

MITSUBISHI UFJ FINANCIAL GROUP INC

Form F-4

October 20, 2006

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As filed with the Securities and Exchange Commission on October 20, 2006

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

KABUSHIKI KAISHA MITSUBISHI UFJ FINANCIAL GROUP

(Exact name of registrant as specified in its charter)

MITSUBISHI UFJ FINANCIAL GROUP, INC.

(Translation of registrant name into English)

Japan (State or other jurisdiction of incorporation or organization)	6029 (Primary Standard Industrial Classification Code Number)	Not Applicable (I.R.S. Employer Identification Number)
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7-1, Marunouchi 2-chome

Chiyoda-ku, Tokyo 100-8330

Japan

+81-3-3240-8111

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Robert E. Hand, Esq.

General Counsel

Mitsubishi UFJ Financial Group, Inc., Corporate Governance Division for the United States

1251 Avenue of the Americas

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+1-212-782-4000

(Name, address, including zip code, and telephone number, including area code, of agent of service)

Tong Yu, Esq.

Paul, Weiss, Rifkind, Wharton & Garrison LLP

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Chiyoda-ku, Tokyo 100-0011, Japan

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price	Amount of registration fee
Common stock, no par value ⁽¹⁾	US\$ 320,574,612 ⁽²⁾⁽³⁾	US\$ 37,732 ⁽²⁾⁽³⁾

- (1) American depository receipts evidencing American depository shares issuable upon deposit of the shares of common stock registered under this registration statement are registered under a separate registration statement on Form F-6 (Registration No. 333-13338).
- (2) Calculated based on the minimum number of shares of common stock that the registrant currently expects to allocate to Mitsubishi UFJ Securities shareholders resident in the United States in connection with the share exchange described in this registration statement. The shares to be allocated in connection with the share exchange outside the United States are not registered under this registration statement. Additional information on the shares to be registered, including the maximum number of shares of common stock that the registrant expects to allocate to Mitsubishi UFJ Securities shareholders resident in the United States, will be included in subsequent amendments to this registration statement following the determination of the share exchange ratio.
- (3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f)(1) and Rule 457(c) of the Securities Act, based on the average of the high and low trading prices of Mitsubishi UFJ Securities common stock on the Tokyo Stock Exchange on October 18, 2006 after conversion into U.S. dollars based on the noon buying rate for cable transfers in Japanese yen as certified for customs purposes by the Federal Reserve Bank of New York as in effect on such date.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Prospectus

Subject to Completion Dated October 20, 2006

Offer to Exchange

Shares of Common Stock of

MITSUBISHI UFJ SECURITIES CO., LTD.

for Shares of Common Stock of

MITSUBISHI UFJ FINANCIAL GROUP, INC.

The boards of directors of Mitsubishi UFJ Financial Group, Inc., or MUFG, and Mitsubishi UFJ Securities Co., Ltd. have agreed to a statutory share exchange under the Company Law of Japan pursuant to which shareholders of Mitsubishi UFJ Securities will become shareholders of MUFG and Mitsubishi UFJ Securities will become a wholly owned subsidiary of MUFG. This share exchange is referred to as the share exchange in this prospectus. As of March 31, 2006, MUFG held Mitsubishi UFJ Securities common stock representing 63% of the voting rights. On _____, 2006, MUFG and Mitsubishi UFJ Securities entered into the share exchange agreement setting forth the share exchange ratio and other terms of the share exchange. The share exchange ratio has been set at _____ shares of MUFG common stock for each share of Mitsubishi UFJ Securities common stock, and this ratio will not be adjusted to reflect future changes in the market values of MUFG and Mitsubishi UFJ Securities common stock. Under the current schedule, the share exchange, if approved, is expected to be completed on or around March 31, 2007.

Based on the number of shares of Mitsubishi UFJ Securities capital stock issued as of September 30, 2006, MUFG expects to allocate an aggregate of _____ shares of its common stock, representing a _____ % increase in MUFG's issued shares as of September 30, 2006, to shareholders of Mitsubishi UFJ Securities in connection with the share exchange. MUFG shares that will be used in the share exchange are currently expected to consist of treasury stock held by MUFG.

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The shareholders meeting of Mitsubishi UFJ Securities, at which the shareholders of Mitsubishi UFJ Securities will vote on the terms of the share exchange agreement, is currently scheduled to be held on _____, 2007 at Mitsubishi UFJ Securities' principal office in Tokyo, Japan. Shareholders of record of Mitsubishi UFJ Securities as of _____, 2006 will be entitled to vote at that shareholders meeting. To attend and vote at the shareholders meeting, shareholders of Mitsubishi UFJ Securities must follow the procedures outlined in the convocation notice and the mail-in voting cards that Mitsubishi UFJ Securities will distribute to the shareholders of record.

The share exchange can only be completed if the terms of the share exchange agreement are approved by shareholders of Mitsubishi UFJ Securities and several other conditions are satisfied. The additional conditions and other terms of the share exchange are more fully described in this prospectus. For a discussion of these conditions, please see "The Share Exchange" Conditions to the Share Exchange.

This prospectus has been prepared for shareholders of Mitsubishi UFJ Securities resident in the United States to provide them with detailed information in connection with the share exchange. It also provides important information about the shares of MUFG common stock to be allocated to Mitsubishi UFJ Securities shareholders in connection with the share exchange. You are encouraged to read this prospectus in its entirety.

Shares of MUFG common stock are traded in Japanese yen on the Tokyo Stock Exchange under the code number 8306. On October 16, 2006, the last reported sale price of shares of MUFG common stock on the Tokyo Stock Exchange was ¥1,530,000 per share. MUFG's common stock is also listed on the Osaka Securities Exchange and the Nagoya Stock Exchange in Japan. ADSs, each representing one-thousandth of a share of common stock of MUFG, are listed on the New York Stock Exchange, or NYSE, under the symbol "MTU". On October 16, 2006, the last reported official sale price of the ADSs on the NYSE was \$12.90 per ADS.

MUFG is not asking for a proxy, and you may not send a proxy to MUFG.

You should carefully consider the risk factors beginning on page 11 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2007.

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REFERENCES TO ADDITIONAL INFORMATION

This prospectus is part of a registration statement on Form F-4, which includes additional business and financial information about MUFG and Mitsubishi UFJ Securities that is not included in or delivered with this prospectus. This information is available to you without charge upon written or oral request. If you would like to receive any of the additional information, please contact MUFG at the following address or telephone number: 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8330, Japan, Attention: Investor Relations Office, telephone: +81-3-3240-6608. **IN ORDER TO OBTAIN TIMELY DELIVERY, YOU MUST REQUEST THE INFORMATION NO LATER THAN , 2007, WHICH IS FIVE BUSINESS DAYS BEFORE YOU MUST MAKE A DECISION REGARDING THE SHARE EXCHANGE.**

For additional information about MUFG and Mitsubishi UFJ Securities, please see [Where You Can Obtain More Information](#).

As used in this prospectus, references to MUFG and Mitsubishi UFJ Securities are to Mitsubishi UFJ Financial Group, Inc. and to Mitsubishi UFJ Securities Co., Ltd., respectively, as well as to MUFG and Mitsubishi UFJ Securities and their respective consolidated subsidiaries, as the context requires. Unless the context otherwise requires, references to the share exchange are to the proposed share exchange, pursuant to which shareholders of Mitsubishi UFJ Securities will receive shares of MUFG common stock in exchange for their shares of Mitsubishi UFJ Securities common stock. The terms of the share exchange are set out in the share exchange agreement dated , 2006 between MUFG and Mitsubishi UFJ Securities.

As used in this prospectus, dollar or \$ means the lawful currency of the United States of America, and Yen or ¥ means the lawful currency of Japan.

As used in this prospectus, U.S. GAAP means accounting principles generally accepted in the United States, and Japanese GAAP means accounting principles generally accepted in Japan. The consolidated financial information of MUFG incorporated by reference into this prospectus has been presented in accordance with U.S. GAAP, except for the risk-weighted capital ratios, the business segment financial information and some other specifically identified information, which are prepared in accordance with Japanese banking regulations or Japanese GAAP. Unless otherwise stated or the context otherwise requires, all amounts in the financial statements contained in this prospectus are expressed in Japanese yen.

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QUESTIONS AND ANSWERS ABOUT THE SHARE EXCHANGE

Q. What are MUFG and Mitsubishi UFJ Securities proposing?

A. MUFG, the parent company of Mitsubishi UFJ Securities, is proposing to acquire the minority equity interest in Mitsubishi UFJ Securities by exchanging all outstanding shares of Mitsubishi UFJ Securities common stock not already held by MUFG for shares of MUFG common stock. As of March 31, 2006, MUFG held Mitsubishi UFJ Securities common stock representing 63% of the voting rights. As a result of the share exchange, holders of Mitsubishi UFJ Securities common stock will become holders of MUFG's common stock and Mitsubishi UFJ Securities will become a wholly owned subsidiary of MUFG. On _____, 2006, MUFG and Mitsubishi UFJ Securities entered into the share exchange agreement setting forth the final terms of the share exchange.

Q. Why are MUFG and Mitsubishi UFJ Securities proposing the share exchange?

A. MUFG has been actively pursuing its integrated group strategy, which positions retail, corporate and trust assets (asset management and asset administration) as its three core business areas. As part of this strategy, MUFG's bank, trust bank and securities company subsidiaries are being integrated as a unified group to deliver high-quality financial products and services and to compete more effectively with other major financial services providers.

MUFG and Mitsubishi UFJ Securities believe the market for financial services in Japan is changing rapidly. Deregulation of the financial markets, particularly the lifting of restrictions on cross-selling of financial products by banks, securities companies and other financial institutions, is an important factor in these changes. MUFG and Mitsubishi UFJ Securities also believe that Japanese consumers are increasingly shifting assets from ordinary savings accounts into other types of investments, including investment trusts. In this environment, MUFG and Mitsubishi UFJ Securities have concluded that completion of the share exchange will:

- strengthen business cooperation between Mitsubishi UFJ Securities and MUFG and its other subsidiaries and affiliates,
- allow MUFG and its subsidiaries and affiliates to compete more effectively and take advantage of the opportunities presented by deregulation, and
- facilitate the adoption of a unified compliance and governance structure to ensure compliance with relevant laws and regulations and protect the interests of investors.

Q. What will Mitsubishi UFJ Securities shareholders receive in the share exchange?

A. Holders of Mitsubishi UFJ Securities common stock as of the record date will receive _____ shares of MUFG common stock for each share of Mitsubishi UFJ Securities common stock.

Q. Does the board of directors of Mitsubishi UFJ Securities recommend the share exchange?

A.

Q. How will fractional shares be treated in the share exchange?

- A. If any fractional shares of MUFG common stock would otherwise be allotted to holders of Mitsubishi UFJ Securities common stock in the share exchange, such fractional shares will not be issued to the respective shareholders, but instead the integral number of shares representing the aggregate of all such fractional shares (disregarding the fractional shares after such aggregation, if any) will be sold in the Japanese market and the net cash proceeds from the sale will be distributed to the former holders of Mitsubishi UFJ Securities shares on a proportionate basis in accordance with the respective fractions, but disregarding fractional yen amounts.

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Q. When is the share exchange expected to be completed?

A. MUFG and Mitsubishi UFJ Securities expect to complete the share exchange on or around March 31, 2007.

Q. What are the required votes to approve the share exchange agreement at the shareholders meeting of Mitsubishi UFJ Securities?

A. At the shareholders meeting of Mitsubishi UFJ Securities, holders of record as of _____, 2006 of issued shares of common stock are entitled to one vote per unit share (*tan-gen kabu*). The following shares, however, are not entitled to vote at the shareholders meeting of Mitsubishi UFJ Securities:

- treasury shares held by Mitsubishi UFJ Securities;
- shares held by entities in which Mitsubishi UFJ Securities and/or its subsidiaries hold 25% or more of the voting rights; and
- shares issued after the record date and shares that have come to constitute one or more unit shares after the record date.

The required quorum for a vote on the terms of the share exchange agreement at the shareholders meeting of Mitsubishi UFJ Securities is a majority of the aggregate of the above shares of common stock with voting rights at the shareholders meeting. In determining the required quorum for the shareholders meeting of Mitsubishi UFJ Securities, shares without voting rights are not counted. The affirmative vote of shareholders comprising two-thirds of the above common shares with voting rights represented at the shareholders meeting of Mitsubishi UFJ Securities is required to approve the terms of the share exchange agreement.

As of March 31, 2006, MUFG held 63% of the voting rights in Mitsubishi UFJ Securities common stock. MUFG intends to vote in favor of the share exchange at the shareholders meeting of Mitsubishi UFJ Securities.

Q. What materials am I receiving?

A. Mitsubishi UFJ Securities will distribute voting materials, including a mail-in voting card, to registered shareholders that will enable them to exercise their voting rights. For shareholders who are not resident in Japan and have a standing proxy or a custodian in Japan, Mitsubishi UFJ Securities will distribute voting materials to their standing proxies or custodians in Japan at least 20 business days prior to the date of the shareholders meeting. Therefore, if you are a Mitsubishi UFJ Securities shareholder that is not resident in Japan and have a standing proxy or a custodian in Japan with respect to Mitsubishi UFJ Securities shares, you are encouraged to contact your standing proxy or custodian in Japan. If you are a Mitsubishi UFJ Securities shareholder that is not resident in Japan and have purchased Mitsubishi UFJ Securities shares through a securities broker located outside Japan, you are encouraged to ask your broker to obtain the voting materials from its standing proxy or custodian in Japan or to otherwise make proper arrangements.

Q. If I own Mitsubishi UFJ Securities shares, how do I vote at the shareholders meeting?

A. Mitsubishi UFJ Securities currently uses the unit share (*tan-gen kabu*) system, where one unit consists of 1,000 shares of Mitsubishi UFJ Securities common stock. If you have one or more unit shares of Mitsubishi UFJ Securities common stock, you will have voting rights

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with respect to each unit share of common stock. You may exercise voting rights by attending the shareholders meeting in person or by having another shareholder who has voting rights attend the shareholders meeting as your attorney-in-fact, by the Internet or by arranging to return the mail-in voting card sent to the registered shareholders by Mitsubishi UFJ

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Securities. Completed mail-in voting cards must be received at least one day before the shareholders meeting. If you are a Mitsubishi UFJ Securities shareholder resident in the United States, mail-in voting cards and related materials will be sent to your standing proxy or custodian in Japan, if you have one, who will then transmit those voting cards and related materials to you or take other actions according to the terms of the respective proxy agreements. If you are not residing in Japan, you are encouraged to contact your standing proxy or custodian in Japan or your securities broker through which you purchased the shares. A Mitsubishi UFJ Securities shareholder is also entitled to exercise voting rights through the Internet by accessing Mitsubishi UFJ Trust and Banking Corporation's website (<http://www.evoting.tr.mufig.jp>) and inputting an exercise code and password. Internet voting is available only in Japanese.

Q. What is the record date for voting at the shareholders meeting?

- A. The record date will be _____, 2006. Accordingly, holders of at least one unit share of Mitsubishi UFJ Securities common stock of record as of the record date will be eligible to vote at the shareholders meeting to be held on _____, 2007. Holders of shares issued after _____, 2006, such as shares that may be issued after _____, 2006 as a result of convertible or exchangeable securities (which were issued prior to _____, 2006) being converted or exchanged, will not be entitled to vote at the shareholders meeting.

Q. How will shares represented at the shareholders meeting by mail-in voting cards be treated?

- A. The mail-in voting cards used for the shareholders meeting of Mitsubishi UFJ Securities will list the proposals to be voted on by shareholders at the shareholders meeting, including approval of the terms of the share exchange agreement. The mail-in voting cards will allow shareholders to indicate a for or against vote with respect to each proposal. In accordance with Japanese law and practice, Mitsubishi UFJ Securities intends to count towards the quorum requirements for its shareholders meeting any shares represented by voting cards that are returned to Mitsubishi UFJ Securities, including voting cards that do not indicate a vote for or against any of the proposals, and to count voting cards that do not indicate a vote for or against any proposal as having voted for approval of the proposals, including the terms of the share exchange agreement.

Q. May I change my vote after I submit my mail-in voting card?

- A. Yes. If you want to change your previously returned mail-in voting card, you must either attend the shareholders meeting personally or through another shareholder who has voting rights, whom you appoint as your attorney-in-fact, or resubmit your vote via the Internet. By attending the shareholders meeting in person or having another shareholder entitled to vote your shares attend the shareholders meeting on your behalf, or by resubmitting your vote via the Internet, you will automatically revoke your previously returned mail-in voting card. Your vote submitted via the Internet, however, will also be automatically revoked if you subsequently attend the shareholders meeting in person or through another shareholder who has voting rights whom you appoint as your attorney-in-fact.

Q. May I change my vote after I submit my vote via the Internet?

- A. Yes. If you want to change a vote previously submitted via the Internet, you must either attend the shareholders meeting personally or through another shareholder who has voting rights, whom you appoint as your attorney-in-fact, or resubmit your vote via the Internet. By attending the shareholders meeting in person or having another shareholder entitled to vote your shares attend the shareholders meeting on your behalf, or by resubmitting your vote via the Internet, you will automatically revoke your vote previously submitted via the Internet. If you submit more than one vote via the Internet, the last vote submitted will be counted.

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Q. If my shares are held in street name by my broker, will my broker vote them for me without instructions?

- A. Whether your broker will vote your shares without your instructions depends on the terms and conditions of the agreement entered into by you and your broker. Therefore, you are encouraged to contact your broker directly to confirm the applicable voting procedure.

Q. Do I have opposition rights?

- A. Under the Company Law of Japan, you are entitled to opposition rights in connection with the share exchange. Any Mitsubishi UFJ Securities shareholder (1) who notifies Mitsubishi UFJ Securities prior to the shareholders meeting of his or her intention to oppose the share exchange and votes against the approval of the terms of the share exchange agreement at the shareholders meeting, or (2) who does not have voting rights at the relevant shareholders meeting, including the shareholders who only have shares constituting less than one unit share may demand, starting from 20 days before until one day before the effective date of the share exchange, that Mitsubishi UFJ Securities purchase his or her shares of Mitsubishi UFJ Securities common stock at fair value. All Mitsubishi UFJ Securities shareholders seeking to exercise these opposition rights must also comply with the other relevant procedures set forth in the Company Law of Japan.

If you fall under category (1) referred to in the preceding paragraph and fail to provide such notice prior to the shareholders meeting or to vote against the approval of the terms of the share exchange agreement at the shareholders meeting, you will waive your right to demand that Mitsubishi UFJ Securities purchase your shares of common stock at fair value. If you fall under category (2) referred to in the preceding paragraph and are not entitled to vote at the shareholders meeting despite being a shareholder of Mitsubishi UFJ Securities, you are not required to vote against the share exchange in order to assert the right to demand that Mitsubishi UFJ Securities purchase the shares that you hold at fair value.

Q. Should I send in my stock certificates now?

- A. No. If the terms of the share exchange agreement are approved at the shareholders meeting of Mitsubishi UFJ Securities, you, your standing proxy or custodian in Japan or your broker will, on your or your broker's behalf, receive a notice requesting that shareholders submit their share certificates representing Mitsubishi UFJ Securities stock during the period stated in the notice, which will end one day prior to the date of the share exchange. The notice will also include instructions on how to exchange your Mitsubishi UFJ Securities share certificates for MUFG share certificates. Please do not send your share certificates until you receive these instructions from Mitsubishi UFJ Securities, your standing proxy or custodian in Japan or your broker. In the event that the share certificates of Mitsubishi UFJ Securities are deposited with the Japan Securities Depository Center, Inc., such share certificates need not be actually submitted by each of the beneficial shareholders to Mitsubishi UFJ Securities within the submission period.

Q. How will trading in shares of Mitsubishi UFJ Securities common stock be affected in connection with the completion of the share exchange?

- A. Under the current schedule and assuming the share exchange is approved, MUFG will be the sole holder of Mitsubishi UFJ Securities common stock, and all shares held by MUFG will be delisted from the Tokyo Stock Exchange, the Osaka Securities Exchange and the Nagoya Stock Exchange in Japan on or around March 27, 2007.

The shares of MUFG common stock to be allocated on the effective date of the share exchange have been listed on the Tokyo Stock Exchange, the Osaka Securities Exchange and the Nagoya Stock Exchange in Japan. The shares of MUFG common stock to be allocated on the effective date of the share exchange can be deposited for ADSs, each representing one-thousandth of one share of MUFG, and traded on the New York Stock Exchange, or NYSE, in the United States.

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Q. Will I receive dividends from Mitsubishi UFJ Securities on shares of Mitsubishi UFJ Securities common stock for the year ending March 31, 2007?

A. No. Under the current schedule and assuming the share exchange is approved, as of March 31, 2007, holders of Mitsubishi UFJ Securities common stock will become holders of MUFG's common stock and Mitsubishi UFJ Securities will become a wholly owned subsidiary of MUFG. Accordingly, MUFG will receive any dividends that Mitsubishi UFJ Securities may pay on shares of Mitsubishi UFJ Securities common stock for the year ending March 31, 2007.

Q. Will I receive dividends from MUFG on shares of MUFG common stock for the year ending March 31, 2007?

A. Yes. Under the current schedule and assuming the share exchange is approved, as of March 31, 2007, holders of Mitsubishi UFJ Securities common stock will become holders of MUFG common stock. Accordingly, holders of Mitsubishi UFJ Securities common stock will receive any dividends that MUFG may pay on shares of MUFG common stock for the year ending March 31, 2007.

Q. What are the Japanese tax consequences of the share exchange?

A. Please see Taxation Japanese Taxation.

Q. What are the U.S. tax consequences of the share exchange?

A. Please see Taxation U.S. Federal Income Tax Consequences.

Q. Whom can I call with questions?

A. If you have more questions about the share exchange, you should call:

Mr. Hitoshi Shimamura

Mitsubishi UFJ Financial Group, Inc.

7-1, Marunouchi 2-chome

Chiyoda-ku, Tokyo 100-8330

Japan

Telephone: +81-3-3240-6608

Mr. Hiroshi Kutose

Mitsubishi UFJ Securities Co., Ltd.

5-2, Marunouchi 2-chome

Chiyoda-ku, Tokyo 100-0005

Japan

Telephone: +81-3-6213-6584

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SUMMARY

This summary highlights selected information contained elsewhere in this prospectus and may not contain all of the information that is important to you. To understand the share exchange fully and for a more complete description of the legal terms of the share exchange, you should carefully read this entire prospectus.

The Companies

Mitsubishi UFJ Financial Group, Inc.

MUFG is one of the world's leading bank holding companies. MUFG is a holding company for The Bank of Tokyo-Mitsubishi UFJ, Ltd., or Bank of Tokyo Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking Corporation, and Mitsubishi UFJ Securities and other subsidiaries. MUFG provides a broad range of financial services, including commercial banking, investment banking, trust-banking and asset management services, to individuals and corporate customers through its subsidiaries and affiliated companies. MUFG on a consolidated basis had total assets of ¥186.2 trillion as of March 31, 2006 and net income of ¥363.5 billion for the fiscal year ended March 31, 2006.

MUFG's address is:

Mitsubishi UFJ Financial Group, Inc.

7-1, Marunouchi 2-chome

Chiyoda-ku, Tokyo 100-8330

Japan

Telephone: +81-3-3240-8111

Mitsubishi UFJ Securities Co., Ltd.

Mitsubishi UFJ Securities was formed through the merger between Mitsubishi Securities Co., Ltd. and UFJ Tsubasa Securities Co., Ltd. on October 1, 2005. As of March 31, 2006, MUFG held Mitsubishi UFJ Securities common stock representing 63% of the voting rights. Mitsubishi UFJ Securities functions as the core of MUFG's securities and investment banking business, including underwriting and brokerage of securities, mergers and acquisitions, derivatives, corporate advisory and securitization operations. In addition to its own independent branches, Mitsubishi UFJ Securities serves individual customers with Bank of Tokyo-Mitsubishi UFJ and Mitsubishi UFJ Trust and Banking Corporation through MUFG Plazas. As of March 31, 2006, Mitsubishi UFJ Securities had 137 offices, including its head office and branches, of which 35 were part of MUFG Plazas.

Mitsubishi UFJ Securities address is:

Mitsubishi UFJ Securities Co., Ltd.

5-2, Marunouchi 2-chome

Chiyoda-ku, Tokyo 100-0005

Japan

Telephone: +81-3-6213-8500

The Share Exchange (Page 25)

The boards of directors of MUFG and Mitsubishi UFJ Securities have resolved to make Mitsubishi UFJ Securities a wholly owned subsidiary of MUFG through a statutory share exchange under the Company Law of Japan. On _____, 2006, the MUFG and Mitsubishi UFJ Securities entered into a share exchange agreement setting forth the final terms of the share exchange.

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If the terms of the share exchange agreement are approved at the shareholders meeting of Mitsubishi UFJ Securities, which is currently scheduled to be held on _____, 2007, and if the other conditions to completing the share exchange are satisfied, the share exchange is expected to be completed on or around March 31, 2007.

As of March 31, 2006, MUFG held Mitsubishi UFJ Securities common stock representing 63% of the voting rights. On the date the share exchange becomes effective, Mitsubishi UFJ Securities shareholders of record as of the date one day prior to the date of the share exchange, other than MUFG, will become entitled to receive shares of MUFG common stock in exchange for each share of Mitsubishi UFJ Securities common stock. The resulting number of shares of MUFG common stock to which Mitsubishi UFJ Securities shareholders are entitled will be recorded in MUFG's register of shareholders. The integral number of shares representing the aggregate of all fractional shares (disregarding the fractional shares after such aggregation, if any) will be sold through the Tokyo Stock Exchange, and the net cash proceeds from the sale will be distributed to the former holders of Mitsubishi UFJ Securities shares on a proportionate basis in accordance with the respective fractions, but disregarding fractional yen amounts.

Based on the closing prices of MUFG and Mitsubishi UFJ Securities common shares and the fair value of the preferred shares as of _____, 2007, the last full trading day prior to the companies entering into and announcing the share exchange agreement, the aggregate transaction value was ¥ _____ billion.

Reasons for the Share Exchange (Page 25)

MUFG has been actively pursuing its integrated group strategy, which positions retail, corporate and trust assets (asset management and asset administration) as its three core business areas. As part of this strategy, MUFG's bank, trust bank and securities company subsidiaries are being integrated as a unified group to deliver high-quality financial products and services and to compete more effectively with other major financial services providers.

MUFG and Mitsubishi UFJ Securities believe the market for financial services in Japan is changing rapidly. Deregulation of the financial markets, particularly the lifting of restrictions on cross-selling of financial products by banks, securities companies and other financial institutions, is an important factor in these changes. MUFG and Mitsubishi UFJ Securities also believe that Japanese consumers are increasingly shifting assets from ordinary savings accounts into other types of investments, including investment trusts. In this environment, MUFG and Mitsubishi UFJ Securities have concluded that completion of the share exchange will:

- strengthen business cooperation between Mitsubishi UFJ Securities and MUFG and its other subsidiaries and affiliates,
- allow MUFG and its subsidiaries and affiliates to compete more effectively and take advantage of the opportunities presented by deregulation, and
- facilitate the adoption of a unified compliance and governance structure to ensure compliance with relevant laws and regulations and protect the interests of investors.

Required Mitsubishi UFJ Securities Shareholder Approvals (Page 24)

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Mitsubishi UFJ Securities plans to seek shareholder approval of the terms of the share exchange agreement at its shareholders meeting, which is currently scheduled to be held on _____, 2007 in Japan at its office in Tokyo. Under the Company Law of Japan, the notice of convocation of a shareholders meeting must be sent at _____

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least two weeks in advance to all shareholders of record having voting rights. For shareholders not resident in Japan, Mitsubishi UFJ Securities will send, at least 20 business days prior to the date of the shareholders meeting, the notice of convocation to their standing proxies in Japan or other persons in Japan who hold the shares on behalf of those shareholders and in whose name the shares are registered in Mitsubishi UFJ Securities register of shareholders. Mitsubishi UFJ Securities currently plans to mail out its notice on or around _____, 2007.

At this shareholders meeting, among other things, shareholders will be asked to approve the final terms of the share exchange agreement into which MUFG and Mitsubishi UFJ Securities entered on _____, 2006.

At the shareholders meeting of Mitsubishi UFJ Securities, holders of record as of _____, 2006 of issued shares of common stock will be entitled to one vote per unit share. The following shares, however, will not be entitled to vote at the shareholders meeting of Mitsubishi UFJ Securities:

- treasury shares held by Mitsubishi UFJ Securities;
- shares held by entities in which Mitsubishi UFJ Securities and/or its subsidiaries hold 25% or more of the voting rights; and
- shares issued after the record date and shares that have come to constitute one or more unit shares after the record date.

The required quorum for a vote on the terms of the share exchange agreement at the shareholders meeting of Mitsubishi UFJ Securities is a majority of the aggregate of the above shares of common stock with voting rights at the shareholders meeting. The affirmative vote of shareholders comprising two-thirds of the common shares with voting rights represented at the shareholders meeting of Mitsubishi UFJ Securities is required to approve the terms of the share exchange agreement. As of March 31, 2006, MUFG held 63% of the voting rights in Mitsubishi UFJ Securities. MUFG intends to vote in favor of the share exchange at the shareholders meeting of Mitsubishi UFJ Securities.

As of September 30, 2006, MUFG, its directors, executive officers and corporate auditors and their affiliates held of record approximately _____% of the voting rights of Mitsubishi UFJ Securities common stock, and approximately _____% of the voting rights of MUFG common stock (excluding shares held in trust accounts and shares held for trading purposes by the securities company subsidiaries).

As of September 30, 2006, Mitsubishi UFJ Securities, its directors, executive officers and corporate auditors and their affiliates held of record approximately _____% of the voting rights of Mitsubishi UFJ Securities common stock, and approximately _____% of the voting rights of MUFG common stock (excluding shares held in trust accounts and shares held for trading purposes by the securities company subsidiaries).

Shareholders Meeting of Mitsubishi UFJ Securities (Page 23)

Shareholders eligible to vote at the shareholders meeting of Mitsubishi UFJ Securities may do so in person, by arranging to return mail-in voting cards to Mitsubishi UFJ Securities or via the Internet. The mail-in voting cards and the Internet will allow shareholders to indicate a for or against vote with respect to each proposal to be voted on at the shareholders meeting, including approval of the terms of the share exchange agreement.

Each Mitsubishi UFJ Securities shareholder is entitled, with certain exceptions, to one vote per unit share of common stock.

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No Solicitation of Proxies, Consents or Authorizations (Page 24)

Shareholders may vote by attending in person the shareholders meeting of Mitsubishi UFJ Securities, having another shareholder who has voting rights attend the shareholders meeting as your attorney-in-fact or using the Internet or the mail-in voting card distributed in accordance with the Company Law of Japan. Mitsubishi UFJ Securities will not solicit any separate form of proxy, consent or authorization prior to its shareholders meeting.

Conditions to the Share Exchange and Termination (Page 26)

The share exchange can only be completed if the terms of the share exchange agreement are approved by shareholders of Mitsubishi UFJ Securities and certain other conditions are satisfied. Please see [The Share Exchange](#) [Conditions to the Share Exchange](#) for a complete discussion of these conditions. Under the Company Law of Japan, MUFG does not need to obtain shareholder approval at its shareholders meeting in order to consummate the transaction except under limited circumstances.

Opposition Rights (Page 28)

Under the Company Law of Japan, you are entitled to opposition rights in connection with the share exchange, which must be exercised in accordance with the procedures set forth in the Company Law of Japan. In order to exercise this right, you must notify Mitsubishi UFJ Securities of your intention to oppose the share exchange prior to the shareholders meeting of Mitsubishi UFJ Securities, and also vote against the approval of the share exchange agreement at the shareholders meeting. If you comply with the above and other procedures required by the Company Law of Japan, you may demand, starting from 20 days before until one day before the effective date of the share exchange, that Mitsubishi UFJ Securities purchase your shares at their fair value. Please see [The Share Exchange](#) [Opposition Rights](#) for a complete discussion of these rights.

Material Tax Consequences (Page 33)

Japanese Taxation

As long as non-resident shareholders of Mitsubishi UFJ Securities (as defined hereinafter) receive only MUFG common stock in exchange for their shares of Mitsubishi UFJ Securities common stock in the share exchange, they will not recognize any gain for Japanese tax purposes. Furthermore, non-resident shareholders of Mitsubishi UFJ Securities generally will not recognize any gain for Japanese tax purposes, even if they receive cash in lieu of fractional shares of MUFG common stock which they become entitled to in the course of the share exchange. Please see [Taxation](#) [Japanese Taxation](#) for a more detailed description of Japanese taxation matters. Each non-Japanese holder should, however, obtain advice from its own tax advisors regarding its tax status in each jurisdiction.

U.S. Taxation

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The material U.S. federal income tax consequences of the share exchange will be as follows:

- (a) The share exchange should constitute a reorganization for United States federal income tax purposes, and MUFG and Mitsubishi UFJ Securities should each be a party to such reorganization.
- (b) You should not recognize gain or loss upon your receipt of MUFG common stock in exchange for your Mitsubishi UFJ Securities common stock, except with respect to cash that you receive instead of fractional shares of MUFG common stock.
- (c) The aggregate tax basis of the shares of MUFG common stock that you receive in exchange for your Mitsubishi UFJ Securities common stock in the share exchange, including fractional shares for which cash is ultimately received, should be the same as the aggregate tax basis of your Mitsubishi UFJ Securities common stock exchanged.

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- (d) The holding period for shares of MUFG common stock that you receive in the share exchange should include the holding period of the Mitsubishi UFJ Securities common stock exchanged.
- (e) If you receive cash instead of a fractional share of MUFG common stock, you should recognize gain or loss equal to the difference, if any, between your tax basis in the fractional share (as described in (c) above) and the amount of cash received. Such gain or loss generally will constitute capital gain or loss.

Please see "Taxation - U.S. Federal Income Tax Consequences" for a more detailed description of U.S. taxation matters.

Risk Factors (Page 11)

In determining whether to vote to approve the terms of the share exchange agreement, you should carefully consider the risk factors beginning on page 11 of this prospectus.

Accounting Treatment of the Share Exchange (Page 29)

The share exchange will be accounted for under the purchase method of accounting in accordance with U.S. GAAP.

Trading Markets (Page 21)

Shares of common stock of MUFG are listed on the Tokyo Stock Exchange, the Osaka Securities Exchange and the Nagoya Stock Exchange in Japan, and ADSs, each representing one-thousandth of a share of MUFG common stock, are listed on the NYSE.

Summary Market Price Information (Page 22)

The following table sets forth the last reported sale prices on the Tokyo Stock Exchange for MUFG and Mitsubishi UFJ Securities common stock, and the implied equivalent value of Mitsubishi UFJ Securities common stock based upon the share exchange ratio, on _____, 2006, the day the share exchange agreement was entered into, and on _____, 2007.

Mitsubishi UFJ Securities common stock (historical)	Mitsubishi UFJ Securities common stock (implied equivalent value)	MUFG common stock (historical)
_____	_____	_____

, 2006	¥	¥	¥
, 2007			

Where to Find More Information (Page 38)

As required by the U.S. Securities Act of 1933, MUFG has filed a registration statement on Form F-4 relating to the securities offered by this prospectus with the U.S. Securities and Exchange Commission, or SEC. This prospectus is a part of that registration statement, which includes additional information.

In addition, MUFG files annual reports, special reports and other information with the SEC. You may read and copy any document filed with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 for further information on the Public Reference Room. The SEC also maintains a web site that contains reports, proxy and information statements, and other information regarding registrants that file electronically with the SEC (<http://www.sec.gov>).

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RISK FACTORS

Prior to making a decision on the share exchange, you should carefully consider, along with other matters set out in this prospectus and other documents that are incorporated into this prospectus by reference, including MUFG's annual report on Form 20-F filed with the SEC on September 28, 2006, the following considerations:

Risks Relating to the Share Exchange

The share exchange ratio is fixed and will not be adjusted to reflect changes in the market values of MUFG and Mitsubishi UFJ Securities common stock; as a result, the value of MUFG common stock you receive in the share exchange may be less than when you vote on the share exchange.

Upon the completion of the share exchange, each share of Mitsubishi UFJ Securities common stock, excluding those held by MUFG, will be exchanged for _____ shares of MUFG common stock. The ratio at which Mitsubishi UFJ Securities common stock will be exchanged for MUFG common stock is fixed, and will not be adjusted for changes in the market prices of either company's common stock. Therefore, even if the relative market values of MUFG or Mitsubishi UFJ Securities common stock change, there will be no change in the number of shares of MUFG common stock you will receive in the share exchange. Furthermore, neither company is permitted to terminate the share exchange or solicit another vote of Mitsubishi UFJ Securities stockholders solely due to changes in the market prices of either company's common stock.

Any change in the prices of either company's common stock occurring prior to the effective date of the share exchange will affect the value that holders of Mitsubishi UFJ Securities common stock receive in the share exchange. The value of the MUFG common stock received by you in the share exchange (which will occur approximately _____ weeks after the shareholders meeting) may be higher or lower than the value as of the date of this prospectus and as of the date of the shareholders meeting of Mitsubishi UFJ Securities, depending on the then prevailing market prices of MUFG and Mitsubishi UFJ Securities common stock.

The share prices of MUFG and Mitsubishi UFJ Securities common stock are subject to the general price fluctuations in the market for publicly traded equity securities and have experienced significant volatility in the past. Stock price changes may result from a variety of factors, including actual changes in, or investor perception of, MUFG's and Mitsubishi UFJ Securities' businesses, operations and prospects. Regulatory developments and changes in general market and economic conditions may also affect the stock price of MUFG and Mitsubishi UFJ Securities. You should obtain and review recent market quotations for MUFG and Mitsubishi UFJ Securities common stock before voting on the share exchange.

If the goodwill that will be recorded in connection with the share exchange becomes impaired, MUFG may be required to record impairment charges, which may adversely affect its financial results and the market price of its common stock following the share exchange.

In accordance with U.S. GAAP, MUFG will account for the share exchange using the purchase method of accounting. MUFG will allocate the total purchase price to its assets and liabilities acquired through the share exchange based on the proportionate share of the fair values of those assets and liabilities. The excess of the purchase price over the fair values of Mitsubishi UFJ Securities' assets and liabilities will be recorded as goodwill. If the recorded goodwill becomes impaired, MUFG may be required to incur material charges relating to the impairment of goodwill. If the anticipated benefits of the share exchange are not achieved, actually or perceptually, MUFG's financial results, including earnings per

share, and the market value of MUFG's common stock could be adversely affected.

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The fairness opinion obtained by Mitsubishi UFJ Securities is based on financial information prepared under Japanese GAAP, and accordingly U.S. investors should not unduly rely on such fairness opinion.

The financial analysis and fairness opinion of Mitsubishi UFJ Securities financial advisor is based upon financial information of MUFG and Mitsubishi UFJ Securities prepared in accordance with Japanese GAAP. The accounting treatment of some items and transactions differ significantly between Japanese GAAP and U.S. GAAP. The financial advisor has not reviewed any financial information prepared by MUFG or Mitsubishi UFJ Securities under U.S. GAAP and has not taken account of any differences between Japanese GAAP and U.S. GAAP. Accordingly, the financial analysis and fairness opinion of Mitsubishi UFJ Securities financial advisor may have limited utility to U.S. investors. U.S. investors should not unduly rely on the financial analysis and fairness opinion of Mitsubishi UFJ Securities financial advisor contained elsewhere in this prospectus.

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RECENT DEVELOPMENTS

Revision of Earnings Forecast by Consolidated Subsidiary

On October 20, 2006, UFJ NICOS Co., Ltd., a consolidated subsidiary of MUFG, announced a downward revision in its earnings forecast under Japanese GAAP and expected dividends for the six months ended September 30, 2006 and the fiscal year ending March 31, 2007.

The revision was primarily due to additional reserves taken by UFJ NICOS in accordance with a recent accounting pronouncement from the Japanese Institute of Certified Public Accountants and a more stringent application of its credit-risk reserve policy. Additionally, UFJ NICOS reduced its deferred tax assets due to a change in its projected taxable income in future periods relating to a proposed Japanese government reform to reduce the maximum permissible interest rate for consumer loans.

MUFG expects that these developments may also affect its other consumer finance businesses, but has not assessed the scope of the impact at this time. In addition, MUFG has not determined the impact of these developments on its consolidated financial results under U.S. GAAP.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

MUFG may from time to time make written or oral forward-looking statements. Written forward-looking statements may appear in documents filed with the SEC including this prospectus as well as MUFG's annual report on Form 20-F and other reports to shareholders and other communications.

The U.S. Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking information to encourage companies to provide prospective information about themselves. MUFG relies on this safe harbor in making forward-looking statements.

Forward-looking statements appear in a number of places in this prospectus and include statements regarding MUFG's and Mitsubishi UFJ Securities' intent, belief or current expectations or the current belief or current expectations of MUFG's and Mitsubishi UFJ Securities management with respect to, among others:

- financial condition;
- results of operations;
- business plans and other management objectives;
- business strategies, competitive positions and growth opportunities;
- the consummation and benefits of the proposed share exchange and realization of financial and operating synergies and efficiencies, including estimated cost savings and revenue enhancement;
- the financial and regulatory environment in which MUFG and Mitsubishi UFJ Securities operate;
- the problem loan levels and loan losses of MUFG; and
- the equity and foreign exchange markets.

In many but not all cases, MUFG uses words such as anticipate, aim, believe, estimate, expect, intend, plan, probability, risk and expressions, as they relate to MUFG or Mitsubishi UFJ Securities or MUFG's or Mitsubishi UFJ Securities' management, to identify forward-looking statements. These statements reflect MUFG's or Mitsubishi UFJ Securities' current views with respect to future events and are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize or should underlying assumptions prove incorrect, actual results may vary materially from those which are anticipated, believed, estimated, expected, intended or planned.

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Forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various factors. Important factors that could cause actual results to differ materially from estimates or forecasts contained in the forward-looking statements include, among others:

- the ability to integrate MUFG's and Mitsubishi UFJ Securities' businesses and operations in a manner that achieves the expected results;
- timing, impact and other uncertainties associated with MUFG's other or future acquisitions or combinations within relevant industries and the integration of these other future acquisitions;
- requirements imposed by regulatory authorities to permit the transactions contemplated hereby to be consummated;
- changes in the monetary and interest rate policies of the Bank of Japan and other G-7 central banks;
- the ongoing integration of the information systems formerly used by The Bank of Tokyo-Mitsubishi, Ltd. and UFJ Bank Limited;

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- fluctuations in interest rates, equity prices and foreign currencies, the adequacy of loan loss reserves, the inability to hedge certain risks economically, changes in consumer spending and other habits, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which MUFG and Mitsubishi UFJ Securities and their respective affiliates operate;
- risks of international business;
- regulatory risks;
- contingent liabilities;
- competitive factors in the industries in which MUFG and Mitsubishi UFJ Securities compete, and the impact of competitive services and pricing in both MUFG and Mitsubishi UFJ Securities markets;
- risks associated with debt service requirements and interest rate fluctuations;
- degree of financial leverage; and
- other risks referenced from time to time in MUFG's filings with the SEC.

MUFG does not intend to update these forward-looking statements. MUFG is under no obligation, and disclaims any obligation, to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

Table of Contents**SELECTED CONSOLIDATED FINANCIAL DATA OF MUFG**

The selected statement of income data and selected balance sheet data set forth below have been derived from the audited consolidated financial statements of MUFG. On October 1, 2005, Mitsubishi Tokyo Financial Group, Inc., or MTFG, merged with UFJ Holdings, Inc., or UFJ Holdings, with MTFG being the surviving entity. Upon consummation of the merger, MTFG changed its name to Mitsubishi UFJ Financial Group, Inc. The merger was accounted for under the purchase method of accounting, and the assets and liabilities of UFJ Holdings and its subsidiaries were recorded at fair value as of October 1, 2005. Therefore, the financial data as of and for the fiscal years ended March 31, 2002, 2003, 2004 and 2005 reflect the financial position and results of MTFG and its subsidiaries only. The financial data as of March 31, 2006 reflect the financial position of MUFG while the financial data for the fiscal year ended March 31, 2006 comprised the results of MTFG and its subsidiaries for the six months ended September 30, 2005 and the results of MUFG from October 1, 2005 to March 31, 2006.

Except for risk-adjusted capital ratios, which are calculated in accordance with Japanese banking regulations based on information derived from MUFG's consolidated financial statements prepared in accordance with Japanese GAAP, and the average balance information, the selected financial data set forth below are derived from MUFG's consolidated financial statements prepared in accordance with U.S. GAAP. In the fiscal year ended March 31, 2006, the international correspondent banking operations of UnionBanCal Corporation, MUFG's U.S. subsidiary, were discontinued and certain figures in prior fiscal years were reclassified to discontinued operations to conform to the presentation for the fiscal year ended March 31, 2006.

You should read the selected financial data set forth below in conjunction with MUFG's consolidated financial statements and other financial data included in the documents incorporated by reference into this prospectus. The following data are qualified in their entirety by reference to all of that information.

	Fiscal years ended March 31,				
	2002	2003	2004	2005	2006
	(in millions, except per share data and number of shares)				
Statement of income data:					
Interest income	¥ 2,006,855	¥ 1,578,069	¥ 1,417,902	¥ 1,438,701	¥ 2,530,682
Interest expense	934,932	537,387	425,162	469,606	882,069
Net interest income	1,071,923	1,040,682	992,740	969,095	1,648,613
Provision (credit) for credit losses	599,016	437,972	(114,364)	108,338	110,167
Net interest income after provision (credit) for credit losses	472,907	602,710	1,107,104	860,757	1,538,446
Non-interest income	352,786	832,639	1,298,665	986,810	1,067,352
Non-interest expense	1,154,932	1,175,806	1,229,405	1,129,173	2,076,125
Income (loss) from continuing operations before income tax expense (benefit) and cumulative effect of a change in accounting principle	(329,239)	259,543	1,176,364	718,394	529,673
Income tax expense (benefit)	(101,885)	67,843	355,308	303,755	165,473
Income (loss) from continuing operations before cumulative effect of a change in accounting principle	(227,354)	191,700	821,056	414,639	364,200
Income from discontinued operations net	3,605	12,277	1,946	1,493	8,973
	5,867	(532)		(977)	(9,662)

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Cumulative effect of a change in accounting principle, net of tax ⁽¹⁾					
Net income (loss)	<u>¥ (217,882)</u>	<u>¥ 203,445</u>	<u>¥ 823,002</u>	<u>¥ 415,155</u>	<u>¥ 363,511</u>
Net income (loss) available to common shareholders	<u>¥ (222,050)</u>	<u>¥ 190,941</u>	<u>¥ 815,021</u>	<u>¥ 408,318</u>	<u>¥ 156,842</u>

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	Fiscal years ended March 31,				
	2002	2003	2004	2005	2006
(in millions, except per share data and number of shares)					
Amounts per share:					
Basic earnings (loss) per common share-income (loss) from continuing operations available to common shareholders before cumulative effect of a change in accounting principle	¥ (41,681.79)	¥ 31,900.86	¥ 128,044.42	¥ 62,637.96	¥ 19,398.62
Basic earnings (loss) per common share-net income (loss) available to common shareholders	(39,976.55)	33,991.75	128,350.88	62,717.21	19,313.78
Diluted earnings (loss) per common share-income (loss) from continuing operations available to common shareholders before cumulative effect of a change in accounting principle	(41,681.79)	29,161.52	124,735.34	62,397.57	19,036.71
Diluted earnings (loss) per common share-net income (loss) available to common shareholders	(39,976.55)	31,164.84	125,033.96	62,476.76	18,951.87
Number of shares used to calculate basic earnings per common share (in thousands)	5,555	5,617	6,350	6,510	8,121
Number of shares used to calculate diluted earnings per common share (in thousands)	5,555	5,863 ⁽²⁾	6,517 ⁽³⁾	6,516 ⁽³⁾	8,121 ⁽⁴⁾
Cash dividends per share declared during the fiscal year:					
Common share	¥ 4,127.63	¥ 6,000.00	¥ 4,000.00	¥ 6,000.00	¥ 9,000.00
	\$ 33.21	\$ 50.26	\$ 33.41	\$ 55.46	\$ 79.30
Preferred share (Class 1)	¥ 41,250.00	¥ 123,750.00	¥ 82,500.00	¥ 82,500.00	¥ 41,250.00
	\$ 331.99	\$ 1,024.65	\$ 725.09	\$ 772.49	\$ 374.08
Preferred share (Class 2)	¥ 8,100.00	¥ 24,300.00	¥ 16,200.00	¥ 8,100.00	
	\$ 64.99	\$ 201.20	\$ 142.38	\$ 74.88	
Preferred share (Class 3)					¥ 37,069.00
					\$ 312.99

As of March 31,

	As of March 31,				
	2002	2003	2004	2005	2006
(in millions)					
Balance sheet data:					
Total assets	¥ 94,360,925	¥ 96,537,404	¥ 103,699,099	¥ 108,422,100	¥ 186,219,447
Loans, net of allowance for credit losses	48,355,954	46,928,860	47,469,598	50,164,144	94,494,608
Total liabilities	91,738,617	93,978,776	99,854,128	104,049,003	176,551,294
Deposits	63,448,891	67,096,271	69,854,507	71,143,099	126,639,931
Long-term debt	5,183,841	5,159,132	5,659,877	5,981,747	13,889,525
Total shareholders equity	2,622,308	2,558,628	3,844,971	4,373,097	9,668,153
Capital stock ⁽⁵⁾	973,156	1,084,708	1,084,708	1,084,708	1,084,708

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	Fiscal years ended March 31,				
	2002	2003	2004	2005	2006
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
(in millions, except percentages)					
Other financial data:					
Average balances:					
Interest-earning assets	¥ 84,898,829	¥ 86,083,365	¥ 90,653,495	¥ 99,282,143	¥ 135,385,329
Interest-bearing liabilities	78,551,124	79,523,577	84,860,252	92,226,818	118,120,185
Total assets	92,365,532	95,478,978	102,827,850	110,829,406	159,347,769
Total shareholders' equity	3,035,140	2,432,279	3,289,783	3,880,044	7,106,910
Return on equity and assets:					
Net income (loss) available to common shareholders as a percentage of total average assets	(0.24)%	0.20%	0.79%	0.37%	0.10%
Net income (loss) available to common shareholders as a percentage of total average shareholders' equity	(7.32)%	7.85%	24.77%	10.52%	2.21%
Dividends per common share as a percentage of basic earnings per common share	(6)	17.65%	3.12%	9.57%	46.60%
Total average shareholders' equity as a percentage of total average assets	3.29%	2.55%	3.20%	3.50%	4.46%
Net interest income as a percentage of total average interest-earning assets	1.26%	1.21%	1.10%	0.98%	1.22%
Credit quality data:					
Allowance for credit losses	¥ 1,735,180	¥ 1,360,136	¥ 888,120	¥ 739,872	¥ 1,012,227
Allowance for credit losses as a percentage of loans	3.46%	2.82%	1.84%	1.45%	1.06%
Nonaccrual and restructured loans, and accruing loans contractually past due 90 days or more	¥ 4,164,982	¥ 2,753,026	¥ 1,730,993	¥ 1,285,204	¥ 2,044,678
Nonaccrual and restructured loans, and accruing loans contractually past due 90 days or more as a percentage of loans	8.31%	5.70%	3.58%	2.52%	2.14%
Allowance for credit losses as a percentage of nonaccrual and restructured loans, and accruing loans contractually past due 90 days or more	41.66%	49.41%	51.31%	57.57%	49.51%
Net loan charge-offs	¥ 604,008	¥ 814,811	¥ 336,876	¥ 260,622	¥ 136,135
Net loan charge-offs as a percentage of average loans	1.24%	1.64%	0.69%	0.51%	0.19%
Average interest rate spread	1.17%	1.15%	1.06%	0.94%	1.12%
Risk-adjusted capital ratio calculated under Japanese GAAP ⁽⁷⁾	10.30%	10.84%	12.95%	11.76%	12.20%

(1) Effective April 1, 2001, MUFG adopted Statement of Financial Accounting Standards, or SFAS, No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended by SFAS No. 137 and SFAS No. 138. On April 1, 2002, MUFG adopted SFAS No. 142, Goodwill and Other Intangible Assets. Effective April 1, 2004, MUFG adopted Financial Accounting Standards Board Interpretation, or FIN, No. 46 (revised December 2003), Consolidation of Variable Interest Entities, an interpretation of ARB No. 51. Effective March 31, 2006, MUFG adopted FIN No. 47, Accounting for Conditional Asset Retirement Obligations, an interpretation of FASB Statement No. 143.

(2) Includes the common shares potentially issuable pursuant to the 3% exchangeable guaranteed notes due 2002 and Class 2 Preferred Stock. The 3% exchangeable guaranteed notes due 2002 were redeemed in November 2002.

(3) Includes the common shares potentially issuable by conversion of the Class 2 Preferred Stock.

(4) Includes the common shares potentially issuable by conversion of the Class 11 Preferred Stock.

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- (5) Amounts include common shares and convertible Class 2 Preferred Stock. Redeemable Class 1 and Class 3 Preferred Stock are excluded.
- (6) Percentages against basic loss per common share have not been presented because such information is not meaningful.
- (7) Risk-adjusted capital ratios have been calculated in accordance with Japanese banking regulations, based on information derived from MUFG's consolidated financial statements prepared in accordance with Japanese GAAP.

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Mitsubishi UFJ Securities was formed on October 1, 2005 through the merger between Mitsubishi Securities and UFJ Tsubasa Securities. Mitsubishi Securities was formed on September 1, 2002 through the merger of Tokyo-Mitsubishi Securities, Tokyo-Mitsubishi Personal Securities, KOKUSAI Securities and Issei Securities. The following selected consolidated financial data as of and for the fiscal year ended March 31, 2002 have been derived from the audited consolidated financial statements of KOKUSAI Securities that were prepared in accordance with Japanese GAAP. The following selected consolidated financial data as of and for the fiscal years ended March 31, 2003, 2004, and 2005 have been derived from the audited consolidated financial statements of Mitsubishi Securities that were prepared in accordance with Japanese GAAP. The following selected consolidated financial data as of and for the fiscal year ended March 31, 2006 have been derived from the audited consolidated financial statements of Mitsubishi UFJ Securities that were prepared in accordance with Japanese GAAP.

The consolidated results of operations for the fiscal year ended March 31, 2003 were compiled using the actual results of KOKUSAI Securities for the period from April 1, 2002 to August 31, 2002 (the last date before the merger that formed Mitsubishi Securities) and the actual results of Mitsubishi Securities for the seven-month period ended March 31, 2003. The consolidated results of operations for the fiscal year ended March 31, 2006 were compiled using the actual results of Mitsubishi Securities for the period from April 1, 2005 to September 30, 2005 (the last date before the merger that formed Mitsubishi UFJ Securities) and the actual results of Mitsubishi UFJ Securities for the six-month period ended March 31, 2006.

	Fiscal years ended March 31,				
	2002	2003	2004	2005	2006
	(in millions, except for per share data and number of shares)				
Statement of operations data:					
Revenues	¥ 43,495	¥ 63,142	¥ 136,321	¥ 155,541	¥ 309,622
Interest expense	2,208	2,234	9,009	23,604	53,183
Net revenues	41,287	60,908	127,312	131,937	256,439
Selling, general and administrative expenses	73,120	83,787	99,277	110,738	164,999
Operating income (loss)	(31,833)	(22,879)	28,035	21,199	91,440
Income (loss) before income taxes	(33,097)	(49,245)	27,790	16,776	81,793
Income taxes	808	4,240	(7,574)	(1,234)	20,899
Minority interests in net income (loss)	147	(330)	(768)	(814)	(295)
Net income (loss)	¥ (34,052)	¥ (53,155)	¥ 36,132	¥ 18,824	¥ 61,189
Balance sheet data (at year end):					
Total assets	¥ 1,256,605	¥ 2,946,697	¥ 4,714,770	¥ 7,285,214	¥ 9,874,475
Long-term debts	51,252	52,430	163,608	311,700	705,566
Shareholders' equity	218,222	335,738	375,213	390,249	698,764
Common stock	65,255	65,255	65,519	65,519	65,519
Number of shares issued (in thousands)	275,188	472,093	472,661	472,661	726,023
Return on equity (ROE) ⁽¹⁾	(14.3)%	(19.2)%	10.2%	4.9%	11.2%
Per share data:					
Basic earnings (loss) per share	¥ (126.28)	¥ (138.72)	¥ 77.31	¥ 40.15	¥ 103.22
Diluted earnings per share ⁽²⁾			72.87	37.92	98.54
Shareholders' equity per share	813.00	721.92	804.32	836.28	974.30
Cash dividends per share ⁽³⁾	¥ 9.00	¥ 3.00	¥ 9.00	¥ 9.00	¥ 20.00
	\$ 0.08	\$ 0.03	\$ 0.08	\$ 0.08	\$ 0.17

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- (1) Return on equity is calculated by dividing net income for the period by the average of shareholders' equity at the beginning and end of the relevant period.
 - (2) Diluted earnings per share for the fiscal years ended March 31, 2002 and 2003 are not provided because a net loss was recorded for these years.
 - (3) For the convenience of readers, the U.S. dollar amounts are presented as translations of Japanese yen amounts calculated using the exchange rate in effect at each respective dividend payment date.

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The table below sets forth, for each period indicated, the noon buying rate in New York City for cable transfers in Japanese yen as certified for customs purposes by the Federal Reserve Bank of New York, expressed in Japanese yen per \$1.00. On October 16, 2006, the noon buying rate was \$1.00 equals ¥119.25 and the inverse noon buying rate was ¥100 equals \$0.84.

	<u>High</u>	<u>Low</u>	<u>Period End</u>	<u>Average of Month-end Rates</u>
	(yen per dollar)			
Fiscal year ended March 31, 2002	134.77	115.89	132.70	125.64
Fiscal year ended March 31, 2003	133.40	115.71	118.07	121.10
Fiscal year ended March 31, 2004	120.55	104.18	104.18	112.75
Fiscal year ended March 31, 2005	114.30	102.26	107.22	107.28
Fiscal year ended March 31, 2006	119.07	115.89	117.48	113.67
Fiscal year ending March 31, 2007 (through October 16, 2006)	119.81	110.07	119.25	n.a.
Month of:				
April	118.66	113.79	113.79	n.a.
May	113.46	110.07	112.26	n.a.
June	116.42	111.66	114.51	n.a.
July	117.44	113.97	114.44	n.a.
August	117.35	114.21	117.35	n.a.
September	118.02	116.04	117.99	n.a.
October (through October 16, 2006)	119.81	117.66	119.25	n.a.

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The primary market for MUFG common stock is the Tokyo Stock Exchange. MUFG common stock is also listed and traded on the Osaka Securities Exchange and the Nagoya Stock Exchange in Japan. ADSs, each representing one-thousandth of a share of MUFG common stock, are listed on the NYSE under the symbol MTU .

The primary market for Mitsubishi UFJ Securities common stock is the Tokyo Stock Exchange. Mitsubishi UFJ Securities common stock is also listed and traded on the Osaka Securities Exchange and the Nagoya Stock Exchange in Japan.

The following table sets forth, for the periods indicated, the reported high and low sale prices for shares of MUFG common stock and Mitsubishi UFJ Securities common stock on the Tokyo Stock Exchange. The following table also sets forth, for the periods indicated, the reported high and low sales prices per ADS of MUFG ADSs traded on the NYSE.

	MUFG common stock ⁽¹⁾		Mitsubishi UFJ Securities common stock ⁽²⁾		MUFG ADS ⁽¹⁾	
	Price Per Share		Price Per Share		Price Per ADS	
	High	Low	High	Low	High	Low
Fiscal year ended March 31, 2002	¥ 1,350,000	¥ 688,000	¥ 1,165	¥ 495	\$ 11.27	\$ 5.15
Fiscal year ended March 31, 2003	1,060,000	438,000	865	449	8.31	3.65
Fiscal year ended March 31, 2004	1,080,000	351,000	1,487	466	10.11	2.98
Fiscal year ended March 31, 2005	1,230,000	800,000	1,574	940	10.40	7.12
Fiscal year ended March 31, 2006	1,810,000	873,000	1,930	840	15.54	7.95
Fiscal year ended March 31, 2005:						
First quarter	1,110,000	800,000	1,574	1,127	10.40	7.12
Second quarter	1,230,000	889,000	1,464	1,038	10.40	8.11
Third quarter	1,040,000	858,000	1,182	940	10.24	8.02
Fourth quarter	1,060,000	924,000	1,125	973	10.26	8.61
Fiscal year ended March 31, 2006:						
First quarter	954,000	873,000	1,011	840	8.88	8.16
Second quarter	1,530,000	905,000	1,354	898	13.05	7.95
Third quarter	1,700,000	1,320,000	1,527	1,123	14.48	11.60
Fourth quarter	1,810,000	1,460,000	1,930	1,222	15.54	12.80
Fiscal year ending March 31, 2007:						
First quarter	1,950,000	1,370,000	1,918	1,368	16.75	11.99
Second quarter	1,660,000	1,410,000	1,629	1,235	14.37	12.17
Month of:						
April	1,950,000	1,780,000	1,918	1,716	16.33	15.19
May	1,850,000	1,470,000	1,867	1,500	16.75	12.94
June	1,600,000	1,370,000	1,618	1,368	14.13	11.99
July	1,650,000	1,510,000	1,528	1,235	14.37	12.79
August	1,660,000	1,530,000	1,629	1,245	14.28	13.29
September	1,630,000	1,410,000	1,580	1,363	13.91	12.17
October (through October 16, 2006)	1,600,000	1,480,000	1,540	1,451	13.24	12.65

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- (1) For the fiscal years ended March 31, 2002, 2003, 2004 and 2005, the table sets forth the reported sale prices of MTFG shares of common stock and ADSs; for the fiscal year ended March 31, 2006, the table sets forth the sale prices of MUFG shares of common stock and ADSs.
 - (2) For the fiscal year ended March 31, 2002, the table sets forth the reported sale prices of KOKUSAI Securities shares of common stock; for the fiscal years ended March 31, 2003, 2004 and 2005, the table sets forth the reported sale prices of Mitsubishi Securities shares of common stock; for the fiscal year ended March 31, 2006, the table sets forth the reported sale prices of Mitsubishi UFJ Securities shares of common stock.

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On October 16, 2006, the last reported sale price of MUFG shares on the Tokyo Stock Exchange was ¥1,530,000 per share, and the last reported sale price of Mitsubishi UFJ Securities shares on the Tokyo Stock Exchange was ¥1,498 per share. On October 16, 2006, the last reported sale price of MUFG ADSs traded on the NYSE was \$12.90 per ADS.

Set forth below are the last reported sale prices of MUFG shares and ADSs and Mitsubishi UFJ Securities shares on _____, 2006 and _____, 2007. _____, 2006 was the day the share exchange agreement was entered into by MUFG and Mitsubishi UFJ Securities. The table also presents implied equivalent value per share of Mitsubishi UFJ Securities common stock on each date by multiplying the last reported sale price per share of MUFG common stock on the Tokyo Stock Exchange on that day by _____. The implied equivalent value per share of Mitsubishi UFJ Securities common stock indicates what Mitsubishi UFJ Securities would be worth to its shareholders if the share exchange had occurred on the relevant date and those shareholders had received _____ shares of MUFG common stock for each Mitsubishi UFJ Securities share they held, in terms of the number of MUFG shares they would receive.

**Mitsubishi UFJ Securities
common stock**