

Mitsubishi UFJ Financial Group

**Financial Highlights under Japanese GAAP
for 2nd Quarter of Fiscal Year Ending March, 2010
(From April 2009 to September 2009)**

November 18, 2009

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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)

● Net business profits

- Gross profits increased mainly due to higher domestic and overseas lending income, market product income and a consolidation of ACOM, despite of lower deposit income caused by the decline of interest rates.
- G&A expenses decreased due to an intensive corporate-wide cost reduction as well as the effect of the system integration.
- As a result, net business profits significantly increased. Even excluding impact from the consolidation of ACOM, net business profits increased by ¥53.4bn.

● Credit costs

- While non-consolidated credit costs decreased, consolidated credit costs increased due to an increase at other subsidiaries and the consolidation of ACOM.

● Net gains (losses) on equity securities

- Net losses on equity securities turned to net gains mainly due to decrease in write-down of equity securities.

● Other non-recurring gains (losses)

- Other non-recurring losses increased mainly due to an increase in retirement benefit costs.

Income statement (¥bn)

	FY08 H1	FY09 H1	Change
1 Gross profits (before credit costs for trust accounts)	1,696.5	1,813.2	116.6
2 Net interest income	970.5	1,115.2	144.6
3 Trust fees + Net fees and commissions	572.1	545.6	(26.5)
4 Net trading profits + Net other business profits	153.8	152.4	(1.4)
5 Net gains (losses) on debt securities	11.3	24.8	13.5
6 G&A expenses	1,072.7	1,061.4	(11.2)
7 Net business profits	623.8	751.7	127.9
8 Credit costs*1	(334.9)	(444.2)	(109.3)
9 (Non-consolidated)	(242.2)	(224.0)	18.2
10 Net gains (losses) on equity securities	(75.2)	13.3	88.6
11 Other non-recurring gains (losses)	(25.4)	(87.7)	(62.3)
12 Ordinary profits	188.1	233.0	44.9
13 Net extraordinary gains (losses)	0.6	(18.6)	(19.3)
14 Total of income taxes-current and income taxes-deferred	47.6	42.5	(5.0)
15 Net income	92.0	140.9	48.9

*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)

Reference (¥)

16 EPS	8.46	11.08	2.62
17 ROE*2	2.58%	3.77%	1.19%

*2

Net income for six months×2÷Equivalent of annual dividends on nonconvertible preferred stocks ×100

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

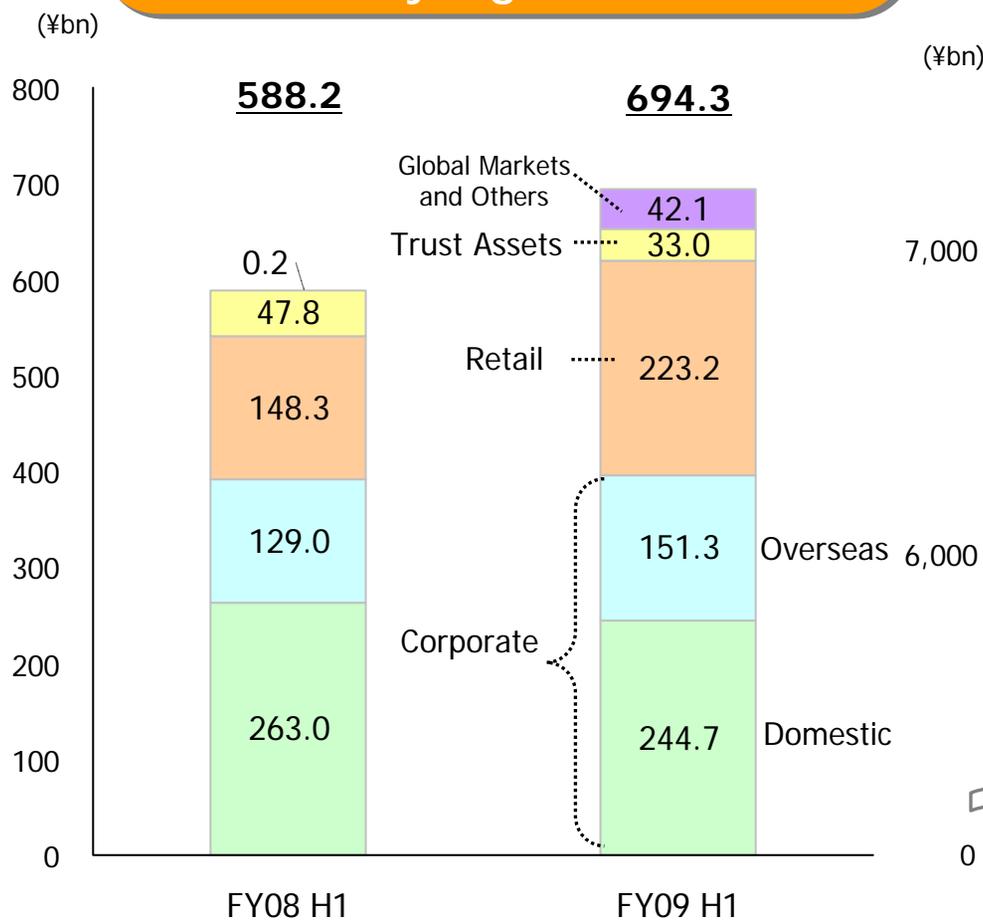
Outline of results by business segments (Consolidated)

(Consolidated)

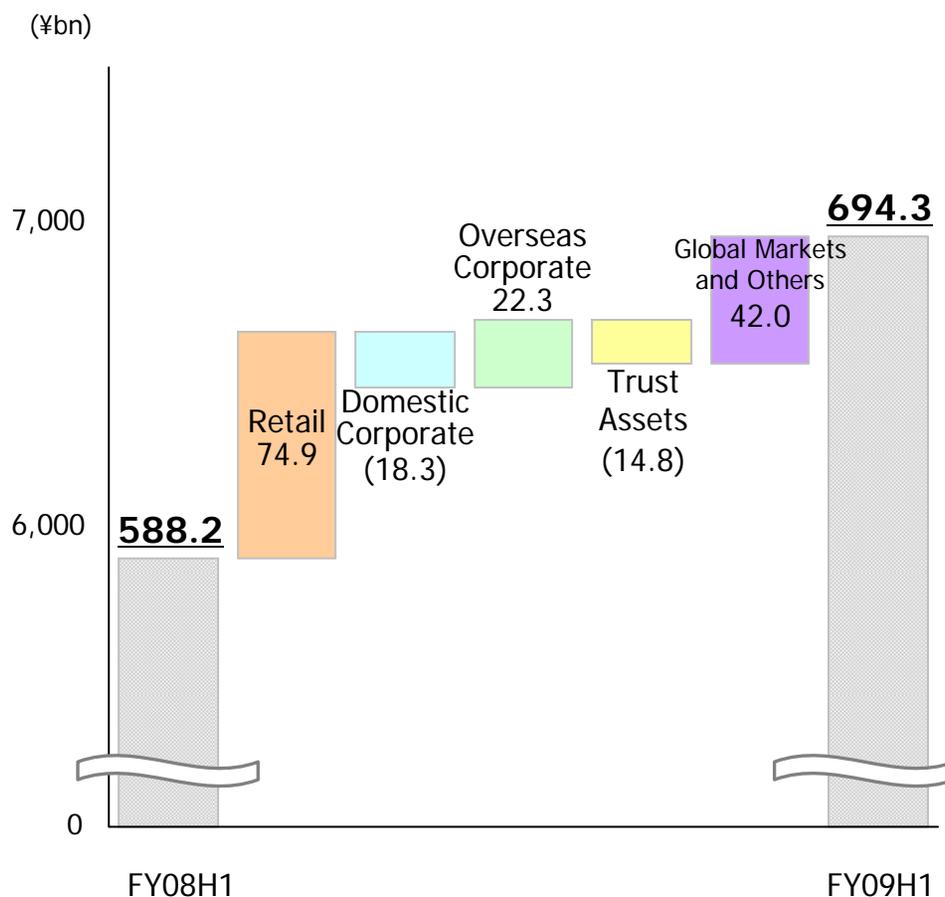


- In Corporate, an increase in domestic and overseas lending income offset a decrease in deposits income, while net operating profits from Trust Assets decreased slightly due to sluggish stock prices. Net operating profits increased ¥ 106.1 bn in total compared to FY08 H1, mainly due to increases in Retail, Global Markets and Others.

Net operating profits by segment*1



Breakdown of changes in Net operating profits*1



*1 Consolidated net business profits on a managerial accounting basis
Losses on credit derivatives for credit risk hedging are recorded in 'Global Markets and Others'

Loans

- Decreased from End Mar. 09 due to lower domestic and overseas corporate loans

Investment securities

- Significantly increased from End Mar. 09 mainly due to JGBs

Deposits

- Increased because higher deposits from overseas branches from End Mar. 09, offset lower deposits from domestic branches

NPLs

- NPL ratio up from End Mar. 09 as a result of increase in FRL disclosed loans, but keeping a low level

Net unrealized gains (losses) on securities available for sale

- Turned to net unrealized gains due to improved appraisal gains on equity securities caused by higher stock prices

Balance sheet (¥bn)

	End Mar. 09	End Sep. 09	Change from End Mar. 09
1 Loans (Banking+Trust accounts)	92,256.6	88,207.2	(4,049.3)
Loans (Banking accounts)	[92,056.8]	[88,032.0]	[(4,024.7)]
2 Domestic corporate loans*1	50,239.2	48,113.1	(2,126.1)
3 Housing loans*1	17,364.2	17,301.5	(62.6)
4 Overseas loans*2	19,488.5	17,500.9	(1,987.6)
5 Investment securities (Banking accounts)	48,314.1	57,384.3	9,070.2
6 Deposits	120,149.5	122,043.7	1,894.1
7 Individual deposits (Domestic branches)	62,881.6	62,844.4	(37.1)
8 Loan-and-deposit rate margin (Non-consolidated)	FY08 H2 1.44%	FY09 H1 1.34%	Change from FY08 H2 (0.09%)
9 FRL disclosed loans*1	1,189.9	1,245.9	55.9
10 NPL ratio*1	1.24%	1.38%	0.13%
11 Net unrealized gains (losses) on securities available for sale	(917.7)	414.8	1,332.6
12 BIS capital ratio (Tier1 ratio)	11.77% 7.76%	13.29% 9.13%	1.52% 1.36%

*1 Non-consolidated + trust accounts

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

Loans/deposits

● **Loan balance ¥88.2tn**
(down ¥4.0tn from End Mar. 09)

Changes from End Mar. 09:

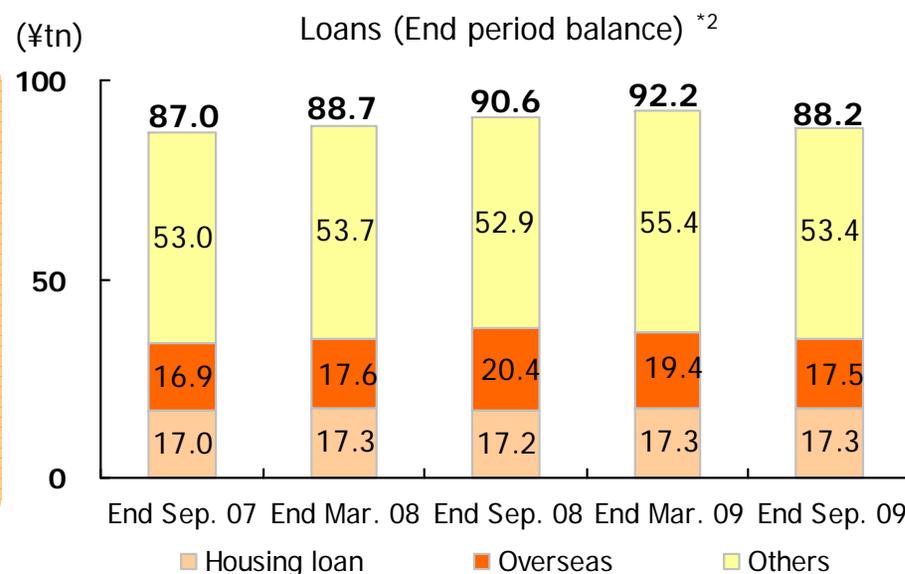
- Domestic corporate -¥2.1tn
- Overseas*¹ -¥1.9tn

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

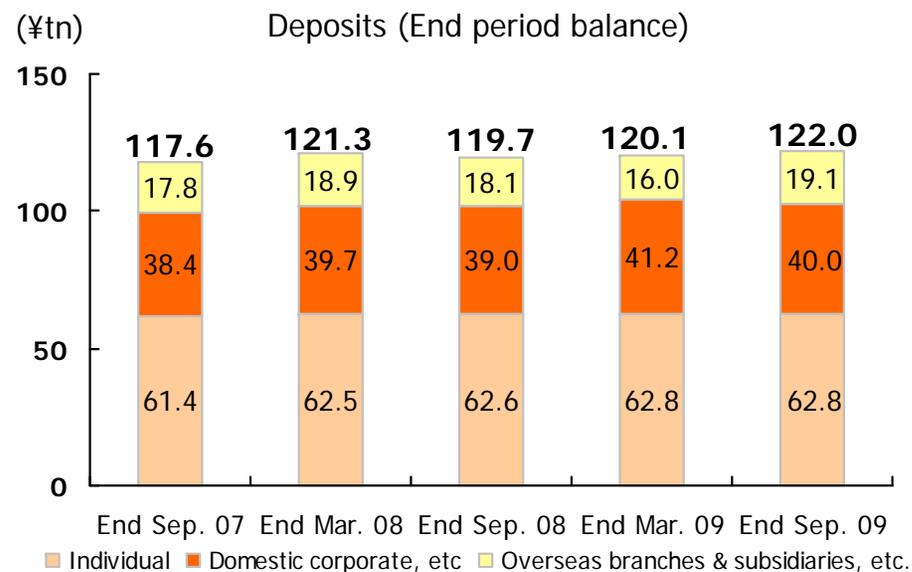
● **Deposit balance ¥122.0tn**
(up ¥1.8tn from End Mar. 09)

Changes from End Mar. 09:

- Individual -¥0.0tn
- Corporate, etc. -¥1.1tn
- Overseas branches, etc. +¥3.1tn



*² Sum of banking and trust accounts.



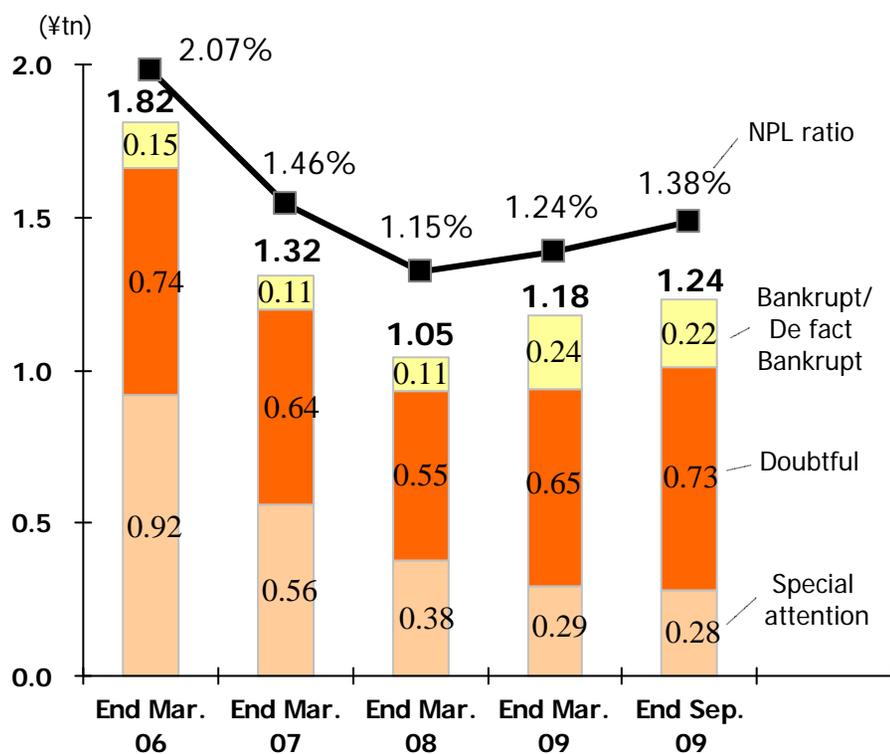
Loan assets

(Consolidated/Non-consolidated)

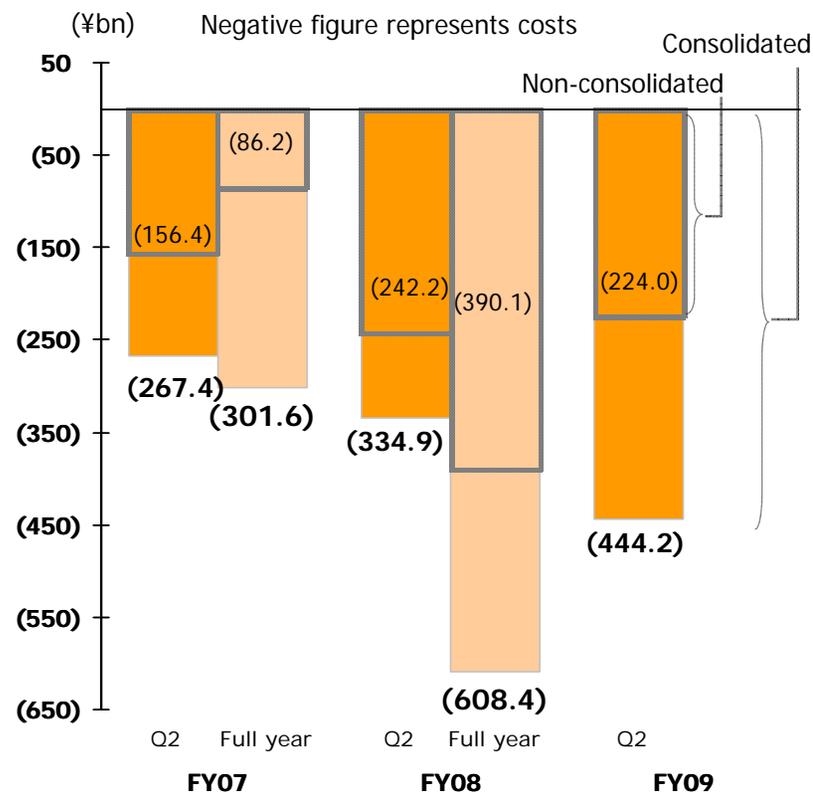


- NPL ratio up by 0.13% from the end of Mar. 09 to 1.38% due to increase in Doubtful category loans
- Total credit costs showed an expense of ¥224.0bn on a non-consolidated basis and ¥444.2bn on a consolidated basis

Balance of FRL disclosed loans (Non-consolidated)



Total credit costs



Holdings of investment securities

(Consolidated)



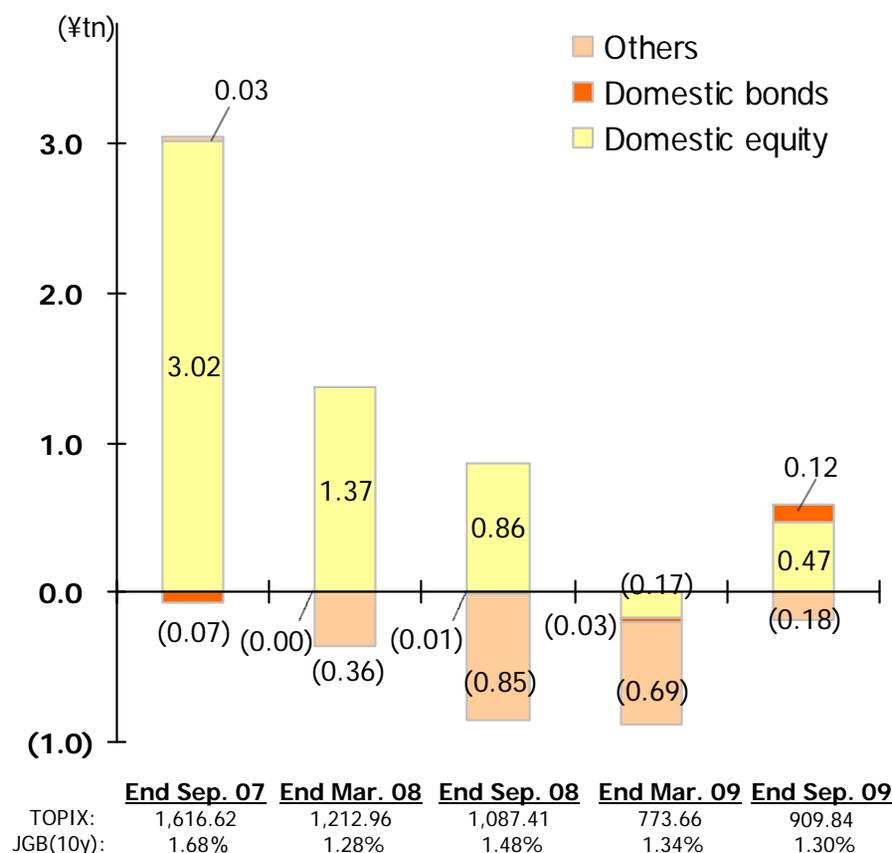
- Total unrealized gains (losses) on securities available for sale improved by ¥1.33tn from End Mar. 09, due to improvement in all categories, especially domestic equity securities

Breakdown of securities available for sale (with market value)

(¥bn)

	Balance (End Sep.09)	Unrealized gains (losses)	Change from End Mar. 09
Total	50,500.5	414.8	1,332.6
Domestic equity securities	4,272.2	476.8	656.6
Domestic bonds	33,462.0	124.2	162.7
Others	12,766.2	(186.2)	513.2
Foreign equity securities	307.9	63.6	84.3
Foreign bonds	10,496.4	61.1	90.2
Other	1,961.7	(310.9)	338.6

Unrealized gains (losses) on securities available for sale



● **Balance of investments in securitized products approx. ¥1.98tn (down ¥0.31tn from end Mar. 09)**

Figures are on a managerial accounting basis and rounded off. Balance is the amount after impairment and before deducting net unrealized losses.

- The balance of investments in securitized products decreased to ¥1.98tn (down ¥0.31tn from end Mar. 09), due to the sales of securitized products, which have risk of being downgraded or deteriorated, and redemptions.
- Net unrealized losses improved by ¥178bn from end Mar.09 to ¥206bn.
- The effect on the P/L for the interim of fiscal 2009 (April to September 2009) was a loss of ¥16bn mainly due to losses on sales.

Balance, net unrealized gains (losses)

	(¥bn)	Balance		Unrealized gains (losses)		of which securities being held to maturity*	
			Change from end Mar. 09		Change from end Mar. 09	Balance	Unrealized gains (losses)
1	RMBS	106	(92)	(6)	41	0	0
2	Sub-prime RMBS	34	(16)	0	9	0	0
3	CMBS	25	(3)	(2)	0	0	0
4	CLOs	1,567	(129)	(186)	100	1,229	(145)
5	Others (card, etc.)	273	(80)	(10)	36	28	(1)
6	CDOs	13	(6)	(2)	0	4	(1)
7	SIV investments	0	0	0	0	0	0
8	Total	1,983	(310)	(206)	178	1,260	(147)

* Following the publication of "Tentative Solution on Reclassification of Debt Securities" (Practical Issue Task Force No.26), some of our securitized products were reclassified into "securities being held to maturity" from "securities available-for-sale" at and after the end of January 2009. The balance and net unrealized gains (losses) of the securities being held to maturity in the above table are based on book value before reclassification.

● Total capital

- Increased ¥1.47 tn from End Mar. 09 because net unrealized losses on investment securities turned to net gains and preferred securities increased due to new issuance

● Risk-adjusted assets

- Almost flat because increase caused by higher stock prices and revision of parameter offset decrease in securitization exposures

<Adopted method>

- Credit risk:
〔End Sep, 08〕
FIRB (Foundation Internal Ratings-based Approach)
〔End Mar, 09, End Sep, 09〕
AIRB (Advanced Internal Ratings-based Approach)

- Operational risk: The Standardized Approach (TSA)

- **Capital ratio** : **13.29%**
- **Tier1 ratio** : **9.13%**
- **Core Tier1 ratio**^{*1} : **6.83%**

*1 Core Tier1 = Tier1 - (Preferred Stock + Preferred securities)
Core Tier1 ratio = Core Tier1 ÷ Risk-adjusted assets

		(¥bn)			
		End Sep. 08	End Mar. 09	End Sep. 09	Change from End Mar. 09
1	Capital ratio	10.55%	11.77%	13.29%	1.52%
2	Tier1 ratio	7.63%	7.76%	9.13%	1.36%
3	Core Tier1 ratio	6.15%	5.77%	6.83%	1.06%
4	Tier 1	8,380.4	7,575.1	8,894.3	1,319.1
5	Preferred stock	261.3	640.0	640.0	-
6	Preferred securities	1,370.3	1,307.1	1,601.0	293.9
7	Net unrealized losses on securities available for sale	(41.6)	(803.8)	-	803.8
8	Tier 2	3,766.0	4,216.1	4,383.5	167.4
9	Net unrealized gains on securities available for sale	-	-	185.1	185.1
10	Subordinated debt	3,439.6	3,779.2	3,751.5	(27.7)
11	Total capital	11,590.2	11,478.4	12,948.9	1,470.4
12	Risk-adjusted assets	109,789.1	97,493.4	97,368.2	(125.1)
13	Credit risk	101,536.4	90,242.9	89,902.3	(340.6)
14	Market risk	2,320.2	1,587.6	1,777.6	189.9
15	Operational risk	5,932.4	5,662.7	5,688.3	25.5

FY2009 targets/dividend forecasts

(Consolidated/
Non-consolidated)



Earnings targets

Consolidated

		Interim (results)	FY2009 Full Year (targets)
1	Ordinary profits	¥233.0 bn	¥600.0 bn
2	Net income	¥140.9 bn	¥300.0 bn

Dividend forecasts

		Interim dividend	Year-end dividend (forecasts)	FY2009 Annual dividend (forecast)
1	Dividend per common share	¥6	¥6	¥12

Bank of Tokyo-Mitsubishi UFJ

(non-consolidated)		Interim (results)	FY2009 Full Year (reference)
1	Net business profits	¥408.0 bn	¥865.0 bn
2	Ordinary profits	¥125.0 bn	¥365.0 bn
3	Net income	¥130.7 bn	¥245.0 bn

Mitsubishi UFJ Trust and Banking

(non-consolidated)		Interim (results)	FY2009 Full Year (reference)
1	Net business profits	¥52.9 bn	¥120.0 bn
2	Ordinary profits	¥35.3 bn	¥65.0 bn
3	Net income	¥24.7 bn	¥45.0 bn

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, 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 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. We will publish U.S. GAAP financial results in a separate disclosure document when such information becomes available.