

MITSUBISHI UFJ FINANCIAL GROUP INC
Form 6-K
November 20, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

**Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934**

For the month of November, 2006

MITSUBISHI UFJ FINANCIAL GROUP, INC.

(Translation of registrant's name into English)

7-1, Marunouchi 2-chome, Chiyoda-ku

Tokyo 100-8330, Japan

(Address of principal executive offices)

[Indicate by check mark whether the registrant files or
will file annual reports under cover Form 20-F or Form 40-F.]

Form 20-F Form 40-F

[Indicate by check mark whether the registrant by furnishing the information
contained in this Form is also thereby furnishing the information to the Commission]

pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.]

Yes _____ No X

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 20, 2006

MITSUBISHI UFJ FINANCIAL GROUP, INC.

By: /S/ Ryutaro Kusama

Name: Ryutaro Kusama

Title: Chief Manager, General Affairs

Corporate Administration Division

Interim Consolidated Summary Report

<under Japanese GAAP>

for Fiscal Year Ending March 31, 2007

Date: November 20, 2006
Company name (code number): Mitsubishi UFJ Financial Group, Inc. (8306)
(URL <http://www.mufg.jp/>)
Stock exchange listings: Tokyo, Osaka, Nagoya, New York
Headquarters: Tokyo
Representative: Nobuo Kuroyanagi, President & CEO
For inquiry: Yoshihisa Harata, Chief Manager - Financial Planning Division
(PHONE) +81-3-5252-4160

Date of resolution of Board of Directors with respect
to the interim consolidated financial statements: November 20, 2006

Trading accounts: Established

1. Consolidated financial data for six months ended September 30, 2006**(1) Operating results**

	(in millions of yen)		
	Six months ended September 30, 2006	September 30, 2005	Fiscal year ended March 31, 2006
Ordinary income	2,840,247	1,401,294	4,293,950
Change from same period in previous year	102.7%	11.4%	
Ordinary profit	663,580	381,152	1,078,061
Change from same period in previous year	74.1%	22.8%	
Net income	507,266	300,699	770,719
Change from same period in previous year	68.7%	75.2%	
Net income per share (yen)	50,454.49	45,529.68	93,263.16
Net income per diluted share (yen)	49,669.82		89,842.27

(Reference) ex-UFJ Holdings, Inc.

	Six months ended September 30, 2005
Ordinary income	1,113,760
Ordinary profit	355,247
Net income	411,057
Net income per share (yen)	79,851.45
Net income per diluted share (yen)	57,075.34

Notes:

1. Income from investment in affiliates (Equity method):

Six months ended September 30, 2006:	(39,584)	million yen
Six months ended September 30, 2005:	7,196	million yen
Fiscal year ended March 31, 2006:	15,768	million yen

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<UFJ Holdings, Inc.>

Six months ended September 30, 2005: 4,474 million yen

2. Average number of shares outstanding:

	Six months ended September 30, 2006	Six months ended September 30, 2005	(shares) Fiscal year ended March 31, 2006	<UFJ Holdings, Inc.>	(shares) Six months ended September 30, 2005
Common stock	9,978,046	6,538,585	8,120,150	Common stock	5,147,781
Preferred stock-class 3	100,000	100,000	100,000	Preferred stock-class 1	3,658
Preferred stock-class 8	22,222		43,609	Preferred stock-class 8	200,000
Preferred stock-class 9	38,761		44,510	Preferred stock-class 9	150,000
Preferred stock-class 10	72,950		73,972	Preferred stock-class 10	150,000
Preferred stock-class 11	1		0	Preferred stock-class 11	5
Preferred stock-class 12	127,772		90,780	Preferred stock-class 12	200,000

3. Changes in accounting policy: Please refer to the footnote on next page .

4. The amounts presented as of September 30, 2005 are amounts from Mitsubishi-Tokyo Financial Group, Inc.

5. The amounts presented for fiscal year ended March 31, 2006 are consist of Mitsubishi-Tokyo Financial Group, Inc. (April to September) and Mitsubishi UFJ Financial Group, Inc. (October to March).

(2) Financial condition

	(in millions of yen)		Fiscal year ended March 31, 2006
	Six months ended September 30,	September 30,	
	2006	2005	
Total assets	184,735,352	115,619,705	187,046,793
Total net assets (*2)	9,659,084	5,296,081	7,727,837
Total net assets to total assets (*2)	4.2%	4.6%	4.1%
Total net assets per share (yen) (*2)	720,127.97	771,314.08	692,792.39
Risk-adjusted capital ratio (based on the standards of the Bank for International Settlements) (*3)	(preliminary)11.95%	12.01%	12.20%

(Reference) ex-UFJ Holdings, Inc.

	Six months ended September 30, 2005
Total assets	78,074,507
Total net assets (*2)	1,687,677
Total net assets to total assets (*2)	2.2%
Total net assets per share (yen) (*2)	55,499.87
Risk-adjusted capital ratio (based on the standards of the Bank for International Settlements) (*2)	11.67%

Notes:

(*1) Number of shares outstanding

	September 30, 2006	(shares) September 30, 2005	March 31, 2006	<UFJ Holdings, Inc.> Common stock	(shares) September 30, 2005
Common stock	10,108,081	6,538,298	9,741,342	Common stock	5,183,378
Preferred stock-class 3	100,000	100,000	100,000		
Preferred stock-class 8	17,700		27,000	Preferred stock-class 8	200,000
Preferred stock-class 9			79,700	Preferred stock-class 9	150,000
Preferred stock-class 10			150,000	Preferred stock-class 10	150,000
Preferred stock-class 11	1		1	Preferred stock-class 11	1
Preferred stock-class 12	113,200		175,300	Preferred stock-class 12	200,000

(*2) In accordance with enforcement of the Company Law, Total net assets, Total net assets to total assets and Total net assets per share are created as new items this fiscal year. (Those figures as of September 30, 2005 and March 31, 2006 are stated with old measures). Total net assets is modified from Shareholders equity and existing Shareholders equity as of September 30, 2006 is 7,766,130 million yen. Total net assets to total assets and Total net assets per share are modified from Shareholders equity to total assets and Shareholders equity per share respectively.

These modifications do not have a significant impact on MUFG's financial statements. Please refer to next page for formulas.

(*3) Risk-adjusted capital ratio (based on the standards of the Bank for International Settlements) is calculated in accordance with Notice for capital ratio calculation stipulated in Article 52-25 of the Banking Law

(3) Cash flows

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(in millions of yen)

	Six months ended September 30,		Fiscal year ended
	2006	2005	March 31, 2006
Net cash provided by (used in) operating activities	(3,887,229)	2,168,858	(7,731,543)
Net cash provided by (used in) investing activities	710,646	(1,110,706)	3,847,452
Net cash provided by (used in) financing activities	(286,187)	172,701	(277,474)
Cash and cash equivalents at end of the period	2,770,796	5,505,687	6,238,548

(Reference) ex-UFJ Holdings, Inc.

	Six months ended September 30, 2005
Net cash provided by operating activities	200,419
Net cash provided by investing activities	573,218
Net cash provided by (used in) financing activities	(154,096)
Cash and cash equivalents at end of the period	5,499,161

(4) Scope of consolidation and application of the equity method

Consolidated subsidiaries:	265
Non-consolidated subsidiaries accounted for under the equity method:	0
Affiliates accounted for under the equity method:	44

(5) Changes in scope of consolidation and application of the equity method

Consolidated subsidiaries:	Newly included: 24	Excluded: 7
Affiliates accounted for under the equity method:	Newly included: 5	Excluded: 3

2. Forecasted earnings for fiscal year ending March 31, 2007

	(in millions of yen)		
Ordinary income	Ordinary profit	Net income	
5,800,000	1,500,000	870,000	
Forecasted net income per share for fiscal year ending March 31, 2007 (yen):	85,312.00		

(Reference)

Formulas for computing ratios

Net income per share

$$\frac{\text{Net income - Amount not attributable to common shareholders} *1}{\text{Average outstanding shares of common stock during the period} *2}$$

Net income per diluted share

$$\frac{\text{Net income - Amount not attributable to common shareholders} *1 + \text{Adjustments in net income}}{\text{Average outstanding shares of common stock during the period} *2 + \text{Possible conversions from convertible instruments to common stocks}}$$

Total net assets to total assets (Six months ended September 30, 2006)

$$\frac{\text{Total net assets - Warrant - Minority interests}}{\text{Total assets}} \times 100$$

Shareholders equity to total assets (Six months ended September 30, 2005 and fiscal year ended March 31, 2006)

$$\frac{\text{Total shareholders equity}}{\text{Total assets}} \times 100$$

Total net assets per share (Six months ended September 30, 2006)

$$\frac{\text{Total net assets - Preferred stock and others} *3}{\text{Outstanding shares of common stock at the end of the period} *2}$$

Shareholders equity per share (Six months ended September 30, 2005 and fiscal year ended March 31, 2006)

$$\frac{\text{Total shareholders equity - Preferred stock and others} *4}{\text{Outstanding shares of common stock at the end of the period} *2}$$

Net income per share (forecast)

$$\frac{\text{Net income (forecast) - Total dividends on preferred stock (forecast)}}{\text{Outstanding shares of common stock at the end of the period} *2}$$

*1 dividends on preferred stock and others

*2 excluding treasury stock and stocks held by subsidiaries and affiliates

*3 outstanding preferred stock, dividends on preferred stock, warrants, minority interests and others

*4 outstanding preferred stock, dividends on preferred stock and others

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This financial summary report and the accompanying financial highlights contain forward-looking statements and other forward-looking information relating to the company and the group as a whole (the "forward-looking statements"). The forward-looking statements include the company's current estimations, forecasts, views, targets and projections with respect to general economic conditions, its results of operations, its financial condition, its management in general and other future events. The forward-looking statements are provided based on projections, views, estimations and other factors and reflect assumptions and estimations which are subject to full range of uncertainties, risks and changes in circumstances. In light of the many risks, uncertainties and possible changes, you are advised not to put undue reliance on the forward-looking statements. The company is under no obligation and expressly disclaims any obligation to update or alter the forward-looking statements, except as may be required by any applicable laws and regulations or stock exchange rules. For detailed information relating to uncertainties, risks and changes regarding the forward-looking statements, please see the company's latest annual report and other disclosures.

1. Information on Mitsubishi UFJ Financial Group (MUFG)

MUFG is engaged primarily in banking business and also conducts trust business, securities business, asset management and administration business and other related financial businesses. The following is an illustration of the Company's corporate governance structure and major subsidiaries.

2. Management Policy

(1) Principal management policy

The Group's management philosophy serves as the basic policy in conducting its business activities, and provides guidelines for all group activities.

The Group's management philosophy will also be the foundation for management decisions, including the formulation of management strategies and management plans, and will serve as the core values for all employees.

The details of the Group management philosophy are set forth below. The Group's holding company, commercial bank, trust bank and securities company have adopted the Group's management philosophy as their own respective management philosophy, and the entire Group will strive to comply with this philosophy.

Group's Management Philosophy

1. We will respond promptly and accurately to diverse needs of our customers around the world and seek to inspire their trust and confidence.
2. We will offer innovative and high-quality financial services by actively pursuing the cultivation of new business areas and developing new technologies.
3. We will comply strictly with all laws and regulations and conduct our business in a fair and transparent manner to gain the public's trust and confidence.
4. We will seek to inspire the trust of our shareholders by enhancing corporate value through continuous business development and appropriate risk management, and by disclosing corporate information in a timely and appropriate manner.
5. We will contribute to progress toward a sustainable society by assisting with development in the areas in which we operate and conducting our business activities with consideration for the environment.
6. We will provide the opportunities and work environment necessary for all employees to enhance their expertise and make full use of their abilities.

(2) Basic policy regarding profit distribution

The Company considers the return of earnings to shareholders to be one of the most important management priorities and makes it a basic policy to make an effort to continuously increase dividends while sustaining the growth of its corporate value and further strengthening its corporate financial standing.

From a medium term perspective, the Company will aim to increase the dividend ratio to the consolidated net income to approximately 20%, after comprehensive consideration of the business performance and environment for strategic investment, etc.

With respect to interim dividends for the six months ended September 30, 2006, the Company has decided to pay ¥5,000 per share for common stock, ¥30,000 per share for class 3 preferred stock, ¥7,950 per share for class 8 preferred stock, ¥2,650 per share for class 11 preferred stock, and ¥5,750 per share for class 12 preferred stock.

With respect to fiscal year end dividends for the fiscal year ending March 31, 2007, the Company plans to pay year end dividends of ¥5,000 per share for common stock (which, together with the interim dividend, shall result in a total of ¥ 10,000 per share for the fiscal year). Regarding preferred stock, the Company plans to pay dividends of ¥ 30,000 per share for class 3 preferred stock (which, together with the interim dividend, shall result in a total of ¥ 60,000 per share for the fiscal year), ¥ 7,950 per share for class 8 preferred stock (which, together with the interim dividend, shall result in a total of ¥ 15,900 per share for the fiscal year), ¥ 2,650 per share for class 11 preferred stock (which, together with the interim dividend, shall result in a total of ¥ 5,300 per share for the fiscal year) and ¥ 5,750 per share for class 12 preferred stock (which, together with the interim dividend, shall result in a total of ¥ 11,500 per share for the fiscal year).

(3) Basic policy relating to the possible lowering of the minimum investment amount

With regard to the possible lowering of the minimum investment amount of the Company's common stock, the Company does not believe that it needs to make any actions immediately, after taking into account such factors as the stock price, the number of shareholders, liquidity issues and the transaction costs and potential benefits. The Company, however, will continue to consider, as appropriate, the possibility of lowering the minimum investment amount, taking into account the investors' needs and the factors described above.

(4) Management target

MUFG has set specific financial targets (MUFG consolidated basis) as shown below, and will aim to achieve these targets.

	FY 2008 Target	FY 2009 Target
Consolidated net operating profit * ¹	Approx. 2,400 billion yen	Approx. 2,500 billion yen
Consolidated expense ratio	Approx. 45%	40-45%
Consolidated net income	Approx. 1,000 billion yen	Approx. 1,100 billion yen
Consolidated ROE * ²	Approx. 15%	Approx. 15%

*¹ Consolidated net operating profit is consolidated net business profits before consolidation adjustments (management accounting basis, excluding dividend income from subsidiaries.)

*² The Consolidated ROE target is based on public fund balance being unchanged from December 31, 2005.

Underlying macroeconomic assumptions to the financial targets above:

	FY 2008	FY 2009
Real GDP growth rate (annual)	1.8%	2.1%
Unsecured call rate (O/N)	0.30%	0.30%
3M TIBOR	0.46%	0.48%
10 year Japanese Government Bonds	2.07%	2.13%
JPY to 1USD	105yen	105yen
Nikkei Stock Average	13,574yen	13,574yen

(5) Medium- and long-term management strategy

MUFG is a fully-fledged comprehensive financial group comprising commercial banks, a trust bank and a securities company, as well as credit card companies, consumer finance companies, investment trust companies, leasing companies and a U.S. bank (Union Bank of California). The Group aims to unify these Group companies to deliver top quality products and services that meet diverse customer needs. We aim to be No. 1 in service, No.1 in reliability and No.1 in global coverage and so gain the strong support of customers and society as a premier, comprehensive, global financial group.

No.1 in Service

MUFG will leverage its strengths as a comprehensive financial group to provide to its customers with an outstanding level of high-quality service that is matched to their individual needs.

MUFG will fully utilize the integrated business group system comprising our three core business groups Retail, Corporate and Trust Assets (asset management and asset administration) and meet diverse customer needs rapidly and accurately as a unified group that transcends business boundaries.

No.1 in Reliability

MUFG aims to be a truly reliable financial group and will strive to further enhance its financial health, implement thorough legal and other compliance and strengthen internal controls. Moreover, we will fulfill our responsibilities to society through enhancing customer satisfaction (CS), and pursuing CSR activities that contribute to society and to environmental conservation.

No.1 in Global Coverage

MUFG aims to use its Group strengths to the maximum, leveraging the leading global network amongst Japanese banks and talented staff well-versed in the business of each country to swiftly and precisely meet the requirements of customers globally.

(6) Key issues

The Group companies of MUFG will take a unified approach and provide high quality, comprehensive financial services matched to customers wide-ranging financial needs.

In the Retail business through product development backed up by global strategic alliances, we intend to enhance customer satisfaction by providing world-class products and services in a broad range of business areas including sales of investments products, housing loans, consumer finance, inheritance and real estate.

The Corporate business aims to meet diverse needs with top quality services and to be endorsed by customers as their No. 1 financial group by leveraging the combined capabilities of Group companies in areas such as banking, trust banking, securities and leasing across our leading domestic and overseas network.

The Trust Assets business aims to develop its expertise in the two key areas of asset management and asset administration, providing a broad range of high quality products and services in areas including pensions, investment trust management and administration and custody.

The Japanese financial sector is undergoing significant change as the shift from indirect to direct financing accelerates and deregulation lowers the barriers between business types. In order to rapidly and effectively respond to such changes as a comprehensive financial group, MUFG is implementing more unified and integrated management, while also observing relevant laws and regulations. As one element of our response, MUFG has already signed a basic agreement with regard to making Mitsubishi UFJ Securities a wholly-owned subsidiary, and MUFG is currently pursuing preparations in this regard.

Furthermore, MUFG aims to practice stable and highly effective corporate governance. In the holding company we will utilize external viewpoints and enhance management control functions in order to improve the transparency of management of the holding company and to be fully and accurately accountable to all of our shareholders. Also in regard to governance of the entire Group we will implement Group wide risk management and strict compliance, and strengthen the Group's internal control system.

One of the precepts of the management philosophy of MUFG is to contribute to progress toward a sustainable society by assisting with development in the areas in which we operate and conducting our business activities with consideration for the environment. Based on this commitment MUFG is practicing management that emphasizes its corporate social responsibilities and aims to secure the public's trust and confidence and to be a good corporate citizen.

Through steadily implementing the strategy described above the Group will seek to maximize shareholder value.

(7) Parent Information

There is no parent company.

3. Result of Operations and Financial Condition

(1) Result of operations

With respect to economic environment between April and September 2006, overseas economies, led by the growth of the Chinese economy in capital expenditure and exports, generally continued to show a firm undertone, though the U.S. economy showed signs of a slowdown. Meanwhile, the Japanese economy showed steady signs of well-balanced economic growth. The increase in exports and capital expenditures, as well as firm corporate earnings, which resulted in an improvement in employment and personal income, contributed to the growth. During the period, consumer prices in Japan rose, albeit by a small margin, which is a change from previous trends.

Regarding financial environment between April and September 2006, in the United States, the target for the federal funds rate was raised in May and June to 5.25%. Similarly, in the EU, the European Central Bank's policy rate was raised in June and August to 3.0%. Meanwhile, in Japan, the Bank of Japan ended its quantitative easing policy in July, and short-term interest rates showed some signs of an increase. Regarding long-term interest rates, the yield on ten-year Japanese government bonds rose in May due to speculation regarding interest rate hikes by the Bank of Japan, but interest rates started to decline again after the Bank of Japan ended its quantitative easing policy. In the foreign exchange markets, the yen generally weakened against the US Dollar mainly due to interest rate differentials between the two currencies.

Amidst this economic environment, consolidated ordinary profit for the six months ended September 30, 2006 was ¥663.5 billion, an increase of ¥282.4 billion from the previous interim period. Consolidated net income for the six months ended September 30, 2006 was ¥507.2 billion, an increase of ¥206.5 billion from the previous interim period.

Note: The previous interim period refers to the consolidated results of ex-Mitsubishi Tokyo Financial Group, Inc. (excludes consolidated results of ex-UFJ Holdings, Inc.)

Consolidated ordinary profit by business segment was ¥503.0 billion for the banking segment, ¥132.6 billion for the trust banking segment, ¥59.7 billion for the credit card segment and ¥23.4 billion for the securities segment. Ordinary profit by geographic segment was ¥552.6 billion in Japan, ¥70.8 billion in North America, ¥33.8 billion in Asia and Oceania excluding Japan, ¥16.8 billion in Latin America, and ¥3.7 billion in Europe and the Middle East.

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The Company has the following earning forecasts for the fiscal year ending March 31, 2007.

Consolidated ordinary income	Consolidated ordinary profit	Consolidated net income
¥5,800.0 billion	¥1,500.0 billion	¥870.0 billion
Net income per share (consolidated)		¥ 85,312.00
Net income per share (non-consolidated)		¥ 46,724.46
Dividend per share (annual)	Common stock	¥ 10,000
	Preferred stock class 3	¥ 60,000
	Preferred stock class 8	¥ 15,900
	Preferred stock class 11	¥ 5,300
	Preferred stock class 12	¥ 11,500

(2) Financial condition

Total assets decreased by ¥2,311.4 billion from March 31, 2006 to ¥184,735.3 billion at September 30, 2006, and total net assets decreased by ¥167.2 billion to ¥9,659.0 billion compared to the aggregate amount of minority interest and shareholders' equity at March 31, 2006.

With regards to major factors affecting the change in total net assets, in spite of the increase in retained earnings of ¥455.9 billion, total net assets decreased as net deferred losses on hedge transactions of ¥66.8 billion was recorded for the six months ended September 30, 2006 (For the previous fiscal years, the amounts were recorded both in the Assets and Liabilities sections), treasury stock increased by ¥226.5 billion due to the repayment of public funds etc, and net unrealized gains (losses) on securities available for sale decreased by ¥177.0 billion due to a decrease of valuation differences of stock.

With regards to assets, loans and bills discounted decreased by ¥91.9 billion from March 31, 2006 to ¥85,671.1 billion at September 30, 2006. This change in balance, on the basis of the sum of the two major subsidiary banks, mainly consisted of a decrease in domestic lending by ¥968.6 billion (including a decrease of housing loans by ¥834.1 billion) and an increase in lending by overseas branches by ¥775.1 billion. Investment securities decreased by ¥742.5 billion from March 31, 2006 to ¥47,766.4 billion at September 30, 2006.

For the six months ended September 30, 2006, net cash used by operating activities was ¥3,887.2 billion, net cash provided by investing activities was ¥710.6 billion and net cash used in financing activities was ¥286.1 billion. As a result, the balance of cash and cash equivalents at September 30, 2006 was ¥2,770.7 billion.

MUFG's consolidated risk adjusted capital ratio (based on the standards of the BIS) was 11.95 % (Preliminary basis) as of September 30, 2006.

The following table shows MUFG's consolidated risk adjusted capital ratio as of September 30, 2005, March 31, 2006 and September 30, 2006.

	(in billions and %)		
	As of September 30, 2005	As of March 31, 2006	As of September 30, 2006 (Preliminary basis)
Tier I capital	¥ 4,646.9	¥ 7,501.6	¥ 7,682.1
Qualified Tier II capital	¥ 3,498.9	¥ 6,293.7	¥ 6,076.2
Qualified Tier III capital			
Deduction from total qualifying capital	¥ 922.5	¥ 334.9	¥ 296.2
Total qualifying capital	¥ 7,223.3	¥ 13,460.3	¥ 13,462.0
Risk-adjusted assets	¥ 60,140.3	¥ 110,292.6	¥ 112,567.5
Consolidated risk-adjusted capital ratio (based on the standards of the BIS)	12.01%	12.20%	11.95%

(3) Risks relating to the business

Our business and results of operations may be materially affected by wide range of reasons, including the following factors (which may include information believed to be material to investors):

Risk relating to the integration of our operation (in particular, risks relating to integration of our systems);

Increase of problem loans and credit-related expenses;

Risks relating to the establishment of internal controls;

Impairment of our capital ratio;

Changes in interest rates in Japan or elsewhere in the world;

Risks related to our consumer lending business;

Possible negative effects to our equity portfolio;

Risks relating to trading and investment activities;

Downgrade of our credit ratings and the negative effect on our treasury operations;

Failure to achieve certain business plans or operating targets;

Risks accompanying the expansion of our operation and the range of products and services;

Decline in the results of operations and financial conditions of our subsidiaries;

Deterioration of economic conditions in Japan or elsewhere in the world (in Asian, Latin American and other countries);

Fluctuations in foreign currency exchange rates;

Risks relating to the increase of our pension obligations;

Events that obligate us to compensate for losses in loan trusts and jointly operated designated money in trusts;

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Disruption or impairment of our business or operations due to external circumstances or events (such as the destruction or impairment of our business sites and terrorist attacks);

Risks relating to our capabilities to protect confidential information;

Risks relating to transaction with counterparties in countries designated as state sponsors of terrorism;

Risks relating to regulatory developments or changes in laws, rules, including accounting rules, governmental policies and economic controls;

Potential claims of unfair trade practices from regulatory authorities and consumers, due to our influential position;

Increase in competitive pressures;

Risks inherent in the holding company structure; and

Possible negative effects related to owning our shares.

For detailed discussion of these risk factors and other risks, uncertainties, possible changes and others, please see our most recent publicly announced information including the latest Annual Report.

(Japanese GAAP)

Mitsubishi UFJ Financial Group, Inc.

Mitsubishi UFJ Financial Group, Inc. and Consolidated Subsidiaries

Consolidated Balance Sheet

	As of September 30,	As of September 30, 2005 ex-MTFG	(Reference)	Increase/ (Decrease)	As of March 31,	Increase/ (Decrease)
(in millions of yen)	2006 (A)	(B)	ex-UFJHD	(A) - (B)	2006 (C)	(A) - (C)
Assets:						
Cash and due from banks	8,484,545	10,005,210	6,502,126	(1,520,665)	12,347,561	(3,863,016)
Call loans and bills bought	2,095,108	1,585,947	169,485	509,160	2,467,717	(372,609)
Receivables under resale agreements	3,050,745	1,232,312	9,960	1,818,433	1,077,911	1,972,834
Receivables under securities borrowing transactions	4,351,094	5,322,442	1,833,607	(971,348)	5,425,527	(1,074,433)
Commercial paper and other debt purchased	3,628,498	2,361,547	413,097	1,266,951	2,675,007	953,491
Trading assets	10,093,747	7,660,530	1,651,953	2,433,217	10,070,779	22,967
Money held in trust	384,276	348,707	54,104	35,568	410,545	(26,269)
Investment securities	47,766,403	30,476,088	21,777,026	17,290,315	48,508,977	(742,573)
Allowance for losses on investment securities	(21,718)	(1,695)		(20,023)	(26,663)	4,945
Loans and bills discounted	85,671,181	47,132,564	38,175,072	38,538,616	85,763,106	(91,925)
Foreign exchanges	1,367,788	728,024	673,706	639,764	1,267,808	99,980
Other assets	5,130,860	3,449,933	2,063,633	1,680,926	6,517,435	(1,386,575)
Tangible fixed assets	1,733,180			1,733,180		1,733,180
Intangible fixed assets	651,537			651,537		651,537
Premises and equipment		958,771	614,384	(958,771)	1,517,892	(1,517,892)
Deferred tax assets	643,968	102,615	938,183	541,352	705,140	(61,171)
Goodwill					145,250	(145,250)
Customers liabilities for acceptances and guarantees	10,817,389	4,878,890	4,243,156	5,938,499	9,533,542	1,283,847
Allowance for loan losses	(1,113,252)	(622,186)	(1,041,468)	(491,066)	(1,360,745)	247,493
Allowance for losses on investment securities			(3,522)			
Total assets	184,735,352	115,619,705	78,074,507	65,115,647	187,046,793	(2,311,440)
Liabilities:						
Deposits	115,602,910	68,385,654	50,315,499	42,217,256	118,988,093	(3,385,182)
Negotiable certificates of deposit	6,880,379	3,160,845	2,962,556	3,719,534	6,586,425	293,954
Call money and bills sold	2,512,651	7,838,254	6,538,366	(5,325,602)	9,428,846	(6,916,195)
Payables under repurchase agreements	7,248,841	4,480,043	1,775,302	2,768,798	4,885,491	2,363,350
Payables under securities lending transactions	5,596,344	4,965,918	910,654	630,426	4,339,568	1,256,776
Commercial paper	477,920	192,972	116,581	284,947	309,384	168,535
Trading liabilities	4,867,308	2,829,637	880,787	2,037,670	4,361,905	505,402
Borrowed money	6,284,929	1,395,051	834,231	4,889,877	2,974,031	3,310,897
Foreign exchanges	783,937	1,443,687	208,170	(659,749)	1,312,568	(528,631)
Short-term corporate bonds	764,500	698,500	149,000	66,000	490,700	273,800
Bonds and notes	6,580,221	4,306,521	2,317,026	2,273,699	6,634,559	(54,337)
Bonds with warrant	49,689	49,165		524	49,165	524
Due to trust accounts	1,796,608	1,410,842	1,504,004	385,766	2,429,068	(632,459)
Other liabilities	4,291,590	3,461,342	1,977,844	830,247	4,469,097	(177,507)
Reserve for employees bonuses	45,440	19,797	19,051	25,643	50,857	(5,416)
Reserve for directors bonuses	115			115		115
Reserve for employees retirement benefits	68,889	43,987	14,424	24,901	82,239	(13,349)
Reserve for losses related to land trust			1,074			
Reserve for expenses related to EXPO 2005 Japan		323		(323)		
Reserve for contingent losses	100,087			100,087		100,087
Reserves under special laws	2,197	1,605	433	591	2,058	138

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Deferred tax liabilities	94,646	65,903	8,564	28,743	81,963	12,683
Deferred tax liabilities for land revaluation	209,667	132,309	90,269	77,357	210,875	(1,208)
Acceptances and guarantees	10,817,389	4,878,890	4,243,156	5,938,499	9,533,542	1,283,847
Total liabilities	175,076,268	109,761,255	74,866,999	65,315,013	177,220,444	(2,144,175)
Net assets:						
Capital stock	1,383,052			1,383,052		1,383,052
Capital surplus	1,916,314			1,916,314		1,916,314
Retained earnings	3,781,944			3,781,944		3,781,944
Treasury stock	(1,000,449)			(1,000,449)		(1,000,449)
Total shareholders' equity	6,080,862			6,080,862		6,080,862
Net unrealized gains (losses) on securities	1,592,453			1,592,453		1,592,453
Net deferred gains (losses) on hedging instruments	(66,887)			(66,887)		(66,887)
Land revaluation excess	149,193			149,193		149,193
Foreign currency translation adjustments	(56,378)			(56,378)		(56,378)
Total valuation and translation adjustments	1,618,381			1,618,381		1,618,381
Warrant	0			0		0
Minority interests	1,959,840			1,959,840		1,959,840
Total net assets	9,659,084			9,659,084		9,659,084
Total liabilities and net assets	184,735,352			184,735,352		184,735,352
Minority interests		562,368	1,519,830	(562,368)	2,098,512	(2,098,512)
Shareholder's equity:						
Capital stock		1,383,052	1,000,000	(1,383,052)	1,383,052	(1,383,052)
Capital surplus		832,990		(832,990)	1,915,855	(1,915,855)
Retained earnings		2,075,151	317,274	(2,075,151)	3,325,980	(3,325,980)
Land revaluation excess		150,055	99,091	(150,055)	149,534	(149,534)
Unrealized gains on securities available for sale		952,126	343,205	(952,126)	1,769,525	(1,769,525)
Foreign currency translation adjustments		(93,907)	(68,427)	93,907	(42,168)	42,168
Treasury stock		(3,387)	(3,465)	3,387	(773,941)	773,941
Total shareholder's equity		5,296,081	1,687,677	(5,296,081)	7,727,837	(7,727,837)
Total liabilities, minority interests and shareholder's equity		115,619,705	78,074,507	(115,619,705)	187,046,793	(187,046,793)

See Notes to Consolidated financial statements

(Japanese GAAP)

Mitsubishi UFJ Financial Group, Inc.

Mitsubishi UFJ Financial Group, Inc. and Consolidated Subsidiaries**Consolidated Statement of Operations**

(in millions of yen)	Six months ended	Six months ended		Increase/ (Decrease) (A) - (B)	Fiscal year ended March 31, 2006
	September 30, 2006 (A)	September 30, 2005 ex-MTFG (B)	(Reference) ex-UFJHD		
Ordinary income:					
Interest income:	1,643,285	792,784	527,806	850,501	2,365,923
(Interest on loans and discounts)	1,004,134	459,511	347,365	544,623	1,411,124
(Interest and dividends on securities)	364,164	181,572	97,462	182,592	598,194
Trust fees	79,378	41,089	23,721	38,289	122,898
Fees and commissions	638,290	296,861	255,301	341,428	1,000,853
Trading profits	133,827	66,643	23,045	67,184	148,524
Other business income	180,441	142,024	212,931	38,416	391,226
Other ordinary income	165,023	61,891	70,953	103,131	264,524
Total ordinary income	2,840,247	1,401,294	1,113,760	1,438,952	4,293,950
Ordinary expenses:					
Interest expense:	699,153	309,556	154,085	389,597	884,422
(Interest on deposits)	324,693	154,557	50,798	170,135	414,861
Fees and commissions	80,869	28,715	39,389	52,154	117,058
Trading losses			8,881		1,113
Other business expenses	101,956	56,684	89,513	45,272	170,456
General and administrative expenses	1,030,306	553,795	379,140	476,510	1,663,458
Other ordinary expenses	264,380	71,390	87,503	192,989	379,380
Total ordinary expenses	2,176,666	1,020,142	758,513	1,156,524	3,215,888
Ordinary profit	663,580	381,152	355,247	282,428	1,078,061
Extraordinary gains	224,534	117,117	301,474	107,416	451,571
Extraordinary losses	53,771	3,933	90,257	49,837	28,535
Income before income taxes and others	834,343	494,336	566,463	340,007	1,501,097
Income taxes-current	51,155	30,550	32,011	20,604	108,982
Income taxes-deferred	241,851	138,830	120,387	103,021	525,011
Minority interests	34,069	24,255	3,006	9,814	96,383
Net income	507,266	300,699	411,057	206,567	770,719

See Notes to Consolidated financial statements.

Mitsubishi UFJ Financial Group, Inc. and Consolidated Subsidiaries

Consolidated Statement of Changes in Net Assets

(in millions of yen)

	Shareholder's equity				Total	Valuation and translation adjustments				Total	Warrant	Minority interests	Total net assets	
	Capital stock	Capital surplus	Retained earnings	Treasury stock		Net unrealized gains (losses) on securities	Foreign							Total
							Deferred gains (losses) on hedging instruments	Revaluation reserve for land	currency translation adjustments					
Balances as of March 31, 2006	1,383,052	1,915,855	3,325,980	(773,941)	5,850,946	1,769,525		149,534	(42,168)	1,876,891	0	2,098,512	9,826,342	
Changes during the interim reporting period														
Dividends			(48,808)		(48,808)								(48,808)	
Transfers to directors			(163)		(163)								(163)	
Net Income			507,266		507,266								507,266	
Acquisition of treasury stock				(290,610)	(290,610)								(290,610)	
Disposal of treasury stock		463		64,102	64,565								64,565	
Reversal of valuation excess			943		943								943	
Increase in companies accounted for under the equity method			(2,003)		(2,003)								(2,003)	
Increase in consolidated subsidiaries resulting from changes in accounting standard			(1,270)		(1,270)								(1,270)	
Others		(4)			(4)								(4)	
Changes other than shareholders' equity (net)						(177,071)	(66,887)	(340)	(14,210)	(258,509)		(138,671)	(397,188)	
Total changes during the interim reporting period		459	455,964	(226,507)	229,915	(177,071)	(66,887)	(340)	(14,210)	(258,509)		(138,671)	(167,262)	

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1,383,052	1,916,314	3,781,944	(1,000,449)	6,080,862	1,592,453	(66,887)	149,193	(56,378)	1,618,381	0	1,959,840	9,659,080
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(Japanese GAAP)
Mitsubishi UFJ Financial Group, Inc. and Consolidated Subsidiaries

Mitsubishi UFJ Financial Group, Inc.

Consolidated Statement of Capital Surplus and Retained Earnings

(for reference purpose)

(in millions of yen)	Six months ended September 30, 2005		Fiscal year ended
	ex-MTFG	ex-UFJHD	March 31, 2006
Balance of capital surplus at beginning of fiscal year	955,067	1,233,741	955,067
Increase:	23	83	1,082,887
Gain of sale of treasury stock	23	83	5,001
Merger			1,077,885
Decrease:	122,100	1,233,824	122,100
Repurchase of preferred stock	122,100		122,100
Transfer to Retained earnings		1,233,824	
Balance of capital surplus at end of (interim) fiscal year	832,990		1,915,855
Balance of retained earnings at beginning of fiscal year	1,824,292	(1,325,433)	1,824,292
Increase:	300,776	1,644,882	1,574,715
Net income	300,699	411,057	770,719
Reversal in land revaluation excess			646
Increase in subsidiaries and affiliates accounted for under the equity method resulting from merger			424,869
Merger			378,402
Decrease in affiliates accounted for under the equity method	76		76
Transfer from Capital surplus		1,233,824	
Decrease:	49,917	2,174	73,027
Cash dividends	41,611		64,222
Bonuses to Directors	47		47
Changes in accounting standard in overseas subsidiaries	8,023		8,023
Actuarial difference based on accounting standard for retirement benefits in UK.			734
Reversal in land revaluation excess	235	2,174	
Balance of retained earnings at end of (interim) fiscal year	2,075,151	317,274	3,325,980

(Japanese GAAP)

Mitsubishi UFJ Financial Group, Inc.

Mitsubishi UFJ Financial Group, Inc. and Consolidated Subsidiaries

Consolidated Statement of Cash Flows

	Six months ended				Fiscal year ended March 31, 2006
	September 30, 2006(A)	Six months ended September 30, 2005 (ex-MTFG)(B)	Six months ended September 30, 2005 (Reference) (ex-UFJHD)	(A) - (B)	
(in millions of yen)					
Cash flows from operating activities:					
Income before income taxes and others	834,343	494,336	566,463	340,007	1,501,097
Depreciation	158,181	34,270	9,246	123,911	158,500
Impairment losses	6,266	1,841	31,087	4,425	12,613
Amortization of goodwill	4,476			4,476	
Amortization of negative goodwill	(2,134)			(2,134)	
Goodwill amortization		3,219	2,944	(3,219)	13,350
Equity in loss (earnings) of affiliates	39,584	(7,196)	(4,618)	46,781	(15,768)
Increase (decrease) in allowance for loan losses	(220,972)	(120,313)	(431,465)	(100,658)	(609,947)
Increase (decrease) in allowance for losses on investment securities	(5,466)	497	(288)	(5,963)	5,944
Increase (decrease) in reserve for employees bonuses	(5,600)	(4,599)	8,802	(1,001)	10,332
Increase (decrease) in reserve for directors bonuses	115			115	
Increase (decrease) in reserve for employees retirement benefits	(12,581)	2,655	887	(15,236)	9,410
Increase (decrease) in reserve for expenses related to EXPO 2005 Japan		57		(57)	(265)
Increase (decrease) in reserve for contingent losses	58,860			58,860	
Increase (decrease) in reserve for possible losses related to land trust			(13,447)		
Interest income recognized on statement of operations	(1,643,285)	(792,784)	(527,806)	(850,501)	(2,365,923)
Interest expenses recognized on statement of operations	699,153	309,556	154,085	389,597	884,422
Investment securities losses (gains)	728	(26,409)	(56,203)	27,138	24,800
Losses (gains) on money held in trust	(7,335)	(868)	790	(6,466)	1,577
Foreign exchange losses (gains)	(131,031)	(216,801)	(112,553)	85,769	(594,836)
Losses (gains) on fixed assets	4,391			4,391	
Losses (gains) on sales of premises and equipment		901	(632)	(901)	6,711
Net decrease (increase) in trading assets	(5,702)	(482,197)	1,984,437	476,495	(728,864)
Net increase (decrease) in trading liabilities	493,112	(354,892)	(1,167,683)	848,005	38,500
Adjustment of unsettled trading accounts	8,001	272,781		(264,779)	(2,548)
Net decrease (increase) in loans and bills discounted	(18,140)	(418,761)	(798,677)	400,621	1,171,067
Net increase (decrease) in deposits	(3,274,285)	574,659	(405,614)	(3,848,944)	(779,018)
Net increase (decrease) in negotiable certificates of deposit	294,266	336,863	(895,317)	(42,597)	788,115
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	3,235,497	19,346	(417,679)	3,216,150	(1,106,071)
Net decrease (increase) in due from banks (excluding cash equivalents)	389,821	(86,196)	145,509	476,017	79,100
Net decrease (increase) in call loans and bills bought and others	(2,530,353)	(2,116,764)	221,540	(413,588)	(2,049,484)
	1,081,208	278,075	571,389	803,133	990,252

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Net decrease (increase) in receivables under securities borrowing transactions					
Net increase (decrease) in call money and bills sold and others	(4,575,674)	1,052,346	2,273,480	(5,628,021)	(6,558,773)
Net increase (decrease) in commercial paper	173,138	(267,775)	17,032	440,914	(390,842)
Net increase (decrease) in payables under securities lending transactions	1,251,548	2,307,158	(1,351,196)	(1,055,609)	1,703,516
Net decrease (increase) in foreign exchanges (assets)	(99,971)	(50,116)	(19,826)	(49,855)	72,230
Net increase (decrease) in foreign exchanges (liabilities)	(528,628)	515,841	59,231	(1,044,469)	172,791
Net increase (decrease) in issuance and redemption of short-term corporate bonds	273,800	(203,200)	(315,200)	477,000	(618,800)
Net increase (decrease) in issuance and redemption of unsubordinated bonds and notes	(161,529)	64,995	(176,133)	(226,525)	(69,434)
Net increase (decrease) in due to trust account	(632,459)	179,527	262,084	(811,986)	(702,544)
Interest income (cash basis)	1,605,456	798,007	546,153	807,449	2,306,151
Interest expenses (cash basis)	(666,268)	(307,272)	(155,297)	(358,995)	(870,972)
Other	102,945	410,739	228,133	(307,794)	(121,625)
Sub-total	(3,806,522)	2,201,526	233,658	(6,008,049)	(7,635,235)
Income taxes	(80,707)	(32,668)	(33,239)	(48,038)	(96,307)
Net cash provided by (used in) operating activities	(3,887,229)	2,168,858	200,419	(6,056,087)	(7,731,543)
Cash flows from investing activities:					
Purchases of investment securities	(32,606,755)	(35,543,368)	(27,301,816)	2,936,613	(79,057,072)
Proceeds from sales of investment securities	14,521,276	24,429,573	7,776,802	(9,908,297)	46,756,075
Proceeds from maturities of investment securities	18,943,485	10,027,627	20,106,032	8,915,857	36,335,535
Increase in money held in trust	(17,666)	(31,426)	(63,072)	13,759	(67,367)
Decrease in money held in trust	57,773	136,031	65,889	(78,257)	156,859
Purchases of tangible fixed assets	(124,169)			(124,169)	
Purchases of intangible fixed assets	(76,192)			(76,192)	
Purchases of premises and equipment		(140,054)	(18,907)	140,054	(278,538)
Proceeds from sales of tangible fixed assets	12,748			12,748	
Proceeds from sales of intangible fixed assets	128			128	
Proceeds from sales of premises and equipment		11,011	8,291	(11,011)	24,475
Additional purchases of equity of consolidated subsidiaries	(688)	(100)		(588)	(17,307)
Proceeds from sales of equity of consolidated subsidiaries	708			708	
Proceeds from sales of equity of subsidiaries resulting exclusion from consolidation					(5,208)
Net cash provided by (used in) investing activities	710,646	(1,110,706)	573,218	1,821,352	3,847,452
Cash flows from financing activities:					
Increase in subordinated borrowings	108,000	316,600	2,100	(208,600)	305,401
Decrease in subordinated borrowings	(40,500)	(170,473)	(62,022)	129,973	(282,532)
Increase in subordinated bonds and notes and bonds with warrants	297,083	275,525	64,323	21,558	563,307
Decrease in subordinated bonds and notes and bonds with warrants	(192,730)	(234,052)	(155,699)	41,321	(494,204)
Proceeds from issuance of common stock to minority shareholders	5,517	171,487		(165,970)	668,947
Purchases of common stock from minority shareholders	(120,000)			(120,000)	
Decrease in redemption of preferred stock		(122,100)		122,100	(172,100)
Dividend paid by the parent	(48,808)	(41,553)		(7,255)	(64,222)
Dividend paid by subsidiaries to minority shareholders	(38,967)	(12,464)	(1,897)	(26,503)	(6,316)
Purchases of treasury stock	(290,591)	(510)	(862)	(290,080)	(775,241)
Proceeds from sales of treasury stock	65,060	113	13	64,947	4,932

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Purchases of treasury stock by consolidated subsidiaries	(30,563)	(9,886)	(20,677)	(28,572)
Proceeds from sales of treasury stock by consolidated subsidiaries	317	15	302	3,127
Other	(4)		(52)	(4)
Net cash provided by (used in) financing activities	(286,187)	172,701	(154,096)	(458,888)
Effect of exchange rate changes on cash and cash equivalents	(5,492)	31,757	1,727	(37,249)
Net increase (decrease) in cash and cash equivalents	(3,468,263)	1,262,610	621,268	(4,730,873)
Cash and cash equivalents at beginning of fiscal year	6,238,548	4,243,076	4,877,893	1,995,471
Increase in cash and cash equivalents due to consolidation of subsidiaries	510			510
Decrease in cash and cash equivalents due to deconsolidation of subsidiaries				(33,653)
Increase in cash and cash equivalents due to merger				6,105,186
Cash and cash equivalents at end of (interim) fiscal year	2,770,796	5,505,687	5,499,161	(2,734,891)

See Notes to Consolidated Financial Statements.

Notes to Consolidated Balance Sheets

1. Amounts of less than one million yen are rounded down.
2. Transactions involving short-term fluctuations or arbitrage opportunities in interest rates, currency exchange rates, market prices of securities or other market indices (Trading transactions) are presented in Trading assets and Trading liabilities on a trade date basis. Securities and other short-term credit instruments held for trading purposes are stated at their fair values at consolidated balance sheet date. Derivative transactions, such as swaps, futures and options are calculated based on fair value, assuming that such transactions were hypothetically terminated on consolidated balance sheet date.
3. Held to maturity debt securities are stated at amortized costs (using the straight-line method) computed under the moving average method. Investments in non-consolidated subsidiaries and affiliates not accounted for under the equity method are stated at acquisition costs computed under the moving average method. Other securities with quoted market prices are stated at their quoted market prices at consolidated balance sheet date (cost of securities sold is calculated primarily under the moving average method) and other securities where quoted market prices are not available are stated at acquisition costs or amortized costs as computed under the moving average method. Net unrealized gains (losses) on other securities are included directly in Net assets.
4. Securities which are held as trust assets in Money held in trust are accounted for under the same basis as noted above in Notes 2 and 3. Unrealized gains and losses on securities in Money held in trust, which are not held for trading purposes or held to maturity, are included directly in Net assets, net of applicable income taxes.
5. Derivatives transactions (other than trading transactions) are calculated primarily based on fair value.
6. Depreciation for Premises and equipment of MUFG and its domestic banking subsidiaries and trust banking subsidiary is computed under the declining-balance method. The estimated useful lives are as follows:
Buildings: 15 years to 50 years

Equipment: 2 years to 20 years

Depreciation for Premises and equipment of other consolidated subsidiaries is computed primarily under the straight-line method based on their estimated useful lives.
7. Depreciation for intangible assets is computed under the straight-line method. Development costs for internally used software are capitalized and depreciated under the straight-line method over the estimated useful lives of primarily 3 to 10 years.
8. Discount on bond premium used to be recorded as asset and amortized using the straight-line method through life of the Bond. However, MUFG modified its accounting procedure in accordance with The Accounting Standard Board of Japan (ASBJ) Statement No.10 Accounting Standards for Financial Instruments (August 11, 2006). Starting this period, Bonds are stated at amortized costs. Discount on bond premium recognized prior to March 31, 2006 was amortized using the straight-line method and unamortized portion is deducted directly from Bonds in accordance with ASBJ Guidance No.19 Tentative Treatment for Deferred Assets (August 11, 2006). This modification caused ¥1,805 million decrease in Discount on bond premium in Other assets. Bonds also decreased ¥1,805 million
Bond issuance costs and stock issuance costs are expensed as incurred.

9. Assets and Liabilities denominated in foreign currencies and accounts of overseas branches of MUFG's domestic banking subsidiaries and trust banking subsidiary are translated into yen primarily at the exchange rates in effect on consolidated balance sheet date, except for investments in non-consolidated subsidiaries and affiliates which are translated into yen at exchange rates in effect on the acquisition date. Assets and Liabilities denominated in foreign currencies of other consolidated subsidiaries are translated into yen at the exchange rates in effect on consolidated balance sheet date.

10. Allowance for loan losses of major domestic consolidated subsidiaries are provided in detail below in accordance with the internal standards for self-assessment of asset quality and internal standards for write-offs and provisions. For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings (bankrupt borrowers) or borrowers that are not legally or formally bankrupt but regarded as substantially in a similar condition (substantially bankrupt borrowers), allowances are provided based on the amount of claims, after write-offs as stated below, net of expected amounts to be collected through the disposal of collateral and the execution of guarantees.

For claims on borrowers that are not yet legally or formally bankrupt but deemed to have high possibility to become bankrupt (potentially bankrupt borrowers), which cash flows from collection of principal and interest cannot be reasonably estimated, allowances are provided based on an overall solvency assessment of the claims, net of expected amounts to be collected through the disposal of collateral and the execution of guarantees.

For claims on potentially bankrupt borrowers and claims on borrowers requiring close monitoring, which cash flows from collection of principal and interest can be reasonably estimated, allowances are provided as the difference between the book value of the claims and the fair value of principal and interest, which is calculated using estimated cash flows discounted at the initial contractual interest rates.

For other claims, allowances are provided based on the historical loan loss experience. For claims originated in specific foreign countries, additional allowances are provided based on an assessment of the political and economic conditions of these countries.

All claims are assessed by branches and the credit supervision departments in accordance with internal standards for self-assessment of asset quality and the credit review department, which is independent from operating sections, subsequently audits these assessments. The allowances presented reflect these audited assessments.

For collateralized or guaranteed claims on bankrupt borrowers and substantially bankrupt borrowers, the amount of claims exceeding the estimated value of collateral or guarantees which is deemed uncollectible, has been written-off. The amount of write-offs is ¥978,581 million.

Allowances for claims of consolidated subsidiaries are provided based on their historical loan loss experience or individual assessments of the possibility for collection on specific claims.

11. Allowances for possible losses on Investment securities are provided based on assessments of issuer's financial conditions and other relevant factors.

12. Reserve for bonus payments, which is provided for future bonus payments to employees, reflects an estimated amount accrued at consolidated balance sheet date.

13. Bonuses to directors used to be recorded as decrease in unappropriated profit. However, MUFG modified its accounting procedure in accordance with ASBJ Statement No.4 Accounting Standard for Bonuses to Directors (November 11, 2005). Starting this period, Bonuses to directors are expensed. Some consolidated subsidiaries and affiliates records reserve for bonuses to directors in the amount deemed accrued at consolidated balance sheet date. This modification caused ¥115 million increase in General and administrative expenses and ¥115 million decrease in Income before income taxes and others.

14. Reserve for employee retirement benefits, which is provided for future pension payments to employees, is recorded in the amount deemed accrued at consolidated balance sheet date based on the projected benefit obligation and the estimated plan asset amount at the end of the fiscal year. Prior service cost is amortized under the straight-line method primarily over 10 years within the employees' average remaining service period when the services were provided. Net actuarial gain (loss) is amortized under the straight-line method primarily over 10 years, within the employees' average remaining service period, commencing from the following fiscal year when the services were provided.
15. Reserve for contingent losses, which is provided for possible losses from contingent events related to derivative and other transactions, is calculated by estimation of impact of contingent events.
16. Finance leases of MUFG and its domestic consolidated subsidiaries that do not involve transfer of ownership to lessees are accounted for as operating leases.
17. With respect to hedge accounting for interest rate risks arising from financial assets and liabilities of MUFG's domestic banking subsidiaries and trust banking subsidiary, MUFG has principally adopted portfolio hedges or individual hedges as prescribed in Industry Audit Committee Report No.24, "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry", issued by the Japanese Institute of Certified Public Accountants (JICPA) on February 13, 2002 and Accounting Committee Report No.14, "Practical Guidelines for Accounting for Financial Instruments", issued by the JICPA on January 31, 2000. MUFG applies the deferred hedge accounting method.

With respect to hedging activities to offset fluctuations in fair value of fixed rate deposits, loans and other instruments, MUFG's domestic banking subsidiaries and trust banking subsidiary assess the effectiveness of such hedging activities by classifying hedged items and hedging instruments, such as interest rate swap transactions, by their maturities in accordance with Industry Audit Committee Report No.24.

With respect to hedging activities to offset fluctuations in fair value of fixed rate bonds, MUFG's domestic banking subsidiaries and trust banking subsidiary classify hedged items and designate hedging instruments, such as interest rate swap transactions. Since material terms related to hedged items and hedging instruments are substantially identical and such hedging activities are deemed highly effective, assessment of effectiveness is substituted by the identicalness.

With respect to hedging activities to fix the cash flows related to floating rate deposits and loans, MUFG's domestic banking subsidiaries and trust banking subsidiary classify hedged items by interest rate indices and tenors and designate hedging instruments, such as interest rate swap transactions, in accordance with Industry Audit Committee Report No.24. Since material terms related to hedged items and hedging instruments are substantially identical and such hedging activities are deemed highly effective, assessments of effectiveness are partly substituted by the identicalness. The effectiveness of hedging activities is also assessed based on the correlation between fluctuation of factors related to the hedged items and hedging instruments.

As of March 31, 2003, deferred hedging losses and gains are recorded on consolidated balance sheet as a result of the application of macro hedge accounting based on JICPA Industry Audit Committee Report No.15 "Tentative Treatment for Accounting and Auditing in Adoption of Accounting Standards for Banking Industry", under which the overall interest rate risks arising from numerous deposits, loans and other instruments are hedged collectively by derivative transactions. These losses and gains are amortized as expense or income over the remaining lives of the macro hedging instruments (for a maximum period of 15 years from April 1, 2003). Deferred hedge losses and gains attributable to macro hedge accounting as of September 30, 2006 were ¥56,683 million (before tax effect adjustment) and ¥84,072 million (before tax effect adjustment), respectively.

18. With respect to hedging activities for risks arising from volatility in foreign exchange rates associated with monetary assets and liabilities denominated in foreign currencies, MUFG's domestic banking subsidiaries and trust banking subsidiary have applied the deferred hedge accounting method by classifying hedged items by currencies and designating currency swap transactions and forward exchange contracts (fund swap transactions) as hedging instruments in accordance with JIPCA Industry Audit Committee Report No.25 Treatment of Accounting and Auditing concerning Accounting for Foreign Currency Transactions in Banking Industry .

In addition to activities above, MUFG's domestic banking subsidiaries and trust banking subsidiary have applied deferred hedge accounting method for hedging risks arising from volatility in foreign exchange rates associated with investment in subsidiaries denominated in foreign currencies and fair value hedge accounting method to foreign securities (other than bonds) with foreign currency denominated liabilities and forward exchange contracts as hedging instruments.

19. Derivative transactions, including interest rate swaps and currency swaps which are designated as hedging instruments, among consolidated companies or between trading accounts and other accounts (or among internal sections) are not eliminated from income statement and related gains and losses are recognized or deferred under hedge accounting because these derivative transactions are executed and meet certain criteria, which include a framework, policies and procedures resulting in transactions equivalent to external third party operations, which are treated as hedge transactions in accordance with JICPA Industry Audit Committee Reports No.24 and No.25.

20. National and Local Consumption Taxes are excluded from transaction amounts. Non-deductible portions of Consumption Taxes on the purchases of Tangible fixed assets are expensed when incurred.

21. Reserve for contingent liabilities from futures transactions: ¥31 million.

This reserve is maintained in accordance with Article 81 of the Financial Futures Transactions Law.

Reserve for contingent liabilities from securities transactions: ¥2,165 million.

This reserve is maintained in accordance with Article 51 of the Securities and Exchange Law.

22. The amount due from directors of MUFG: ¥5 million.

23. Investment in affiliates (not including investments in subsidiaries): ¥258,814 million.

24. Accumulated depreciation on tangible fixed assets: ¥1,409,002 million.

25. Deferred gains on tangible fixed assets deducted for tax purposes: ¥94,824 million.

26. Loans to bankrupt borrowers: ¥52,401 million.

Non-accrual delinquent loans: ¥686,209 million.

Non-accrual delinquent loans include ¥85 million of loans entrusted to the Resolution and Collection Corporation to facilitate the removal of those problem loans from consolidated balance sheets.

Loans to bankrupt borrowers are loans, after write-offs, to bankrupt borrowers as defined in Article 96-1-3-1 to 5 and 96-1-4 of the Enforcement Ordinance of the Corporate Tax Law (No. 97 in 1965) on which accrued interest income is not recognized (Non-accrual loans) as there is substantial doubt in the collection of principal and/or interest because of delinquencies in payment of principal and/or interest for a significant period of time or some other reasons.

Non-accrual delinquent loans represent non-accrual loans other than loans to bankrupt borrowers and loans renegotiated at concessionary terms, including reduction or deferral of interest due to the borrower's weakened financial condition.

27. Loans past due for 3 months or more: ¥20,370 million.

Loans past due for 3 months or more represent loans which principal and/or interest payments have been past due for 3 months or more, excluding loans to bankrupt borrowers and non-accrual loans.

28. Restructured loans: ¥739,278 million.

Restructured loans represent loans renegotiated at concessionary terms, including reduction or deferral of interest or principal and waiver of the claims, due to borrower's weakened financial condition, excluding loans to bankrupt borrowers, non-accrual loans and loans past due for 3 months or more.

29. The total amount of loans to bankrupt borrowers, non-accrual loans, loans past due for 3 months or more and restructured loans was ¥1,498,260 million, including ¥85 million entrusted to the Resolution and Collection Corporation to facilitate removal of these problem loans from consolidated balance sheet.

The amounts provided in Notes 26 to 29 represent gross amounts before the deduction of allowances for loan losses.

30. Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No.24. MUFG's banking subsidiaries and trust banking subsidiary have rights to sell or pledge bank acceptances bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions. The total face value of these bills is ¥1,192,639 million.

31. Assets pledged as collateral are as follows:

Cash and due from banks:	¥ 1,392 million
Trading assets:	¥ 516,270 million
Investment securities:	¥ 1,732,206 million
Loans and bills discounted:	¥ 2,342,221 million
Other assets:	¥ 9,920 million
Tangible fixed assets:	¥ 1,248 million

Liabilities related to pledged assets are as follows:

Deposits:	¥ 253,388 million
Call money and bills sold:	¥ 784,200 million
Borrowed money:	¥ 3,053,267 million
Bonds and notes:	¥ 22,983 million
Other liabilities:	¥ 108 million
Acceptances and guarantees:	¥ 1,392 million

In addition to items listed above, Cash and due from banks of ¥328,569 million, Trading assets of ¥499 million, Investment securities of ¥8,693,052 million, Loans and bills discounted of ¥5,147,446 million and Other assets of ¥66,930 million have been pledged as collateral for cash settlement and other transactions or for margin accounts of futures and other transactions.

Trading assets of ¥4,421,048 million and Investment securities of ¥6,078,684 million have been sold under repurchase agreements or loaned under secured lending transactions. There are corresponding payables under repurchase agreements of ¥5,075,136 million and payables under securities lending transactions of ¥5,151,459 million.

Bills rediscounted are accounted for as financial transactions in accordance with Industry Audit Committee Report No.24. The total face value of rediscounted bank acceptances bought, commercial bills discounted and bills of exchange rediscounted by MUFG's domestic banking subsidiaries and trust banking subsidiary is ¥9,211 million.

32. In accordance with the Law concerning Revaluation of Land (the Law), (March 31, 1998), land used for business operations of domestic subsidiaries have been revalued as of the following dates. Total excess from revaluation, net of income taxes corresponding to the excess, which are recognized as Deferred tax liabilities for land revaluation, is stated as Land revaluation excess in Net assets. Land revaluation excess includes MUFG's share of affiliated companies' land revaluation excess.

Dates of revaluation:

Domestic banking subsidiaries	March 31, 1998
Domestic trust banking subsidiary	March 31, 2002 and March 31, 1998
Other domestic subsidiaries	December 31, 2001

The method of revaluation as set forth in Article 3, Paragraph 3 of the Law :

Fair values are determined based on (1) published land price under the Land Price Publication Law stipulated in Article 2-1 of the Enforcement Ordinance of the Law concerning Revaluation of Land (Ordinance) (No.119 March 31, 1998), (2) standard land price determined on measurement spots under the Enforcement Ordinance of National Land Planning Law stipulated in Article 2-2 of the Ordinance, (3) land price determined by the method established and published by the Director General of the National Tax Agency in order to calculate land value which is used for determining taxable amounts subject to Landholding tax articulated in Article 16 of the Landholding Tax Law stipulated in Article 2-4 of the Ordinance with price adjustments by shape and time and (4) appraisal by certified real estate appraisers stipulated in Article 2-5 of the Ordinance with price adjustments for time.

Some of MUFG's affiliated companies have revalued their land used for business operations as of March 31, 2002.

33. Borrowed money includes Subordinated borrowings of ¥1,348,800 million.

34. Bonds include Subordinated bonds of ¥3,096,434 million.

35. The principal amounts of the trust banking subsidiary's designated money trusts and loan trusts, for which repayment of the principal to the customers is guaranteed, are ¥1,653,965 million and ¥498,179 million, respectively.

36. Net assets per common share is ¥720,127.97.

Implementation Guidance on Accounting Standard for Earnings per Share by ASBJ (September 25, 2002) was revised on January 31, 2006. MUFG has applied this revision and reflects earnings from deferred hedge activities to Net assets, beginning this fiscal year. This revision does not have a significant impact on Net assets per common share.

37. Marketable securities other than trading securities are subject to write-downs when the market value of these securities has declined considerably and any differences between fair value and acquisition cost are recognized as valuation losses. Considerable decline in market value is determined based on the classification of issuers in accordance with the internal standards for self-assessment of asset quality as follows:

Bankrupt, Substantially bankrupt or Potentially bankrupt issuers: Market value is lower than acquisition cost.

Issuers requiring close monitoring: Market value has declined 30% or more from acquisition cost.

Other issuers: Market value has declined 50% or more, from acquisition cost.

Bankrupt issuers: Issuers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings. Substantially bankrupt issuers: Issuers that are not legally bankrupt but regarded as substantially in a similar condition.

Potentially bankrupt issuers: Issuers that are not legally bankrupt but deemed to have high possibility to become bankrupt.

Issuers requiring close monitoring: Issuers that are financially weak and under close monitoring by MUFG.

38. Market value and unrealized gains/losses on securities are explained as follows. The amounts shown in the following tables include negotiable certificates of deposits bought classified as Cash and due from banks and beneficiary claims on commodity investment trusts classified as Commercial paper and other debt purchased. The same definition is applied in the Notes 39.

Debt securities classified as held to maturity

	(in ¥millions)		Net unrealized gains (losses)
	Balance sheet amount	Market value	
Domestic bonds	2,791,676	2,794,166	2,489
Government bonds	2,621,523	2,621,554	30
Municipal bonds	82,944	84,272	1,327
Corporate bonds	87,208	88,339	1,131
Other securities	409,621	409,922	301
Foreign bonds	41,950	42,260	309
Other	367,670	367,662	(8)
Total	3,201,298	3,204,088	2,790
Other securities with market value			

	(in ¥millions)		Net unrealized gains (losses)
	Balance sheet amount	Market value	
Domestic equity securities	4,457,466	7,039,582	2,582,116
Domestic bonds	23,727,263	23,656,257	(71,005)
Government bonds	21,635,961	21,573,137	(62,824)
Municipal bonds	228,421	228,235	(186)
Corporate bonds	1,862,880	1,854,885	(7,995)
Other securities	11,198,612	11,354,315	155,702
Foreign equity securities	91,339	184,772	93,432
Foreign bonds	7,175,227	7,130,069	(45,157)
Other	3,932,045	4,039,473	107,427

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Total 39,383,342 42,050,155 2,666,813
 Net unrealized gains on other securities shown above includes loss of ¥40 million which has been recognized through the application of fair value hedge accounting and the amount recorded in Net assets is ¥2,666,854 million.

¥1,591,927 million of Net unrealized gains on other securities is composed of the following items:

Net unrealized gains to be recorded in Net assets:	¥ 2,666,854 million
Unrealized gains on securities in asset of investment LPS:	¥ 14,406 million
(-) Corresponding deferred tax liabilities:	¥ 1,077,780 million
(-) Corresponding minority interests	¥ 15,016 million
MUFG's share of net unrealized gains on other securities held by affiliates accounted for under the equity method:	¥ 3,463 million

39. Summary information of other securities with no available market values are as follows:

Debt securities classified as held to maturity

Foreign bonds:	¥ 27,287 million
Other securities	
Domestic equity securities:	¥ 642,731 million
Corporate bonds:	¥ 3,661,995 million
Foreign equity securities:	¥ 117,675 million
Foreign bonds:	¥ 117,672 million

40. Details of Money held in trust is as follows:

Money held in trust not for investment purposes or not being held to maturity

Balance sheet amount:	¥ 244,721 million
Fair value:	¥ 245,606 million
Net unrealized gains (losses):	¥ 885 million

¥526 million, which is unrealized gains shown above, net of ¥359 million of deferred tax liabilities, is stated as net unrealized gains on other securities.

41. Unsecured securities loaned for which borrowers have rights to sell or pledge, amounted ¥1,669 million, are included in Investment securities.

For borrowed securities and securities purchased under resale agreements, that are permitted to be sold or pledged without restrictions, ¥3,898,380 million is pledged, ¥959,303 million is loaned and ¥4,906,203 million is held by MUFG at consolidated balance sheet date.

42. Overdraft facilities and commitment lines of credit are binding contracts under which MUFG's subsidiaries have obligations to disburse funds up to predetermined limits upon the borrower's request as long as there have been no breach of contracts. The total amount of the unused portion of these facilities is ¥63,323,385 million.

The total amount of the unused portion does not necessarily represent actual future cash requirements of MUFG and its consolidated subsidiaries because many of these contracts are expected to expire without being drawn upon. In addition, most of these contracts include clauses which allow MUFG and its consolidated subsidiaries to turn down borrower's request for disbursement or decrease contracted limits with cause, such as changes in financial conditions or deterioration in borrower's creditworthiness. MUFG and its consolidated subsidiaries may request borrowers to pledge real properties and/or securities as collateral upon signing of the contract and will perform periodic monitoring on borrower's business conditions in accordance with internal procedures, which may lead to renegotiation of the terms and conditions of the contract and/or initiate the request for additional collateral and/or guarantees.

43. Trust fees of domestic trust banking subsidiaries used be recognized as revenue on termination of each trust contract. However, MUFG modified its accounting procedure to make more appropriate periodic accounting and information disclosure. Starting this period, trust fees are recognized on accrual basis except for trust fees which is not based on calculation period of trust contracts or balance of entrusted assets. This modification became available because of upgrade of trust banking subsidiary s administration system which made it possible to calculate fees based on calculation period of trust contracts and balance of entrusted assets. This modification causes ¥13,248 million increase in Ordinary income, Ordinary profit and Income before income taxes and others.
44. Credit linked bonds, Synthetic CBOs and Synthetic CLOs used be classified as Other securities. Bond portion and implied derivative portion were evaluated altogether and unrealized gains (losses) were reflected to income statement. However, MUFG modified its accounting procedure in accordance with ASBJ Guidance No.12 Guidance on Accounting for Other Compound Financial Instruments (Compound Financial Instruments Other than Those with Option to Increase Paid-in Capital) (March 30, 2006). Starting this period, Compound financial instruments including Inflation-indexed Japanese government bonds are stated at amortized costs, with book value as of March 31, 2006 to be acquired cost, and unrealized gains (losses) net of deferred tax liabilities are included in Net assets. This modification does not have a significant impact on consolidated balance sheet or consolidated statement of operations.
45. In accordance with newly effective ASBJ Statement No.5 Accounting Standards for Presentation of Net Assets on Balance Sheet (December 9, 2005) and ASBJ Guidance No.8 Guidance on Accounting Standards for Presentation of Net Assets on Balance Sheet (December 9, 2005), MUFG has made certain adjustments its terminology.
- (1) Shareholders equity was renamed as Net assets and divided into Shareholders Equity , Valuation and translation of adjustment and Minority interests . Amount corresponding to conventional Shareholders equity was ¥7,766,130 million at consolidated balance sheet date.
 - (2) Deferred hedge gains and Deferred hedge losses were combined. Amounts net of corresponding tax amounts was stated as Net deferred gains .
 - (3) Unrealized gains on securities available for sale was changed to Unrealized gains on other securities .
 - (4) Warrant which used to be included in Other liabilities was itemized on Net assets .
 - (5) Minority interests was reclassified under Net Assets .
 - (6) Premises and equipment was divided into Tangible assets , Intangible assets and Other assets .
 - (7) Software was transferred from Other assets to Intangible assets .
 - (8) Goodwill was reclassified into Intangible assets or Other liabilities . Amortization of Goodwill was transferred from Other ordinary expense to General and administrative expenses in the income statement.
46. MUFG applied newly effective ASBJ Practical Solution No.20 Practical Solution on Investors Accounting for Investment Partnerships (September 8, 2006). The application of the Practical Solution does not have a significant impact on consolidated balance sheet.

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47. MUFG applied newly effective ASBJ Statement No.7 Accounting Standard for Business Divestitures (December 27, 2005), ASBJ Guidance No.10 Guidance on Accounting Standard for Business Combinations and Business Divestitures (December 27, 2005) and FSA Business Accounting Council Comment on Accounting Standard for Business Combinations (October 31, 2003).

Notes to Consolidated Statement of Operations

1. Amounts of less than 1 million yen are rounded down.
2. Net income per share: ¥50,454.48
3. Net income per diluted share: ¥49,669.82
4. Gains or losses from Trading transactions, such as interest received, gain (loss) on sale and unrealized gain (loss), are presented in Trading assets and Trading liabilities on a trade date basis.
5. Other ordinary income includes ¥32,431 million of gains on sales of equity securities.
6. Other ordinary expense includes ¥67,662 million of losses on loan write-offs, ¥17,816 million of write down of equity securities.

Notes to Consolidated Statement of Changes in Net Assets

1. Amounts of less than one million yen are rounded down.

2. Detailed information for outstanding stocks

	As of		(Thousand shares)	
	March 31, 2006	Increase	Decrease	September 30, 2006
Outstanding				
Common stock	10,247	513		10,761
Preferred stock class-3	100			100
Preferred stock class-8	27		9	17
Preferred stock class-9	79		79	
Preferred stock class-10	150		150	
Preferred stock class-11	0			0
Preferred stock class-12	175		62	113
Total outstanding stocks	10,779	513	301	10,992
Treasury stock				
Common stock	506	189	42	653
Preferred stock class-8		9	9	
Preferred stock class-9		79	79	
Preferred stock class-10		150	150	
Preferred stock class-12		16	16	
Total Treasury stocks	506	445	298	653

3. Warrant as of September 30, 2006: 0 million yen

4. Detailed information for cash dividends

(1) Dividends paid in this interim period

Paid to shareholders as of March 31, 2006

Approved at general meeting of shareholders on June 29, 2006

Effective on June 29, 2006

	Total	Amount
	dividends	per share
Common stock	¥ 38,978 million	¥ 4,000
Preferred stock class-3	¥ 3,000 million	¥ 30,000
Preferred stock class-8	¥ 429 million	¥ 15,900

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Preferred stock class-9	¥ 1,482 million	¥ 18,600
Preferred stock class-10	¥ 2,910 million	¥ 19,400
Preferred stock class-11	¥ 0 million	¥ 5,300
Preferred stock class-12	¥ 2,015 million	¥ 11,500

(2) Dividends to be paid after September 30, 2006

Paid to shareholders as of September 30, 2006

Approved at board meeting on November 20, 2006

To be in effect on December 8, 2006

	Total	Amount
	dividends	per share
Common stock	¥ 50,553 million	¥ 5,000
Preferred stock class-3	¥ 3,000 million	¥ 30,000
Preferred stock class-8	¥ 140 million	¥ 7,950
Preferred stock class-11	¥ 0 million	¥ 2,650
Preferred stock class-12	¥ 650 million	¥ 5,750

5. In accordance with ASBJ Statement No.6 Accounting Standards for Statement of Changes in Net Assets (December 27, 2005) and ASBJ Guidance No.9 Guidance on Accounting Standards for Statement of Changes in Net Assets (December 27, 2005), MUFG provides this Statement of Changes in Net Assets.

Notes to Consolidated Statement of Cash flows

1. Amounts of less than one million yen are rounded down.
2. Cash and cash equivalents in this statement are defined as Cash and due from banks on consolidated balance sheet excluding time deposits and negotiable certificates of deposits in other banks .
3. Cash and due from banks on Consolidated balance: ¥ 8,484,545 million
 (-) Time deposits and negotiable certificates of deposits in other banks: ¥ (5,713,749 million)

 Cash and cash equivalents at end of (interim) fiscal year: ¥ 2,770,796 million
4. In accordance with newly effective ASBJ Statement No.5 Accounting Standards for Presentation of Net Assets on Balance Sheet (December 9, 2005) and ASBJ Guidance No.8 Guidance on Accounting Standards for Presentation of Net Assets on Balance Sheet (December 9, 2005), MUFG has made certain adjustments its terminology.
 - (1) Goodwill amortization is divided into Amortization of goodwill and Amortization of negative goodwill .
 - (2) Losses (gains) on sales of premises and equipment is changed to Losses (gains) on sales of fixed assets . Purchase of premises and equipment is changed to Purchase of tangible fixed assets and Purchase of intangible fixed assets . Proceed from sales of premises and equipment is changed to Proceed from sales of tangible fixed assets and Proceed from sales of intangible fixed assets .

Mitsubishi UFJ Financial Group, Inc., and Consolidated Subsidiaries

Significant policies in preparation of the Consolidated Financial Statements

1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 265
Principal companies

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Mitsubishi UFJ Trust and Banking Corporation

Mitsubishi UFJ Securities Co., Ltd.

(2) Non-consolidated subsidiaries: None

(3) Entities not recognized as subsidiaries while majority of the votes owned by MUFG: 5

(1) Nichiele Corporation
(MUFG owns majority of votes through an investment subsidiary with no intent to control.)

(2) Hygeia Co., Ltd.
(An property management company on Land trust business)

(3) THCAP investment LPS
Shonan Sangakurenkei Fund investment LPS

Gunma Challenge Fund investment LPS

(MUFG's venture capital subsidiaries are serving as unlimited partners for investment LPSs)

2. Application of the Equity Method

(1) Number of affiliated companies accounted for by the equity method: 44
Principal companies

ACOM CO., LTD.

Diamond Lease Co., Ltd.

The Chukyo Bank, Ltd.

The Gifu Bank, Ltd.

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Diamond Computer Service Co., Ltd.

kabu.com Securities Co., Ltd.

DC Cash One Ltd.

Mobit Co., Ltd.

BOT Lease Co., Ltd.

UFJ Central Leasing Co., Ltd.

Mitsubishi UFJ Merrill Lynch PB Securities Co., Ltd.

Mitsubishi UFJ Merrill Lynch PB Securities Co., Ltd. is newly founded and accounted for under the equity method from this fiscal term.

(2) Non-consolidated subsidiaries and affiliates not accounted for under the equity method

Principal companies

SCB Leasing Public Company Limited

MU Japan Fund

Affiliates not accounted for under the equity method are excluded from the scope of the equity method since our ownership share in their net income or retained earnings do not have a material impact on the consolidated financial statements. MU Japan Fund became an affiliate this fiscal term because of capital injection.

(3) Entities not recognized as affiliates with 20% to 50% of the votes owned by MUFG: 6

Cswitch Corporation and 13 companies

(MUFG's venture capital subsidiaries own voting stocks as investments with no intent to control.)

RYOGOKU CITY CORE Co., Ltd

(An property management company on Land trust business)

3. Interim fiscal year ends for consolidated subsidiaries

(1) Interim fiscal year ends for consolidated subsidiaries:

November 30	:	2 subsidiaries	March 31	:	4 subsidiaries
April 30	:	3 subsidiaries	May 31	:	1 subsidiary
June 30	:	144 subsidiaries	July 24	:	15 subsidiaries
July 31	:	1 subsidiary	August 31	:	2 subsidiaries
September 30	:	93 subsidiaries			

- (2) Subsidiaries with interim fiscal year ends at November 30 are consolidated based on their preliminary financial statements as of August 31. Subsidiaries with interim fiscal year ends at March 31, April 30 (1 out of 3), May 31 and June 30 (1 out of 144) are consolidated based on their preliminary financial statements as of September 30. Subsidiaries with interim fiscal year ends at April 30 (2 out of 3) are consolidated based on their preliminary financial statements as of July 31. Other subsidiaries are consolidated based on the financial statements for their respective interim fiscal year ends. Significant transactions occurring during the intervening periods are reflected in the consolidated financial statements.

4. Amortization of Goodwill

Goodwill on UFJ NICOS Co., Ltd. and UnionBanCal Corporation is being amortized on a straight-line method over 20 years commencing from fiscal year of consolidation. The equivalent of goodwill on ACOM CO., LTD. is being amortized on a straight-line method over 10 years commencing from fiscal year of consolidation. Other insignificant goodwill is charged to expenses when incurred.

Mitsubishi UFJ Financial Group, Inc. and Consolidated Subsidiaries**Segment Information**

1. Business segment information

<Six months ended September 30, 2006>

	(in millions of yen)					Total	(Elimination)	Consolidated
	Banking	Trust Banking	Securities	Credit card	Other			
Ordinary income								
from customers	1,992,054	348,919	173,983	229,934	95,355	2,840,247		2,840,247
from internal transactions	35,319	10,748	13,671	7,236	182,185	249,161	(249,161)	
Total ordinary income	2,027,373	359,667	187,655	237,170	277,540	3,089,408	(249,161)	2,840,247
Ordinary expenses	1,524,291	227,032	164,174	177,416	173,851	2,266,765	(90,099)	2,176,666
Ordinary profit	503,082	132,635	23,481	59,754	103,688	822,642	(159,062)	663,580

Note:

- Credit card is divided from Other .
- Other includes leasing.
- Ordinary profit for Other includes 156,531 million yen of dividend from MUFG's domestic banking subsidiaries and trust banking subsidiary.
- Bonuses to directors used to be recorded as decrease in unappropriated profit. However, MUFG modified its accounting procedure in accordance with ASBJ Statement No.4 Accounting Standard for Bonuses to Directors (November 11, 2005). Starting this period, Bonuses to directors are expensed. Some consolidated subsidiaries and affiliates records reserve for bonuses to directors in the amount deemed accrued at consolidated balance sheet date. This modification caused 62 million yen decrease in Ordinary profit for Banking and 53 million yen decrease in Ordinary profit for Securities .
- Trust fees of domestic trust banking subsidiaries used be recognized as revenue on termination of each trust contract. However, MUFG modified its accounting procedure to make more appropriate periodic accounting and information disclosure. Starting this period, trust fees are recognized on accrual basis except for trust fees which is not based on calculation period of trust contracts or balance of entrusted assets. This modification became available because of upgrade of trust banking subsidiary's administration system which made it possible to calculate fees based on calculation period of trust contracts and balance of entrusted assets. This modification causes 13,248 million yen increase in Ordinary profit for Trust Banking .

<Six months ended September 30, 2005>

	(in millions of yen)					Total	(Elimination)	Consolidated
	Banking	Trust Banking	Securities	Other				
Ordinary income								
from customers	1,005,754	227,129	97,894	70,516	1,401,294			1,401,294
from internal transactions	16,636	7,630	9,491	189,675	223,433	(223,433)		
Total ordinary income	1,022,390	234,760	107,385	260,191	1,624,727	(223,433)		1,401,294
Ordinary expenses	729,356	171,270	91,376	73,359	1,065,362	(45,220)		1,020,142

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Ordinary profit	293,034	63,490	16,009	186,831	559,365	(178,213)	381,152
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Note:

1. Other includes Credit card and leasing.
2. Ordinary profit for Other includes 180,193 million yen of dividend from MTFG's domestic banking subsidiaries and trust banking subsidiary.

<Fiscal year ended March 31, 2006>

	(in millions of yen)						
	Banking	Trust Banking	Securities	Other	Total	(Elimination)	Consolidated
Ordinary income							
from customers	3,080,732	556,980	299,951	356,286	4,293,950		4,293,950
from internal transactions	113,002	41,356	32,948	1,053,383	1,240,690	(1,240,690)	
Total ordinary income	3,193,734	598,336	332,899	1,409,670	5,534,641	(1,240,690)	4,293,950
Ordinary expenses	2,368,087	393,555	252,301	337,511	3,351,455	(135,566)	3,215,888
Ordinary profit	825,646	204,781	80,598	1,072,159	2,183,185	(1,105,124)	1,078,061

Note:

1. Other includes Credit card and leasing.
2. Ordinary profit for Other includes 1,010,251 million yen of dividend from MUFG's domestic banking subsidiaries and trust banking subsidiary.

Mitsubishi UFJ Financial Group, Inc. and Consolidated Subsidiaries

2. Geographic segment information

<Six months ended September 30, 2006>

	(in millions of yen)							
	Europe							
	Japan	North America	Latin America	Mid. East	Asia Oceania	Total	(Elimination)	Consolidated
Ordinary income								
Ordinary income from customers	2,112,816	392,429	6,003	170,052	158,945	2,840,247		2,840,247
Internal ordinary income	66,338	40,229	66,169	37,347	40,314	250,399	(250,399)	
Total ordinary income	2,179,154	432,658	72,172	207,400	199,259	3,090,646	(250,399)	2,840,247
Ordinary expenses	1,626,499	361,821	55,320	203,653	165,440	2,412,735	(236,068)	2,176,666
Ordinary profit	552,655	70,837	16,852	3,746	33,819	677,911	(14,330)	663,580

Notes:

1. North America includes United States and Canada. Latin America primarily includes Caribbean countries and Brazil. Europe/Middle East primarily includes United Kingdom, Germany and Netherlands. Asia/Oceania primarily includes Hong Kong, Singapore and China.
2. Bonuses to directors used to be recorded as decrease in unappropriated profit. However, MUFG modified its accounting procedure in accordance with ASBJ Statement No.4 Accounting Standard for Bonuses to Directors (November 11, 2005). Starting this period, Bonuses to directors are expensed. Some consolidated subsidiaries and affiliates records reserve for bonuses to directors in the amount deemed accrued at consolidated balance sheet date. This modification caused 115 million yen decrease in Ordinary profit for Japan .
3. Trust fees of domestic trust banking subsidiaries used be recognized as revenue on termination of each trust contract. However, MUFG modified its accounting procedure to make more appropriate periodic accounting and information disclosure. Starting this period, trust fees are recognized on accrual basis except for trust fees which is not based on calculation period of trust contracts or balance of entrusted assets. This modification became available because of upgrade of trust banking subsidiary s administration system which made it possible to calculate fees based on calculation period of trust contracts and balance of entrusted assets. This modification causes 13,248 million yen increase in Ordinary profit for Japan .

<Six months ended September 30, 2005>

	(in millions of yen)							
	Europe							
	Japan	North America	Latin America	Mid. East	Asia Oceania	Total	(Elimination)	Consolidated
Ordinary income								
from customers	945,014	280,147	3,829	98,355	73,948	1,401,294		1,401,294
from internal transactions	34,247	15,204	18,136	20,358	19,404	107,352	(107,352)	
Total ordinary income	979,262	295,352	21,965	118,713	93,352	1,508,646	(107,352)	1,401,294

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Ordinary expenses	675,134	228,907	22,586	116,895	76,023	1,119,546	(99,404)	1,020,142
Ordinary profit	304,127	66,444	(620)	1,818	17,329	389,100	(7,947)	381,152

Note:

1. North America includes United States and Canada. Latin America primarily includes Caribbean countries and Brazil. Europe/Middle East primarily includes United Kingdom, Germany and Netherlands. Asia/Oceania primarily includes Hong Kong, Singapore and China.
<Fiscal year ended March 31, 2006>

	Japan	North America	Latin America	Europe Mid. East	Asia Oceania	Total	(Elimination)	Consolidated
Ordinary income								
from customers	3,171,028	662,632	4,126	245,280	210,881	4,293,950		4,293,950
from internal transactions	112,338	45,957	72,542	53,408	50,950	335,198	(335,198)	
Total ordinary income	3,283,367	708,590	76,669	298,689	261,832	4,629,148	(335,198)	4,293,950
Ordinary expenses	2,348,698	585,684	72,838	291,286	216,340	3,514,848	(298,959)	3,215,888
Ordinary profit	934,669	122,905	3,830	7,403	45,491	1,114,300	(36,239)	1,078,061

Note:

1. North America includes United States and Canada. Latin America primarily includes Caribbean countries and Brazil. Europe/Middle East primarily includes United Kingdom, Germany and Netherlands. Asia/Oceania primarily includes Hong Kong, Singapore and China.
3. Ordinary income from overseas operations

	Ordinary income from overseas operations	(in millions of yen) Consolidated ordinary income	Share of Ordinary income from overseas operations
Six months ended September 30, 2006	727,431	2,840,247	25.6%
Six months ended September 30, 2005	456,280	1,401,294	32.5%
Fiscal year ended March 31, 2006	1,122,921	4,293,950	26.1%

Note:

1. Ordinary income from overseas operations consists of income from operations of the overseas branches of MUFG's domestic banking subsidiaries and trust banking subsidiary, and MUFG's overseas subsidiaries (excluding ordinary income from internal transactions).

Mitsubishi UFJ Financial Group, Inc. and Consolidated Subsidiaries

(Reference) UFJ Holdings, Inc.

Segment Information

1. Business segment information

<Fiscal year ended September 30, 2005 (six months)>

	(in millions of yen)				
	Banking and Trust Banking	Other	Total	(Elimination)	Consolidated
Ordinary income					
from customers	876,910	236,849	1,113,760		1,113,760
from internal transactions	15,377	27,045	42,422	(42,422)	
Total ordinary income	892,288	263,895	1,156,183	(42,422)	1,113,760
Ordinary expenses	568,768	223,910	792,679	(34,165)	758,513
Ordinary profit	323,520	39,984	363,504	(8,256)	355,247
Assets	77,421,321	8,063,912	85,485,233	(7,410,725)	78,074,507
Depreciation	24,473	5,592	30,065		30,065
Capital expenditures	41,869	4,241	46,111		46,111

Note:

Other includes securities, leasing, investment trust management, investment advisory, credit card and others.

2. Geographic segment information

<Fiscal year ended September 30, 2005 (six months)>

	(in millions of yen)					(Elimination)	Consolidated
	Japan	The Americas	Europe	Asia/Oceania	Total		
Ordinary income							
from customers	992,896	34,458	54,741	31,663	1,113,760		1,113,760
from internal transactions	35,759	34,966	13,596	3,826	88,148	(88,148)	
Total ordinary income	1,028,656	69,425	68,337	35,490	1,201,909	(88,148)	1,113,760
Ordinary expenses	671,243	49,628	69,965	29,974	820,811	(62,298)	758,513
Ordinary profit (loss)	357,412	19,796	(1,627)	5,516	381,097	(25,850)	355,247

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Assets	76,577,754	2,884,451	1,697,234	2,128,182	83,287,622	(5,213,115)	78,074,507
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Note:

The Americas primarily includes United States and Canada. Europe primarily includes United Kingdom and Germany.

Asia/Oceania primarily includes Hong Kong, Singapore and Australia.

3. Ordinary income from overseas operations

Fiscal year ended September 30, 2005 (Six months)	(in millions of yen)		Share of ordinary income from overseas
	Ordinary income from	Consolidated ordinary income	operations to
	overseas operations		consolidated ordinary income
	120,863	1,113,760	10.9%

Note:

1. Ordinary income from overseas operations includes income from operations of overseas branches of domestic consolidated subsidiaries and operations of overseas consolidated subsidiaries (excluding income from internal transactions).
2. Ordinary income from overseas operations is not classified by the domicile of customers.

Mitsubishi Tokyo Financial Group, Inc. and Consolidated Subsidiaries**Investment securities information as of September 30, 2005**

Following tables include:

Investment securities

Negotiable certificates of deposits in Cash and due from banks

Beneficiary certificates of commodity investment trusts in Commercial Paper and other debt purchased .

1. Marketable debt securities being held to maturity

	(in millions of yen) As of September 30, 2005				
	Balance sheet amount	Market value	Net unrealized gains (losses)		
			Gains	Losses	
Domestic bonds	2,117,645	2,128,955	11,309	11,764	454
Government bonds	1,999,500	2,006,657	7,157	7,611	454
Municipal bonds	88,762	91,691	2,928	2,928	
Corporate bonds	29,382	30,605	1,223	1,223	
Foreign bonds	28,295	29,817	1,521	1,708	187
Other	293,839	293,839			
Total	2,439,780	2,452,611	12,831	13,473	641

2. Marketable securities available for sale

	(in millions of yen) As of September 30, 2005				
	Cost	amount	Net unrealized gains (losses)		
			Gains	Losses	
Domestic equity securities	2,377,533	3,850,008	1,472,474	1,510,933	38,458
Domestic bonds	15,308,428	15,298,740	(9,687)	17,460	27,148
Government bonds	13,387,010	13,375,134	(11,875)	11,198	23,073
Municipal bonds	136,670	137,440	769	1,064	294
Corporate bonds	1,784,747	1,786,165	1,418	5,198	3,779
Foreign equity securities	23,513	39,712	16,199	16,628	428
Foreign bonds	5,655,469	5,666,877	11,408	50,692	39,284
Other	2,765,272	2,862,717	97,444	115,361	17,917
Total	26,130,217	27,718,056	1,587,839	1,711,076	123,236

3. Securities stated at acquired costs

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(in millions of yen)
As of September 30, 2005
Balance sheet amount

Debt securities being held to maturity	
Foreign bonds	29,371
Securities available for sale	
Domestic equity securities	1,046,084
Domestic corporate bonds	792,379
Foreign bonds	87,427
<u>Money held in trust</u>	

Money held in trust not for trading purpose or being held to maturity

(in millions of yen)
As of September 30, 2005

Cost	Balance sheet amount	Net unrealized gains (losses)	
		Gains	Losses
151,136	151,136		
<u>Unrealized gains (losses) on securities available for sale</u>			

Detail information for unrealized gains (losses) on securities available for sale on consolidated balance sheet

(in millions of yen)
As of September 30, 2005

Net unrealized gains (losses)	1,599,194
Securities available for sale	1,599,194
Money held in trust not for trading purpose or being held to maturity	
Deferred tax liabilities	(649,276)
Net unrealized gains (losses), net of deferred tax liabilities	949,918
Minority interests	(2,962)
MTFG's ownership share of affiliates' unrealized gains on securities available for sale	5,170
Total	952,126

Notes:

1. Net unrealized gains (losses) excludes ¥168 million of loss from financial instruments with embedded derivatives which are wholly treated as trading assets or liabilities
2. Net unrealized gains (losses) includes ¥11,187 million of unrealized gains on securities in asset of investment LPSs.

Mitsubishi UFJ Financial Group, Inc. and Consolidated Subsidiaries**Investment securities information as of March 31, 2006**

Following tables include: Investment securities

Trading securities, trading commercial paper and trading short-term corporate bonds in Trading assets

Negotiable certificates of deposits in Cash and due from banks

Beneficiary certificates of commodity investment trusts in Commercial Paper and other debt purchased

1. Trading securities

	(in millions of yen) As of March 31, 2006	Net unrealized gains (losses) recognized on fiscal year ended March 31, 2006
Balance sheet amount	8,824,461	(22,097)

2. Marketable debt securities being held to maturity

	(in millions of yen) As of March 31, 2006		Net unrealized gains (losses)		
	Balance sheet amount	Market value	Gains	Losses	
Domestic bonds	2,376,562	2,361,806	(14,756)	2,065	16,822
Government bonds	2,253,947	2,237,316	(16,630)	121	16,752
Municipal bonds	85,625	86,821	1,196	1,249	52
Corporate bonds	36,989	37,667	677	694	16
Foreign bonds	50,726	50,946	219	1,589	1,370
Other	381,409	381,388	(20)	6	26
Total	39,710,569	2,794,141	(14,556)	3,662	18,219

3. Marketable securities available for sale

	(in millions of yen) As of March 31, 2006		Net unrealized gains (losses)		
	Balance sheet Cost amount	Market value	Gains	Losses	
Domestic equity securities	4,485,361	7,466,163	2,980,802	2,996,101	15,298
Domestic bonds	25,621,822	25,411,680	(210,142)	7,277	217,419

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Government bonds	23,210,594	23,022,213	(188,381)	4,806	193,187
Municipal bonds	246,784	245,594	(1,189)	933	2,122
Corporate bonds	2,164,443	2,143,871	(20,571)	1,538	22,109
Foreign equity securities	67,909	159,483	91,573	92,307	734
Foreign bonds	6,458,140	6,367,170	(90,969)	15,305	106,275
Other	3,077,335	3,259,309	181,973	228,734	46,760
Total	39,710,569	42,663,806	2,953,237	3,339,726	386,488

4. Securities sold during fiscal year ended March 31, 2006

		(in millions of yen)	
	Proceeds from sales	Total gains	Total losses
	47,000,226	236,525	161,249

5. Securities stated at acquired costs

	(in millions of yen) As of March 31, 2006 Balance sheet amount
Debt securities being held to maturity	
Foreign bonds	30,765
Securities available for sale	
Domestic equity securities	668,822
Domestic corporate bonds	3,445,256
Foreign equity securities	113,250
Foreign bonds	114,865

6. Maturity of bonds

	(in millions of yen)			
	As of March 31, 2006			
	within 1 year	1 year to 5 years	5 years to 10 years	over 10 years
Domestic bonds	12,397,660	14,800,383	2,221,806	1,817,606
Government bonds	11,675,719	10,762,375	1,189,204	1,648,860
Municipal bonds	32,704	188,195	110,937	4,341
Corporate bonds	689,236	3,849,812	921,664	164,403
Foreign bonds	560,492	1,926,088	1,381,721	2,641,512
Other	414,192	327,219	420,875	1,128,946
Total	13,372,345	17,053,690	4,024,403	5,588,065

Mitsubishi UFJ Financial Group, Inc. and Consolidated Subsidiaries**Money held in trust**

1. Money held in trust for trading purpose

		(in millions of yen) As of March 31, 2006	Net unrealized gains (losses) recognized on
Balance sheet amount			fiscal year ended March 31, 2006
	181,930		1,163

2. Money held in trust not for trading purposes or being held to maturity

		(in millions of yen) As of March 31, 2006		Net unrealized gains (losses)	
Cost	Balance sheet amount			Gains	Losses
228,138	228,614	476		860	384

Unrealized gains (losses) on securities available for sale

The classification of unrealized gains (losses) on securities available for sale on the consolidated balance sheet is as follows:

		(in millions of yen) As of March 31, 2006
Net unrealized gains (losses)		2,970,751
Securities available for sale		2,970,275
Money held in trust not for trading purpose or being held to maturity		476
Deferred tax liabilities		(1,203,251)
Net unrealized gains (losses), net of deferred tax liabilities		1,767,499
Minority interests		(6,693)
MTFG's ownership share of affiliates' unrealized gains on securities available for sale		8,718
Total		1,769,525

Notes: 1. Net unrealized gains (losses) excludes ¥3 million of loss from financial instruments with embedded derivatives which are wholly treated as trading assets or liabilities

2. Net unrealized gains (losses) includes ¥17,033 million of unrealized gains on securities in asset of unions.

Mitsubishi UFJ Financial Group, Inc. and Consolidated Subsidiaries

(Reference)UFJ Holdings, Inc.

Investment securities

Following tables include:

Investment securities

Trading securities, trading commercial paper and trading short-term corporate bonds in Trading assets

Negotiable certificates of deposits in Cash and due from banks

Securities and beneficiary certificates of merchandise investment in Commercial Paper and other debt purchased .

1. Trading securities

(in millions of yen)
As of September 30, 2005

	Balance sheet amount	Net unrealized gains (losses) recognized on statements of operations
2. Marketable debt securities being held to maturity	1,346,099	32,954

(in millions of yen)
As of September 30, 2005

	Balance sheet amount	Market value	Net unrealized gains (losses)	
			Gains	Losses
Government bonds	54,547	54,147	(400)	40
Municipal bonds				
Corporate bonds				
Other	34,920	34,830	(89)	198
Total	89,468	88,978	(490)	239

3. Marketable securities available for sale

(in millions of yen)
As of September 30, 2005

	Balance sheet	Net unrealized gains (losses)	
	Cost amount	Gains	Losses
Domestic equity securities	1,440,212	2,080,289	39,692
Domestic bonds	13,202,038	13,125,633	81,905
Government bonds	12,991,155	12,912,184	81,279
Municipal bonds	134,393	136,073	462

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Corporate bonds	76,489	77,375	886	1,049	163
Other	3,239,574	3,205,240	(34,334)	63,231	97,566
Total	17,881,825	18,411,163	529,337	748,502	219,164

4. Securities available for sale sold

	(in millions of yen)		
	Fiscal year ended September 30, 2005		
	Proceeds from sales	Gains on sales	Losses on sales
	8,432,789	79,650	10,868

5. Principal securities not stated at market value

	(in millions of yen)
	As of September 30, 2005
	Balance sheet amount
Securities available for sale	
Unlisted bonds	2,429,214
Unlisted stocks(excluding over-the-counter stocks)	643,464

6. Redemption schedules of bonds

	(in millions of yen)			
	As of September 30, 2005			
	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Domestic bonds	9,958,157	2,614,692	2,379,326	657,218
Government bonds	9,730,641	1,118,657	1,502,610	614,822
Municipal bonds	3,231	48,987	87,699	4,640
Corporate bonds	224,283	1,447,047	789,016	37,755
Other	331,755	690,038	912,716	523,781
Total	10,289,912	3,304,731	3,292,043	1,181,000

Mitsubishi UFJ Financial Group, Inc. and Consolidated Subsidiaries

(Reference)UFJ Holdings, Inc.

Money held in trust

1. Money held in trust for trading purpose

(in millions of yen)
As of September 30, 2005

Balance sheet amount	Net unrealized gains (losses) recognized on fiscal year ended September 30, 2005 (Six months)
42,236	

2. Money held in trust not for trading purposes or being held to maturity

(in millions of yen)
As of September 30, 2005

Cost	Balance sheet amount	Net unrealized gains (losses) Gains	Losses
11,509	11,868	358	358

Unrealized gains (losses) on securities available for sale

The classification of unrealized gains (losses) on securities available for sale on the consolidated balance sheet is as follows:

	(in millions of yen) As of September 30, 2005
Net unrealized gains (losses)	529,696
Securities available for sale	529,337
Money held in trust not for trading purpose or being held to maturity	358
Deferred tax liabilities	(186,906)
Net unrealized gains (losses), net of deferred tax liabilities	342,789
Minority interests	(5,418)
UFJHD s ownership share of affiliates unrealized gains on securities available for sale	5,834
Total	343,205

Derivative Transactions: Notional Principal, Market Value and Valuation Gains (Losses) as of September 30, 2006

Information is posted on EDINET.

<Reference 1>

1. Derivatives qualified for hedge-accounting

	(in billions of yen)	
	As of September 30, 2006	
	Notional principal	Market value
Interest rate futures	3,796.6	3.0
Interest rate swaps	39,336.4	44.7
Currency swaps, etc.	7,312.8	(165.0)
Other transactions (related to interest rate)	270.8	0.2
Total		(117.0)

Note : Derivatives which are accounted for an accrual basis based on Accounting standards for financial instruments are not included in the table above.

Notional principal by the remaining life of the interest rate swaps above is as follows.

	(in billions of yen)			
	As of September 30, 2006			
	1 year			Total
	within 1 year	to 5 years	over 5 years	
Receive-fix / pay-floater	15,860.1	15,631.7	1,543.9	33,035.8
Receive-floater / pay-fix	1,991.9	2,811.6	1,466.9	6,270.6
Receive-floater / pay-floater		10.0	20.0	30.0
Total	17,852.0	18,453.4	3,030.9	39,336.4

2. Deferred gains (losses) <before tax effect adjustment>

	(in billions of yen)		
	As of September 30, 2006		
	Deferred gains (A)	Deferred losses (B)	Net gains (losses) (A) - (B)
Interest rate futures	6.9	12.3	(5.3)
Interest rate swaps	228.0	327.6	(99.5)
Currency swaps etc.	142.1	136.9	5.1
Other transactions (related to interest rate)		0.7	(0.7)
Total	377.1	477.6	(100.5)

Note : Deferred gains (losses) attributable to the macro hedge accounting as of September 30, 2006 are included in the above table.

Derivative Transactions: Notional Principal, Market Value and Valuation Gains (Losses) as of September 30, 2005

Information is posted on EDINET.

<Reference 2>

1. Derivatives qualified for hedge-accounting

	(in billions of yen)	
	As of September 30, 2005	
	Notional principal	Market value
Interest rate futures	3,473.2	(1.7)
Interest rate swaps	30,285.4	41.3
Currency swaps, etc.	3,826.5	(35.8)
Other transactions (related to interest rate)	464.6	0.9
Total		4.6

Note : Derivatives which are accounted for an accrual basis based on Accounting standards for financial instruments are not included in the table above.

Notional principal by the remaining life of the interest rate swaps above is as follows.

	(in billions of yen)			
	As of September 30, 2005			
	1 year			Total
	within 1 year	to 5 years	over 5 years	
Receive-fix / pay-floater	8,897.7	15,637.8	1,089.2	25,624.8
Receive-floater / pay-fix	1,816.6	1,321.5	1,512.4	4,650.6
Receive-floater / pay-floater		10.0		10.0
Total	10,714.3	16,969.4	2,601.7	30,285.4

2. Deferred gains (losses) <before tax effect adjustment>

	(in billions of yen)		
	As of September 30, 2005		
	Deferred gains (A)	Deferred losses (B)	Net gains (losses) (A) - (B)
Interest rate futures	5.9	10.1	(4.1)
Interest rate swaps	183.6	221.4	(37.8)
Currency swaps, etc.	31.6	35.3	(3.7)
Other transactions (related to interest rate)	0.6	0.6	0.0
Other transactions (not related to interest rate)	0.2	0.2	0.0
Total	222.1	267.8	(45.6)

Note : Deferred gains (losses) attributable to the macro hedge accounting as of September 30, 2005 are included in the above table.

Derivative Transactions: Notional Principal, Market Value and Valuation Gains (Losses) as of March 31, 2006

Information is posted on EDINET.

<Reference 3>

1. Derivatives qualified for hedge-accounting

	(in billions of yen) As of March 31, 2006	
	Notional principal	Market value
Interest rate futures	3,323.4	(2.3)
Interest rate swaps	34,712.4	(182.2)
Currency swaps, etc.	6,258.1	(46.4)
Other transactions (related to interest rate)	403.2	0.1
Other transactions (not related to interest rate)	578.4	5.4
Total		(225.4)

Note : Derivatives which are accounted for an accrual basis based on Accounting standards for financial instruments are not included in the table above.

Notional principal by the remaining life of the interest rate swaps above is as follows.

	(in billions of yen) As of March 31, 2006 1 year			
	within 1 year	to 5 years	over 5 years	Total
Receive-fix / pay-floater	8,688.4	18,016.1	1,840.9	28,545.5
Receive-floater / pay-fix	1,166.4	3,425.8	1,544.5	6,136.8
Receive-floater / pay-floater		10.0	20.0	30.0
Total	9,854.8	21,452.0	3,405.5	34,712.4

2. Deferred gains (losses) <before tax effect adjustment>

	(in billions of yen) As of March 31, 2006		
	Deferred gains (A)	Deferred losses (B)	Net gains (losses) (A) - (B)
Interest rate futures	5.0	12.1	(7.0)
Interest rate swaps	224.1	435.7	(211.5)
Currency swaps, etc.	46.7	43.3	3.3
Other transactions (related to interest rate)	0.2	0.5	(0.2)
Other transactions (not related to interest rate)	5.8	0.6	5.2
Total	282.0	492.4	(210.3)

Note : Deferred gains (losses) attributable to the macro hedge accounting as of March 31, 2006 are included in the above table.

Interim Non-Consolidated Summary Report

<under Japanese GAAP>

for Fiscal Year Ending March 31, 2007

Date: November 20, 2006
Company name (code number): Mitsubishi UFJ Financial Group, Inc. (8306)
(URL <http://www.mufg.jp/>)
Stock exchange listings: Tokyo, Osaka, Nagoya, New York
Headquarters: Tokyo
Representative: Nobuo Kuroyanagi, President & CEO
For inquiry: Yoshihisa Harata, Chief Manager - Financial Planning Division
(PHONE) +81-3-5252-4160

Date of resolution of Board of Directors with respect
to the interim consolidated financial statements: November 20, 2006
Dividend payment date : December 8, 2006
Unit share system: No

1. Non-consolidated financial data for the six months ended September 30, 2006**(1) Operating results**

	(in millions of yen and %)		
	Six months ended September 30, 2006	2005	Fiscal year ended March 31, 2006
Operating income	163,604	188,980	1,036,746
Change from same period in previous year	(13.4)%	0.6%	
Operating profit	158,979	185,572	1,027,028
Change from same period in previous year	(14.3)%	0.8%	
Ordinary profit	146,600	177,852	1,002,334
Change from same period in previous year	(17.6)%	(3.0)%	
Net income	146,830	179,336	1,013,448
Change from same period in previous year	(18.1)%	(2.1)%	
Net income per share (yen)	14,331.29	26,953.25	123,144.24

(Reference) ex-UFJ Holdings, Inc.

	Six months ended September 30, 2005
Operating income	15,657
Operating profit	13,157
Ordinary profit	9,219
Net income	378,402
Net income per share (yen)	73,162.30

Notes:

1. Average number of shares outstanding:

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	Six months ended September 30, 2006	Six months ended September 30, 2005	(shares) Fiscal year ended March 31, 2006		(shares) Six months ended September 30, 2005
Common stock	9,980,910	6,542,305	8,125,514	Common stock	5,172,097
Preferred stock-class 3	100,000	100,000	100,000	Preferred stock-class 1	3,658
Preferred stock-class 8	22,222		43,609	Preferred stock-class 8	200,000
Preferred stock-class 9	38,761		44,510	Preferred stock-class 9	150,000
Preferred stock-class 10	72,950		73,972	Preferred stock-class 10	150,000
Preferred stock-class 11	1		0	Preferred stock-class 11	5
Preferred stock-class 12	127,772		90,780	Preferred stock-class 12	200,000

2. Changes in accounting policy: None

3. The amounts presented as of September 30, 2005 are amounts from Mitsubishi-Tokyo Financial Group, Inc.

4. The amounts presented for fiscal year ended March 31, 2006 are consist of Mitsubishi-Tokyo Financial Group, Inc. (April to September) and Mitsubishi UFJ Financial Group, Inc. (October to March).

(2) Financial condition

	(in millions of yen)		
	Six months ended September 30,	2005	Fiscal year ended March 31,
	2006		2006
Total assets	7,464,574	5,659,412	7,650,898
Total net assets (*3)	5,982,484	4,614,775	6,112,733
Total net assets to total assets (*3)	80.1%	81.5%	79.9%
Total net assets per share (yen) (*3) (Reference) ex-UFJ Holdings, Inc.	550,149.32	666,735.07	527,176.88

	Six months ended September 30, 2005
Total assets	1,936,366
Total net assets (*3)	1,495,657
Total net assets to total assets (*3)	77.2%
Total net assets per share (yen) (*3)	18,446.05

Notes:

1. Number of shares outstanding

	September 30, 2006	September 30, 2005	March 31, 2006	(Reference) ex-UFJ Holdings, Inc.	September 30, 2005
	(shares)				(shares)
Common stock	10,110,694	6,541,992	9,744,727	Common stock	5,185,761
Preferred stock-class 3	100,000	100,000	100,000		
Preferred stock-class 8	17,700		27,000	Preferred stock-class 8	200,000
Preferred stock-class 9			79,700	Preferred stock-class 9	150,000
Preferred stock-class 10			150,000	Preferred stock-class 10	150,000
Preferred stock-class 11	1		1	Preferred stock-class 11	1
Preferred stock-class 12	113,200		175,300	Preferred stock-class 12	200,000

2. Number of Treasury Stock

	September 30, 2006	September 30, 2005	March 31, 2006	(Reference) ex-UFJ Holdings, Inc.	September 30, 2005
Common stock	651,076	3,360	503,124	Common stock	5,715

3. In accordance with enforcement of the Company Law, Total net assets, Total net assets to total assets and Total net assets per share are created as new items this fiscal year. (Those figures as of September 30, 2005 and March 31, 2006 are stated with old measures). Total net assets is modified from Shareholders equity. Total net assets to total assets and Total net assets per share are modified from Shareholders equity to total assets and Shareholders equity per share, respectively. These modifications do not have an impact on MUFG's financial statements. Please refer to next page for formulas.

2. Forecasted earnings for fiscal year ending March 31, 2007

(in millions of yen)

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Ordinary income	Ordinary profit	Net income
510,000	480,000	480,000

Forecasted net income per share for fiscal year ending March 31, 2007 : ¥46,724.46

3. Cash dividend

(1) Common stock

	Dividends per share (yen)		
	Interim	Year-end	Total
Fiscal year ended March 31, 2006	3,000	4,000	7,000
Fiscal year ending March 31, 2007	5,000		10,000
Fiscal year ending March 31, 2007 (forecast)		5,000	

(2) Preferred stock

(a) Class 3

	Dividends per share (yen)		
	Interim	Year-end	Total
Fiscal year ended March 31, 2006	30,000	30,000	60,000
Fiscal year ending March 31, 2007	30,000		60,000
Fiscal year ending March 31, 2007 (forecast)		30,000	

(b) Class 8

	Dividends per share (yen)		
	Interim	Year-end	Total
Fiscal year ended March 31, 2006		15,900	15,900
Fiscal year ending March 31, 2007	7,950		15,900
Fiscal year ending March 31, 2007 (forecast)		7,950	

(c) Class 11

	Dividends per share (yen)		
	Interim	Year-end	Total
Fiscal year ended March 31, 2006		5,300	5,300
Fiscal year ending March 31, 2007	2,650		5,300
Fiscal year ending March 31, 2007 (forecast)		2,650	

(d) Class 12

	Dividends per share (yen)		
	Interim	Year-end	Total
Fiscal year ended March 31, 2006		11,500	11,500
Fiscal year ending March 31, 2007	5,750		11,500
Fiscal year ending March 31, 2007 (forecast)		5,750	

Note

Preferred Stock-Class 9 and Class 10 have already transferred to Common stock by holders requests prior to September 30, 2006.

(Reference)

Formulas for computing ratios

Net income per share

Net income - Amount not attributable to common shareholders *1
 Average outstanding shares of common stock during the period *2

Total net assets to total assets (Six months ended September 30, 2006)

Total net assets - Warrant
 Total assets

× 100

Shareholders equity to total assets (Six months ended September 30, 2005 and fiscal year ended March 31, 2006)

Total shareholders equity
 Total assets

× 100

Total net assets per share (Six months ended September 30, 2006)

Total net assets - Preferred stock and others *3
 Outstanding shares of common stock at the end of the period *2

Shareholders equity per share (Six months ended September 30, 2005 and fiscal year ended March 31, 2006)

Total shareholders equity - Preferred stock and others *4
 Outstanding shares of common stock at the end of the period *2

Net income per share (forecast)

Net income (forecast) - Total dividends on preferred stock (forecast)
 Outstanding shares of common stock at the end of the period *2

- *1 dividends on preferred stock and others
- *2 excluding treasury stock and stocks held by subsidiaries and affiliates
- *3 outstanding preferred stock, dividends on preferred stock, warrants, minority interests and others
- *4 outstanding preferred stock, dividends on preferred stock and others

This financial summary report and the accompanying financial highlights contain forward-looking statements and other forward-looking information relating to the company and the group as a whole (the forward-looking statements). The forward-looking statements include the company's current estimations, forecasts, views, targets and projections with respect to general economic conditions, its results of operations, its financial condition, its management in general and other future events. The forward-looking statements are provided based on projections, views, estimations and other factors and reflect assumptions and estimations which are subject to full range of uncertainties, risks and changes in circumstances. In light of the many risks, uncertainties and possible changes, you are advised not to put undue reliance on the forward-looking statements. The company is under no obligation and expressly disclaims any obligation to update or alter the forward-looking statements,

except as may be required by any applicable laws and regulations or stock exchange rules. For detailed information relating to uncertainties, risks and changes regarding the forward-looking statements, please see the company's latest annual report and other disclosures.

(Japanese GAAP)

Mitsubishi UFJ Financial Group, Inc.**Non-consolidated Balance Sheet**

(in millions of yen)	As of September 30, 2006 (A)	As of September 30, 2005 ex-MTFG (B)	(Reference) ex-UFJHD	Increase/ (Decrease) (A) - (B)	As of March 31, 2006 (C)	Increase/ (Decrease) (A) - (C)
Assets:						
Current assets:						
Cash and due from banks	35,005	60,922	489	(25,916)	38,410	(3,404)
Accounts receivable	32,068	36,671	109	(4,603)	203,371	(171,303)
Other current assets	3,850	2,045	5,570	1,804	12,719	(8,868)
Total current assets	70,923	99,638	6,168	(28,714)	254,500	(183,576)
Fixed assets:						
Tangible fixed assets	294	413	48	(119)	421	(127)
Intangible fixed assets	561	365	164	195	350	211
Investments and other fixed assets:						
Investment securities		702,000	23,017	(702,000)		
Investment in subsidiaries and affiliates	7,397,181	4,855,667	1,931,561	2,541,514	7,399,493	(2,311)
Allowance for losses on investments	(7,138)		(27,346)	(7,138)	(7,138)	
Other	3,000	1,155	3,000	1,844	3,518	(518)
Allowance for doubtful accounts	(248)		(248)	(248)	(248)	
Total fixed assets	7,393,650	5,559,602	1,930,197	1,834,048	7,396,397	(2,746)
Deferred charges		171		(171)		
Total assets	7,464,574	5,659,412	1,936,366	1,805,161	7,650,898	(186,323)
Liabilities:						
Current liabilities:						
Short-term borrowings	286,900	97,680	45,900	189,220	44,400	242,500
Current portion of long-term borrowings	32,400	300,000	96,200	(267,600)	312,400	(280,000)
Accounts payable	432	1,075	1,327	(643)	654	(222)
Reserve for employees' bonuses	205	136		68	235	(30)
Other current liabilities	2,383	792	191	1,591	5,721	(3,337)
Total current liabilities	322,320	399,684	143,618	(77,363)	363,411	(41,090)
Fixed liabilities:						
Bonds	650,000	400,000		250,000	650,000	
Long-term borrowings	503,498	244,952	291,135	258,545	521,689	(18,191)
Reserve for retirement benefits			52			
Other fixed liabilities	6,270		5,902	6,270	3,063	3,207
Total fixed liabilities	1,159,769	644,952	297,090	514,816	1,174,753	(14,984)
Total liabilities	1,482,089	1,044,636	440,709	437,453	1,538,164	(56,074)
Net assets:						
Capital stock	1,383,052			1,383,052		1,383,052
Capital surplus	3,932,159			3,932,159		3,932,159
Capital reserve	1,383,070			1,383,070		1,383,070
Other capital surplus	2,549,089			2,549,089		2,549,089
Retained earnings	1,666,957			1,666,957		1,666,957
Voluntary reserve	150,000			150,000		150,000
Unappropriated retained earnings	1,516,957			1,516,957		1,516,957
Treasury stock	(999,684)			(999,684)		(999,684)
Total shareholders' equity	5,982,484			5,982,484		5,982,484

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Total net assets	5,982,484		5,982,484		5,982,484
Total liabilities and net assets	7,464,574		7,464,574		7,464,574
Shareholders' equity:					
Capital stock	1,383,052	1,000,000	(1,383,052)	1,383,052	(1,383,052)
Capital surplus	2,855,463	110,820	(2,855,463)	3,933,738	(3,933,738)
Capital reserve	2,499,684	110,815	(2,499,684)	3,577,570	(3,577,570)
Other Capital surplus	355,778	4	(355,778)	356,167	(356,167)
Retained earnings	379,055	378,402	(379,055)	1,568,943	(1,568,943)
Voluntary reserve	150,000		(150,000)	150,000	(150,000)
Unappropriated retained earnings	229,055	378,402	(229,055)	1,418,943	(1,418,943)
Unrealized gains on securities	123	9,047	(123)	135	(135)
Treasury stock	(2,918)	(2,612)	2,918	(773,135)	773,135
Total shareholders' equity	4,614,775	1,495,657	(4,614,775)	6,112,733	(6,112,733)
Total liabilities and shareholders' equity	5,659,412	1,936,366	(5,659,412)	7,650,898	(7,650,898)

See Notes to Non-consolidated Financial Statements

(Japanese GAAP)

Mitsubishi UFJ Financial Group, Inc.**Non-consolidated Statement of Operations**

(in millions of yen)	Six months ended September 30, 2006 (A)	Six months ended September 30, 2005		Increase/ (Decrease) (A) - (B)	Fiscal year ended March 31, 2006
		ex-MTFG (B)	(Reference) ex-UFJHD		
Operating income	163,604	188,980	15,657	(25,375)	1,036,746
Operating expenses	4,625	3,408	2,500	1,216	9,718
Operating profit	158,979	185,572	13,157	(26,592)	1,027,028
Non-operating income	332	30	49	302	309
Non-operating expenses	12,712	7,749	3,987	4,962	25,003
Ordinary profit	146,600	177,852	9,219	(31,252)	1,002,334
Extraordinary gains	47		369,723	47	12,206
Extraordinary losses	11	28	521	(16)	196
Income before income taxes	146,636	177,824	378,421	(31,187)	1,014,344
Income taxes-current	1	4	22	(2)	29
Income taxes-deferred	(196)	(1,516)	(4)	1,320	867
Total income taxes	(194)	(1,511)	18	1,317	896
Net income	146,830	179,336	378,402	(32,505)	1,013,448
Unappropriated retained earnings at beginning of the period		49,718			49,718
Increase caused by merger					378,402
Cash dividends					22,625
Unappropriated retained earnings at end of the period		229,055	378,402		1,418,943

See Notes to Non-consolidated Financial Statements

Mitsubishi UFJ Financial Group, Inc.**Non-consolidated Statement of Changes in Net Assets**

(in millions of yen)

	Shareholder's equity						Valuation and translation adjustments		Total net assets
	Capital stock	Capital surplus		Retained earnings		Treasury stock	Total	Net unrealized gains (losses) on securities	
		Capital reserve	Other capital surplus	Voluntary reserve	Unappropriated retained earnings				
			surplus		earnings				
Balances as of March 31, 2006	1,383,052	3,577,570	356,167	150,000	1,418,943	(773,135)	6,112,598	135	6,112,733
Changes during the interim accounting period									
Dividends from surplus					(48,816)		(48,816)		(48,816)
Transfer from Capital reserve to Other capital surplus		(2,194,500)	2,194,500						
Net Income					146,830		146,830		146,830
Acquisition of treasury stock						(290,591)	(290,591)		(290,591)
Disposal of treasury stock			(1,574)			64,042	62,467		62,467
Others			(4)				(4)		(4)
Changes other than Shareholders' equity (net)								(135)	(135)
Total changes during the interim accounting period		(2,194,500)	2,192,921		98,014	(226,549)	(130,113)	(135)	(130,249)
Balances as of September 30, 2006	1,383,052	1,383,070	2,549,089	150,000	1,516,957	(999,684)	5,982,484		5,982,484

Notes to Non-Consolidated Financial Statements

Significant accounting policies

1. Investments

Investments in subsidiaries and affiliates are stated at cost computed under the moving-average method.

2. Depreciation for tangible and intangible assets

(1) Tangible assets

Depreciation for fixed tangible assets is computed under the declining-balance method. The estimated useful lives are as follows:

Leasehold improvements	5 years to 15 years
Equipment and furniture	4 years to 15 years

(2) Intangible assets

Amortization for intangible assets is computed under the straight-line method over their estimated useful lives. Development costs for internally used software are capitalized and amortized under the straight-line method over the estimated useful lives (5 years).

3. Reserves and Allowances

(1) Allowances for loan losses are provided based on individual assessments of the possibility for collection on specific claims.

(2) Allowances for losses on investment securities are provided based on assessments of the financial conditions and other relevant factors of subsidiaries and affiliates.

(3) Reserves for employees' bonuses, which is provided for future bonus payments to employees, reflects an estimated amount accrued at the balance sheet date.

4. Deferred charges

Bond issuance costs and stock issuance costs are expensed as incurred.

5. Translation of Foreign Currency Items

Foreign currency assets and liabilities are translated into yen equivalents at exchange rates prevailing at the balance sheet date, except for equity securities of affiliates which are translated at exchange rates prevailing at the acquisition dates. Exchange differences are recognized as gains or losses.

6. Finance Lease Agreements

Finance leases that do not involve transfer of ownership to lessees are accounted for as operating leases.

7. Consumption Taxes

National and Local Consumption Taxes are excluded from transaction amounts.

Significant changes in accounting policies

In accordance with newly effective Accounting Standards Board Statement No.5 Accounting Standards for Presentation of Net Assets on Balance Sheet (December 9, 2005) and Accounting Standards Board Guidance No.8 Guidance on Accounting Standards for Presentation of Net Assets on Balance Sheet (December 9, 2005), Shareholders' equity was renamed as Net assets and divided into Shareholders' Equity, Valuation and translation of adjustment and Minority interests. The amount corresponding to conventional Shareholders' equity was ¥5,982,484 million at the balance sheet date.

Net Assets portion of the financial statements are provided in accordance with revised the Ministry of Finance Ordinance No.38 Ordinance regarding Interim financial Statements (August 30, 1977).

Notes to Non-Consolidated Balance Sheet

1. Amounts of less than one million yen are rounded down.

2. Accumulated depreciation on Premises and equipment: ¥323 million.

3. Assets pledged as collateral are as follows:
Equity securities of subsidiaries: ¥72,360 million

Liabilities related to pledged assets are as follows:

Current portion of long term debt: ¥25,000 million

Long-term debt: ¥12,500 million

In addition to items listed above, Other assets of ¥3,000 million have been pledged as deposits.

4. Guarantees and items of similar nature

(1) MUFG indemnifies the Bankers Association of Deutschland for the deposit liabilities of the branches of The Bank of Tokyo-Mitsubishi UFJ Ltd., a subsidiary of MUFG, in Germany in accordance with regulations of the Deposit Insurance Corporation of Deutschland. The amount indemnified by MUFG is ¥147,064 million.

(2) MUFG has entered into subordinated guarantee contracts relating to the preferred securities of MUFG Capital Finance 1 Limited, MUFG Capital Finance 2 Limited, MUFG Capital Finance 3 Limited, and the paying agent.
MUFG Capital Finance 1 Limited: ¥271,170 million

MUFG Capital Finance 2 Limited: ¥112,327 million

MUFG Capital Finance 3 Limited: ¥120,000 million

Notes to Non-Consolidated Statement of Income

1. Amounts of less than one million yen are rounded down.

2. Principal components of non-operating expenses are as follows:

Interest on borrowed money: ¥9,001 million

Interest on bonds and notes: ¥2,248 million

Expenses on sale of treasury stock: ¥1,105 million

3. Depreciation and amortization

Depreciation on tangible assets: ¥61 million

Amortization on intangible assets: ¥63 million

Notes to Statement of Changes in Net Assets

Changes in treasury stock

	(thousand shares)		Total
	Preferred	Common	
Shares outstanding as of March 31, 2006	Stock	Stock	503
Increases over the 6 month period	255	189	445
Decreases over the 6 month period	255	41	297
Shares outstanding as of September 30, 2006		651	651

- (1) Increases in treasury preferred stock were due to the request by the Resolution and Collection Corporation for MUFG to repurchase the preferred stock it held.
- (2) Increases in treasury common stock were made through purchases in the open market.
- (3) The preferred stock purchased from the Resolution and Collection Corporation were cancelled.
- (4) Decrease in treasury common stock was made through sales in the open market.

Notes to finance lease transactions

- (1) Finance leases that do not involve transfer of ownership to lessees are as follows:

Estimated acquisition costs	¥ 39million
Estimated accumulated depreciation	¥ 36million
Net estimated balance at the balance sheet date	¥ 2million

- (*) Estimated acquisition costs include interest costs since the future lease payments are insignificant as compared to tangible assets on the balance sheet.
- (2) Total future lease payments

Due within one year	¥ 2million
---------------------	------------

- (*) Future lease payments include paid interest since future lease payments are insignificant as compared to tangible assets on the balance sheet.
- (3) Lease payments (Estimated depreciation) ¥ 3million

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(4) Estimated depreciation is computed using straight-line method with no residual value, over the lease contract term.

Notes to securities

Estimated fair value of marketable equity securities of subsidiaries and affiliates

	Balance sheet amount	Market value	
		As of September 30, 2006	Unrealized gains(loses)
Subsidiaries	¥438,557million	¥657,972million	¥219,415million
Affiliates	¥139,662million	¥106,620million	¥(33,041)million
Total	¥578,219million	¥764,593million	¥186,373million

Certain investments securities have been reclassified as investments in affiliates due to the merger with UFJ Holdings, Inc. and the subsequent increases in share ownership. Deferred tax liabilities of ¥92 million and Unrealized gains of ¥135 million, which was attributable to this change, were not recognized in accordance with Accounting Committee Report No.14, Practical Guidelines for Accounting for Financial Instruments , issued by the JICPA on January 31, 2000.

Selected Interim Financial Information

under Japanese GAAP

For Fiscal Year Ending March 31, 2007

Mitsubishi UFJ Financial Group, Inc.

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Mitsubishi UFJ Trust and Banking Corporation

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[MUTB]

I. Interim Consolidated Financial Highlights under Japanese GAAP for Fiscal Year Ending March 31, 2007**1. Financial Statements****The Bank of Tokyo-Mitsubishi UFJ, Ltd. and consolidated subsidiaries****Consolidated Balance Sheet**

(in millions of yen)	As of September 30, 2006 (A)	As of September 30, 2005		Increase/ (Decrease) (A) - (B)	As of March 31, 2006 (C)	Increase/ (Decrease) (A) - (C)
		ex-BTM (B)	(Reference) ex-UFJBK			
Assets:						
Cash and due from banks	7,926,420	9,165,133	6,277,066	(1,238,713)	11,274,216	(3,347,795)
Call loans and bills bought	2,061,452	1,003,130	281,486	1,058,321	2,660,810	(599,358)
Receivables under resale agreements	320,527	284,809	9,960	35,718	266,340	54,186
Receivables under securities borrowing transactions	1,489,139	1,560,382	891,250	(71,243)	2,738,240	(1,249,101)
Commercial paper and other debt purchased	3,503,937	2,271,108	371,828	1,232,829	2,533,592	970,345
Trading assets	4,501,913	3,978,705	950,919	523,208	5,773,838	(1,271,925)
Money held in trust	265,903	278,393	11,918	(12,489)	283,487	(17,584)
Investment securities	40,489,391	24,929,269	19,873,966	15,560,122	42,246,750	(1,757,358)
Allowance for losses on investment securities	(21,680)	(1,668)		(20,012)	(27,016)	5,336
Loans and bills discounted	76,337,877	39,597,663	35,695,513	36,740,213	76,279,697	58,180
Foreign exchanges	1,368,145	726,270	667,793	641,875	1,262,744	105,401
Other assets	4,359,306	2,536,592	1,786,346	1,822,714	5,429,392	(1,070,086)
Tangible fixed assets	1,494,729			1,494,729		1,494,729
Intangible fixed assets	412,513			412,513		412,513
Premises and equipment		761,108	518,059	(761,108)	1,222,281	(1,222,281)
Deferred tax assets	647,645	39,874	828,729	607,771	709,616	(61,971)
Goodwill					7,117	(7,117)
Customers' liabilities for acceptances and guarantees	10,589,001	4,735,886	4,171,805	5,853,115	9,344,346	1,244,655
Allowance for loan losses	(1,022,300)	(479,815)	(1,006,085)	(542,484)	(1,232,496)	210,195
Allowance for losses on investment securities			(3,254)			
Total assets	154,723,925	91,386,844	71,327,305	63,337,081	160,772,959	(6,049,034)
Liabilities:						
Deposits	104,683,201	58,964,804	47,702,283	45,718,396	107,528,644	(2,845,442)
Negotiable certificates of deposit	5,242,607	1,799,913	2,705,696	3,442,694	5,457,746	(215,138)
Call money and bills sold	1,914,085	7,088,514	6,143,366	(5,174,429)	8,344,368	(6,430,283)
Payables under repurchase agreements	3,672,897	3,390,706	1,775,302	282,190	3,948,282	(275,385)
Payables under securities lending transactions	3,566,229	1,007,326	264,000	2,558,902	2,105,030	1,461,198
Commercial paper	489,920	192,972	81,581	296,947	324,384	165,535
Trading liabilities	1,011,339	632,552	216,378	378,787	1,132,347	(121,007)
Borrowed money	4,453,036	955,794	750,674	3,497,242	2,454,938	1,998,097
Foreign exchanges	783,479	1,443,553	208,186	(660,074)	1,311,945	(528,466)
Short-term corporate bonds	294,600	337,900	149,000	(43,300)	375,700	(81,100)
Bonds and notes	5,293,233	3,314,746	2,256,426	1,978,487	5,415,141	(121,908)
Other liabilities	3,834,134	2,895,990	1,855,582	938,143	4,184,752	(350,618)
Reserve for employees' bonuses	26,239	9,731	13,524	16,508	28,293	(2,053)
Reserve for employees' retirement benefits	48,755	26,780	7,141	21,974	51,622	(2,867)
Reserve for expenses related to EXPO 2005 Japan		200		(200)		
Reserve for contingent losses	94,220			94,220		94,220
Reserves under special laws	31	31		0	31	

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Deferred tax liabilities	64,212	64,132	2,528	80	64,205	6
Deferred tax liabilities for land revaluation	201,560	124,244	81,375	77,315	202,531	(971)
Acceptances and guarantees	10,589,001	4,735,886	4,171,805	5,853,115	9,344,346	1,244,655
Total liabilities	146,262,785	86,985,782	68,384,855	59,277,002	152,274,314	(6,011,529)
Net assets:						
Capital stock	996,973			996,973		996,973
Capital surplus	2,767,590			2,767,590		2,767,590
Retained earnings	1,918,358			1,918,358		1,918,358
Total shareholders' equity	5,682,921			5,682,921		5,682,921
Net unrealized gains (losses) on securities	1,062,180			1,062,180		1,062,180
Net deferred gains (losses) on hedging instruments	(62,280)			(62,280)		(62,280)
Land revaluation excess	244,320			244,320		244,320
Foreign currency translation adjustments	(53,343)			(53,343)		(53,343)
Total valuation and translation adjustments	1,190,877			1,190,877		1,190,877
Minority interests	1,587,341			1,587,341		1,587,341
Total net assets	8,461,140			8,461,140		8,461,140
Total liabilities and net assets	154,723,925			154,723,925		154,723,925
Minority interests		387,639	786,252	(387,639)	1,724,584	(1,724,584)
Shareholder's equity:						
Capital stock		996,973	1,258,582	(996,973)	996,973	(996,973)
Capital surplus		806,928	268,427	(806,928)	2,767,590	(2,767,590)
Retained earnings		1,400,513	319,222	(1,400,513)	1,620,151	(1,620,151)
Land revaluation excess		158,749	88,665	(158,749)	245,686	(245,686)
Unrealized gains on securities available for sale		731,855	288,617	(731,855)	1,187,117	(1,187,117)
Foreign currency translation adjustments		(81,598)	(67,317)	81,598	(43,458)	43,458
Total shareholder's equity		4,013,422	2,156,197	(4,013,422)	6,774,059	(6,774,059)
Total liabilities, minority interest and shareholder's equity		91,386,844	71,327,305	(91,386,844)	160,772,959	(160,772,959)

The Bank of Tokyo-Mitsubishi UFJ, Ltd. and consolidated subsidiaries

Consolidated Statement of Operations

(in millions of yen)	Six months ended September 30, 2006 (A)	Six months ended September 30, 2005		Increase/ (Decrease) (A) - (B)	Fiscal year ended March 31, 2006
		ex-BTM (B)	(Reference) ex-UFJBK		
Ordinary income:					
Interest income:	1,443,411	681,397	508,152	762,013	1,800,672
(Interest on loans and discounts)	942,670	417,441	337,091	525,229	1,098,606
(Interest and dividends on securities)	273,477	133,539	89,603	139,937	422,549
Trust fees	12,058	9,614		2,444	21,551
Fees and commissions	444,391	227,016	187,253	217,375	586,527
Trading profits	61,276	51,300	5,521	9,976	107,437
Other business income	167,080	102,839	206,315	64,240	236,027
Other ordinary income	146,934	49,536	58,640	97,397	179,598
Total ordinary income	2,275,152	1,121,705	965,883	1,153,447	2,931,816
Ordinary expenses:					
Interest expense:	607,506	258,815	146,875	348,691	690,371
(Interest on deposits)	299,339	133,502	49,026	165,836	344,025
Fees and commissions	49,571	23,904	32,412	25,667	73,971
Trading losses			8,606		687
Other business expenses	70,161	38,055	85,062	32,105	119,663
General and administrative expenses	801,169	449,831	306,905	351,338	1,102,273
Other ordinary expenses	211,859	51,307	67,996	160,551	257,333
Total ordinary expenses	1,740,268	821,915	647,859	918,353	2,244,300
Ordinary profit	534,884	299,790	318,023	235,093	687,515
Extraordinary gains	184,732	112,780	272,050	71,951	294,484
Extraordinary losses	49,677	3,076	56,507	46,601	16,239
Income before income taxes and others	669,938	409,495	533,567	260,443	965,760
Income taxes-current	32,843	30,768	25,794	2,075	74,347
Income taxes-deferred	184,223	132,293	104,797	51,929	354,651
Minority interests	21,722	17,925	1,400	3,796	52,614
Net income	431,149	228,506	401,575	202,642	484,147

The Bank of Tokyo-Mitsubishi UFJ, Ltd. and consolidated subsidiaries

Consolidated Statement of Changes in Net Assets

	Shareholder's equity				(in millions of yen) Valuation and translation adjustments				Total	Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Total	Net unrealized gains (losses) on securities	Deferred gains (losses) on hedging instruments	Revaluation reserve for land	Foreign currency translation adjustments			
Balances as of March 31, 2006	996,973	2,767,590	1,620,151	5,384,714	1,187,117		245,686	(43,458)	1,389,345	1,724,584	8,498,644
Changes during the interim accounting period											
Dividends from surplus			(131,186)	(131,186)							(131,186)
Net Income			431,149	431,149							431,149
Reversal of land revaluation excess			1,421	1,421							1,421
Decrease in companies accounted for under the equity method			(2,706)	(2,706)							(2,706)
Decrease caused by additional consolidated subsidiaries related to changes in accounting standard			(470)	(470)							(470)
Changes other than Shareholders equity (net)					(124,936)	(62,280)	(1,366)	(9,884)	(198,467)	(137,243)	(335,711)
Total changes during the interim accounting period			298,206	298,206	(124,936)	(62,280)	(1,366)	(9,884)	(198,467)	(137,243)	(37,504)
Balances as of September 30, 2006	996,973	2,767,590	1,918,358	5,682,921	1,062,180	(62,280)	244,320	(53,343)	1,190,877	1,587,341	8,461,140

Note: Total net assets as of March 31, 2006 includes the amount of Minority interests.

The Bank of Tokyo-Mitsubishi UFJ, Ltd. and consolidated subsidiaries**Consolidated Statement of Capital Surplus and Retained Earnings**

(for reference purpose)

(in millions of yen)	Six months ended September 30, 2005		Fiscal year ended
	ex-BTM	ex-UFJBK	March 31, 2006
Balance of capital surplus at beginning of fiscal year	806,928	893,324	806,928
Increase:			1,960,661
Merger			1,960,661
Decrease:		624,897	
Transfer to Retained earnings		624,897	
Balance of capital surplus at end of (interim) fiscal year	806,928	268,427	2,767,590
Balance of retained earnings at beginning of fiscal year	1,346,203	(705,016)	1,346,203
Increase:	229,342	1,026,472	1,148,296
Net income	228,506	401,575	484,147
Reversal in land revaluation excess	836		2,476
Merger			661,672
Transfer from Capital surplus		624,897	
Decrease:	175,032	2,234	874,348
Cash dividends	166,229		806,276
Bonuses to Directors	47		47
Increase in subsidiaries and affiliates accounted for under the equity method resulting from the merger			59,268
Decrease in affiliates accounted for under the equity method	1,055		1,055
Changes in accounting standard in overseas consolidated subsidiaries	7,700		7,700
Reversal in land revaluation excess		2,234	
Balance of retained earnings at end of (interim) fiscal year	1,400,513	319,222	1,620,151

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Non-Consolidated Balance Sheet

(in millions of yen)	As of September 30, 2006 (A)	As of September 30, 2005		Increase/ (Decrease) (A) - (B)	As of March 31, 2006 (C)	Increase/ (Decrease) (A) - (C)
		ex-BTM (B)	(Reference) ex-UFJBK			
Assets:						
Cash and due from banks	7,670,917	8,903,630	6,143,609	(1,232,713)	10,846,488	(3,175,571)
Call loans	1,881,991	654,621	287,503	1,227,370	1,995,900	(113,909)
Receivables under resale agreements	255,140	205,950		49,189	193,473	61,667
Receivables under securities borrowing transactions	1,489,139	1,560,382	891,250	(71,243)	2,738,240	(1,249,101)
Bills bought					530,200	(530,200)
Commercial paper and other debt purchased	2,625,173	1,181,888	166,126	1,443,284	1,753,884	871,288
Trading assets	4,514,066	3,960,025	942,299	554,040	5,804,223	(1,290,157)
Money held in trust	265,752	278,391	11,918	(12,638)	283,155	(17,403)
Investment securities	40,272,163	24,754,165	20,107,656	15,517,998	42,159,651	(1,887,487)
Allowance for losses on investment securities	(128,238)	(1,668)		(126,570)	(134,331)	6,093
Loans and bills discounted	69,538,871	35,413,450	34,213,030	34,125,421	69,587,196	(48,324)
Foreign exchanges	1,365,537	736,309	659,017	629,227	1,265,985	99,551
Other assets	2,868,035	1,818,403	1,274,512	1,049,631	3,158,035	(290,000)
Tangible fixed assets	958,401			958,401		958,401
Intangible fixed assets	257,445			257,445		257,445
Premises and equipment		664,170	491,025	(664,170)	1,056,743	(1,056,743)
Deferred tax assets	598,212	49,075	793,379	549,137	599,840	(1,628)
Customers liabilities for acceptances and guarantees	6,832,565	4,093,016	4,170,088	2,739,549	6,180,736	651,829
Allowance for loan losses	(714,493)	(352,707)	(812,099)	(361,785)	(928,134)	213,641
Allowance for losses on investment securities			(137,325)			
Total assets	140,550,683	83,919,107	69,201,992	56,631,576	147,091,292	(6,540,608)
Liabilities:						
Deposits	98,174,273	53,902,462	46,475,651	44,271,810	101,092,544	(2,918,270)
Negotiable certificates of deposit	5,497,619	1,824,066	2,874,496	3,673,552	5,716,110	(218,491)
Call money	1,823,305	872,493	1,271,065	950,811	1,769,921	53,383
Payables under repurchase agreements	3,596,944	3,278,569	1,775,302	318,374	3,821,352	(224,408)
Payables under securities lending transactions	3,428,862	936,030	176,891	2,492,832	1,922,450	1,506,412
Bills sold		6,193,500	4,845,900	(6,193,500)	6,536,500	(6,536,500)
Trading liabilities	970,916	613,466	212,158	357,449	1,101,840	(130,924)
Borrowed money	6,057,235	1,621,636	1,728,754	4,435,599	3,998,983	2,058,252
Foreign exchanges	785,576	1,444,760	211,249	(659,184)	1,315,382	(529,805)
Short-term corporate bonds	294,600	337,900	149,000	(43,300)	375,700	(81,100)
Bonds and notes	3,631,585	2,522,115	1,697,440	1,109,470	3,956,690	(325,104)
Other liabilities	2,422,802	2,295,563	1,284,268	127,238	2,469,563	(46,761)
Reserve for employees bonuses	15,948	7,224	6,723	8,723	14,218	1,730
Reserve for employees retirement benefits	11,239	17,361		(6,121)	11,153	86
Reserve for expenses related to EXPO 2005 Japan		200		(200)		
Reserve for contingent losses	72,515			72,515		72,515
Reserves under special laws	31	31			31	
Deferred tax liabilities for land revaluation	201,560	124,244	81,375	77,315	202,531	(971)
Acceptances and guarantees	6,832,565	4,093,016	4,170,088	2,739,549	6,180,736	651,829
Total liabilities	133,817,583	80,084,644	66,960,366	53,732,939	140,485,710	(6,668,126)
Net assets:						

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Capital stock	996,973	996,973	996,973
Capital surplus	2,767,590	2,767,590	2,767,590
Capital reserve	2,767,590	2,767,590	2,767,590
Retained earnings	1,698,031	1,698,031	1,698,031
Revenue reserve	190,044	190,044	190,044
Other retained earnings	1,507,987	1,507,987	1,507,987
Total shareholders' equity	5,462,595	5,462,595	5,462,595
Net unrealized gains (losses) on securities	1,076,356	1,076,356	1,076,356
Net deferred gains (losses) on hedging instruments	(50,171)	(50,171)	(50,171)
Land revaluation excess	244,320	244,320	244,320
Total valuation and translation adjustments	1,270,505	1,270,505	1,270,505

Total net assets	6,733,100	6,733,100	6,733,100
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Total liabilities and net assets	140,550,683	140,550,683	140,550,683
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Shareholder's equity:

Capital stock	996,973	1,258,582	(996,973)	996,973	(996,973)
Capital surplus	806,928	268,427	(806,928)	2,767,590	(2,767,590)
Capital reserve	806,928	268,427	(806,928)	2,767,590	(2,767,590)
Retained earnings	1,138,991	427,297	(1,138,991)	1,404,884	(1,404,884)
Revenue reserve	190,044		(190,044)	190,044	(190,044)
Voluntary reserve	720,629		(720,629)	720,629	(720,629)
Unappropriated retained earnings	228,316	427,297	(228,316)	494,209	(494,209)
Net income for the period	208,172	429,531	(208,172)	450,799	(450,799)
Land revaluation excess	158,749	88,838	(158,749)	245,742	(245,742)
Unrealized gains on securities available for sale	732,821	198,480	(732,821)	1,190,391	(1,190,391)

Total shareholder's equity	3,834,463	2,241,625	(3,834,463)	6,605,581	(6,605,581)
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Total liabilities, minority interest and shareholder's equity	83,919,107	69,201,992	(83,919,107)	147,091,292	(147,091,292)
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The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Non-Consolidated Statement of Operations

(in millions of yen)	Six months ended September 30, 2006 (A)	Six months ended September 30, 2005		Increase/ (Decrease) (A) - (B)	Fiscal year ended March 31, 2006
		ex-BTM (B)	(Reference) ex-UFJBK		
Ordinary income:					
Interest income:	1,152,772	537,237	475,554	615,534	1,449,881
(Interest on loans and discounts)	678,840	304,032	302,060	374,807	787,546
(Interest and dividends on securities)	262,341	132,882	134,580	129,459	405,407
Fees and commissions	271,565	123,208	149,259	148,357	341,553
Trading profits	60,588	38,196	2,647	22,392	101,096
Other business income	164,593	92,313	128,372	72,280	218,467
Other ordinary income	45,427	35,556	40,781	9,870	106,016
Total ordinary income	1,694,948	826,512	796,616	868,435	2,217,015
Ordinary expenses:					
Interest expense:	577,865	222,143	126,824	355,721	620,716
(Interest on deposits)	268,392	119,221	46,488	149,170	306,435
Fees and commissions	61,690	22,494	52,687	39,196	72,999
Trading losses		2,694	6,779	(2,694)	9,505
Other business expenses	68,979	35,348	14,685	33,630	110,157
General and administrative expenses	527,821	274,518	247,768	253,303	687,990
Other ordinary expenses	100,240	34,346	104,160	65,894	152,753
Total ordinary expenses	1,336,597	591,545	552,906	745,051	1,654,123
Ordinary profit	358,350	234,966	243,710	123,384	562,892
Extraordinary gains	234,954	118,748	360,544	116,205	266,005
Extraordinary losses	48,802	2,803	46,766	45,998	15,213
Income before income taxes and others	544,502	350,911	557,488	193,590	813,684
Income taxes-current	8,837	11,818	2,104	(2,980)	14,764
Income taxes-deferred	112,752	130,921	125,852	(18,168)	348,120
Net income	422,912	208,172	429,531	214,739	450,799
Unappropriated retained earnings brought forward		19,308			680,981
Reversal of land revaluation excess		836	(2,234)		2,476
Interim dividends					640,047
Unappropriated retained earnings		228,316	427,297		494,209

Mitsubishi UFJ Trust and Banking Corporation and consolidated subsidiaries

Consolidated Balance Sheet

(in millions of yen)	As of September 30, 2006 (A)	As of September 30, 2005		Increase/ (Decrease) (A) - (B)	As of March 31, 2006 (C)	Increase/ (Decrease) (A) - (C)
		ex-MTB (B)	(Reference) ex-UFJTJB			
Assets:						
Cash and due from banks	835,172	1,113,547	216,796	(278,374)	1,307,093	(471,920)
Call loans and bills bought	259,300	587,631	3,528	(328,331)	25,293	234,006
Receivables under securities borrowing transactions	63,144	828,513		(765,368)	402,759	(339,615)
Commercial paper and other debt purchased	124,560	90,438	41,268	34,122	151,415	(26,854)
Trading assets	285,673	298,892	6,140	(13,219)	314,858	(29,185)
Money held in trust	2,425	13,408		(10,983)	13,001	(10,576)
Investment securities	7,031,885	4,629,874	1,857,306	2,402,011	5,954,279	1,077,606
Allowance for losses on investment securities	(37)	(26)	(268)	(10)	(167)	130
Loans and bills discounted	10,185,808	8,314,666	2,840,286	1,871,141	10,325,302	(139,493)
Foreign exchanges	6,299	9,787	5,928	(3,487)	5,148	1,150
Other assets	623,737	603,358	137,160	20,378	703,174	(79,437)
Tangible fixed assets	196,281			196,281		196,281
Intangible fixed assets	81,828			81,828		81,828
Premises and equipment		157,577	75,869	(157,577)	235,238	(235,238)
Deferred tax assets	2,175	59,471	107,514	(57,295)	2,084	91
Customers liabilities for acceptances and guarantees	283,380	176,854	71,913	106,526	240,545	42,834
Allowance for loan losses	(87,906)	(140,581)	(35,861)	52,674	(125,119)	37,212
Total assets	19,893,728	16,743,413	5,327,582	3,150,315	19,554,907	338,821
Liabilities:						
Deposits	11,413,665	9,986,771	2,713,035	1,426,893	11,955,229	(541,564)
Negotiable certificates of deposit	1,637,103	1,375,115	266,860	261,988	1,121,847	515,256
Call money and bills sold	267,645	383,540	255,527	(115,894)	517,077	(249,432)
Payables under repurchase agreements	52,623	93,467		(40,844)	33,999	18,623
Payables under securities lending transactions	631,839	1,077,493		(445,653)	653,911	(22,071)
Trading liabilities	39,139	52,457	3,736	(13,318)	55,493	(16,353)
Borrowed money	1,248,824	194,312	19,265	1,054,511	210,499	1,038,324
Foreign exchanges	491	189	0	301	689	(197)
Short-term corporate bonds	258,100	140,800		117,300	10,200	247,900
Bonds and notes	335,900	382,500	83,500	(46,600)	385,300	(49,400)
Due to trust accounts	1,796,608	1,410,842	1,504,004	385,766	2,429,068	(632,459)
Other liabilities	268,272	306,778	20,411	(38,505)	322,373	(54,101)
Reserve for employees bonuses	6,165	3,705	1,611	2,460	5,988	177
Reserve for employees retirement benefits	1,772	1,180	661	592	10,431	(8,659)
Reserve for contingent losses	5,417			5,417		5,417
Reserve for losses related to land trust			1,074			
Reserve for expenses related to EXPO 2005 Japan		123		(123)		
Deferred tax liabilities	17,166	532		16,633	7,124	10,041
Deferred tax liabilities for land revaluation	7,607	8,064	8,894	(457)	8,344	(736)
Acceptances and guarantees	283,380	176,854	71,913	106,526	240,545	42,834
Total liabilities	18,271,723	15,594,728	4,950,495	2,676,995	17,968,124	303,599
Net assets:						
Capital stock	324,279			324,279		324,279
Capital surplus	582,419			582,419		582,419

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Retained earnings	396,104			396,104	396,104
Total shareholder s equity	1,302,802			1,302,802	1,302,802
Net unrealized gains on securities	328,805			328,805	328,805
Net deferred gains (losses) on hedging instruments	(7,695)			(7,695)	(7,695)
Land revaluation excess	(10,659)			(10,659)	(10,659)
Foreign currency translation adjustments	(1,561)			(1,561)	(1,561)
Total valuation and translation adjustments	308,890			308,890	308,890
Minority interests	10,312			10,312	10,312
Total net assets	1,622,005			1,622,005	1,622,005
Total liabilities and net assets	19,893,728			19,893,728	19,893,728
Minority interests		5,884	73	(5,884)	11,444
Shareholder s equity:					
Capital stock		324,279	280,536	(324,279)	324,279
Capital surplus		274,752	14,903	(274,752)	582,419
Retained earnings		332,235	27,298	(332,235)	302,012
Land revaluation excess		(8,218)	10,425	8,218	(11,002)
Unrealized gains on securities available for sale		224,622	44,558	(224,622)	380,671
Foreign currency translation adjustments		(4,869)	(708)	4,869	(3,042)
Total shareholder s equity		1,142,800	377,013	(1,142,800)	1,575,338
Total liabilities, minority interests and shareholder s equity		16,743,413	5,327,582	(16,743,413)	19,554,907

Mitsubishi UFJ Trust and Banking Corporation and consolidated subsidiaries

Consolidated Statement of Operations

(in millions of yen)	Six months ended September 30, 2006 (A)	Six months ended September 30, 2005		Increase/ (Decrease) (A) - (B)	Fiscal year ended March 31, 2006
		ex-MTB (B)	(Reference) ex-UFJTB		
Ordinary income:					
Trust fees	67,443	31,475	23,946	35,968	102,359
Interest income:	175,685	117,335	20,795	58,350	284,123
(Interest on loans and discounts)	69,161	47,442	13,171	21,719	109,987
(Interest and dividends on securities)	87,065	47,762	6,976	39,302	129,483
Fees and commissions	87,310	50,772	38,758	36,538	142,158
Trading profits	11,627	1,243	270	10,383	2,516
Other business income	10,381	39,889	5,275		