

MITSUBISHI UFJ FINANCIAL GROUP INC
Form F-3ASR
February 28, 2006
Table of Contents

As filed with the U.S. Securities and Exchange Commission on February 28, 2006

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM F-3
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's name into English)

Japan
(State or other jurisdiction
of incorporation or organization)

None
(I.R.S. Employer
Identification Number)

7-1, Marunouchi 2-chome
Chiyoda-ku, Tokyo 100-8330, Japan

+81-3-3240-8111

(Address and telephone number of registrant's principal executive offices)

MUFG Capital Finance 1 Limited
MUFG Capital Finance 2 Limited
MUFG Capital Finance 3 Limited

(Exact name of each registrant as specified in its charter)

Cayman Islands (State or other jurisdiction of incorporation or organization)	None (I.R.S. Employer Identification Number)
c/o M&C Corporate Services Limited, P.O. Box 309GT, Uglan House, South Church Street, George Town Grand Cayman, Cayman Islands	
(Address and telephone number of registrants principal executive offices)	

Attention: Robert E. Hand, Esq.
General Counsel
Mitsubishi UFJ Financial Group, Inc., Corporate Governance Division for the United States
1251 Avenue of the Americas
New York, New York 10020-1104
+1-212-782-4000

(Name, address and telephone number of agent for service)

With copies to:
Tong Yu, Esq.
Paul, Weiss, Rifkind, Wharton & Garrison LLP
Fukoku Seimei Bldg. 2F

Edgar Filing: MITSUBISHI UFJ FINANCIAL GROUP INC - Form F-3ASR

2-2 Uchisaiwai-cho 2-chome

Chiyoda-ku, Tokyo 100-0011, Japan

+81-3-3597-8101

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. "

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please 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(c) 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 registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. x

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. "

(Calculation of Registration Fee table on following page.)

Table of Contents**Calculation of Registration Fee**

Title of Each Class of Securities to be Registered	Amount to be Registered⁽¹⁾⁽²⁾	Proposed Maximum Offering Price Per Unit⁽¹⁾⁽²⁾	Proposed Maximum Aggregate Offering Price⁽¹⁾⁽²⁾	Amount of Registration Fee⁽³⁾
Debt securities				
Preferred securities of MUFG Capital Finance 1 Limited, MUFG Capital Finance 2 Limited and MUFG Capital Finance 3 Limited	\$ 5,000,000,000	100%	\$ 5,000,000,000	\$ 535,000
Subordinated guarantees in connection with the preferred securities of MUFG Capital Finance 1 Limited, MUFG Capital Finance 2 Limited and MUFG Capital Finance 3 Limited ⁽⁴⁾				
Total	\$ 5,000,000,000	100%	\$ 5,000,000,000	\$ 535,000

(1) Not applicable pursuant to Form F-3 General Instruction II.F.

(2) There are being registered under this registration statement such indeterminate principal amount of debt securities of Mitsubishi UFJ Financial Group, Inc. and indeterminate number of shares of preferred securities of MUFG Capital Finance 1 Limited, MUFG Capital Finance 2 Limited and MUFG Capital Finance 3 Limited as may from time to time be issued at indeterminable prices. Any securities registered under this registration statement may be sold separately or as units with other securities registered under this registration statement. The proposed maximum initial offering price per unit will be determined, from time to time, by the registrant in connection with the issuance by the registrant of the securities registered under this registration statement.

(3) Deferred in reliance upon Rule 456(b) and Rule 457(r), except for \$535,000 in registration fees including \$37,000.00 in registration fees previously paid in connection with the registration statement on Form F-3 (Reg. No. 333-98061) initially filed by Mitsubishi Tokyo Financial Group, Inc. on August 12, 2002 with respect to securities not sold thereunder. Pursuant to Rule 457(o) under the Securities Act, such unutilized filing fee may be applied to the filing fee payable pursuant to this Registration Statement.

(4) No separate consideration will be received for the subordinated guarantees in connection with the preferred securities.

Table of Contents

The information in this prospectus supplement and the accompanying prospectus is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement dated February 28, 2006

PROSPECTUS SUPPLEMENT

(To prospectus dated February 28, 2006)

MUFG Capital Finance 1 Limited

\$ Fixed/Floating Rate Non-Cumulative Preferred Securities

MUFG Capital Finance 2 Limited

Fixed/Floating Rate Non-Cumulative Preferred Securities

MUFG Capital Finance 3 Limited

¥ Fixed/Floating Rate Non-Cumulative Preferred Securities

in each case fully and unconditionally guaranteed on a subordinated basis by

Mitsubishi UFJ Financial Group, Inc.

MUFG Capital Finance 1 Limited is issuing non-cumulative preferred securities, each with a liquidation preference of \$1,000 per preferred security, MUFG Capital Finance 2 Limited is issuing non-cumulative preferred securities, each with a liquidation preference of 1,000 per preferred security, and MUFG Capital Finance 3 Limited is issuing non-cumulative preferred securities, each with a liquidation preference of ¥10,000,000 per preferred security. The dollar-denominated preferred securities, euro-denominated preferred securities and yen-denominated preferred securities are collectively referred to as the preferred securities, and MUFG Capital Finance 1 Limited, MUFG Capital Finance 2 Limited and MUFG Capital Finance 3 Limited are collectively referred to as the finance subsidiaries. The payment of dividends and payments on liquidation or redemption with respect to the preferred securities will be fully and unconditionally guaranteed on a subordinated basis by Mitsubishi UFJ Financial Group, Inc., or MUFG.

The preferred securities will entitle holders to receive a non-cumulative preferential cash dividend starting on July 25, 2006 and then on January 25 and July 25 of each year thereafter. The finance subsidiaries will not be obligated to pay dividends on the preferred securities upon the occurrence of certain events relating to the financial condition of MUFG, as described under Description of the Preferred Securities Dividends and Dividend Suspension Suspension of Dividends.

For the period until July 25, 2016, dividends on the dollar-denominated preferred securities will be calculated at an annual rate of % of the liquidation preference. From (and including) July 25, 2016, dividends on the dollar-denominated preferred securities will be calculated at a floating rate per annum equal to six-month LIBOR in U.S. dollars plus % per annum payable semi-annually in arrears on January 25 and July 25 of each year.

For the period until July 25, 2016, dividends on the euro-denominated preferred securities will be calculated at an annual rate of % of the liquidation preference. From (and including) July 25, 2016, dividends on the euro-denominated preferred securities will be calculated at a floating rate per annum equal to six-month EURIBOR plus % per annum payable semi-annually in arrears on January 25 and July 25 of each year.

Edgar Filing: MITSUBISHI UFJ FINANCIAL GROUP INC - Form F-3ASR

For the period until July 25, 2016, dividends on the yen-denominated preferred securities will be calculated at an annual rate of _____ % of the liquidation preference. From (and including) July 25, 2016, dividends on the yen-denominated preferred securities will be calculated at a floating rate per annum equal to six-month LIBOR in yen plus _____ % per annum payable semi-annually in arrears on January 25 and July 25 of each year.

The dollar-denominated and euro-denominated preferred securities are subject to redemption in whole or in part on any dividend payment date on or after July 25, 2016, the yen-denominated preferred securities are subject to redemption in whole or in part on any dividend payment date on or after July 25, 2011 and the preferred securities are subject to redemption in whole (but not in part) at any time upon the occurrence of specified events, in each case at the option of each of the finance subsidiaries and after having obtained the prior approval of the Financial Services Agency of Japan if then required.

The finance subsidiaries have been formed for the purpose of applying the proceeds of the preferred securities to purchase and hold preferred shares issued by special purpose companies controlled by our subsidiary, The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Approval-in-principle has been received for the listing of each of the dollar-denominated preferred securities, the euro-denominated preferred securities and the yen-denominated preferred securities on the Singapore Exchange Securities Trading Limited, or the Singapore Stock Exchange. The Singapore Stock Exchange takes no responsibility for the correctness of any of the statements made or opinions or reports contained in this prospectus supplement. Admission of the preferred securities to the official list of the Singapore Stock Exchange is not to be taken as an indication of the merits of the issuers or of the preferred securities.

Investing in the preferred securities involves risks that are described in Risk Factors Relating to the Preferred Securities beginning on page S-17 of this prospectus supplement and Risk Factors beginning on page 4 of the accompanying prospectus.

	Per dollar-denominated	Per euro-denominated	Per yen-denominated	
	preferred security	preferred security	preferred security	Combined Total(1)
Public offering price	\$		¥	\$
Underwriting commissions	\$		¥	\$
Proceeds, before expenses, to the issuers	\$		¥	\$
(1) Based on exchange rates of ¥ _____ = U.S.\$1.00 and _____ = U.S.\$1.00, the Federal Reserve Bank of New York's noon buying rates on _____, 2006. Neither the U.S. Securities and Exchange Commission nor any state securities commissions have approved or disapproved these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.				

The dollar-denominated preferred securities will be ready for delivery in book-entry form only through The Depository Trust Company and its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear system, and Clearstream Banking, *société anonyme*, and the euro-denominated preferred securities and the yen-denominated preferred securities will be ready for delivery in book-entry form only through a common depository on behalf of Euroclear and Clearstream, in each case on or about _____, 2006.

<i>Joint Bookrunners</i>		
	<i>Dollar-denominated preferred securities</i>	
Merrill Lynch & Co.		JPMorgan
	<i>Euro-denominated preferred securities</i>	
Merrill Lynch & Co.	Deutsche Bank	Mitsubishi UFJ Securities International plc
	<i>Yen-denominated preferred securities</i>	
Merrill Lynch & Co.	Nomura International	Mitsubishi UFJ Securities International plc

The date of this prospectus supplement is _____, 2006.

Table of Contents

TABLE OF CONTENTS

	Page
Prospectus Supplement	
<u>About This Prospectus Supplement</u>	S-3
<u>Cautionary Statement Concerning Forward-Looking Statements</u>	S-4
<u>Prospectus Supplement Summary</u>	S-6
<u>Risk Factors Relating to the Preferred Securities</u>	S-17
<u>Selected Financial Data</u>	S-20
<u>Use of Proceeds</u>	S-26
<u>Dividend Information</u>	S-27
<u>Capitalization and Indebtedness</u>	S-29
<u>Description of Finance Subsidiaries</u>	S-31
<u>Description of the Preferred Securities</u>	S-37
<u>Description of Subordinated Guarantees</u>	S-65
<u>Taxation</u>	S-68
<u>ERISA Considerations</u>	S-74
<u>Underwriting</u>	S-77
<u>Legal Matters</u>	S-83
<u>Experts</u>	S-83
<u>Where You Can Obtain More Information</u>	S-83
<u>Incorporation of Documents by Reference</u>	S-84
<u>Limitations on Enforcement of U.S. Laws</u>	S-84
<u>Selected Statistical Data for MTFG</u>	A-1
<u>Selected Statistical Data for UFJ Holdings</u>	B-1
Prospectus	
<u>About This Prospectus</u>	3
<u>Risk Factors</u>	4
<u>Cautionary Statement Concerning Forward-Looking Statements</u>	18
<u>Ratios of Earnings to Fixed Charges and Ratios of Earnings to Combined Fixed Charges and Preferred Stock Dividends</u>	20
<u>Determination of Offering Price</u>	21
<u>Unaudited Pro Forma Combined Condensed Financial Information</u>	22
<u>Selected Unaudited Pro Forma Per Share Data of MTFG and UFJ Holdings</u>	37
<u>Capitalization and Indebtedness</u>	38
<u>Use of Proceeds</u>	40
<u>Exchange Rates</u>	41
<u>Business</u>	42
<u>Description of Finance Subsidiaries</u>	52
<u>Description of Common Stock</u>	53
<u>Description of Debt Securities</u>	62
<u>Taxation</u>	74
<u>Legal Matters</u>	82
<u>Experts</u>	82
<u>Where You Can Obtain More Information</u>	82
<u>Incorporation of Documents by Reference</u>	83
<u>Limitations on Enforcement of U.S. Laws</u>	83
<u>Annex A: Excerpt from Press Release of MUFG, dated February 15, 2006, Announcing its Japanese GAAP Results for the Nine Months ended December 31, 2005</u>	A-A-1
<u>Annex B: Unaudited Reverse Reconciliation of Selected Financial Information of MTFG</u>	A-B-1

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement contains the terms of this offering. This prospectus supplement and the information incorporated by reference into this prospectus supplement adds, updates and changes information in the accompanying prospectus. If the information contained in this prospectus supplement, or the information incorporated by reference into this prospectus supplement, is inconsistent with the accompanying prospectus, this prospectus supplement or the information incorporated by reference into this prospectus supplement will apply and will supersede the information in the accompanying prospectus.

It is important for you to read and consider all information contained in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents we have referred to in *Where You Can Obtain More Information* in this prospectus supplement.

As the context requires, when we use the words *we*, *us*, *our* or *MUFG*, we mean the combined business and operations of Mitsubishi UFJ Financial Group, Inc., or formerly Mitsubishi Tokyo Financial Group, Inc., and its consolidated subsidiaries, as well as Mitsubishi UFJ Financial Group, Inc. The term *finance subsidiaries* refers to MUFG Capital Finance 1 Limited, MUFG Capital Finance 2 Limited and MUFG Capital Finance 3 Limited, three exempted companies incorporated with limited liability under Cayman Islands law that may issue preferred securities fully and unconditionally guaranteed on a subordinated basis by MUFG. Unless the context otherwise requires, references to the *merger* are to the merger between Mitsubishi Tokyo Financial Group, Inc. and UFJ Holdings, Inc. to form MUFG, which was implemented on October 1, 2005. References to *MTFG* and *UFJ Holdings* are to the Mitsubishi Tokyo Financial Group, Inc. and to UFJ Holdings, Inc., respectively, as well as to MTFG and UFJ Holdings and their respective consolidated subsidiaries, as the context requires. Unless the context otherwise requires, references in this prospectus supplement to the financial results or business of the *UFJ group* refer to those of UFJ Holdings and its consolidated subsidiaries. We use the word *you* to refer to prospective investors in the preferred securities.

In this prospectus supplement and the accompanying prospectus, references to *dollars*, *U.S.\$*, *\$* and *U.S. dollars* mean the currency of the United States, references to *euro*, *Euro* and *€* mean the currency of those member states of the European Union which are participating in the European Economic and Monetary Union pursuant to the Treaty on European Union, and references to *yen*, *¥* and *Japanese yen* mean the currency of Japan. This prospectus supplement contains a translation of some euro and Japanese yen amounts into U.S. dollars solely for your convenience.

Unless otherwise specified, the financial information presented in this prospectus supplement and the consolidated financial statements of MUFG and UFJ Holdings, which are included in or incorporated by reference into this prospectus supplement, are prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. References to *fiscal 2004* are to the fiscal year ended March 31, 2005 and references to other fiscal years have the corresponding meaning.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

Table of Contents

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

We 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 supplement and the accompanying prospectus, documents incorporated by reference, 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 without fear of litigation so long as the information is identified as forward looking and is accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in the information. We rely on this safe harbor in making forward-looking statements.

Forward-looking statements appear in a number of places in this prospectus supplement and the accompanying prospectus and include statements regarding our current intent, belief, targets or expectations or the current intent, belief, targets or expectations of our 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 benefits of the merger and realization of financial and operating synergies and efficiencies, including estimated cost savings and revenue enhancement;

the financial and regulatory environment in which we operate;

our problem loan levels and loan losses; and

the equity and foreign exchange markets.

In many, but not all cases, we use words such as aim, anticipate, believe, estimate, expect, hope, intend, may, plan, predict, should, will, would and similar expressions, as they relate to us or our management, to identify forward-looking statements. These statements reflect our 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, aimed at, believed, estimated, expected, intended or planned.

Edgar Filing: MITSUBISHI UFJ FINANCIAL GROUP INC - Form F-3ASR

Forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ from those in forward-looking statements as a result of various factors. We identify in this prospectus supplement, in Risk Factors Relating to the Preferred Securities, and the accompanying prospectus, in Risk Factors and elsewhere, important factors that could cause these differences. 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 our businesses, product lines and branch offices with those previously held by UFJ Holdings in a manner that achieves the expected benefits of our recent merger;

timing, impact and other uncertainties associated with our other or future acquisitions or combinations within relevant industries and the integration of these other future acquisitions;

changes in the monetary and interest rate policies of the Bank of Japan and other G-8 central banks;

fluctuations in the 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 we and our affiliates operate;

S-4

Table of Contents

risks of international business;

regulatory risks;

contingent liabilities;

competitive factors in the industries in which we compete, and the impact of competitive services and pricing in our market;

risks associated with debt service requirements and interest rate fluctuations;

degree of financial leverage; and

other risks referenced from time to time in our filings with the SEC.

We do not intend to update these forward-looking statements. We are under no obligation, and disclaim any obligation, to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

*This summary highlights some of the information in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. Because this is only a summary, it does not contain all of the information that may be important to you. You should read the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference carefully, including the section entitled **Risk Factors** and the consolidated financial statements and related notes of MUFJ and UFJ Holdings included in or incorporated by reference into this prospectus supplement, the accompanying prospectus and the documents incorporated by reference.*

Mitsubishi UFJ Financial Group, Inc.

Mitsubishi UFJ Financial Group, Inc. is a bank holding company incorporated as a joint stock company (*kabushiki kaisha*) under the Commercial Code of Japan. Formed through the merger between Mitsubishi Tokyo Financial Group, Inc. and UFJ Holdings, Inc. on October 1, 2005, we are the largest bank holding company in the world when measured by total assets. We are a holding company for The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation and Mitsubishi UFJ Securities Co., Ltd. Through our direct and indirect subsidiaries, we provide a broad range of financial services domestically in Japan and internationally to retail and corporate customers, including:

banking;

trust banking;

securities;

investment trusts;

credit cards and consumer finance;

leasing; and

international banking.

Our registered address is 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8330, Japan, and our telephone number is 81-3-3240-8111. Our web site address is <http://www.mufg.jp>. The information contained on our web site is not part of this prospectus supplement or the accompanying prospectus.

Edgar Filing: MITSUBISHI UFJ FINANCIAL GROUP INC - Form F-3ASR

Investing in the preferred securities offered in this offering involves risks. You should carefully consider all of the information contained in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus before investing in the preferred securities. In particular, we urge you to consider carefully the factors set forth under "Risk Factors Relating to the Preferred Securities" beginning on page S-17 of this prospectus supplement and "Risk Factors" beginning on page 4 of the accompanying prospectus.

S-6

Table of Contents

Summary of the Offering

For a more complete description of the terms of the preferred securities, the guarantees and related matters referred to in the following summary, see Description of the Preferred Securities and Description of Subordinated Guarantees.

Issuers	MUFG Capital Finance 1 Limited with respect to the dollar-denominated preferred securities; MUFG Capital Finance 2 Limited with respect to the euro-denominated preferred securities; and MUFG Capital Finance 3 Limited with respect to the yen- denominated preferred securities. Each of the finance subsidiaries is an exempted company incorporated with limited liability under the laws of the Cayman Islands and controlled by MUFG.
Guarantor	Mitsubishi UFJ Financial Group, Inc., incorporated as a joint stock company (<i>kabushiki kaisha</i>) under the Commercial Code of Japan.
Preferred Securities	<p>dollar-denominated fixed/floating rate non-cumulative preferred securities, with a par value and liquidation preference of \$1,000 per preferred security of MUFG Capital Finance 1 Limited and which will be issued in book-entry form and the underlying beneficial interest in the preferred securities will be traded in the minimum amount of \$100,000 and in integral amounts of \$1,000 thereafter;</p> <p>euro-denominated fixed/floating rate non-cumulative preferred securities, with a par value and liquidation preference of 1,000 per preferred security of MUFG Capital Finance 2 Limited and which will be issued in book-entry form and the underlying beneficial interest in the preferred securities will be traded in the minimum amount of 50,000 and in integral amounts of 1,000 thereafter; and</p> <p>yen-denominated fixed/floating rate non-cumulative preferred securities, with a par value and liquidation preference of ¥10,000,000 per preferred security of MUFG Capital Finance 3 Limited and which will be issued in book-entry form and the underlying beneficial interest in the preferred securities will be traded in the minimum amount of ¥10,000,000 and in integral amounts of ¥10,000,000 thereafter.</p>
Issue Price	<p>The issue price is:</p> <p>\$1,000 per dollar-denominated preferred security;</p> <p>1,000 per euro-denominated preferred security; and</p> <p>¥10,000,000 per yen-denominated preferred security.</p>
Issue Date	The issue date of the preferred securities is _____, 2006.
Dividends	<i>Dollar-denominated preferred securities.</i> MUFG Capital Finance 1 Limited will pay dividends on the dollar-denominated preferred

Table of Contents

securities on a non-cumulative basis (i) up to (but excluding) July 25, 2016, at a fixed rate of _____ % per annum payable semi-annually in arrears on January 25 and July 25 of each year, and (ii) from (and including) July 25, 2016, at a floating rate equal to the London inter-bank offered rate for six-month deposits in U.S. dollars plus _____ % per annum payable semi-annually in arrears on January 25 and July 25 of each year.

Euro-denominated preferred securities. MUFG Capital Finance 2 Limited will pay dividends on the euro-denominated preferred securities on a non-cumulative basis (i) up to (but excluding) July 25, 2016, at a fixed rate of _____ % per annum payable semi-annually in arrears on January 25 and July 25 of each year, and (ii) from (and including) July 25, 2016, at a floating rate equal to the Euro inter-bank offered rate for six-month deposits plus _____ % per annum payable semi-annually in arrears on January 25 and July 25 of each year.

Yen-denominated preferred securities. MUFG Capital Finance 3 Limited will pay dividends on the yen-denominated preferred securities on a non-cumulative basis (i) up to (but excluding) July 25, 2016, at a fixed rate of _____ % per annum payable semi-annually in arrears on January 25 and July 25 of each year, and (ii) from (and including) July 25, 2016, at a floating rate equal to the London inter-bank offered rate for six-month deposits in yen plus _____ % per annum payable semi-annually in arrears on January 25 and July 25 of each year.

Mandatory Suspension Event

If any of the following has occurred and is continuing:

a liquidation event, which refers to the commencement of liquidation proceedings (*seisan*), a court adjudication of a commencement of bankruptcy proceedings (*hasan*) or court approval of preparation of a reorganization plan for the abolishment of all business (*jigyo no zenbu no haishi wo naiyotosuru kousei keikakuan*) with respect to MUFG under the laws of Japan;

an insolvency event, which refers to the inability of MUFG to pay its debts (*shiharai-funo*), the liabilities of MUFG exceeding the assets of MUFG or Japanese regulatory authorities otherwise determining MUFG is insolvent; or

a regulatory event, which refers to the inability of MUFG to satisfy applicable Japanese banking regulatory requirements with respect to its minimum capital ratios;

then MUFG will deliver a suspension notice to each of the finance subsidiaries and the finance subsidiaries will pay no dividends with respect to the preferred securities on the relevant dividend payment date.

In addition, if:

a distributable profits limitation; or

a dividend limitation

Table of Contents

(each as defined below) is in effect, then MUFG will deliver a suspension notice to each of the finance subsidiaries and the finance subsidiaries will pay no dividends or reduced dividends with respect to the preferred securities on the relevant dividend payment date.

Distributable Profits Limitation. If MUFG's available distributable profits (calculated on or before the fifth business day prior to the relevant dividend payment date) are less than the aggregate amount of the dividends to be paid on the preferred securities on that dividend payment date, MUFG will deliver a suspension notice to the finance subsidiaries and the finance subsidiaries will (subject to the other limitations provided for in the memorandum and articles of association of the finance subsidiaries if, and to the extent, applicable) pay dividends on the preferred securities on that dividend payment date in an amount equal to MUFG's available distributable profits.

If MUFG has no available distributable profits, no payment of dividends on the preferred securities will be made on the relevant dividend payment date.

The method of calculating available distributable profits with respect to each dividend payment date is described more fully under Description of the Preferred Securities Suspension of Dividends Distributable Profits Limitation.

Dividend Limitation. If MUFG makes a final and conclusive declaration to pay less than the full amount of dividends on MUFG preferred shares with respect to any fiscal year, then the amount of dividends each finance subsidiary pays on its preferred securities on the dividend payment date in July of the calendar year in which that fiscal year ends and the next succeeding January will (to the extent not limited or prohibited by the distributable profits limitation and subject to the effect of any mandatory suspension event, if, and to the extent, applicable) be equal to an amount that represents the same proportion of full dividends on the preferred securities as the amount of dividends so declared on the MUFG preferred shares with respect to that immediately preceding fiscal year bore to full dividends on the MUFG preferred shares. For this purpose, full dividends will be treated as having been paid for a particular fiscal year even if no interim dividend is paid on the MUFG preferred shares if a full dividend is paid after the end of the particular fiscal year. If MUFG makes a final and conclusive declaration not to pay dividends on MUFG preferred shares with respect to a fiscal year, no dividends will be paid on the preferred securities on the dividend payment dates that occur in July of the calendar year in which that fiscal year ends and the next succeeding January.

Optional Suspension Event

If MUFG:

has no outstanding preferred shares; and

has not paid and has declared that it will not pay dividends on any of its common stock for the most recently ended fiscal year;

Table of Contents

	<p>then MUFG may, at its sole discretion, deliver a suspension notice to the finance subsidiaries on or before the fifth business day immediately preceding the dividend payment date in July of the calendar year in which that fiscal year ends and, at its sole discretion, the next succeeding January, in which case the finance subsidiaries will pay no dividends or reduced dividends with respect to the preferred securities on the relevant dividend payment date to the extent provided in any such suspension notice.</p>
Suspension Notice	<p>A suspension notice delivered by MUFG will state the applicable suspension event and the reason for the suspension or reduction of dividends and, in the case of an insolvency event involving an inability by MUFG to pay its debts or MUFG's liabilities exceeding its assets, be accompanied by a report of one representative director of MUFG or MUFG's auditors or liquidator confirming such existing or incipient insolvency. If more than one suspension event has occurred and is continuing, MUFG must specify the event that contains the most restrictive dividend payment terms in the corresponding suspension notice, and the finance subsidiaries will pay no or reduced dividends in accordance with the suspension notice.</p> <p>A suspension notice with respect to an optional suspension event will not be effective unless a valid notice or certificate limiting the payment of dividends by at least the same percentage as those on the relevant preferred securities has also been delivered by MUFG to all issuers of parity securities (each of the dollar-denominated preferred securities, euro-denominated preferred securities and yen-denominated preferred securities will be parity securities of one another as well as other similar securities).</p>
Ranking	<p>The preferred securities of each finance subsidiary will rank senior to its ordinary shares and <i>pari passu</i> without preference among themselves, except that,</p> <p>where some or all of the amount otherwise payable as dividends on the preferred securities is not paid following the occurrence of a mandatory suspension event or optional suspension event, the dividend preference of the preferred securities will (subject to the prior payment in part of the dividends on the preferred securities if the suspension notice limits but does not prohibit the payment of dividends) attach instead to the ordinary shares of the relevant finance subsidiary, and</p> <p>upon the occurrence of a liquidation event, the finance subsidiary will distribute a special dividend on its ordinary shares in priority over the preferred securities, as described below.</p>
Special Dividend	<p>Upon the occurrence of a liquidation event, each finance subsidiary will distribute as a special dividend (whether in kind or otherwise) on its ordinary shares (in priority over the preferred securities) the</p>

Table of Contents

	<p>financial assets and investments held by it other than the subordinated loan between the relevant finance subsidiary and MUFG and any amounts received or receivable under that subordinated loan.</p>
Liquidation Distributions	<p>In the event of any voluntary or involuntary dissolution, liquidation, or winding up of the finance subsidiaries, after satisfaction of liabilities to creditors, if any, the holders of the preferred securities at the time outstanding will be entitled to receive out of assets of the relevant finance subsidiaries available for distribution to shareholders, before any distribution of assets is made to holders of any junior shares, liquidation distributions in respect of each preferred security in the amount of the liquidation preference of the preferred security, plus, if applicable, an amount equal to unpaid dividends, if any, thereon with respect to the current dividend period accrued on a daily basis through (but not including) the date fixed by the finance subsidiary for redemption, but without interest and without accumulation of dividends for any prior dividend period to the extent not due and payable in respect of such period.</p>
Guarantees	<p>Under each subordinated guarantee agreement among MUFG, the relevant finance subsidiary and the relevant paying agent, MUFG will irrevocably and unconditionally, subject to the terms of subordination described below, guarantee the payment to the holders of the relevant preferred securities, regardless of any defense, right of set-off or counterclaim that the relevant finance subsidiary may have, of:</p> <p style="padding-left: 40px;">any dividends that are due and payable on any dividend payment date and not subject to an optional suspension event or mandatory suspension event;</p> <p style="padding-left: 40px;">the redemption price in respect of the preferred securities on any date of redemption of the preferred securities plus, if applicable, unpaid dividends that are due and payable on that date; and</p> <p style="padding-left: 40px;">upon any voluntary or involuntary dissolution, liquidation or winding up of the relevant finance subsidiary, the liquidation preference of the preferred securities; in each case including any additional amounts relating to the preferred securities or the subordinated guarantee.</p> <p>For purposes of the guarantees, dividends on the relevant preferred securities will be deemed due and payable in full on each dividend payment date unless a mandatory suspension event has occurred or a suspension notice has been properly delivered with respect to an optional suspension event.</p> <p>The subordinated guarantee agreement with each finance subsidiary provides that at any time a liquidation event of MUFG has occurred and is continuing, MUFG's payment obligation pursuant to the guarantee will be subordinated such that in a liquidation of MUFG, the holders of the preferred securities will have a claim entitling them</p>

Table of Contents

to substantially the same liquidation distribution to which holders of directly issued preferred shares of MUFG ranking most senior in priority as to liquidation distributions, and having a liquidation preference equal to the liquidation preference of the preferred securities, would be entitled. Any such claim will not accrue and become payable unless and until all obligations of MUFG ranking senior to the guarantees have been paid or satisfied in accordance with the relevant liquidation or reorganization proceedings.

MUFG will covenant in each subordinated guarantee agreement, for as long as the relevant preferred securities or any claims under the guarantee are outstanding, (i) to own directly or indirectly 100 per cent. of the ordinary shares of the relevant finance subsidiary, (ii) not to permit, or take any action to cause, the dissolution, liquidation or winding up of the relevant finance subsidiary, to the fullest extent permitted by law, unless MUFG is itself in liquidation, (iii) not to assign its obligations under the subordinated guarantee agreement except in the case of a merger, consolidation, corporate split or a sale, lease or other transfer of substantially all of its assets where MUFG is not the surviving entity, (iv) to procure that dividends on any parity securities are only declared or payable on the same date as the preferred securities, and (v) to pay on behalf of the relevant finance subsidiary the finance subsidiary's operating expenses or to contribute to the finance subsidiary such funds as are necessary in order to enable the finance subsidiary to pay all of its operating expenses.

If MUFG has failed to make a payment under the guarantee, a holder of the preferred securities may directly institute a proceeding in such holder's own name against MUFG for enforcement of such payment without any requirement to first bring an action against the relevant finance subsidiary or any other person or entity.

The subordinated guarantee agreement will provide a contingent obligation on the part of MUFG to pay to the relevant finance subsidiary the guarantee payments, to the extent that any such guarantee payments are claimed under the guarantee and are payable in accordance with the subordination provisions but remain unpaid. If a claim has been made under the guarantee, and such claim remains unpaid for 30 days or more, then the independent director of the relevant finance subsidiary, pursuant to the terms of the finance subsidiary's memorandum and articles of association, will be entitled to enforce the claim of the finance subsidiary under the contingent obligation without prejudice to the claims of the holders of the preferred securities under the guarantee. Pursuant to its articles, each finance subsidiary will distribute any contingent distribution it receives to the holders of the relevant preferred securities on a pro rata basis, except to the extent that any such holders received prior payment under the guarantee.

Table of Contents

Independent Director

Certain actions by each finance subsidiary must be approved by its independent director as well as by a majority of the entire board of directors. The independent director of each finance subsidiary, acting alone and without the vote or consent of the other members of the board of directors, also has the right to enforce MUFG's contingent obligation to the finance subsidiary under the relevant subordinated guarantee agreement.

Voting Rights

Unless otherwise specifically stated or expressly required by applicable law, holders of preferred securities will not be entitled to voting rights.

If a finance subsidiary fails to pay full dividends for two consecutive periods or a bankruptcy event has occurred with respect to MUFG, holders of the relevant preferred securities, by majority vote, will be entitled to remove the independent director and fill the vacancy created in relation to that position as a result of such removal or otherwise.

Redemption

Except upon the occurrence of a tax event or special event, each as described below, the dollar-denominated preferred securities and the euro-denominated preferred securities may not be redeemed prior to July 25, 2016, and the yen-denominated preferred securities may not be redeemed prior to July 25, 2011.

The preferred securities may be redeemed for cash at the option of the relevant finance subsidiary, in whole or in part, on any dividend payment date commencing in July 2011, in the case of the yen-denominated preferred securities, or July 2016, in the case of the dollar-denominated preferred securities and the euro-denominated preferred securities, at a redemption price of

\$1,000 per preferred security, in the case of the dollar-denominated preferred securities;

1,000 per preferred security, in the case of the euro-denominated preferred securities; and

¥10,000,000 per preferred security, in the case of the yen-denominated preferred securities;

in each case plus, if applicable, an amount equal to unpaid dividends, if any, on the preferred securities with respect to the current dividend period accrued on a daily basis through (but not including) the date fixed for redemption, without interest and without accumulation of dividends for any prior dividend period to the extent not due and payable in respect of that dividend period. The optional redemption rights of each finance subsidiary are independent of those of the other finance subsidiaries.

Tax Event Redemption

At any time prior to July 25, 2011, in the case of the yen-denominated preferred securities, or July 25, 2016, in the case of the dollar-

Table of Contents

Special Event Redemption

denominated preferred securities and the euro-denominated preferred securities, upon the occurrence of certain changes in tax laws that would require the finance subsidiary, MUFG or The Bank of Tokyo-Mitsubishi UFJ, Ltd. to pay certain additional taxes or any additional amounts under or with respect to the relevant preferred securities, guarantees or related subordinated loans, each finance subsidiary will have the right to redeem the relevant preferred securities, in whole but not in part, for cash at a redemption price equal to the amount specified above under Redemption. The election to redeem the preferred securities by each finance subsidiary is independent of those of the other finance subsidiaries.

At any time upon the occurrence of a special event (as described below), each finance subsidiary will have the right to redeem the relevant preferred securities, in whole but not in part, for cash at a redemption price equal to:

in the case of a redemption prior to July 25, 2011, in the case of the yen-denominated preferred securities, or July 25, 2016, in the case of the dollar-denominated preferred securities and the euro-denominated preferred securities, the relevant make-whole amount, as described under Description of the Preferred Securities Redemption Special Event Redemption; or

in the case of a redemption on or after July 25, 2011, in the case of the yen-denominated preferred securities, or July 25, 2016, in the case of the dollar-denominated preferred securities and the euro-denominated preferred securities, the amount specified above under Redemption.

The following events are the special events that would trigger a finance subsidiary's option to redeem the preferred securities as described above:

MUFG determines that the preferred securities issued by the relevant finance subsidiary may not be included in the core capital of MUFG;

the treatment of certain items on the tax returns of MUFG will not be respected by a taxing authority, as a result of which MUFG or the relevant finance subsidiary is or will be subject to more than a *de minimis* amount of additional taxes, duties or other governmental charges;

the relevant finance subsidiary or MUFG pays, or on the next dividend payment date would be obligated to pay, any additional amounts, other than as a result of the occurrence of a tax event as described above;

Bank of Tokyo-Mitsubishi UFJ is or will be required to pay any additional amounts in respect of any taxes, duties or other governmental charges with respect to payments of interest on or principal of the senior or junior subordinated loan between it and BTMU Preferred Capital 1 Limited, BTMU Preferred Capital 2

Table of Contents

Limited or BTMU Preferred Capital 3 Limited, as the case may be, in each case other than as a result of the occurrence of a tax event; or

the relevant finance subsidiary receives an opinion to the effect that there is more than an insubstantial risk that it is deemed an investment company within the meaning of the U.S. Investment Company Act of 1940.

The election to redeem the preferred securities by each finance subsidiary is independent of those of the other finance subsidiaries.

Redemption Restrictions

In all cases, redemption of the preferred securities will be subject to compliance with applicable regulatory requirements, including the prior approval of the Financial Services Agency of Japan if then required.

Additional Amounts

All payments made by each finance subsidiary and MUFG under, or with respect to, the preferred securities and the guarantees will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, as described under Description of the Preferred Securities Payment of Additional Amounts unless the relevant finance subsidiary or MUFG is required to withhold or deduct taxes by law or by the official interpretation or administration of applicable law. If a finance subsidiary or MUFG is required to withhold or deduct any amount for or on account of taxes, the relevant finance subsidiary or MUFG, as the case may be, will, subject to certain customary exceptions, pay additional amounts as may be necessary so that the net amount received by each holder of the relevant preferred securities (including those additional amounts) after the withholding or deduction (including any withholding or deduction from the additional amounts) will not be less than the amount the holder would have received if the relevant taxes had not been required to be withheld or deducted.

Security Codes

CUSIP No.:

ISIN:

Common Code:

**Dollar-denominated
Preferred Securities**

**Euro-denominated
Preferred Securities**

**Yen-denominated
Preferred Securities**

Governing Law

The terms of the preferred securities will be set forth in the memorandum and articles of association of the relevant finance subsidiary, which will be governed by the laws of the Cayman Islands. Each subordinated guarantee agreement will be governed by, and construed in accordance with, the laws of the State of New York.

Use of Proceeds

We expect to receive approximately \$, and ¥ (for an aggregate total of approximately \$) in net cash proceeds from the issuance and sale of the preferred securities in the offerings. We intend to treat the preferred securities as core capital, or

Table of Contents

Tier I capital, under applicable banking regulations in Japan. Our finance subsidiaries will use the proceeds to acquire:

dollar-denominated preferred shares issued by BTMU Preferred Capital 1 Limited in the case of MUFG Capital Finance 1 Limited,

euro-denominated preferred shares issued by BTMU Preferred Capital 2 Limited in the case of MUFG Capital Finance 2 Limited, and

yen-denominated preferred shares issued by BTMU Preferred Capital 3 Limited in the case of MUFG Capital Finance 3 Limited.

Each of BTMU Preferred Capital 1 Limited, BTMU Preferred Capital 2 Limited and BTMU Preferred Capital 3 Limited is controlled by our subsidiary, The Bank of Tokyo-Mitsubishi UFJ, Ltd., and will use the proceeds from the sale of its securities to make subordinated loans to Bank of Tokyo-Mitsubishi UFJ, which plans to use the funds to strengthen its capital base and for general corporate purposes.

Holders of the preferred securities will have no direct claim on any securities issued by BTMU Preferred Capital 1 Limited, BTMU Preferred Capital 2 Limited or BTMU Preferred Capital 3 Limited, as the case may be, and the obligations of our finance subsidiaries with respect to the preferred securities are not secured by any securities held by them.

Form

The dollar-denominated preferred securities will initially be evidenced by one or more global certificates registered in the name of Cede & Co., as nominee for DTC and its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear system, or Euroclear, and Clearstream Banking *société anonyme*, or Clearstream.

The euro-denominated preferred securities and the yen-denominated preferred securities will initially be evidenced by one or more global certificates registered in the name of and deposited with a common depository on behalf of Euroclear and Clearstream.

Except as set forth in Description of the Preferred Securities, preferred securities in certificated form will not be issued in exchange for the global certificates representing the preferred securities.

Listing

Approval-in-principle has been received for the listing of each of the dollar-denominated preferred securities, the euro-denominated preferred securities and the yen-denominated preferred securities on the Singapore Stock Exchange.

Rating

It is expected that the preferred securities will be rated Baa2 by Moody's Investor Services and BBB by Standard and Poor's.

Table of Contents

RISK FACTORS RELATING TO THE PREFERRED SECURITIES

Investing in the preferred securities involves a high degree of risk. You should carefully consider the risks described below as well as all the other information presented in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus before investing in the preferred securities.

*This prospectus supplement and the accompanying prospectus also contain forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks faced by us described below and elsewhere in this prospectus supplement and the accompanying prospectus. See **Cautionary Statement Concerning Forward-Looking Statements**.*

Holders of the preferred securities face risks associated with our financial condition.

In the event of our bankruptcy, liquidation or dissolution, the finance subsidiaries will distribute to us all of their financial assets, and holders of the preferred securities will rely primarily on our obligations under the guarantees to recover their investment. Our obligations under the guarantees will be junior in right of payment to all of our existing and future senior debt, so that in the event of a bankruptcy, liquidation or dissolution, our assets must be used to pay off our senior debt in full before any payments may be made on the guarantees. Furthermore, since the guarantor, MUFG, is a holding company, its obligations under the guarantees will be structurally subordinated to the obligations of its subsidiaries. Prospective investors are strongly urged to review carefully the risk factors regarding our business and operations included in the accompanying prospectus beginning on page 4.

Payments of dividends on the preferred securities may not be made, or will not be required to be made, under a number of circumstances, and dividends on the preferred securities are not cumulative.

Dividends on the preferred securities may not be paid in full, or at all. Under the terms of the preferred securities, the finance subsidiaries cannot pay dividends on the preferred securities on a given dividend payment date in the event of our bankruptcy, insolvency, liquidation or failure to comply with the minimum capital requirements applicable to us under Japanese banking regulations. Under the terms of the preferred securities, the finance subsidiaries will not pay any dividends, or will reduce the amount of a dividend payment, on a dividend payment date if we do not have sufficient available distributable profits under Japanese law or for the next two consecutive dividend payment dates if we have paid no, or less than full, dividends on our outstanding preferred shares in respect of the most recently ended fiscal year. In such an event, the dividend preference on the preferred securities will (immediately and automatically) attach instead to the ordinary shares of the finance subsidiaries. See

Description of the Preferred Securities Dividends and Dividend Suspension. In addition, under the terms of the preferred securities, the finance subsidiaries may, at our election, pay no dividends or reduced dividends on the preferred securities for two consecutive dividend payment dates if we have no outstanding preferred shares and have not paid and have declared that we will not pay dividends on our common stock for the most recently ended fiscal period. Due to credit-related losses, one of our predecessors, UFJ Holdings, did not pay dividends on its common stock for the fiscal years ended March 31, 2002, 2003, 2004 and 2005, and on its preferred shares for the fiscal year ended March 31, 2005. Similarly, we may not be able to pay dividends on our common stock and preferred shares in the future. If we do not pay dividends on our preferred shares, the finance subsidiaries cannot pay dividends on the preferred securities.

Under the terms of the preferred securities, the finance subsidiaries cannot pay dividends on the preferred securities if MUFG's capital ratios fall below the levels required in Japan. Currently, the applicable total risk-based capital ratio requirement is 8.0% and the risk-weighted core capital ratio requirement is 4.0%. There can be no assurance that a stricter standard or stricter calculation criteria will not be introduced in the future, which could increase the possibility of, or result in, MUFG's capital ratio falling below the levels required in Japan.

Subject to the market environment and financial conditions, we aim to repay the remainder of public funds, which were originally received by UFJ Holdings from the Resolution and Collection Corporation in the form of a preferred stock investment, by the end of the fiscal year ending March 31, 2007. The preferred stock held by the

Table of Contents

Resolution and Collection Corporation was exchanged for MUFG's preferred shares as part of the merger with UFJ Holdings. In the process of this repayment, our distributable profits available to pay dividends on the preferred securities may decrease.

Dividends on the preferred securities are non-cumulative. Accordingly, if dividends are not paid in full, or at all on a dividend payment date, holders of the preferred securities will not be entitled to receive some or all of such dividends on any subsequent dividend payment date or on any other date.

We have outstanding preferred shares that have effective priority over the preferred securities with respect to dividends under some circumstances, as well as parity shares that may reduce the dividends payable on the preferred securities.

Under the terms of the preferred securities, dividends are paid at the same proportion to full dividends as dividends on our preferred shares except that dividends on the preferred securities may only be paid to the extent of available distributable profits. In calculating the available distributable profits, the amount of dividends paid on our preferred shares is deducted. We have outstanding six classes of preferred shares. If we continue to pay dividends on our preferred shares when our distributable profits do not exceed the aggregate amount of dividends on the preferred securities, parity securities and the preferred shares, the available distributable profits for payment on the preferred securities could be reduced or depleted and prevent payment of full dividends on the preferred securities.

Additionally, we have outstanding eight series of preferred shares issued by other finance subsidiaries that fall into the category of parity securities. As the available distributable profits are divided *pro rata* between the preferred securities and parity securities, if the available distributable profits does not exceed the aggregate amount of the dividends on the preferred securities and parity securities, the dividends on the preferred securities could be reduced or depleted and prevent payment of full dividends on the preferred securities.

We retain effective control of the finance subsidiaries, and holders of the preferred securities will have voting rights only in limited circumstances.

We hold all of the issued and outstanding ordinary shares of the finance subsidiaries and have the right to elect all of their directors, including the independent director, except in certain limited circumstances. Furthermore, two of the three directors of each finance subsidiary are currently employees of MUFG. Except as expressly required by applicable law or as otherwise described immediately below, the holders of preferred securities will not be entitled to vote as a shareholder on any matter relating to or affecting the finance subsidiaries. The holders of the preferred securities by a simple majority of the votes cast on such matter at a meeting properly called and held (or by written resolution), are entitled to remove the independent director of the relevant finance subsidiary and fill any vacancy created in relation to that position, following such removal or otherwise, with an independent director nominated by such holders, if the finance subsidiary does not pay the full amount of dividends on the preferred securities on two consecutive dividend payment dates or in the event MUFG is involved in bankruptcy proceedings. In addition, the holders of preferred securities will have a right to vote on the winding up of the relevant finance subsidiary along with the ordinary shareholders of that finance subsidiary.

The preferred securities may be redeemed by the finance subsidiaries on or after July 25, 2011, in the case of the yen-denominated preferred securities, or July 25, 2016, in the case of other preferred securities, and may be redeemed prior to that date in certain circumstances; the holders may not be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as the preferred securities.

Beginning on July 25, 2011 for the yen-denominated preferred securities and on July 25, 2016 for the other preferred securities, the relevant finance subsidiaries will have the option to redeem their preferred securities in their sole discretion on any subsequent dividend payment date at the applicable redemption price. In addition, the preferred securities may be redeemed by the relevant finance subsidiaries prior to July 25, 2011 or July 25, 2016, as the case may be, upon the occurrence of a tax event. A tax event shall be deemed to occur upon a change in

Table of Contents

tax laws that requires a finance subsidiary to be subject to more than a *de minimis* amount of additional taxes, a finance subsidiary or MUFG to pay any additional amounts under or with respect to the relevant preferred securities or The Bank of Tokyo-Mitsubishi UFJ, Ltd. to pay any additional amounts under or with respect to the senior and junior subordinated loans between it and its relevant subsidiary. The preferred securities may also be redeemed by each of the finance subsidiaries at any time upon the occurrence of a special event. Special events relate to the occurrence of specified events relating to tax, bank regulatory, or investment company laws, rules and regulations applicable to us and the finance subsidiaries as described under Description of the Preferred Securities Redemption. If the preferred securities are redeemed, the holders may not be able to reinvest the amounts received upon redemption at a rate that will provide the same return as the investment in the preferred securities.

The amount of funds available to pay dividends on the preferred securities may fall below current expectations because the method for calculating distributable profits under the terms of the preferred securities is subject to forthcoming changes in Japanese corporate law.

Under the terms of the preferred securities, the amount of distributable profits of MUFG determines the amount of funds available to pay dividends on the preferred securities. MUFG's distributable profits are equal to MUFG's profits (including earned surplus from prior years) and any other items permitted to be distributed to shareholders of MUFG as dividends pursuant to the Commercial Code and any other applicable law as derived from MUFG's audited non-consolidated financial statements prepared in accordance with Japanese GAAP and applicable Japanese laws and regulations. Japan's new Company Law was promulgated on July 26, 2005 and is expected to take effect generally from May 2006, pursuant to which the concept of distributable profits under the Commercial Code and the terms of the preferred securities will be replaced by a successor concept of distributable amounts. Although both distributable profits and distributable amounts are generally determined by reference to non-consolidated net assets of a company as at the end of the immediately preceding fiscal year, less amounts of capital and statutory reserves, distributable amounts is subject to adjustment by specified subsequent events such as acquisition or disposal of treasury shares, including those set forth in the ordinances of the Ministry of Justice. Accordingly, the amount of funds that will be available to pay dividends on the preferred securities may not meet current expectations based on historical amounts of distributable profits under the Commercial Code.

The market for the preferred securities may have limited liquidity.

There is no existing market for the preferred securities. While application has been made for the listing of the preferred securities on the Singapore Stock Exchange, there can be no assurance that any market for the preferred securities will develop or be sustained or whether, or at what price, holders of the preferred securities will be able to sell or otherwise transfer their preferred securities. Although the underwriters have informed us that they intend to make a market in the preferred securities, the underwriters are not obligated to do so, and any such market-making activity will be subject to the limits imposed by applicable law and may be interrupted or discontinued at any time without notice. If an adequate trading market for the preferred securities does not develop or is not sustained, the market price and liquidity of the preferred securities may be adversely affected. In addition, we may decide to delist the preferred securities from the Singapore Stock Exchange and may or may not seek an alternative listing for the preferred securities on another securities exchange.

The ratings on the preferred securities could be lowered.

The preferred securities have been assigned a provisional rating of Baa2 by Moody's and BBB by Standard and Poor's. In addition, other rating agencies may assign credit ratings to the preferred securities with or without any solicitation from us and without any provision of information from us. A downgrade or potential downgrade in these ratings, the assignment of a new rating that is lower than existing ratings, or a downgrade or potential downgrade in the ratings assigned to us, the finance subsidiaries or any of our respective securities could reduce the number of potential investors in the preferred securities and adversely affect the price and liquidity of the preferred securities.

Table of Contents**SELECTED FINANCIAL DATA****Selected Consolidated Financial Data of MTFG**

On April 2, 2001, we were formed as a holding company for Bank of Tokyo-Mitsubishi, Mitsubishi Trust Bank and Nippon Trust Bank. Nippon Trust Bank was formerly a majority-owned subsidiary of Bank of Tokyo-Mitsubishi and merged into Mitsubishi Trust Bank in October 2001. The business combination between Bank of Tokyo-Mitsubishi and Mitsubishi Trust Bank was accounted for under the pooling-of-interests method and, accordingly, the selected statement of operations and balance sheet data shown below for the fiscal year ended March 31, 2001 set forth the combined results of Bank of Tokyo-Mitsubishi, including Nippon Trust Bank, and Mitsubishi Trust Bank as if the combination had been in effect for all the periods presented.

Selected statement of operations data for the fiscal years ended March 31, 2001, 2002, 2003, 2004 and 2005 and selected balance sheet data as of March 31, 2001, 2002, 2003, 2004 and 2005 set forth below have been derived from our audited consolidated financial statements. The selected consolidated financial data at and for the six months ended September 30, 2004 and 2005 have been derived from, and should be read in conjunction with, our unaudited consolidated financial statements incorporated by reference in this prospectus supplement, which management believes include all adjustments necessary for a fair presentation of the results of operations and financial condition for those periods. The results of operations for the six-month period 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 our financial statements prepared in accordance with Japanese GAAP, and the average balance information, the selected financial data set forth below are derived from our financial statements prepared in accordance with U.S. GAAP.

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

	2001	Fiscal years ended March 31,				Six months ended	
		2002	2003	2004	2005	2004	2005
						(Unaudited)	(Unaudited)
		(in millions, except per share data and number of shares)					
Statement of operations data:							
Interest income	¥2,278,168	¥2,013,571	¥1,582,493	¥1,421,754	¥1,442,623	¥695,542	¥813,527
Interest expense	1,309,454	938,274	539,270	426,514	471,231	215,616	326,513
Net interest income	968,714	1,075,297	1,043,223	995,240	971,392	479,926	487,014
Provision (credit) for credit losses	783,855	598,412	437,972	(114,109)	109,502	167,059	(82,927)
Net interest income after provision (credit) for credit losses	184,859	476,885	605,251	1,109,349	861,890	312,867	569,941
Non-interest income	853,492	359,696	840,634	1,308,095	995,090	427,361	570,469
Non-interest expense	1,021,708	1,161,294	1,182,406	1,236,040	1,135,591	538,417	680,015
Income (loss) from continuing operations before income tax expense (benefit) and cumulative effect of a change in accounting principle	16,643	(324,713)	263,479	1,181,404	721,389	201,811	460,395
Income tax expense (benefit)	47,594	(99,729)	69,872	357,817	305,257	69,446	157,874
Income (loss) from continuing operations before cumulative effect of a change in accounting principle	(30,951)	(224,984)	193,607	823,587	416,132	132,365	302,521
Income (loss) from discontinued operations-net	(27,084)	1,235	10,370	(585)			
Cumulative effect of a change in accounting principle, net of tax ⁽¹⁾		5,867	(532)		(977)	(977)	
Net income (loss)	¥ (58,035)	¥ (217,882)	¥ 203,445	¥ 823,002	¥415,155	¥131,388	¥302,521
Net income (loss) available to common shareholders	¥ (66,371)	¥ (222,050)	¥ 190,941	¥ 815,021	¥408,318	¥127,909	¥300,135

Table of Contents

	2001	Fiscal years ended March 31,				Six months ended	
		2002	2003	2004	2005	2004 (Unaudited)	2005 (Unaudited)
(in millions, except per share data and number of shares)							
Amounts per share⁽²⁾:							
Basic earnings (loss) per common share income (loss) from continuing operations available to common shareholders before cumulative effect of a change in accounting principle	¥ (7,143.20)	¥(41,255.15)	¥ 32,240.37	¥128,443.00	¥62,867.28	¥19,850.94	¥45,903.29
Basic earnings (loss) per common share net income (loss) available to common shareholders	(12,067.64)	(39,976.55)	33,991.75	128,350.88	62,717.21	19,700.46	45,903.29
Diluted earnings (loss) per common share income (loss) from continuing operations available to common shareholders before cumulative effect of a change in accounting principle	(7,143.20)	(41,255.15)	29,486.78	125,123.73	62,626.69	19,743.30	45,803.88
Diluted earnings (loss) per common share net income (loss) available to common shareholders	(12,067.64)	(39,976.55)	31,164.84	125,033.96	62,476.76	19,593.10	45,803.88
Number of shares used to calculate basic earnings per common share (in thousands)	5,500	5,555	5,617	6,350	6,510	6,493	6,538
Number of shares used to calculate diluted earnings per common share (in thousands)	5,500	5,555	5,863 ⁽³⁾	6,517 ⁽³⁾	6,516 ⁽³⁾	6,504 ⁽³⁾	6,538
Cash dividends per share declared during the fiscal year							
Common shares	¥ 8,255.25	¥ 4,127.63	¥ 6,000.00	¥ 4,000.00	¥ 6,000.00	¥ 6,000.00	¥ 6,000.00
	\$ 76.31	\$ 33.21	\$ 50.26	\$ 33.41	\$ 55.46	\$ 55.46	\$ 54.41
Preferred shares (Class 1)	¥82,500.00	¥ 41,250.00	¥123,750.00	¥ 82,500.00	¥82,500.00	¥41,250.00	¥41,250.00
	\$ 763.17	\$ 331.99	\$ 1,024.65	\$ 725.09	\$ 772.49	\$ 381.31	\$ 374.08
Preferred shares (Class 2)	¥16,200.00	¥ 8,100.00	¥ 24,300.00	¥ 16,200.00	¥ 8,100.00	¥ 8,100.00	¥
	\$ 149.10	\$ 64.99	\$ 201.20	\$ 142.38	\$ 74.88	\$ 74.88	\$
Preferred shares (Class 3)	¥	¥	¥	¥	¥	¥	¥ 7,069.00
	\$	\$	\$	\$	\$	\$	\$ 64.11
(in millions)							
	2001	As of March 31,			2005	As of September 30,	
		2002	2003	2004		2004 (Unaudited)	2005 (Unaudited)
Balance sheet data:							
Total assets	¥93,472,202	¥94,360,925	¥96,537,404	¥103,699,099	¥108,422,100	¥113,294,262	¥114,674,405
Loans, net of allowance for credit losses	47,953,919	48,494,545	47,105,433	47,637,729	50,330,832	50,846,540	51,386,090
Total liabilities	90,287,654	91,738,617	93,978,776	99,854,128	104,049,003	109,467,921	109,709,815
Deposits	60,105,742	63,659,501	67,303,678	70,024,252	71,294,863	72,064,301	72,949,717
Long-term debt	4,963,455	5,183,841	5,159,132	5,659,877	5,981,747	5,477,822	6,486,017
Shareholders equity	3,184,548	2,622,308	2,558,628	3,844,971	4,373,097	3,826,341	4,964,590
Capital stock ⁽⁴⁾	956,664	973,156	1,084,708	1,084,708	1,084,708	1,084,708	1,084,708

Table of Contents

	As of March 31,					As of September 30,		
	2001	2002	2003	2004	2005	2004	2005	
							(Unaudited)	(Unaudited)
	(in millions, except percentages)							
Other financial data:								
Average balances:	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)			
Interest-earning assets	¥83,192,062	¥85,027,796	¥86,246,966	¥90,850,630	¥99,485,278	¥96,860,081	¥100,621,044	
Interest-bearing liabilities	75,645,416	78,683,185	79,658,352	84,975,055	92,365,823	89,572,079	89,634,480	
Total assets	89,322,862	92,365,532	95,478,978	102,827,850	110,829,406	108,610,640	113,024,417	
Shareholders' equity	3,445,630	3,035,140	2,432,279	3,289,783	3,880,044	3,872,352	5,103,364	
Return on equity and assets:								
Net income (loss) available to common shareholders as a percentage of total average assets	(0.07)%	(0.24)%	0.20%	0.79%	0.37%	0.23% ⁽⁷⁾	0.53% ⁽⁷⁾	
Net income (loss) available to common shareholders as a percentage of average shareholders' equity	(1.93)%	(7.32)%	7.85%	24.77%	10.52%	6.59% ⁽⁷⁾	11.73% ⁽⁷⁾	
Dividends per common share as a percentage of basic earnings per common share	(5)	(5)	17.65%	3.12%	9.57%	30.46%	13.07%	
Average shareholders' equity as a percentage of total average assets	3.86%	3.29%	2.55%	3.20%	3.50%	3.57%	4.52%	
Net interest income as a percentage of total average interest-earning assets	1.16%	1.26%	1.21%	1.10%	0.98%	0.99% ⁽⁷⁾	0.97% ⁽⁷⁾	
Credit quality data:								
Allowance for credit losses	¥ 1,716,984	¥ 1,735,180	¥ 1,360,136	¥ 888,127	¥ 740,706	¥ 938,208	¥ 617,260	
Allowance for credit losses as a percentage of loans	3.46%	3.45%	2.81%	1.83%	1.45%	1.81%	1.19%	
Nonaccrual and restructured loans, and accruing loans contractually past due 90 days or more	¥ 4,272,794	¥ 4,164,982	¥ 2,753,026	¥ 1,731,083	¥ 1,286,670	¥ 1,791,739	¥ 1,109,024	
Nonaccrual and restructured loans, and accruing loans contractually past due 90 days or more as a percentage of loans	8.60%	8.29%	5.68%	3.57%	2.52%	3.46%	2.13%	
Allowance for credit losses as a percentage of nonaccrual and restructured loans, and accruing loans contractually past due 90 days or more	40.18%	41.66%	49.41%	51.30%	57.57%	52.36%	55.66%	
Net loan charge-offs	¥ 598,362	¥ 603,404	¥ 814,811	¥ 337,124	¥ 260,927	¥ 121,181	¥ 45,160	
Net loan charge-offs as a percentage of average loans	1.21%	1.23%	1.64%	0.69%	0.51%	0.48% ⁽⁷⁾	0.18% ⁽⁷⁾	
Average interest rate spread	1.01%	1.18%	1.15%	1.06%	0.94%	0.95%	0.88%	
Risk-adjusted capital ratio calculated under Japanese GAAP ⁽⁶⁾	10.15%	10.30%	10.84%	12.95%	11.76%	10.92%	12.01%	

- (1) Effective April 1, 2001, we adopted Statement of Financial Accounting Standards (SFAS) No. 133 Accounting for Derivative Instruments and Hedging Activities, as amended by SFAS No. 137 and SFAS No. 138. On April 1, 2002, we adopted SFAS No. 142 Goodwill and Other Intangible Assets. Effective April 1, 2004, we adopted Financial Accounting Standards Board (FASB) Interpretation No. 46 (revised December 2003), Consolidation of Variable Interest Entities, an interpretation of ARB No. 51.
- (2) Amounts have been adjusted to reflect the stock-for-stock exchange creating MTFG for the fiscal year ended March 31, 2001.
- (3) 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.
- (4) Amounts include common stock and non-redeemable Class 2 preferred stock. Redeemable Class 1 and Class 3 preferred stocks are excluded.
- (5) Percentages against basic loss per common share have not been presented because such information is not meaningful.
- (6) Risk-adjusted capital ratios have been calculated in accordance with Japanese banking regulations, based on information derived from our consolidated financial statements prepared in accordance with Japanese GAAP. Ratios for the fiscal year ended March 31, 2001 represents combined risk-adjusted capital ratios of Bank of Tokyo-Mitsubishi and Mitsubishi Trust Bank before any combination-related adjustments.
- (7) Annualized.

Table of Contents**Selected Consolidated Financial Data of UFJ Holdings**

The following table sets forth certain selected consolidated financial data for UFJ Holdings and its consolidated subsidiaries as of and for the fiscal years ended March 31, 2003, 2004 and 2005. The selected consolidated statements of operations data for the fiscal years ended March 31, 2003, 2004 and 2005, and the balance sheet data as of March 31, 2004 and 2005, have been derived from, and should be read in conjunction with, the audited consolidated financial statements of UFJ Holdings incorporated by reference in this prospectus supplement. The selected consolidated financial data for UFJ Holdings and its consolidated subsidiaries as at and for the six months ended September 30, 2004 and 2005 have been derived from, and should be read in conjunction with, the unaudited consolidated financial statements of UFJ Holdings incorporated by reference in this prospectus supplement, which management believes include all adjustments necessary for a fair presentation of the results of operations and financial condition for those periods. The results of operations for the six month period are not necessarily indicative of the results for a full year's operations.

You should read the selected financial data set forth below in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations of UFJ Holdings and UFJ Holdings' consolidated financial statements and other financial data included in the documents incorporated by reference. The following data are qualified in their entirety by reference to all of that information.

	Fiscal Year Ended March 31,			Six Months Ended September 30,	
	2003	2004	2005	2004	2005
				(Unaudited)	(Unaudited)
	(in millions, except per share data and number of shares)				
Statement of operations data:					
Interest income	¥ 1,187,028	¥ 1,058,413	¥ 1,245,131	¥ 613,462	¥ 651,563
Interest expense	269,786	209,038	283,153	136,310	184,891
Net interest income	917,242	849,375	961,978	477,152	466,672
Provision for loan losses	511,898	313,124	91,866	202,398	75,714
Net interest income after provision for loan losses	405,344	536,251	870,112	274,754	390,958
Non-interest income	544,436	1,149,967	1,171,383	524,523	488,356
Non-interest expense	1,214,154	979,912	1,182,721	550,564	617,622
Income (loss) before income tax expense, cumulative effect of change in accounting principle and extraordinary gain	(264,374)	706,306	858,774	248,713	261,692
Income tax expense	23,753	95,618	142,950	5,906	41,865
Income (loss) before cumulative effect of change in accounting principle and extraordinary gain	(288,127)	610,688	715,824	242,807	219,827
Cumulative effect of change in accounting principle, net of taxes ⁽¹⁾	(62,000)	(2,959)	2,942	2,942	
Extraordinary gain, net of taxes	12,319				
Net income (loss)	¥ (337,808)	¥ 607,729	¥ 718,766	¥ 245,749	¥ 219,827
Net income (loss) available to common stockholders	¥ (383,218)	¥ 579,901	¥ 678,367	¥ 219,419	¥ 205,630

Table of Contents

	At March 31,			At September 30,
	2003	2004	2005	2005
(in millions, except percentages)				(Unaudited)
Other financial data:				
Credit quality data:				
Allowance for loan losses	¥ 3,195,187	¥ 2,438,309	¥ 1,041,818	¥ 1,029,228
Allowance for loan losses as a percentage of loans	6.84%	5.37%	2.49%	2.43%
Non-accrual and restructured loans, and accruing loans contractually past due 90 days or more	¥ 7,169,794	¥ 5,084,867	¥ 2,326,852	¥ 2,225,905
Non-accrual and restructured loans, and accruing loans contractually past due 90 days or more as a percentage of loans	15.36%	11.20%	5.55%	5.25%
Allowance for loan losses as a percentage of non-accrual and restructured loans, and accruing loans contractually past due 90 days or more	44.56%	47.95%	44.77%	46.24%
Net loan charge-offs	¥ 799,315	¥ 1,068,433	¥ 1,611,149	¥ 86,823

- (1) SFAS No. 143 Accounting for Asset Retirement Obligations was adopted effective April 1, 2003. FASB Interpretation No. 46 (revised December 2003) Consolidation of Variable Interest Entities an interpretation of ARB No. 51 was adopted for the interim reporting period beginning April 1, 2004 with respect to entities created before February 1, 2003. SFAS No. 142 Goodwill and Other Intangible Assets was adopted effective April 1, 2002.
- (2) Includes the common stock obtainable on conversion of convertible preferred stock, if dilutive.

The total risk-based capital ratio of UFJ Holdings calculated under Japanese GAAP was 10.39% at March 31, 2005 and 11.67% at September 30, 2005. Risk-based capital ratios of UFJ Holdings have been calculated in accordance with Japanese banking regulations, based on information derived from UFJ Holdings consolidated financial statements prepared in accordance with Japanese GAAP.

Table of Contents

USE OF PROCEEDS

We expect to receive approximately \$, and ¥ (for an aggregate total of approximately \$) in net cash proceeds from the issuance and sale of the preferred securities in the offerings, which will be used by the finance subsidiaries to purchase preferred shares issued by BTMU Preferred Capital 1 Limited, BTMU Preferred Capital 2 Limited and BTMU Preferred Capital 3 Limited, which are special purpose finance companies established as wholly-owned special-purpose finance companies of The Bank of Tokyo-Mitsubishi UFJ, Ltd., which is our subsidiary commercial bank. Those entities in turn will use the proceeds from the sale of their preferred shares to make subordinated loans to Bank of Tokyo-Mitsubishi UFJ, which plans to use the funds to strengthen its capital base and for general corporate purposes.

These amounts are after deducting underwriting commissions and \$ of estimated aggregate expenses payable by us.

S-26

Table of Contents**DIVIDEND INFORMATION**

The following tables set forth historical information relating to dividends paid by us and UFJ Holdings on common stock and preferred shares with respect to the periods indicated:

MTFG:

	As of/Fiscal Year		
	Ended March 31,		
	2003	2004	2005
	(in billions)		
Distributable profits	¥ 643.0	¥ 674.3	¥ 716.8
Total dividends paid	33.3	46.1	45.0
<i>Preferred shares:</i>			
Interim dividend	4.2	3.8	3.4
Year-end dividend	4.2	3.5	2.4
<i>Common stock:</i>			
Interim dividend			
Year-end dividend	24.9	38.8	39.2

UFJ Holdings:

	As of/Fiscal Year		
	Ended March 31,		
	2003	2004	2005
	(in billions)		
Distributable profits	¥ 1,063.3	¥ 1,067.3	¥
Total dividends paid	14.7	12.9	
<i>Government-owned preferred shares :</i>			
Interim dividend	5.6		
Year-end dividend	5.6	11.2	
<i>Preferred shares:</i>			
Interim dividend	2.1		
Year-end dividend	1.4	1.7	
<i>Common stock:</i>			
Interim dividend			
Year-end dividend			

The following table sets forth historical information relating to dividends paid by UFJ Holdings finance subsidiaries on parity securities with respect to the periods indicated. Dividend payments were temporarily suspended on those parity securities for the fiscal year ended March 31, 2005. There were no outstanding parity securities issued by any MTFG finance subsidiary with dividends payable with respect to any such periods.

	Fiscal Year Ended		
	March 31,		
	2003	2004	2005
	(in billions)		
Dividends on parity securities	¥ 15.0	¥ 15.0	

Table of Contents

As of February 28, 2006, MUFG had 100,000 class 3 preferred shares, 27,000 class 8 preferred shares, 79,700 class 9 preferred shares, 150,000 class 10 preferred shares, one class 11 preferred share and 175,300 class 12 preferred shares issued and outstanding. Subject to the limitations specified in MUFG's articles of incorporation, the expected amount of preferred dividends payable each fiscal year for each class of MUFG preferred stock is set forth below.

class 3 preferred shares: ¥60,000 per share

class 8 preferred shares: ¥15,900 per share

class 9 preferred shares: ¥18,600 per share

class 10 preferred shares: ¥19,400 per share

class 11 preferred shares: ¥5,300 per share

class 12 preferred shares: ¥11,500 per share

Of the preferred shares listed above, classes 8, 9, 10 and 12 were newly issued in connection with our merger with UFJ Holdings in exchange for preferred shares of UFJ Holdings held by the Resolution and Collection Corporation. Subject to the market environment and financial conditions, we aim to repay such public funds by the end of the fiscal year ending March 31, 2007. On February 28, 2006, we announced the planned repurchase on March 1, 2006 of up to ¥210 billion, or up to 120,000 shares, of our common stock issued on that same date upon the conversion of 51,800 class 8 preferred shares and 12,450 class 9 preferred shares held by the Resolution and Collection Corporation.

As of February 28, 2006, we also have outstanding eight series of preferred shares, as described below, issued by other finance subsidiaries that fall into the category of parity securities.

Issuer	Issue date	Issue amount (in billions)
Sanwa Capital Finance 2 Limited	March 25, 1999	¥ 130.0
UFJ Capital Finance 1 Limited	October 24, 2001	90.0
UFJ Capital Finance 2 Limited	November 8, 2001	118.0
UFJ Capital Finance 3 Limited	November 8, 2001	10.0
UFJ Capital Finance 4 Limited	September 26, 2002	
series A		94.5
series B		11.5
series C		5.0
MTFG Capital Finance Limited	August 24, 2005	165.0
Total		¥ 624.0

We determine the amount of funds available to pay dividends based on distributable profits under the Commercial Code (which will be replaced by a successor concept of distributable amounts under the New Company Law) which is based on our non-consolidated financial results reported under Japanese GAAP. For a detailed discussion on our ability to pay dividends, see Description of Common Stock Dividends in the accompanying prospectus.

Table of Contents**CAPITALIZATION AND INDEBTEDNESS**

The following table presents our capitalization and indebtedness at September 30, 2005:

on an actual basis;

on a pro forma basis to give effect to our merger with UFJ Holdings assuming the merger was completed as of September 30, 2005; and

on a pro forma basis as further adjusted to give effect to the receipt and application of the net proceeds from the issuance and sale of the preferred securities:

	At September 30, 2005 ⁽¹⁾				Pro forma	
	Actual		Pro forma (in millions)		as adjusted	
Total short-term borrowings	¥ 21,508,694	\$ 189,856	¥ 33,813,860	\$ 298,472	¥ 33,813,860	\$ 298,472
Long-term debt:						
Obligations under capital leases	30,045	265	106,254	938	106,254	938
Unsubordinated debt ⁽²⁾	3,613,987	31,900	7,108,069	62,742	7,108,069	62,742
Subordinated debt ⁽³⁾	2,841,985	25,086	5,166,671	45,606		
Total long-term debt	6,486,017	57,251	12,380,994	109,286		
Minority interest	488,323	4,310	879,178	7,760	879,178	7,760
Shareholders' equity:						
Preferred stock (Class 1), with no par value	122,100	1,078	122,100	1,078	122,100	1,078
Preferred stock (Class 3), with no par value	125,000	1,103	125,000	1,103	125,000	1,103
Common stock, with no par value ⁽⁴⁾	1,084,708	9,575	1,084,708	9,575	1,084,708	9,575
Capital surplus ⁽⁴⁾	958,366	8,459	5,361,591	47,325	5,361,591	47,325
Retained earnings:						
Appropriated for legal reserve	239,571	2,115	239,571	2,115	239,571	2,115
Unappropriated	1,588,792	14,024	1,589,094	14,027	1,589,094	14,027
Accumulated other changes in equity from nonowner sources, net of taxes	849,750	7,501	849,750	7,501	849,750	7,501
Total	4,968,287	43,855	9,371,814	82,724	9,371,814	82,724
Less treasury stock, at cost: 7,242 common shares ⁽⁴⁾	3,697	33	3,697	33	3,697	33
Shareholders' equity net	4,964,590	43,822	9,368,117	82,691	9,368,117	82,691
Total capitalization and indebtedness	¥ 33,447,624	\$ 295,239	¥ 56,442,149	\$ 498,209	¥	\$

(1) The U.S. dollar amounts represents translations, for the convenience of readers, of yen amounts at the rate of ¥113.29 = U.S.\$1, the Federal Reserve Bank of New York's noon buying rate on September 30, 2005.

(2) MUFG issued unsubordinated bonds of ¥100.0 billion between October 1, 2005 and January 31, 2006. In addition, between October 1, 2005 and January 31, 2006, Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ

Table of Contents

- Trust Bank and Mitsubishi UFJ Securities, which are MUFG's most active subsidiaries with respect to the issuance of bonds, issued ¥123.1 billion aggregate principal amount of unsubordinated bonds. During the same period, the three subsidiaries redeemed ¥407.9 billion aggregate principal amount of unsubordinated bonds.
- (3) Between October 1, 2005 and January 31, 2006, Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust Bank and Mitsubishi UFJ Securities issued ¥237.6 billion aggregate principal amount of subordinated bonds, and redeemed ¥150.2 billion aggregate principal amount of subordinated bonds. During the same period, MUFG and the three subsidiaries obtained ¥3.0 billion aggregate principal amount of subordinated borrowings, and repaid ¥16.0 billion aggregate principal amount of subordinated borrowings.
- (4) As part of the merger, we issued common shares and class 8, class 9, class 10, class 11 and class 12 preferred shares in exchange for UFJ Holdings' common shares and shares of UFJ Holdings' class II, class IV, class V, class VI and class VII convertible preferred stock, respectively. The fair value of such common and preferred shares is included in capital surplus in the pro forma presentation above. Between October 1, 2005 and January 31, 2006, we repurchased 374,128 common shares immediately following the conversion of 121,200 class 8 preferred shares, 57,850 class 9 preferred shares and 24,700 class 12 preferred shares into common shares by the Resolution and Collection Corporation. The weighted average purchase price was ¥1,472,523 per common share. On February 28, 2006, we announced the planned repurchase on March 1, 2006 of up to ¥210 billion, or up to 120,000 shares, of our common stock issued on that same date upon the conversion of 51,800 class 8 preferred shares and 12,450 class 9 preferred shares held by the Resolution and Collection Corporation.

Table of Contents

DESCRIPTION OF FINANCE SUBSIDIARIES

General

Each of MUFG Capital Finance 1 Limited, MUFG Capital Finance 2 Limited and MUFG Capital Finance 3 Limited is a newly formed company incorporated as an exempted company with limited liability under the laws of the Cayman Islands for the purpose of:

issuing the preferred securities to investors;

issuing its ordinary shares to MUFG; and

purchasing and holding preferred shares to be issued by special purpose companies wholly owned by Bank of Tokyo-Mitsubishi UFJ to generate funds for distribution to the holders of the preferred securities.

MUFG will subscribe for and acquire:

ordinary shares of MUFG Capital Finance 1 Limited, par value \$ _____ per ordinary share, representing 100% of the voting rights of MUFG Capital Finance 1 Limited (subject to the limited voting rights of holders of the dollar-denominated preferred securities);

ordinary shares of MUFG Capital Finance 2 Limited, par value _____ per ordinary share, representing 100% of the voting rights of MUFG Capital Finance 2 Limited (subject to the limited voting rights of holders of the euro-denominated preferred securities); and

ordinary shares of MUFG Capital Finance 3 Limited, par value ¥ _____ per ordinary share, representing 100% of the voting rights of MUFG Capital Finance 3 Limited (subject to the limited voting rights of holders of the yen-denominated preferred securities).

The ordinary shares will represent all of the issued and outstanding ordinary shares of MUFG Capital Finance 1 Limited, MUFG Capital Finance 2 Limited and MUFG Capital Finance 3 Limited, respectively, and will be subscribed for and acquired at an aggregate price of \$ _____ (\$ _____ per ordinary share), _____ (_____ per ordinary share), and ¥ _____ (¥ _____ per ordinary share), respectively. Each finance subsidiary will use proceeds from the issuance of ordinary shares to meet operating expenses and extend a junior subordinated loan to MUFG.

With respect to each of the dollar-denominated preferred securities, the euro-denominated preferred securities and the yen-denominated preferred securities, MUFG will execute a subordinated guarantee agreement among it, the relevant finance subsidiary and the relevant paying agent, providing that MUFG will irrevocably and unconditionally, subject to the terms of subordination described in Description of Subordinated Guarantees, guarantee the payment of amounts due with respect to the preferred securities to the holders of the relevant preferred securities.

In each subordinated guarantee agreement, MUFG will agree with the relevant finance subsidiary that, for so long as any of the relevant preferred securities are outstanding, MUFG will maintain direct or indirect ownership of 100% of the outstanding ordinary shares of the respective finance subsidiary.

The registered address of each finance subsidiary is c/o M&C Corporate Services Limited, P.O. Box 309GT, Uglund House, South Church Street, George Town, Grand Cayman, Cayman Islands.

Table of Contents**Capitalization and Indebtedness**

The following table sets forth the capitalization and indebtedness of MUFG Capital Finance 1 Limited as adjusted to reflect the consummation of the offering of the dollar-denominated preferred securities and issuance of its ordinary shares.

	As of the Issue Date (in thousands)
Indebtedness:	
Total long-term debt	
Shareholders' equity:	
Preferred Shares (i.e., the dollar-denominated preferred securities)	
Liquidation preference \$1,000 per dollar-denominated preferred security, issued and outstanding, as adjusted	\$
Junior Shares (i.e., the ordinary shares)	
Par value \$ per share, issued and outstanding, as adjusted	
Total shareholders' equity	
Total capitalization	\$

The following table sets forth the capitalization and indebtedness of MUFG Capital Finance 2 Limited as adjusted to reflect the consummation of the offering of the euro-denominated preferred securities and issuance of its ordinary shares.

	As of the Issue Date	As of the Issue Date⁽¹⁾ (in thousands)
Indebtedness:		
Total long-term debt		
Shareholders' equity:		
Preferred Shares (i.e., the euro-denominated preferred securities)		
Liquidation preference 1,000 per euro-denominated preferred security, issued and outstanding, as adjusted		\$
Junior Shares (i.e., the ordinary shares)		
Par value per share, issued and outstanding, as adjusted		
Total shareholders' equity		
Total capitalization		\$

(1) The U.S. dollar amounts represent translations, for the convenience of readers, of euro amounts at the rate of 1.20 = U.S.\$1, the Federal Reserve Bank of New York's noon buying rate on September 30, 2005.

Table of Contents

The following table sets forth the capitalization and indebtedness of MUFG Capital Finance 3 Limited as adjusted to reflect the consummation of the offering of the yen-denominated preferred securities and issuance of its ordinary shares.

	As of the Issue Date	As of the Issue Date ⁽¹⁾ (in thousands)
Indebtedness:		
Total long-term debt		
Shareholders' equity:		
Preferred Shares (i.e., the yen-denominated preferred securities)		
Liquidation preference ¥10,000,000 per yen-denominated preferred security, issued and outstanding, as adjusted	¥	\$
Junior Shares (i.e., the ordinary shares)		
Par value ¥ per share, issued and outstanding, as adjusted		
Total shareholders' equity		
Total capitalization	¥	\$

(1) The U.S. dollar amounts represent translations, for the convenience of readers, of yen amounts at the rate of ¥113.29 = U.S.\$1, the Federal Reserve Bank of New York's noon buying rate on September 30, 2005.

Subscription for Preferred Shares of Finance Subsidiaries of Bank of Tokyo-Mitsubishi UFJ

Each finance subsidiary expects to use the proceeds of the preferred securities to purchase and hold preferred shares issued by the special purpose finance companies wholly owned by Bank of Tokyo-Mitsubishi UFJ:

MUFG Capital Finance 1 Limited will subscribe for and acquire preferred shares of BTMU Preferred Capital 1 Limited, par value \$1,000 per preferred share;

MUFG Capital Finance 2 Limited will subscribe for and acquire preferred shares of BTMU Preferred Capital 2 Limited, par value 1,000 per preferred share; and

MUFG Capital Finance 3 Limited will subscribe for and acquire preferred shares of BTMU Preferred Capital 3 Limited, par value ¥10,000,000 per preferred share.

Each of BTMU Preferred Capital 1 Limited, BTMU Preferred Capital 2 Limited and BTMU Preferred Capital 3 Limited will use the proceeds from the issuance of its preferred shares to extend subordinated loans to Bank of Tokyo-Mitsubishi UFJ. Payments made to the finance subsidiaries for their preferred shares are expected to be the only source of funds to pay dividends on the preferred securities other than the guarantees. Holders of the preferred securities will have no direct claim on any preferred shares issued by each of the special purpose finance companies controlled by Bank of Tokyo-Mitsubishi UFJ and subscribed for by the relevant finance subsidiary and the obligations of each finance subsidiary with respect to its preferred securities are not secured by any preferred shares or other securities held by them. In addition, the special dividend provision of the preferred securities described under "Description of the Preferred Securities - Liquidating Distributions" provides that following a liquidation event of MUFG, the preferred shares issued by the relevant special purpose finance companies controlled by Bank of Tokyo-Mitsubishi UFJ and owned by the relevant finance subsidiary will be distributed as a special dividend on the ordinary shares of the finance company. Accordingly, it is anticipated that following a liquidation event of MUFG the preferred securities' claim in liquidation equal to the stated liquidation preference amount will be required to be satisfied under the terms of the relevant subordinated guarantee agreement.

Table of Contents

Each finance subsidiary will continue to hold the respective preferred shares described above so long as any dollar-denominated preferred securities, euro-denominated preferred securities and yen-denominated preferred securities, as applicable, are outstanding, except upon the affirmative vote of a majority of the board and with the consent of at least two-thirds (calculated by reference to liquidation preference) of the holders of the relevant preferred securities and subject to a redemption at the time of any corresponding redemption of the relevant preferred securities in accordance with their terms.

Management

Directors

The articles of each finance subsidiary will provide that its board of directors may not comprise fewer than two or more than four members, including its independent director. No finance subsidiary expects to have any further officers or other employees.

The initial directors of each of MUFG Capital Finance 1 Limited (other than the independent director), MUFG Capital Finance 2 Limited (other than the independent director) and MUFG Capital Finance 3 Limited (other than the independent director) are Hiroyuki Nakagawa and Toyonori Takenaka, who are both employees of MUFG.

Independent Director

The articles of each finance subsidiary will require that, so long as any preferred securities issued by it are outstanding, certain actions by the finance subsidiary are subject to prior approval by its independent director. See *Description of the Preferred Securities Independent Director Approval*. Martin Couch will be the initial independent director of each of the finance subsidiaries.

Each finance subsidiary's independent director will be under a duty to consider the interests of the finance subsidiary as a whole as to all matters, including those relating to the enforcement (in some circumstances) of the relevant subordinated guarantee agreement, without reference to any conflicting interests of the MUFG as the holder of the ordinary shares of that finance subsidiary or otherwise.

Each finance subsidiary's independent director will be a member of the board of directors of the finance subsidiary and will not have been, during the preceding ten years, a director or employee of MUFG or any of its direct or indirect subsidiaries or affiliates, other than a director of any direct or indirect subsidiary of MUFG acting pursuant to provisions similar to the articles of the finance subsidiaries.

Administration and Related Matters

Prior to issuing its preferred securities, each finance subsidiary will enter into a separate management agency agreement with MUFG and Maples Finance Limited, as the management agent, pursuant to which the management agent will provide (or cause to be provided) necessary administrative, record-keeping and secretarial services to that finance subsidiary. Each finance subsidiary will pay the management agent certain fees for such services, or alternatively, MUFG will reimburse each finance subsidiary for the expense of such fees (or pay such fees directly) as an operating expense if requested by that finance subsidiary pursuant to its subordinated guarantee agreement.

Each finance subsidiary will maintain corporate records and audited financial statements that are separate from those of MUFG or any of its subsidiaries or affiliates. None of the directors of either finance subsidiary will have any direct or indirect pecuniary interest in any security to be acquired or disposed of by that finance subsidiary or in any transaction in which that finance subsidiary has an interest.

Table of Contents

Limitations on Liability of Directors

The articles of each finance subsidiary will provide that the directors and officers (if any) of that finance subsidiary and any trustee acting in relation to any of the affairs of that finance subsidiary and their heirs, executors, administrators and personal representatives, respectively, shall be indemnified out of the assets of that finance subsidiary from and against all actions, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective offices or trusts, except such (if any) as they shall incur or sustain by or through their own wilful neglect or default, respectively, and no such director, officer or trustee shall be answerable for the acts, receipts, neglects or defaults of any other director, officer or trustee or for joining in any receipt for the sake of conformity or for the solvency or honesty of any banker or other persons with whom any monies or effects belonging to that finance subsidiary may be lodged or deposited for safe custody or for any insufficiency of any security upon which any monies of that finance subsidiary may be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his office or trust unless the same shall happen through the wilful neglect or default of such finance subsidiary, officer or trustee.

Eligible Investments and Investment Policy

The investment policies of each finance subsidiary will be established by its board of directors with the prior consent of the independent director. A finance subsidiary's investment policies may be amended or modified only by the affirmative vote of its independent director and a majority of the entire board of directors of that finance subsidiary. Under the investment policies, a finance subsidiary may not hold or invest in any debts or securities (including deposits and loans) other than the preferred shares of a special purpose finance company controlled by Bank of Tokyo-Mitsubishi UFJ as described above, the junior subordinated loan extended to MUFG or other securities (including deposits and loans) issued by MUFG or its affiliates organized and resident for tax purposes outside the United States (including Bank of Tokyo-Mitsubishi UFJ). The finance subsidiaries may not hold or invest in any debts or securities which give rise to U.S. source gross income or gross income effectively connected with a conduct of a U.S. trade or business for U.S. federal income tax purposes and intend to operate in such manner that they will not give rise to such income.

Subsequent to its purchase of the relevant preferred shares, each finance subsidiary may, from time to time and in accordance with its investment policies, purchase additional eligible investments out of proceeds received in connection with (1) the issuance of additional ordinary shares; or (2) dividends received on the preferred shares or other eligible investments held by it (pending their application to pay dividends on the preferred securities or ordinary shares issued by that finance subsidiary), provided that the finance subsidiary will at all times be required to maintain its assets in a manner that will not require it to be registered as an investment company under the U.S. Investment Company Act of 1940, as amended.

Conflict of Interest Policies

Because of the nature of each finance subsidiary's relationship with MUFG and its subsidiaries and affiliates, conflicts of interest may arise with respect to certain transactions. The initial (and each finance subsidiary anticipates that all future) directors of each finance subsidiary, other than the independent director, will also be directors or employees of MUFG or its subsidiaries or affiliates. Conflicts of interest may arise between the discharge by such individuals of their duties as directors of that finance subsidiary, on the one hand, and as directors or employees of MUFG and its subsidiaries and affiliates, on the other hand. Under Cayman Islands law, (1) the board of directors of each finance subsidiary, in considering courses of action, is required to take into account the interests of that finance subsidiary as a whole; and (2) no member of the board of directors of either finance subsidiary shall have any liability to holders of the preferred securities for voting not to take action to the extent that he considered in good faith that not taking such action was in the best interests of that finance subsidiary.

Table of Contents

It is each finance subsidiary's policy that the terms of any financial dealings with MUFG and its subsidiaries and affiliates will be consistent with those terms available from unaffiliated third parties. It is the intention of each finance subsidiary and MUFG that any agreements and transactions between a finance subsidiary, on the one hand, and MUFG or its subsidiaries or affiliates, on the other hand, are fair to all parties and are consistent with arm's length terms for such types of transactions. The requirement in the articles of each finance subsidiary that certain actions of that finance subsidiary be approved by its independent director is also intended to ensure fair dealings between each finance subsidiary and MUFG and its subsidiaries and affiliates.

S-36

Table of Contents

DESCRIPTION OF THE PREFERRED SECURITIES

The preferred securities are preference shares of MUFG Capital Finance 1 Limited, MUFG Capital Finance 2 Limited and MUFG Capital Finance 3 Limited, the terms of which will be set forth in the respective memorandum and articles of association of those finance subsidiaries and are subject to provisions of the Companies Law (2004 Revision) and other laws of the Cayman Islands. The following summary sets forth the material terms of the preferred securities and, in each case, the related agency agreement. The articles of each of the finance subsidiaries and the related agency agreements are filed as exhibits to the registration statement of which this prospectus supplement and the accompanying prospectus are a part.

Par Value, Status and Ranking

The finance subsidiaries will issue the following preferred securities:

MUFG Capital Finance 1 Limited will issue preference shares denominated in U.S. dollars with a liquidation preference and par value of \$1,000 per share, referred to in this prospectus supplement as the dollar-denominated preferred securities;

MUFG Capital Finance 2 Limited will issue preference shares denominated in euros with a liquidation preference and par value of 1,000 per share, referred to in this prospectus supplement as the euro-denominated preferred securities; and

MUFG Capital Finance 3 Limited will issue preference shares denominated in Japanese yen with a liquidation preference and par value of ¥10,000,000 per share, referred to in this prospectus supplement as the yen-denominated preferred securities.

Upon issue, the preferred securities will be represented by one or more global certificates. The global certificates representing the:

dollar-denominated preferred securities will be deposited with a custodian for DTC and registered in the name of Cede & Co. as nominee of DTC, and so long as the relevant clearing systems permit, the underlying beneficial interest in the dollar-denominated preferred securities will be traded in the minimum amount of \$100,000 and in integral multiples of \$1,000 thereafter;

euro-denominated preferred securities will be deposited with a common depositary on behalf of Euroclear and Clearstream, and so long as the relevant clearing systems permit, the underlying beneficial interest in the euro-denominated preferred securities will be traded in the minimum amount of 50,000 and in integral multiples of 1,000 thereafter; and

yen-denominated preferred securities will be deposited with a common depositary on behalf of Euroclear and Clearstream, and so long as the relevant clearing systems permit, the underlying beneficial interest in the yen-denominated preferred securities will be traded in the minimum amount of at least ¥10,000,000 and in integral multiples of ¥10,000,000 thereafter.

When issued, the preferred securities will be validly issued, fully paid and non-assessable. The holders of the preferred securities will have no pre-emptive rights with respect to any securities of the relevant finance subsidiary. The preferred securities will not be convertible into ordinary shares or any other class or series of securities of the finance subsidiaries or MUFG and will not be subject to any sinking fund or other obligation of the finance subsidiaries or MUFG for its repurchase or retirement.

The preferred securities will rank *pari passu* without any preference amongst themselves and will rank senior to junior shares of the relevant finance subsidiary as to dividends and upon a dissolution, liquidation or winding up of the finance subsidiaries, except that the preferred securities will be subordinated as to payment of dividends upon the occurrence of (and to the extent of) a mandatory suspension event or optional suspension event and in the event of a special dividend as described below.

Table of Contents

The articles of each the finance subsidiaries define junior shares as the finance subsidiary's ordinary shares and all other classes and series of its equity securities ranking junior to the preferred securities. Each of the finance subsidiaries will be prohibited from paying or setting apart funds for any dividends or other distributions (other than in the form of junior shares) with respect to any junior shares or from repurchasing, redeeming or otherwise acquiring, or setting apart funds for repurchase, redemption or other acquisition of, any junior shares through a sinking fund or otherwise except to the limited extent of any dividend preference shift or the payment of a special dividend as described under Dividends and Dividend Suspension Dividend Payments below or in the event of a pro rata redemption of the ordinary shares on any redemption date of the preferred securities as described below, and unless and until:

the finance subsidiary has paid, or a sum sufficient for payment has been paid over to the preferred securities paying agent (or the registrar) for payment of, a cash dividend on the relevant preferred securities at the applicable dividend rate on that dividend payment date for the immediately preceding dividend period,

full cash dividends on the relevant preferred securities have been paid on the two immediately preceding dividend payment dates (or such lesser number of dividend payment dates in the period during which the preferred securities have been outstanding), and

the finance subsidiary has funds legally available to make such action.

So long as any preferred securities are outstanding, the ordinary shares of a finance subsidiary are not redeemable or repurchasable without the prior consent of the finance subsidiary's independent director, except in the event of a pro rata redemption of the ordinary shares of the finance subsidiary on any redemption date for the relevant preferred securities. A pro rata redemption of the ordinary shares refers to a redemption of the ordinary shares of the relevant finance subsidiary where the proportion that the aggregate issue price (including any premiums) of the ordinary shares redeemed by the finance subsidiary bears to the aggregate issue price (including any premiums) of all of the ordinary shares outstanding immediately prior to that redemption will not exceed the proportion that the aggregate liquidation preference of preferred securities contemporaneously redeemed by such finance subsidiary bears to the aggregate liquidation preference of all of the outstanding preferred securities of such finance subsidiary immediately prior to that redemption.

Upon the occurrence of a liquidation event, each finance subsidiary will distribute as a special dividend (whether in kind or otherwise) on its ordinary shares (in priority over the preferred securities) the preferred shares of BTMU Preferred Capital 1 Limited, BTMU Preferred Capital 2 Limited or BTMU Preferred Capital 3 Limited held by it, as the case may be, and any other of its financial assets and investments other than the junior subordinated loan between the finance subsidiary and MUFG and any amounts received or receivable under the junior subordinated loan.

On any dividend payment date with respect to the preferred securities, where some or all of the amount otherwise payable by a finance subsidiary as dividends on the preferred securities is not paid following the occurrence of a mandatory suspension event or an optional suspension event, the dividend preference of the preferred securities will (subject to the conditions referred to below) shift to the ordinary shares of the relevant finance subsidiary such that any payments received by the relevant finance subsidiary with respect to the securities it holds and any other eligible investments, if any, may be distributed as dividends to MUFG as registered holder of the relevant finance subsidiary's ordinary shares before dividends (if any) are paid on the preferred securities. The shift of the dividend preference upon the occurrence of a mandatory suspension event or an optional suspension event will be immediate and in full, and will not be subject to the discretion of the finance subsidiaries. Notwithstanding the above, if a suspension notice has been delivered that limits (but does not prohibit) payment of dividends on the preferred securities by a finance subsidiary, then the shift of the dividend preference and the payment of dividends to the holders of the finance subsidiary's ordinary shares is subject to the prior payment of dividends on the preferred securities to the extent permitted by such suspension notice.

Table of Contents

Eligible investments means the assets or investments that the finance subsidiaries may hold pursuant to their investment policies and consist of preferred shares of a special purpose finance company controlled by Bank of Tokyo-Mitsubishi UFJ, the junior subordinated loan extended to MUFG and other securities (including deposits and loans) issued by MUFG or its affiliates organized and resident for tax purposes outside the United States (including Bank of Tokyo-Mitsubishi UFJ). The finance subsidiaries may not hold or invest in any debts or securities (including deposits and loans) which give rise to U.S. source gross income or gross income effectively connected with a conduct of a U.S. trade or business for U.S. federal income tax purposes and intend to operate in such manner that they will not give rise to such income.

Dividends and Dividend Suspension

Dividend Payments

The rights of the holders of the preferred securities to receive dividends are non-cumulative. Accordingly, to the extent dividends are limited or prohibited (as described below) in respect of any dividend period, holders of the preferred securities will have no right to receive some or all of the dividends in respect of that dividend period and the relevant finance subsidiary will have no obligation to pay some or all of the dividends in respect of that dividend period (in addition to which, following a mandatory suspension event or to the extent limited by provision of a suspension notice with respect to an optional suspension event, MUFG will have no obligation under the guarantee with respect to any such amount), whether or not dividends are payable in respect of any future dividend period.

Dividends on the preferred securities will be payable on the dates and at the rates described below subject to the finance subsidiaries having sufficient legally available funds to make such payments and subject to the other qualifications described in this prospectus supplement. The first dividend payment date will be July 25, 2006.

Dollar-denominated preferred securities:

Fixed Rate Payments. MUFG Capital Finance 1 Limited will pay dividends on the dollar-denominated preferred securities on a non-cumulative basis from the date of issue up to (but excluding) July 25, 2016, at a fixed rate of % per annum on the liquidation preference of \$1,000 per preferred security payable semi-annually in arrears on January 25 and July 25 of each year. For this purpose, if a dividend is required to be calculated for a period of less than a fixed rate dividend period, as defined under Definitions below, then it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each, and rounding the resulting figure to the nearest cent (half a cent being rounded upwards). Up to (and including) the dividend payment date falling in July 2016, if any dividend payment date would fall on a day that is not a dollar business day, as defined under Definitions below, then payments due on such date shall be postponed to the next day which is a dollar business day and no further sum will be payable in respect of such delay. The dividend amount for the first dividend payment date of July 25, 2006, subject to the occurrence of a suspension event, will be \$ per preferred security.

Floating Rate Payments. MUFG Capital Finance 1 Limited will pay dividends on the liquidation preference amount of the dollar-denominated preferred securities on a non-cumulative basis from (and including) July 25, 2016, at a floating rate equal to the London inter-bank offered rate for six-month deposits in U.S. dollars plus % per annum payable semi-annually in arrears on January 25 and July 25 of each year. For this purpose, the dividend amount for a dollar-denominated preferred security will be calculated by applying the dividend rate to the liquidation preference of \$1,000 per preferred security and multiplying such product by the actual number of days in the floating rate dividend period, as defined under Definitions below, divided by 360 and rounding the resulting figure to the nearest cent (half a cent being rounded upwards). The determination by the calculation agent of the floating dividend rate shall (in the absence of manifest error) be final and binding upon all parties. After the dividend payment date falling in July 2016, if any dividend payment date would fall on a day that is not a dollar business day, then the dividend payment date will be postponed to the next day which is a dollar business day unless it would thereby fall into the next calendar month, in which case the dividend payment date will be the immediately preceding dollar business day.

The London inter-bank offered rate for six-month deposits in U.S. dollars will be determined by the calculation agent as being the offered rate for six-month U.S. dollar deposits that appears on the display

Table of Contents

designated as page 3750 on the Telerate Monitor (or such other page or service as may replace it for the purpose of displaying London inter-bank offered rates of major banks for U.S. dollar deposits) at 11:00 a.m. (London time) on the second London banking day, as defined under Definitions below, before the first day of each floating rate dividend period. If for any reason such offered rate does not appear or if the relevant page is unavailable, the calculation agent will request appropriate quotations and will determine the arithmetic mean of the rates (expressed as a percentage per annum) at which six-month deposits in U.S. dollars are offered by three major banks (or, if fewer than three rates are so quoted, two major banks, or, if fewer than two rates are so quoted, one major bank) in the London inter-bank market, selected by the calculation agent, at approximately 11:00 a.m., London time on relevant date to prime banks in the London inter-bank market for a period of six months and in an amount that is representative for a single transaction in the relevant market at the relevant time. If none of the banks so selected by the calculation agent are quoting rates as set forth above, the London inter-bank offered rate for six-month deposits in U.S. dollars shall remain the same as for the immediately preceding floating rate dividend period, or, if there was no preceding floating rate dividend period, the applicable dividend rate shall be the dividend rate applicable to the prior fixed rate dividend period.

Euro-denominated preferred securities:

Fixed Rate Payments. MUFG Capital Finance 2 Limited will pay dividends on the euro-denominated preferred securities on a non-cumulative basis from the date of issue up to (but excluding) July 25, 2016, at a fixed rate of % per annum on the liquidation preference of 1,000 per preferred security payable semi-annually in arrears on January 25 and July 25 of each year. For this purpose, if a dividend is required to be calculated for a period of less than a fixed rate dividend period, as defined under Definitions below, then it will be calculated on the basis of the actual number of days in such period divided by 365 (or, if any portion of that period falls in a leap year, the sum of (A) the actual number of days in that portion of that period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the period falling in a non-leap year divided by 365), and rounding the resulting figure to the nearest euro cent (half a euro cent being rounded upwards). Up to (and including) the dividend payment date falling in July 2016, if any dividend payment date would fall on a day that is not a euro business day, as defined under Definitions below, then payments due on such date shall be postponed to the next day which is a euro business day and no further sum will be payable in respect of such delay. The dividend amount for the first dividend payment date of July 25, 2006, subject to the occurrence of a suspension event, will be per preferred security.

Floating Rate Payments. MUFG Capital Finance 2 Limited will pay dividends on the liquidation preference amount of the euro-denominated preferred securities on a non-cumulative basis from (and including) July 25, 2016, at a floating rate equal to the Euro inter-bank offered rate for six-month deposits plus % per annum payable semi-annually in arrears on January 25 and July 25 of each year. For this purpose, the dividend amount for a euro-denominated preferred security will be calculated by applying the dividend rate to the liquidation preference of 1,000 per preferred security and multiplying such product by the actual number of days in the floating rate dividend period, divided by 360 and rounding the resulting figure to the nearest euro cent (half a euro cent being rounded upwards). The determination by the calculation agent of the floating dividend rate shall (in the absence of manifest error) be final and binding upon all parties. After the dividend payment date falling in July 2016, if any dividend payment date would fall on a day that is not a euro business day, then payments due on such date shall be postponed to the next day which is a euro business day unless it would thereby fall into the next calendar month, in which case the dividend payment date will be the immediately preceding euro business day.

The Euro inter-bank offered rate for six-month deposits will be determined by the calculation agent as being the offered rate for six-month euro deposits that appears on the display designated as page 248 on the Telerate Monitor (or such other page or service as may replace it for the purpose of displaying Euro inter-bank offered rates of major banks for euro deposits) at 11:00 a.m. Brussels time on the second TARGET business day before the first day of each floating rate dividend period. If for any reason such offered rate does not appear or if the relevant page is unavailable, the calculation agent will request appropriate quotations and will determine the arithmetic mean of the rates (expressed as a percentage per annum) at which six-month deposits in euro are offered by three major banks (or, if fewer than three rates are so quoted, two major banks, or, if fewer than two rates are so quoted, one major bank) in the euro-zone inter-bank market, selected by the calculation agent, at

Table of Contents

approximately 11:00 a.m., Brussels time on the relevant date to prime banks in the euro-zone inter-bank market for a period of six months and in an amount that is representative for a single transaction in the relevant market at the relevant time. If none of the banks so selected by the calculation agent are quoting rates as set forth above, the inter-bank offered rate for six-month deposits in euro shall remain the same as for the immediately preceding floating rate dividend period, or, if there was no preceding floating rate dividend period, the applicable dividend rate shall be the dividend rate applicable to the prior fixed rate dividend period.

Yen-denominated preferred securities:

Fixed Rate Payments. MUFG Capital Finance 3 Limited will pay dividends on the yen-denominated preferred securities on a non-cumulative basis from the date of issue up to (but excluding) July 25, 2016, at a fixed rate of _____ % per annum on the liquidation preference of ¥10,000,000 per preferred security payable semi-annually in arrears on January 25 and July 25 of each year. For this purpose, if a dividend is required to be calculated for a period of less than a fixed rate dividend period, then it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each, and rounding the resulting figure down to the nearest yen. Up to (and including) the dividend payment date falling in July 2016, if any dividend payment date would fall on a day that is not a yen business day, as defined under Definitions below, then payments due on such date shall be postponed to the next day which is a yen business day and no further sum will be payable in respect of such delay. The dividend amount for the first dividend payment date of July 25, 2006, subject to the occurrence of a suspension event, will be ¥ _____ per preferred security.

Floating Rate Payments. MUFG Capital Finance 3 Limited will pay dividends on the liquidation preference amount of the yen-denominated preferred securities on a non-cumulative basis from (and including) July 25, 2016, at a floating rate equal to the London inter-bank offered rate for six-month deposits in yen plus _____ % per annum payable semi-annually in arrears on January 25 and July 25 of each year. For this purpose, the dividend amount for a yen-denominated preferred security will be calculated by applying the dividend rate to the liquidation preference of ¥10,000,000 per preferred security and multiplying such product by the actual number of days in the floating rate dividend period, divided by 360 and rounding the resulting figure down to the nearest yen. The determination by the calculation agent of the floating dividend rate shall (in the absence of manifest error) be final and binding upon all parties. After the dividend payment date falling in July 2016, if any dividend payment date would fall on a day that is not a yen business day, then payments due on such date shall be postponed to the next day which is a yen business day unless it would thereby fall into the next calendar month, in which case the dividend payment date will be the immediately preceding yen business day.

The London inter-bank offered rate for six-month deposits in yen will be determined by the calculation agent as being the offered rate for six-month yen deposits that appears on the display designated as page 3750 on the Telerate Monitor (or such other page or service as may replace it for the purpose of displaying London inter-bank offered rates of major banks for yen deposits) at 11:00 a.m. (London time) on the second London banking day before the first day of each floating rate dividend period. If for any reason such offered rate does not appear or if the relevant page is unavailable, the calculation agent will request appropriate quotations and will determine the arithmetic mean of the rates (expressed as a percentage per annum) at which six-month deposits in yen are offered by three major banks (or, if fewer than three rates are so quoted, two major banks, or, if fewer than two rates are so quoted, one major bank) in the London inter-bank market, selected by the calculation agent, at approximately 11:00 a.m., London time on the relevant date to prime banks in the London inter-bank market for a period of six months and in an amount that is representative for a single transaction in the relevant market at the relevant time. If none of the banks so selected by the calculation agent are quoting rates as set forth above, the London inter-bank offered rate for six-month deposits in yen shall remain the same as for the immediately preceding floating rate dividend period, or, if there was no preceding floating rate dividend period, the applicable dividend rate shall be the dividend rate applicable to the prior fixed rate dividend period.

Table of Contents

Suspension of Dividends

Dividends will be deemed due and payable in full on each dividend payment date unless a mandatory suspension event or an optional suspension event has occurred as described below.

Mandatory Suspension Events: If (i) a liquidation event, an insolvency event or a regulatory event, each as more fully described under **Definitions** below, has occurred and is continuing, then MUFG will deliver a notice to each finance subsidiary, referred to as a suspension notice, on or before the fifth business day immediately preceding a dividend payment date, and the finance subsidiaries will pay no dividends with respect to the preferred securities on that dividend payment date (provided that, for the avoidance of doubt, the mandatory suspension event is continuing as at the fifth business day preceding the relevant dividend payment date), and (ii) if a distributable profits limitation or dividend limitation, each as described below, is in effect, then MUFG will deliver a suspension notice to each of the finance subsidiaries on or before the fifth business day immediately preceding a dividend payment date, and the finance subsidiaries will pay no dividends or reduced dividends with respect to the preferred securities on that dividend payment date.

Each of the events in (i) and (ii) above is referred to as a mandatory suspension event.

Optional Suspension Events: If MUFG (i) has no outstanding preferred shares and (ii) has not paid and has declared that it will not pay dividends on any of its common stock for the most recently ended fiscal year, then MUFG may, at its sole discretion, deliver a suspension notice to each of the finance subsidiaries on or before the fifth business day immediately preceding each of the dividend payment dates that occur in July of the calendar year in which that fiscal year ends and the next succeeding January, in which case the finance subsidiaries must, as specified in that suspension notice, pay no dividends or reduced dividends with respect to the preferred securities on the relevant dividend payment date. For the avoidance of doubt, if MUFG has declared or paid dividends (including less than full dividends) on its preferred shares for the most recently ended fiscal year, the finance subsidiaries must pay dividends on the preferred securities on the dividend payment dates that occur in July of the calendar year in which that fiscal year ends and the next succeeding January, to the extent not limited or prohibited by a mandatory suspension event, if and to the extent applicable.

Suspension Notice: A suspension notice delivered by MUFG will state the applicable mandatory suspension event or optional suspension event and the reason for the suspension or reduction of the dividend payment by the finance subsidiaries and, in the case of an insolvency event described in the first bullet point of the definition of insolvency event under **Definitions** below, must be accompanied by a report of one representative director of MUFG or MUFG's auditors or liquidator confirming the existing or incipient insolvency. If more than one mandatory suspension event or optional suspension event has occurred and is continuing, MUFG must specify in the corresponding suspension notice the event that contains the most restrictive dividend payment terms, and the finance subsidiaries will pay no dividends or reduced dividends in accordance with that suspension notice.

A suspension notice with respect to an optional suspension event will not be effective unless a valid notice or certificate limiting the payment of dividends by at least the same percentage as those on the preferred securities has also been delivered by MUFG to all issuers of parity securities, as described under **Definitions** below. For the avoidance of doubt, each of the dollar-denominated preferred securities, euro-denominated preferred securities and yen-denominated preferred securities will be parity securities of one another.

MUFG will have no obligation under the subordinated guarantees with respect to a dividend payment or a portion of a dividend payment for which a suspension notice has been properly delivered.

Distributable Profits Limitation: On or before the fifth business day immediately preceding each dividend payment date, MUFG will calculate the available distributable profits, as defined in the paragraph below, and determine whether its available distributable profits are less than the aggregate amount of the dividends on the

Table of Contents

relevant preferred securities to be paid on that dividend payment date. This type of funds shortfall is referred to as a distributable profits limitation. In the event a distributable profits limitation applies, MUFG will deliver a suspension notice to the relevant finance subsidiary on or before the fifth business day immediately preceding the relevant dividend payment date, and (subject to the other limitations provided for in the finance subsidiary's articles if, and to the extent, applicable), the relevant finance subsidiary will pay on that dividend payment date dividends on the preferred securities in an amount equal to the available distributable profits set forth in the suspension notice delivered in respect of the distributable profits limitation. If there are no available distributable profits with respect to a dividend payment date, no payment of dividends on the relevant preferred securities will be made on that dividend payment date (as specified in the suspension notice).

With respect to any dividend payment in July, the available distributable profits are defined as the distributable profits (or distributable amounts under the new Company Law of Japan) of MUFG as determined under applicable Japanese law as of the end of the most recently ended fiscal year of MUFG after deducting as of the date immediately preceding the dividend payment date:

any dividends (other than interim dividends, if any) that have been declared, finally and conclusively, to be paid in relation to any class of preferred shares of MUFG in respect of such fiscal year, and

any dividends and other distributions that have been declared since the end of such fiscal year of MUFG in relation to parity securities. With respect to any dividend payment date in January, the available distributable profits are defined as the amount by which the available distributable profits in respect of the immediately preceding dividend payment date in July exceeds the aggregate amount of:

any dividends which have been declared to be paid in relation to the preferred securities on the immediately preceding dividend payment date in July and

(as of the date immediately preceding the succeeding dividend payment date in January) any dividends and other distributions declared in relation to parity securities that have been declared on or after the immediately preceding dividend payment date in July and notified by MUFG to the finance subsidiaries on or before the fifth business day immediately preceding the succeeding dividend payment date in January (the available distributable profits will be zero if there is no such excess amount).

Despite the provisions above, if the aggregate amount of:

(1) any dividends the finance subsidiaries otherwise must or may pay to the holders of preferred securities on a dividend payment date (in July or January) and

(2) any dividends and other distributions on parity securities which must or may be paid on that date exceeds the available distributable profits that would otherwise apply on that date, the applicable available distributable profits will be reduced to the portion of available distributable profits that is in the same proportion as the amount set forth in (1) above bears to the aggregate amount set forth in (1) and (2) above.

Dividend Limitation: If MUFG makes a final and conclusive declaration to pay less than full dividends on MUFG senior preferred dividend shares (as defined under Definitions) with respect to any fiscal year of MUFG (commencing with the fiscal year ending on March 31, 2006), then the aggregate amount of dividends that the finance subsidiaries may pay on the preferred securities on the dividend payment dates that occur in July of the calendar year in which that fiscal year ends and the next succeeding January will (to the extent not limited or prohibited by the distributable profits limitation and subject to the effect of any mandatory suspension event, if, and to the extent, applicable) be equal to an amount that represents the same proportion of full dividends on the preferred securities as the amount of dividends so declared on the MUFG senior preferred dividend shares with respect to that immediately preceding fiscal year bore to full dividends on the senior preferred dividend shares. For this purpose, full dividends will be treated as having been paid for a particular fiscal year even if no

Table of Contents

interim dividend is paid on MUFG senior preferred dividend shares if a full dividend is paid after the end of the particular fiscal year. If MUFG makes a final and conclusive declaration not to pay dividends on MUFG senior preferred dividend shares with respect to a fiscal year of MUFG, no dividends will be paid on the preferred securities on the dividend payment dates that occur in July of the calendar year in which that fiscal year ends and the next succeeding January.

Dividends upon Liquidation or Redemption: For the purposes of payments to holders of the preferred securities with respect to a liquidation of the relevant finance subsidiary or redemption of the preferred securities, unpaid dividends will accrue only if (and to the extent of), with respect to the relevant payment date for such liquidating distribution or redemption, conditions comparable to those set forth above for the payment of dividends on the preferred securities on a dividend payment date have been satisfied as of the relevant payment date (treating, for this purpose only, the relevant payment date as if it were a dividend payment date).

Liquidating Distributions

Under the articles of each of the finance subsidiaries, except as provided in the next sentence, the finance subsidiary may not be voluntarily liquidated or dissolved if a majority of the holders of the preferred securities (according to liquidation preference) cast votes against the approval of a special resolution for such liquidation or dissolution. Each finance subsidiary's articles provide that it will be liquidated automatically upon the registration of the completion of the liquidation of MUFG with the relevant legal affairs bureau in Japan in accordance with applicable Japanese law.

In the event of any voluntary or involuntary dissolution, liquidation or winding up of a finance subsidiary, after satisfaction of liabilities to creditors, if any, the holders of the preferred securities at the time outstanding will be entitled to receive out of assets of the relevant finance subsidiary available for distribution to shareholders, before any distribution of assets is made to holders of any junior shares, liquidation distributions in respect of each preferred security in the amount of the stated liquidation preference of the preferred security, plus, if applicable, an amount equal to unpaid dividends, if any, on the preferred securities with respect to the current dividend period accrued on a daily basis through (but excluding) the date fixed by the finance subsidiary for redemption but without interest and without accumulation of dividends for any prior dividend period to the extent not due and payable in respect of such period.

After payment of the full amount of the liquidation distributions to which they are entitled, the holders of preferred securities will have no right or claim to any of the remaining assets of the relevant finance subsidiary. In the event that, upon any voluntary or involuntary dissolution, liquidation or winding up, the available assets of the relevant finance subsidiary are insufficient to pay the amount of the liquidation distributions on all outstanding preferred securities, then the holders of the preferred securities will share ratably in any such distribution of assets in proportion to the full liquidation distributions to which they would otherwise be respectively entitled.

The effect of the special dividend provision of the preferred securities is that in a liquidation event of MUFG, holders of each finance subsidiary's ordinary shares will have a claim senior to holders of the preferred securities to the preferred shares of BTMU Preferred Capital 1 Limited, BTMU Preferred Capital 2 Limited or BTMU Preferred Capital 3 Limited held by such finance subsidiary, as the case may be, and other financial assets with the exception of the junior subordinated loan extended to MUFG and any amounts received or receivable under the junior subordinated loan. The junior subordinated loan will rank as core capital linked junior debt (as described under Definitions below) of MUFG and therefore junior to the relevant subordinated guarantee. Accordingly, it is anticipated that the preferred securities' claim in liquidation equal to the stated liquidation preference amount will be required to be satisfied under the terms of the relevant subordinated guarantee agreement. Each subordinated guarantee agreement will provide a contingent obligation on the part of

Table of Contents

MUFG to pay to the finance subsidiary the guarantee payments, to the extent that any guarantee payments are claimed under the guarantees and are payable in accordance with the subordination provisions but remain unpaid.

Voting Rights

Except as expressly required by applicable law or as otherwise indicated in (1) and (2) below, the holders of preferred securities will not be entitled to vote. If the holders of preferred securities are entitled to vote as described below, each preferred security will be entitled to vote in proportion to the liquidation preference represented by the preferred securities held by that holder.

- (1) If full dividends on the preferred securities have not been paid for two consecutive dividend periods or while a bankruptcy event continues, the holders of the preferred securities of the relevant finance subsidiary, voting together as a single class, by majority vote of the votes cast on such matter (calculated by reference to liquidation preference) at a meeting properly called and held or by written instructions signed by the holders of a majority of the preferred securities (calculated by reference to liquidation preference), will have the right to remove the finance subsidiary's independent director and to fill the vacancy created by such removal or any other vacancy existing in the office of the independent director.
- (2) Both the ordinary shares and the preferred securities of a finance subsidiary will carry the right to attend and vote where a special resolution to wind up a finance subsidiary is to be proposed. At any such meetings the holders of the ordinary shares and the preferred securities will, respectively, be able to cast 34 votes and 66 votes, such votes being divided equally between the ordinary shares and the preferred securities (according to liquidation preference), as the case may be, then in issue.

Other than in connection with a corresponding redemption of the relevant preferred securities or in the event of a special dividend, a finance subsidiary may not sell, assign or grant a participation or any other form of interest (whether by way of security or otherwise) in the preferred shares of BTMU Preferred Capital 1 Limited, BTMU Preferred Capital 2 Limited or BTMU Preferred Capital 3 Limited it holds, as the case may be, except upon the affirmative vote of a majority of the entire board of directors of the relevant finance subsidiary and with the consent of at least two-thirds (calculated by reference to liquidation preference) of the holders of the relevant preferred securities. In addition, so long as any preferred securities are outstanding, a finance subsidiary may not:

amend, alter or repeal or otherwise change any provision of its articles if that amendment, alteration, repeal or change would materially and adversely affect the rights, preferences, powers or privileges of the preferred securities as determined by the independent director, or

to the extent within its control, merge, convert, consolidate, reorganize or effect any other business combination involving the finance subsidiaries, with certain exceptions, unless holders of two-thirds (calculated by reference to liquidation preference) of the preferred securities treated together as a single class consent to such action.

So long as any preferred securities are outstanding, the finance subsidiaries may not:

issue any class or series of equity securities (including any warrants, options or other rights convertible or exchangeable into any class or series of equity shares) expressly designated as being senior to, or on a parity with, the preferred securities as to dividend rights or rights upon dissolution, liquidation or winding up of the finance subsidiaries; or

alter or vary or abrogate the rights of holders of preferred securities relating to the amount or due date of dividends, liquidation distributions or additional amounts (as defined below under "Payment of

Table of Contents

Additional Amounts) or the amount received upon redemption of preferred securities or the date of redemption, including currency and place of payment; in each case without the prior consent of each holder of preferred securities.

The creation or issue of any additional junior shares, or an amendment to the articles of the finance subsidiaries that increases the number of its authorized ordinary shares or any other junior shares, will not be deemed to be a material and adverse change requiring a vote, or consent, of the holders of preferred securities.

Redemption

Except upon the occurrence of a tax event or special event, each as described below, the dollar-denominated preferred securities and the euro-denominated preferred securities may not be redeemed prior to July 25, 2016, and the yen-denominated preferred securities may not be redeemed prior to July 25, 2011.

On any dividend payment date on or after July 25, 2011, in the case of the yen-denominated preferred securities, or July 25, 2016, in the case of the dollar-denominated preferred securities and the euro-denominated preferred securities, the preferred securities may be redeemed for cash at the option of the relevant finance subsidiary, in whole or in part, on any dividend payment date on not less than 14 nor more than 60 days' notice, at a redemption price of:

\$1,000 per preferred security, in the case of the dollar-denominated preferred securities,

1,000 per preferred security, in the case of the euro-denominated preferred securities,

¥10,000,000 per preferred security, in the case of the yen-denominated preferred securities, in each case plus, if applicable, an amount equal to unpaid dividends, if any, on the preferred securities with respect to the current dividend period accrued on a daily basis through (but not including) the date fixed for redemption, without interest and without accumulation of dividends for any prior dividend period to the extent not due and payable in respect of that dividend period. The optional redemption rights of each finance subsidiary are independent of those of the other finance subsidiaries.

Any redemption is subject to compliance with applicable regulatory requirements, including the prior approval of the Financial Services Agency of Japan, or the FSA, if then required.

If dividends on any preferred securities of a finance subsidiary are due and payable but not paid, no preferred securities may be redeemed by that finance subsidiary unless it redeems all outstanding preferred securities and the relevant finance subsidiary may not purchase or otherwise acquire any preferred securities, provided, however, that it may purchase or acquire preferred securities pursuant to a purchase or exchange offer made on the same terms to the holders of all of its outstanding preferred securities.

In the event that fewer than all the outstanding preferred securities are to be redeemed on a redemption date, the number of preferred securities to be redeemed will be determined by the board of directors of the relevant finance subsidiary, and the preferred securities to be redeemed will be determined by lot or *pro rata* as may be determined by the board of directors of the finance subsidiary in its sole discretion to be equitable, provided that, for so long as any preferred securities are registered in the name of DTC or its nominee, or deposited with a common depository for Euroclear and Clearstream, the method must satisfy any applicable requirements of the relevant clearing system.

Tax Event Redemption

At any time prior to July 25, 2011, in the case of the yen-denominated preferred securities, or July 25, 2016, in the case of the dollar-denominated preferred securities and the euro-denominated preferred securities upon the occurrence of a tax event, each finance subsidiary will have the right to redeem the preferred securities, subject to

Table of Contents

compliance with applicable regulatory requirements, including the prior approval of the FSA (if then required), in whole but not in part, on not less than 14 nor more than 60 days' notice, for cash at a redemption price equal to:

\$1,000 per preferred security, in the case of the dollar-denominated preferred securities,

1,000 per preferred security, in the case of the euro-denominated preferred securities,

¥10,000,000 per preferred security, in the case of the yen-denominated preferred securities, in each case plus, if applicable, an amount equal to unpaid dividends, if any, on the preferred securities with respect to the current dividend period accrued on a daily basis through (but not including) the date fixed for redemption, without interest and without accumulation of dividends for any prior dividend period to the extent not due and payable in respect of that dividend period. The election to redeem preferred securities by each finance subsidiary is independent of those of the other finance subsidiaries.

Prior to giving notice of a redemption in connection with a tax event, MUFG will deliver to the preferred securities paying agent:

a certificate signed by one director of MUFG stating that MUFG is entitled to effect such redemption and

an opinion of counsel or other tax advisor to MUFG experienced in tax matters to the effect that a tax event has occurred. The delivery of the opinion referred to above will constitute conclusive evidence of the occurrence of a tax event.

A tax event will be deemed to occur upon the receipt by the relevant finance subsidiary of an opinion of a nationally recognized law firm or other tax advisor in the applicable taxing jurisdiction (as defined in "Payment of Additional Amounts" below) experienced in such matters to the effect that, as a result of:

any amendment to, clarification of, or change (including any announced prospective change) in the laws or treaties (or any regulations thereunder) of the applicable taxing jurisdiction (as defined in "Payment of Additional Amounts" below),

any administrative action, which refers to any judicial decision, official administrative pronouncement, published or private ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) by any court, governmental authority or regulatory body having appropriate jurisdiction, or

any amendment to, clarification of, or change (including any announced prospective change) in the official position, general application or official interpretation of any legislative or administrative body, court, governmental authority or regulatory body having appropriate jurisdiction,

which amendment, clarification, change or administrative action is effective or announced on or after the issue date of the preferred securities, (i) the relevant finance subsidiary is or will be subject to more than a *de minimis* amount of additional taxes, duties or other governmental charges, (ii) the relevant finance subsidiary or MUFG pays, or on the next dividend payment date would be obligated to pay, any additional amounts or (iii) the Bank of Tokyo-Mitsubishi UFJ is or will be required to pay any additional amounts in respect of any taxes, duties or other governmental charges with respect to payments of interest on or principal of the senior and junior subordinated loans between it and BTMU Preferred Capital 1 Limited, BTMU Preferred Capital 2 Limited or BTMU Preferred Capital 3 Limited, as the case may be, in each case which obligation cannot be avoided by the relevant entity taking reasonable measures available to it.

Table of Contents

Special Event Redemption

At any time a special event has occurred and is continuing, each finance subsidiary will have the right to redeem the relevant preferred securities, subject to compliance with applicable regulatory requirements, including the prior approval of the FSA (if then required), in whole but not in part, on not less than 14 nor more than 60 days' notice, for cash at a redemption price equal to:

in the case of redemption prior to July 25, 2011, in the case of the yen-denominated preferred securities, or July 25, 2016, in the case of the dollar-denominated preferred securities and the euro-denominated preferred securities, the relevant make-whole amount provided below, or

in the case of a redemption on or after July 25, 2011, in the case of the yen-denominated preferred securities, or July 25, 2016, in the case of the dollar-denominated preferred securities and the euro-denominated preferred securities, the redemption price provided under Tax Event Redemption above.

A finance subsidiary will notify the holders of the amount of the redemption price to be paid in a redemption in connection with a special event as soon as reasonably practicable after it has been determined (and in any event not later than the second business day before the redemption date). Prior to giving notice of such redemption, MUFG will deliver to the preferred securities paying agent a certificate signed by one director of MUFG stating that MUFG is entitled to effect the redemption and specifying which provision of the definition of "special event" is applicable. The delivery of this certificate will constitute conclusive evidence of the occurrence of a special event. The election to redeem the preferred securities by each finance subsidiary is independent of those of the other finance subsidiaries.

A "special event" will be deemed to occur upon the occurrence of any of the following:

MUFG determines after consultation with the Financial Services Agency of Japan that the relevant preferred securities may not be included in the core capital of MUFG under each applicable standard set forth in Japanese banking regulations (other than for the reason that the amount of preferred securities exceeds any limitations under such applicable standard with respect to the amount of preference shares issued by foreign special purpose vehicle subsidiaries that qualifies as core capital);

the treatment of any item of income, gain, loss, deduction or expense of the relevant finance subsidiary or MUFG related to MUFG's ownership of the finance subsidiary, in each case as reflected on the tax returns (including estimated returns) filed (or to be filed) by MUFG, will not be respected by a taxing authority, as a result of which MUFG or the finance subsidiary is or will be subject to more than a *de minimis* amount of additional taxes, duties or other governmental charges, in each case which obligation cannot be avoided by the relevant finance subsidiary or MUFG taking reasonable measures available to it;

the relevant finance subsidiary or MUFG pays, or on the next dividend payment date would be obligated to pay, any additional amounts, other than as a result of the occurrence of a tax event, which obligation cannot be avoided by the finance subsidiary or MUFG taking reasonable measures available to it;

Bank of Tokyo-Mitsubishi UFJ is or will be required to pay any additional amounts in respect of any taxes, duties or other governmental charges with respect to payments of interest on or principal of the senior or junior subordinated loan between it and BTMU Preferred Capital 1 Limited, BTMU Preferred Capital 2 Limited or BTMU Preferred Capital 3 Limited, as the case may be, in each case other than as a result of the occurrence of a tax event; or

the relevant finance subsidiary receives an opinion of a nationally recognized law firm in the U.S. experienced in such matters to the effect that there is more than an insubstantial risk that the finance subsidiary is deemed an "investment company" within the meaning of the U.S. Investment Company Act of 1940, as amended.

Table of Contents

The make-whole amount refers to:

in the case of the dollar-denominated preferred securities the higher of (x) \$1,000 per preferred security, plus if applicable an amount equal to unpaid dividends, if any, thereon with respect to the current dividend period accrued to (but excluding) the date fixed for redemption, without interest and without accumulation of dividends for any prior dividend period to the extent not duly payable in respect of such period and (y) an amount equal to the sum of (i) the present value of the liquidation preference of the preferred securities, assuming a repayment thereof on the dividend payment date in July 2016, plus (ii) the present value of the remaining payments of dividends scheduled to be paid to and including the dividend payment date in July 2016, in each case discounted from the relevant dividend payment date to the redemption date on the basis of a 360-day year consisting of 12 months of 30 days each at the applicable treasury yield plus $\quad\quad\quad\%$. For purposes of this definition, the applicable treasury yield will be calculated as follows: The calculation agent, in consultation with MUFG, will appoint five primary U.S. Government securities dealers in New York City or their respective successors as reference dealers, provided, however, that if any such dealer ceases to be a primary U.S. Government securities dealer, the calculation agent will (in consultation with MUFG) substitute such dealer with another primary U.S. Government securities dealer. The calculation agent will (in consultation with MUFG) also appoint one of the reference dealers as the quotation agent. The quotation agent will select a United States Treasury security having an actual or interpreted maturity comparable to the time period between the redemption date and the dividend payment date in July 2016, which would be used in accordance with customary financial practice to price new issues of corporate debt securities with a maturity comparable to such date. The reference dealers will provide the calculation agent with the bid and asked prices for the comparable United States Treasury security as of 3:30 p.m. (New York City time) on the third dollar business day before the redemption date. The calculation agent will calculate the average of the bid and asked prices provided by each reference dealer to obtain such reference dealer's quotation. The calculation agent will eliminate the highest and the lowest quotations and then calculate the average of the remaining quotations; provided, however, that if the calculation agent obtains fewer than four quotations, it will calculate the average of all the quotations without eliminating any of them. The average quotation is called the comparable treasury price. The applicable treasury yield will be determined by the quotation agent and will be the semi-annual equivalent yield to maturity of a security whose price is equal to the comparable treasury price, in each case expressed as a percentage of its principal amount;

in the case of the euro-denominated preferred securities the higher of (x) 1,000 per preferred security, plus if applicable an amount equal to unpaid dividends, if any, thereon with respect to the current dividend period accrued to (but excluding) the date fixed for redemption, without interest and without accumulation of dividends for any prior dividend period to the extent not duly payable in respect of such period and (y) an amount equal to the sum of (i) the present value of the liquidation preference of the preferred securities, assuming a repayment thereof on the dividend payment date in July 2016, plus (ii) the present value of the remaining payments of dividends scheduled to be paid to and including the dividend payment date in July 2016, in each case discounted from the relevant dividend payment date to the redemption date on the basis of the actual number of days in such period divided by 365 (or, if any portion of that period falls in a leap year, the sum of (A) the actual number of days in that portion of that period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the period falling in a non-leap year divided by 365), at the applicable euro bond yield plus $\quad\quad\quad\%$. The applicable euro bond yield will be calculated as follows: The calculation agent, in consultation with MUFG, will appoint five primary bond dealers who are credit institutions or financial services institutions that regularly deal in bonds and other debt securities in the euro market. The calculation agent will, in consultation with MUFG, also appoint one of the primary bond dealers as quotation agent. The quotation agent will select a euro benchmark security that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the euro-denominated preferred securities from the redemption date to the dividend payment date in July 2016. The primary bond dealers will provide bid

Table of Contents

and asked prices for the comparable bond issue (expressed in each case as a percentage of its principal amount) quoted in writing to the calculation agent at 3:30 p.m. (London time) on the third euro business day before the redemption date. The calculation agent will calculate the average of the bid and asked prices provided by each primary bond dealer to obtain such bond dealer's quotation. The calculation agent will eliminate the highest and the lowest quotations and then calculate the average of the remaining quotations; provided, however, that if the calculation agent obtains fewer than five quotations, it will calculate the average of all the quotations without eliminating any of them. The average quotation is called the comparable bond price. The applicable euro bond yield will be determined by the quotation agent and will be the semi-annual equivalent yield to maturity of a security whose price is equal to the comparable bond price, in each case expressed as a percentage of its principal amount; and

in the case of the yen-denominated preferred securities the higher of (x) ¥10,000,000 per preferred security, plus if applicable an amount equal to unpaid dividends, if any, thereon with respect to the current dividend period accrued to (but excluding) the date fixed for redemption, without interest and without accumulation of dividends for any prior dividend period to the extent not duly payable in respect of such period and (y) an amount equal to the sum of (i) the present value of the liquidation preference of the preferred securities, assuming a repayment thereof on the dividend payment date in July 2011, plus (ii) the present value of the remaining payments of dividends scheduled to be paid to and including the dividend payment date in July 2011, in each case discounted from the relevant dividend payment date to the redemption date on the basis of a 360-day year consisting of 12 months of 30 days each, at the applicable Japanese government bond yield plus ____%. The applicable Japanese government bond yield will be calculated as follows: The calculation agent, in consultation with MUFG, will appoint five primary bond dealers who are credit institutions or financial services institutions that regularly deal in bonds and other debt securities in the yen market. The calculation agent will, in consultation with MUFG, also appoint one of the primary bond dealers as quotation agent. The quotation agent will select a Japanese government benchmark security that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the yen-denominated preferred securities from the redemption date to the dividend payment date in July 2011. The primary bond dealers will provide bid and asked prices for the comparable bond issue (expressed in each case as a percentage of its principal amount) quoted in writing to the calculation agent at 3:00 p.m. (Tokyo time) on the third yen business day before the redemption date. The calculation agent will calculate the average of the bid and asked prices provided by each primary bond dealer to obtain such bond dealer's quotation. The calculation agent will eliminate the highest and the lowest quotations and then calculate the average of the remaining quotations; provided, however, that if the calculation agent obtains fewer than five quotations, it will calculate the average of all the quotations without eliminating any of them. The average quotation is called the comparable bond price. The applicable Japanese government bond yield will be determined by the quotation agent and will be the semi-annual equivalent yield to maturity of a security whose price is equal to the comparable bond price, in each case expressed as a percentage of its principal amount.

In each case above, the calculation agent may, in consultation with MUFG and the relevant finance subsidiary, delegate its responsibilities to a third party.

Purchase

Each finance subsidiary may, subject to compliance with applicable regulatory requirements (including the prior approval of the FSA, if then required), purchase preferred securities, in whole or in part, in the market at any time and at any price provided that the finance subsidiaries may fund the purchase of the preferred securities only with funds legally available to make those purchases. Under the articles of each finance subsidiary, any preferred securities purchased by a finance subsidiary will be cancelled and may not be reissued or resold and the obligations of the finance subsidiary in respect of the repurchased preferred securities will be discharged.

Table of Contents

Payment of Additional Amounts

All payments made by the finance subsidiaries and MUFG under, or with respect to, the preferred securities and the subordinated guarantees will be made free and clear of, and without withholding or deduction for or on account of, any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related to the preceding items) (collectively, referred to as "Taxes"), unless the relevant finance subsidiary or MUFG is required to withhold or deduct such Taxes by law or by official interpretation or administration of applicable law.

If a finance subsidiary or MUFG is required to withhold or deduct any amount for or on account of certain Taxes imposed or levied on behalf of:

any jurisdiction in which the finance subsidiary or MUFG is organized or otherwise considered to be a resident for tax purposes,

any jurisdiction from which the finance subsidiary or MUFG makes a payment on the preferred securities or guarantees, as the case may be, or

any political subdivision or taxing authority of either of the above,

(the above are collectively referred to as "taxing jurisdictions"), the relevant finance subsidiary or MUFG, as the case may be, will pay any additional amounts as may be necessary so that the net amount received by each holder of preferred securities (including those additional amounts) after that withholding or deduction (including any withholding or deduction from those additional amounts) will not be less than the amount that holder would have received if the relevant Taxes had not been required to be withheld or deducted; provided, however, that the obligation to pay additional amounts does not apply to:

- (1) any Taxes that would not have been imposed but for the existence of any present or former connection between the relevant holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, the relevant holder, if the relevant holder is an estate, nominee, trust or corporation) and the taxing jurisdiction (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the taxing jurisdiction) other than by the mere ownership or holding of the preferred securities or guarantee, enforcement of rights under the preferred securities or guarantee or under the receipt of payments in respect of the preferred securities or the guarantee;
- (2) any estate, inheritance, gift, sales, transfer, personal property tax or similar tax, assessment or governmental charge;
- (3) any Taxes payable otherwise than by withholding from payments of dividends and other amounts due on the preferred securities or the guarantee;
- (4) any Taxes that would not have been imposed if the holder had made a declaration of nonresidence or any other claim or filing for exemption to which it is entitled (provided that (a) a declaration of non-residence or other claim or filing for exemption is required by the applicable law of the taxing jurisdiction as a precondition to exemption from the requirement to deduct or withhold such Taxes and (b) at least 30 days prior to the first payment date with respect to which such declaration of non-residence or other claim or filing for exemption is required under the applicable law of the taxing jurisdiction, the holder at that time has been notified by MUFG, the finance subsidiaries or any other person through whom payment may be made that a declaration of non-residence or other claim or filing for exemption is required to be made);

(5)

Edgar Filing: MITSUBISHI UFJ FINANCIAL GROUP INC - Form F-3ASR

any Taxes imposed as a result of the presentation of a certificate for the preferred security for payment (where presentation is required) more than 30 days after the relevant payment is first made available to the holder (except to the extent that the holder would have been entitled to receive additional amounts had the relevant certificate been presented on the last day of such 30-day period); or

- (6) any combination of items (1) through (5) above.

S-51

Table of Contents

Additional amounts will also not be payable where, had the beneficial owner of the preferred security been the holder, it would not have been entitled to payment of additional amounts by reason of items (1) to (6) inclusive above.

The finance subsidiaries and MUFG will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the taxing jurisdiction in accordance with applicable law. The finance subsidiaries and MUFG will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes deducted or withheld from each taxing jurisdiction imposing Taxes and will provide those certified copies to each affected holder. The finance subsidiaries and MUFG will attach to each certified copy a certificate stating:

that the amount of withholding Taxes evidenced by the certified copy was paid in connection with payments in respect of the preferred securities then outstanding or the guarantees and

the amount of such withholding Taxes paid per relevant preferred security.

Copies of this documentation will be available at the office of the relevant preferred securities paying agent during regular business hours for inspection upon request.

At least 30 days prior to each date on which any payment under or with respect to the preferred securities or the subordinated guarantees is due and payable (unless an obligation to pay additional amounts arises shortly before or after the 30th day prior to that date, in which case it will be promptly thereafter), if a finance subsidiary or MUFG will be obligated to pay additional amounts with respect to that payment, the relevant finance subsidiary or MUFG will deliver to the relevant preferred securities paying agent a certificate signed by a director of the finance subsidiary stating that those additional amounts will be payable, specifying the country, the amount to be withheld or deducted and stating the additional amounts payable and will set forth any other information necessary to enable the preferred securities paying agent to pay the additional amounts to holders on the payment date. Each such certificate will be relied upon until receipt of a further certificate addressing such matters.

The finance subsidiaries or MUFG will pay any present or future stamp, court or documentary taxes, or any other excise or property taxes, charges or similar levies that arise in any jurisdiction from the execution, delivery or registration of the preferred securities or any other document or instrument referred to in the preferred securities (other than a transfer of the preferred securities), or the receipt of any payments with respect to the preferred securities or the subordinated guarantees, excluding any taxes, charges or similar levies imposed by any jurisdiction that is not a taxing jurisdiction that has imposed or levied taxes resulting in the requirement to pay additional amounts.

References to the payment of any dividend or liquidation preference with respect to the preferred securities or the subordinated guarantees will be deemed to include the payment of additional amounts to the extent that, in the context of referring to those payments, additional amounts are, were or would be payable in respect of those payments.

Payments

Payments of dividends and redemption amounts in respect of the preferred securities and the subordinated guarantees will be made to the holder of record of the preferred securities shown on the relevant finance subsidiary's register of holders on the date immediately preceding the dividend payment date (whether or not a business day), or, as the case may be, the due date for redemption amounts on the preferred securities.

At any time when the dollar-denominated preferred securities are held by a custodian for DTC, Euroclear or Clearstream and so long as Cede & Co. as nominee of DTC is the registered holder of the preferred securities, payments with respect to the dollar-denominated preferred securities will be made subject to the procedures of DTC. At any time when the euro-denominated and the yen-denominated preferred securities are deposited with a common depository for Euroclear and Clearstream, payments with respect to the euro-denominated and yen-denominated preferred securities will be made subject to the procedures of Euroclear and Clearstream.

Table of Contents

Any dividends on the preferred securities that are unclaimed within five years from the dividend payment date on which they were paid and any redemption amounts in relation to the preferred securities that are unclaimed within ten years from the redemption date on which they were paid will be forfeited for the benefit of the finance subsidiaries.

Independent Director Approval

The articles of each finance subsidiary require the appointment of one independent director for so long as any preferred securities are outstanding, and that for so long as any preferred securities are outstanding, certain actions by the finance subsidiary require the prior consent of the independent director in addition to the approval of a majority of the board of directors. In order to be considered independent, a director must not, during the preceding ten years, have been a director or employee of MUFG or any of its direct or indirect subsidiaries or affiliates (other than a director of any direct or indirect subsidiary of MUFG acting pursuant to provisions similar to the articles of the finance subsidiaries).

The actions that require the prior consent of the independent director include:

the issue by the finance subsidiary of any class or series of equity securities other than its ordinary shares, other junior shares or shares approved by each holder of preferred securities pursuant to its articles,

the establishment, amendment or modification of the investment policies,

the redemption or repurchase of any junior shares (except for the *pro rata* redemption of the ordinary shares of the finance subsidiary on any date of redemption of the preferred securities),

to the extent within the control of the board of directors of the finance subsidiary, the conversion of the finance subsidiary into another type of entity or the consolidation or merger of the finance subsidiary with or into any other entity, the consolidation or merger of any other entity with or into the finance subsidiary or the sale of all or substantially all of the assets of the finance subsidiary, and

the appointment or designation of the preferred securities paying agent or registrar.

Additionally, the independent director, acting alone and without the vote or consent of the other members of the board of directors, has the right on behalf of the finance subsidiary to enforce the subordinated guarantee. The independent director will be under a duty to consider the interests of the finance subsidiary as a whole as to all matters, including those relating to the enforcement of the subordinated guarantee, without reference to any conflicting interests of MUFG as the holder of the finance subsidiary's ordinary shares or otherwise.

No member of the board of directors of a finance subsidiary will have any liability to holders of the preferred securities for voting not to take enforcement action if he considered this in good faith to be in the best interests of the finance subsidiary.

Notices

Notices given by the finance subsidiaries with respect to the preferred securities will be given by or on behalf of the finance subsidiaries to the person shown in the register of holders of the preferred securities.

The articles of each finance subsidiary will require that, promptly upon its receipt of any suspension notice, it must give notice to the persons shown in the register of holders of the preferred securities of its receipt of that suspension notice.

At any time when the dollar-denominated preferred securities are held by a custodian for DTC and so long as Cede & Co. as nominee of DTC is the registered holder of the dollar-denominated preferred securities, notices to holders of the beneficial interests in the dollar-denominated preferred securities will be made in accordance

Table of Contents

with the procedures of DTC. At any time when the euro-denominated and the yen-denominated preferred securities are deposited with a common depository for Euroclear and Clearstream, notices to holders of beneficial interests in the euro-denominated and yen-denominated preferred securities will be made in accordance with the procedures of Euroclear and Clearstream.

Paying Agents, Registrar and Calculation Agents

JPMorgan Chase Bank, N.A. will serve as the paying agent, registrar and calculation agent for the dollar-denominated preferred securities and as registrar for the euro-denominated and yen-denominated securities. JPMorgan Chase Bank, N.A., London Branch, will act as the paying agent and calculation agent for the euro-denominated preferred securities and the yen-denominated preferred securities. The agents for the preferred securities may resign or be removed by the finance subsidiaries at any time. If an agent resigns, is removed, or becomes incapable of acting as agent or if a vacancy occurs in the office of the agent for any reason, a successor agent will be appointed in accordance with the provisions of the preferred securities agency agreement.

Form, Clearance and Settlement

Form and Transfers

The preferred securities will be issued only in registered form and will be evidenced by one or more global certificates. Legal title to the preferred securities will be constituted by registration in the register of members of the relevant finance subsidiary (which includes a register of holders of preferred securities).

The preferred securities will be traded on the Singapore Stock Exchange in a minimum board lot size of:

US\$200,000 in the case of the dollar-denominated preferred securities,

200,000 in the case of the euro-denominated preferred securities, and

¥200,000 with a minimum of 80 lots to be traded in a single transaction in the case of the yen-denominated preferred securities.

Dollar-denominated preferred securities. The dollar-denominated preferred securities will be evidenced by one or more global certificates registered in the name of Cede & Co., as nominee for DTC. Beneficial interests in the dollar-denominated preferred securities will be evidenced by, and transfers of the preferred securities will be effected only through, records maintained by participants in DTC, including Euroclear and Clearstream. Except as described below, preferred securities in certificated form will not be issued in exchange for the global certificates representing the preferred securities.

Upon the issuance of the preferred securities evidenced by the global certificates and delivery of those global certificates, DTC will credit, on its book-entry registration and transfer system, the respective liquidation preference of the preferred securities represented by the global certificates to the accounts of persons that have accounts with DTC, referred to as participants, including depositories for Euroclear and Clearstream. The accounts to be initially credited will be designated by the initial purchasers.

Investors may hold their interests in dollar-denominated preferred securities evidenced by a global certificate directly through DTC, if they are participants in DTC, or indirectly through organizations that are participants in DTC, including Euroclear and Clearstream. Beneficial owners will be permitted to exercise their rights only indirectly through DTC, Euroclear, Clearstream and their participants.

The CUSIP number for the dollar-denominated preferred securities is _____, the ISIN is _____ and the Common Code is _____.

Table of Contents

Euro-denominated preferred securities and yen-denominated preferred securities. Global certificates for the euro-denominated preferred securities and the yen-denominated preferred securities will be deposited with a common depository on behalf of Euroclear and Clearstream, and the preferred securities evidenced thereby will be registered in the register of members of the relevant finance subsidiary in the name of the common depository or its nominee.

Upon the issuance of the euro-denominated preferred securities and the yen-denominated preferred securities evidenced by global certificates and delivery of such global certificates, Euroclear and/or Clearstream will credit, on their book-entry registration and transfer system, the respective liquidation preference of the euro-denominated preferred securities and the yen-denominated preferred securities represented by the global certificates to the accounts of persons that have accounts with Euroclear and/or Clearstream. The accounts to be initially credited shall be designated by the initial purchasers. Ownership of beneficial interests in euro-denominated preferred securities and the yen-denominated preferred securities evidenced by global certificates will be shown on, and the transfer of that ownership will be effected only through, records maintained by Euroclear and/or Clearstream (with respect to interests of participants) or by participants or persons that hold through participants (with respect to interests of persons other than participants).

Investors may hold their interests in euro-denominated preferred securities and the yen-denominated preferred securities evidenced by a global certificate directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such systems. The beneficial interests in the euro-denominated preferred securities and the yen-denominated preferred securities may not be held through the facilities of DTC.

The CUSIP number for the euro-denominated preferred securities is _____, the ISIN is _____ and the Common Code is _____. The CUSIP number for the yen-denominated preferred securities is _____, the ISIN is _____ and the Common Code is _____.

DTC, Euroclear and Clearstream

DTC advises that it is a limited purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for its participants and facilitates the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of securities certificates or transfers on the register of the relevant issuer. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly, referred to as indirect participants.

Euroclear Bank S.A./N.V. holds securities and book-entry interests in securities for participating organizations and facilitates the clearance and settlement of securities transactions between Euroclear participants, and between Euroclear participants and participants of certain other securities intermediaries, through electronic book-entry changes in accounts of those participants or other securities intermediaries. Euroclear provides Euroclear participants, among other things, with safekeeping, administration, clearance and settlement, securities lending and borrowing, and related services. Euroclear participants are investment banks, securities brokers and dealers, banks, central banks, supranationals, custodians, investment managers, corporations, trust companies and certain other organizations. Certain of the initial purchasers, or other financial entities involved in this offering, may be Euroclear participants. Nonparticipants in the Euroclear system may hold and transfer book-entry interests in the preferred securities through accounts with a participant in the

Table of Contents

Euroclear system or any other securities intermediary that holds a book-entry interest in the preferred securities through one or more securities intermediaries standing between such other securities intermediary and Euroclear.

Investors electing to acquire a beneficial interest in preferred securities through an account with Euroclear or some other securities intermediary must follow the settlement procedures of that intermediary with respect to the settlement of new issues of securities. Dollar-denominated preferred securities to be acquired against payment through an account with Euroclear will be credited to the securities clearance accounts of the respective Euroclear participants in the securities processing cycle for the business day following the settlement date for value as of the settlement date, if against payment.

Investors electing to acquire, hold or transfer a beneficial interest in preferred securities through an account with Euroclear or some other securities intermediary must follow the settlement procedures of that intermediary with respect to the settlement of secondary market transactions in preferred securities. Euroclear will not monitor or enforce any transfer restrictions with respect to the preferred securities. Investors that acquire, hold and transfer interests in the preferred securities by book-entry through accounts with Euroclear or any other securities intermediary are subject to the laws and contractual provisions governing their relationship with their intermediary, as well as the laws and contractual provisions governing the relationship between such intermediary and each other intermediary, if any, standing between themselves and the individual preferred securities.

Euroclear has advised that, under Belgian law, investors that are credited with securities on the records of Euroclear have a co-property right in the fungible pool of interests in securities on deposit with Euroclear in an amount equal to the amount of interests in securities credited to their accounts. In the event of the insolvency of Euroclear, Euroclear participants would have a right under Belgian law to the return of the amount and type of interests in securities credited to their accounts with Euroclear. If Euroclear did not have a sufficient amount of interests in securities on deposit of a particular type to cover the claims of all participants credited with such interests in securities on Euroclear's records, all participants having an amount of interests in securities of such type credited to their accounts with Euroclear would have the right under Belgian law to the return of their *pro rata* share of the amount of interests in securities actually on deposit. Under Belgian law, Euroclear is required to pass on the benefits of ownership in any interests in preferred securities on deposit with it (such as dividends, voting rights and other entitlements) to any person credited with such interests in securities on its records.

Distributions with respect to the preferred securities held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Euroclear terms and conditions.

Clearstream advises that it is incorporated under the laws of Luxembourg and licensed as a bank and professional depository. Clearstream holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions among its participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Clearstream provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. Clearstream has established an electronic bridge with the Euroclear operator to facilitate the settlement of trades between Clearstream and Euroclear. As a registered bank in Luxembourg, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. Clearstream customers are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. In the United States, Clearstream customers are limited to securities brokers and dealers and banks, and may include the underwriters of this offering. Other institutions that maintain a custodial relationship with a Clearstream customer may obtain indirect access to Clearstream. Clearstream is an indirect participant in DTC.

Distributions with respect to preferred securities held beneficially through Clearstream will be credited to cash accounts of Clearstream participants in accordance with its rules and procedures.

Table of Contents

Purchases of preferred securities within the DTC system must be made by or through DTC participants, which will receive a credit for the preferred securities on DTC's records. The ownership interest of each actual purchaser of preferred securities is in turn to be recorded on the DTC participants' and indirect participants' records. Beneficial owners of interests in preferred securities will not receive written confirmation from DTC of their purchases, but they are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the DTC participants or indirect participants through which they purchased the preferred securities. Transfers of ownership interests in the preferred securities are to be accomplished by entries made on the books of DTC participants and indirect participants acting on behalf of beneficial owners of interests in the dollar-denominated preferred securities. Beneficial owners of interests in preferred securities will not receive preferred securities in certificated form representing their ownership interests in the preferred securities unless use of the book-entry system for the preferred securities is discontinued.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Crossmarket transfers between persons holding dollar-denominated preferred securities directly or indirectly through DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant European depository; however, those cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in that system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to the relevant European depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the European depositories.

Because of time zone differences, credits of securities received in Euroclear or Clearstream as a result of a transaction with a person that does not hold the preferred securities through Euroclear or Clearstream will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Those credits or any transactions in those securities settled during that processing will be reported to the relevant Euroclear or Clearstream participants on that business day. Cash received in Euroclear or Clearstream as a result of sales of securities by or through a Euroclear participant or a Clearstream participant to a DTC participant will be received with value on the DTC settlement date, but will be available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC.

Limitations on Responsibilities. DTC, Euroclear and Clearstream have no knowledge of the actual beneficial owners of interests in preferred securities. DTC's records reflect only the identity of the DTC participants to whose accounts the preferred securities are credited, which may or may not be the beneficial owners of interests in the preferred securities. Similarly, the records of Euroclear and Clearstream reflect only the identity of the Euroclear or Clearstream participants to whose accounts the preferred securities are credited, which also may or may not be the beneficial owners of interests in preferred securities. DTC, Euroclear and Clearstream participants and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

Procedures for Notices, Voting and Payments. So long as DTC, Cede & Co. as its nominee or a common depository is the registered owner of the relevant preferred securities, DTC, that nominee or the common depository, as the case may be, will be considered the sole owner of the preferred securities for all purposes under the articles of the finance subsidiaries, the preferred securities and the preferred securities agency agreement.

Table of Contents

DTC, Euroclear and Clearstream have advised that they will take any action permitted to be taken by a holder of the preferred securities only at the direction of one or more of its participants to whose account the beneficial interests in preferred securities are credited and only in respect of that portion of the aggregate liquidation preference of preferred securities as to which that participant or participants has or have given the direction.

Conveyance of notices and other communications by DTC to its participants, by those participants to its indirect participants, and by participants and indirect participants to beneficial owners of interests in preferred securities will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The finance subsidiaries will send any notices in respect of the preferred securities registered in the name of Cede & Co. to Cede & Co.

Under its usual procedures, DTC mails an omnibus proxy to the finance subsidiaries as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s voting rights to those participants to whose account the preferred securities are credited on the record date.

Payment of dividends and other amounts on the dollar-denominated preferred securities will be made to Cede & Co. or another nominee of DTC by the preferred securities paying agent in immediately available funds. DTC's practice is to credit its participants' accounts on the relevant payment date in accordance with their respective holdings shown on DTC's records. Payments by DTC's participants and indirect participants to beneficial owners of interests in preferred securities will be governed by standing instructions and customary practices and will be the responsibility of those participants and indirect participants and not of DTC or the finance subsidiaries, subject to any statutory or regulatory requirements that may be in effect from time to time. Payment of dividends on the preferred securities or other amounts to DTC is the responsibility of the finance subsidiaries, disbursement of these payments to participants is the responsibility of DTC, and disbursement of those payments to the beneficial owner of an interest in preferred securities is the responsibility of participants and indirect participants. None of the finance subsidiaries, MUFG, the agents or any other paying agent for the preferred securities will have any responsibility or liability for any aspect of DTC's reports and records relating to, or payments made on account of, beneficial ownership interests in preferred securities or for maintaining, supervising or reviewing any of DTC's records relating to beneficial ownership interests.

Although DTC, Euroclear and Clearstream are expected to follow the procedures described above in order to facilitate transfers of interests in preferred securities among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the finance subsidiaries, MUFG, or the agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their respective operations.

Exchanges of Global Certificates for Preferred Securities in Definitive Form

If:

- (1) at any time DTC is unwilling or unable to continue as, or is ineligible to act as, the depository for the global certificates representing the dollar-denominated preferred securities and a successor depository is not appointed by the finance subsidiaries within 90 days after the finance subsidiaries is notified by DTC or becomes aware of such condition,
- (2) with respect to the euro-denominated preferred securities or the yen-denominated preferred securities, at any time Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of statutory or other holidays) or announces an intention permanently to cease operations or does in fact do so, or

Table of Contents

- (3) the finance subsidiaries should suffer a material disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of DTC or Euroclear and Clearstream, as the case may be that would not be suffered were the preferred securities in individual form and not held through the applicable clearing system as described herein and a certificate to this effect is given by the relevant finance subsidiary to the preferred securities paying agent.

In all cases, definitive certificates delivered in exchange for any global certificates or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the relevant depository (in accordance with its customary procedures) and will bear a legend related to the acceptance of the guarantees by the holder.

If such transfer is made and definitive certificates representing the preferred securities are issued, payments of dividends and other amounts on the preferred securities will be made in accordance with, and transfers and exchanges of the preferred securities will be effected subject to, the provisions of the articles of the relevant finance subsidiary and the preferred securities agency agreement.

So long as the preferred securities are listed on the Singapore Stock Exchange and the rules of the Singapore Stock Exchange so require, in the event that the global certificates of the relevant preferred securities are exchanged for preferred securities in definitive form, MUFG Capital Finance 1 Limited, MUFG Capital Finance 2 Limited or MUFG Capital Finance 3 Limited, as the case may be, shall appoint and maintain a paying agent in Singapore for the purposes of making payments with respect to the relevant preferred securities. In addition, an announcement of such exchange shall be made on behalf of the relevant issuer through the Singapore Stock Exchange. Such announcements will include all material information with respect to the delivery of the relevant preferred securities in definitive form, including details of the paying agent in Singapore.

Definitions

The following terms used in this prospectus supplement with respect to the preferred securities, the subordinated guarantees and the ordinary shares of the finance subsidiaries have the following meanings:

assets the total assets of MUFG as shown by the latest audited non-consolidated balance sheet of MUFG but adjusted for contingencies and subsequent events, all valued in such manner as MUFG's representative director, auditors or liquidator (as the case may be) may determine.

bankruptcy event Will be deemed to occur:

upon the occurrence of a liquidation event; or

if a competent court in Japan will have

adjudicated the commencement of corporate reorganization proceedings (*kaisha kousei*) in respect of MUFG under the Corporate Reorganization Law (Law No. 154 of 2002 as amended),

adjudicated the commencement of corporate rehabilitation proceedings (*kaisha seiri*) in respect of MUFG under the Commercial Code (Law No. 48 of 1899 as amended) or

Table of Contents

adjudicated the commencement of civil rehabilitation proceedings (*minji saisei*) in respect of MUFG under the Civil Rehabilitation Law (Law No. 225 of 1999 as amended).

calculation agent

The calculation agent with respect to the preferred securities to be appointed by the finance subsidiaries from time to time, which initially will be JPMorgan Chase Bank, N.A. with respect to the dollar-denominated preferred securities and JPMorgan Chase Bank, N.A., London Branch with respect to the euro-denominated preferred securities and the yen-denominated preferred securities.

condition for liquidation payment

Either of the following conditions:

in the case of a liquidation of MUFG, all MUFG senior debt (as defined in this Definitions section) held by creditors of MUFG entitled to payment or satisfaction prior to commencement of distribution of residual assets to shareholders is paid or otherwise satisfied in full pursuant to the provisions of the Commercial Code (Law No. 48 of 1899 as amended) or the Company Law (Law No. 86 of 2005) on or after the effective date thereof; or

in the case of a corporate reorganization of MUFG where a decree of approbation of a corporate reorganization plan for abolishment of all business (*jigyō no zenbu no haishi wo naiyotosuru kousei keikakuan*) of MUFG becomes final and conclusive, all MUFG senior debt as modified or reduced by such plan appearing in such plan at the date such decree has become final and conclusive is paid or otherwise satisfied in full in accordance with the terms of such plan;

provided, however, that in either case described above, the finance subsidiaries must have distributed a special dividend on its ordinary shares pursuant to its articles.

core capital

Core capital (*kihonteki kōumoku*) as that term is used in the capital adequacy guidelines of or supervised by the Financial Services Agency of Japan as replaced, modified or superseded from time to time.

core capital-linked junior debt

Liabilities of MUFG incurred in connection with its funding of core capital which are treated for purposes of claims upon a liquidation of MUFG as ranking:

senior in priority of payment as to liquidation distributions to common shares of MUFG and

junior in priority of payment as to liquidation distributions to MUFG senior preferred liquidation shares (as defined in this Definitions section).

core capital-linked most junior debt

Liabilities of MUFG incurred in connection with its funding of core capital which are treated for purposes of claims upon a liquidation of MUFG as ranking junior in priority of payment as

to liquidation distributions to core capital-linked junior debt.

S-60

Table of Contents

core capital-linked senior debt	Both: liabilities of MUFG under the subordinated guarantee agreements, and other liabilities of MUFG incurred in connection with its funding of core capital which are treated for purposes of claims upon a liquidation of MUFG as ranking equal in priority of payment as to liquidation distributions to MUFG senior preferred liquidation shares (as defined in this Definitions section).
dollar business day	a day on which banks are open for dealing in foreign currency and exchange in New York, London and Tokyo.
euro business day	a day on which banks are open for dealing in foreign currency and exchange in London and Tokyo and which is also a TARGET business day.
euro-zone	the geographic region comprising the European Union member states that have adopted the euro as a common currency in accordance with the Treaty establishing the European Community, as amended.
fixed rate dividend period	the period beginning on (and including) the issue date of the preferred securities and ending on (but excluding) the first dividend payment date thereafter and each successive period beginning on (and including) a dividend payment date and ending on (but excluding) the next succeeding dividend payment date up to (but excluding) the dividend payment date falling in July 2016.
floating rate dividend period	the period beginning on (and including) the dividend payment date falling in July 2016 and ending on (but excluding) the first dividend payment date thereafter and each successive period beginning on (and including) a dividend payment date and ending on (but excluding) the next succeeding dividend payment date.
insolvency event	The occurrence of any of the following: (i) MUFG is not able or as a result of the payment of dividends otherwise due on a dividend payment date will not be able to pay generally its debts as they become due (meaning insolvent (<i>shiharai-funo</i>) within the meaning of the Bankruptcy Law of Japan (Law No. 75 of 2004 as amended) or (ii) MUFG's liabilities (other than core capital-linked senior debt, core capital-linked junior debt and core capital-linked most junior debt) exceed or after giving effect to the payment of such dividends would exceed its assets or the Financial Services Agency of Japan or other administrative agency in charge of financial supervision in Japan has taken any statutory action in relation to MUFG based upon its or its determination that MUFG is insolvent. Each of the following terms is used as defined in this Definitions section: liabilities, core capital-linked senior debt, core capital-linked junior debt, core capital-linked most junior debt and assets.
junior subordinated loan	The subordinated loan extended by the finance subsidiaries to MUFG, constituting core capital-linked junior debt of MUFG.

Table of Contents

liabilities

The total liabilities of MUFG as shown by the latest audited non-consolidated balance sheet of MUFG but adjusted for contingencies and subsequent events, all valued in the manner that MUFG's representative director, auditors or liquidators (as the case may be) may determine.

liquidation distribution amount

In relation to claims evidenced by the subordinated guarantee agreements, the amount payable in respect of the liquidation claim represented or evidenced thereby equal to the amount which would have been paid from the assets of MUFG if:

all core capital-linked senior debt had been MUFG senior preferred liquidation shares,

all core capital-linked junior debt had been preferred shares directly issued by MUFG which rank in priority of payment as to liquidation distributions

senior to common shares of MUFG and

junior to MUFG senior preferred liquidation shares and

all core capital-linked most junior debt had been subordinated shares directly issued by MUFG which rank equal or junior in priority of payment as to liquidation distributions to common shares of MUFG.

Each of the following terms is used as defined in this Definitions section: liquidation claim and MUFG senior preferred liquidation shares.

liquidation event

The occurrence of:

the commencement of liquidation proceedings (*seisan*) in respect of MUFG under the laws of Japan (including special liquidation proceedings (*tokubetsu seisan*) in respect of MUFG under the Commercial Code (Law No. 48 of 1899 as amended) or the Company Law (Law No. 86 of 2005) on or after the effective date thereof)

a competent court in Japan having

adjudicated the commencement of bankruptcy proceedings (*hasan*) in respect of MUFG pursuant to the provisions of the Bankruptcy Law of Japan (Law No. 75 of 2004 as amended) or

approved a preparation of a reorganization plan for abolishment of all business (*jigyo no zenbu no haishi wo naiyotosuru kousei keikakuan*) of MUFG pursuant to the provisions of the Corporate Reorganization Law (Law No. 154 of 2002)

as amended).

London banking day

any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London.

S-62

Table of Contents

MUFG senior debt	<p>In relation to the liquidation claim evidenced by each subordinated guarantee agreement, MUFG senior debt means all liabilities of MUFG other than core capital-linked senior debt, core capital-linked junior debt and core capital-linked most junior debt.</p> <p>In relation to the liquidation claim evidenced by each junior subordinated loan agreement, all liabilities of MUFG other than core capital-linked junior debt and core capital-linked most junior debt.</p> <p>The following terms are used here as defined in this Definitions section: liquidation claim, dollar subordinated guarantee agreement, junior subordinated loan agreement, core capital-linked senior debt, core capital-linked junior debt and core capital-linked most junior debt.</p>
MUFG senior preferred dividend shares	<p>Preferred shares directly issued by MUFG which rank most senior in priority of payment as to dividends and which qualify as core capital of MUFG.</p>
MUFG senior preferred liquidation shares	<p>Preferred shares directly issued by MUFG which rank most senior in priority of payment as to liquidation distributions and which qualify as core capital of MUFG.</p>
parity securities	<p>Securities issued by MUFG's direct or indirect subsidiaries (other than the relevant finance subsidiary) ranking on a parity with any class of MUFG's preferred shares as to the payment of dividends, so that, for the avoidance of doubt, parity securities on the date hereof include (i) the preferred securities issued by each of the other respective finance subsidiaries; (ii) 13,000 floating rate non-cumulative preference shares issued by Sanwa Capital Finance 2 Limited on March 25, 1999; (iii) 9,000 floating rate non-cumulative preference shares issued by UFJ Capital Finance 1 Limited on October 24, 2001; (iv) 11,800 floating rate non-cumulative preference shares issued by UFJ Capital Finance 2 Limited on November 8, 2001; (v) 1,000 fixed rate non-cumulative preference shares issued by UFJ Capital Finance 3 Limited on November 8, 2001; (vi) 9,450 series A floating rate non-cumulative preference shares, 1,150 series B fixed rate non-cumulative preference shares, and 500 series C floating rate non-cumulative preference shares, each issued by UFJ Capital Finance 4 Limited on September 26, 2002; and (vii) 16,500 fixed/floating rate non-cumulative preferred securities issued by MTFG Capital Finance Limited on August 24, 2005.</p>
regulatory event	<p>Will be deemed to have occurred if MUFG's risk-weighted total capital ratio or risk-weighted core capital ratio, calculated in accordance with each applicable standard set forth in the Japanese banking regulations as of the end of any annual or semi-annual period in respect of which MUFG files with the Prime Minister of Japan:</p> <p style="text-align: center;">an annual securities report or semi-annual securities report that is required to be filed under the Securities and Exchange Law (Law No. 25 of 1948 as amended) or</p>

Table of Contents

	if no such reports are required to be filed under the Securities and Exchange Law, an annual business report or semi-annual business report that is required to be filed under the Banking Law (Law No. 59 of 1981 as amended),
	were to decline below the minimum percentages required by Japanese banking regulations (being, as of the date of this prospectus supplement, 8% in the case of the risk-weighted total capital ratio and 4% in the case of the risk-weighted core capital ratio).
TARGET	Trans-European Automated Real-time Gross Settlement Express Transfer system, a real-time gross settlement system for the euro or any successor thereto.
TARGET business day	a day (other than a Saturday or a Sunday) on which all relevant parts of the TARGET system are operational.
yen business day	a day on which banks are open for dealing in foreign currency and exchange in London and Tokyo.

S-64

Table of Contents

DESCRIPTION OF SUBORDINATED GUARANTEES

This section describes the general terms and conditions of the subordinated guarantee agreements which MUFG, as guarantor, will execute and deliver for the benefit of the holders of the preferred securities of each finance subsidiary in connection with their issuance and for the benefit of each finance subsidiary. Terms used herein have the meanings given under Description of the Preferred Securities. The subordinated guarantee agreements are filed as exhibits to the registration statement of which this prospectus supplement and the accompanying prospectus are a part.

General

With respect to each of the dollar-denominated preferred securities, the euro-denominated preferred securities and the yen-denominated preferred securities, MUFG will execute a subordinated guarantee agreement among it, the relevant finance subsidiary and the relevant paying agent, providing that MUFG will irrevocably and unconditionally, subject to the terms of subordination described below, guarantee the payment to the holders of the relevant preferred securities, regardless of any defense, right of set-off or counterclaim that the relevant finance subsidiary may have, of:

any dividends that are due and payable on any dividend payment date and not subject to an optional suspension event or mandatory suspension event (for purposes of the guarantees, dividends shall be deemed due and payable regardless of any failure by the relevant finance subsidiary to declare dividends for any reason other than an optional suspension event or a mandatory suspension event);

the redemption price in respect of the preferred securities on any date of redemption of the preferred securities plus, if applicable, unpaid dividends that are due and payable on that date; and

upon any voluntary or involuntary dissolution, liquidation or winding up of the relevant finance subsidiary, the liquidation preference of the relevant preferred securities plus, if applicable, unpaid dividends that are due and payable on the date of redemption of the preferred securities;

in each case including any additional amounts relating to the preferred securities or the subordinated guarantee as described under Description of the Preferred Securities Additional Amounts.

The subordinated guarantee agreement with each finance subsidiary provides that during any period in which a liquidation event has occurred and is continuing, MUFG's obligation to make any payment under the guarantee is subordinated such that, in a liquidation of MUFG, each holder of the preferred securities shall only have a claim in such liquidation proceedings evidenced by the guarantee in an amount equal to the liquidation preference of the preferred securities (plus unpaid dividends previously deemed due and payable under the terms of the guarantee); provided however that such claim shall not accrue and become payable unless and until a condition for liquidation payment shall have occurred and then only to the extent of the liquidation distribution amount. The effect of these subordination provisions is that in a liquidation of MUFG, each holder of the preferred securities will have a claim which entitles such holder of the preferred securities to substantially the same liquidation distributions that holders of the preferred securities would be entitled to if such claim under the guarantee were preferred shares of MUFG ranking most senior in priority as to liquidation distributions and having a liquidation preference equal to the liquidation preference of the preferred securities. The senior liquidation claim constitutes a core capital linked senior debt of MUFG. Each of liquidation event, condition for liquidation payment, liquidation distribution amount and core capital linked senior debt is defined under Description of the Preferred Securities Definitions.

Each of the subordinated guarantee agreement also provides a contingent obligation on the part of MUFG to pay to the relevant finance subsidiary the guarantee payments, to the extent that any such guarantee payments are claimed under the subordinated guarantee and are payable in accordance with the subordination provisions but remain unpaid. If a claim under the relevant guarantee remains unpaid for 30 days or more, then the independent

Table of Contents

director of the relevant finance subsidiary, pursuant to the terms of the finance subsidiary's articles of incorporation, will be entitled to enforce the claim of the finance subsidiary under the contingent obligation without prejudice to the claims of the holders of the preferred securities under the subordinated guarantee. Pursuant to the articles, the finance subsidiary will distribute any contingent distribution it receives to the holders of the preferred securities pro rata, except to the extent that any such holders received prior payment under the subordinated guarantee. MUFG will no longer be subject to this contingent obligation following payment to holders of the preferred securities of the liquidation distribution amount payable pursuant to the terms of the relevant subordinated guarantee agreement.

If MUFG has failed to make a payment under a subordinated guarantee agreement, a holder of the relevant preferred securities may directly institute a proceeding in such holder's own name against MUFG for enforcement of such payment without any requirement to first bring an action against the relevant finance subsidiary or any other person or entity.

Certain Covenants of MUFG

MUFG will covenant in each subordinated guarantee agreement, for as long as the relevant preferred securities or any claims under the guarantees are outstanding:

to own directly or indirectly 100% of the ordinary shares of the relevant finance subsidiary,

not to permit, or take any action to cause, the dissolution, liquidation or winding up of the relevant finance subsidiary, to the fullest extent permitted by law, unless MUFG is itself in liquidation,

to procure that dividends on any parity securities are only declared or payable on the same date as the preferred securities (absent prior consent of all holders of the preferred securities), and

to pay on behalf of the relevant finance subsidiary the finance subsidiary's operating expenses or to contribute to the finance subsidiary such funds as are necessary in order to enable the finance subsidiary to pay all of its operating expenses.

No Assignment

MUFG may not assign its obligations under the subordinated guarantee agreements, except in the case of a merger, consolidation, corporate split or a sale, lease or other transfer of substantially all of its assets where MUFG is not the surviving entity.

Termination

Each subordinated guarantee agreement shall terminate upon the earlier of:

the redemption or purchase by the relevant finance subsidiary of all the relevant preferred securities, or

following a liquidation event of MUFG, full payment of the liquidation distribution amount payable pursuant to the terms of the subordinated guarantee agreement.

Amendment

Except under certain circumstances, MUFG shall not modify a subordinated guarantee agreement unless holders of two-thirds (calculated by reference to liquidation preference) of the relevant preferred securities (excluding any preferred securities held by MUFG or any of its affiliates, with certain exceptions) consent to such modification of the subordinated guarantee agreement.

Table of Contents

Governing Law

The subordinated guarantee agreements will be governed by, and construed in accordance with, the laws of the State of New York.

S-67

Table of Contents

TAXATION

Japanese Taxation

The following sets forth the material Japanese tax consequences to owners of the preferred securities who are non-resident individuals or non-Japanese corporations without a permanent establishment in Japan to which the relevant income is attributable, which we refer to as non-resident holders in this section. The statements regarding Japanese tax laws below are based on the laws in force and as interpreted by the Japanese taxation authorities as at the date hereof and are subject to changes in the applicable Japanese laws, double taxation treaties, conventions or agreements or interpretations thereof occurring after that date. This summary is not exhaustive of all possible tax considerations that may apply to a particular investor, and potential investors are advised to satisfy themselves as to the overall tax consequences of the acquisition, ownership and disposition of the preferred securities including specifically the tax consequences under Japanese law, the laws of the jurisdiction of which they are resident and any tax convention between Japan and their country of residence, by consulting their own tax advisers.

Preferred Securities

Under Japanese tax laws currently in effect, the payment of dividends on the preferred securities to a non-resident of Japan or non-Japanese corporation (within the meaning given by Japanese tax laws) in accordance with the terms and conditions of the preferred securities will not be subject to (i) Japanese withholding tax in any event; or (ii) any other income or corporate tax levied in Japan unless (solely in regard to income or corporate tax other than by withholding) such non-resident or non-Japanese corporation has a permanent establishment in Japan and payment of the dividend is attributable to the business of the non-resident or non-Japanese corporation carried on in Japan through such permanent establishment.

Gains derived from the sales of the preferred securities outside Japan by a non-resident of Japan or a non-Japanese corporation not having a permanent establishment in Japan, are not, in general, subject to Japanese income tax or corporate tax.

A non-resident of Japan who has acquired the preferred securities by inheritance, bequest or gift is in general not subject to Japanese inheritance or gift taxes unless such non-resident individual is a Japanese national and either such individual or the deceased or the donor, from whom such individual acquired the preferred securities by inheritance, bequest or gift, used to reside in Japan at any time during the five-year period preceding the commencement of inheritance, the time of the bequest or the time of the gift, as the case may be, or donation.

No stamp, issue, registration or similar taxes or duties will, under Japanese law, be payable by holders of the preferred securities in connection with the issue of the preferred securities.

Guarantees

Under existing Japanese laws, payments to a non-resident of Japan or non-Japanese corporation of dividend in respect of the preferred securities by MUFG pursuant to the guarantees will not be subject to Japanese withholding tax.

United States Taxation

The following is a general discussion of certain U.S. federal income tax considerations resulting from beneficial ownership of preferred securities by U.S. Holders (as defined below). The discussion is based on United States federal income tax laws, including the United States Internal Revenue Code of 1986, as amended (the Code), its legislative history, existing and proposed Treasury Regulations thereunder, published rulings and court decisions, and on the Income Tax Convention between the United States and Japan (the Tax Convention), all of which are subject to change, possibly with retroactive effect. MUFG has not requested, and will not request, a ruling from the United States Internal Revenue Service (the IRS) with respect to any of the

Table of Contents

U.S. federal income tax consequences described below, and as a result, there can be no assurance that the IRS will not disagree with or will not challenge any of the conclusions reached and described herein. This discussion does not purport to deal with all aspects of U.S. federal taxation that may be relevant to particular investors in light of their personal investment circumstances, nor does it discuss U.S. federal tax laws applicable to special classes of taxpayers (for example, insurance companies, dealers in securities or currencies, tax exempt organizations, banks or other financial institutions, persons that hold preferred securities as part of a straddle, hedge, integrated transaction, or conversion transaction, persons that have a functional currency other than the U.S. dollar, persons liable for the alternative minimum tax, regulated investment companies, real estate investment trusts, traders in securities who have elected the mark-to-market method of accounting for their securities, persons that own preferred securities through a partnership or other pass-through entity, U.S. expatriates and foreign corporations, non-resident alien individuals and other persons not subject to U.S. federal income tax on their worldwide income). In addition, the discussion does not consider the effect of any foreign, state, local, or other tax laws that may be applicable to a particular holder. This discussion assumes that holders will (except as otherwise indicated) hold preferred securities as capital assets within the meaning of Section 1221 of the Code.

As used herein, a **U.S. Holder** is a beneficial owner of preferred securities that is, for U.S. federal income tax purposes: (i) an individual citizen or resident of the United States; (ii) a corporation, or other entity taxable as a corporation, organized in or under the laws of the United States or of any political subdivision thereof; or (iii) an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

If a partnership holds preferred securities, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding preferred securities, you should consult your tax advisors.

Potential investors are urged to consult their own tax advisors with respect to the particular consequences to them under U.S. federal, state, local and applicable foreign tax laws of the acquisition, ownership and disposition of preferred securities.

Preferred Securities

Partnership Status of MUFG Capital Finance 1 Limited, MUFG Capital Finance 2 Limited, and MUFG Capital Finance 3 Limited (collectively, Issuer)

A foreign eligible entity (such as Issuer) that has two or more members, none of which has unlimited liability, may elect to be treated as a partnership for U.S. federal income tax purposes. Issuer intends to make an election to be treated as a partnership for U.S. federal income tax purposes. An entity that is treated as a partnership for U.S. federal income tax purposes is not a taxable entity and incurs no U.S. federal income tax liability. Instead, beneficial owners are required to take into account their allocable share of items of income, gain, loss, and deduction of the partnership in computing their U.S. federal income tax liability, regardless of whether cash distributions are made to them.

Reporting Obligations

If you purchase preferred securities for a price in excess of \$100,000, you must file IRS Form 8865 for your taxable year in which the purchase occurs. Failure by you to timely comply with such reporting requirements may result in substantial penalties. As a partner in a foreign partnership, you may be subject to additional reporting requirements. You should consult your tax advisors regarding any additional reporting requirements.

You must also (regardless of whether your purchase price exceeds \$100,000) attach to your U.S. federal income tax return for the taxable year that includes the date of such election a copy of IRS Form 8832, on which Issuer elected to be treated as a partnership for U.S. federal income tax purposes. Failure to attach such form to your tax return may result in penalties. You will be provided with such information, only upon written request

Table of Contents

made to the paying agent through the DTC, Euroclear or Clearstream participant holding preferred securities for you, as is reasonably necessary for you to complete your U.S. federal income tax return (including a copy of IRS Form 8832).

Tax Consequences of Preferred Securities

You will generally be required to include in gross income for your taxable year in which Issuer's taxable year ends (or if you dispose of your entire interest in the preferred securities, the taxable year including the date of disposition) your distributive share of items of income, gain, loss, and deduction of Issuer. We expect that your distributive share of income will consist of interest paid with respect to the senior subordinated loans to be made by BTMU Preferred Capital 1 Limited, BTMU Preferred Capital 2 Limited, and BTMU Preferred Capital 3 Limited (collectively, Bank SPC) to the Bank of Tokyo-Mitsubishi UFJ, Ltd. (Senior Subordinated Loans) and income attributable to other eligible investments (as defined in Description of the Preferred Securities), if any. Each item generally will have the same character and source (either United States or foreign) as though you had realized the item directly, and interest on the bonds will be foreign source.

A foreign eligible entity (such as Bank SPC) that has two or more members, none of which has unlimited liability, may elect to be treated as a partnership for U.S. federal income tax purposes. Bank SPC intends to make an election to be treated as a partnership for U.S. federal income tax purposes. An entity that is treated as a partnership for U.S. federal income tax purposes is not a taxable entity and incurs no U.S. federal income tax liability. Instead, U.S. holders are required to take into account their allocable share of items of income, gain, loss, and deduction of the partnership in computing their U.S. federal income tax liability, regardless of whether cash distributions are made to them. The partners of Bank SPC will be Issuer (which will own preferred interests) and the Bank of Tokyo-Mitsubishi UFJ, Ltd. (which will own common interests).

U.S. Tax Status of the Senior Subordinated Loans. Despite the fact that the Senior Subordinated Loans are denominated as debt, in the opinion of U.S. counsel for the Bank of Tokyo-Mitsubishi UFJ, Ltd., for U.S. federal income tax purposes, the Senior Subordinated Loans will be treated as equity of the Bank of Tokyo-Mitsubishi UFJ, Ltd., and payments of interest on the Senior Subordinated Loans will be treated as dividends to the extent paid out of the Bank of Tokyo-Mitsubishi UFJ, Ltd.'s current or accumulated earnings and profits, as determined under U.S. federal income tax principles. The Bank of Tokyo-Mitsubishi UFJ, Ltd. intends to follow this characterization in its U.S. tax reporting. If the terms of the Senior Subordinated Loans were to be amended, that could change the U.S. federal income tax characterization of the Senior Subordinated Loans from equity to debt. However, MUFG does not anticipate that the terms will be amended in such manner.

Special adverse United States income tax rules apply if a U.S. holder holds preferred securities in any taxable year in which the Bank of Tokyo-Mitsubishi UFJ, Ltd. is treated as a PFIC for United States federal income tax purposes. The Bank of Tokyo-Mitsubishi UFJ, Ltd. is a private banking institution subject to regulation under Japanese banking law. The Bank of Tokyo-Mitsubishi UFJ, Ltd. believes that it is engaged in the active conduct of a banking business as defined in the Code and thus does not expect to be a PFIC in the current year or in future years. This determination is based in part upon proposed Treasury regulations which are not yet in effect but are proposed to become effective for taxable years beginning after December 31, 1994 or, for electing taxpayers, for taxable years beginning after December 31, 1986. However, there can be no assurance that the described proposed regulations will be finalized in their current form, and the determination of whether the Bank of Tokyo-Mitsubishi UFJ, Ltd. is a PFIC is based upon, among other things, the composition of its income and assets and the value of its assets from time to time. U.S. Holders should consult their own tax advisors as to the potential application of the PFIC rules to their ownership or disposition of preferred securities.

Payments of Interest on the Senior Subordinated Loans. Interest paid by the Bank of Tokyo-Mitsubishi UFJ, Ltd. on the Senior Subordinated Loans will be treated for United States federal income tax purposes as a dividend paid by the Bank of Tokyo-Mitsubishi UFJ, Ltd. to Bank SPC. Bank SPC in turn pays such amount over to Issuer, who in turn pays such amount over to the U.S. Holders. Because both Bank SPC and Issuer will be treated as partnerships for United States federal income tax purposes, the share of partnership income received by the U.S. Holders from Issuer will be treated as a dividend from the Bank of Tokyo-Mitsubishi UFJ, Ltd.

Table of Contents

In accordance with the treatment of interest payments on the Senior Subordinated Loans as dividends, U.S. Holders must include in gross income the gross amount of any payment received with respect to the Senior Subordinated Loans (before reduction for Japanese withholding taxes) to the extent paid out of the Bank of Tokyo-Mitsubishi UFJ, Ltd.'s current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). However, we do not expect to make a determination of earnings and profits in accordance with United States federal income tax principles. Therefore, you should expect that the entire amount of a distribution will generally be treated as a dividend. Dividends received by a U.S. Holder will not be eligible for the dividends-received deduction allowed to United States corporations in respect of dividends received from other United States corporations.

The interest payments on the Senior Subordinated Loans may be denominated in U.S. dollars, Japanese yen or euro. The amount of the dividend received by a U.S. Holder will be the U.S. dollar value of payments received, whether in U.S. dollars, Japanese yen or euro. This value will be determined at the spot Japanese yen/U.S. dollar rate or euro/U.S. dollar rate, as applicable, on the date the dividend is received by such U.S. Holder, regardless of whether the dividend payment is in fact converted into U.S. dollars at that time. If the Japanese yen or euro received as a dividend are not converted into U.S. dollars on the date of receipt, the U.S. Holder will have basis in such Japanese yen or euro equal to their dollar value on the date of receipt, and any foreign currency gains or losses resulting from the conversion of the Japanese yen or euro will generally be treated as U.S. source ordinary income or loss.

For foreign tax credit limitation purposes, interest payments on the Senior Subordinated Loans will be income from sources without the United States. Subject to certain limitations under the Code, if a particular investor complies with applicable certification requirements, such investor may be entitled to a credit or deduction against its U.S. federal income taxes for the amount of any Japanese taxes that are withheld from payments made to it. The decision to claim either a credit or a deduction must be made each year and will apply to all foreign taxes paid by the investor to any foreign country or U.S. possession or territory with respect to that year. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, interest payments paid by the Bank of Tokyo-Mitsubishi UFJ, Ltd. will generally constitute passive income. Further, in certain circumstances, if a U.S. Holder:

has held preferred securities for less than a specified minimum period during which they are not protected from the risk of loss, or

is obligated to make payments related to the preferred securities, such U.S. Holder will not be allowed a foreign tax credit for foreign taxes imposed on interest paid on debt securities. Because of the complexity of these limitations, U.S. Holders should consult their own tax advisors with respect to the availability of the foreign tax credit under their particular circumstances.

With respect to non-corporate U.S. Holders, certain dividends received for taxable years beginning on or before December 31, 2008 from a qualified foreign corporation may be subject to reduced rates of taxation. Qualified foreign corporations include those corporations eligible for the benefits of a comprehensive income tax treaty with the United States; the Tax Convention is such a treaty. Dividends received by U.S. Holders from a foreign corporation that was a PFIC in either the taxable year of the distribution or the preceding taxable year are not qualified dividends. We believe that the Bank of Tokyo-Mitsubishi UFJ, Ltd. is a qualified foreign corporation and that dividends received by U.S. Holders with respect to preferred securities will be qualified dividends. However, individuals that do not meet a minimum holding period requirement during which they are not protected from a risk of loss or that elect to treat the dividend income as investment income pursuant to section 163(d)(4) of the Code will not be eligible for the reduced rates of taxation for qualified dividends. In addition, the rate reduction will not apply to dividends if the recipient of a dividend is obligated to make related payments with respect to positions in substantially similar or related property. This disallowance applies even if the minimum holding period has been met.

Capital Gains on the Sale or other Disposition of Preferred Securities. Upon a sale or other disposition of the preferred securities, a U.S. Holder will recognize gain or loss in an amount equal to the difference between

Table of Contents

the U.S. dollar value of the amount realized and the U.S. Holder's tax basis (determined in U.S. dollars) in such preferred securities. Generally, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period for such preferred securities exceeds one year. The deductibility of capital losses is subject to limitations. A U.S. Holder's adjusted tax basis in its preferred securities will generally be the cost to such U.S. Holder of such preferred securities. Any gain or loss realized by a U.S. Holder upon a disposition of preferred securities will be income or loss from sources within the U.S. for foreign tax credit limitation purposes.

Information Reporting and Backup Withholding

Payments by Issuer to U.S. Holders and proceeds of U.S. Holders from sales of preferred securities to or through a U.S. office or broker may be subject to information reporting requirements. Such payments or proceeds from sale or disposition may also be subject to backup withholding unless the U.S. holder:

is a corporation or comes within some other categories of exempt recipients, and, when required, demonstrates this fact, or

provides a correct taxpayer identification number on a properly completed U.S. Internal Revenue Service Form W-9 or substitute form, certifies that the U.S. holder is not subject to backup withholding, and otherwise complies with applicable requirements of the backup withholding rules.

Any amount withheld under these rules will be creditable against the U.S. Holder's United States federal income tax liability or refundable to the extent that it exceeds such liability if the U.S. Holder provides the required information to the Internal Revenue Service. If a U.S. Holder is required to and does not provide a correct taxpayer identification number, the U.S. Holder may be subject to penalties imposed by the Internal Revenue Service. All U.S. Holders should consult their tax advisors as to their qualification for the exemption from backup withholding and the procedure for obtaining an exemption.

THE U.S. FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY OR MAY NOT BE APPLICABLE TO AN INVESTOR DEPENDING UPON THE INVESTOR'S PARTICULAR SITUATION. POTENTIAL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES TO THEM OF OWNING, HOLDING, AND DISPOSING OF PREFERRED SECURITIES, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, FOREIGN, AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL OR OTHER TAX LAW.

Cayman Islands Taxation

Preferred Securities

The government of the Cayman Islands, will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the finance subsidiaries or the holders of preferred securities. The Cayman Islands are not party to any double taxation treaties.

The finance subsidiaries have applied for and can each expect to receive an undertaking from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the applicable finance subsidiary or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on the shares, debentures or other obligations of the applicable finance subsidiary or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the applicable finance subsidiary to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the applicable finance subsidiary.

Prospective investors should consult their professional advisers on the possible tax consequences of buying, holding or selling any preferred securities under the laws of their country of citizenship, residence or domicile.

Table of Contents

Guarantees

Payments of principal and interest in respect of the preferred securities pursuant to the guarantees will not be subject to taxation in the Cayman Islands and no withholding will be required on such payments to any holder of preferred securities as a matter of Cayman Islands law.

S-73

Table of Contents

ERISA CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended (ERISA), imposes fiduciary standards and certain other requirements on employee benefit plans subject thereto, including collective investment funds, separate accounts, and other entities or accounts whose underlying assets are treated as assets of such plans pursuant to the U.S. Department of Labor plan assets regulation (the Plan Assets Regulation), 29 CFR Section 2510.3-101 (collectively, ERISA Plans), and on those persons who are fiduciaries with respect to ERISA Plans. Before authorizing an investment in the preferred securities issued by MUFG Capital Finance 1 Limited, MUFG Capital Finance 2 Limited, and MUFG Capital Finance 3 Limited (each, an Issuer and collectively, the Issuers), fiduciaries of ERISA Plans should consider, among other matters, (i) ERISA s fiduciary standards, (ii) whether the investment in the preferred securities by the ERISA Plan satisfies the prudence and diversification requirements of ERISA, taking into account the overall investment policies of the ERISA Plan, the composition of the ERISA Plan s portfolio and the limitations on the marketability of the preferred securities, (iii) whether the fiduciaries have authority to make an investment in the preferred securities under the applicable ERISA Plan investment policies and governing instruments and (iv) rules under ERISA and the Code that prohibit ERISA Plan fiduciaries from causing an ERISA Plan to engage in a prohibited transaction .