

MITSUBISHI UFJ FINANCIAL GROUP INC

Form 6-K

May 28, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

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

For the month of May, 2008

MITSUBISHI UFJ FINANCIAL GROUP, INC.

(Translation of registrant's name into English)

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

Tokyo 100-8330, Japan

(Address of principal executive offices)

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

Form 20-F X Form 40-F

**[Indicate by check mark whether the registrant by furnishing the information
contained in this Form is also thereby furnishing the information to the Commission
pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.]**

Yes No X

SIGNATURES

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

Date: May 28, 2008

Mitsubishi UFJ Financial Group, Inc.

By: /S/ Ryutaro Kusama

Name: Ryutaro Kusama

Title: Chief Manager, General Affairs
Corporate Administration Division

Mitsubishi UFJ Financial Group, Inc.

Mitsubishi UFJ NICOS Co., Ltd.

Regarding the Share Exchange Agreement to Make Mitsubishi UFJ NICOS Co., Ltd.

a Wholly Owned Subsidiary of Mitsubishi UFJ Financial Group, Inc.

Tokyo, May 28, 2008 At their respective board meetings held today, Mitsubishi UFJ Financial Group, Inc. (MUFG) and Mitsubishi UFJ NICOS Co., Ltd. entered into a Share Exchange Agreement, subject to approval by the general shareholders' meeting of Mitsubishi UFJ NICOS scheduled for June 27, 2008 and the relevant authorities, under which Mitsubishi UFJ NICOS will become a wholly owned subsidiary of MUFG by means of a share exchange transaction (the "Share Exchange"), as originally planned in the September 20, 2007 memorandum of understanding between the two companies.

1. Purpose of Making Mitsubishi UFJ NICOS a Wholly Owned Subsidiary By Means of the Share Exchange

(1) Purpose of Share Exchange

On September 20, 2007, in order to deal with changes in the regulatory environment and the development and expansion of the credit card market, MUFG and Mitsubishi UFJ NICOS agreed in a memorandum of understanding that MUFG would underwrite the entirety of a third-party allotment of new shares in the amount of 120 billion yen to be conducted by Mitsubishi UFJ NICOS, and that Mitsubishi UFJ NICOS would become a wholly owned subsidiary of MUFG by means of a share exchange followed by the delisting of Mitsubishi UFJ NICOS. The agreement was made with the following objectives: (1) to strengthen the financial foundation of Mitsubishi UFJ NICOS, (2) to further enhance the strategic integrity and flexibility of the MUFG Group, including Mitsubishi UFJ NICOS, and to strive for effective utilization of managerial resources within the Group, (3) to clearly position Mitsubishi UFJ NICOS as a core business entity of the MUFG Group on par with banks, trusts, and securities firms, and (4) to further strengthen and nurture the card business operated by Mitsubishi UFJ NICOS as a strategic focus of MUFG's consumer finance business.

Based on the aforementioned memorandum, on November 6, 2007, MUFG underwrote the entirety of a third-party allotment of new shares in the amount of 120 billion yen, and today, MUFG and Mitsubishi UFJ NICOS have entered into a Share Exchange Agreement under which Mitsubishi UFJ NICOS will become a wholly owned subsidiary of MUFG by means of a share exchange.

Through the Share Exchange, MUFG hopes to respond to its customers' needs for sophistication and diversification in a more comprehensive and efficient manner and meet the expectations of its shareholders, including current shareholders of Mitsubishi UFJ NICOS.

Mitsubishi UFJ NICOS has also received approval of the Share Exchange from The Bank of Tokyo-Mitsubishi UFJ, Ltd., which owns 669,397,696 shares of Mitsubishi UFJ NICOS common stock, and the Norinchukin Bank, which owns 9,036,675 shares of Mitsubishi UFJ NICOS common stock and 50,000,000 shares of Mitsubishi UFJ NICOS Class 1 stock.

(2) Expected Delisting

Through the Share Exchange, Mitsubishi UFJ NICOS will become a wholly owned subsidiary of MUFG, and in accordance with the listing rules of the Tokyo Stock Exchange Group, Inc., following the appropriate procedures, Mitsubishi UFJ NICOS common stock is expected to be delisted on July 28, 2008 (the final day of trading being July 25, 2008). After the delisting, it will no longer be possible to buy and sell Mitsubishi UFJ NICOS common stock on the Tokyo Stock Exchange.

(3) Measures to Ensure Fairness

As a measure to ensure a fair and appropriate Share Exchange Ratio, as explained in section 2(3)(1) below, both companies referred to calculations by separate and independent third-party institutions. The companies agreed on a Share Exchange Ratio as a result of negotiations and discussions making reference to analyses of the calculations of the third-party institutions. In addition, MUFG has received an opinion from Nomura Securities Co., Ltd. to the effect that the Share Exchange Ratio for the common stock is fair to MUFG from a financial perspective. Mitsubishi UFJ NICOS has received an opinion from KPMG FAS Co., Ltd. (KPMG) to the effect that the Share Exchange Ratio is fair to the holders of the common stock (other than MUFG and its affiliates) from a financial perspective. Furthermore, as explained in subsection (4) below, an Independent Evaluation Committee was established at Mitsubishi UFJ NICOS to review the fairness of the Share Exchange Ratio, and the Committee's opinion was given the utmost importance in determining the Share Exchange Ratio.

(4) Measures to Avoid Conflicts of Interest

Because the Share Exchange will be carried out by Mitsubishi UFJ NICOS and MUFG, which owns 75.77% of the voting rights of Mitsubishi UFJ NICOS, special procedures were implemented to protect the minority shareholders of Mitsubishi UFJ NICOS and ensure fairness in the Share Exchange.

Specifically, an Independent Evaluation Committee consisting of one outside director (Noboru Matsuda, attorney-at-law) and two outside experts (Shinichi Kasahara, attorney-at-law, and Eiji Asada, CPA) was formed at the Mitsubishi UFJ NICOS board meeting on November 8, 2007, and the Committee reviewed (1) whether the Share Exchange improves the corporate value of Mitsubishi UFJ NICOS, (2) whether the consideration (the Share Exchange Ratio) was fair, and (3) whether shareholder interests were taken into consideration through fair procedures.

The Independent Evaluation Committee met 10 times during the period between February 25, 2008 and May 27, 2008 and carefully discussed the above review items with Mitsubishi UFJ NICOS's outside advisors (legal advisor: Nishimura & Asahi, accounting and tax advisor: KPMG AZSA & Co., third-party appraiser: KPMG) in attendance. The Independent Evaluation Committee received explanations from representatives of Mitsubishi UFJ NICOS and the outside experts regarding the influence of the Share Exchange on the corporate value of Mitsubishi UFJ NICOS, the methods and procedures for calculating the Share Exchange Ratio, the content of the Share Exchange Agreement, the state of negotiation of the Share Exchange Agreement, including the Share Exchange Ratio, and other matters relating to the Share Exchange. The Committee also reviewed the calculations and analysis that Mitsubishi UFJ NICOS received from KPMG, the advice received from the outside advisors, and other data received by Mitsubishi UFJ NICOS, and confirmed the content of KPMG's opinion on the Share Exchange Ratio. As a result of its discussions, the Committee presented the following opinions in writing at the Mitsubishi UFJ NICOS board meeting on May 27, 2008: (1) it is reasonable to determine that the Share Exchange would improve the corporate value of Mitsubishi UFJ NICOS, (2) it is reasonable to determine that the Share Exchange Ratio is fair, and (3) it is reasonable to determine that shareholder interests were considered in the Share Exchange through fair procedures. In the board meeting on May 28, 2008 after careful deliberation regarding the fairness of the terms and procedures of the Share Exchange in which the board reviewed the opinion of the Independent Evaluation Committee, the board of directors of Mitsubishi UFJ NICOS unanimously approved the decision to enter into the Share Exchange Agreement.

Tadachiyo Osada, a director of Mitsubishi UFJ NICOS and a corporate officer at MUFG and the Bank of Tokyo-Mitsubishi UFJ, had potential conflicts of interest regarding the Share Exchange because of his positions on the MUFG side. Accordingly, Mr. Osada excused himself from all discussions regarding the Share Exchange for which his presence was not necessary, and did not participate in the vote or the decision.

2. Outline of the Share Exchange

(1) Schedule for the Share Exchange

Execution of the memorandum of understanding:	September 20, 2007
Record date for general shareholders' meeting:	March 31, 2008
Board meeting to approve the Share Exchange:	May 28, 2008
Execution of the Share Exchange Agreement:	May 28, 2008
General shareholders' meeting to approve the Share Exchange (Mitsubishi UFJ NICOS):	June 27, 2008 (tentative)
Final day of trading (Mitsubishi UFJ NICOS):	July 25, 2008 (tentative)
Delisting date (Mitsubishi UFJ NICOS):	July 28, 2008 (tentative)