

Mitsubishi UFJ Financial Group

**Summary of 1st Quarter Results
of Fiscal Year Ending March 2010
(From April 2009 to June 2009)**

July 31, 2009

Quality for You



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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)

Statement of operations summary

(Consolidated)



● Net business profits

- Net interest income increased mainly due to increase in overseas lending income, lower funding cost in foreign currency and consolidation of ACOM
- Trust fees + Net fees and commissions decreased mainly due to lower sales of investment trusts and trust fee, despite of increase loan related fees overseas
- Excluding impact from consolidation of ACOM, G&A expenses decreased due to progress in cost reduction and decrease in higher system integration costs, etc.

● Total credit costs

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

● Net gains (losses) on equity securities

- Turned to net gains due to decrease in write-down of equity securities and increase in gains on sales of equity securities

● Other non-recurring gains (losses)

- Other non-recurring losses increased mainly due to increase in retirement benefit costs and decrease in profits from investments in affiliates

Income statement (¥bn)

	FY08 Q1	FY09 Q1	Change
1 Gross profits (before credit costs for trust accounts)	801.2	873.4	72.1
2 Net interest income	470.0	555.2	85.2
3 Trust fees + Net fees and commissions	271.6	257.7	(13.9)
4 Net trading profits + Net other business profits	59.5	60.4	0.9
5 Net gains (losses) on debt securities	7.3	17.8	10.4
6 G&A expenses	536.5	541.5	5.0
7 Net business profits	264.7	331.8	67.1
8 Credit costs*1	(143.1)	(189.8)	(46.7)
9 Net gains (losses) on equity securities	(10.1)	30.2	40.3
10 Other non-recurring gains (losses)	(14.5)	(35.9)	(21.3)
11 Ordinary profits	96.8	136.3	39.4
12 Net extraordinary gains (losses)	9.5	2.9	(6.5)
13 Total of income taxes-current and income taxes-deferred	28.8	46.5	17.6
14 Net income	51.1	75.9	24.7
15 Total credit costs*2	(141.7)	(189.8)	(48.1)
16 (Non-consolidated)	(103.9)	(73.3)	30.5

*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)

*2 Total credit costs= Credit costs + Reversal of reserve for contingent losses included in credit costs (Negative numbers refer to costs or losses)

Reference (¥)

17 EPS	4.91	6.52	1.61
18 ROE*3	2.94%	4.12%	1.17%

*3

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

● Loans

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

● Investment securities

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

● Deposits

- Increased mainly due to upper deposit of individual, and overseas branches from End Mar. 09

● NPLs

- NPL ratio up from End Mar. 09 to 1.33% as a result of increase in FRL disclosed loans

● Net unrealized gains (losses) on available-for-sale securities

- Turned to net unrealized gains driven by improved appraisal gains on equity securities by the higher stock price

Balance sheet (¥bn)

	End Mar. 09	End Jun. 09	Change
1 Loans (Banking + Trust accounts)	92,256.6	91,232.0	(1,024.5)
	[92,056.8]	[91,044.9]	[(1,011.8)]
2 Loans (Banking accounts)			
3 Domestic corporate loans*1	50,239.2	49,257.1	(982.1)
4 Housing loans*1	17,364.2	17,315.5	(48.7)
5 Overseas loans*2	19,488.5	19,399.1	(89.3)
6 Investment securities (Banking accounts)	48,314.1	53,157.1	4,843.0
7 Deposits	120,149.5	122,232.8	2,083.2
8 Individual deposits (Domestic branches)	62,881.6	63,600.8	719.2
9 Loan-and-deposit rate margin (Non-consolidated)	FY08 H2 1.44%	FY09 Q1 1.37%	(0.06%)
10 FRL disclosed loans*1	1,189.9	1,245.7	55.7
11 NPL ratio*1	1.24%	1.33%	0.08%
12 Net unrealized gains (losses) on available-for-sale securities	(917.7)	70.1	987.9

*1 Non-consolidated + trust accounts

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

Loans/deposits

(Consolidated) 

● **Loan balance ¥91.2tn**
(down ¥1.0tn from end Mar. 09)

Changes from end Mar. 09:

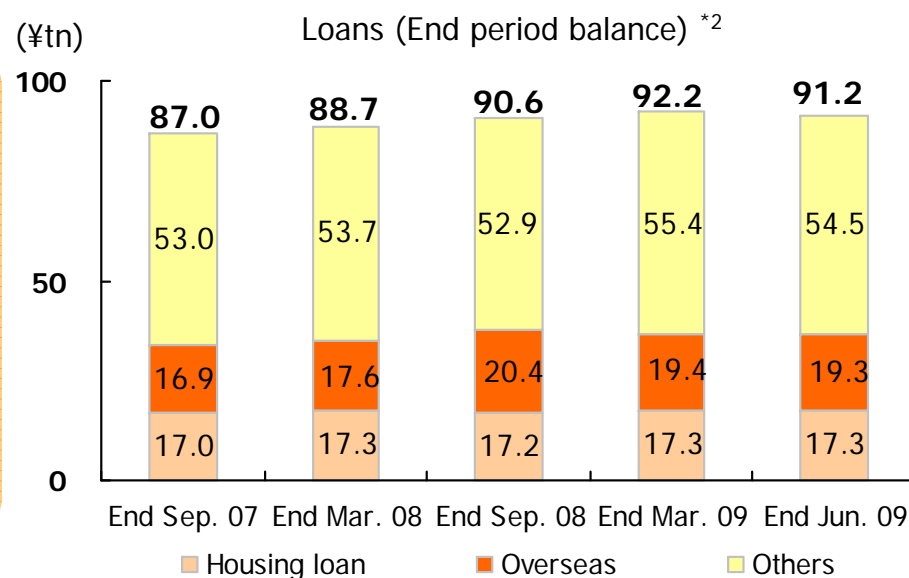
■ Domestic corporate -¥0.9tn
■ Overseas*¹ -¥0.08tn

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

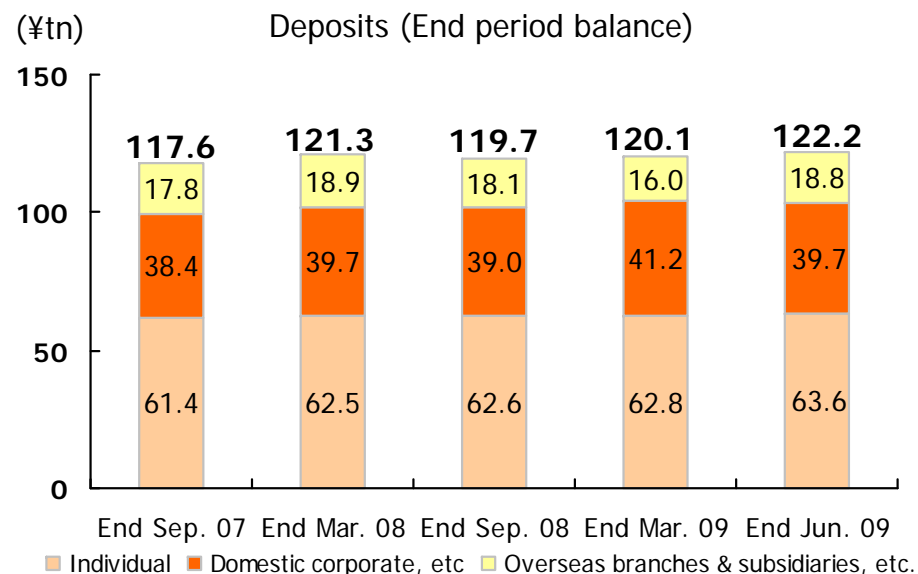
● **Deposits balance ¥122.2tn**
(up ¥2.0tn from end Mar. 09)

Changes from end Mar. 09:

■ Individual +¥0.7tn
■ Corporate, etc. -¥1.4tn
■ Overseas branches +¥2.1tn



*² Sum of banking and trust accounts.



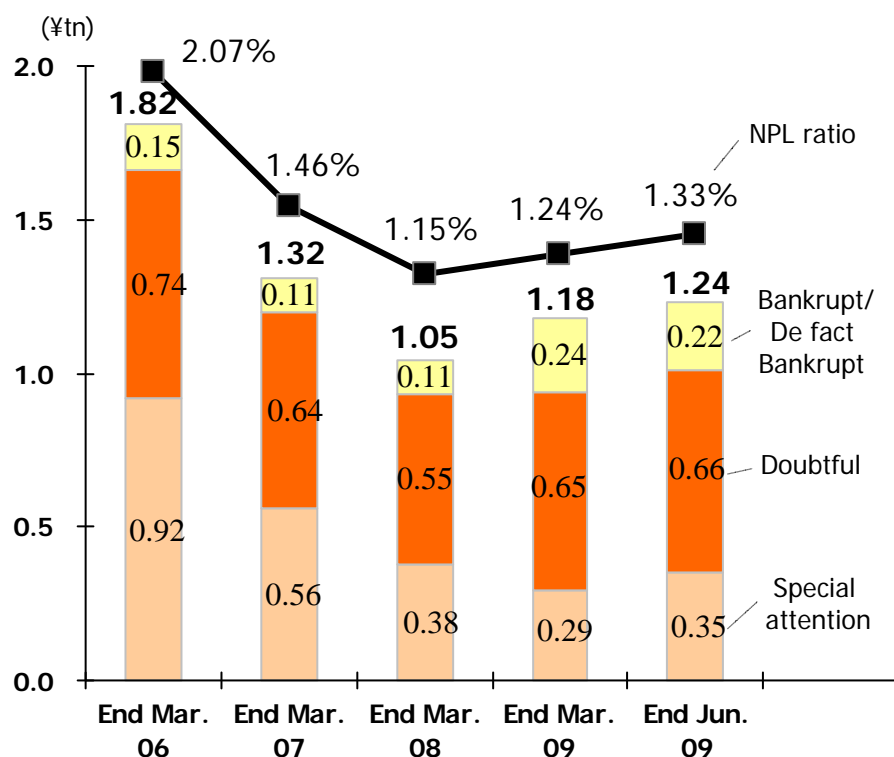
Loan assets

(Consolidated/Non-consolidated)

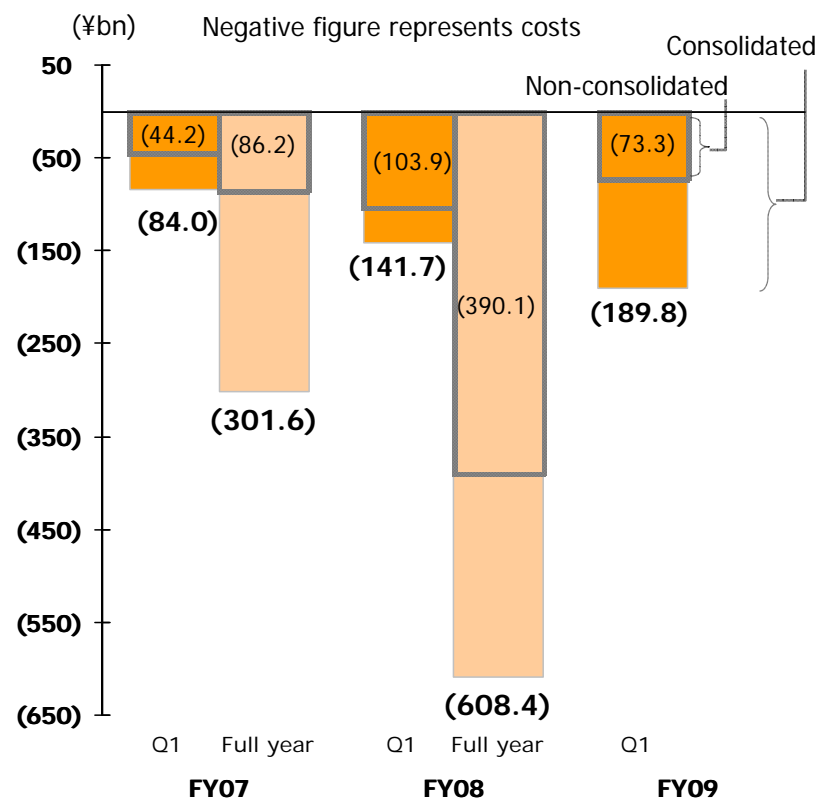


- NPL ratio up by 0.08% from the end of Mar. 09 to 1.33% due to increase in Special attention category loans
- Total credit costs showed an expense of ¥73.3bn on non-consolidated basis and ¥189.8bn on consolidated basis

Balance of FRL disclosed loans (Non-consolidated)



Total credit costs



Holdings of investment securities

(Consolidated)



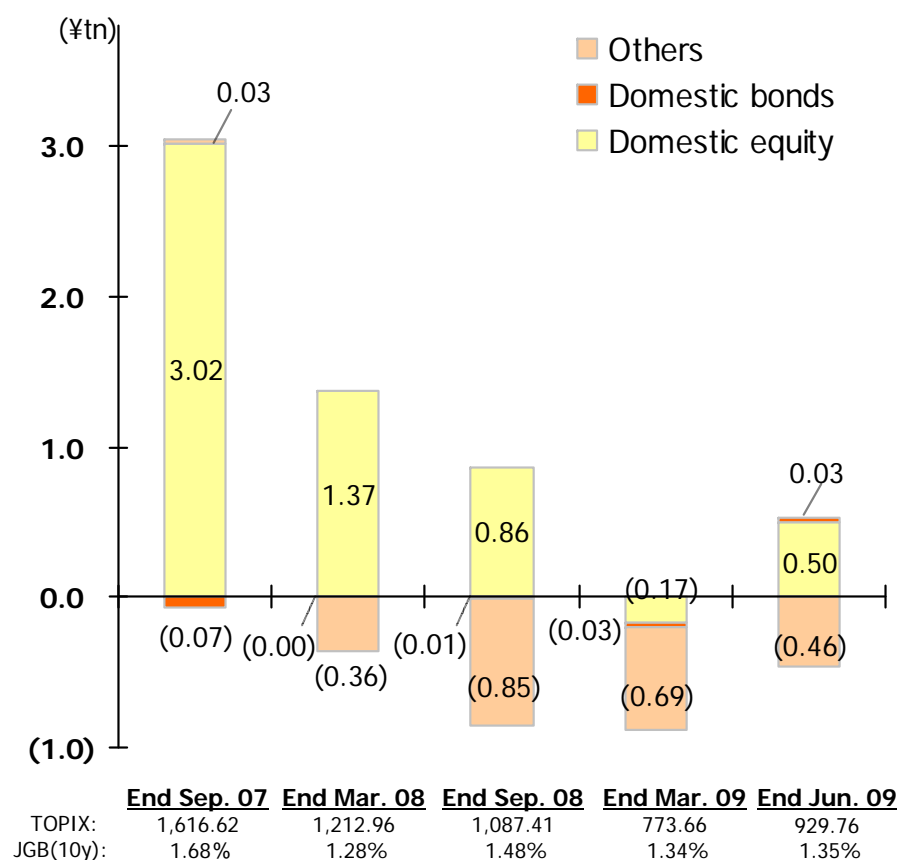
- Total unrealized gains (losses) on available-for-sale securities increased by ¥0.98tn from End Mar. 09, due to improvement in domestic equity securities categories

Breakdown of available-for-sale securities (with market value)

(¥bn)

	Balance (End Jun.09)	Unrealized gains (losses)	Change from End Mar. 09
Total	46,257.1	70.1	987.9
Domestic equity securities	4,351.6	500.7	680.5
Domestic bonds	29,306.3	34.1	72.7
Others	12,599.1	(464.8)	234.6
Foreign equity securities	278.5	29.3	50.0
Foreign bonds	10,192.1	(54.4)	(25.3)
Other	2,128.3	(439.7)	209.8

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



Holdings of securitized products

(Consolidated)



- **Balance of investments in securitized products approx. ¥2.2tn (down ¥0.1tn from end Mar. 09)**

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

- The balance of investments in securitized products decreased to ¥2.2tn (down ¥0.1tn from end Mar. 09), due to the sales of securitized products, which have risk of being downgraded or deteriorated, and redemptions.
- The balance of net unrealized losses improved by ¥93bn from end Mar.09 to ¥291bn.
- The effect on the FY09 Q1 P&L was a loss of ¥6bn due to loss 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	148	(49)	(27)	19	0	0
2	Sub-prime RMBS	44	(7)	(5)	4	0	0
3	CMBS	26	(1)	(2)	0	0	0
4	CLOs	1,667	(28)	(235)	51	1,309	(181)
5	Others (card, etc.)	330	(23)	(24)	22	29	(2)
6	CDOs	15	(5)	(3)	0	4	(2)
7	SIV investments	0	0	0	0	0	0
8	Total	2,187	(106)	(291)	93	1,342	(184)

* 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.

Appendix

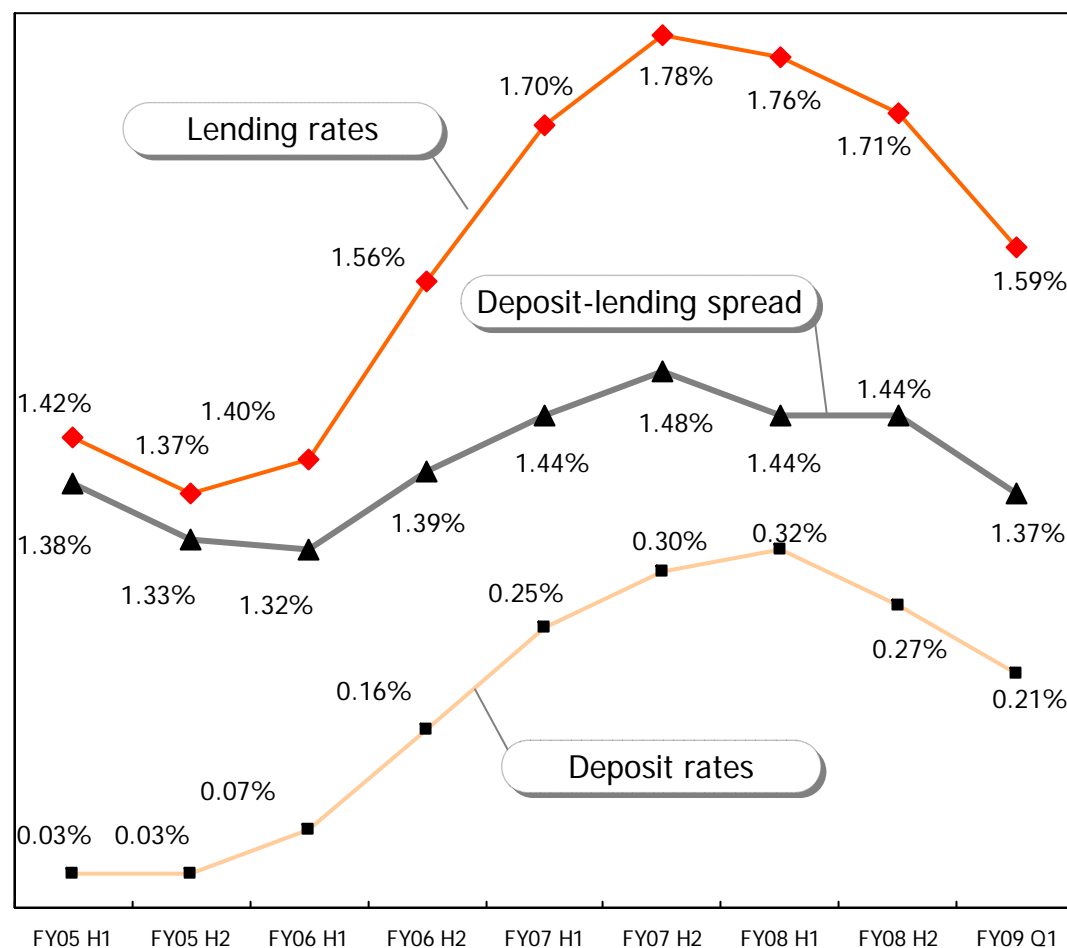


Domestic deposit/lending rates

(Non-consolidated) 

- Deposit/lending spread was 1.37% in FY09 Q1

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



Recent 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
New variable rate housing loans :
 \Rightarrow Change based on the long-term lending rate linked to short-term prime rate as of March 1
- July 1, 2009
Existing variable rate housing loans
 \Rightarrow Change based on the long-term lending rate linked to short-term prime rate as of April 1

Exposure to securitized products 1: Overview

- Includes BTMU (including UB and Senshu bank), MUTB and MUS
- Products covered: Securitized products on managerial accounting basis (Includes Held To Maturity). Do not include MBS arranged and guaranteed by U.S. GSEs, etc. (stated separately), Japanese RMBS such as Japanese Housing Finance Agency Securities, and products held by funds such as investment trusts
- As of End Jun 09. Approximate figures, rounded off. Balance is after impairment and before deducting net unrealized losses
- Calculated based on US\$1 = ¥96.01

Overview of holdings of securitized products

(1) Balance, net unrealized gains(losses)

(¥ bn)

	Balance	Change from end Mar 09	Net unrealized gains(losses)		Of which, securities available for sale	
				Change from end Mar 09	Balance	Net unrealized gains(losses)
1 Securitized products	2,187	(106)	(291)	93	845	(107)
2 RMBS	148	(49)	(27)	19	148	(27)
3 Sub-prime RMBS	44	(7)	(5)	4	44	(5)
4 CMBS	26	(1)	(2)	0	26	(2)
5 CLOs	1,667	(28)	(235)	51	359	(54)
6 Others (card, etc.)	330	(23)	(24)	22	301	(22)
7 CDOs	15	(5)	(3)	0	11	(1)
8 SIV investments	0	(0)	0	(0)	0	0

(2) Distribution of balance by region

(¥ bn)

	Americas	Europe	Asia	Japan	Total
1	1,664	465	4	53	2,187
2	110	38	-	-	148
3	44	-	-	-	44
4	1	3	-	22	26
5	1,229	418	-	20	1,667
6	318	-	1	11	330
7	6	6	4	0	15
8	0	-	-	-	0

(3) Distribution of balance by rating

(¥ bn)

	AAA	AA	A	BBB	BB or lower	Unrated	Total
1 Securitized products	1,667	187	102	128	100	3	2,187
2 RMBS	73	28	25	9	13	-	148
3 Sub-prime RMBS	35	8	-	1	-	-	44
4 CMBS	14	7	4	1	-	-	26
5 CLOs	1,340	109	48	88	82	1	1,667
6 Others (card, etc.)	232	41	24	28	2	2	330
7 CDOs	7	2	1	2	3	-	15
8 SIV investments	-	-	-	-	0	-	0

(4) Simple securitized products*¹ ratio

(¥ bn)

	Balance	%
1 Simple securitized products* ¹	2,182	99.8%
2 Re-securitized products* ²	5	0.2%
3 Total	2,187	100.0%

*1 Securitized products backed by non-securitized assets

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

Residential Mortgage-Backed Securities (RMBS)

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

(¥ bn)

	Balance	Net unrealized gains(losses)	Net unrealized gains(losses) as a % of balance	Change from end Mar 09
1 RMBS	148	(27)	(18.4)%	5.2%
2 Sub-prime RMBS	44	(5)	(10.4)%	6.7%
3 Prime RMBS	104	(23)	(21.7)%	4.1%

(2) Distribution of balance by region

(¥ bn)

	Americas	Europe	Asia	Total
1	110	38	-	148
2	44	-	-	44
3	67	38	-	104

(3) Distribution of balance by rating

(¥ bn)

	AAA	AA	A	BBB or lower	Total
1 RMBS	73	28	25	21	148
2 Sub-prime RMBS	35	8	-	1	44
3 Prime RMBS	38	20	25	21	104

(4) Distribution of balance by vintage

(¥ bn)

	Before 04	05	06	07	Total
1 RMBS	11	42	69	26	148
2 Sub-prime RMBS	-	12	30	2	44
3 Prime RMBS	11	30	39	24	104

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

(¥ bn)

	05	06	07	Total
1 Sub-prime RMBS ^{*3}	12	30	2	44
2 Net unrealized gains(losses)	(2)	(3)	0	(5)
3 Net unrealized gains(losses) as a % of balance	(15.8)%	(9.6)%	7.6%	(10.4)%

*3 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	Net unrealized gains(losses)	Net unrealized gains(losses) as a % of balance	Change from end Mar 09
CMBS	26	(2)	(6.5)%	0.7%

(2) Distribution of balance by rating

(¥ bn)

	AAA	AA	A	BBB or lower	Total
	14	7	4	1	26

(3) Distribution of balance by region

(¥ bn)

	Americas	Europe	Asia	Japan	Total
CMBS	1	3	-	22	26

Exposure to securitized products 3: CLOs, CDOs Consolidated



Collateralized Loan Obligations (CLOs)

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

	Balance	Net unrealized gains(losses)	Net unrealized gains(losses) as a % of balance	Change from end Mar 09
1 CLOs	1,667	(235)	(14.1)%	2.8%
2 Balance sheet CLOs	379	(51)	(13.5)%	6.6%
3 Arbitrage CLOs	1,249	(179)	(14.3)%	(0.9)%

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

	AAA	AA	A	BBB	BB or lower	Unrated	Total
1	1,340	109	48	88	82	1	1,667
2	279	36	37	23	4	-	379
3	1,022	73	10	65	78	1	1,249

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

	Americas	Europe	Asia	Japan	Total
1 CLOs	1,229	418	-	20	1,667
2 Balance sheet CLOs	122	253	-	4	379
3 Arbitrage CLOs	1,101	148	-	-	1,249

Collateralized Debt Obligations (CDOs)

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

	Balance	Net unrealized gains(losses)	Net unrealized gains(losses) as a % of balance	Change from end Mar 09
1 CDOs	15	(3)	(17.3)%	(3.2)%
2 Sub-prime ABS CDOs	0	-	-	-
3 Synthetic CDOs ^{*4}	9	(2)	(20.6)%	(6.2)%
4 Other CDOs ^{*5}	6	(1)	(12.4)%	1.4%

^{*4} CDOs using CDS of diversified investment-grade companies as the reference assets, price movements largely influenced by CDS index price trends

^{*5} 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	6	6	4	0	15
2 Sub-prime ABS CDOs	0	-	-	-	0
3 Synthetic CDOs	2	4	4	-	9
4 Other CDOs	4	2	-	0	6

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

	AAA	AA	A	BBB	BB or lower	Total
1	7	2	1	2	3	15
2	-	-	-	-	0	0
3	2	2	1	2	3	9
4	6	-	-	-	0	6

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

	Simple securitized products	Re-securitized products	Total
1	10	5	15
2	-	0	0
3	5	4	9
4	6	-	6

Exposure to securitized products 4: SPEs, Leveraged loan, etc.

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 09 was ¥3.75tn (¥1.19tn overseas)
- The purchased assets are mainly receivables and they do not include residential mortgages

Credit exposure related to leveraged loan

【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

【LBO loans】

(1) Balance of LBO loans (¥ bn)

	Balance	Change from end Mar 09
1 LBO loans (commitment basis) ^{*6}	548	(9)
2 Booking basis	478	3

^{*6} Includes balance after refinancing

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

	Americas	Europe	Asia	Japan	Total
1	62	150	45	290	548
2	42	133	41	262	478

U.S. GSE related

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

	Balance	Change from end Mar 09	Net unrealized gains(losses)	Change from end Mar 09	Net unrealized gains(losses) as a % of balance	Change from end Mar 09
1 MBS ^{*7}	2,823	(283)	7	(7)	0.3%	(0.2)%
2 Agency Securities ^{*8}	100	12	1	(0)	1.0%	(0.6)%

^{*7} Arranged and guaranteed by Fannie Mae, Freddie Mac and Ginnie Mae

^{*8} Issued by the above three institutions and Federal Home Loan Banks

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 forecasts, please see the 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 highlights.