

**Mitsubishi UFJ Financial Group**

**Summary of 1st Quarter Results of  
Fiscal Year Ending March 2009  
(From April 2008 to June 2008)**

**August 5, 2008**

This document contains forward-looking statements in regard to forecasts, targets and plans of Mitsubishi UFJ Financial Group, Inc. (“MUFG”) and its group companies (collectively, “the group”). These forward-looking statements are based on information currently available to the group and are stated here on the basis of the outlook at the time that this document was produced. In addition, in producing these statements certain assumptions (premises) have been utilized. These statements and assumptions (premises) are subjective and may prove to be incorrect and may not be realized in the future. Underlying such circumstances are a large number of risks and uncertainties. Please see other disclosure and public filings made or will be made by MUFG and the other companies comprising the group, including the latest kessantanshin, financial reports, Japanese securities reports and annual reports, for additional information regarding such risks and uncertainties. The group has no obligation or intent to update any forward-looking statements contained in this document.

In addition, information on companies and other entities outside the group that is recorded in this document has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by the group and cannot be guaranteed.

The financial information used in this document was prepared in accordance with accounting standards generally accepted in Japan, or Japanese GAAP.

Definitions of figures used in this document

<b>Consolidated</b>	Mitsubishi UFJ Financial Group (consolidated)
<b>Non-consolidated</b>	Bank of Tokyo-Mitsubishi UFJ (non-consolidated) + Mitsubishi UFJ Trust and Banking Corporation (non-consolidated) (without other adjustments)

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## ● Gross profits down ¥64.7bn on FY07 Q1

- Net interest income up ¥4.3bn on FY07 Q1  
-Net interest income on non-consolidated basis increased by ¥19.4bn on FY07 Q1
- Net fees & commissions down due to decrease in income from investment products sales and securities business, etc.
- ¥16.0bn losses relating to securitized products in Net other business profits, mainly loss on sales

## ● G&A expenses up ¥12.6bn on FY07 Q1

- Main causes of increase were integration costs
- Expense ratio 66.9% (+6.4 points on FY07 Q1)  
Non-consolidated expense ratio 66.3% (+7.1 points on FY07 Q1)

## ● Net income ¥51.1bn

## ● Credit related costs showed an expense of ¥141.7bn

- Increased due to deterioration of corporate performance on the back of domestic and overseas economic slowdown

## Income statement (¥bn)

	FY07 Q1	FY08 Q1	Change
1 Gross profits (before credit costs for trust accounts)	866.0	801.2	(64.7)
2 Net interest income	465.7	470.0	4.3
3 Net fees and commissions	265.9	239.2	(26.6)
4 Net trading profits	67.8	44.1	(23.7)
5 Net other business profits	32.3	15.3	(16.9)
6 General and administrative expenses	523.9	536.5	12.6
7 Net business profits	342.1	264.7	(77.4)
8 Non-recurring gains (losses)	(63.3)	(166.1)	(102.8)
9 Ordinary profits	293.0	96.8	(196.1)
10 Net special gains (losses)	14.2	9.5	(4.6)
11 Net income	151.2	51.1	(100.0)
12 Credit related costs* <sup>1</sup>	(84.0)	(141.7)	(57.7)
13 Credit related costs* <sup>1</sup> (Non-consolidated)	(44.2)	(103.9)	(59.6)

Negative numbers refer to costs or losses

\*1 Credit related costs= Credit costs for trust accounts (included in Gross profits)  
+Provision for formula allowance for loan losses + Credit related costs (included in non-recurring gains/losses) + Reversal of allowance for loan losses

### Reference

14 EPS (thousand of yen)* <sup>2</sup>	14.6	4.9	(9.7)
15 ROE * <sup>3</sup>	9.7%	2.9%	(6.7)points

\*2 Earnings per 1 thousand shares for FY08 Q1

\*3 Denominator of ROE does not include land revaluation excess and unrealized gains on securities available for sale

- **Loan balance increased by approx. ¥1tn from end Mar. 08**

- Overseas lending continued to increase

- **Deposit balance decreased by ¥0.6tn from end Mar. 08**

- Though corporate etc. deposits decreased, individual deposits continued to grow

- **NPL ratio almost flat from end Mar. 08**

- **Appraisal gains on available-for-sale securities increased by ¥162.5bn (mainly equities)**

## Balance sheet (¥bn)

	End Mar 08	End Jun 08	Change	
1	Loans (Banking + Trust accounts)	88,797.6	89,801.0	1,003.4
	Loans (Banking accounts)	[88,538.8]	[89,557.8]	[1,019.0]
2	Housing loans* <sup>1</sup>	17,358.2	17,247.2	(110.9)
3	Overseas loans* <sup>2</sup>	17,670.4	19,349.7	1,679.2
4	Investment securities (Banking accounts)	40,851.6	40,888.0	36.3
5	Deposits	121,307.3	120,654.3	(652.9)
6	Domestic branch individual deposits [new definition]* <sup>3</sup>	62,594.7 [61,836.2]	62,950.1 [same as above]	355.4 [1,113.8]
7	FRL disclosed loans* <sup>1</sup>	1,058.5	1,103.5	45.0
8	NPL ratio* <sup>1</sup>	1.15%	1.16%	+0.01 points
9	Available-for-sale securities - Appraisal difference	1,004.8	1,167.4	162.5

\*1 Non-consolidated + trust accounts

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

\*3 Definition of individual deposits changed from end Jun. 08

● **Loan balance increased to ¥89.8tn**  
(up ¥1tn from end Mar. 2008)

Changes from end Mar. 2008:

■ Overseas lending\*<sup>1</sup>                    +¥1.6tn

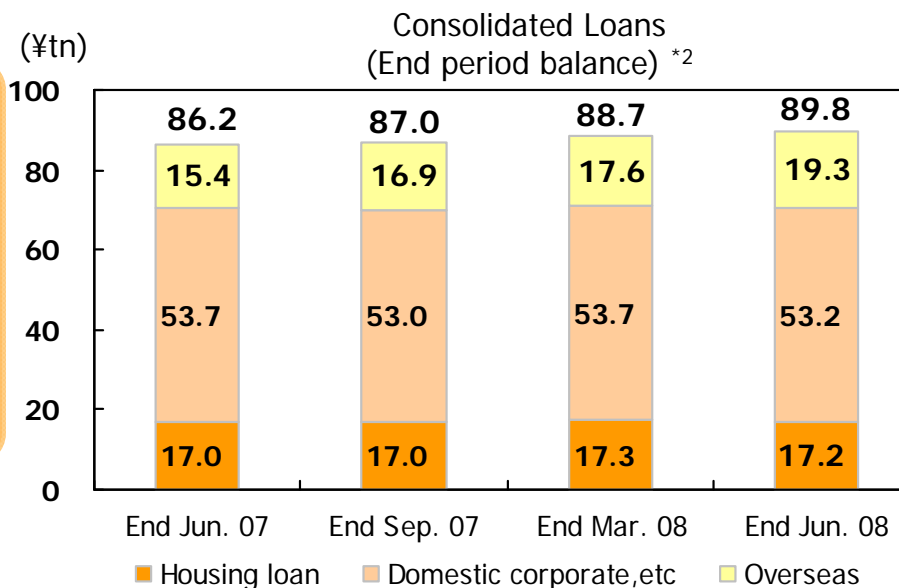
\*1 Overseas branches + UnionBanCal Corporation + BTMU (China)

● **Deposits balance ¥120.6tn**  
(down ¥0.6tn from end Mar. 2008)

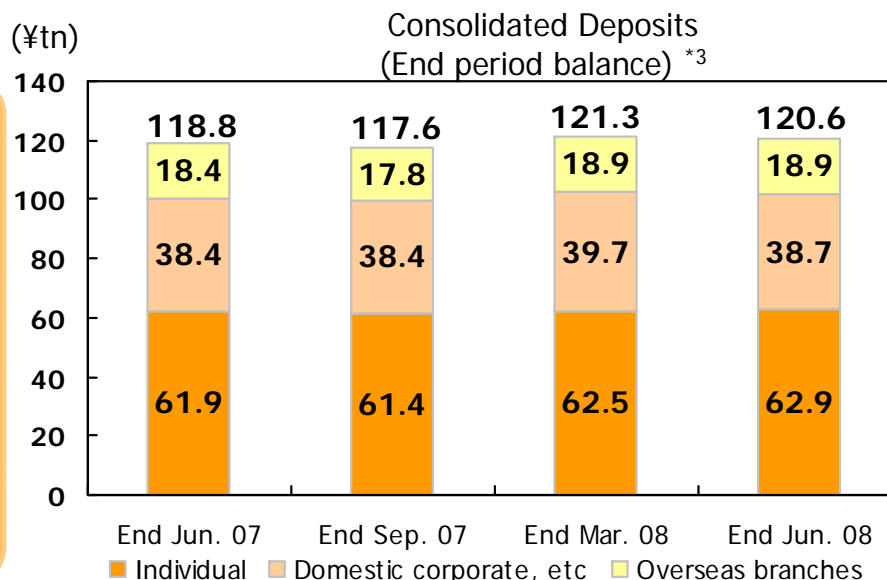
Changes from end Mar. 2008:

■ Individual deposits                    +¥0.3tn  
(+¥1.1tn considering impact of change in  
definition of individual deposits)

■ Corporate, etc. deposits            -¥1tn



\*<sup>2</sup> Sum of banking and trust accounts.



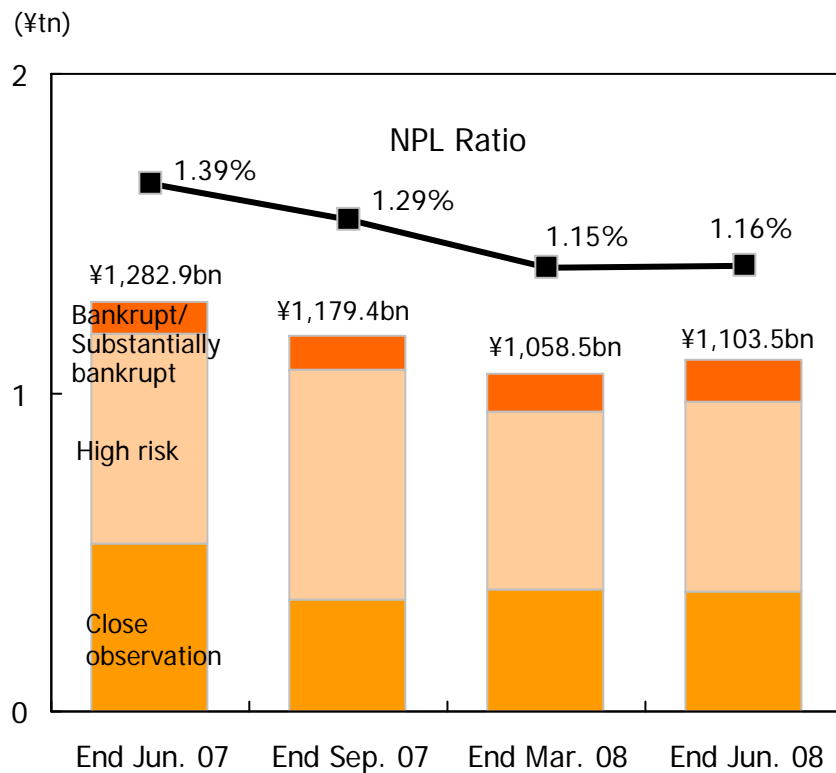
\*<sup>3</sup> Definition of individual deposits changed from end Jun. 08. Individual deposit balance under new definition as of Mar. 08 was ¥61.8tn.

# Loan assets

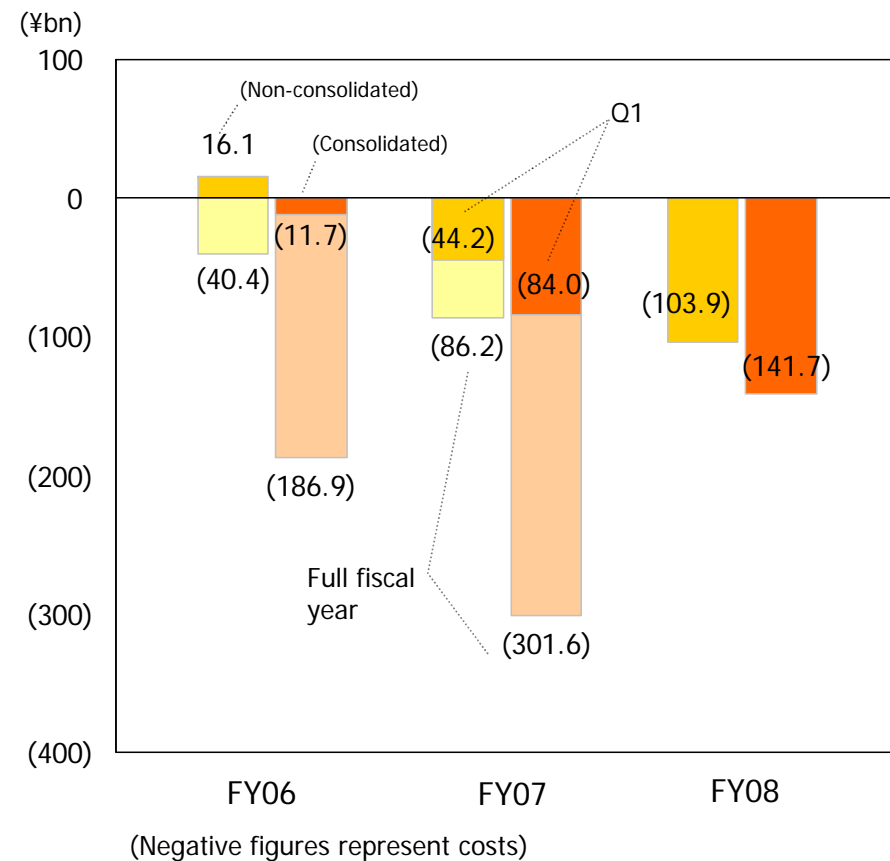


- NPL ratio almost flat from end Mar. 08 to 1.16%
- Credit related costs showed an expense of ¥103.9bn on non-consolidated basis and ¥141.7bn on consolidated basis

## Balance of FRL disclosed loans [Non-consolidated]



## Credit related costs



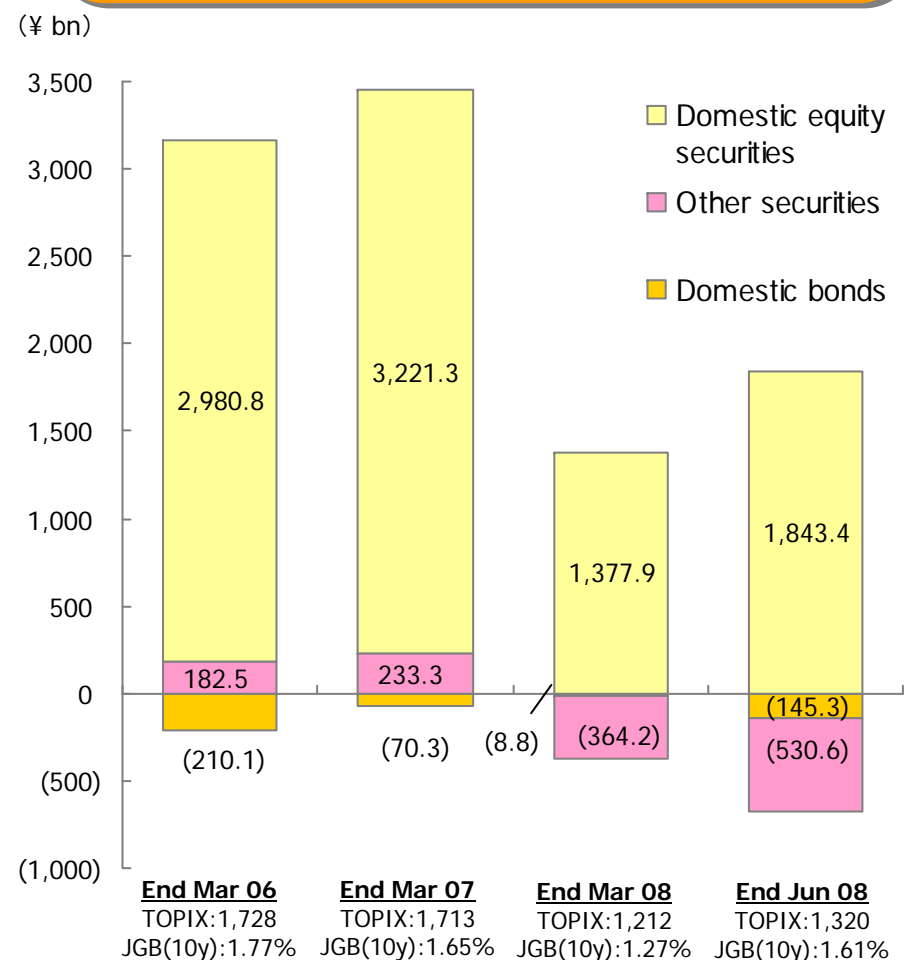
- Unrealized Gains on available-for-sale securities approx. ¥1.16tn

## Breakdown of available-for-sale securities

(¥ bn)

	Balance (End Jun 08)	Unrealized gains (losses)	
			Change from End Mar 08
<b>Total</b>	36,300.2	1,167.4	162.5
Domestic equity securities	6,108.4	1,843.4	465.5
Domestic bonds	17,517.1	(145.3)	(136.5)
Other securities	12,674.6	(530.6)	(166.4)
Foreign equity securities	206.8	85.9	(9.2)
Foreign bonds	7,545.5	(142.8)	(122.0)
Other	4,922.3	(473.7)	(35.1)

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





## Overview of holdings of securitized products (as of End Jun 08)

### (1) Balance, net unrealized gains(losses) (¥ bn)

	Balance	Unrealized gains(losses)		Net unrealized gains(losses) as a % of balance
		Change from end Mar 08	Change from end Mar 08	
1 RMBS	595	(17)	(82)	(13.9)%
2 Sub-prime RMBS	181	(1)	(46)	(25.4)%
3 CMBS	40	(3)	(1)	(1.5)%
4 CLOs	2,176	95	(209)	(9.6)%
5 Others (card, etc.)	542	23	(32)	(6.0)%
6 CDOs	52	(6)	(4)	(8.4)%
7 SIV investments	5	(0)	1	13.7%
8 Total	3,411	91	(328)	(9.6)%

### (2) Distribution of balance by rating (¥ bn)

	AAA	AA	A	BBB	BB or lower	Unrated
9 RMBS	528	36	31	-	-	-
10 Sub-prime RMBS	161	20	-	-	-	-
11 CMBS	24	9	5	1	-	-
12 CLOs	1,849	114	171	35	4	3
13 Others (card, etc.)	297	41	50	147	4	3
14 CDOs	29	15	7	1	1	-
15 SIV investments	-	-	-	-	5	-
16 Total	2,727	215	265	185	14	6
17 Ratio	80%	6%	8%	5%	0%	0%

Note: Includes BTMU (including UBOC and Senshu Bank), MUTB, MUS. Management accounts basis. 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. Approximate figures, rounded off. Balance is after impairment and before deducting net unrealized losses

## Securitized products

- The balance of investments in securitized products increased by ¥91bn from end Mar 08 to ¥3.41tn, but this was mainly due to the depreciation of the yen. The balance denominated in local currencies decreased as of end Jun 08
- Net unrealized losses increased by ¥10bn to ¥328bn and net unrealized losses as a percentage of balance was 9.6%, around the same level as end Mar 08
- A loss of ¥16bn was posted in FY08Q1, mainly due to losses on disposal of RMBS
- Simple securitized products backed by non-securitized assets: 99%; AAA rated: 80%
- Market value is appraised using quoted prices

## GSE related exposure

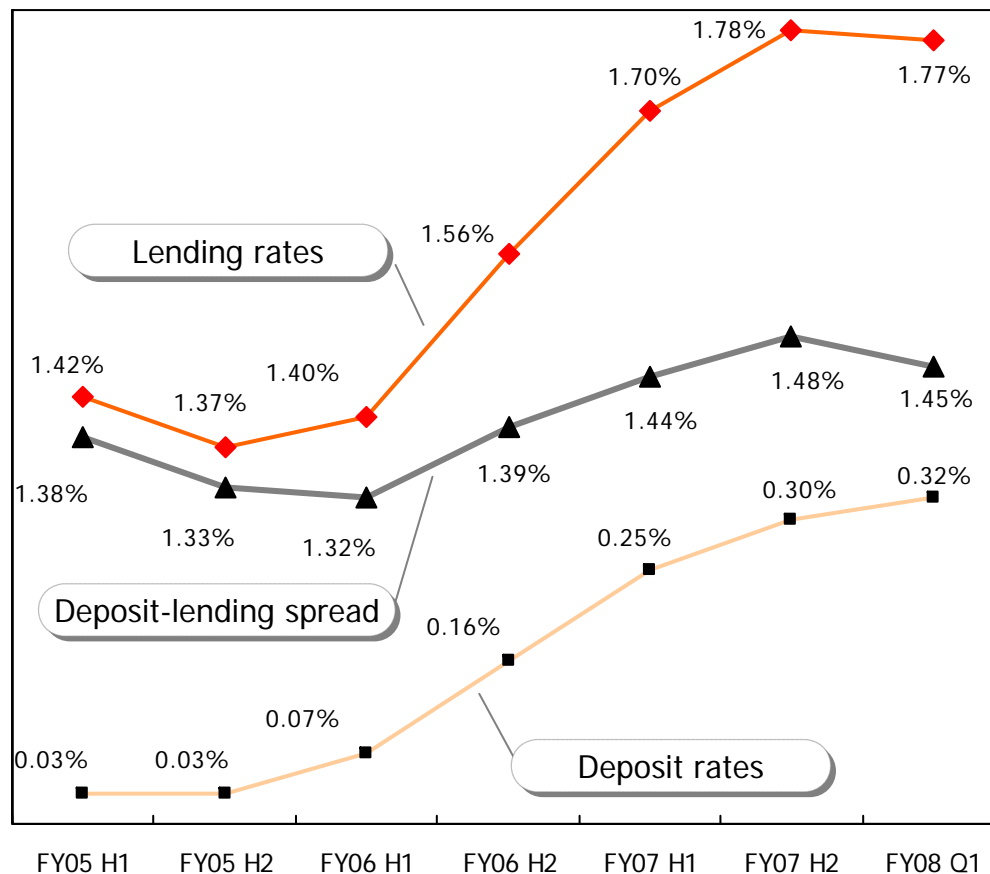
- Our holding balance of MBS, arranged and guaranteed by Fannie Mae, Freddie Mac and Ginnie Mae as of the end Jun 08 was ¥3.14tn in total. Net unrealized losses were ¥51bn, and net unrealized losses as a percentage of balance was 1.6%
- Our holding balance of debt securities issued by the above three institutions and Federal Home Loan Banks (Agency Securities) as of the end Jun 08 was ¥240bn. Net unrealized gains were very small

# Appendix

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● Deposit-lending spread down compared to FY07 H2

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



Recent interest rate changes

- Jul 18, 2006  
Ordinary deposit rate  
0.001% ⇒ 0.100%
- Aug 10, 2006  
Short-term prime rate  
1.375% ⇒ 1.625%
- Oct 1, 2006  
Variable mortgage rate of new loans  
2.375% ⇒ 2.625%
- Jan 1, 2007  
Variable mortgage rate of existing loans  
2.375% ⇒ 2.625%
- Feb 26, 2007  
Ordinary deposit rate  
0.100% ⇒ 0.200%
- Mar 20, 2007  
Short-term prime rate  
1.625% ⇒ 1.875%
- Jul 1, 2007  
Variable mortgage rate of existing loans  
2.625% ⇒ 2.875%
- Oct 1, 2007  
Variable mortgage rate of new loans  
2.625% ⇒ 2.875%

# Exposure to securitized products 1: Overview (Consolidated)



- Includes BTMU (including UBOC and Senshu bank), MUTB and MUS
- Products covered: Securitized products on management accounts basis. 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
- As of end Jun 08. Approximate figures, rounded off. Balance is after impairment and before deducting net unrealized losses
- Calculated based on US\$1 = ¥106.42

## Overview of holdings of securitized products

### (1) Balance, net unrealized gains(losses)

	Balance		Unrealized gains(losses)		Net unrealized gains(losses) as a % of balance
	(¥ bn)	Change from end Mar 08	(¥ bn)	Change from end Mar 08	
1 Securitized products	3,411	91	(328)	(10)	(9.6)%
2 RMBS	595	(17)	(82)	(16)	(13.9)%
3 Sub-prime RMBS	181	(1)	(46)	(8)	(25.4)%
4 CMBS	40	(3)	(1)	(0)	(1.5)%
5 CLOs	2,176	95	(209)	(2)	(9.6)%
6 Others (card, etc.)	542	23	(32)	5	(6.0)%
7 CDOs	52	(6)	(4)	3	(8.4)%
8 SIV investments	5	(0)	1	1	13.7%

### (2) Distribution of balance by region

	(¥ bn)				
	Americas	Europe	Asia	Japan	Total
1	2,401	902	7	101	3,411
2	493	102	-	-	595
3	181	-	-	-	181
4	1	5	1	33	40
5	1,361	784	-	31	2,176
6	507	3	2	31	542
7	35	8	4	6	52
8	5	-	-	-	5

### (3) Distribution of balance by rating

	(¥ bn)						
	AAA	AA	A	BBB	BB or lower	Unrated	Total
1 Securitized products	2,727	215	265	185	14	6	3,411
2 RMBS	528	36	31	-	-	-	595
3 Sub-prime RMBS	161	20	-	-	-	-	181
4 CMBS	24	9	5	1	-	-	40
5 CLOs	1,849	114	171	35	4	3	2,176
6 Others (card, etc.)	297	41	50	147	4	3	542
7 CDOs	29	15	7	1	1	-	52
8 SIV investments	-	-	-	-	5	-	5

### (4) Simple securitized products\*<sup>1</sup> ratio

	(¥ bn)	
	Balance	%
1 Simple securitized products* <sup>1</sup>	3,399	99.7%
2 Re-securitized products* <sup>2</sup>	12	0.3%
3 Total	3,411	100.0%

\*1 Securitized products backed by non-securitized assets

\*2 Sub-prime ABS CDOs, Synthetic CDOs(squared) and SIVs

# Exposure to securitized products 2: RMBS, CMBS

## Residential Mortgage-Backed Securities (RMBS)

(1) Balance by underlying asset, net unrealized gains(losses) (¥ bn)

	Balance	Unrealized gains(losses)
1 RMBS	595	(82)
2 Sub-prime RMBS <sup>*3</sup>	181	(46)
3 Prime RMBS	414	(37)

(2) Distribution of balance by region (¥ bn)

	Americas	Europe	Asia	Total
1	493	102	-	595
2	181	-	-	181
3	312	102	-	414

\*3 In addition, we have funds holding sub-prime RMBS (Balance of sub-prime RMBS part ¥13 bn, ¥9 bn unrealized losses from that funds, which does not included in securitized products)

(3) Distribution of balance by rating (¥ bn)

	AAA	AA	A	BBB	BB or lower	Total
1 RMBS	528	36	31	-	-	595
2 Sub-prime RMBS	161	20	-	-	-	181
3 Prime RMBS	367	16	31	-	-	414

(4) Distribution of balance by vintage (¥ bn)

	Before 04	05	06	07	Total
1 RMBS	20	159	313	103	595
2 Sub-prime RMBS	0	33	83	65	181
3 Prime RMBS	20	127	230	37	414

(5) Distribution of Sub-prime RMBS unrealized gains(losses) by vintage (¥ bn)

	05	06	07	Total
1 Sub-prime RMBS <sup>*4</sup>	33	83	65	181
2 Unrealized gains(losses)	(5)	(17)	(24)	(46)
3 Change of market value	(14.9)%	(20.6)%	(36.6)%	(25.4)%

\*4 Initial WAL (Weighted Average Life) was about 3.5 years

## Commercial Mortgage-Backed Securities (CMBS)

(1) Balance by underlying asset, net unrealized gains(losses) (¥ bn)

	Balance	Unrealized gains(losses)
CMBS	40	(1)

(2) Distribution of balance by rating (¥ bn)

	AAA	AA	A	BBB	BB or lower	Total
CMBS	24	9	5	1	-	40

(3) Distribution of balance by region (¥ bn)

	Americas	Europe	Asia	Japan	Total
CMBS	1	5	1	33	40

# Exposure to securitized products 3: CLOs, CDOs

## Collateralized Loan Obligations (CLOs)

### (1) Balance, net unrealized gains(losses)

(¥ bn)

	Balance	Unrealized gains(losses)	Change of market value
1 CLOs	2,176	(209)	(9.6)%
2 Balance sheet CLOs <sup>*5</sup>	738	(44)	(6.0)%
3 Arbitrage CLOs <sup>*5</sup>	1,360	(160)	(11.7)%

<sup>\*5</sup> please see Investor Meeting Presentation (May 27, 2008) databook p68 「Schemes of CLOs」

### (2) Distribution of balance by rating

(¥ bn)

	AAA	AA	A	BBB	BB or lower	Unrated	Total
1	1,849	114	171	35	4	3	2,176
2	583	61	57	33	4	-	738
3	1,188	53	114	2	0	3	1,360

### (3) Distribution of balance by region

(¥ bn)

	Americas	Europe	Asia	Japan	Total
1 CLOs	1,361	784	-	31	2,176
2 Balance sheet CLOs	156	575	-	7	738
3 Arbitrage CLOs	1,179	177	-	4	1,360

## Collateralized Debt Obligations (CDOs)

### (1) Balance, net unrealized gains(losses) (2) Distribution of balance by rating

(¥ bn)

	Balance	Unrealized gains(losses)
1 CDOs	52	(4)
2 Sub-prime ABS CDOs	2	(0)
3 Synthetic CDOs <sup>*6</sup>	39	(4)
4 Other CDOs <sup>*7</sup>	11	(0)

(¥ bn)

	AAA	AA	A	BBB	BB or lower	Total
1	29	15	7	1	1	52
2	1	0	1	0	-	2
3	16	15	6	1	-	39
4	11	-	-	-	1	11

<sup>\*6</sup> CDOs using CDS of diversified investment-grade companies as the reference assets, price movements largely influenced by CDS index price trends

<sup>\*7</sup> CDOs using leasing receivables, corporate bonds, etc. as the reference assets

### (3) Distribution of balance by region

(¥ bn)

	Americas	Europe	Asia	Japan	Total
1 CDOs	35	8	4	6	52
2 Sub-prime ABS CDOs	2	-	-	-	2
3 Synthetic CDOs	25	5	4	5	39
4 Other CDOs	7	4	-	1	11

### (4) Distribution of balance by type

(¥ bn)

	Simple securitized products	Re-securitized products	Total
1	46	7	52
2	-	2	2
3	34	4	39
4	11	-	11

## Monoline insurer related

- No credit outstanding and credit derivative transactions with monoline insurers

## Special Purpose Entities (SPEs)

### 【ABCP (Asset Backed CP)】

- We are engaged in sponsoring ABCP issuance for securitization of our clients's assets
- The balance of assets purchased by ABCP conduits (special purpose companies for issuing ABCP) as of end Jun 08 was ¥4.91tn (¥1.62tn overseas)
- The purchased assets are mainly receivables and they do not include residential mortgages

## Credit exposure related to leveraged loan

### (1) Leveraged loan for structuring or distributing

- Not engaged in origination and distribution of securitized products of leveraged loans, no balance of leveraged loan for securitization

### (2) LBO loans

#### 1) Balance of LBO loans

(¥ bn)

	Balance
1 LBO loans (commitment basis) <sup>*8</sup>	693
2 Booking basis	578

\*8 Includes balance after refinancing

#### 2) Distribution of balance by region

(¥ bn)

	Americas	Europe	Asia	Japan	Total
1	84	224	61	325	693
2	56	178	54	290	578