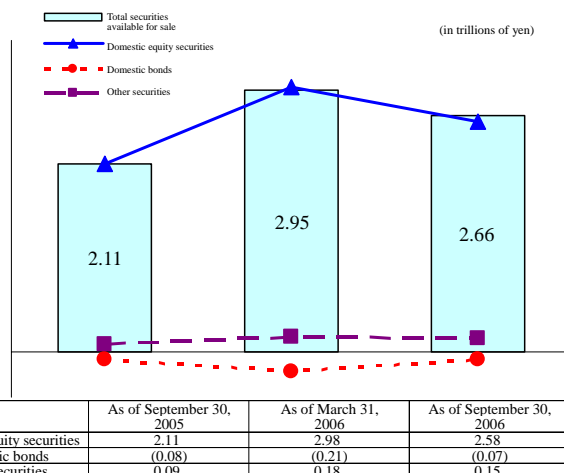
◇ Non-performing loans

Disclosed claims ratio was 1.43%, representing a decline of 0.64 points compared to the end of fiscal 2005. The upgrades of borrowers' credit ratings resulting from improvements in their business performance, which exceeded newly-arising (downgrade of borrowers' credit ratings) non-performing loans, and progress in the disposal of non-performing loans contributed to this decline in disclosed claims ratio.

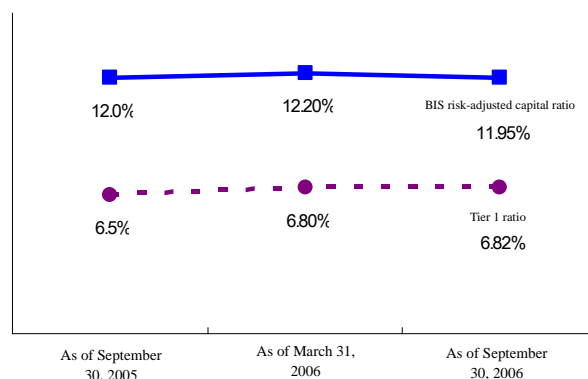


◇ Net unrealized gains (losses) on securities

Net unrealized gains (losses) on securities available for sale were ¥2.66 trillion, a decrease of ¥0.28 trillion compared to the end of fiscal 2005. The decrease in net unrealized gains on equities, due to the general weak performance of equity markets, were partially offset by the decrease in net unrealized losses on debt securities due to the decline in long-term interest rates.



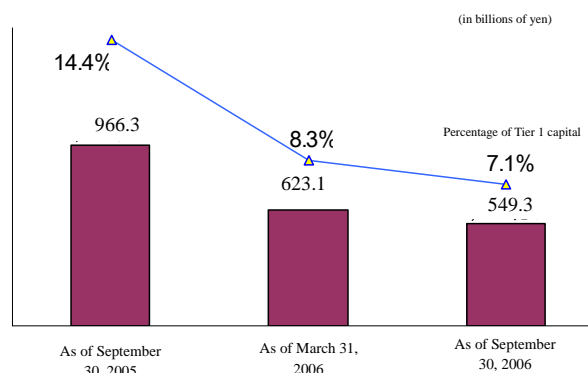
- ◇ **BIS Risk-Adjusted Capital Ratio (Prompt Report)**
Despite the share buy back of ¥287.0 billion in May 2006 (implemented at the time of our repayment of public funds), as of September 30, 2006, the consolidated BIS risk-adjusted capital ratio and the Tier 1 ratio were both maintained at adequate levels of 11.95% and 6.82% respectively, mainly due to the increase in capital from recorded net income.



The ratio as of September 30, 2005 is derived from former MTFG and former UFJHD consolidated figures. (Taking into account the deduction of MTFG's purchase of UFJ Bank's shares of 700 billion yen and recalculation of Tier 2.)

- ◇ **Deferred tax assets**

Net deferred tax assets were ¥549.3 billion (representing 7.1% of Tier 1 capital), a decline of ¥73.8 billion from the end of fiscal 2005. This decline was a result of progress in the elimination of retained losses due to recorded profits, which were partially offset by the decrease in unrealized gains of marketable securities in deferred tax liabilities, caused by the fall in equity prices.



3. Forecast of Earnings for the Fiscal Year Ending March 31, 2007

Mainly because the large gain from the reversal of allowance for loan losses that was recorded in fiscal 2005 is not expected to recur in fiscal 2006, we forecast consolidated net income in fiscal 2006 to be ¥870 billion, a decline of ¥311 billion compared to fiscal 2005.

Regarding dividends, for fiscal 2006 we forecast annual dividends per common share of ¥10,000 (which includes a interim dividend of ¥5,000 per common share and a fiscal year end dividend of ¥5,000 per common share). For further information regarding our dividend forecasts, please refer to our news release dated November 20, 2006 titled, "Revision of Dividend Forecast for the Fiscal Year Ending March 31, 2007".

Forecasted Earnings for the Fiscal Year Ending March 31, 2007

<Consolidated>

(in billions of yen)

	For the year ending March 31, 2007	For the six months ended September 30, 2006	For the year ended March 31, 2006	For the six months ended September 30, 2005
1 Ordinary income	5,800.0	2,840.2	5,407.7	2,515.0
2 Ordinary profit	1,500.0	663.5	1,433.3	736.3
3 Net income	870.0	507.2	1,181.7	711.7
4 Dividends per common share (in yen per share)	10,000 (Annual)	5,000 (Interim)	7,000 (Annual)	3,000 (Interim)

<Reference : Total of the 2 Banks>

(in billions of yen)

	For the year ending March 31, 2007	For the six months ended September 30, 2006	For the year ended March 31, 2006	For the six months ended September 30, 2005
5 Net business profits before credit costs for trust accounts and provision for formula allowance for loan losses	1,200.0	548.9	1,340.4	699.3
6 Bank of Tokyo-Mitsubishi UFJ	950.0	426.1	1,087.7	579.6
7 Mitsubishi UFJ Trust Bank	250.0	122.8	252.6	119.7
8 Ordinary profit	1,130.0	485.6	1,178.4	568.0
9 Bank of Tokyo-Mitsubishi UFJ	875.0	358.3	935.7	478.6
10 Mitsubishi UFJ Trust Bank	255.0	127.2	242.7	89.3
11 Net income	845.0	535.4	1,282.2	712.5
12 Bank of Tokyo-Mitsubishi UFJ	665.0	422.9	1,114.0	637.7
13 Mitsubishi UFJ Trust Bank	180.0	112.5	168.1	74.8

Highlights of Consolidated Statements of Operations [Consolidated]

(in billions of yen)

		Six months ended September 30, 2005 (A)	Six months ended September 30, 2006 (B)	(B) - (A)
1	Gross profits =2+6	1,696.4	1,794.7	98.3
2	Gross profits before credit costs for trust accounts	1,697.3	1,794.8	97.5
3	Net interest income	857.9	945.6	87.6
4	Trust fees =5+6	64.8	79.3	14.5
5	Trust fees before credit costs for trust accounts	65.7	79.4	13.7
6	Credit costs for trust accounts	(0.9)	(0.0)	0.8
7	Net fees and commissions	484.0	557.4	73.3
8	Total of net trading profits and net other business income	289.5	212.3	(77.2)
9	Net trading profits	80.8	133.8	53.0
10	Net other business income	208.7	78.4	(130.2)
11	Net gains on foreign exchange transactions	143.7	116.4	(27.3)
12	Net gains (losses) on debt securities	51.2	(14.5)	(65.7)
13	Net gains (losses) on derivatives (two banks combined*)	(0.6)	(50.8)	(50.2)
14	General and administrative expenses	883.7	1,012.2	128.4
15	Personnel expenses (two banks combined*)	205.3	210.4	5.1
16	Non-personnel expenses (two banks combined*)	350.0	372.8	22.7
17	Taxes (two banks combined*)	34.0	32.8	(1.2)
18	Amortization of goodwill	-	4.4	4.4
19	Provision for general allowance for loan losses	[436.4]	[110.3]	[(326.0)]
20	Net business profits =1-14+19	812.6	782.5	(30.1)
21	Net business profits before credit costs for trust accounts and provision for general allowance for loan losses =2-14	813.5	782.5	(30.9)
22	Net business profits before credit costs for trust accounts, provision for general allowance for loan losses and amortization of Goodwill =2-14+18	813.5	787.0	(26.4)
23	Credit related costs	(73.4)	(54.2)	19.1
24	Losses on loan write-offs	(72.8)	(67.6)	5.2
25	Provision for specific allowance for loan losses	— [(88.1)]	[26.6]	[114.8]
26	Provision for allowance for loans to specific foreign borrowers	— [0.5]	[(0.0)]	[(0.6)]
27	Other credit related costs	(0.5)	13.4	13.9
28	Total of net gains (losses) on equity securities and losses on write down of equity securities	30.7	13.7	(16.9)
29	Net gains (losses) on equity securities	40.0	31.6	(8.4)
30	Losses on write down of equity securities	(9.3)	(17.8)	(8.5)
31	Other net non-recurring gains (losses)	(33.6)	(78.4)	(44.8)
32	Amortization of Goodwill	(6.1)	2.1	8.2
33	Ordinary profit	736.3	663.5	(72.8)
34	Net extraordinary gains	324.4	170.7	(153.6)
35	Gains on loans written-off	61.7	78.7	17.0
36	Reversal of allowance for loan losses	348.8	136.9	(211.8)
37	Losses on impairment of fixed assets	(32.9)	(6.2)	26.6
38	Income before income taxes and others	1,060.8	834.3	(226.4)
39	Total of income taxes-current and income taxes-deferred	321.7	293.0	(28.7)
40	Income taxes-current	62.5	51.1	(11.4)
41	Income taxes-deferred	259.2	241.8	(17.3)
42	Minority interests	27.2	34.0	6.8
43	Net income	711.7	507.2	(204.4)
44	Total reversal of allowance for loan losses =19+25+26	348.8	136.9	(211.8)
45	Total credit costs =6+24+27+44	274.5	82.6	(191.8)

* "Two banks" means The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mitsubishi UFJ Trust and Banking Corporation.

Operating Results of Significant Subsidiaries for fiscal year ended March 31, 2006

	Gross profits	General and administrative expenses	Net business profits before credit costs	Net income
46	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	942.5	516.3	426.1
47	The Mitsubishi UFJ Trust and Banking Corporation	222.5	99.7	122.8
48	Mitsubishi UFJ Securities Co., Ltd. and Consolidated Subsidiaries	110.6	87.0	23.5
49	UnionBanCal Corporation and Consolidated Subsidiaries	156.8	98.7	58.0
50	UFJ NICOS Co., Ltd. and Consolidated Subsidiaries	174.2	100.3	73.9
				(56.4)

The financial results for the six months ended September 30, 2005 are the sum of the former Mitsubishi Tokyo Financial Group and former UFJ Holdings.

Highlights of Consolidated Balance Sheets [Consolidated]

(in billions of yen and %)

	As of March 31, 2006(A)	As of September 30, 2006(B)	(B) - (A)
1 Loans and bills discounted (Consolidated)	85,763.1	85,671.1	(91.9)
2 Loans and bills discounted (Consolidated including Trust accounts)	86,113.1	86,007.8	(105.2)
3 Domestic loans (except for loans from the two Banks to MUFG)	70,921.2	69,980.5	(940.7)
4 Residential mortgage	18,244.7	17,406.5	(838.1)
5 Loans booked at overseas branches	8,605.9	9,381.1	775.1
6 Domestic subsidiaries (UFJ NICOS Co., Ltd.)	947.2	1,025.9	78.6
7 Overseas subsidiaries (UnionBanCal Corporation)	3,989.8	4,001.5	11.6
8 Investment securities	48,508.9	47,766.4	(742.5)
9 Domestic equity securities	8,412.5	7,932.7	(479.8)
10 Domestic bonds	31,238.4	30,119.7	(1,118.6)
11 Japanese Government Bonds (two banks combined*)	25,276.1	24,194.6	(1,081.4)
12 Deposits	118,988.0	115,602.9	(3,385.1)
13 Two banks combined *	112,981.8	109,555.7	(3,426.1)
14 Individuals	60,217.8	59,906.7	(311.0)
15 Corporations and others	42,719.4	39,309.6	(3,409.8)
16 Overseas branches	9,270.4	9,548.8	278.3

* "Two banks" means The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mitsubishi UFJ Trust and Banking Corporation.

Net unrealized gains (losses) on Securities [Consolidated]

	As of March 31, 2006(A)	As of September 30, 2006(B)	(B) - (A)
17 Total securities available for sale	2,953.2	2,666.8	(286.4)
18 Domestic equity securities	2,980.8	2,582.1	(398.6)
19 Domestic bonds	(210.1)	(71.0)	139.1
20 Japanese Government Bonds	(188.3)	(62.8)	125.5

Risk-Adjusted Capital Ratio Based on Standards of the BIS [Consolidated] (Prompt Report)

	As of March 31, 2006(A)	As of September 30, 2006(B) (Prompt Report)	(B) - (A)
21 BIS risk-adjusted capital ratio	12.20%	11.95%	(0.24%)
22 Tier 1 ratio	6.80%	6.82%	0.02%

Non performing loans ("NPL") under the Financial Reconstruction Law ("FRL")

Historical data for Non performing loans under the FRL(2 Banks combined including Trust accounts) (in billions of yen and %)

	As of March 31, 2005(A)	As of September 30, 2005(A)	As of March 31, 2006(A)	As of September 30, 2006(B)	(B) - (A)
23 Bankrupt or De fact Bankrupt	281.4	195.6	152.3	125.0	(27.3)
24 Doubtful	1,406.8	1,266.6	749.4	495.9	(253.5)
25 Special attention	1,321.6	1,023.9	924.1	656.9	(267.2)
26 Total Non performing loans (A)	3,009.8	2,486.2	1,825.9	1,277.8	(548.0)
27 Total Loans (B)	90,271.8	91,154.5	88,098.2	88,740.8	642.5
28 NPL Ratio (A/B)	3.33%	2.72%	2.07%	1.43%	(0.64%)

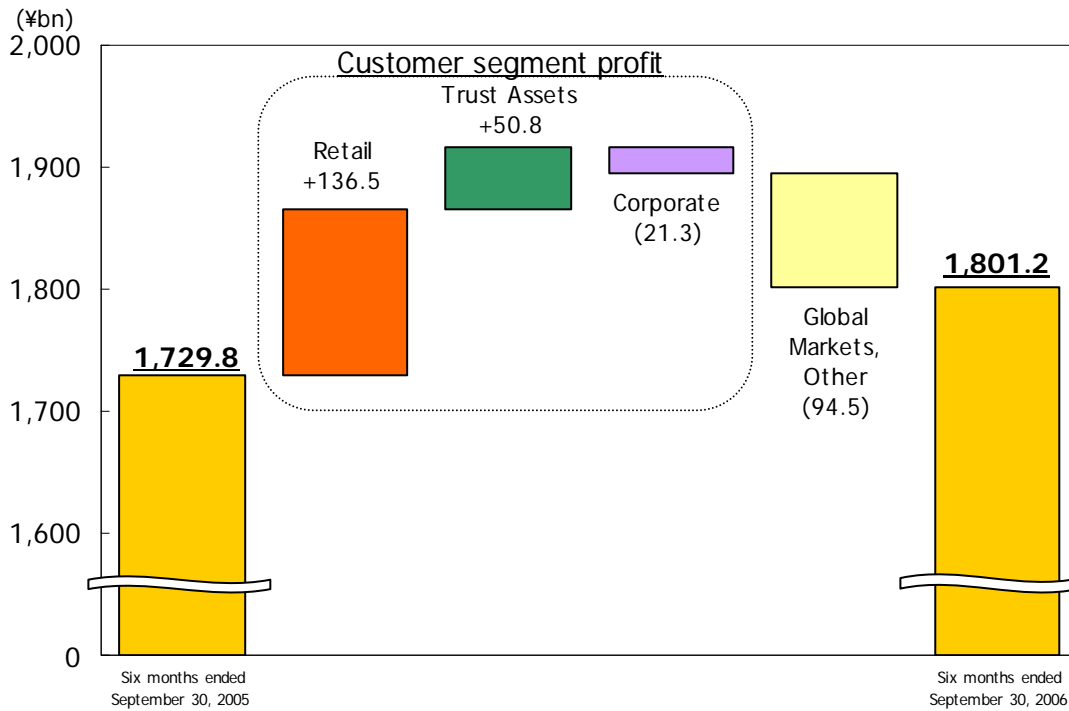
Historical data for coverage ratio used in computing allowance on Self-assessment of asset quality
(2 Banks and UFJ Strategic Partner, Co., Ltd. combined. Excluding Trust accounts)

	As of March 31, 2005(A)	As of September 30, 2005(A)	As of March 31, 2006(A)	As of September 30, 2006(B)	(B) - (A)
29 Normal	0.17%	0.16%	0.19%	0.17%	(0.02%)
30 Requiring close monitoring	16.97%	11.73%	10.86%	10.19%	(0.67%)
31 Other	11.44%	5.46%	5.17%	6.40%	1.23%
32 Special attention under the FRL	31.01%	27.77%	25.17%	25.24%	0.07%
33 Potentially bankrupt (excluding secured portion)	68.96%	72.40%	69.39%	65.60%	(3.79%)

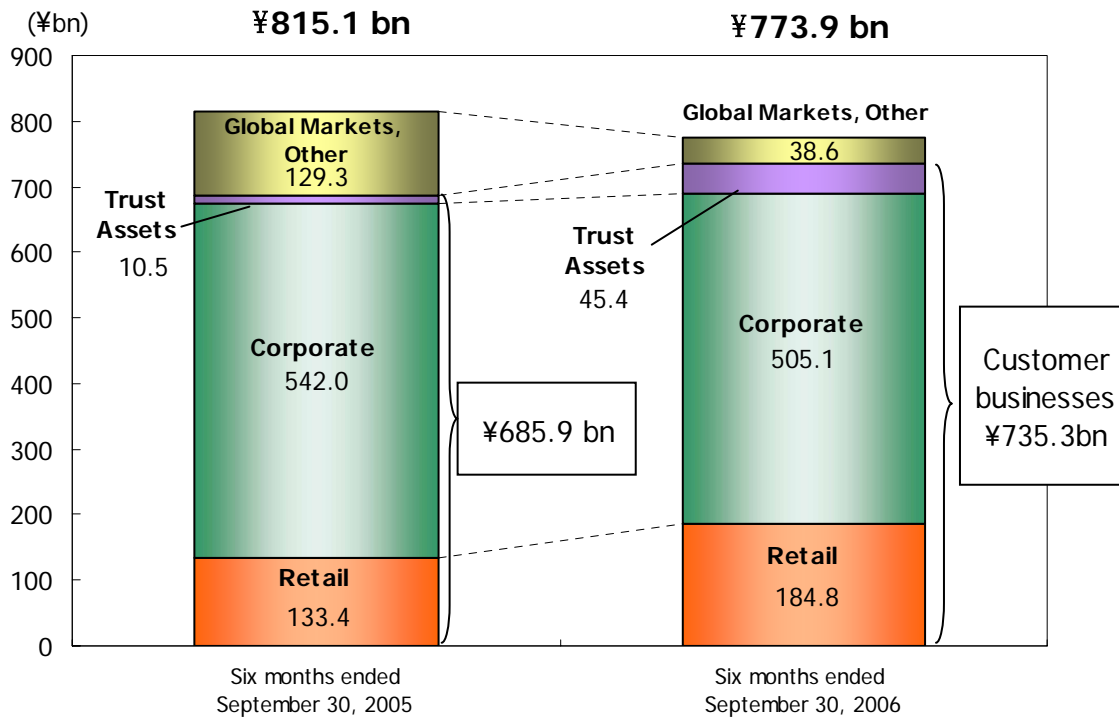
Note: Tables above include loans, foreign exchanges, customers' liabilities for acceptance and guarantees, credit related suspense accounts and accrued interests in accordance with the FRL.

Reference: Segmental Results (managerial accounts basis)

<Breakdown of changes in gross profits>



<Net operating profits by segment>



Net operating profits: Consolidated net business profits before consolidation adjustments (managerial accounts basis)