

Mitsubishi UFJ Financial Group

**Financial Highlights under Japanese GAAP
for 2nd Quarter of Fiscal Year Ending March 31, 2011
(From April 1, 2010 to September 30, 2010)**

Nov 15, 2010

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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 any adjustments)

Income statement summary

(Consolidated)



● Net business profits

- Gross profits increased due to an increase in market product income such as net gains on sales of 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. Expense ratio improved to mid-50% range.
- As a result, net business profits increased significantly to the record high for a interim financial period since the inception of MUFG.

● Total credit costs

- Significantly decreased due to a decrease in provision for credit losses reflecting a decrease in number of bankruptcies.

● 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, partially offset by an increase in total of income taxes-current and income taxes-deferred.

Income statement (¥bn)

	FY09 H1	FY10 H1	Change	
1	Gross profits (before credit costs for trust accounts)	1,813.2	1,870.7	57.4
2	Net interest income	1,115.2	1,009.3	(105.8)
3	Trust fees + Net fees and commissions	545.6	524.7	(20.8)
4	Net trading profits + Net other business profits	152.4	336.6	184.1
5	Net gains (losses) on debt securities	24.8	170.7	145.8
6	G&A expenses	1,061.4	1,018.8	(42.6)
7	Expense ratio	58.5%	54.5%	(4.1%)
8	Net business profits	751.7	851.8	100.0
9	Credit costs ^{*1}	(444.2)	(190.4)	253.8
10	Net gains (losses) on equity securities	13.3	(27.3)	(40.7)
11	Other non-recurring gains (losses)	(87.7)	(91.9)	(4.2)
12	Ordinary profits	233.0	542.0	309.0
13	Net extraordinary gains (losses)	(18.6)	6.9	25.6
14	Total of income taxes-current and income taxes-deferred	42.5	184.8	142.2
15	Net income	140.9	356.7	215.8
16	Total credit costs ^{*2}	(444.2)	(186.7)	257.4
17	(Non-consolidated)	(224.0)	(58.0)	166.0
Reference (¥)				
18	EPS	11.08	24.60	13.52
19	ROE ^{*3}	3.77%	8.51%	4.73%

*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. Total credit costs including gains on loans written-off posted (¥153.0bn), decreased by ¥266.3bn compared to FY09 H1

*3

Net income×2 - Equivalent of annual dividends on nonconvertible preferred stocks ×100
 { (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

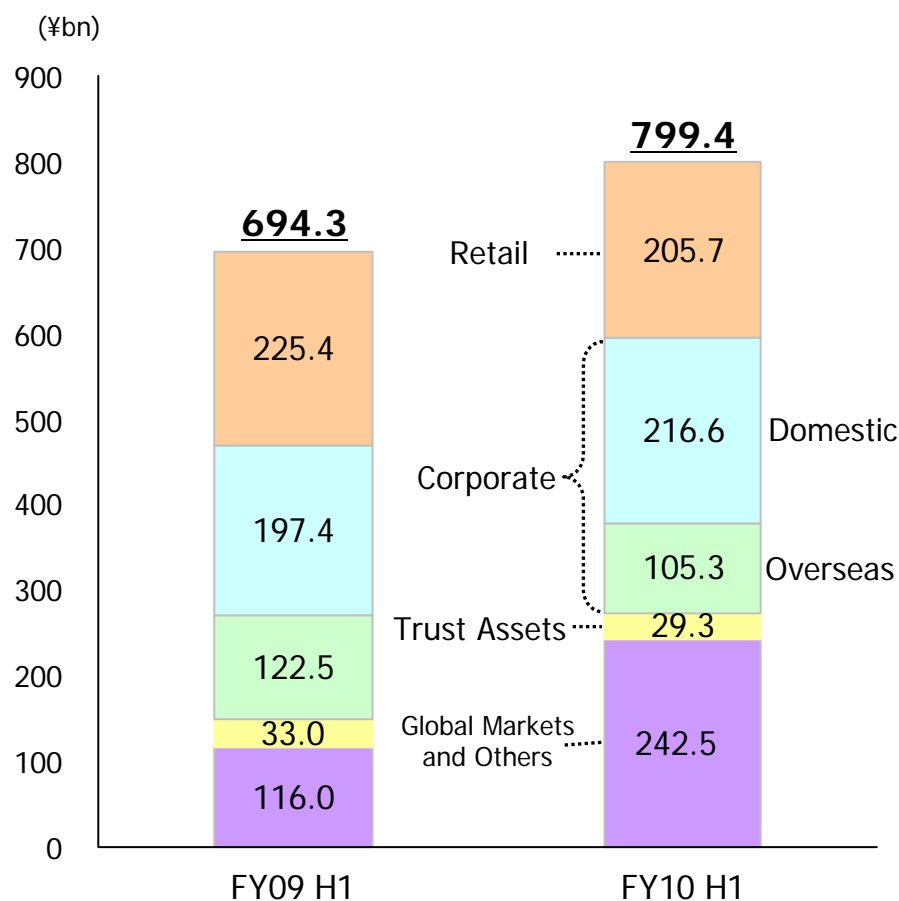
Outline of results by business segment

(Consolidated)



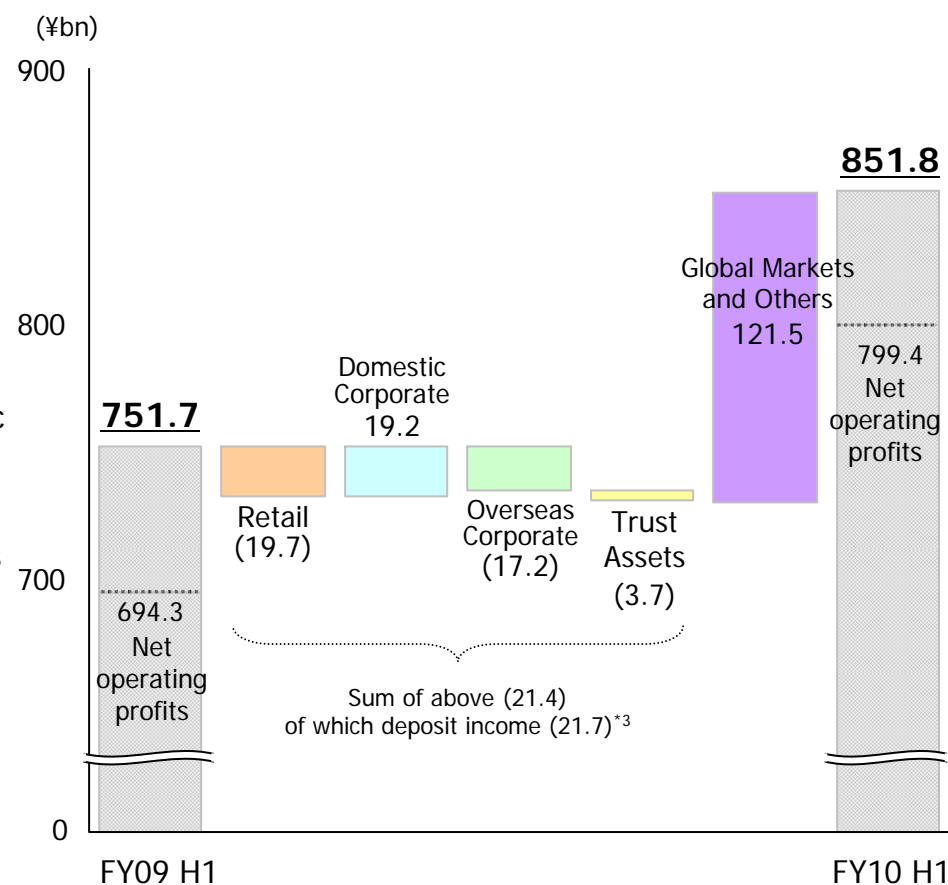
- Total net business profits increased ¥100.0bn compared to FY09 H1. An increase in net business profits from Global Markets segment and cost reduction throughout the segments more than offset a decrease in profits from Retail, Corporate and Trust Assets segments in aggregate due to downturn of market environment, such as decline of interest rates.

Net operating profits by segment*1



*1 Consolidated net business profits on a managerial accounting basis

Breakdown of changes in Net business profits*2



*2 Changes in segmental profit are on a managerial accounting basis.

*3 Deposit income is the total of BTMU and MUTB figures.

● Loans

- Decreased from End Mar. 10 due to lower demand of domestic corporate loans.
Overseas loans decreased mainly due to an appreciation of the Japanese yen

● Investment securities

- Increased from End Mar. 10 mainly due to an increase in Japanese government bonds and foreign bonds.

● Deposits

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

● Total net assets

- Almost flat from End Mar. 10 mainly due to acquisition and cancellation of preferred shares offset by net income.

● 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, offset by an increase in those on Japanese government bonds and foreign bonds.

Balance sheet (¥bn)

	End Mar. 10	End Sep. 10	Change from End Mar. 10
1 Total assets	204,106.9	206,380.8	2,273.9
2 Loans (Banking+Trust accounts)	85,035.9	79,397.1	(5,638.7)
Loans (Banking accounts)	[84,880.6]	[79,254.4]	[(5,626.1)]
3 Domestic corporate loans*1	47,771.9	43,562.6	(4,209.3)
4 Housing loans*1	17,467.3	17,417.2	(50.1)
5 Overseas loans*2	16,651.7	15,612.2	(1,039.4)
6 Investment securities (Banking accounts)	63,964.4	70,053.1	6,088.6
7 Japanese government bonds	39,725.3	43,541.6	3,816.2
8 Total liabilities	192,807.4	195,048.9	2,241.4
9 Deposits	123,891.9	122,268.7	(1,623.2)
10 Individual deposits (Domestic branches)	63,045.3	63,290.7	245.4
11 Total net assets	11,299.4	11,331.9	32.5
12 Deposit/lending spread (Domestic, non-consolidated)	FY09 H2 1.31%	FY10 H1 1.29%	Change from FY09 H2 (0.01%)
13 FRL disclosed loans*1*3	1,348.7	1,415.9	67.1
14 NPL ratio*1	1.50%	1.69%	0.19%
15 Net unrealized gains (losses) on securities available for sale	812.7	697.3	(115.3)
16 BIS capital ratio (Tier1 ratio)	14.87% 10.63%	15.24% 11.57%	0.37% 0.94%

*1 Non-consolidated + trust accounts

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

*3 FRL=the Financial Reconstruction Law

Loans/deposits

● **Loan balance ¥79.3tn**
(down ¥5.6tn from End Mar. 10)

Changes from End Mar. 10:

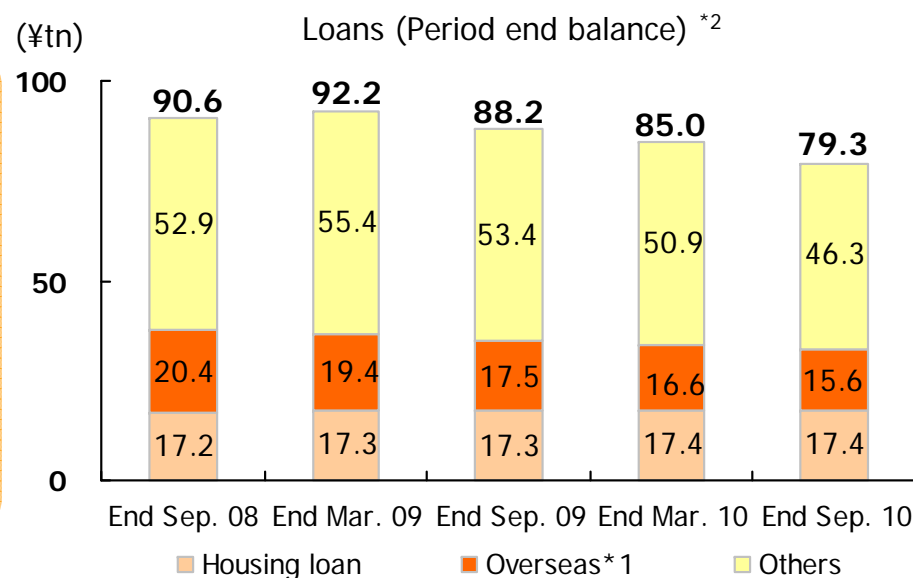
- Domestic corporate -¥4.2tn
- Overseas*¹ -¥1.0tn

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

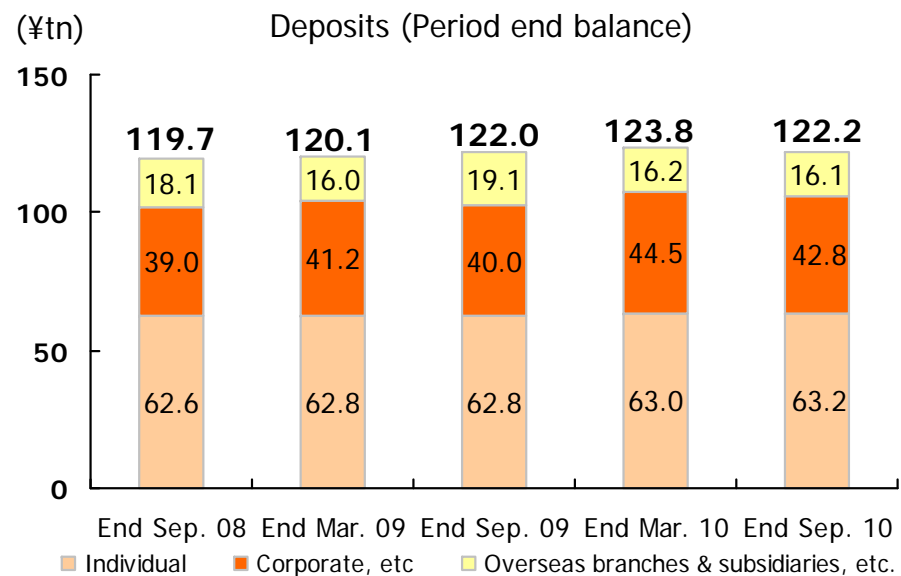
● **Deposit balance ¥122.2tn**
(down ¥1.6tn from End Mar. 10)

Changes from End Mar. 10:

- Individual +¥0.2tn
- Corporate, etc. -¥1.7tn
- Overseas branches +¥0.1tn



*2 Sum of banking and trust accounts.



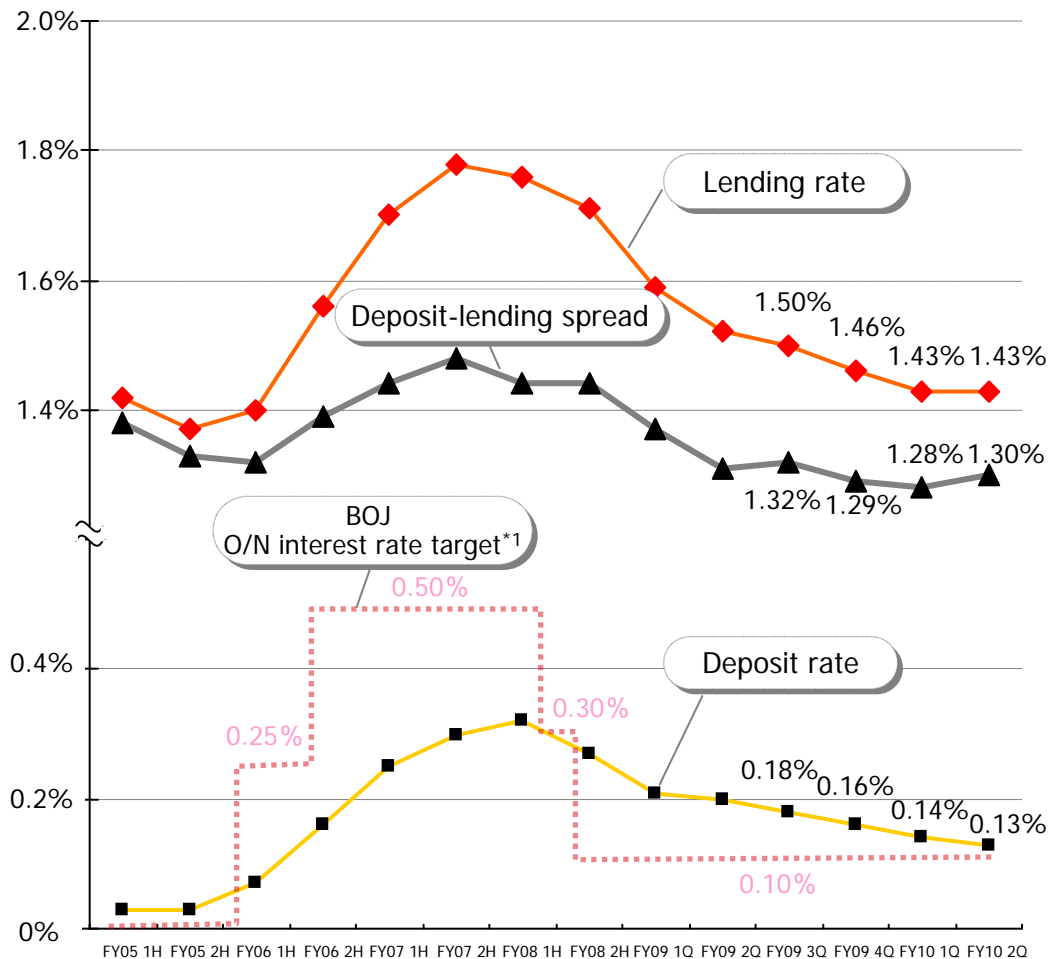
Domestic deposit/lending rates

(Non-consolidated)



- Deposit/lending spread in FY10 2Q was 1.30%, slightly up from FY10 1Q

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 rate on ordinary deposits: 0.200% ⇒ 0.120%
- November 20, 2008
Short-term prime rate: 1.875% ⇒ 1.675%
- December 22, 2008
Interest rate on ordinary deposits: 0.120% ⇒ 0.040%
- January 13, 2009
Short-term prime rate: 1.675% ⇒ 1.475%
- April 1, 2009
Variable rate on new housing loans :
⇒ 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 :
⇒ Changed based on the long-term lending rate linked to short-term prime rate as of April 1
- September 6, 2010
Interest rate on ordinary deposits: 0.040% ⇒ 0.020%

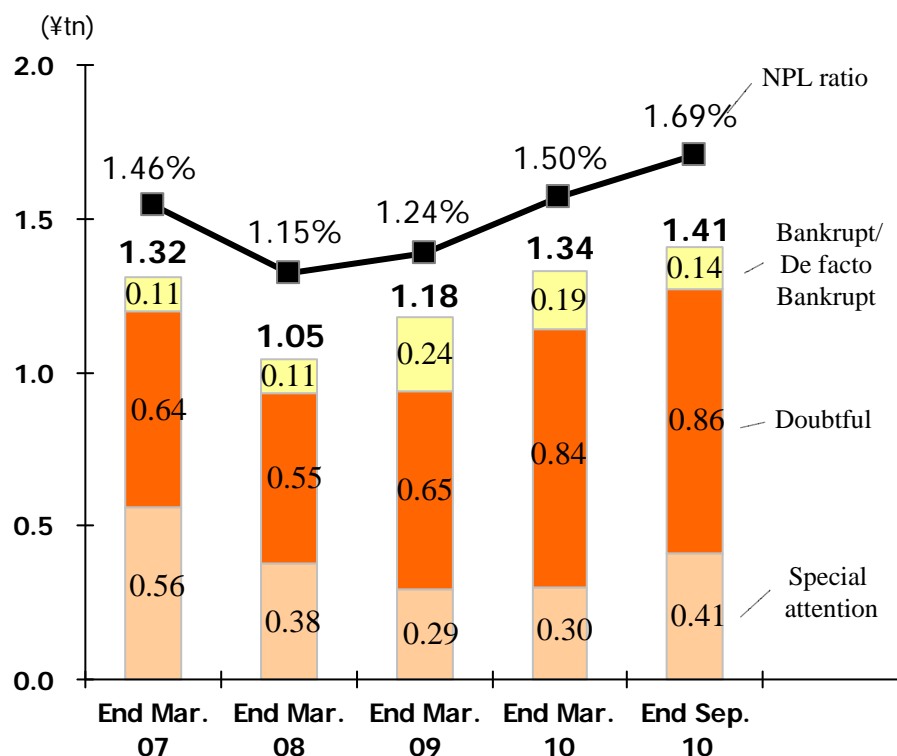
Loan assets

(Consolidated/Non-consolidated)

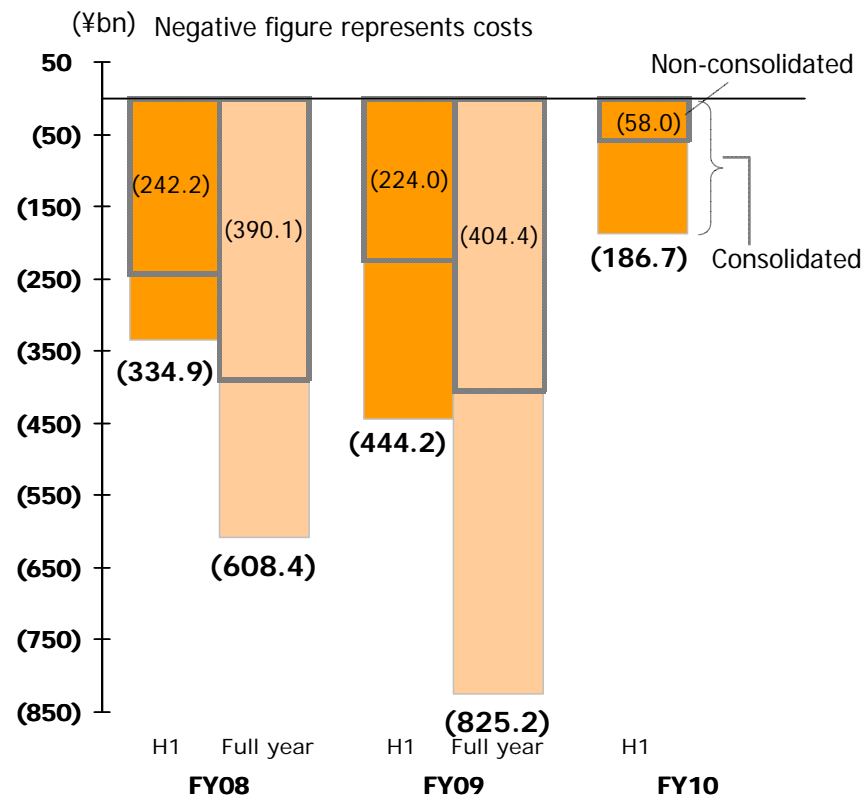


- NPL ratio up by 0.19% from End Mar. 10 to 1.69% due to an increase in special attention category loans, however still keeping at a low level.
- Total credit costs of Non-consolidated were ¥58.0bn and those of Consolidated were ¥186.7bn.

Balance of FRL disclosed loans (Non-consolidated)



Total credit costs



Holdings of investment securities

(Consolidated)



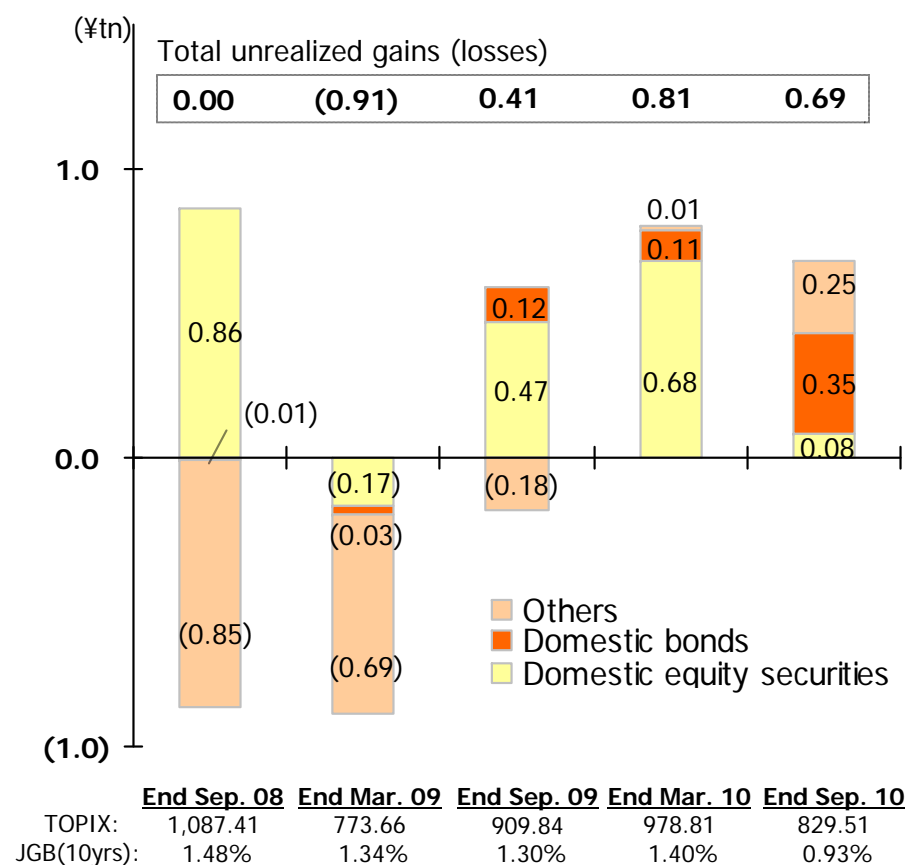
- Total unrealized gains (losses) on securities available for sale decreased by ¥115.3bn from End Mar. 10.
- An increase in unrealized gains on Japanese government bonds and foreign bonds was more than offset by a decrease in those on domestic equity securities.

Breakdown of securities available for sale (with market value)

(¥bn)

	Balance (End Sep.10)	Change from End Mar.10	Unrealized gains (losses)	
				Change from End Mar.10
1 Total	66,340.5	5,934.1	697.3	(115.3)
2 Domestic equity securities	3,538.0	(739.3)	87.9	(593.8)
3 Domestic bonds	46,896.5	3,519.8	353.6	236.5
4 Government bonds	42,564.3	3,816.2	279.5	199.6
5 Others	15,905.9	3,153.6	255.7	241.9
6 Foreign equity securities	261.8	(20.7)	64.3	(9.2)
7 Foreign bonds	13,931.5	3,228.9	278.9	201.6
8 Others	1,712.6	(54.5)	(87.4)	49.5

Unrealized gains (losses) on securities available for sale



● Total capital

- Tier1 Increased ¥0.18 tn from End Mar. 10 mainly due to an increase in retained earnings, offset by an acquisition and cancellation of preferred shares
- Total capital decreased ¥0.57 tn from End Mar. 10 mainly due to redemptions of subordinated debt and lower net unrealized gains

● Risk-adjusted assets

- Decreased ¥6,02 tn from End Mar. 10 mainly due to a decrease in corporate loans

<Adopted methods>

- Credit risk: AIRB
(Advanced Internal Ratings-based Approach)
- Operational risk: TSA
(The Standardized Approach)

● **Capital ratio** : **15.24%**
 ● **Tier 1 ratio** : **11.57%**

(¥bn)

	End Sep. 09	End Mar. 10	End Sep. 10	Change from End Mar. 10
1 Capital ratio	13.29%	14.87%	15.24%	0.37%
2 Tier 1 ratio	9.13%	10.63%	11.57%	0.93%
3 Tier 1	8,894.3	10,009.6	10,194.1	184.5
4 Capital stock and capital surplus	3,518.8	4,559.9	4,311.6	(248.2)
5 Retained earnings	4,238.2	4,405.5	4,666.1	260.6
6 Tier 2	4,383.5	4,449.6	3,990.7	(458.8)
7 Net unrealized gains on securities available for sale	185.1	362.7	296.5	(66.1)
8 Subordinated debt	3,751.5	3,684.6	3,323.6	(360.9)
9 Total capital	12,948.9	13,991.7	13,421.6	(570.0)
10 Risk-adjusted assets	97,368.2	94,081.3	88,054.3	(6,026.9)
11 Credit risk	89,902.3	85,292.7	79,345.9	(5,946.8)
12 Market risk	1,777.6	1,902.7	1,973.3	70.5
13 Operational risk	5,688.3	6,885.8	6,735.1	(150.6)

FY2010 targets/dividend forecasts

(Consolidated/
Non-consolidated)



- Revised upward FY2010 targets from ¥400.0bn to ¥500.0bn

Earnings targets

{Consolidated}

		FY2010		FY2009	
		Interim (results)	Full Year (targets)	Interim (results)	Full Year (results)
1	Ordinary profits	¥542.0 bn	¥900.0 bn	¥233.0 bn	¥545.6 bn
2	Net income	¥356.7 bn	¥500.0 bn	¥140.9 bn	¥388.7 bn

{Non-consolidated}

(Bank of Tokyo-Mitsubishi UFJ)

3	Net business profits	¥544.5 bn	¥970.0 bn	¥408.0 bn	¥863.1 bn
4	Ordinary profits	¥394.4 bn	¥660.0 bn	¥125.0 bn	¥407.8 bn
5	Net income	¥282.3 bn	¥450.0 bn	¥130.7 bn	¥342.6 bn

(Mitsubishi UFJ Trust and Banking Corporation)

6	Net business profits	¥76.2 bn	¥150.0 bn	¥52.9 bn	¥110.2 bn
7	Ordinary profits	¥62.8 bn	¥110.0 bn	¥35.3 bn	¥53.2 bn
8	Net income	¥41.5 bn	¥70.0 bn	¥24.7 bn	¥67.2 bn

Dividend forecasts

		FY2010			FY2009		
		Interim	Year-end (forecasts)	Annual (forecasts)	Interim (results)	Year-end (results)	Annual (results)
9	Dividend per common share	¥6	¥6	¥12	¥6	¥6	¥12

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.

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