

**Financial Highlights under Japanese GAAP  
for the Fiscal Year Ended March 31, 2007**

Mitsubishi UFJ Financial Group, Inc.

May 23, 2007

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.

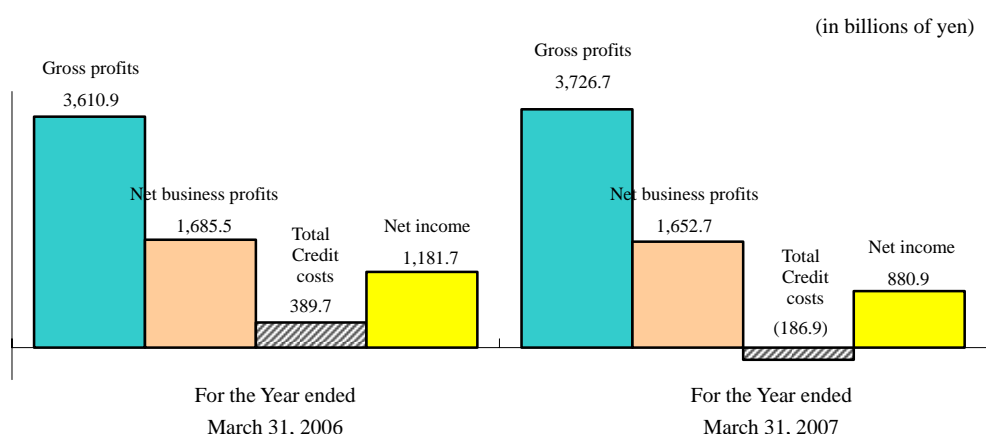
In light of the many risks, uncertainties and possible changes, you are advised not to put undue reliance on the Forward-Looking Statements. MUFG is under no obligation – and expressly disclaim any obligation – to update or alter the Forward-Looking Statements, except as may be required by any applicable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

## 1. Highlights of Consolidated Statements of Operations

Consolidated gross profits increased ¥115.8 billion compared to fiscal 2005, mainly due to increased fees from investment trust related businesses and due to the increase in profits from subsidiaries newly consolidated in October 2005, as the profits of the subsidiaries for the full fiscal year were reflected in fiscal 2006.

Owing to the increase in consolidated subsidiaries, expenses increased by ¥148.7 billion compared to fiscal 2005. As a result, consolidated net business profit for fiscal 2006 was ¥1,652.7 billion, a decrease of ¥32.8 billion compared to fiscal 2005.

Consolidated net income was ¥880.9 billion, a decrease of ¥300.7 billion compared to fiscal 2005. This was mainly due to ¥186.9 billion of total credit costs in fiscal 2006 compared to a gain (reversal of total credit costs) of ¥389.7 billion in fiscal 2005.



### Highlights of Consolidated Statements of Operations [Consolidated]

(in billions of yen)

	Fiscal year ended March 30, 2006 (A)	Fiscal year ended March 30, 2007 (B)	(B) - (A)
1 Gross profits	3,610.9	3,726.7	115.8
before credit costs for trust accounts			
2 Net interest income	1,857.9	1,904.4	46.5
3 Trust fees	147.5	153.0	5.5
before credit costs for trust accounts			
4 Net fees and commissions	1,099.7	1,158.6	58.9
5 Total of net trading profits and net other business income	505.7	510.6	4.8
6 General and administrative expenses	1,925.3	2,074.0	148.7
7 Amortization of goodwill	-	9.0	9.0
8 Net business profits before credit costs for trust accounts and provision for general allowance for loan losses	1,685.5	1,652.7	(32.8)
9 Net business profits	1,685.5	1,661.8	(23.7)
before credit costs for trust accounts, provision for general allowance for loan losses and amortization of goodwill			
10 Credit costs for trust accounts	(0.9)	(0.1)	0.8
11 Credit related costs	(218.2)	(196.1)	22.1
12 Total of net gains (losses) on equity securities and losses on write down of equity securities	60.9	127.1	66.2
13 Profit (Loss) from investments in affiliates	20.2	(80.6)	(100.8)
14 Other net non-recurring gains (losses)	(114.2)	(45.9)	68.2
15 Ordinary profit	1,433.3	1,457.0	23.7
16 Net extraordinary gains	634.2	51.6	(582.6)
17 Reversal of allowance for loan losses	608.9	9.3	(599.6)
18 Total of income taxes-current and income taxes-deferred	786.3	528.8	(257.5)
19 Minority interests	99.3	98.9	(0.4)
20 Net income	1,181.7	880.9	(300.7)
21 Total credit costs (negative amount express expenses)	389.7	(186.9)	(576.6)

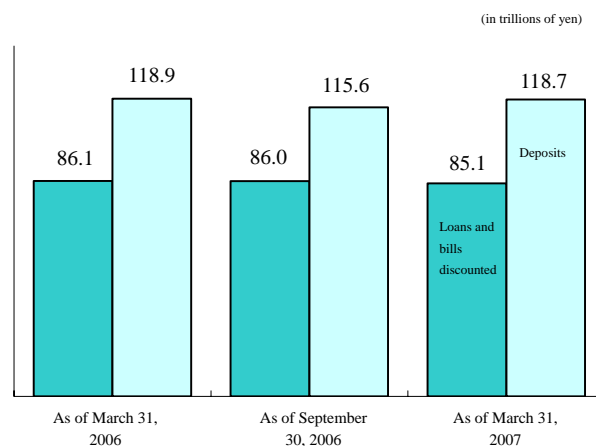
The financial results for the fiscal year ended March 31, 2006 are the sum of the MUFG and former UFJ Holdings.

## 2. Highlights of Consolidated Balance Sheets

### ◇ Loans and Deposits

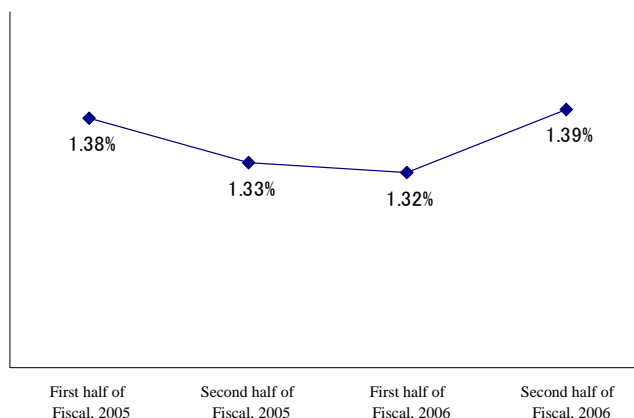
Loans and bills discounted (including trust accounts) was ¥85.1 trillion, a decrease of ¥0.9 trillion compared to March 31, 2006, (a decrease of ¥0.8 trillion compared to September 30, 2006). The decreases in lending at domestic offices were partially offset by increases in lending at overseas offices.

Deposits were ¥118.7 trillion, basically unchanged compared to March 31, 2006, (an increase of ¥3.1 trillion compared to September 30, 2006).



### ◇ Loan/Deposit interest rate spread (Sum of two banks\*, domestic business segment)

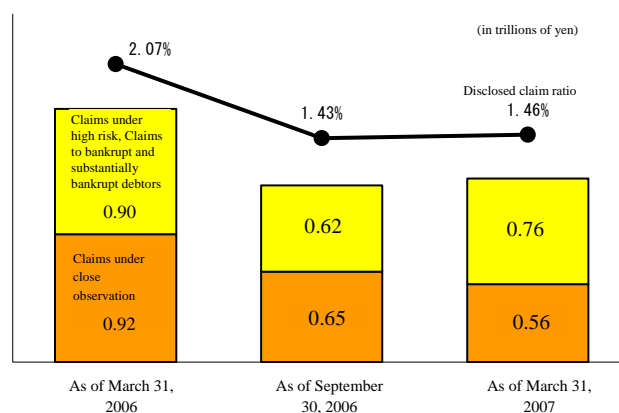
The average interest rate spread between domestic loans and domestic deposits increased to 1.39% in the second half of fiscal 2006, from 1.32% in the first half of fiscal 2006, mainly due to rising interest rate policy of the Bank of Japan.



### ◇ Non-performing loans (Sum of two banks\* )

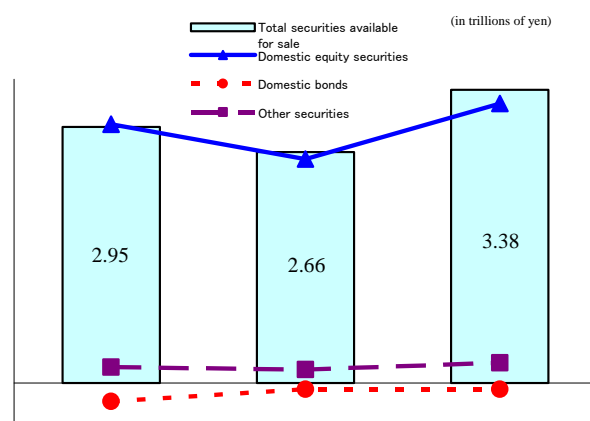
Disclosed claims ratio under the Financial Reconstruction Law was 1.46%, representing a decline of 0.60 points compared to March 31, 2006, (basically unchanged compared to September 30, 2006). The upgrades of borrowers' credit ratings resulting from improvements in their business performance, and progress in the disposal of non-performing loans contributed to this decline in disclosed claims ratio.

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



◇ Net unrealized gains (losses) on securities

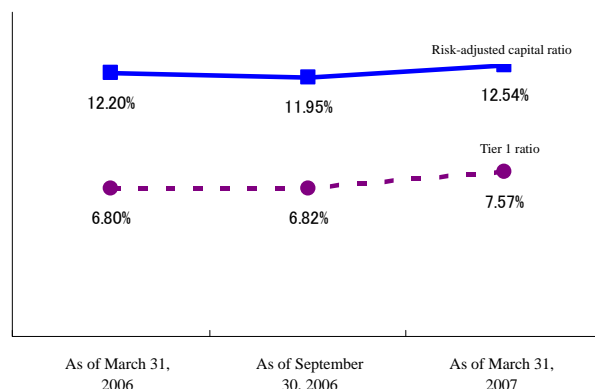
Net unrealized gains (losses) on securities available for sale were ¥3.38 trillion, a increase of ¥0.43 trillion compared to March 31, 2006, (an increase of ¥0.71 trillion compared to September 30, 2006). This was due to the increase in net unrealized gains on equities, and the decrease in net unrealized losses on debt securities.



	As of March 31, 2006	As of September 30, 2006	As of March 31, 2007
Domestic equity securities	2.98	2.58	3.22
Domestic bonds	(0.21)	(0.07)	(0.07)
Other securities	0.18	0.15	0.23

◇ Risk-Adjusted Capital Ratio (Preliminary Basis)

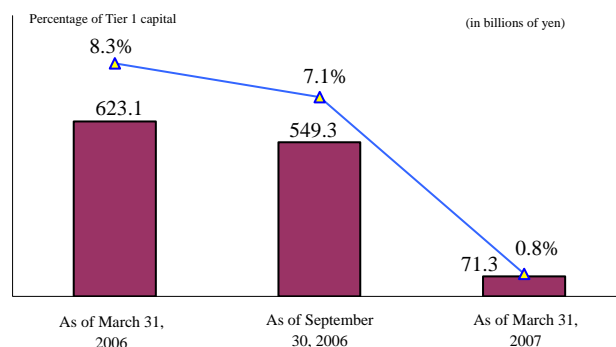
As of March 31, 2007, risk-adjusted capital ratio is calculated based on the Basel 2 Standards. The consolidated risk-adjusted capital ratio and the Tier 1 ratio were 12.54% and 7.57% respectively, reflecting the further strengthening of our financial base.



Risk-adjusted capital ratio as of March 31, 2006 and as of September 30, 2006 were calculated based on the former standards, and that as of March 31, 2007 was calculated based on the Basel 2 Standards

◇ Deferred tax assets

Net deferred tax assets were ¥71.3 billions (representing 0.8% of Tier 1 capital), a decline of ¥551.7 billion from March 31, 2006, (a decline of ¥477.9 billion from September 30, 2006). This decline was a result of progress in the elimination of retained losses due to recorded profits and the increase in unrealized gains of marketable securities in deferred tax liabilities .



### 3. Forecast of Earnings for the Fiscal Year Ending March 31, 2008

In fiscal 2007, though we forecast an increase of approximately ¥90 billion in aggregate amount of net business profits in our two subsidiary banks (The Bank of Tokyo- Mitsubishi UFJ, Ltd. and Mitsubishi UFJ Trust and Banking Corporation) compared to fiscal 2006, we forecast consolidated net income in fiscal 2007 to be ¥800 billion, a decline of approximately ¥80 billion compared to fiscal 2006, mainly because credit related costs are expected to increase, while capital gains on equities and gains on loans written-off are expected to decrease.

Regarding dividends, for fiscal 2006 we forecast annual dividends per common share of ¥11,000 (which includes a fiscal year end dividend of ¥6,000 per common share) and for fiscal 2007, annual dividends per common share of ¥14,000 (which includes a interim dividend of ¥7,000 per common share and a fiscal year end dividend of ¥7,000 per common share). For further information regarding our dividend forecasts, please refer to our news release dated May 23, 2007 titled, "Dividends per share of Common Stock for the Fiscal Year Ended March 31, 2007, and Annual Dividend Forecast for the Fiscal Year Ending March 31, 2008."

#### Forecasted Earnings for the Fiscal Year Ending March 31, 2008

<Consolidated>

(in billions of yen)

	For the year ending March 31, 2008	For the six months ending September 30, 2007	For the year ended March 31, 2007	For the six months ended September 30, 2006
1 Ordinary income	6,700.0	3,300.0	6,094.0	2,840.2
2 Ordinary profit	1,500.0	700.0	1,457.0	663.5
3 Net income	800.0	350.0	880.9	507.2
4 Dividends per common share (in yen per share)	14,000 (Annual)	7,000 (Interim)	11,000 (Annual)	5,000 (Interim)

<Reference : Total of the 2 Banks>

(in billions of yen)

	For the year ending March 31, 2008	For the six months ending September 30, 2007	For the year ended March 31, 2007	For the six months ended September 30, 2006
5 Net business profits before credit costs for trust accounts and provision for formula allowance for loan losses	1,265.0	565.0	1,174.0	548.9
6 Bank of Tokyo-Mitsubishi UFJ	1,025.0	455.0	899.7	426.1
7 Mitsubishi UFJ Trust and Banking Corporation	240.0	110.0	274.3	122.8
8 Ordinary profit	1,095.0	490.0	1,112.9	485.6
9 Bank of Tokyo-Mitsubishi UFJ	885.0	395.0	834.5	358.3
10 Mitsubishi UFJ Trust and Banking Corporation	210.0	95.0	278.3	127.2
11 Net income	655.0	295.0	880.9	535.4
12 Bank of Tokyo-Mitsubishi UFJ	530.0	235.0	669.2	422.9
13 Mitsubishi UFJ Trust and Banking Corporation	125.0	60.0	211.6	112.5

## Highlights of Consolidated Statements of Operations [Consolidated]

(in billions of yen)

		Fiscal year ended March 31, 2006 (A)	Fiscal year ended March 31, 2007 (B)	(B) - (A)
1	Gross profits =2+6	3,609.9	3,726.6	116.6
2	Gross profits before credit costs for trust accounts	3,610.9	3,726.7	115.8
3	Net interest income	1,857.9	1,904.4	46.5
4	Trust fees =5+6	146.6	152.9	6.3
5	Trust fees before credit costs for trust accounts	147.5	153.0	5.5
6	Credit costs for trust accounts	(0.9)	(0.1)	0.8
7	Net fees and commissions	1,099.7	1,158.6	58.9
8	Total of net trading profits and net other business income	505.7	510.6	4.8
9	Net trading profits	161.5	315.0	153.4
10	Net other business income	344.1	195.5	(148.5)
11	Net gains on foreign exchange transactions	341.2	220.7	(120.4)
12	Net gains (losses) on debt securities	(29.4)	(18.8)	10.6
13	Net gains (losses) on derivatives (two banks combined*)	11.3	(48.7)	(60.1)
14	General and administrative expenses	1,925.3	2,074.0	148.7
15	Personnel expenses (two banks combined*)	414.0	415.1	1.1
16	Non-personnel expenses (two banks combined*)	724.0	770.1	46.0
17	Taxes (two banks combined*)	69.1	68.7	(0.4)
18	Amortization of goodwill	-	9.0	9.0
19	Provision for general allowance for loan losses	[526.4]	[158.4]	[(368.0)]
20	Net business profits =1-14+19	1,684.6	1,652.6	(32.0)
21	Net business profits before credit costs for trust accounts and provision for general allowance for loan losses =2-14	1,685.5	1,652.7	(32.8)
22	Net business profits =2-14+18 before credit costs for trust accounts, provision for general allowance for loan losses and amortization of goodwill	1,685.5	1,661.8	(23.7)
23	Credit related costs	(218.2)	(196.1)	22.1
24	Losses on loan write-offs	(153.7)	(193.3)	(39.6)
25	Provision for specific allowance for loan losses	[81.9]	[(149.1)]	[(231.0)]
26	Provision for allowance for loans to specific foreign borrowers	[0.5]	[0.0]	[(0.5)]
27	Other credit related costs	(64.5)	(2.7)	61.7
28	Total of net gains (losses) on equity securities and losses on write down of equity securities	60.9	127.1	66.2
29	Net gains (losses) on equity securities	96.6	165.9	69.2
30	Losses on write down of equity securities	(35.7)	(38.7)	(3.0)
31	Profit (Loss) from investments in affiliates	20.2	(80.6)	(100.8)
32	Other net non-recurring gains (losses)	(114.2)	(45.9)	68.2
33	Amortization of goodwill	(16.2)	3.2	19.5
34	Ordinary profit	1,433.3	1,457.0	23.7
35	Net extraordinary gains	634.2	51.6	(582.6)
36	Gains on loans written-off	100.8	111.2	10.3
37	Reversal of allowance for loan losses	608.9	9.3	(599.6)
38	Losses on impairment of fixed assets	(43.7)	(18.6)	25.0
39	Income before income taxes and others	2,067.5	1,508.7	(558.8)
40	Total of income taxes-current and income taxes-deferred	786.3	528.8	(257.5)
41	Income taxes-current	140.9	115.0	(25.9)
42	Income taxes-deferred	645.3	413.7	(231.6)
43	Minority interests	99.3	98.9	(0.4)
44	Net income	1,181.7	880.9	(300.7)
45	Total (reversal of) allowance for loan losses =19+25+26	608.9	9.3	(599.6)
46	Total credit costs (negative amount express expenses) =6+24+27+45	389.7	(186.9)	(576.6)

\* "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, 2007

	Gross profits	General and administrative expenses	Net business profits before credit costs	Net income	
47	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,956.6	1,056.9	899.7	669.2
48	The Mitsubishi UFJ Trust and Banking Corporation	471.3	197.1	274.3	211.6
49	Mitsubishi UFJ Securities Co., Ltd. and Consolidated Subsidiaries	248.5	183.7	64.8	44.4
50	UnionBanCal Corporation and Consolidated Subsidiaries	320.6	203.7	116.8	88.8
51	Mitsubishi UFJ NICOS Co., Ltd. and Consolidated Subsidiaries (Former UFJ NICOS)	349.2	199.5	149.7	(52.2)

The financial results for the fiscal year ended March 31, 2006 are the sum of the MUFG and former UFJ Holdings.

**Highlights of Consolidated Balance Sheets [Consolidated]**

(in billions of yen and %)

	As of March 31, 2006(A)	As of March 31, 2007(B)	(B) - (A)	
1	Loans and bills discounted (Consolidated)	85,763.1	84,831.9	(931.1)
2	Loans and bills discounted (Consolidated including Trust accounts)	86,113.1	85,150.7	(962.4)
3	Domestic loans (except for loans from the two Banks to MUFG)	70,921.2	67,746.2	(3,175.0)
4	Residential mortgage	18,244.7	17,190.1	(1,054.5)
5	Loans booked at overseas branches	8,605.9	10,131.0	1,525.0
6	Domestic subsidiaries (Mitsubishi UFJ NICOS Co., Ltd (Former UFJ NICOS))	947.2	1,055.8	108.5
7	Overseas subsidiaries (UnionBanCal Corporation )	3,989.8	4,396.7	406.8
8	Investment securities	48,508.9	48,207.6	(301.3)
9	Domestic equity securities	8,412.5	8,401.1	(11.4)
10	Domestic bonds	31,238.4	28,841.9	(2,396.4)
11	Japanese Government Bonds (two banks combined*)	25,276.1	22,917.3	(2,358.8)
12	Other	8,857.9	10,964.4	2,106.5
13	Deposits	118,988.0	118,708.6	(279.4)
14	Two banks combined *	112,981.8	112,041.3	(940.5)
15	Individuals	60,217.8	60,858.3	640.5
16	Corporations and others	42,719.4	40,840.2	(1,879.2)
17	Overseas branches	9,270.4	9,863.0	592.5

\* "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 March 31, 2007(B)	(B) - (A)	
18	Total securities available for sale	2,953.2	3,384.2	430.9
19	Domestic equity securities	2,980.8	3,221.3	240.5
20	Domestic bonds	(210.1)	(70.3)	139.7
21	Japanese Government Bonds	(188.3)	(65.8)	122.5
22	Other	182.5	233.3	50.7

**Risk-Adjusted Capital Ratio Based on the Basel 2 Standards [Consolidated] (Preliminary basis)**

	As of March 31, 2006(C)	As of March 31, 2007(B)	(B) - (A)	
23	Risk-adjusted capital ratio	12.20%	12.54%	0.33%
24	Tier 1 ratio	6.80%	7.57%	0.76%

Note: As of March 31, 2007, risk-adjusted capital ratio is calculated based on the Basel 2 Standards.

**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, 2006(A)	As of September 30, 2006(C)	As of March 31, 2007(B)	(B) - (A)	(B) - (C)	
25	Bankrupt or De fact Bankrupt	152.3	125.0	115.9	(36.3)	(9.0)
26	Doubtful	749.4	495.9	647.9	(101.5)	151.9
27	Special attention	924.1	656.9	562.0	(362.1)	(94.8)
28	Total Non performing loans (A)	1,825.9	1,277.8	1,325.8	(500.0)	48.0
29	Total Loans (B)	88,098.2	88,740.8	90,594.0	2,495.8	1,853.2
30	NPL Ratio (A/B)	2.07%	1.43%	1.46%	(0.60%)	0.02%

Historical data for coverage ratio used in computing allowance on Self-assessment of asset quality

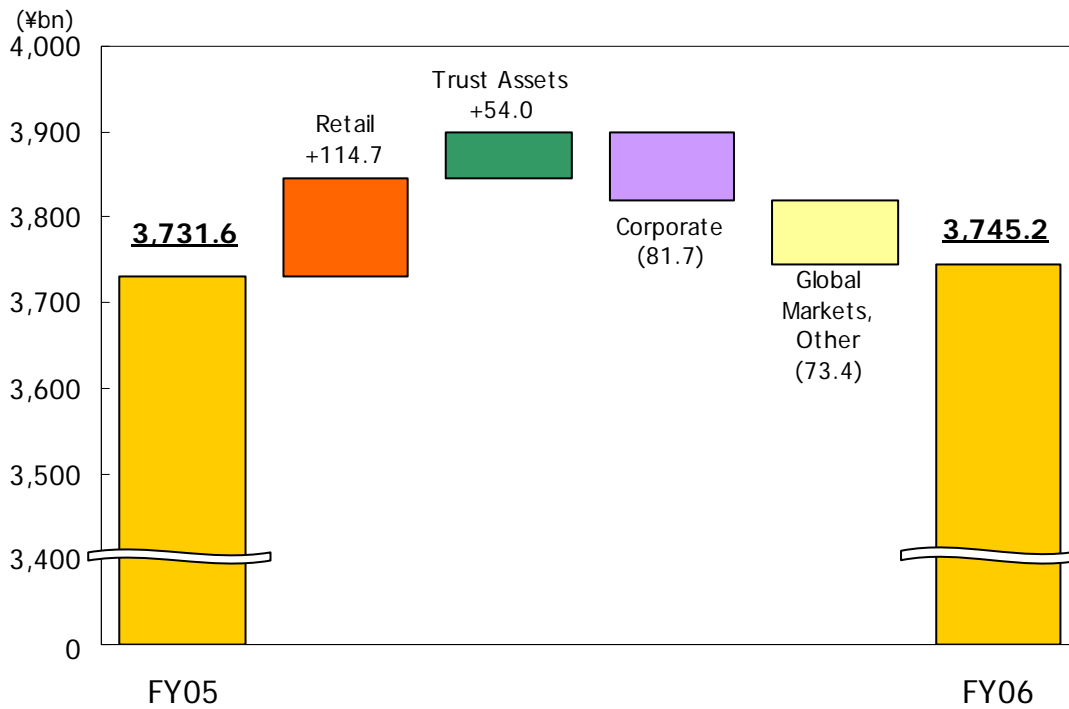
( 2 Banks and UFJ Strategic Partner, Co., Ltd. combined. Excluding Trust accounts)

	As of March 31, 2006(A)	As of September 30, 2006(C)	As of March 31, 2007(B)	(B) - (A)	(B) - (C)	
31	Normal	0.19%	0.17%	0.17%	(0.02%)	-
32	Requiring close monitoring	10.86%	10.19%	7.90%	(2.95%)	(2.28%)
33	Other	5.17%	6.40%	5.20%	0.02%	(1.19%)
34	Special attention under the FRL	25.17%	25.24%	24.45%	(0.71%)	(0.79%)
35	Potentially bankrupt (excluding secured portion)	69.39%	65.61%	72.29%	2.90%	6.67%

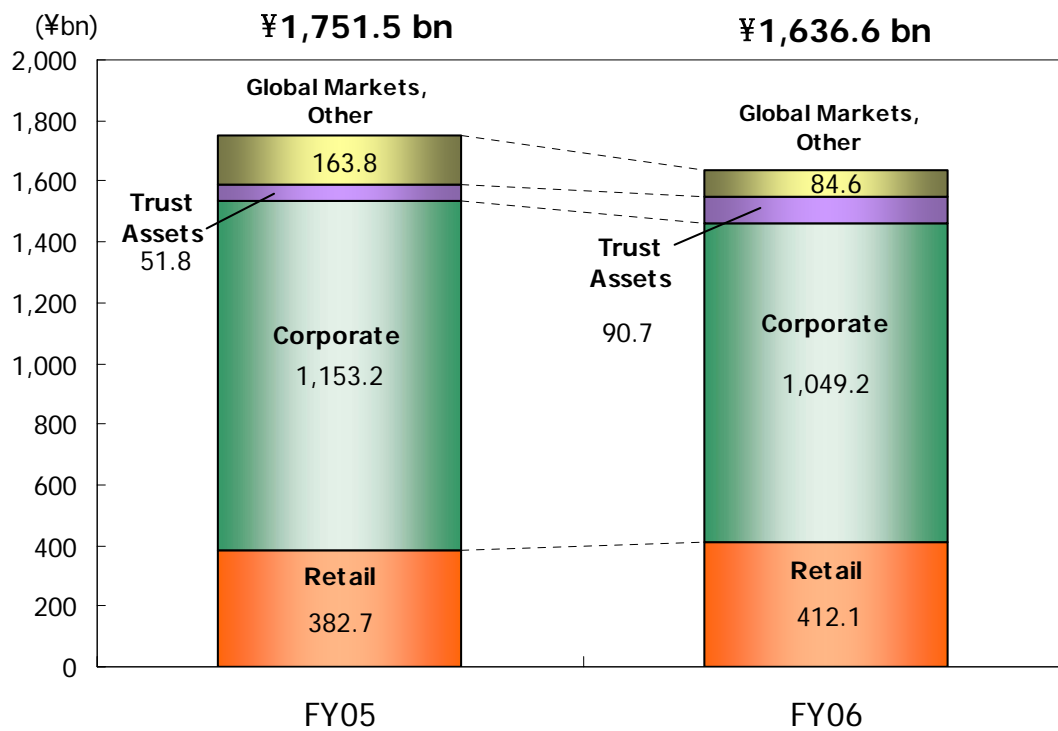
Note: The tables above are in accordance with the FRL. Includes loans, foreign exchange, customers' liabilities for acceptance and guarantees, credit related suspense accounts and accrued interest for up to September 30, 2006 and includes in addition guaranteed private placement bonds for March 31, 2007.

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, before amortization of goodwill)