

Mitsubishi UFJ Financial Group

**Financial Highlights under Japanese GAAP
for 3rd Quarter of Fiscal Year Ending March 31, 2011
(From April 1, 2010 to December 31, 2010)**

Feb 3, 2011

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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)

● 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.

● 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 were almost flat. Lower write-downs of equity securities were offset by a decrease in gains on sales of equity securities.

● Net income

- As a result, net income increased significantly. Both EPS and ROE also improved substantially.

Income statement (¥bn)

	FY09 3Q	FY10 3Q	Change	
1	Gross profits (before credit costs for trust accounts)	2,689.8	2,732.5	42.6
2	Net interest income	1,651.1	1,496.4	(154.6)
3	Trust fees+Net fees and commissions	793.4	779.2	(14.2)
4	Net trading profits +Net other business profits	245.2	456.7	211.5
5	Net gains (losses) on debt securities	63.0	214.1	151.1
6	G&A expenses	1,564.0	1,511.8	(52.1)
7	Expense ratio	58.1%	55.3%	(2.8%)
8	Net business profits	1,125.8	1,220.6	94.8
9	Credit costs ^{*1}	(627.7)	(254.9)	372.8
10	Net gains (losses) on equity securities	(20.0)	(23.8)	(3.7)
11	Other non-recurring gains (losses)	(121.9)	(105.7)	16.1
12	Ordinary profits	356.0	836.1	480.1
13	Net extraordinary gains (losses)	8.9	19.8	10.8
14	Total of income taxes-current and income taxes-deferred	98.6	277.8	179.2
15	Net income	217.0	551.8	334.7
16	Total credit costs ^{*2}	(627.7)	(248.8)	378.9
17	Non-consolidated	(313.7)	(72.0)	241.6

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

*2 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 (¥201.5bn), decreased by ¥385.5bn compared to FY09 Q3

Reference(¥)

18	EPS	17.47	38.39	20.92
19	ROE ^{*3}	3.63%	8.75%	5.12%

*3

Net income×4+3—Equivalent of annual dividends on nonconvertible preferred stocks

$$\frac{\{(Total\ shareholders' \ equity \ at \ the \ beginning \ of \ the \ period - Number \ of \ nonconvertible \ preferred \ stocks \ at \ the \ beginning \ of \ the \ period \times \ Issue \ price + Foreign \ currency \ translation \ adjustments \ at \ the \ beginning \ of \ the \ period)\}}{\{(Total \ shareholders' \ equity \ at \ the \ end \ of \ the \ period - Number \ of \ nonconvertible \ preferred \ stocks \ at \ the \ end \ of \ the \ period \times \ Issue \ price + Foreign \ currency \ translation \ adjustments \ at \ the \ end \ of \ the \ period)\}} \times 100$$

Loans

- Decreased from End Sep. 10 mainly due to lower demand in domestic corporate loans and overseas loans.

Investment securities

- Decreased from End Sep. 10 mainly due to a decrease in Japanese government bonds and foreign bonds, partially offset by an increase in domestic equity securities.

Deposits

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

Total net assets

- Decreased from End Sep. 10 mainly due to a decrease in total valuation and translation adjustments, partially offset by an increase in total shareholders' equity.

Non performing loans (“NPLs”)

- NPL ratio improved from End Sep. 10 as a result of a decrease in FRL disclosed loans.

Net unrealized gains (losses) on securities available for sale

- Decreased from End Sep. 10 mainly due to a decrease in net unrealized gains on Japanese government bonds and foreign bonds, partially offset by an increase in those on domestic equity securities.

Balance sheet (¥bn)		End Mar.10	End Sep.10	End Dec.10
1	Total assets	204,106.9	206,380.8	202,642.3
2	Loans(Banking+Trust accounts)	85,035.9	79,397.1	78,448.2
3	Loans(Banking accounts)	84,880.6	79,254.4	78,302.2
4	Domestic corporate loans* ¹	47,771.9	43,562.6	43,256.2
5	Housing loans* ¹	17,467.3	17,417.2	17,335.8
6	Overseas loans* ²	16,651.7	15,612.2	15,185.6
7	Investment securities (banking accounts)	63,964.4	70,053.1	65,409.8
8	Japanese government bonds	39,725.3	43,541.6	40,986.1
9	Total liabilities	192,807.4	195,048.9	191,370.1
10	Deposits	123,891.9	122,268.7	118,758.8
11	Individual deposits (Domestic branches)	63,045.3	63,290.7	64,428.9
12	Total net assets	11,299.4	11,331.9	11,272.1
13	Deposit/lending spread (Domestic, non-consolidated)	FY09 2H 1.31%	FY10 1H 1.29%	FY10 3Q 1.31%
14	FRL disclosed loans* ^{1*3}	1,348.7	1,415.9	1,364.8
15	NPL ratio* ¹	1.50%	1.69%	1.64%
16	Net unrealized gains(losses) on securities available for sale	812.7	697.3	511.4

*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 ¥78.4tn**
(down ¥0.9tn from End Sep. 10)

Changes from End Sep. 10:

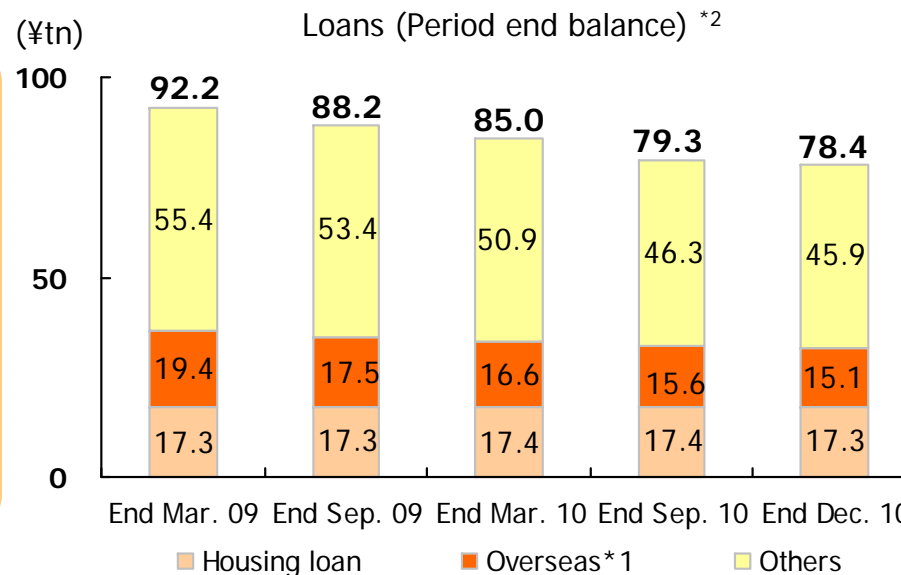
- Domestic corporate -¥0.3tn
- Overseas*¹ -¥0.4tn

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

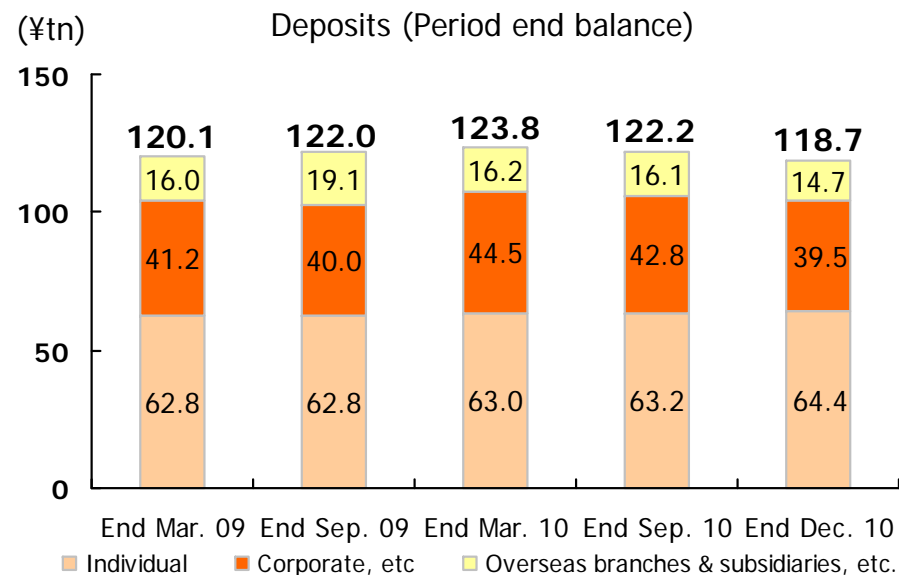
● **Deposit balance ¥118.7tn**
(down ¥3.5tn from End Sep. 10)

Changes from End Sep. 10:

- Individual +¥1.1tn
- Corporate, etc. -¥3.2tn
- Overseas branches -¥0.8tn

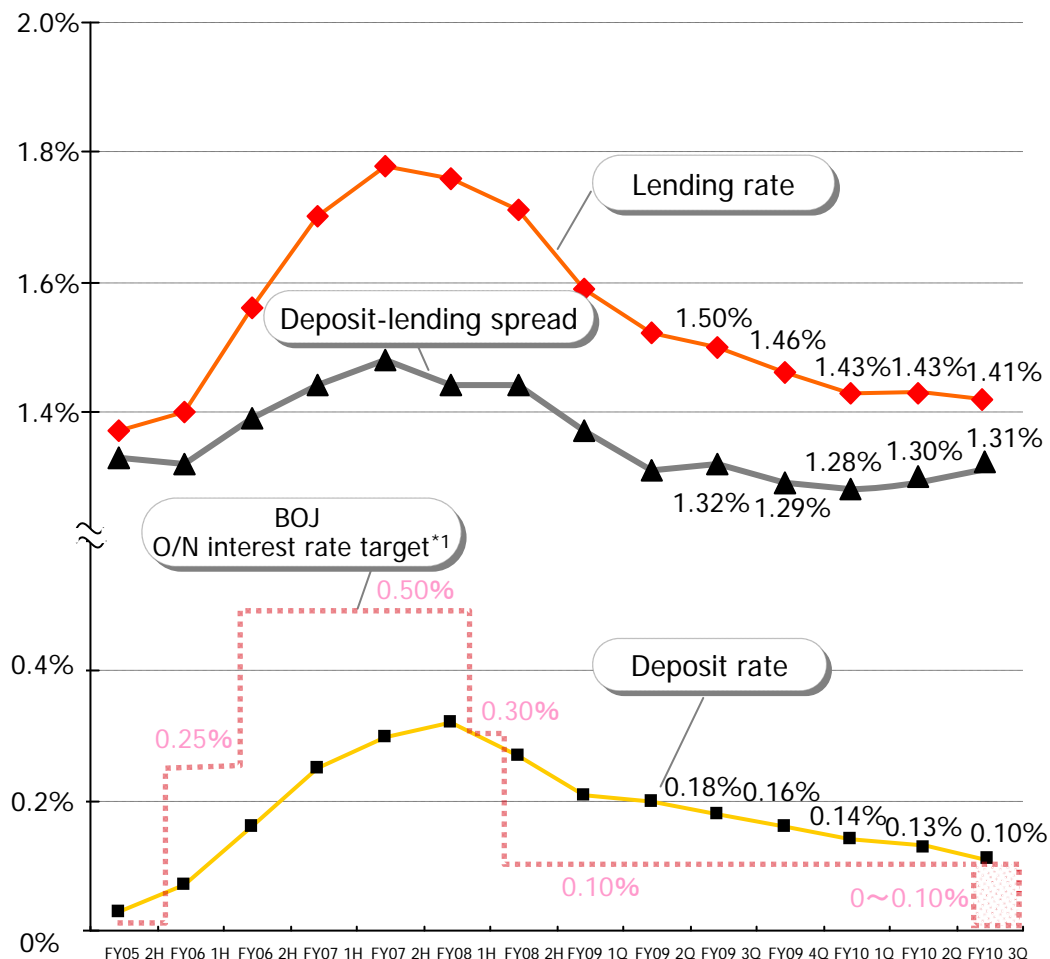


*2 Sum of banking and trust accounts



- Deposit/lending spread in FY10 3Q was 1.31%, slightly up from FY10 2Q

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%

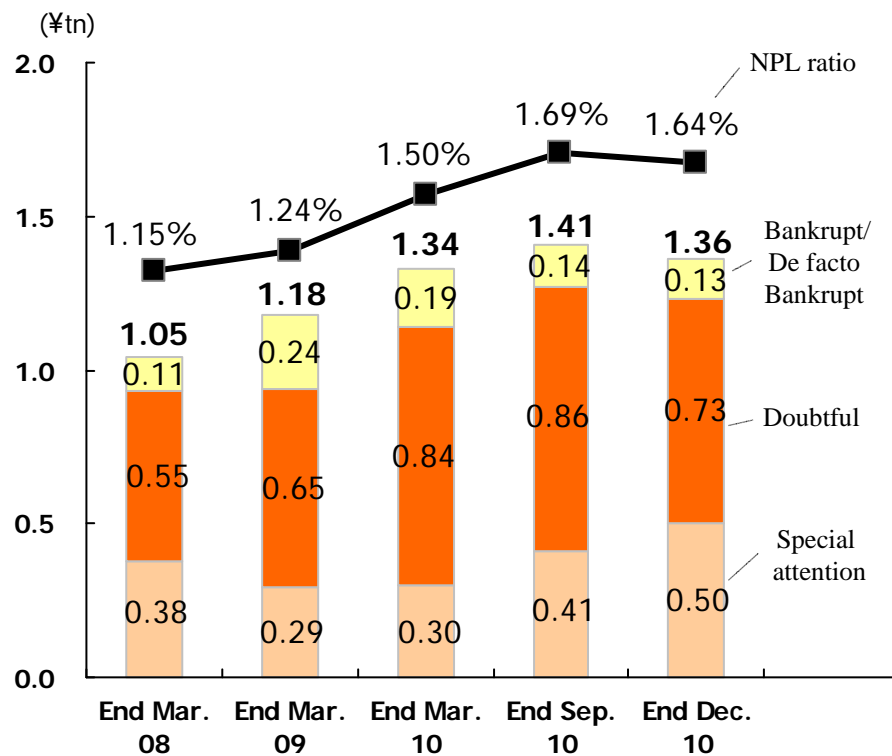
Loan assets

(Consolidated/Non-consolidated)

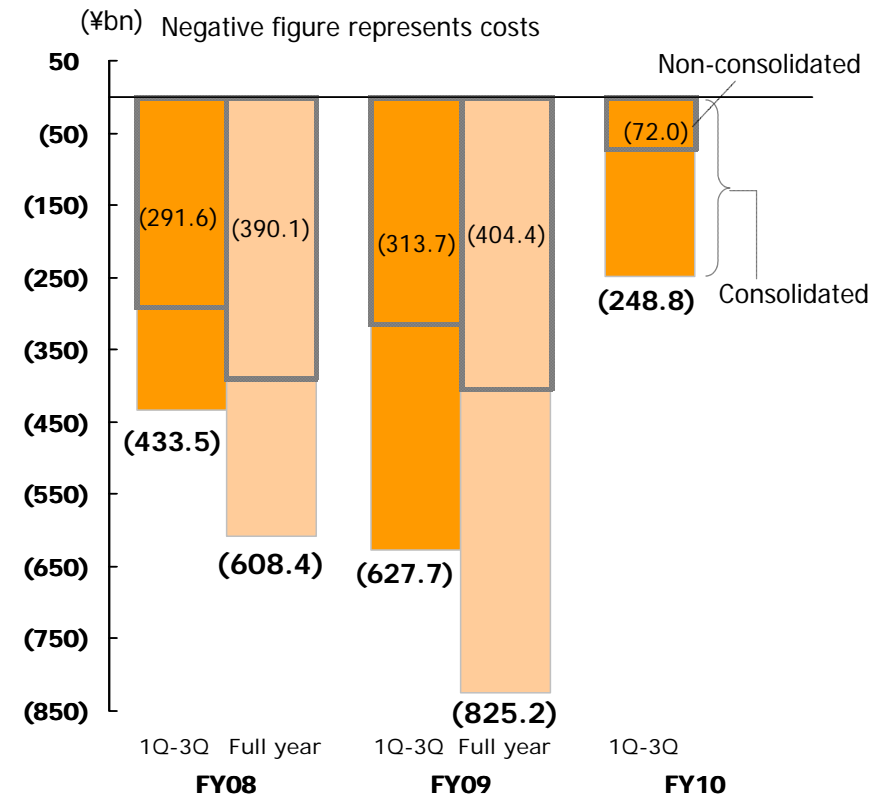


- NPL ratio down by 0.04% from End Sep. 10 to 1.64% mainly due to a decrease in doubtful category loans.
- Total credit costs of Non-consolidated were ¥72.0bn and those of Consolidated were ¥248.8bn.

Balance of FRL disclosed loans (Non-consolidated)



Total credit costs



Holdings of investment securities

(Consolidated)

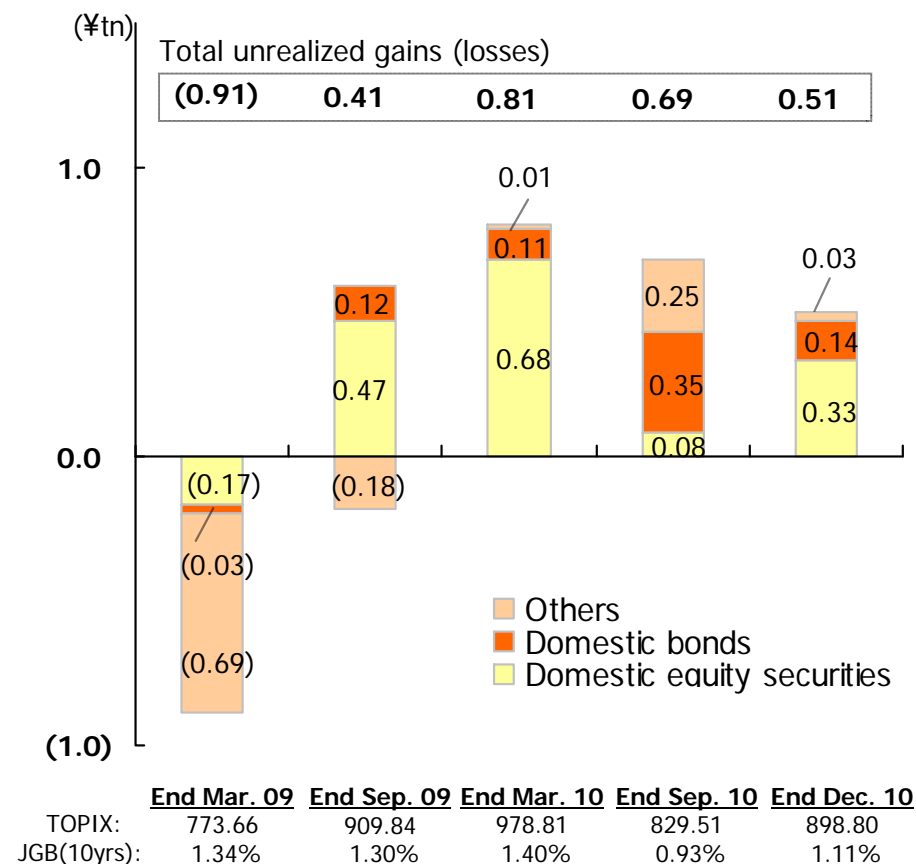


- Total unrealized gains (losses) on securities available for sale decreased by ¥185.9bn from End Sep. 10.
- An increase in unrealized gains on domestic equity securities was more than offset by a decrease in those on Japanese government bonds and foreign bonds.

Breakdown of securities available for sale (with market value)

	Balance	Unrealized gains(losses)	
		Change from End Sep.10	Change from End Sep.10
1 Total	61,620.3	(4,720.1)	511.4 (185.9)
2 Domestic equity securities	3,729.4	191.4	330.8 242.9
3 Domestic bonds	44,248.6	(2,647.9)	140.9 (212.7)
4 Government bonds	40,038.8	(2,525.4)	81.7 (197.8)
5 Others	13,642.2	(2,263.6)	39.6 (216.1)
6 Foreign equity securities	269.1	7.2	71.7 7.4
7 Foreign bonds	11,549.2	(2,382.2)	41.2 (237.6)
8 Others	1,823.8	111.2	(73.4) 14.0

Unrealized gains (losses) on securities available for sale



	End Mar. 09	End Sep. 09	End Mar. 10	End Sep. 10	End Dec. 10
TOPIX:	773.66	909.84	978.81	829.51	898.80
JGB(10yrs):	1.34%	1.30%	1.40%	0.93%	1.11%

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.