

Selected Financial Information  
under Japanese GAAP  
For the Nine Months Ended December 31, 2008



Mitsubishi UFJ Financial Group, Inc.

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(\*1) "MUFG" means Mitsubishi UFJ Financial Group, Inc.

(\*2) "BTMU" means The Bank of Tokyo-Mitsubishi UFJ, Ltd.

(\*3) "MUTB" means Mitsubishi UFJ Trust and Banking Corporation.

(\*4) "BTMU and MUTB Combined" means simple sum of "BTMU" and "MUTB" without consolidation processes.

## 1. Financial Results

## MUFG Consolidated

(in billions of yen)

	For the nine months ended		Increase (Decrease) (A) - (B)
	December 31, 2008 (A)	December 31, 2007 (B)	
Gross profits	2,492.8	2,559.8	(67.0)
Gross profits before credit costs for trust accounts	2,492.8	2,559.9	(67.0)
Net interest income	1,410.1	1,385.9	24.1
Trust fees	92.9	112.0	(19.0)
Credit costs for trust accounts (1)	(0.0)	(0.0)	0.0
Net fees and commissions	722.8	796.1	(73.2)
Net trading profits	188.9	256.7	(67.7)
Net other business profits	77.9	8.9	68.9
Net gains (losses) on debt securities	79.6	(5.3)	84.9
General and administrative expenses	1,572.9	1,574.5	(1.5)
Amortization of goodwill	16.2	9.5	6.7
Net business profits before credit costs for trust accounts, provision for general allowance for credit losses and amortization of goodwill	936.1	994.9	(58.8)
Net business profits before credit costs for trust accounts and provision for general allowance for credit losses	919.8	985.4	(65.5)
Provision for general allowance for credit losses (2)	30.2	11.4	18.8
Net business profits*	950.1	996.8	(46.6)
Net non-recurring gains (losses)	(836.2)	(331.7)	(504.4)
Credit costs (3)	(464.6)	(345.8)	(118.8)
Losses on loan write-offs	(260.4)	(156.9)	(103.5)
Provision for specific allowance for credit losses	(200.1)	(170.9)	(29.2)
Other credit costs	(4.0)	(18.0)	13.9
Net gains (losses) on equity securities	(326.3)	36.9	(363.2)
Gains on sales of equity securities	86.8	115.1	(28.3)
Losses on sales of equity securities	(17.3)	(7.1)	(10.1)
Losses on write-down of equity securities	(395.7)	(71.0)	(324.6)
Profits (losses) from investments in affiliates	0.9	12.8	(11.9)
Other non-recurring gains (losses)	(46.1)	(35.6)	(10.4)
Ordinary profits	113.9	665.0	(551.1)
Net extraordinary gains (losses)	(3.2)	(32.9)	29.6
Gains on loans written-off	24.4	31.2	(6.7)
Reversal of reserve for contingent losses included in credit costs (4)	0.8	-	0.8
Gains on sales of equity securities of subsidiaries	32.7	-	32.7
Expenses relating to systems integration	(76.5)	-	(76.5)
Income before income taxes and others	110.6	632.0	(521.4)
Income taxes-current	67.5	66.6	0.8
Income taxes-deferred	22.8	196.0	(173.2)
Minority interests	62.3	54.6	7.6
Net income	(42.0)	314.6	(356.7)

Note:

- \* Net business profits = Banking subsidiaries' net business profits + Other consolidated entities' gross profits - Other consolidated entities' general and administrative expenses - Other consolidated entities' provision for general allowance for credit losses - Amortization of goodwill - Inter-company transactions

(Reference)

Total credit costs (1)+(2)+(3)+(4)	(433.5)	(334.4)	(99.0)
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## BTMU and MUTB Combined

(in billions of yen)

	For the nine months ended		Increase (Decrease) (A) - (B)
	December 31, 2008 (A)	December 31, 2007 (B)	
Gross profits	1,612.7	1,642.6	(29.8)
Gross profits before credit costs for trust accounts	1,612.7	1,642.6	(29.8)
Net interest income	1,063.2	1,030.7	32.5
Trust fees	69.6	84.1	(14.4)
Credit costs for trust accounts (1)	(0.0)	(0.0)	0.0
Net fees and commissions	339.6	371.5	(31.8)
Net trading profits	107.3	140.2	(32.9)
Net other business profits	32.8	15.9	16.8
Net gains (losses) on debt securities	85.7	8.6	77.1
General and administrative expenses	974.4	962.1	12.3
Net business profits before credit costs for trust accounts and provision for general allowance for credit losses	638.2	680.5	(42.2)
Provision for general allowance for credit losses (2)	33.5	11.1	22.3
Net business profits	671.8	691.6	(19.8)
Net non-recurring gains (losses)	(787.7)	(195.5)	(592.1)
Credit costs (3)	(333.7)	(198.5)	(135.2)
Losses on loan write-offs	(227.2)	(109.3)	(117.9)
Provision for specific allowance for credit losses	(103.4)	(80.4)	(22.9)
Other credit costs	(3.0)	(8.7)	5.6
Net gains (losses) on equity securities	(421.4)	10.0	(431.4)
Gains on sales of equity securities	65.5	89.7	(24.1)
Losses on sales of equity securities	(16.1)	(6.6)	(9.4)
Losses on write-down of equity securities	(470.7)	(72.9)	(397.7)
Other non-recurring gains (losses)	(32.4)	(7.0)	(25.4)
Ordinary profits	(115.9)	496.0	(611.9)
Net extraordinary gains (losses)	10.7	41.4	(30.6)
Gains on loans written-off	21.0	28.0	(6.9)
Reversal of allowance for credit losses (4)	7.6	-	7.6
Reversal of reserve for contingent losses included in credit costs (5)	0.9	0.5	0.3
Gains on sales of equity securities of MUFG	53.6	-	53.6
Expenses relating to systems integration	(76.6)	-	(76.6)
Income before income taxes	(105.1)	537.4	(642.5)
Income taxes-current	15.0	17.6	(2.5)
Income taxes refund	-	9.8	(9.8)
Income taxes-deferred	61.5	194.0	(132.4)
Net income	(181.7)	335.5	(517.3)
(Reference)			
Total credit costs (1)+(2)+(3)+(4)+(5)	(291.6)	(186.7)	(104.8)

## BTMU Non-consolidated

(in billions of yen)

	For the nine months ended		Increase (Decrease) (A) - (B)
	December 31, 2008 (A)	December 31, 2007 (B)	
Gross profits	1,346.6	1,355.4	(8.8)
Net interest income	957.7	889.4	68.2
Net fees and commissions	270.9	285.3	(14.4)
Net trading profits	102.7	135.4	(32.6)
Net other business profits	15.1	45.1	(30.0)
Net gains (losses) on debt securities	49.2	33.8	15.3
General and administrative expenses	826.5	814.1	12.3
Net business profits before provision for general allowance for credit losses	520.1	541.2	(21.1)
Provision for general allowance for credit losses (1)	33.5	8.7	24.7
Net business profits	553.6	550.0	3.6
Net non-recurring gains (losses)	(728.5)	(181.0)	(547.4)
Credit costs (2)	(329.3)	(190.6)	(138.7)
Losses on loan write-offs	(222.9)	(108.1)	(114.7)
Provision for specific allowance for credit losses	(103.4)	(72.5)	(30.8)
Other credit costs	(2.9)	(9.8)	6.8
Net gains (losses) on equity securities	(371.7)	18.5	(390.2)
Gains on sales of equity securities	62.0	80.4	(18.4)
Losses on sales of equity securities	(15.6)	(5.5)	(10.1)
Losses on write-down of equity securities	(418.0)	(56.4)	(361.6)
Other non-recurring gains (losses)	(27.4)	(8.9)	(18.5)
Ordinary profits	(174.8)	368.9	(543.8)
Net extraordinary gains (losses)	5.8	38.1	(32.2)
Gains on loans written-off	19.6	23.5	(3.9)
Gains on sales of equity securities of MUFG	53.6	-	53.6
Expenses relating to systems integration	(76.6)	-	(76.6)
Income before income taxes	(169.0)	407.1	(576.1)
Income taxes-current	15.0	17.8	(2.7)
Income taxes refund	-	9.8	(9.8)
Income taxes-deferred	30.6	136.4	(105.8)
Net income	(214.7)	262.6	(477.3)

(Reference)

Total credit costs (1)+(2)	(295.8)	(181.8)	(113.9)
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## MUTB Non-consolidated

(in billions of yen)

	For the nine months ended		Increase (Decrease) (A) - (B)
	December 31, 2008 (A)	December 31, 2007 (B)	
Gross profits	266.1	287.1	(21.0)
Gross profits before credit costs for trust accounts	266.1	287.2	(21.0)
Trust fees	69.6	84.1	(14.4)
Credit costs for trust accounts (1)	(0.0)	(0.0)	0.0
Net interest income	105.5	141.2	(35.6)
Net fees and commissions	68.7	86.2	(17.4)
Net trading profits	4.5	4.8	(0.2)
Net other business profits	17.6	(29.2)	46.8
Net gains (losses) on debt securities	36.5	(25.2)	61.7
General and administrative expenses	147.9	147.9	0.0
Net business profits before credit costs for trust accounts and provision for general allowance for credit losses	118.1	139.2	(21.0)
Provision for general allowance for credit losses (2)	-	2.4	(2.4)
Net business profits	118.1	141.6	(23.4)
Net non-recurring gains (losses)	(59.1)	(14.5)	(44.6)
Credit costs (3)	(4.4)	(7.9)	3.5
Losses on loan write-offs	(4.3)	(1.1)	(3.1)
Provision for specific allowance for credit losses	-	(7.8)	7.8
Other credit costs	(0.0)	1.1	(1.2)
Net gains (losses) on equity securities	(49.7)	(8.4)	(41.2)
Gains on sales of equity securities	3.5	9.2	(5.7)
Losses on sales of equity securities	(0.5)	(1.1)	0.6
Losses on write-down of equity securities	(52.6)	(16.5)	(36.1)
Other non-recurring gains (losses)	(5.0)	1.8	(6.9)
Ordinary profits	58.9	127.1	(68.1)
Net extraordinary gains (losses)	4.9	3.2	1.6
Gains on loans written-off	1.4	4.4	(3.0)
Reversal of allowance for credit losses (4)	7.6	-	7.6
Reversal of reserve for contingent losses included in credit costs (5)	0.9	0.5	0.3
Income before income taxes	63.9	130.3	(66.4)
Income taxes-current	0.0	(0.1)	0.2
Income taxes-deferred	30.9	57.5	(26.6)
Net income	32.9	72.9	(39.9)

(Reference)

Total credit costs (1)+(2)+(3)+(4)+(5)	4.1	(4.9)	9.0
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**2. Non Performing Loans Based on the Financial Reconstruction Law****BTMU and MUTB Combined including Trust Accounts**

(in billions of yen)

	As of December 31, 2008	As of March 31, 2008
Bankrupt or De facto Bankrupt	172.7	117.7
Doubtful	686.3	556.0
Special Attention	264.2	384.6
Non Performing Loans	1,123.4	1,058.5
Total loans	95,615.5	91,961.4
Non Performing Loans / Total Loans	1.17 %	1.15 %

**BTMU Non-consolidated**

(in billions of yen)

	As of December 31, 2008	As of March 31, 2008
Bankrupt or De facto Bankrupt	157.8	108.7
Doubtful	649.8	510.3
Special Attention	245.6	346.3
Non Performing Loans	1,053.3	965.4
Total loans	84,928.5	81,804.4
Non Performing Loans / Total Loans	1.24 %	1.18 %

**MUTB Non-consolidated**

(in billions of yen)

	As of December 31, 2008	As of March 31, 2008
Bankrupt or De facto Bankrupt	14.8	8.8
Doubtful	36.2	45.5
Special Attention	17.7	37.4
Non Performing Loans	68.8	91.8
Total loans	10,544.6	10,004.4
Non Performing Loans / Total Loans	0.65 %	0.91 %

**MUTB Non-consolidated: Trust Accounts**

(in billions of yen)

	As of December 31, 2008	As of March 31, 2008
Bankrupt or De facto Bankrupt	0.1	0.1
Doubtful	0.2	0.1
Special Attention	0.9	0.9
Non Performing Loans	1.2	1.2
Total loans	142.3	152.5
Non Performing Loans / Total Loans	0.90 %	0.83 %

### 3. Fair Value Information on Securities

#### MUFG Consolidated

The tables include negotiable certificates of deposits in "Cash and due from banks", beneficiary certificates of commodity investment trusts in "Monetary claims bought" and others in addition to "Securities".

Net unrealized gains (losses) are determined based on the fair values at the end of the fiscal period.

(in billions of yen)

	As of December 31,2008		As of March 31,2008	
	Amount on consolidated balance sheet	Net unrealized gains (losses)	Amount on consolidated balance sheet	Net unrealized gains (losses)
Debt securities being held to maturity	2,272.9	20.6	2,941.9	20.2

(in billions of yen)

	As of December 31,2008		As of March 31,2008	
	Amount on consolidated balance sheet	Net unrealized gains (losses)	Amount on consolidated balance sheet	Net unrealized gains (losses)
Other securities	40,002.8	(682.1)	36,162.1	1,004.8
Domestic equity securities	4,048.5	88.7	5,674.7	1,377.9
Domestic bonds	23,023.1	82.8	17,062.1	(8.8)
Other	12,931.1	(853.8)	13,425.3	(364.2)
Foreign equity securities	100.0	(32.5)	192.2	95.1
Foreign bonds	9,332.5	16.9	8,415.0	(20.8)
Other	3,498.5	(838.2)	4,818.0	(438.5)

**BTMU Non-consolidated**

The tables include negotiable certificates of deposits in "Cash and due from banks", beneficiary certificates of commodity investment trusts in "Monetary claims bought" and others in addition to "Securities".

Net unrealized gains (losses) are determined based on the fair values at the end of the fiscal period.

(in billions of yen)

	As of December 31,2008		As of March 31,2008	
	Amount on balance sheet	Net unrealized gains (losses)	Amount on balance sheet	Net unrealized gains (losses)
Debt securities being held to maturity	695.3	3.4	1,888.4	2.1
Stocks of subsidiaries and affiliates	200.2	(52.0)	564.4	230.8

(in billions of yen)

	As of December 31,2008		As of March 31,2008	
	Amount on balance sheet	Net unrealized gains (losses)	Amount on balance sheet	Net unrealized gains (losses)
Other securities	31,494.7	(635.2)	28,384.7	521.3
Domestic equity securities	3,192.3	(132.4)	4,521.3	813.4
Domestic bonds	18,861.6	67.1	14,032.2	(33.7)
Other	9,440.7	(570.0)	9,831.0	(258.3)
Foreign equity securities	74.3	(26.1)	181.2	96.1
Foreign bonds	6,579.4	45.7	5,650.0	(18.0)
Other	2,786.9	(589.6)	3,999.7	(336.4)

**MUTB Non-consolidated**

The tables include beneficiary certificates of commodity investment trusts in "Monetary claims bought" and others in addition to "Securities".

Net unrealized gains (losses) are determined based on the fair values at the end of the fiscal period.

(in billions of yen)

	As of December 31,2008		As of March 31,2008	
	Amount on balance sheet	Net unrealized gains (losses)	Amount on balance sheet	Net unrealized gains (losses)
Debt securities being held to maturity	977.9	19.5	909.3	18.0
Stocks of subsidiaries and affiliates	6.4	(3.2)	6.4	(1.7)

(in billions of yen)

	As of December 31,2008		As of March 31,2008	
	Amount on balance sheet	Net unrealized gains (losses)	Amount on balance sheet	Net unrealized gains (losses)
Other securities	6,702.5	(153.8)	6,012.3	194.3
Domestic equity securities	785.6	10.8	1,075.7	250.0
Domestic bonds	3,620.6	19.3	2,595.8	23.8
Other	2,296.3	(184.1)	2,340.7	(79.6)
Foreign equity securities	22.7	(4.7)	9.8	(0.4)
Foreign bonds	1,749.2	(27.0)	1,798.0	(12.5)
Other	524.3	(152.3)	532.9	(66.6)

#### 4. Return on Equity

##### MUFG Consolidated

(%)

	For the nine months ended December 31, 2008	For the nine months ended December 31, 2007
ROE(*)	(0.98)	6.55

Note:

(\*)ROE is computed as follows:

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

#### 5. Average Interest Rate Spread

##### BTMU and MUTB Combined

(Domestic business segment)

(percentage per annum)

	For the nine months ended December 31, 2008	For the nine months ended December 31, 2007
Average interest rate on loans and bills discounted	1.76	1.72
Average interest rate on deposits and NCD	0.31	0.26
Interest rate spread	1.44	1.45

#### 6. Loans and Deposits

BTMU and MUTB Combined

(in billions of yen)

	As of December 31, 2008	As of March 31, 2008
Deposits (ending balance)	111,243.5	114,081.0
Deposits (average balance)	110,032.4	110,730.4
Loans (ending balance)	84,441.3	80,176.6
Loans (average balance)	79,457.8	77,548.0

(in billions of yen)

	As of December 31, 2008	As of March 31, 2008
Domestic Deposits (ending balance) (*1)	102,690.5	102,317.0
Individuals (*2)	63,570.3	62,594.7

Note:

(\*1) Amounts do not include negotiable certificates of deposit and JOM accounts.

(\*2) Upon the installation of new IT systems in May 2008, BTMU adjusted its method of monitoring deposits from individuals and, starting in this fiscal year, deposits from unincorporated associations are excluded from "Individuals". The amount of deposits from "Individuals" (a simple sum of BTMU and MUTB) as of March 31, 2008, as adjusted by using the new method of monitoring, is 61,836.2 billion yen.

**7. Statements of Trust Assets and Liabilities****MUTB Non-consolidated**

Including trust assets under service-shared co-trusteeship

(in billions of yen)	As of December 31, 2008	As of March 31, 2008
Assets:		
Loans and bills discounted	218.4	258.8
Securities	47,594.8	56,653.8
Beneficiary rights to the trust	30,290.6	29,364.9
Securities held in custody accounts	1,215.8	1,447.4
Monetary claims	11,791.2	12,088.3
Tangible fixed assets	9,185.2	9,006.2
Intangible fixed assets	135.8	135.3
Other claims	1,347.3	2,526.3
Call loans	1,023.9	1,562.4
Due from banking account	1,642.5	1,462.6
Cash and due from banks	2,164.7	2,470.1
<b>Total assets</b>	<b>106,610.8</b>	<b>116,976.5</b>
Liabilities:		
Money trusts	18,325.4	27,359.0
Pension trusts	11,375.6	13,188.9
Property formation benefit trusts	12.1	12.6
Loan trusts	150.0	233.1
Investment trusts	28,395.3	27,242.7
Money entrusted other than money trusts	2,488.3	2,782.4
Securities trusts	1,352.9	1,812.1
Monetary claim trusts	12,414.8	12,611.7
Equipment trusts	37.0	39.5
Land and fixtures trusts	96.3	105.3
Composite trusts	31,962.5	31,588.7
<b>Total liabilities</b>	<b>106,610.8</b>	<b>116,976.5</b>

Note: The table shown above includes master trust assets under the service-shared co-trusteeship between MUTB and The Master Trust Bank of Japan, Ltd.

(Reference)

**Exposure to “Securitized Products and Related Investments” and “GSE Related Investments”****1. Exposure to “Securitized Products and Related Investments”**

Our exposure to securitized products and related investments as of December 31, 2008 is outlined below. (Figures are on a managerial basis and rounded off.)

[Balance, net unrealized gains (losses), realized losses]

- > The balance as of the end of December 2008 decreased to ¥2.62 trillion in total, a decrease of ¥702 billion compared with the balance as of the end of March 2008, due to higher yen in addition to sales and redemptions.
- > Net unrealized losses were ¥424 billion, and the rate of decline in market value was 16.2%, a decrease of 6.6% compared with the rate at the end of March 2008.
- > The effect on the P/L for the nine months ended December 31, 2008 was a loss of ¥179 billion, mainly due to impairment losses resulting from decline in product prices and losses on disposal of residential mortgage-backed securities (RMBS). (The realized losses for the fiscal year ended March 31, 2008 were ¥117 billion.)

	Balance <sup>1,2</sup>	Change from end of March	Net unrealized gains (losses) <sup>2</sup>	Change from end of March	Net unrealized gains (losses) as a % of balance	
					% of balance	Change from end of March
1 RMBS	360	(253)	(85)	(19)	(23.6%)	(12.8%)
2 Sub-prime RMBS	83	(98)	(17)	20	(20.6%)	0.2%
3 CMBS	34	(8)	(2)	(1)	(4.5%)	(3.4%)
4 CLOs	1,801	(280)	(250)	(44)	(13.9%)	(4.0%)
5 Other securitized products (card, etc.)	396	(123)	(81)	(43)	(20.4%)	(13.2%)
6 CDOs	26	(33)	(7)	0	(26.2%)	(13.8%)
7 Sub-prime ABS CDOs	0	(3)	0	1	0.0%	25.6%
8 SIV investments	0	(6)	0	0	0.0%	0.0%
9 Total	2,618	(702)	(424)	(106)	(16.2%)	(6.6%)

1. Balance is the amount after impairment and before deducting net unrealized losses.

The above table does not include mortgage-backed securities arranged and guaranteed by U.S. government sponsored enterprises, etc., Japanese RMBS such as Japanese Housing Finance Agency securities, and products held by funds such as investment trusts. These are also applicable to the tables in this document.

2. Securitized products backed by corporate loans (CLOs) were previously valued based on prices quoted by brokers or other sources as a substitution for market values. Starting in this third quarter, some of the securitized products are evaluated based on reasonably estimated amounts derived using our own calculation methods in order to enhance the accuracy of our valuation.

The effects of the changes of the above valuation methods are as follows:

- 1) The balance as of December 31, 2008 increased by approximately ¥44 billion.
- 2) The net unrealized losses as of December 31, 2008 decreased by approximately ¥206 billion.

The effect on the P/L for this third quarter was an increase of approximately ¥44 billion.

[Distribution by rating]

- > AAA-rated products account for 79% of our investments in securitized products, substantially unchanged from the end of March 2008.

	AAA	AA	A	BBB	BB or lower	Unrated	Total
10 RMBS	304	23	23	2	7	0	360
11 Sub-prime RMBS	67	9	1	2	5	0	83
12 CMBS	20	9	4	1	0	0	34
13 CLOs	1,508	95	169	24	4	1	1,801
14 Other securitized products (card, etc.)	234	32	37	89	2	2	396
15 CDOs	12	7	0	1	7	0	26
16 Sub-prime ABS CDOs	0	0	0	0	0	0	0
17 SIV investments	0	0	0	0	0	0	0
18 Total	2,079	166	233	117	20	3	2,618
19 Percentage of total	79%	6%	9%	4%	1%	0%	100%
20 Percentage of total (End of March)	80%	6%	8%	6%	0%	0%	100%

[Credit exposure related to leveraged loan]

- > We are not engaged in origination or distribution of securitized products of leveraged loans, and therefore, there is no balance of leveraged loans for securitization.
- > The following table shows the balances of LBO loans as of the end of December 2008.

(¥bn)

	Americas	Europe	Asia	Japan	Total	Change from end of March
1 LBO Loan <sup>3</sup> (Balance on a commitment basis)	68	148	39	294	550	(81)
2 Balance on a booking basis	48	130	35	262	475	(67)

3. Includes balance after refinancing. (Figures are rounded off.)

[Special Purpose Entities (SPEs)]

- > We are engaged in sponsoring ABCP issuance for securitizing our clients' assets.
- > The balance of assets purchased by ABCP conduits (special purpose companies for issuing ABCP) as of the end of December 2008 was ¥5.00 trillion (¥1.50 trillion overseas).
- > The purchased assets are mainly receivables and they do not include residential mortgages.

[Monoline insurer related]

- > There is no credit outstanding and credit derivative transactions with monoline insurers.

## 2. Exposure to "GSE Related Investments"

We hold mortgage-backed securities arranged and guaranteed by Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac) and Government National Mortgage Association (Ginnie Mae), mainly as part of our ALM operation relating to foreign currencies.

Our holding balance of these mortgage-backed securities as of the end of December 2008 was ¥2,648 billion in total, a decrease of ¥493 billion compared with the balance as of the end of June 2008. Net unrealized losses were ¥9 billion, a decrease of ¥42 billion from the losses as of the end of June 2008, and the rate of decline in market value was 0.3%, an improvement of 1.3% from the rate at the end of June 2008.

Our holding balance of debt securities issued by the above three institutions and Federal Home Loan Banks (Agency Securities) as of the end of December 2008 was ¥92 billion, a decrease of ¥96 billion compared with the balance as of the end of June 2008. Net unrealized gains were ¥2 billion.

### <Terminology>

RMBS	: Asset-backed securities collateralized by residential mortgages
CMBS	: Asset-backed securities collateralized by commercial mortgages
CLOs	: Collateralized debt obligations backed by whole commercial loans, revolving credit facilities, or letters of credit
CDOs	: Structured credit securities backed by a pool of securities, loans, or credit default swaps
ABS CDOs	: Collateralized debt obligations backed by asset backed securities
SIVs	: Investment companies established mainly for gaining profit margin by raising funds through subordinated notes and short-term CPs, etc. and investing in relatively long-term securitized products and bonds, etc.
LBO Loans	: Loans collateralized by assets and/or future cash flows of an acquired company
ABCP	: Commercial papers issued by a Special Purpose Company (SPC) collateralized by assets
GSE	: U.S. government sponsored enterprises such as Federal National Mortgage Association (Fannie Mae)