

MITSUBISHI UFJ FINANCIAL GROUP INC

Form 424B3

May 25, 2007

Table of Contents

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Registration No. 333-138106

Prospectus

Offer to Exchange

Shares of Common Stock of

## **MITSUBISHI UFJ SECURITIES CO., LTD.**

for Shares of Common Stock of

## **MITSUBISHI UFJ FINANCIAL GROUP, INC.**

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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, 2007, MUFG held Mitsubishi UFJ Securities common stock representing 62.75% of the voting rights. On March 28, 2007, 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 1.02 shares of MUFG common stock for each share of Mitsubishi UFJ Securities common stock if the share exchange becomes effective after the 1,000-to-one stock split MUFG announced in January 2007 takes effect, or at 0.00102 shares of MUFG common stock for each share of Mitsubishi UFJ Securities common stock if the share exchange becomes effective prior to such stock split. 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 September 30, 2007, and the stock split, if approved, is expected to take effect on the same day immediately prior to the effectiveness of the share exchange.

Based on the number of shares of Mitsubishi UFJ Securities capital stock issued as of March 31, 2007, MUFG expects to allocate an aggregate of 287,076,115 shares of its common stock if the allocation of shares occurs after the stock split takes effect, or an aggregate of 287,076 shares of its common stock if the allocation of shares takes place prior to such stock split, in either case representing approximately 2.6% of MUFG's issued shares as of March 31, 2007, 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.

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 June 28, 2007 at Mitsubishi UFJ Securities' principal office in Tokyo, Japan. Shareholders of record of Mitsubishi UFJ Securities as of March 31, 2007 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 May 24, 2007, the last reported sale price of shares of MUFG common stock on the Tokyo Stock Exchange was ¥1,410,000 per share. MUFG's common stock is also listed on the Osaka Securities Exchange and the Nagoya Stock Exchange in Japan. ADSs, each currently 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 May 24, 2007, the last reported sale price of the ADSs on the NYSE was \$11.48 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 12 of this prospectus.**

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**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.**

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The date of this prospectus is May 25, 2007.

**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<u>References to Additional Information</u>	iii
<u>Presentation of Financial and Other Information</u>	iii
<u>Questions and Answers About the Share Exchange</u>	1
<u>Summary</u>	7
<u>Risk Factors</u>	12
<u>Cautionary Statement Concerning Forward-Looking Statements</u>	16
<u>Selected Consolidated Financial Data of MUFG</u>	18
<u>Selected Consolidated Financial Data of Mitsubishi UFJ Securities</u>	23
<u>Exchange Rates</u>	25
<u>Market Price and Dividend Information</u>	26
<u>Shareholders Meeting of Mitsubishi UFJ Securities</u>	28
<u>The Share Exchange</u>	31
<u>Japanese Foreign Exchange and Certain Other Regulations</u>	50
<u>Taxation</u>	52
<u>Legal Matters</u>	56
<u>Limitations on Enforcement of U.S. Laws</u>	56
<u>Experts</u>	56
<u>Where You Can Obtain More Information</u>	57
<u>Incorporation of Documents by Reference</u>	57
<u>Annex A: English Translation of Share Exchange Agreement, Dated March 28, 2007</u>	A-1
<u>Annex B: Unaudited Pro Forma Combined Financial Information</u>	B-1
<u>Annex C: Unaudited Reverse Reconciliation of Selected Financial Information of MUFG</u>	C-1
<u>Annex D: English Translation of Articles 785 and 786 of the Company Law of Japan</u>	D-1
<u>Annex E: English Translation of Fairness Opinion, Dated March 28, 2007, Delivered by Merrill Lynch Japan Securities Co., Ltd. to the Board of Mitsubishi UFJ Securities</u>	E-1

**Table of Contents**

**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 JUNE 21, 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](#).

**PRESENTATION OF FINANCIAL AND OTHER 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, other than MUFG, 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 March 28, 2007 between MUFG and Mitsubishi UFJ Securities. As the context requires, references to [we](#), [our](#) and [us](#) are to the combined business and operations of MUFG and its consolidated subsidiaries as well as MUFG.

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.

Unless otherwise specified, all historical financial and other disclosure contained in this prospectus has been prepared without giving effect to the proposed 1,000-to-one stock split of MUFG and the proposed adoption of a unit share system by MUFG. If the proposed stock split and adoption of a unit share system is approved by the shareholders of MUFG, such proposed transactions will become effective on or about September 30, 2007 immediately prior to the effectiveness of the share exchange, and as a result, shareholders of Mitsubishi UFJ Securities, other than MUFG, will receive shares after the proposed stock split and adoption of unit share system become effective. For additional information about the stock split and the unit share system, please see [Questions and Answers About the Share Exchange](#) [Q. How will trading in shares of Mitsubishi UFJ Securities common stock be affected in connection with the completion of the share exchange?](#) .



**Table of Contents**

**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, 2007, MUFG held Mitsubishi UFJ Securities common stock representing 62.75% 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 March 28, 2007, 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 for the share exchange, other than MUFG, will receive 1.02 shares of MUFG common stock for each share of Mitsubishi UFJ Securities common stock if the share exchange becomes effective after the 1,000-to-one stock split MUFG announced in January 2007 takes effect, or 0.00102 shares of MUFG common stock for each share of Mitsubishi UFJ Securities common stock if the share exchange becomes effective prior to such stock split.

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

A. Yes. The board of directors of Mitsubishi UFJ Securities recommends that shareholders vote for the share exchange.

**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

## **Table of Contents**

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.

### **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 September 30, 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 March 31, 2007 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, 2007, MUFG held 62.75% 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. 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 with respect to each unit share of common stock.

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**Table of Contents**

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 Securities. Completed mail-in voting cards must be received no later than 5:00 p.m. (Japan time) on June 27, 2007. If you are a Mitsubishi UFJ Securities shareholder not resident in Japan, 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 or custodian 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.evotep.jp>) and inputting a log-in ID and password. Internet voting is available only in Japanese. Voting rights exercised through the Internet must be exercised no later than 5:00 p.m. (Japan time) on June 27, 2007.

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

- A. The record date is March 31, 2007. Accordingly, holders of at least one unit share of Mitsubishi UFJ Securities common stock of record as of the record date are eligible to vote at the shareholders meeting to be held on June 28, 2007. Holders of shares issued after March 31, 2007, such as shares that may be issued after March 31, 2007 as a result of convertible or exchangeable securities (which were issued prior to March 31, 2007) 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 before the above-described deadline. By attending the shareholders meeting in person or having another shareholder who has voting rights and whom you appoint as your attorney-in-fact 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 and whom you have appointed 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 before the above-described deadline. By attending the shareholders meeting in person or having another shareholder who has voting rights and whom

## **Table of Contents**

you appoint as your attorney-in-fact 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.

**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, during the period starting 20 days and ending 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 approval of the terms of the share exchange agreement 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.

**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 become the sole holder of Mitsubishi UFJ Securities common stock, and all shares of Mitsubishi UFJ Securities will be delisted from the Tokyo Stock Exchange, the Osaka Securities Exchange and the Nagoya Stock Exchange in Japan on or around September 25, 2007 (the final day of trading being September 21, 2007).

## **Table of Contents**

The shares of MUFG common stock to be allocated on the effective date of the share exchange are 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, which are traded on the New York Stock Exchange, or NYSE, in the United States.

Each ADS currently represents one-thousandth of one share of MUFG's common stock. On January 31, 2007, MUFG announced a plan to conduct a stock split pursuant to which each share of its common stock will be split into 1,000 shares as of September 30, 2007, if approved by MUFG shareholders at its June 28, 2007 shareholders meeting. In connection with this stock split, the ratio of the ADSs in relation to the underlying shares of MUFG common stock will be adjusted to one ADS to one share of MUFG common stock.

Concurrently with the stock split, MUFG is planning to adopt a unit share system, subject to approval by its shareholders, whereby one unit of common stock will be comprised of 100 shares. Consequently, for all sales taking place following the stock split, it is planned that the 1,000 shares resulting from the split of each share of MUFG common stock will be sold in 100-share units.

Subject to approval by MUFG shareholders at the June 28, 2007 shareholders meeting, the stock split and the unit share system are expected to become effective on September 30, 2007 immediately prior to the effectiveness of the share exchange.

**Q. Will I receive interim dividends from Mitsubishi UFJ Securities on shares of Mitsubishi UFJ Securities common stock for the first half of the fiscal year ending March 31, 2008?**

A. No. Mitsubishi UFJ Securities has not adopted the interim dividend system and, accordingly, does not pay interim dividends.

**Q. Will I receive interim dividends from MUFG on shares of MUFG common stock for the first half of the fiscal year ending March 31, 2008?**

A. Yes. Under the current schedule and assuming the share exchange is approved, as of September 30, 2007, holders of Mitsubishi UFJ Securities common stock will become holders of MUFG common stock. Accordingly, holders of Mitsubishi UFJ Securities common stock as of September 30, 2007 will receive any interim dividends that MUFG may pay on shares of MUFG common stock for the first half of the fiscal year ending March 31, 2008.

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

A. As long as non-resident shareholders of Mitsubishi UFJ Securities (as defined in *Taxation Japanese Taxation*) 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.

**Q. What are the material U.S. federal income tax consequences of the share exchange?**

A. 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.

**Table of Contents**

- (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.
- (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 Material U.S. Federal Income Tax Consequences](#) for a more detailed description of U.S. federal income tax matters.

**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.

4-1, Marunouchi 2-chome

Chiyoda-ku, Tokyo 100-6317

Japan

Telephone: +81-3-6213-6584



**Table of Contents**

**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 ¥183.8 trillion as of September 30, 2006 and net income of ¥363.5 billion for the fiscal year ended March 31, 2006 and ¥279.9 billion for the six months ended September 30, 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, 2007, MUFG held Mitsubishi UFJ Securities common stock representing 62.75% 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, 2007, Mitsubishi UFJ Securities had 120 offices, including its head office and branches, of which 37 were part of MUFG Plazas.



Mitsubishi UFJ Securities address is:

Mitsubishi UFJ Securities Co., Ltd.

4-1, Marunouchi 2-chome

Chiyoda-ku, Tokyo 100-6317

Japan

Telephone: +81-3-6213-8500

### **The Share Exchange (Page 31)**

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 March 28, 2007, the MUFG and Mitsubishi UFJ Securities entered into a share exchange agreement setting forth the final terms of the share exchange.

## **Table of Contents**

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 June 28, 2007, and if the other conditions to completing the share exchange are satisfied, the share exchange is expected to be completed on or around September 30, 2007.

As of March 31, 2007, MUFG held Mitsubishi UFJ Securities common stock representing 62.75% 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 on the Tokyo Stock Exchange as of March 27, 2007, the last full trading day prior to the companies entering into and announcing the share exchange agreement, the aggregate value of the shares of MUFG common stock expected to be delivered in the share exchange was approximately ¥384.7 billion.

### **Reasons for the Share Exchange (Page 31)**

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 29)**

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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 June 28, 2007 at its head office in Tokyo, Japan. Under the Company Law of Japan, the notice of convocation of a shareholders meeting must be sent at

## **Table of Contents**

least two weeks in advance to all shareholders of record having voting rights. For shareholders not resident in Japan, Mitsubishi UFJ Securities will send 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 June 12, 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 March 28, 2007.

At the shareholders meeting of Mitsubishi UFJ Securities, holders of record as of March 31, 2007 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, 2007, MUFG held 62.75% 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 March 31, 2007, MUFG, its directors, executive officers and corporate auditors and their respective affiliates held of record approximately 63.14% of the voting rights of Mitsubishi UFJ Securities common stock, and less than 0.1% 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 March 31, 2007, Mitsubishi UFJ Securities, its directors, executive officers and corporate auditors and their respective affiliates (excluding MUFG) held of record approximately 0.01% of the voting rights of Mitsubishi UFJ Securities common stock, and less than 0.1% 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 28)**

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.

## **Table of Contents**

### **No Solicitation of Proxies, Consents or Authorizations (Page 30)**

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 their 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 45)**

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 47)**

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 terms 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, during the period starting 20 days and ending 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 52)**

#### **Japanese Taxation**

As long as non-resident shareholders of Mitsubishi UFJ Securities (as defined in [Taxation](#) [Japanese Taxation](#) ) 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.

#### **Material U.S. Federal Income Tax Consequences**

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.

**Table of Contents**

- (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** **Material U.S. Federal Income Tax Consequences** for a more detailed description of U.S. federal income tax matters.

**Risk Factors (Page 12)**

In determining whether to vote to approve the terms of the share exchange agreement, you should carefully consider the risk factors beginning on page 12 of this prospectus.

**Accounting Treatment of the Share Exchange (Page 48)**

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

**Trading Markets (Page 26)**

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 currently representing one-thousandth of a share of MUFG common stock, are listed on the NYSE.

**Summary Market Price Information (Page 26)**

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 and disregarding the effect of the 1,000-to-one stock split MUFG announced in January 2007, on August 28, 2006, the last trading day preceding public announcement of the proposed share exchange, on March 27, 2007, the last trading day preceding the day on which the share exchange agreement was entered into, and on May 24, 2007.

<b>Mitsubishi UFJ Securities common stock</b>	<b>Mitsubishi UFJ Securities common stock</b>	<b>MUFG common stock</b>
<b>(historical)</b>		<b>(historical)</b>



		(implied equivalent value)	
August 28, 2006	¥ 1,440	¥ 1,612	¥ 1,580,000
March 27, 2007	1,354	1,367	1,340,000
May 24, 2007	1,416	1,438	1,410,000

**Where to Find More Information (Page 57)**

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>).

**Table of Contents**

**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 and MUFG's current report on Form 6-K relating to MUFG's financial review and unaudited consolidated financial statements under U.S. GAAP as of and for the six months ended September 30, 2005 and 2006 filed with the SEC on March 29, 2007, 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 1.02 shares of MUFG common stock if the share exchange becomes effective after the 1,000-to-one stock split MUFG announced in January 2007 takes effect, or 0.00102 shares of MUFG common stock if the share exchange becomes effective prior to such stock split. The ratio at which Mitsubishi UFJ Securities common stock will be exchanged for MUFG common stock is generally fixed, and generally 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 13 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.*

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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.

## **Table of Contents**

***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.

***If the 1,000-to-one stock split MUFG announced in January 2007 does not become effective prior to the effectiveness of the share exchange, holders of shares of Mitsubishi UFJ Securities common stock may suffer adverse financial consequences.***

MUFG plans to conduct a stock split pursuant to which each share of MUFG common stock will be split into 1,000 shares immediately prior to the effectiveness of the share exchange on September 30, 2007. MUFG publicly announced the proposed stock split in January 2007, and as a result, the market price of MUFG common stock may already reflect the perceived impact of this stock split. As MUFG announced in January 2007, however, the proposed stock split is subject to approval by MUFG shareholders at the June 28, 2007 shareholders meeting. If the stock split is not implemented as planned, our stock price could be adversely affected.

Moreover, if the stock split does not become effective as planned, a larger number of holders of shares of Mitsubishi UFJ Securities common stock will be required to receive cash in lieu of fractional shares of MUFG common stock. Holders of shares of Mitsubishi UFJ Securities common stock who receive cash may suffer adverse tax consequences compared to the tax consequences of receiving shares of MUFG common stock.

## **Risk Factors Relating to Recent Developments**

***Recent changes in the business environment for consumer finance companies in Japan have adversely affected our recent financial results, and may further adversely affect our future financial results.***

We have a large loan portfolio to the consumer lending industry as well as large shareholdings of consumer finance companies. The Japanese government is implementing regulatory reforms affecting the consumer lending industry. In December 2006, the Diet passed legislation to reduce the maximum permissible interest rate under the Investment Deposit and Interest Rate Law, which is currently 29.2% per annum, to 20% per annum. The reduction in the maximum permissible interest rate will be gradually implemented in phases from 2007 through 2010, at the latest, and the reduction of the maximum interest rate is scheduled to go into effect by 2010. Under the reforms, all interest rates will be subject to the lower limits (15-20% per annum) imposed by the Interest Rate Restriction Law, which will compel lending institutions to lower the interest rates they charge borrowers.

Currently, consumer finance companies that satisfy certain conditions are able to charge interest rates exceeding the limits stipulated by the Interest Rate Restriction Law. Accordingly, MUFG's consumer finance subsidiary and an equity method investee offer loans at interest rates

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above the Interest Rate Restriction Law. During the past year, the Supreme Court of Japan passed decisions concerning interest exceeding the limits stipulated by the Interest Rate Restriction Law, and the business environment for consumer finance companies in Japan has been altered in favor of borrowers, and borrowers' demands for reimbursement of excess interest have significantly increased in the past 12 months.

These and other related developments may adversely affect the operations and financial condition of our subsidiaries, other affiliated entities and borrowers which are engaged in consuming lending, which in turn may affect the value of our related shareholdings and loan portfolio. For example, there may be increases in the

## Table of Contents

allowance for repayment of excess interest at our consumer finance subsidiary. In the six months ended September 30, 2006, we recognized ¥151.5 billion of impairment of intangible assets, as a result of the downward revision of expected future cash flows at a consumer finance subsidiary. Moreover, one of our equity method investees in the consumer finance business increased its allowance for the same period, which had a negative impact of ¥49.1 billion on equity in earnings (losses) of equity method investees. These developments may also adversely affect our projections of future taxable income, which in turn may negatively affect our deferred tax assets. Additionally, the reforms may negatively affect market perception of our consumer lending operations, thereby adversely affecting the financial results from those operations.

*We have recently been subject to several regulatory actions for noncompliance with legal requirements. These regulatory matters and any future regulatory matters could have a negative impact on our business and results of operations.*

We conduct our business subject to ongoing regulation and associated regulatory compliance risks, including the effects of changes in the laws, regulations, policies, voluntary codes of practice and interpretations in Japan and the other markets in which we operate. Our compliance risk management systems and programs may not be fully effective in preventing all violations of laws, regulations and rules.

The Financial Services Agency of Japan and regulatory authorities in the United States and elsewhere also have the authority to conduct, at any time, inspections to review banks' accounts, including those of our bank subsidiaries. Some of our other financial services businesses, such as our securities business, are also subject to regulations set by, and inspections conducted by, various self-regulatory organizations, such as the National Securities Dealers Association in the United States. In December 2006, we and The Bank of Tokyo-Mitsubishi UFJ, Ltd., or BTMU, entered into a written agreement with the Federal Reserve Banks of San Francisco and New York and the New York State Banking Department, and Bank of Tokyo-Mitsubishi UFJ Trust Company, or BTMUT, a subsidiary of BTMU, consented to an Order to Cease and Desist issued by the Federal Deposit Insurance Corporation and the New York State Banking Department, to strengthen the compliance framework and operations of BTMU, its New York Branch and BTMUT, respectively, regarding anti-money laundering controls and processes. As a result of the written agreement and the consent to the Order to Cease and Desist, we are required to implement corrective measures, submit periodic progress reports to the authorities and take other actions. We expect to incur some expenses relating to such efforts including consulting fees, personnel costs and IT related investments.

Separately, in February 2007, BTMU received an administrative order from the Financial Services Agency of Japan in respect of compliance management at certain of its operations regarding the occurrence of certain inappropriate transactions. The administrative order requires temporary suspensions of credit extensions to new corporate customers, training of all staff and directors regarding compliance, temporary suspension of the establishment of new domestic corporate business locations, strengthening of the management and internal control framework, presentation and implementation of a business improvement plan, and reports on the progress of such business improvement plan. Also, in January 2006, Mitsubishi UFJ Securities received a business improvement order from the Financial Services Agency of Japan following a recommendation by the Securities and Exchange Surveillance Commission of Japan based upon the ascertainment of certain facts constituting an infringement of applicable laws and regulations concerning securities transactions conducted by Mitsubishi UFJ Securities for its proprietary account.

Our failure or inability to comply fully with applicable laws and regulations could lead to fines, public reprimands, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorization to operate, adversely affecting our business and results of operations. Regulatory matters may also negatively affect our ability to obtain regulatory approvals for future strategic initiatives. Furthermore, failure to take necessary corrective action, or the discovery of violations of law in the process of further review of any of the matters mentioned above or in the process of implementing any corrective measures, could result in further regulatory action. In addition, future developments or changes in laws, regulations, policies, voluntary codes of practice, fiscal or other policies and their effects are unpredictable and beyond our control.



**Table of Contents**

*We may have difficulty achieving the benefits expected from the recently completed and planned mergers and other business combinations involving our subsidiaries and affiliates.*

In line with our ongoing strategic effort to create a leading comprehensive financial group that offers a broad range of financial products and services, we have recently completed and are planning to complete mergers and other business combinations involving some of our subsidiaries and equity method affiliates. For example, UFJ NICOS Co., Ltd. and DC Card Co., Ltd., our credit card subsidiaries, merged on April 1, 2007, with UFJ NICOS being the surviving entity. Diamond Lease Company Limited and UFJ Central Leasing Co., Ltd., equity method investees of BTMU, merged on the same day. Additionally, on April 18, 2007 BTMU completed a public tender offer to acquire additional shares of kabu.com Securities Co., Ltd., an online brokerage firm. As a result of the tender offer, we increased our ownership interest in kabu.com Securities from 30.85% to 40.36%. We currently expect to make kabu.com Securities our consolidated subsidiary under Japanese GAAP, but have not yet determined its status under U.S. GAAP. The growth opportunities and other expected benefits of these business combinations, however, may not be realized in the expected time period and unanticipated problems could arise in the integration process, including unanticipated expenses related to the integration process as well as delays or other difficulties in coordinating, consolidating and integrating personnel, information and management systems, and customer products and services. If we are unable to implement the business and operational integration of our subsidiaries and equity method affiliates, our business, results of operations, financial condition and stock price may be materially and adversely affected.



**Table of Contents**

**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;

**Table of Contents**

- 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 for the fiscal years ended March 31, 2002, 2003, 2004, 2005 and 2006, and selected balance sheet data as of March 31, 2002, 2003, 2004, 2005 and 2006, 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.

The selected consolidated financial data as of and for the six months ended September 30, 2005 and 2006 have been derived from, and should be read in conjunction with, MUFG's unaudited consolidated financial statements incorporated by reference in this prospectus, which management believes include all adjustments necessary for a fair presentation of the results of operations and financial condition for those periods. Due to the merger between MTFG and UFJ Holdings discussed above, the financial data as of and for the six months ended September 30, 2005 reflect the financial position and results of MTFG and its subsidiaries only, and the financial data as of and for the six months ended September 30, 2006 reflect the financial position and results of MUFG. The results of operations for the six-month periods are not necessarily indicative of the results for a full year's operations.

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.

**Table of Contents**

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,					Six months ended September 30,	
	2002	2003	2004	2005	2006	2005	2006
						(unaudited)	(unaudited)
	(in millions, except per share data and number of shares)						
<b>Statement of income data:</b>							
Interest income	¥ 2,006,855	¥ 1,578,069	¥ 1,417,902	¥ 1,438,701	¥ 2,530,682	¥ 810,625	¥ 1,896,566
Interest expense	934,932	537,387	425,162	469,606	882,069	324,702	710,449
Net interest income	1,071,923	1,040,682	992,740	969,095	1,648,613	485,923	1,186,117
Provision (credit) for credit losses	599,016	437,972	(114,364)	108,338	110,167	(83,636)	189,523
Net interest income after provision (credit) for credit losses	472,907	602,710	1,107,104	860,757	1,538,446	569,559	996,594
Non-interest income	352,786	832,639	1,298,665	986,810	1,067,352	566,762	909,956
Non-interest expense	1,154,932	1,175,806	1,229,405	1,129,173	2,076,125	676,189	1,349,527
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	460,132	557,023
Income tax expense (benefit)	(101,885)	67,843	355,308	303,755	165,473	157,736	276,503
Income (loss) from continuing operations before cumulative effect of a change in accounting principle	(227,354)	191,700	821,056	414,639	364,200	302,396	280,520
Income from discontinued operations net	3,605	12,277	1,946	1,493	8,973	125	(613)
Cumulative effect of a change in accounting principle, net of tax <sup>(1)</sup>	5,867	(532)		(977)	(9,662)		
Net income (loss)	¥ (217,882)	¥ 203,445	¥ 823,002	¥ 415,155	¥ 363,511	¥ 302,521	¥ 279,907
Net income (loss) available to common shareholders	¥ (222,050)	¥ 190,941	¥ 815,021	¥ 408,318	¥ 156,842	¥ 300,135	¥ 39,734

**Table of Contents**

	Fiscal years ended March 31,					Six months ended September 30,	
	2002	2003	2004	2005	2006	2005	2006
						(unaudited)	(unaudited)
	(in millions, except per share data and number of shares)						
<b>Amounts per share:</b>							
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	¥ 45,884.17	¥ 4,043.59
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	45,903.29	3,982.16
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	45,784.76	4,012.52
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	45,803.88	3,951.09
Number of shares used to calculate basic earnings per common share (in thousands)	5,555	5,617	6,350	6,510	8,121	6,538	9,978
Number of shares used to calculate diluted earnings per common share (in thousands)	5,555	5,863 <sup>(2)</sup>	6,517 <sup>(3)</sup>	6,516 <sup>(3)</sup>	8,121 <sup>(4)</sup>	6,538	9,978 <sup>(4)</sup>
Cash dividends per share declared during the period:							
Common share	¥ 4,127.63	¥ 6,000.00	¥ 4,000.00	¥ 6,000.00	¥ 9,000.00	¥ 6,000.00	¥ 4,000.00
	\$ 33.21	\$ 50.26	\$ 33.41	\$ 55.46	\$ 79.30	\$ 54.41	\$ 34.43
Preferred share (Class 1)	¥ 41,250.00	¥ 123,750.00	¥ 82,500.00	¥ 82,500.00	¥ 41,250.00	¥ 41,250.00	
	\$ 331.99	\$ 1,024.65	\$ 725.09	\$ 772.49	\$ 374.08	\$ 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	¥ 7,069.00	¥ 30,000.00
					\$ 312.99	\$ 64.11	\$ 258.24
Preferred share (Class 8 <sup>5</sup> )							¥ 15,900.00
							\$ 136.87
Preferred share (Class 9 <sup>6</sup> )							