

**Financial Highlights under Japanese GAAP
for the Six Months Ended September 30, 2007**

Mitsubishi UFJ Financial Group, Inc.

November 21, 2007

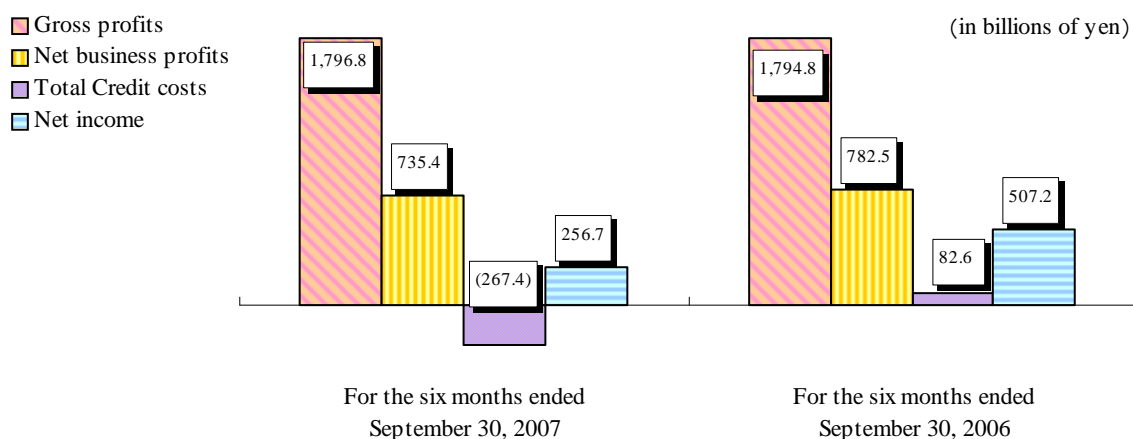
This press release contains forward-looking statements regarding estimations, forecasts, targets and plans in relation to the results of operations, financial conditions and other overall management of the company and/or the group as a whole (the “forward-looking statements”). The forward-looking statements are made based upon, among other things, the company’s current estimations, perceptions and evaluations. In addition, in order for the company to adopt such estimations, forecasts, targets and plans regarding future events, certain assumptions have been made. Accordingly, the statements and assumptions are inherently not guarantees of future performance and may result in inaccuracy from an objective point of view and in material differences from the actual result. For the main matters that may be currently forecast, please see Consolidated Summary Report, the Annual Securities Report, Disclosure Book, Annual Report, and other current disclosures that the company has announced.

- Consolidated net income was ¥256.7 billion, a decrease of ¥250.5 billion compared to the previous interim period.
- Disclosed claims ratio was 1.29%, Consolidated risk-adjusted capital ratio was 12.54%, and Tier1 ratio was 7.67%, reflecting the maintenance of a sound financial base.

1. Highlights of Consolidated Statements of Operations

Although consolidated gross profits for the interim period of fiscal 2007 was basically unchanged compared to the previous interim period of fiscal 2006, consolidated net business profits was ¥735.4 billion, a decrease of ¥ 47.1 billion compared to the previous interim period, mainly due to the increase of ¥49.2 billion in general and administrative expenses.

Consolidated net income was ¥256.7 billion, a decrease of ¥250.5 billion compared to the previous interim period. This was mainly due to ¥267.4 billion of total credit costs in interim period of fiscal 2007 compared to a gain (reversal of total credit costs) of ¥82.6 billion in the previous interim period, as well as a decrease in the gains on loans written-off, and the recording of reconstruction allowance, which was accounted for as extraordinary losses, due to the implementation of structural reforms at Mitsubishi UFJ NICOS Co., Ltd.



(in billions of yen)	Six months ended September 30, 2007 (A)	Six months ended September 30, 2006 (B)	(A) - (B)
1 Gross profits before credit costs for trust accounts	1,796.8	1,794.8	2.0
2 General and administrative expenses	1,061.4	1,012.2	49.2
3 Net business profits before credit costs for trust accounts and provision for general allowance for credit losses	735.4	782.5	(47.1)
4 Credit costs ^{※1}	(267.4)	(54.3)	(213.1)
5 Total of net gains (losses) on equity securities and losses on write down of equity securities	54.4	13.7	40.6
6 Profit (Loss) from investments in affiliates	8.6	(39.5)	48.2
7 Other net non-recurring gains (losses)	(33.4)	(38.8)	5.4
8 Ordinary profit	497.5	663.5	(166.0)
9 Net extraordinary gains	(47.8)	170.7	(218.5)
10 Gains on loans written-off	20.3	78.7	(58.4)
11 Reversal of allowance for credit losses	-	136.9	(136.9)
12 Provision for reserve for losses related to business restructuring	(59.6)	-	(59.6)
13 Total of income taxes-current and income taxes-deferred	193.4	293.0	(99.5)
14 Minority interests	(0.4)	34.0	(34.4)
15 Net income	256.7	507.2	(250.5)
16 Total credit costs ^{※2}	(267.4)	82.6	(350.1)

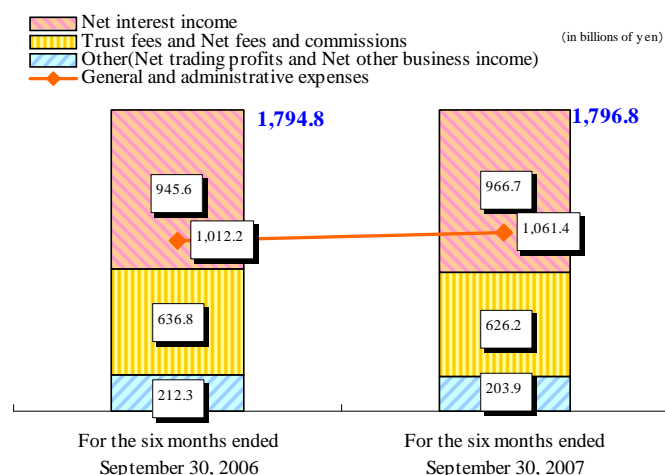
※1 Credit costs = Credit related costs + Credit costs for trust accounts + Provision for general allowance for credit losses

※2 Total credit costs = Credit costs + Reversal of allowance for credit losses

◇ Consolidated gross profits and general and administrative expenses

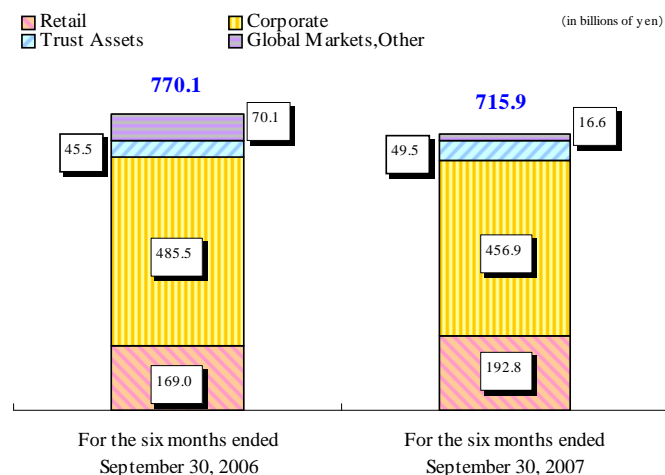
Regarding net interest income, the increase in net interest income from deposits due to rises in interest rates was partially offset by the narrowing of the loan spread in lending, which resulted in a slight increase in net interest income compared to the previous interim period. The sum of trust fees and net fees and commissions slightly decreased compared to the previous interim period, mainly due to a decrease in income from investment banking, even though income from investment trust related businesses increased. As a result, consolidated gross profits was ¥1,796.8 billion, basically unchanged compared to the previous interim period.

General and administrative expenses was ¥1,061.4 billion, an increase of ¥49.2 billion compared to the previous interim period, mainly due to unification of IT systems and enhancement of internal controls.



◇ Net operating profits by segment (Managerial Accounts Basis*)

Net operating profits in the “Retail” and “Trust Assets” segments increased compared to the previous interim period, mainly due to increase in income from investment trust related businesses. On the other hand, in “Corporate” segment, net operating profit decreased compared to the previous interim period, mainly due to a narrowing of the loan spread in lending and a decrease in income related to investment banking. In “Global Markets, Other” segment, net operating profit decreased due to a decline in trading income caused by changes in interest-rate trends.



*Consolidated net business profits before consolidation adjustments

2. Highlights of Consolidated Balance Sheets

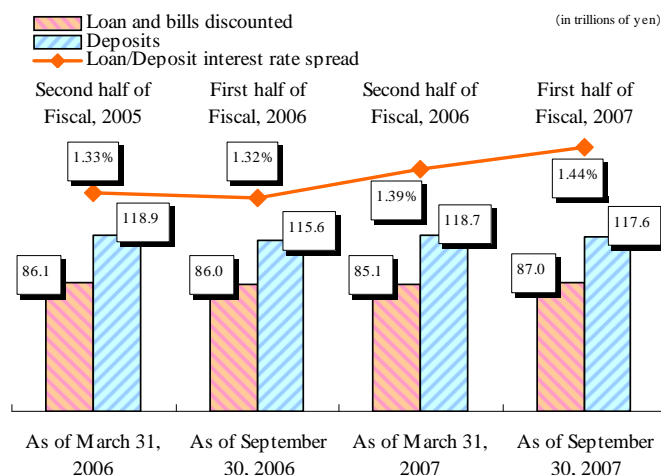
◇ Loans and Deposits

Loans and bills discounted (including trust accounts) were ¥87.0 trillion, an increase of ¥1.8 trillion compared to March 31, 2007,

mainly due to increase in lending at overseas offices.

Deposits were ¥117.6 trillion, a decrease of ¥1.0 trillion compared to March 31, 2007, mainly due to decrease in corporate deposits .

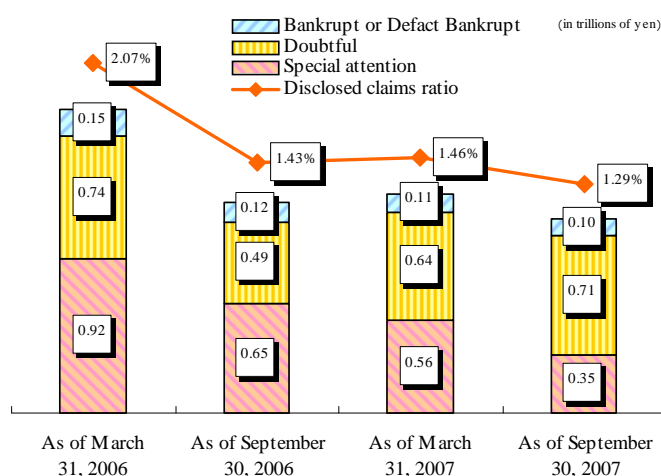
The average interest rate spread (sum of two banks) between domestic loans and domestic deposits increased to 1.44% in the first half of fiscal 2007, from 1.39% in the second half of fiscal 2006.



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

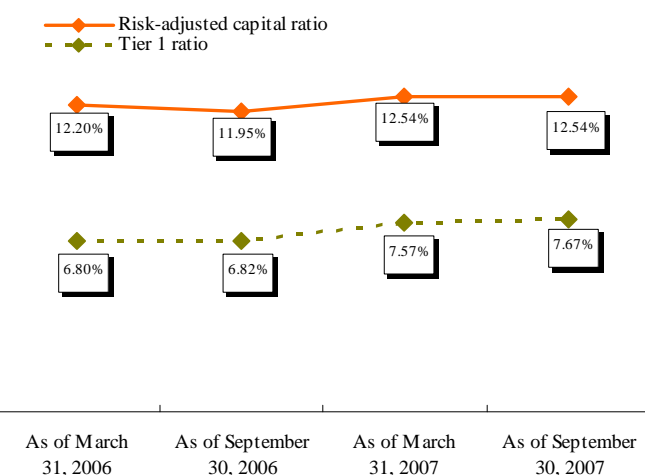
Disclosed claims ratio under the Financial Reconstruction Law was 1.29%, representing a decline of 0.16 points compared to March 31, 2007, mainly due to the decrease in “Special attention” category, caused by the upgrades of borrowers’ credit ratings, despite an increase in “Doubtful” category.

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



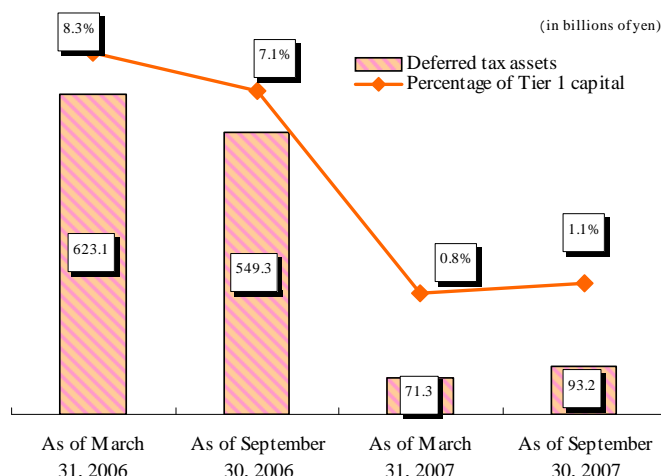
◇ Risk-Adjusted Capital Ratio (Preliminary Basis)

The consolidated risk-adjusted capital ratio was basically unchanged compared to March 31, 2007, because the increase in capital from profits was offset by the increase in risk-weighted assets. The Tier 1 ratio was 7.67%, an increase of 0.10 percentage points compared to March 31, 2007.



◇ Deferred tax assets

Net deferred tax assets were ¥93.2 billion, an increase of ¥21.8 billion compared to March 31, 2007. This was mainly due to a decrease in unrealized gains of marketable securities in deferred tax liabilities. The ratio of deferred tax assets/Tier 1 capital was 1.1%.



◇ Regarding investments in sub-prime loan related financial products

➤ Our investments in sub-prime loan related financial products are as per the following table.

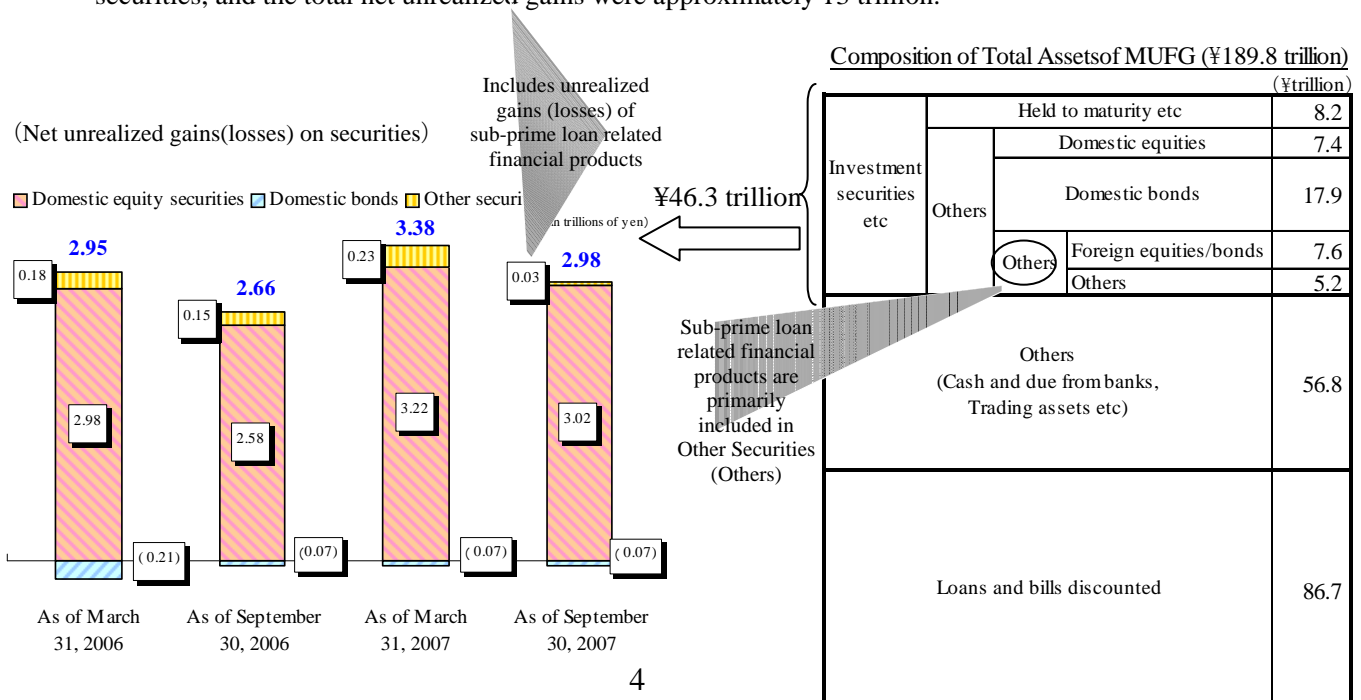
	End of September 2007	End of October 2007
Balance of sub-prime loan related investments	Approximately 260.0 billion yen	Approximately 260.0 billion yen
Appraisal losses on sub-prime loan related investments	Approximately 20.0 billion yen	Approximately 23.0 billion yen
Credit ratings of sub-prime loan related investments	Approximately 96% is rated triple A	Approximately 96% is rated triple A

- These investments had a negative impact of approximately ¥4.0 billion to our ordinary profit for the six months ended September 30, 2007.
- More than 90% of the sub-prime loan related securitized financial products detailed above were asset-backed securities backed by non-securitized assets^{*1}.
- For your reference, Mitsubishi UFJ Securities Co., Ltd. does not have any investments in sub-prime loan related financial products. In addition, Union Bank of California, a consolidated subsidiary of ours in the United States does not engage in sub-prime real estate lending.
- MUFG Group is not involved in arranging securitization of such loans, nor is it involved in providing warehousing loans^{*2} collateralized with sub-prime loan related assets.
- In addition, the assets held by ABCP programs which MUFG Group sponsors do not include sub-prime loan related assets.

*1 In general, asset-backed securities backed by non-securitized assets such as loans are not complex in terms of risks compared to the asset-backed securities backed by securitized assets.
 *2 Loans provided to investment banks creating securitization products that are provided until such products are sold.

(Reference: Regarding securities investment portfolio of MUFG)

➤ As of September 30, 2007, MUFG group had a total of approximately ¥46 trillion in investment securities, and the total net unrealized gains were approximately ¥3 trillion.



3. Forecast of 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 ended September 30, 2007	For the year ended March 31, 2007	For the six months ended September 30, 2006
1	Ordinary income	6,500.0	3,250.2	6,094.0	2,840.2
2	Ordinary profit	1,150.0	497.5	1,457.0	663.5
3	Net income	600.0	256.7	880.9	507.2
4	Dividends per ordinary share (in yen per share)	14 (Annual)**	7 (Interim)**	11,000 (Annual)	5,000 (Interim)

※A one for 1,000 split of ordinary stock were made on September 30,2007

<Reference:Total of the 2 Banks>		(in billions of yen)			
		For the year ending March 31, 2008	For the six months ended 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 credit losses	1,045.0	504.7	1,174.0	548.9
6	Bank of Tokyo-Mitsubishi UFJ	825.0	389.1	899.7	426.1
7	Mitsubishi UFJ Trust and Banking Corporation	220.0	115.6	274.3	122.8
8	Ordinary profit	875.0	369.9	1,112.9	485.6
9	Bank of Tokyo-Mitsubishi UFJ	675.0	272.1	834.5	358.3
10	Mitsubishi UFJ Trust and Banking Corporation	200.0	97.7	278.3	127.2
11	Net income	560.0	248.7	880.9	535.4
12	Bank of Tokyo-Mitsubishi UFJ	440.0	188.0	669.2	422.9
13	Mitsubishi UFJ Trust and Banking Corporation	120.0	60.7	211.6	112.5

4. Capital policies

MUFG group promotes the capital policy of balancing the three priorities of "Use capital to achieve sustainable growth and enhance profitability", "Strengthen equity capital" and "Enhance shareholder returns" and aims at increasing its corporate value.

- Use capital to achieve sustainable growth and enhance profitability
 - MUFG reached a basic agreement with Mitsubishi UFJ NICOS Co.,Ltd. (MUN) to underwrite shares of MUN of ¥120 billion and will make MUN into a wholly-owned subsidiary through a share exchange (Announced on September 20th).
 - Implementation of a public tender offer for shares in kabu.com Securities Co., Ltd. (Announced on November 14th).
 - MUFG resolved to make a direct investment and increase its holding of voting rights on a consolidated basis in Mitsubishi UFJ Lease & Finance Co., Ltd. (Announced today).
- Strengthen equity capital
 - As of September 30, 2007, Risk-Adjusted Capital Ratio was 12.54% (target 12%) and Tier 1 Ratio was 7.67% (target 8%). Reaching and maintaining target levels are within sight.
- Enhance shareholder returns
 - Dividend policy to sustain increase in dividend payments and a medium term target of approximately 20% payout ratio.
 - To improve capital efficiency and allow the implementation of capital policies flexible in accordance with the business environment, MUFG resolved to repurchase its own shares by up to ¥150 billion / 150 million shares (Announced on October 31st).

Highlights of Consolidated Statements of Operations [Consolidated]

(in billions of yen)

		Six months ended September 30, 2007 (A)	Six months ended September 30, 2006 (B)	(A) - (B)
1	Gross profits =2+6	1,796.8	1,794.7	2.0
2	Gross profits before credit costs for trust accounts	1,796.8	1,794.8	2.0
3	Net interest income	966.7	945.6	21.1
4	Trust fees =5+6	78.9	79.3	(0.4)
5	Trust fees before credit costs for trust accounts	79.0	79.4	(0.4)
6	Credit costs for trust accounts	(0.0)	(0.0)	0.0
7	Net fees and commissions	547.1	557.4	(10.2)
8	Total of net trading profits and net other business income	203.9	212.3	(8.4)
9	Net trading profits	189.1	133.8	55.2
10	Net other business income	14.7	78.4	(63.7)
11	Net gains on foreign exchange transactions	76.8	116.4	(39.5)
12	Net gains (losses) on debt securities	(10.9)	(14.5)	3.5
13	Net gains (losses) on derivatives (two banks combined*)	(41.9)	(50.8)	8.9
14	General and administrative expenses	1,061.4	1,012.2	49.2
15	Personnel expenses (two banks combined*)	220.4	210.4	9.9
16	Non-personnel expenses (two banks combined*)	393.7	372.8	20.9
17	Taxes (two banks combined*)	36.8	32.8	4.0
18	Amortization of goodwill	5.5	4.4	1.0
19	Provision for general allowance for credit losses	(1.9)	-	(1.9)
20	Net business profits =1-14+19	733.4	782.5	(49.0)
21	Net business profits before credit costs for trust accounts and provision for general allowance for credit losses =2-14	735.4	782.5	(47.1)
22	Credit related costs	(265.5)	(54.2)	(211.2)
23	Losses on loan write-offs	(87.0)	(67.6)	(19.3)
24	Provision for specific allowance for credit losses	(161.7)	-	(161.7)
25	Provision for allowance for loans to specific foreign borrowers	(0.0)	-	(0.0)
26	Other credit related costs	(16.6)	13.4	(30.1)
27	Total of net gains (losses) on equity securities and losses on write down of equity securities	54.4	13.7	40.6
28	Net gains (losses) on equity securities	99.4	31.6	67.8
29	Losses on write down of equity securities	(45.0)	(17.8)	(27.1)
30	Profit (Loss) from investments in affiliates	8.6	(39.5)	48.2
31	Other net non-recurring gains (losses)	(33.4)	(38.8)	5.4
32	Amortization of goodwill	4.3	2.1	2.2
33	Ordinary profit	497.5	663.5	(166.0)
34	Net extraordinary gains	(47.8)	170.7	(218.5)
35	Gains on loans written-off	20.3	78.7	(58.4)
36	Reversal of allowance for credit losses	-	136.9	(136.9)
37	Losses on impairment of fixed assets	(11.4)	(6.2)	(5.1)
38	Provision for reserve for losses related to business restructuring	(59.6)	-	(59.6)
39	Income before income taxes and others	449.7	834.3	(384.6)
40	Total of income taxes-current and income taxes-deferred	193.4	293.0	(99.5)
41	Income taxes-current	65.5	51.1	14.3
42	Income taxes-deferred	127.9	241.8	(113.9)
43	Minority interests	(0.4)	34.0	(34.4)
44	Net income	256.7	507.2	(250.5)

The account of Provision for general allowance for credit losses, Provision for specific allowance for credit losses, and Provision for allowance for loans to specific foreign borrowers are written in 45, 46, and 47 on six months ended September 30, 2006, because sum of them are more than zero, and written in 36 as Reversal of allowance for credit losses.

45	Provision for general allowance for credit losses	(1.9)	110.3	(112.3)
46	Provision for specific allowance for credit losses	(161.7)	26.6	(188.4)
47	Provision for allowance for loans to specific foreign borrowers	(0.0)	(0.0)	0.0
48	Total (reversal of) allowance for credit losses =45+46+47	(163.7)	136.9	(300.7)
49	Total credit costs (negative amount express expenses) =6+23+26+48	(267.4)	82.6	(350.1)

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

Operating Results of Significant Subsidiaries for Six months ended September 30, 2007

	Gross profits	General and administrative expenses	Net business profits before credit costs	Net income	
50	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	940.3	551.1	389.1	188.0
51	Mitsubishi UFJ Trust and Banking Corporation	215.4	99.8	115.6	60.7
52	Mitsubishi UFJ Securities Co., Ltd. and Consolidated Subsidiaries	130.1	100.5	29.6	25.7
53	UnionBanCal Corporation and Consolidated Subsidiaries	157.2	102.9	54.3	38.7
54	Mitsubishi UFJ NICOS Co., Ltd. and Consolidated Subsidiaries	200.8	134.0	66.8	(119.7)

Highlights of Consolidated Balance Sheets [Consolidated]

(in billions of yen and %)

	As of September 30, 2007(A)	As of March 31, 2007(B)	(A) - (B)
1 Loans and bills discounted (Consolidated)	86,751.0	84,831.9	1,919.1
2 Loans and bills discounted (Consolidated including Trust accounts)	87,043.5	85,150.7	1,892.8
3 Domestic loans (except for loans from the two Banks to MUFG)	66,961.6	67,746.2	(784.5)
4 Residential mortgage	17,013.2	17,190.1	(176.8)
5 Loans booked at overseas branches	11,542.6	10,131.0	1,411.6
6 Domestic subsidiaries (Mitsubishi UFJ NICOS Co., Ltd)	1,170.0	1,167.9	2.1
7 Overseas subsidiaries (UnionBanCal Corporation)	4,683.3	4,396.7	286.5
8 Investment securities	42,990.2	48,207.6	(5,217.3)
9 Domestic equity securities	8,033.5	8,401.1	(367.6)
10 Domestic bonds	24,686.5	28,841.9	(4,155.4)
11 Japanese Government Bonds (two banks combined*)	19,187.1	22,917.3	(3,730.1)
12 Other	10,270.1	10,964.4	(694.2)
13 Deposits	117,630.8	118,708.6	(1,077.8)
14 Two banks combined *	110,745.1	112,041.3	(1,296.2)
15 Individuals	61,408.7	60,858.3	550.4
16 Corporations and others	38,411.4	40,840.2	(2,428.8)
17 Overseas branches	10,364.5	9,863.0	501.5

* "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 September 30, 2007(A)	As of March 31, 2007(B)	(A) - (B)
18 Total securities available for sale	2,980.7	3,384.2	(403.5)
19 Domestic equity securities	3,020.2	3,221.3	(201.0)
20 Domestic bonds	(78.9)	(70.3)	(8.5)
21 Japanese Government Bonds	(73.8)	(65.8)	(8.0)
22 Other	39.3	233.3	(193.9)

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

	As of September 30, 2007(A)	As of March 31, 2007(B)	(A) - (B)
23 Risk-adjusted capital ratio	12.54%	12.54%	0.00%
24 Tier 1 ratio	7.67%	7.57%	0.10%
25 Deferred tax assets/Tier 1	1.1%	0.8%	0.2%

Note: As of March 31, 2007 and September 30, 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 September 30, 2007(A)	As of September 30, 2006(C)	As of March 31, 2007(B)	(A) - (C)	(A) - (B)
26 Bankrupt or De fact Bankrupt	106.5	125.0	115.9	(18.4)	(9.4)
27 Doubtful	718.8	495.9	647.9	222.9	70.9
28 Special attention	354.0	656.9	562.0	(302.8)	(207.9)
29 Total Non performing loans (A)	1,179.4	1,277.8	1,325.8	(98.3)	(146.3)
30 Total Loans (B)	91,108.6	88,740.8	90,594.0	2,367.8	514.6
31 NPL Ratio (A/B)	1.29%	1.43%	1.46%	(0.14%)	(0.16%)

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

	As of September 30, 2007(A)	As of September 30, 2006(C)	As of March 31, 2007(B)	(A) - (C)	(A) - (B)
32 Normal	0.18%	0.17%	0.17%	0.01%	0.01%
33 Requiring close monitoring	7.66%	10.19%	7.90%	(2.52%)	(0.24%)
34 Other	5.95%	6.40%	5.20%	(0.44%)	0.75%
35 Special attention under the FRL	25.49%	25.24%	24.45%	0.24%	1.04%
36 Potentially bankrupt (excluding secured portion)	72.82%	65.61%	72.29%	7.20%	0.53%

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 September 30, 2006 and includes in addition guaranteed private placement bonds from March 31, 2007.