

Mitsubishi UFJ Financial Group

**Financial Highlights under Japanese GAAP
for 1st Quarter of Fiscal Year Ending March 31, 2011
(From April 1, 2010 to June 30, 2010)**

July 30, 2010

- **Income statement summary** 2
- **Balance sheet summary** 3
- **Loans/deposits** 4
- **Domestic deposits/lending** 5
- **Loan assets** 6
- **Holdings of investment securities** 7

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 any adjustments)

● Net business profits

- Gross profits increased due to an increase in market product income such as net gains on debt securities, partially offset by a decrease in net interest income caused by a decline of interest-rates and a decrease in loan balance.
- G&A expenses decreased reflecting the progress of an intensive corporate-wide cost reduction.
- As a result, net business profits increased significantly. Expense ratio improved to mid-50% range.

● Total credit costs

- Significantly decreased due to a decrease in provision for credit losses reflecting the improvement of economic environment. Credit costs of the subsidiaries other than Non-consolidated also improved.

● Net gains (losses) on equity securities

- Net gains on equity securities decreased mainly due to an increase in write-downs of equity securities and lower gains on sales of equity securities.

● Net income

- Net income increased significantly.

Income statement (¥bn)

	FY09 Q1	FY10 Q1	Change	
1	Gross profits (before credit costs for trust accounts)	873.4	910.6	37.1
2	Net interest income	555.2	501.6	(53.6)
3	Trust fees + Net fees and commissions	257.7	248.2	(9.4)
4	Net trading profits + Net other business profits	60.4	160.6	100.1
5	Net gains (losses) on debt securities	17.8	78.3	60.4
6	G&A expenses	541.5	515.1	(26.4)
7	Expense ratio	62.00%	56.56%	(5.43%)
8	Net business profits	331.8	395.4	63.6
9	Credit costs ^{*1}	(189.8)	(70.3)	119.5
10	Net gains (losses) on equity securities	30.2	1.1	(29.1)
11	Other non-recurring gains (losses)	(35.9)	(27.1)	8.7
12	Ordinary profits	136.3	299.1	162.7
13	Net extraordinary gains (losses)	2.9	(11.3)	(14.3)
14	Total of income taxes-current and income taxes-deferred	46.5	95.5	49.0
15	Net income	75.9	166.3	90.4
16	Total credit costs ^{*2}	(189.8)	(70.3)	119.5
17	(Non-consolidated)	(73.3)	(22.1)	51.2
18	EPS	6.52	11.76	5.24
19	ROE ^{*3}	4.12%	7.98%	3.86%

*1 Credit costs= Credit costs for trust accounts + Provision for general allowance for credit losses + Credit costs (included in non-recurring gains/losses)

*2 Total credit costs= Credit costs + Reversal of allowance for credit losses + Reversal of reserve for contingent losses included in credit costs

Reference (¥)

18	EPS	6.52	11.76	5.24
19	ROE ^{*3}	4.12%	7.98%	3.86%

*3

Net income×4 - Equivalent of annual dividends on nonconvertible preferred stocks
 { (Total shareholders' equity at the beginning of the period - Number of nonconvertible preferred stocks at the beginning of the period×Issue price + Foreign currency translation adjustments at the beginning of the period) + (Total shareholders' equity at the end of the period - Number of nonconvertible preferred stocks at the end of the period×Issue price + Foreign currency translation adjustments at the end of the period) } / 2 ×100

Loans

- Decreased from End Mar. 10 due to lower demand of domestic and overseas corporate loans.

Investment securities

- Increased from End Mar. 10 mainly due to an increase in Japanese Government Bonds (“JGBs”).

Deposits

- Decreased from End Mar. 10 due to a decrease in corporate deposits of domestic and overseas branches, partially offset by an increase in individual deposits.

Total net assets

- Decreased from End Mar. 10 mainly due to acquisition and cancellation of preferred shares.

Non performing loans (“NPLs”)

- NPL ratio up from End Mar. 10 as a result of an increase in FRL disclosed loans, but keeping at a low level.

Net unrealized gains (losses) on securities available for sale

- Decreased from End Mar. 10 mainly due to a decrease in net unrealized gains on domestic equity securities.

Balance sheet (¥bn)

	End Mar. 10	End Jun. 10	Change from End Mar. 10
1 Total assets	204,106.9	204,744.4	637.4
2 Loans (Banking+Trust accounts)	85,035.9	82,639.8	(2,396.1)
Loans (Banking accounts)	[84,880.6]	[82,492.5]	[(2,388.0)]
3 Domestic corporate loans* ¹	47,771.9	46,220.3	(1,551.5)
4 Housing loans* ¹	17,467.3	17,422.8	(44.5)
5 Overseas loans* ²	16,651.7	15,890.2	(761.4)
6 Investment securities (Banking accounts)	63,964.4	66,037.5	2,073.0
7 Government bonds	39,725.3	41,836.7	2,111.3
8 Total liabilities	192,807.4	193,578.7	771.2
9 Deposits	123,891.9	122,175.7	(1,716.1)
10 Individual deposits (Domestic branches)	63,045.3	63,822.8	777.4
11 Total net assets	11,299.4	11,165.6	(133.8)
12 Loan-and-deposit rate margin (Non-consolidated)	FY09 4Q 1.29%	FY10 1Q 1.28%	Change from FY09 4Q (0.00%)
13 FRL disclosed loans* ^{1*3}	1,348.7	1,422.4	73.6
14 NPL ratio* ¹	1.50%	1.64%	0.13%
15 Net unrealized gains (losses) on securities available for sale	812.7	499.9	(312.7)

*1 Non-consolidated + trust accounts

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

*3 FRL=the Financial Reconstruction Law

Loans/deposits

(Consolidated)



● **Loan balance ¥82.6tn**
(down ¥2.3tn from End Mar. 10)

Changes from End Mar. 10:

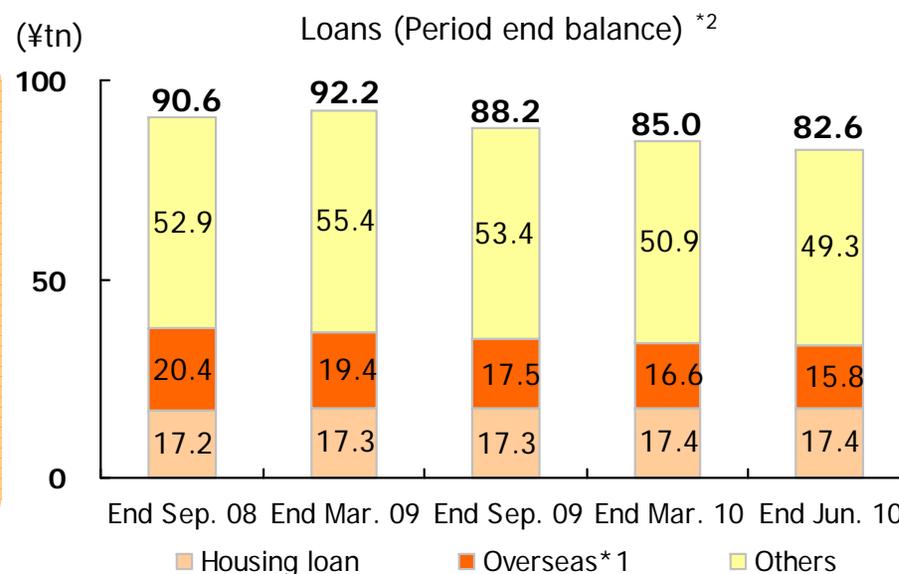
- Domestic corporate -¥1.5tn
- Overseas*¹ -¥0.7tn

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

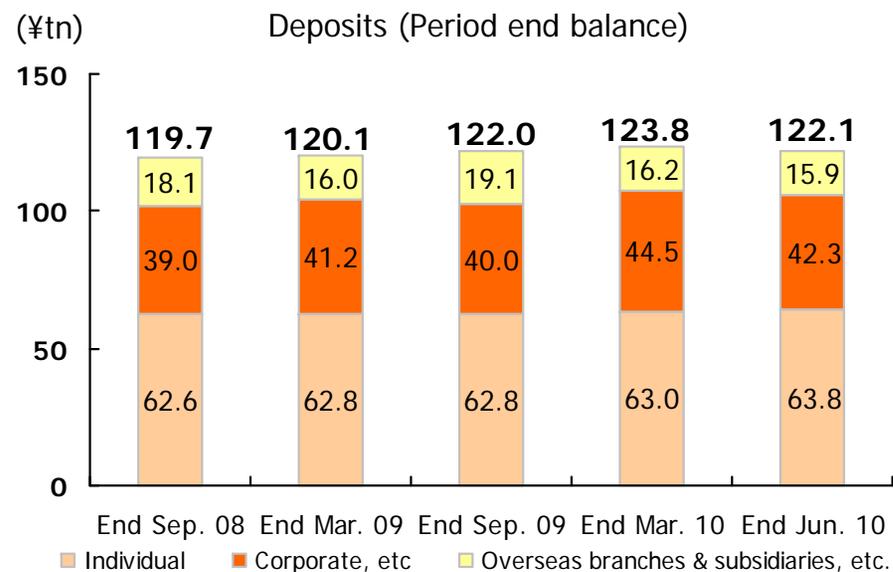
● **Deposit balance ¥122.1tn**
(down ¥1.7tn from End Mar. 10)

Changes from End Mar. 10:

- Individual +¥0.7tn
- Corporate, etc. -¥2.1tn
- Overseas branches -¥0.1tn



*2 Sum of banking and trust accounts.



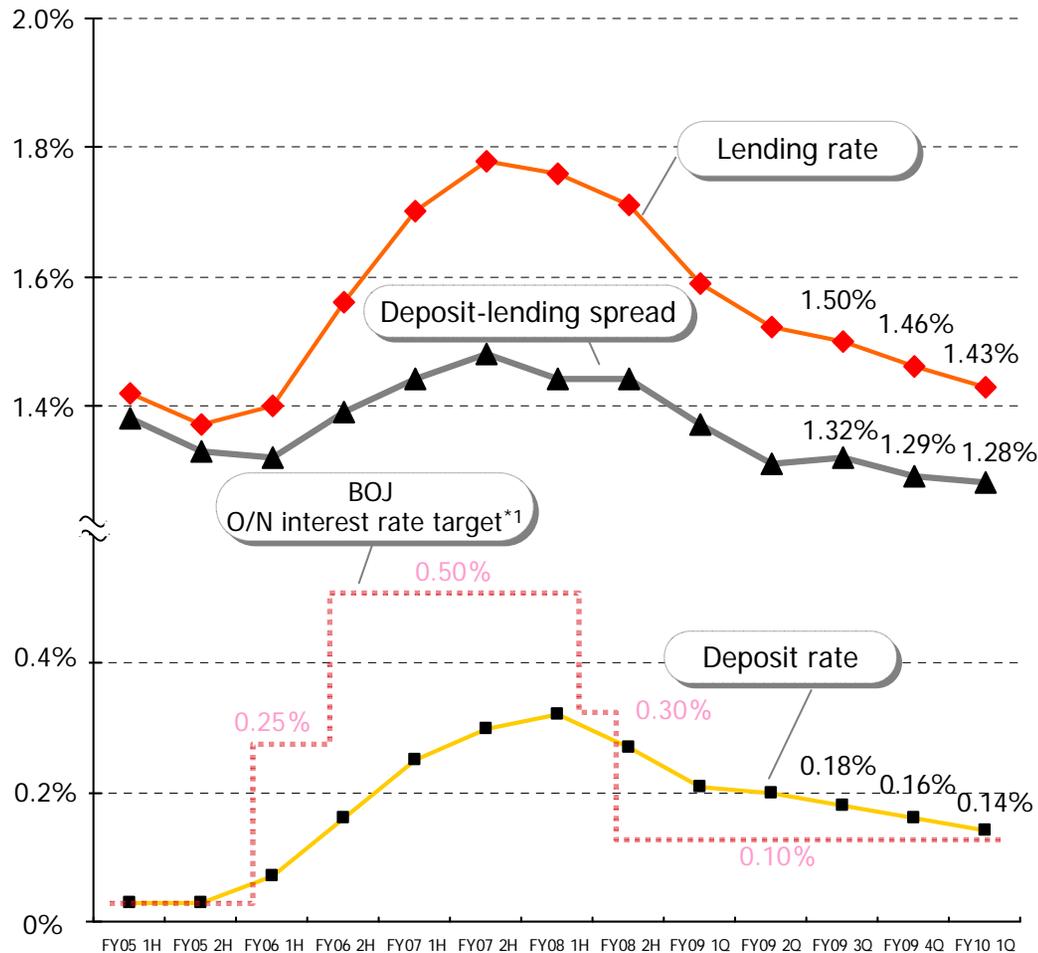
Domestic deposit/lending rates

(Non-consolidated)



- Deposit/lending spread in FY10 1Q was 1.28%, almost unchanged from FY09 4Q

Changes in domestic deposit/lending rates (non-consolidated)



*1 Before Mar 06, during quantitative easing : Actual O/N interest rate

Interest rate changes

- November 4, 2008
Interest on ordinary deposits: 0.200% \Rightarrow 0.120%
- November 20, 2008
Short-term prime rate: 1.875% \Rightarrow 1.675%
- December 22, 2008
Interest on ordinary deposits: 0.120% \Rightarrow 0.040%
- January 13, 2009
Short-term prime rate: 1.675% \Rightarrow 1.475%
- April 1, 2009
Variable rate on new housing loans :
 \Rightarrow Changed based on the long-term lending rate linked to short-term prime rate as of March 1
- July 1, 2009
Variable rate on existing housing loans :
 \Rightarrow Changed based on the long-term lending rate linked to short-term prime rate as of April 1

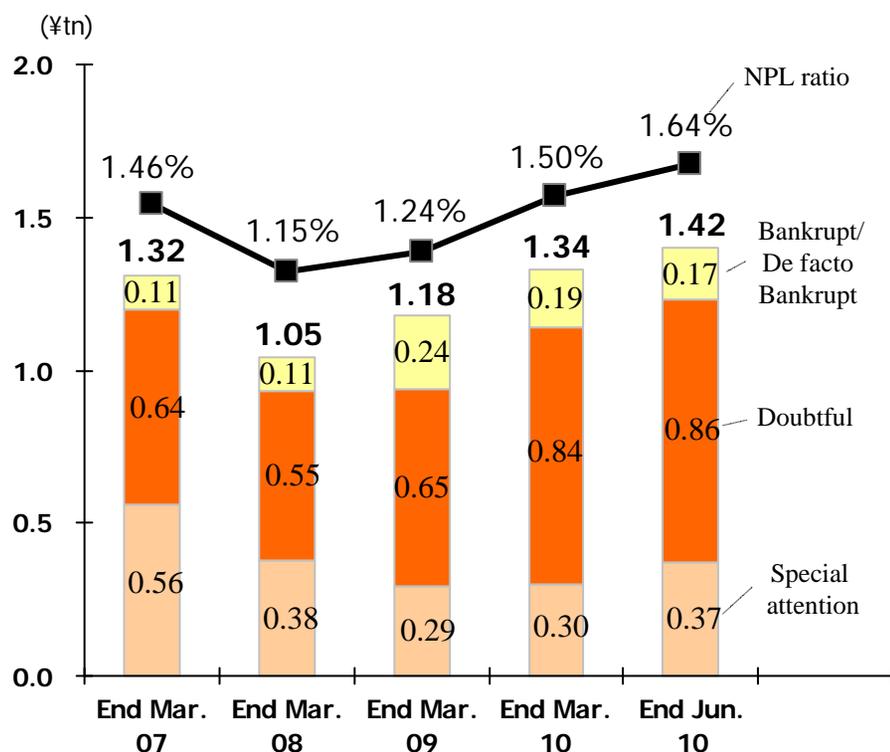
Loan assets

(Consolidated/Non-consolidated)

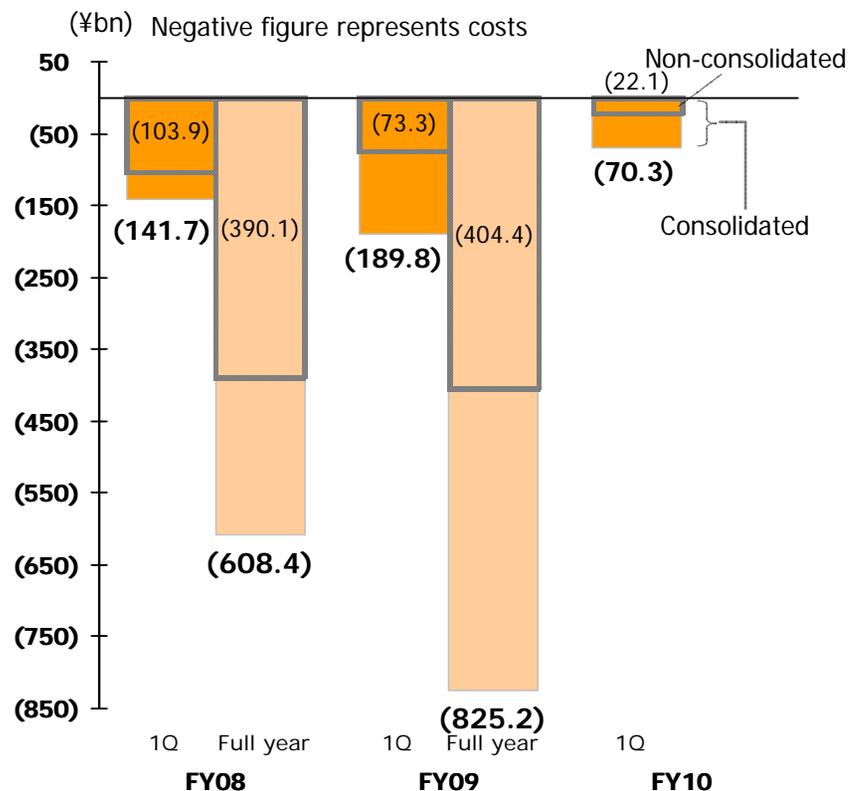


- NPL ratio up by 0.13% from End Mar. 10 to 1.64% due to an increase in doubtful and special attention category loans, however still keeping at a low level.
- Total credit costs of Non-consolidated were ¥22.1bn and those of Consolidated were ¥70.3bn.

Balance of FRL disclosed loans (Non-consolidated)



Total credit costs



Holdings of investment securities

(Consolidated)



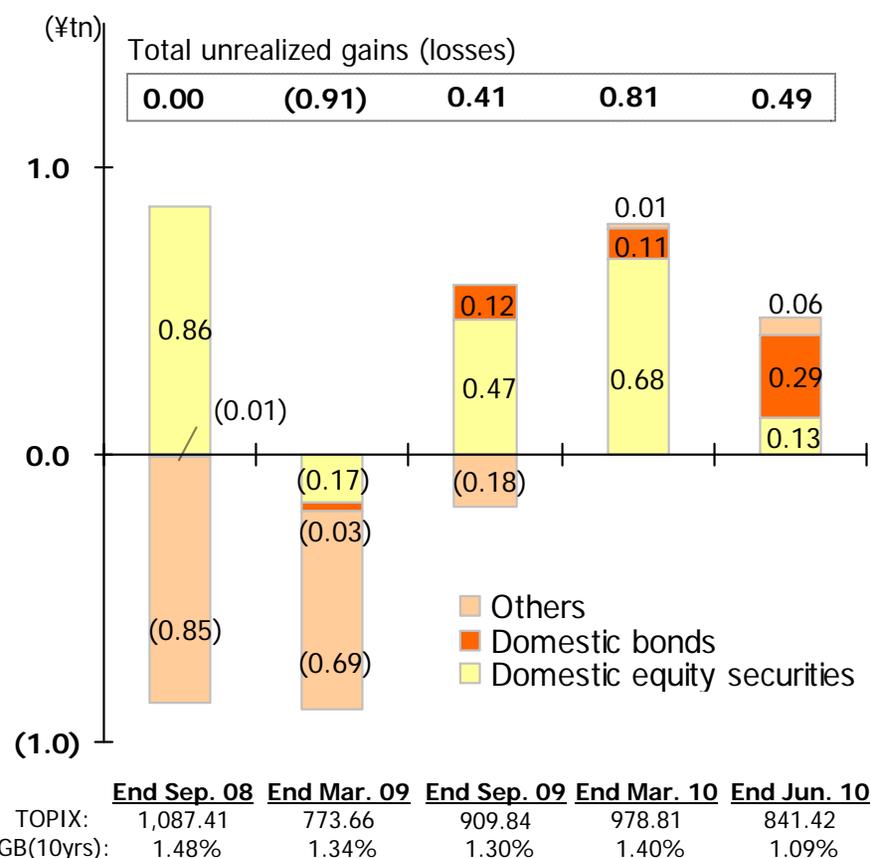
- Unrealized gains on domestic equity securities decreased due to lower stock prices.
- Total unrealized gains (losses) on securities available for sale decreased by ¥312.7bn from End Mar. 10.

Breakdown of securities available for sale (with market value)

(¥bn)

	Balance (End Jun.10)		Unrealized gains (losses)	
		Change from End Mar. 10		Change from End Mar. 10
Total	62,223.0	1,816.6	499.9	(312.7)
Domestic equity securities	3,655.7	(621.5)	133.2	(548.4)
Domestic bonds	45,356.1	1,979.4	297.3	180.2
Government bonds	40,859.4	2,111.4	231.4	151.5
Others	13,211.1	458.7	69.2	55.4
Foreign equity securities	236.5	(46.0)	32.9	(40.6)
Foreign bonds	11,302.0	599.4	216.7	139.4
Others	1,672.5	(94.6)	(180.3)	(43.3)

Unrealized gains (losses) on securities available for sale



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 perspectives and may result in material differences from the actual result. For the main factors that may effect the current forecasts, 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. 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 financial highlights.