Mitsubishi UFJ Financial Group

Financial Highlights under Japanese GAAP for 3rd Quarter of Fiscal Year Ending March, 2009 (From April 2008 to December 2008)

February 6, 2009

Quality for You

MUFG

Agenda

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)

Statement of operations summary (Consolidated)

● Net business profits

- Net interest income increased mainly due to increase in overseas lending income and 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
- Total of net trading profits and net other business profits almost flat as higher net gains on debt securities and other things offset approx. ¥179.0bn losses relating to securitized products
- G&A expenses almost flat as progress in cost reduction offset higher system integration costs

● Credit costs

- Increased due to revision of debtor credit ratings which reflected downturn in businesses of domestic and overseas customers

● Net gains (losses) on equity securities

- Posted net losses due to approx. ¥400bn write-down of equity securities resulting from lower share prices

● Net income

- Recorded net losses mainly due to higher credit costs and net unfavorable performance from securities holdings

Income statement (¥bn)

		FY07 Q1-Q3	FY08 Q1-Q3	Change
1	Gross profits (before credit costs for trust accounts)	2,559.9	2,492.8	(67.0)
2	Net interest income	1,385.9	1,410.1	24.1
3	Net fees and commissions	796.1	722.8	(73.2)
4	Net trading profits + Net other business profits	265.7	266.9	1.1
5	Net gains (losses) on debt securities	(5.3)	79.6	84.9
6	G&A expenses	1,574.5	1,572.9	(1.5)
7	Net business profits	985.4	919.8	(65.5)
8	Credit costs*1	(334.4)	(434.4)	(99.9)
9	Net gains (losses) on equity securities	36.9	(326.3)	(363.2)
10	Other non-recurring gains (losses)	(22.8)	(45.2)	(22.4)
11	Ordinary profits	665.0	113.9	(551.1)
12	Net extraordinary gains (losses)	(32.9)	(3.2)	29.6
13	Total of income taxes-current and income taxes-deferred	262.7	90.3	(172.3)
14	Net income	314.6	(42.0)	(356.7)
15	Total credit costs*2	(334.4)	(433.5)	(99.0)
16	(Non-consolidated)	(186.7)	(291.6)	(104.8)

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

Reference (¥)

17	EPS	30.01	(4.36)	(34.37)
18	ROE*3	6.55%	(0.98%)	(7.53%)

*3

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

Balance sheet summary (Consolidated)

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- **Loans**
  - Increased due to increase in domestic corporate loans and consolidation of ACOM compared with at September 30, 2008
- **Investment securities**
  - Increased mainly due to JGBs and foreign bonds compared with at September 30, 2008
- **Deposits**
  - Decreased mainly due to lower deposit balance from overseas branches resulting from higher yen compared with at September 30, 2008 . Individual deposits continued to increase.
- **NPLs**
  - NPL ratio down to 1.17% as a result of decrease in FRL disclosed loans and increase in total loans compared with at September 30, 2008
- **Net unrealized gains (losses) on available-for-sale securities**
  - Turned to net unrealized losses driven by lower equity securities appraisal gains

Balance sheet (¥bn)

		End Mar. 08	End Sep. 08	End Dec. 08
1	Loans (Banking + Trust accounts) Loans (Banking accounts)	88,797.6 [88,538.8]	90,676.2 [90,445.1]	93,343.4 [93,125.0]
2	Domestic corporate loans*1	49,450.1	48,554.9	50,808.2
3	Housing loans*1	17,358.2	17,235.0	17,225.6
4	Overseas loans*2	17,670.4	20,473.7	19,918.0
5	Investment securities (Banking accounts)	40,851.6	38,671.3	45,509.2
6	Deposits	121,307.3	119,798.3	118,128.1
7	Individual deposits*3 (Domestic branches)	62,594.7	62,672.2	63,570.3
8	Loan-and-deposit rate margin (Non-consolidated)	FY07 H2 1.48%	FY08 H1 1.44%	FY08 Q1-Q3 1.44%

		End Mar. 08	End Sep. 08	End Dec. 08
9	FRL disclosed loans*1	1,058.5	1,218.2	1,123.4
10	NPL ratio*1	1.15%	1.28%	1.17%
11	Net unrealized gains (losses) on available-for-sale securities	1,004.8	0.2	(682.1)

*1 Non-consolidated + trust accounts
*2 Loans booked in overseas branches, UnionBanCal Corporation and BTMU (China)
*3 BTMU adjusted its method of monitoring deposits from individuals and started monitoring from end Sep. 08. The amount of deposits from individuals as of end Mar.08, adjusted by using the new method of monitoring, was ¥61.8 trillion.

Loans / deposits

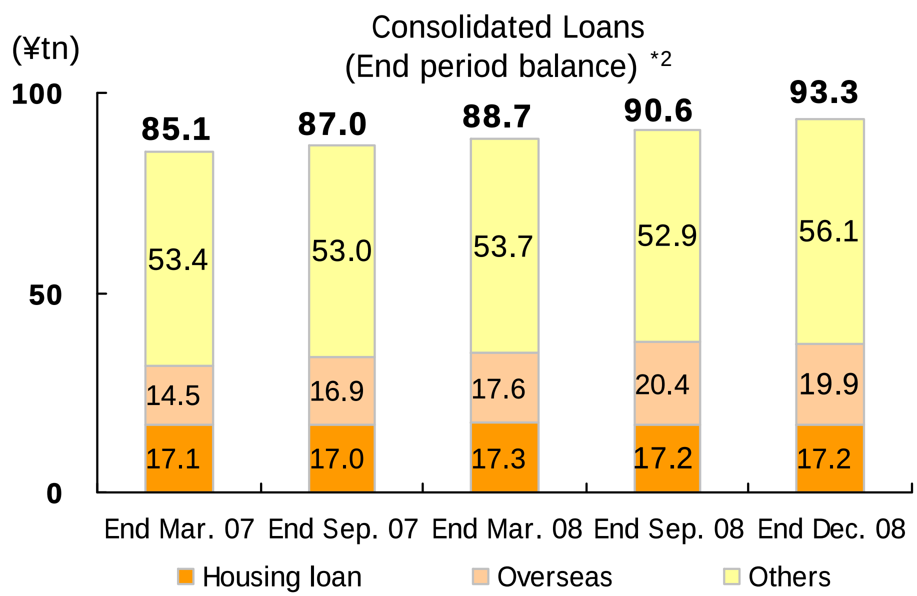
(Consolidated)

- **Loan balance increased to ¥93.3tn (up ¥2.6tn from end Sep. 08)**

  Changes from end Sep. 08:

  - **Domestic corporate +¥2.2tn**
  - **Overseas[*1] -¥0.5tn**
  - **Consolidation of ACOM +¥1.3tn**

*1 Overseas branches + UnionBanCal Corporation + BTMU (China)

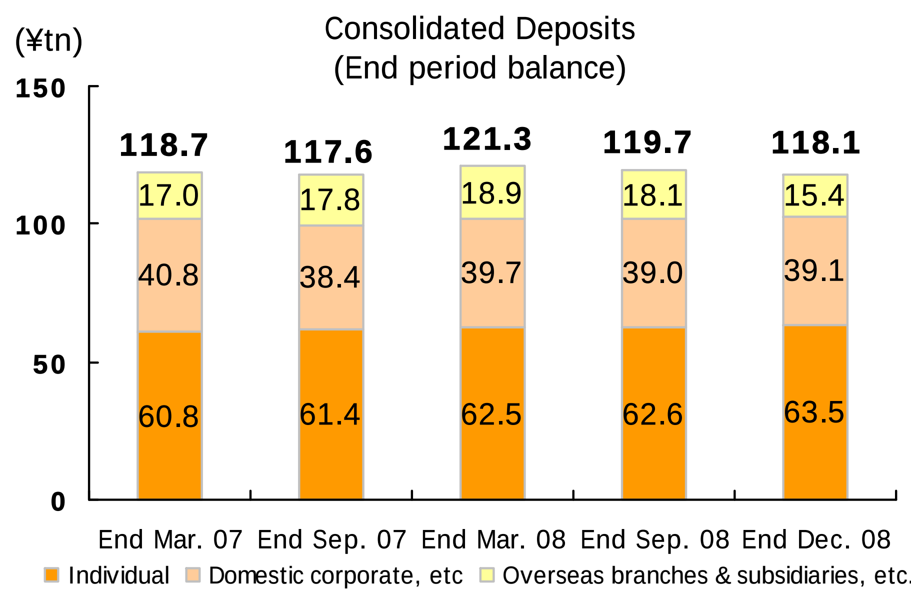


*2 Sum of banking and trust accounts.

- **Deposits balance ¥118.1tn (down ¥1.6tn from end Sep. 08)**

  Changes from end Sep. 08:

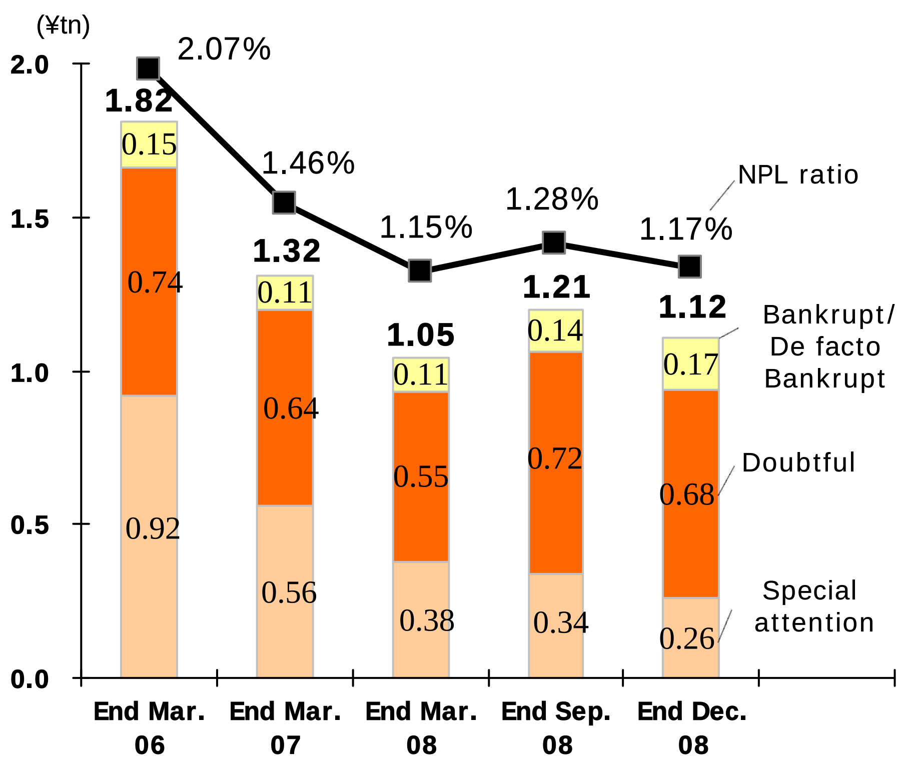
  - **Individual +¥0.8tn**
  - **Corporate, etc. +¥0.1tn**
  - **Overseas branches -¥2.3tn**



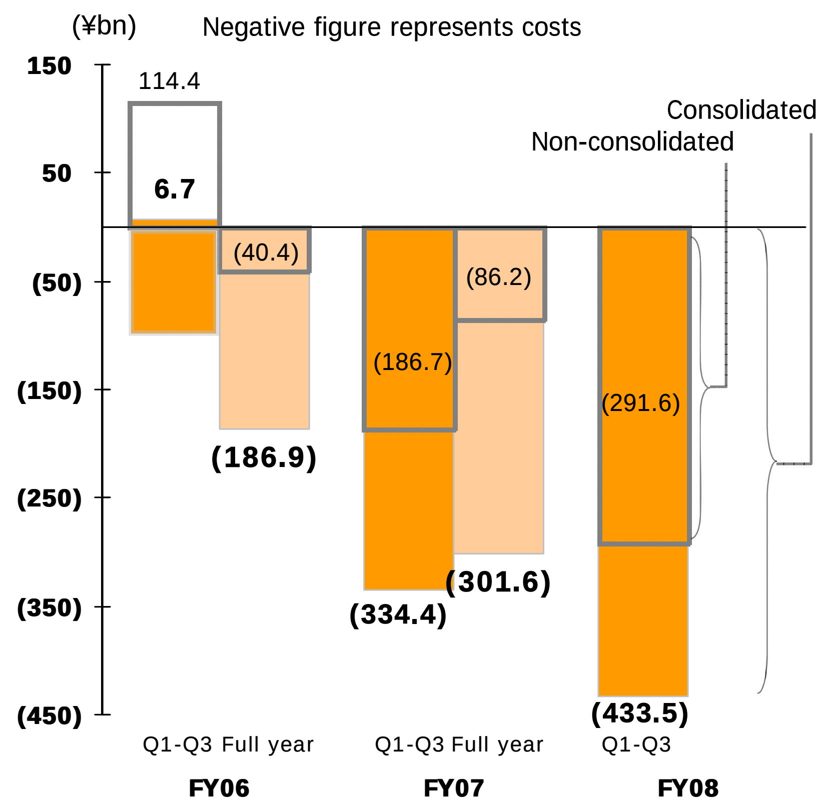
Loan assets (Consolidated / Non-consolidated)

- NPL ratio down by 0.11% from the end of Sep. 08 to 1.17% due to decrease in Doubtful and Special attention category loans
- Total credit costs showed an expense of ¥291.6bn on non-consolidated basis and ¥433.5bn on consolidated basis

Balance of FRL disclosed loans (Non-consolidated)



Total credit costs



Holdings of investment securities (Consolidated)

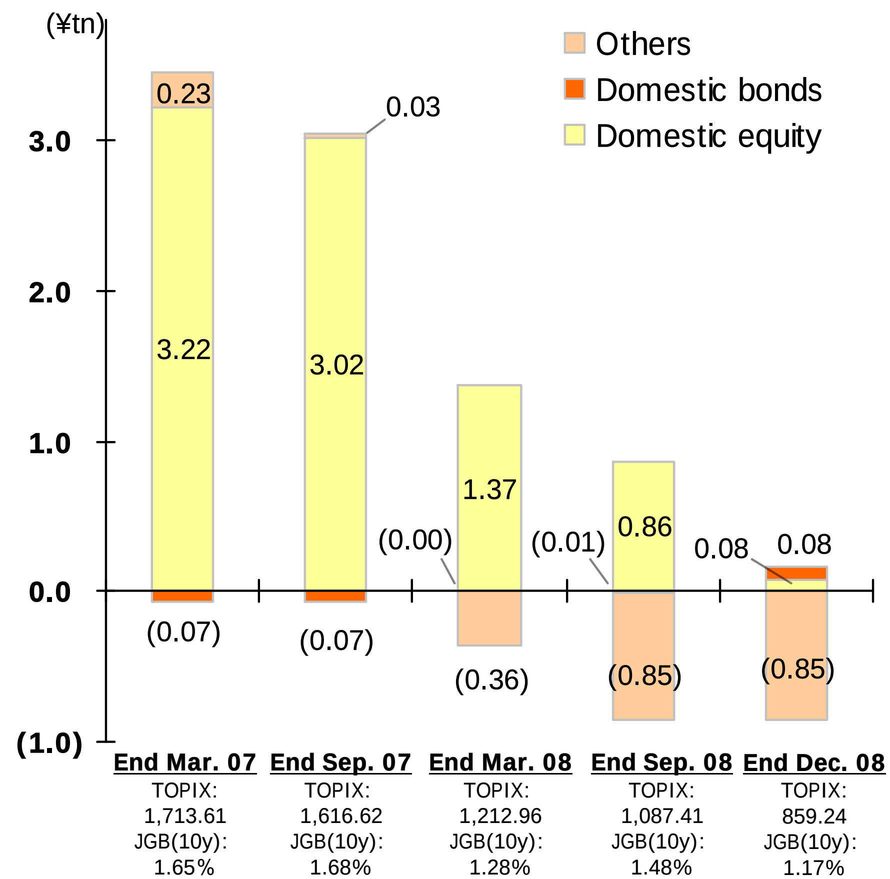
- **Total unrealized gains on available-for-sale securities decreased by approx. ¥0.68tn to net unrealized losses, due to lower unrealized gains on domestic equity securities**

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

(¥bn)

	Balance (End Dec.08)	Unrealized gains (losses)	Change from End Sep. 08
Total	40,002.8	(682.1)	(682.4)
Domestic equity securities	4,048.5	88.7	(771.8)
Domestic bonds	23,023.1	82.8	93.2
Others	12,931.1	(853.8)	(3.8)
Foreign equity securities	100.0	(32.5)	(59.5)
Foreign bonds	9,332.5	16.9	119.7
Other	3,498.5	(838.2)	(63.9)

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



Holdings of securitized products (Consolidated)

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- **The balance of investments in securitized products decreased by ¥0.5tn from Sep. 08 to approx. ¥2.6tn**

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

(1)Balance, net unrealized gains (losses)

(¥bn)

		Balance		Unrealized gains (losses)		Net unrealized gains (losses) as a % of balance
			Change from end Sep. 08		Change from end Sep. 08	
1	RMBS	360	(160)	(85)	20	(23.6%)
2	Sub-prime RMBS	83	(57)	(17)	21	(20.6%)
3	CMBS	34	(1)	(2)	(1)	(4.5%)
4	CLOs	1,801	(209)	(250)	89	(13.9%)
5	Others (card, etc.)	396	(116)	(81)	(32)	(20.4%)
6	CDOs	26	(11)	(7)	0	(26.2%)
7	SIV investments	0	(3)	0	0	0.0%
8	Total	2,618	(501)	(424)	77	(16.2%)

(2)Distribution of balance by rating

(¥bn)

		AAA	AA	A	BBB	BB or lower	Unrated
9	RMBS	304	23	23	2	7	0
10	Sub-prime RMBS	67	9	1	2	5	0
11	CMBS	20	9	4	1	0	0
12	CLOs	1,508	95	169	24	4	1
13	Others (card, etc.)	234	32	37	89	2	2
14	CDOs	12	7	0	1	7	0
15	Sub-prime ABS CDOs	0	0	0	0	0	0
16	SIV investments	0	0	0	0	0	0
17	Total	2,079	166	233	117	20	3
18	Ratio	79%	6%	9%	4%	1%	0%

Securitized products

- The balance of investments in securitized products decreased by ¥0.5tn from end Sep. 08 to ¥2.62tn, due to higher yen in addition to the sales and redemption
- The balance of net unrealized losses decreased by ¥77bn from end Sep.08 to ¥424bn and net unrealized losses as a percentage of balance increased by 0.1 points to 16.2%
- A loss of ¥179bn was recorded in FY08 Q1-Q3, mainly due to impairment losses resulting from decline in product prices
- AAA rated: approx. 79%

Note1: 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.

Note2: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.

FY2008 earnings / dividend forecasts (Consolidated / Non-consolidated)

Earnings forecasts

Consolidated

		Q1-Q3	FY2008 Full year (forecasts)
1	Ordinary income	¥4,347.0 bn	**¥5,900.0 bn**
2	Ordinary profits	¥113.9 bn	**¥350.0 bn**
3	Net income	(¥42.0) bn	**¥50.0 bn**

Dividend forecasts

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

Bank of Tokyo-Mitsubishi UFJ

	(consolidated)	Q1-Q3	FY2008 Full year (forecasts)
1	Ordinary profits	(¥40.8) bn	**¥145.0 bn**
2	Net income	(¥20.9) bn	**¥25.0 bn**
	(non-consolidated)		
3	Net business profits	¥520.1 bn	**¥765.0 bn**
4	Ordinary profits	(¥174.8) bn	**(¥20.0) bn**
5	Net income	(¥214.7) bn	**(¥165.0) bn**

Mitsubishi UFJ Trust and Banking

	(consolidated)	Q1-Q3	FY2008 Full year (forecasts)
1	Ordinary profits	¥61.2 bn	**¥75.0 bn**
2	Net income	¥30.1 bn	**¥30.0 bn**
	(non-consolidated)		
3	Net business profits	¥118.1 bn	**¥135.0 bn**
4	Ordinary profits	¥58.9 bn	**¥70.0 bn**
5	Net income	¥32.9 bn	**¥30.0 bn**

■**Reference :**

The above earnings forecasts assume share price levels as of the end of December, 2008. Because MUFG uses a reversal method for recording losses on write-down of its holdings of equity securities at quarter end, the amount of losses on write-down for the fiscal year ending March 31, 2009 will depend on share prices as of March 31, 2009. Consequently, actual results may differ significantly from the above forecasts depending on share price levels, etc.

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, due to various risks and uncertainties, the statements and assumptions are inherently not guarantees of future performance and may be considered differently from alternative perspective and may result in material differences from the actual result. For the main factors that may effect the current forecast, please see the Consolidated Summary Report, Annual Securities Report, Disclosure Book, Annual Report, and other current disclosures that the company has announced.

The financial information included in this financial highlights 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 are expected 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. To date, we have published U.S. GAAP financial results only on a semiannual and annual basis, and currently do not expect to publish U.S.GAAP financial results for the period reported in this highlights.