

MITSUBISHI UFJ FINANCIAL GROUP INC

Form 6-K

October 27, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

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

For the month of October, 2008

MITSUBISHI UFJ FINANCIAL GROUP, INC.

(Translation of registrant's name into English)

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

Tokyo 100-8330, Japan

(Address of principal executive offices)

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

Form 20-F X Form 40-F

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

Yes No X

SIGNATURES

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

Date: October 27, 2008

Mitsubishi UFJ Financial Group, Inc.

By: /S/ Ryutaro Kusama

Name: Ryutaro Kusama

Title: Chief Manager, General Affairs

Corporate Administration Division

Concerning Issuance of Preferred Shares through a Third-Party Allotment

Tokyo, October 27, 2008 Mitsubishi UFJ Financial Group, Inc. (President & CEO Nobuo Kuroyanagi MUFG) hereby announces that its Board of Directors today resolved to issue the First Series Class 5 Preferred Shares (the Preferred Shares) through a third-party allotment as set forth below.

PARTICULARS

1. Purposes of Offering of Preferred Shares to be Issued through a Third-party Allotment

(1) Major purpose of raising capital

As the financial crisis worsens worldwide, the MUFG group (the Group), which has a strong customer and deposit base, has been making a move toward future growth, taking such steps as strengthening the total power of the Group through domestic and international strategic investments and organizational restructuring. The Group aims for enhanced stabilization of its financial base and further corporate growth as a global financial group by implementing this capital reinforcement.

(2) Marketability of the Preferred Shares

The Preferred Shares shall be issued by way of a third party allotment. The Preferred Shares are bond type preferred shares, which grant no conversion right for ordinary shares to its holders. Dilution of the ordinary shares will not occur. Although the Preferred Shares do not have a so-called maturity date, the Preferred Shares may be acquired by MUFG at the same price as the issue price on and after about five (5) years and four (4) months, by taking the prescribed procedures, at MUFG's option. Please refer to the attached Terms and Conditions for the detailed information.

(3) Reason for raising capital by the Preferred Shares

As a result of considering various funding methods in connection with this capital raising, MUFG gave comprehensive consideration to the following reasons, and has determined that raising capital by issuance of the Preferred Shares is the best scheme:

- (i) The Preferred Shares are bond type preferred shares, in which dilution of the ordinary shares will not occur;
- (ii) The Preferred Shares may be issued flexibly within the authorization by the Articles of Incorporation; and
- (iii) MUFG has determined that the Preferred Shares have reasonable conditions in respect of dividend rate, etc. as bond type preferred shares, considering the past issuing cases.

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This notice does not constitute an offer of securities for sale in the United States. The preferred shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable

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exemption from registration requirements. The preferred shares will be issued and sold in Japan, and MUFG has no intention of offering or selling these securities in the United States.

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2. Amount of Proceeds and Use of Proceeds

(1) Amount of funds to be raised (estimated proceeds after deduction of costs)

| | |
|---|---------------------|
| Aggregate amount to be paid | JPY 390,000,000,000 |
| Estimated amount of costs and expenses for issuance | JPY 100,000,000 |
| Estimated proceeds after deduction of costs | JPY 389,900,000,000 |

(2) Details of use of proceeds

Proceeds are expected to be provided to MUFG's consolidated subsidiaries.

(3) Scheduled date of expenditure of proceeds

November, 2008

(4) Rationale for use of proceeds

MUFG gave comprehensive consideration to the Group's capital position, business environment, etc., and has determined it reasonable to provide to MUFG's consolidated subsidiaries.

3. Business Results and Equity Finance for Past Three Years

(1) Consolidated business results for past three years

| Fiscal year | FY March 2006 | FY March 2007 | FY March 2008 |
|------------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Ordinary revenue (million JPY) | 4,293,950 | 6,094,033 | 6,393,951 |
| Ordinary income (million JPY) | 1,078,061 | 1,457,080 | 1,029,013 |
| Current net income (million JPY) | 770,719 | 880,997 | 636,624 |
| Current net income per share (JPY) | 93,263.15 | 86,795.07 | 61.00 |
| | Common Stock 7,000 | Common Stock 11,000 | Common Stock 14,000 |
| | First Series | First Series | First Series |
| | Class 3 | Class 3 | Class 3 |
| | Preferred Shares 60,000 | Preferred Shares 60,000 | Preferred Shares 60,000 |
| | Class 8 | Class 8 | Class 8 |
| | Preferred Shares 15,900 | Preferred Shares 15,900 | Preferred Shares 15,900 |

Dividends per share (JPY)

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| | | | |
|-------------------------------------|---------------------------|------------------|------------------|
| | Class 9 | Class 11 | Class 11 |
| | Preferred Shares | Preferred Shares | Preferred Shares |
| | 18,600 | 5,300 | 5.30 |
| | Class 10 | Class 12 | Class 12 |
| | Preferred Shares | Preferred Shares | Preferred Shares |
| | 19,400 | 11,500 | 11.50 |
| | Class 11 Preferred Shares | | |
| | 5,300 | | |
| | Class 12 Preferred Shares | | |
| | 11,500 | | |
| Shareholders equity per share (JPY) | 692,792.38 | 801,320.41 | 727.98 |

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(2) Number of outstanding shares and dilutive shares at present

| Type | Number of shares | (As of September 30, 2008) |
|--|------------------|---|
| | | Ratio to the number of outstanding shares |
| Number of outstanding shares | 11,067,380,680 | 100.00% |
| Number of dilutive shares at the current acquisition price | 14,196,900 | 0.13% |
| Number of dilutive shares at the minimum acquisition price | 14,211,400 | 0.13% |

(3) Recent share prices

(i) For past three years

| | FY March 2007 | FY March 2008 | (in JPY) |
|---------|---------------|---------------|---------------|
| | | | FY March 2009 |
| Opening | 1,820,000 | 1,350,000 | 863 |
| | | *1,097 | |
| High | 1,950,000 | 1,430,000 | 1,173 |
| | | *1,252 | |
| Low | 1,260,000 | 990,000 | 678 |
| | | *782 | |
| Closing | 1,330,000 | 1,010,000 | 683 |
| | | *860 | |

- Note: 1. MUFG has conducted a stock split at the rate of 1,000 shares per 1 share on September 30, 2007.
 2. The mark * represents the share prices after the rights-off due to the stock split.
 3. The share prices for the fiscal year 2009 listed above are the prices as of October 24, 2008.

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(ii) For past six months

| | (in JPY) | | | | | |
|---------|----------|-------|-------|--------|-----------|---------|
| | May | June | July | August | September | October |
| Opening | 1,124 | 1,082 | 946 | 964 | 832 | 913 |
| High | 1,169 | 1,156 | 1,036 | 964 | 962 | 946 |
| Low | 973 | 926 | 902 | 789 | 741 | 678 |
| Closing | 1,078 | 941 | 971 | 839 | 893 | 683 |

Note: The share prices for the fiscal year October 2008 listed above are the prices as of October 24, 2008.

(iii) Share price as of the day preceding the date of the resolution authorizing issuance

| | (in JPY) |
|---------|------------------------|
| | As of October 24, 2008 |
| Opening | 712 |
| High | 725 |
| Low | 678 |
| Closing | 683 |

(4) Equity Finance under this transaction

Issuance of First Series Class 5 Preferred Shares through a Third-party Allotment

| | | |
|---|---|--------------------------------------|
| Issue date | November 17, 2008 | |
| Amount of proceeds | JPY 389,900,000,000 (issue price: JPY2,500) (estimated proceeds after deduction of costs) | |
| Number of outstanding shares at the time of the offering (as of September 30, 2008) | Common Stock: | 10,933,679,680 shares |
| | First Series | |
| | Class 3 Preferred Shares: | 100,000,000 shares |
| | Class 11 Preferred Shares: | 1,000 shares |
| | Class 12 Preferred Shares: | 33,700,000 shares |
| | Total: | 11,067,380,680 shares |
| Number of shares to be issued through this capital increase | 156,000,000 shares | |
| Aggregate number of outstanding shares after the offering | Common Stock: | 10,933,679,680 shares |
| | First Series | |
| | Class 3 Preferred Shares: | 100,000,000 shares |
| | Class 11 Preferred Shares: | 1,000 shares |
| | Class 12 Preferred Shares: | 33,700,000 shares |
| | First Series Class 5 Preferred Shares: | 156,000,000 shares (scheduled) |
| | Total: | 11,223,380,680 shares (scheduled) |
| Allottee | To be determined. | |

(5) Equity Finance for Past Three Years

Not Applicable.

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4. Major Shareholders and their Shareholding Ratio

(1) Common Stock

| Before the offering (as of September 30, 2008) | | After the offering |
|---|-------|---------------------------|
| Japan Trustee Services Bank, Ltd. (Trust account) | 5.12% | |
| The Master Trust Bank of Japan, Ltd. (Trust account) | 3.97% | |
| The Master Trust Bank of Japan, Ltd. (Trust account 4G) | 3.62% | |
| Hero & Co. (Standing proxy agent: The Bank of Tokyo-Mitsubishi UFJ, Ltd.) | 2.62% | |
| Nippon Life Insurance Company | 2.61% | |
| The Master Trust Bank of Japan, Ltd. (Meiji Yasuda Life Insurance Company, Pension Trust Account for the benefit of retirement plans) | 1.61% | Same as the left column |
| Toyota Motor Corporation | 1.36% | |
| Meiji Yasuda Life Insurance Company | 1.27% | |
| Street Bank and Trust Company (Standing proxy agent: Mizuho Corporate Bank, Ltd., Kabutocho Custody & Proxy Department) | 1.14% | |
| The Master Trust Bank of Japan, Ltd. (Mitsubishi Heavy Industries, Ltd., Pension Trust Account for the benefit of retirement plans) | 1.08% | |

(2) First Series Class 3 Preferred Shares

| Before the offering (as of September 30, 2008) | | After the offering |
|---|--------|---------------------------|
| Tokio Marine & Nichido Fire Insurance Co., Ltd. | 40.00% | |
| Meiji Yasuda Life Insurance Company | 40.00% | Same as the left column |
| Nippon Life Insurance Company | 20.00% | |

(3) Class 11 Preferred Shares

| Before the offering (as of September 30, 2008) | | After the offering |
|---|---------|---------------------------|
| UFJ Trustee Services PVT. (Bermuda) Limited as the trustee of UFJ International Finance (Bermuda) Trust | 100.00% | Same as the left column |

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(4) Class 12 Preferred Shares

| Before the offering (as of September 30, 2008) | After the offering |
|---|--------------------------------|
| (Treasury Stock) | |
| Mitsubishi UFJ Financial Group, Inc. | 66.46% Same as the left column |
| DAIDO LIFE INSURANCE COMPANY | 33.53% |

(5) First Series Class 5 Preferred Shares

| Before the offering (as of September 30, 2008) | After the offering |
|---|---------------------------|
| Not Applicable | To be determined. |

5. Expected Impact on Business Results

MUFG believes that this issuance will increase the growth and profitability of the Group, since the proceeds will be provided to MUFG's consolidated subsidiaries.

6. Reasonableness of Conditions of Issuance, etc.

(1) Basis for calculating the offer price

MUFG gave comprehensive consideration to (i) the comparison of the marketability of the Preferred Shares to the amount to be paid in respect of other similar shares and (ii) the current market conditions of the equity securities, and determined JPY 2,500 to be the amount to be paid per Preferred Share.

(2) Rationale for judgment that number of shares to be issued and level of dilution of shares are reasonable

Since the Preferred Shares are bond type preferred shares, which grant no conversion right for ordinary shares to its holders, dilution will not occur.

7. Reason for Selecting Allottees

The allottees and the number of shares to be allotted shall be determined by MUFG's chief financial officer. Presently, the chief financial officer has not yet determined the allottees or the number of shares to be allotted.

* * *

Contact:

Mitsubishi UFJ Financial Group, Inc. Public Relations Division 81-3-3240-7651

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Attachment

Terms and Conditions

1. Description of Shares to be Offered

Mitsubishi UFJ Financial Group, Inc. (the Company) First Series Class 5 Preferred Shares (the Preferred Shares)

2. Number of Shares to be Offered

156,000,000 shares

3. Amount to be Paid for Shares to be Offered

JPY 2,500 per share

4. Aggregate Amount to be Paid

JPY 390,000,000,000

5. Application Date

November 14, 2008

6. Payment Date

November 17, 2008

7. Matters Concerning Capital and Capital Reserve to be Increased

The amount of capital to be increased is JPY 195,000,000,000 (JPY 1,250 per share), and the amount of capital reserve to be increased is JPY 195,000,000,000 (JPY 1,250 per share).

8. Method of Issue

Allotment shall be conducted by way of a third party allotment. The allottees and the number of shares to be allotted shall be determined by the chief financial officer.

9. Preferred Dividends

- (1) The Company shall pay, JPY 115 per Preferred Share, monetary dividends from surplus (such money to be paid by such dividend being referred to as the Preferred Dividends in the Terms and Conditions) (provided, however, that with respect to the Preferred Dividends of which March 31, 2009 is the record date, JPY 43 per Preferred Share) to the holders of the Preferred Shares (the Preferred Shareholders) or the registered share pledgees of the Preferred Shares (the Registered Preferred Share Pledgees), whose names have been entered or recorded in the latest shareholder register as of March 31 of each year, in priority to the holders of the ordinary shares (the Ordinary Shareholders) or the registered share pledgees of the ordinary shares (the Registered Ordinary Share Pledgees); provided, however, that if

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the Company has paid the Preferred Interim Dividends as provided for in Section 10 in the relevant business year, the amount so paid shall be deducted from the amount of the relevant Preferred Dividends.

- (2) In the event that the amount of monetary dividends from surplus to be paid to the Preferred Shareholders or the Registered Preferred Share Pledgees during a business year falls short of the amount of the Preferred Dividends, such shortfall shall not be carried over for accumulation to the subsequent business years.

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- (3) The Company shall not pay dividends from surplus exceeding the value of the Preferred Dividends to the Preferred Shareholders or the Registered Preferred Share Pledges, except for (i) the dividends from surplus provided for in Article 758, Item 8, (b) of the Company Law or Article 760, Item 7, (b) of the Company Law, which will be paid in the procedure for absorption-type corporate splits to be conducted by the Company, or (ii) the dividends from surplus provided for Article 763, Item 12, (b) of the Company Law or Article 765, Paragraph 1, Item 8, (b) of the Company Law, which will be paid in the procedure for incorporation-type corporate splits to be conducted by the Company.

10. Preferred Interim Dividends

In the event that the Company pays interim dividends as provided for in Article 51 of the Articles of Incorporation of the Company, the Company shall pay, JPY 57.50 per Preferred Share, monetary dividends from surplus (such money to be paid by such dividend being referred to as the Preferred Interim Dividends in the Terms and Conditions) to the Preferred Shareholders or the Registered Preferred Share Pledges, in priority to the Ordinary Shareholders or the Registered Ordinary Share Pledges.

11. Distribution of Residual Assets

- (1) In the event that the Company makes a distribution of residual assets, the Company shall pay JPY 2,500 per Preferred Share to the Preferred Shareholders or the Registered Preferred Share Pledges, in priority to the Ordinary Shareholders or the Registered Ordinary Share Pledges.
- (2) Except as provided for in the preceding Section 11 (1), no distribution of the residual assets shall be made to the Preferred Shareholders or the Registered Preferred Share Pledges.

12. Voting Rights

Unless otherwise provided for by laws and regulations, no Preferred Shareholders shall have voting rights at any general meeting of shareholders; provided, however, that the Preferred Shareholders shall have voting rights during the period, if an agenda with respect to the receipt of the Preferred Dividends is not presented at an ordinary general meeting of shareholders, from such general meeting, or if an agenda thereof is rejected at an ordinary general meeting, from the closing time of such general meeting, up until a resolution is passed to receive the Preferred Dividends.

13. Consolidation or Splitting of Preferred Shares; Right to Receive Allotment of Offered New Shares, Etc.

- (1) Unless otherwise provided for by laws and regulations, the Company shall not conduct share consolidations or share splits with respect to the Preferred Shares.
- (2) The Company shall not grant the Preferred Shareholders any right to receive an allotment of shares to be offered, or any right to receive an allotment of stock acquisition rights to be offered.
- (3) The Company shall not conduct free distribution of shares or free distribution of stock acquisition rights to the Preferred Shareholders.

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14. Acquisition Clause of the Preferred Shares

- (1) After the issuance of the Preferred Shares, on or after April 1, 2014, the Company may, in exchange for the delivery of the money, JPY 2,500 per Preferred Share, acquire all or a part of the Preferred Shares on the certain date separately determined by a resolution of the meeting of the Board of Directors.
- (2) Partial acquisition shall be made by way of pro rata or lot allocation.

15. Order of Priority

The order of priority of the payment of the Preferred Dividends, the Preferred Interim Dividends and the residual assets of the Preferred Shares shall be the same as the order of priority of the preferred shares of other kinds issued by the Company.

16. Prescription Period

The provision of Article 52 of the Articles of Incorporation of the Company shall be applied *mutatis mutandis* to the payment of the Preferred Dividends and the Preferred Interim Dividends.

17. Others

Each of the above sections shall be applicable on condition that the notification has been made and the approvals and authorizations under the related laws and regulations have become effective.

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