

Mitsubishi UFJ Financial Group

**Financial Highlights under Japanese GAAP
for Interim of Fiscal Year Ending March, 2009**

November 18, 2008

This document 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. “The financial information included in this financial summary report is prepared and presented in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”).

Differences exist between Japanese GAAP and the accounting principles generally accepted in the United States (“U.S. GAAP”) in certain material respects. Such differences have resulted in the past, and is expect to continue to result for this period and future periods, in amounts for certain financial statement line items under U.S. GAAP to differ significantly from the amounts under Japanese GAAP. For example, differences in consolidation basis or accounting for business combinations, including but not limited to amortization and impairment of goodwill, could result in significant differences in our reported financial results between Japanese GAAP and U.S. GAAP. Readers should consult their own professional advisors for an understanding of the differences between Japanese GAAP and U.S. GAAP and how those differences might affect our reported financial results. We will publish our U.S. GAAP financial results in a separate disclosure document when such information becomes available.”

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 other adjustments)

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● Net business profits

- Net interest income almost flat, as decline in lending income offset the increase from lower funding cost in foreign currency
- Lower net fees and commissions mainly in sales of investment trusts and insurance, securities products and real estate businesses due to deterioration of market environment
- Decrease in commissions from derivatives sales, etc. was an additional negative factor
- Approx. ¥41.0bn losses relating to securitized products were posted in net other business profits
- G&A expenses up mainly due to higher system integration costs

● Credit costs

- Increased due to the SMEs and other clients' credit deterioration

● Net gains (losses) on equity securities

- Loss of ¥75.2bn which includes ¥145.2bn write-down of equity securities

● Net income

- Down ¥164.6bn from FY07 H1 due to the lower net business profits, higher credit costs and net unfavorable performance from securities holdings

Income statement (¥bn)

	FY07 H1	FY08 H1	Change
1			
Gross profits			
(before credit costs for trust accounts)	1,796.8	1,696.5	(100.3)
2			
Net interest income	966.7	970.5	3.7
3			
Net fees and commissions	547.1	505.0	(42.1)
4			
Net trading profits + Net other business profits	203.9	153.8	(50.0)
5			
Net gains (losses) on debt securities	(10.9)	11.3	22.2
6			
G&A expenses	1,061.4	1,072.7	11.2
7			
Net business profits	735.4	623.8	(111.6)
8			
Credit costs*1	(267.4)	(334.9)	(67.4)
9			
(Non-consolidated)	(156.4)	(242.2)	(85.8)
10			
Net gains (losses) on equity securities	54.4	(75.2)	(129.7)
11			
Other non-recurring gains (losses)	(24.8)	(25.4)	(0.6)
12			
Ordinary profits	497.5	188.1	(309.4)
13			
Net extraordinary gains (losses)	(47.8)	0.6	48.4
14			
Total of income taxes-current and income taxes-deferred	193.4	47.6	(145.8)
15			
Net income	256.7	92.0	(164.6)
16			
EPS	24.76	8.46	(16.30)
17			
ROE*2	7.90%	2.58%	(5.32%)

*1 Credit costs= Credit costs for trust accounts (included in Gross profits) + Provision for general allowance for credit losses + Credit costs (included in non-recurring gains/losses) + Reversal of reserve for contingent losses included in credit costs (Negative numbers refer to costs or losses)

Reference (¥)

16	EPS	24.76	8.46	(16.30)
17	ROE*2	7.90%	2.58%	(5.32%)

*2

Net income for six months×2 - Equivalent of annual dividends on nonconvertible preferred stocks

$$\left\{ \frac{(\text{Total shareholder equity at the beginning of the period} - \text{Number of nonconvertible preferred shares at the beginning of the period} \times \text{Issue price} + \text{Foreign currency translation adjustments at the beginning of the period}) + (\text{Total shareholder equity at the end of the period} - \text{Number of nonconvertible preferred shares at the end of the period} \times \text{Issue price} + \text{Foreign currency translation adjustments at the end of the period})}{2} \right\} \times 100$$

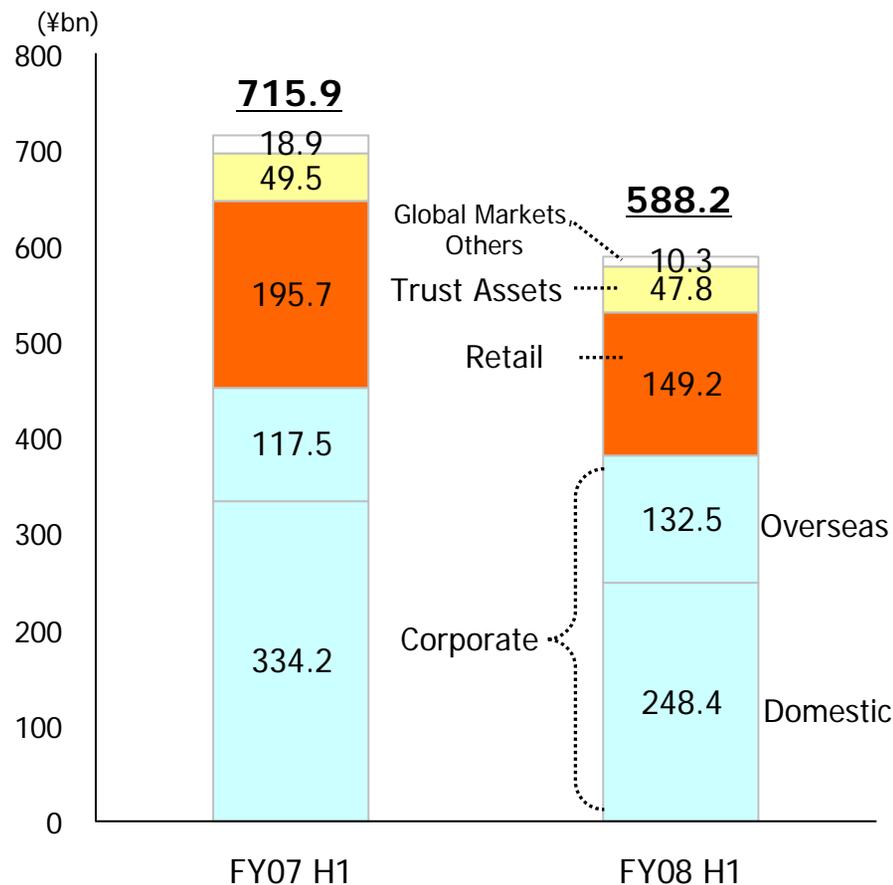
Outline of results by business segments

(Consolidated)

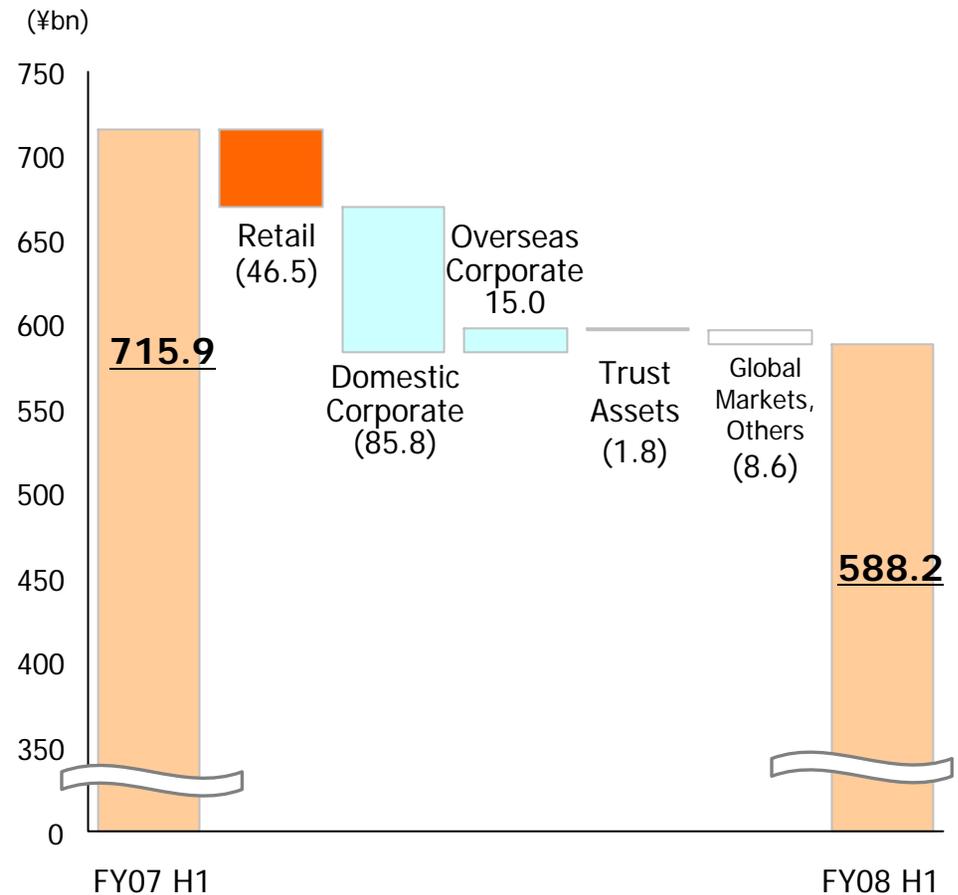


- Net operating profits decreased by ¥127.6 bn (mainly Domestic Corporate and Retail)

Net operating profits by segment*1



Breakdown of changes in Net operating profits*1



*1 On management accounts basis (Consolidated net business profits before consolidation adjustments)

● Loans

- Higher total loan balance primarily from increased overseas loans

● Deposits

- Decreased due to lower deposit balance from domestic corporations and overseas branches

● Investment securities

- Decreased mainly due to equity securities as a result of decline in stock price

● NPLs

- NPL ratio rose to 1.28% as a result of increase in FRL disclosed loans

● Net unrealized gains (losses) on available-for-sale securities

- Net unrealized gains decreased mainly driven by lower equity securities appraisal gains caused by decline in stock price

● BIS capital ratio

- Down mainly due to decrease in unrealized gains on securities investment

Balance sheet (¥bn)

	End Mar. 08	End Sep. 08	Change
1 Loans (Banking + Trust accounts)	88,797.6	90,676.2	1,878.6
	[88,538.8]	[90,445.1]	[1,906.3]
2 Loans (Banking accounts)			
3 Domestic corporate loans ^{*1*2}	49,450.1	48,554.9	(895.1)
4 Housing loans ^{*2*3}	17,358.2	17,235.0	(123.2)
5 Overseas loans ^{*4}	17,670.4	20,473.7	2,803.2
6 Investment securities (Banking accounts)	40,851.6	38,671.3	(2,180.3)
7 Deposits	121,307.3	119,798.3	(1,508.9)
8 Individual deposits (Domestic branches)	62,594.7	62,672.2	77.5
9 Loan-and-deposit rate margin (Non-consolidated)	FY07H2 1.48%	FY08H1 1.44%	(0.03%)
10 FRL disclosed loans ^{*2}	1,058.5	1,218.2	159.7
11 NPL ratio ^{*2}	1.15%	1.28%	0.13%
12 Net unrealized gains (losses) on available-for-sale securities	1,004.8	0.2	(1,004.6)
BIS capital ratio (Tier1 ratio)	11.19% (7.60%)	10.55% (7.63%)	(0.64%) 0.02%

*1 Excludes loans from the group banks to the holding company

*2 Non-consolidated + trust accounts

*3 Loan securitization (FY08H1): approx. ¥38.7bn

*4 Loans booked in overseas branches, UnionBanCal Corporation and BTMU (China)

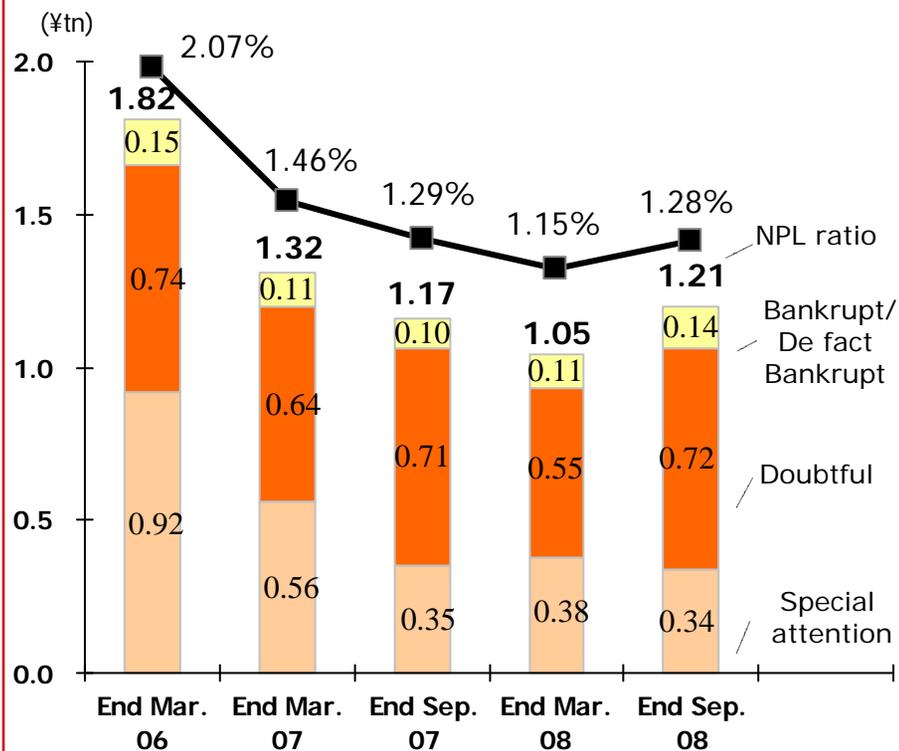
Loan assets

(Consolidated/Non-consolidated)

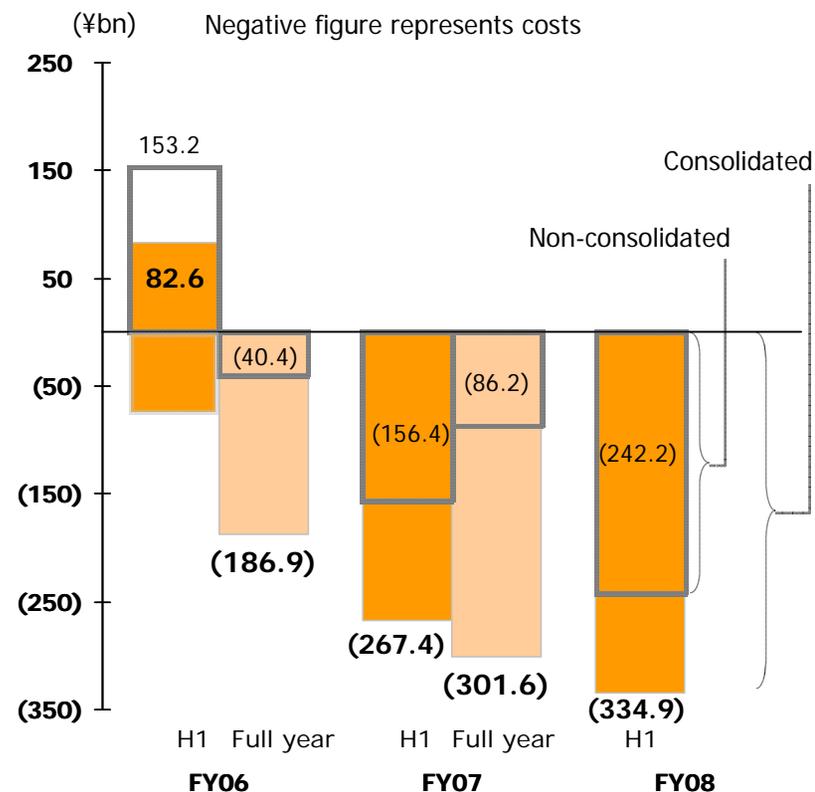


- NPL ratio rose by 0.13% from the end of Mar. 08 to 1.28% due to the increase in Doubtful category loans caused by down grading of debtors
- Credit costs showed an expense of ¥242.2bn on non-consolidated basis and ¥334.9bn on consolidated basis

Balance of FRL disclosed loans (Non-consolidated)



Credit costs



Holdings of investment securities

(Consolidated)



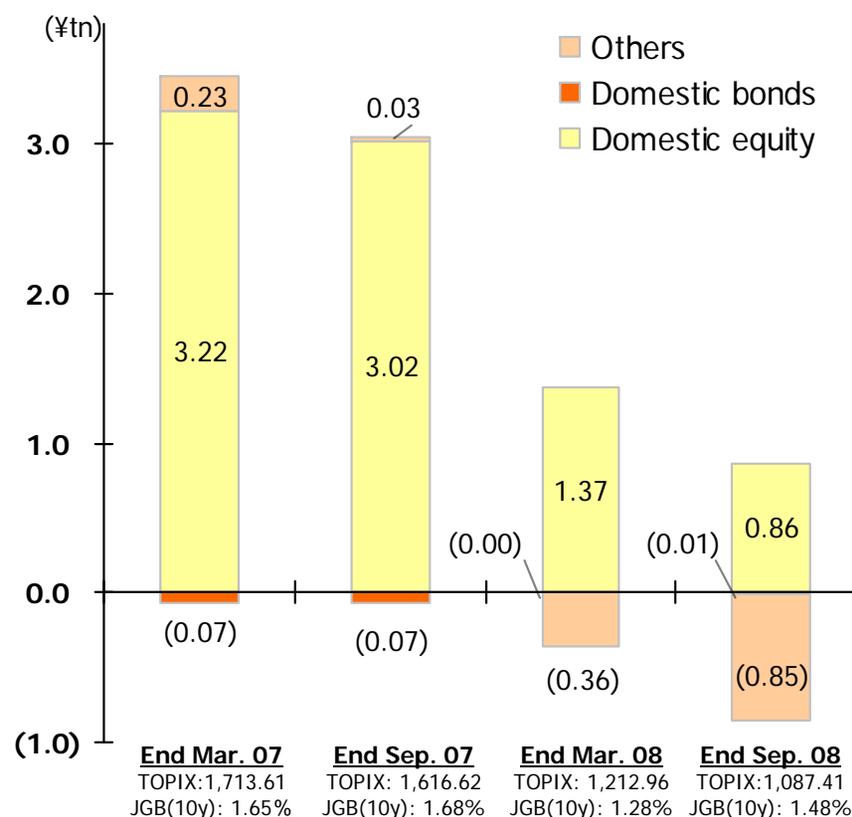
- Total unrealized gains on available-for-sale securities decreased by approx. ¥1tn to breakeven, due to lower unrealized gains on domestic equity securities and higher valuation losses on other securities including securitized products

Breakdown of available-for-sale securities (with market value)

(¥bn)

	Balance (End Sep.08)	Unrealized gains (losses)	
			Change from End Mar. 08
Total	34,329.1	0.2	(1,004.6)
Domestic equity securities	5,010.9	860.6	(517.2)
Domestic bonds	17,658.6	(10.4)	(1.5)
Others	11,659.6	(850.0)	(485.7)
Foreign equity securities	144.1	27.0	(68.1)
Foreign bonds	7,213.9	(102.7)	(81.9)
Other	4,301.5	(774.2)	(335.6)

Unrealized gains (losses) on available-for-sale securities



Holdings of securitized products

(Consolidated)



- The balance of investments in securitized products decreased by ¥0.2tn from Mar. 08. to approx. ¥3.1tn

Overview of holdings of securitized products (as of End Sep. 08)

(1) Balance, net unrealized gains (losses) (¥bn)

	Balance		Unrealized gains (losses)		Net unrealized gains (losses) as a % of balance
		Change from end Mar. 08		Change from end Mar. 08	
1 RMBS	520	(93)	(105)	(39)	(20.2%)
2 Sub-prime RMBS	141	(41)	(38)	0	(27.1%)
3 CMBS	35	(8)	(1)	0	(2.5%)
4 CLOs	2,011	(70)	(339)	(133)	(16.9%)
5 Others (card, etc.)	513	(6)	(49)	(11)	(9.6%)
6 CDOs	37	(22)	(6)	1	(17.4%)
7 SIV investments	3	(3)	0	0	(11.4%)
8 Total	3,118	(201)	(501)	(183)	(16.1%)

(2) Distribution of balance by rating (¥bn)

	AAA	AA	A	BBB	BB or lower	Unrated
9 RMBS	462	30	28	0	0	0
10 Sub-prime RMBS	122	18	0	0	0	0
11 CMBS	21	9	4	1	0	0
12 CLOs	1,734	102	144	26	4	2
13 Others (card, etc.)	279	38	46	143	3	3
14 CDOs	19	11	5	0	1	0
15 SIV investments	0	0	0	0	3	0
16 Total	2,516	189	227	170	11	5
17 Ratio	81%	6%	7%	5%	0%	0%

Securitized products

- The balance of investments in securitized products decreased by ¥201bn from end Mar. 08 to ¥3.12tn, mainly due to the sales and redemption
- The balance of net unrealized losses increased by ¥183bn from end Mar.08 to ¥501bn and net unrealized losses as a percentage of balance deteriorated by 6.5% to 16.1%
- A loss of ¥41bn was recorded in FY08H1, mainly due to losses on disposal of RMBS
- AAA rated: approx. 81%

Note: Does not include MBS arranged and guaranteed by U.S. GSEs, etc., Japanese RMBS such as Japanese Housing Finance Agency securities, and products held by funds such as investment trusts. Figures are rounded off. Balance is the amount after impairment and before deducting net unrealized losses.

(¥bn)

	End Mar. 08	End Sep. 08
1 Capital ratio	11.19%	10.55%
2 Tier1 ratio	7.60%	7.63%
3 Tier 1	8,293.7	8,380.4
4 Preferred securities	1,240.3	1,370.3
5 Tier 2	4,441.8	3,766.0
6 Unrealized gains on available for sale securities	462.4	-
7 Total capital	12,215.8	11,590.2
8 Risk-adjusted assets	109,075.6	109,789.1
9 Credit risk portion	100,962.2	101,536.4
10 Market risk portion	2,147.6	2,320.2
11 Operational risk portion	5,965.6	5,932.4

● **Total capital:**

- Down ¥0.6 tn mainly due to decrease in unrealized gains on securities investment resulting from lower stock price

● **Risk-adjusted assets:**

- Up approx. ¥0.7 tn mainly due to increase in credit risk portion resulting from increase in overseas lending

<Adopted method>

- Credit risk: Foundation Internal Ratings-based Approach (FIRB)
- Operational risk: The Standardized Approach (TSA)

● **Capital ratio:10.55%**
Tier1 ratio:7.63%

Earnings forecasts

Consolidated

		FY2008 Full year (forecasts)	
		Interim	
1	Ordinary income	¥2,925.1 bn	¥5,900.0 bn
2	Ordinary profits	¥188.1 bn	¥600.0 bn
3	Net income	¥92.0 bn	¥220.0 bn

Dividend forecasts

		FY2008 Annual dividend (forecast)		
		Interim dividend	Year-end dividend (forecast)	
1	Dividend per common share	¥7	¥7	¥14

Bank of Tokyo-Mitsubishi UFJ (non-consolidated)

		FY2008 Full year (forecasts)	
		Interim	
1	Net business profits	¥359.5 bn	¥780.0 bn
2	Ordinary profits	¥37.8 bn	¥290.0 bn
3	Net income	¥25.0 bn	¥120.0 bn

Mitsubishi UFJ Trust and Banking (non-consolidated)

		FY2008 Full year (forecasts)	
		Interim	
1	Net business profits	¥78.5 bn	¥145.0 bn
2	Ordinary profits	¥53.4 bn	¥105.0 bn
3	Net income	¥31.9 bn	¥55.0 bn