



Financial Highlights
under Japanese GAAP
for 1st Quarter of
Fiscal Year Ending
March 31, 2024

August 1, 2023

Key Message

- FY23 1Q net operating profits (NOP) were **¥556.6bn (up by ¥131.4bn YoY)**, and **38%** progress towards the FY23 target (¥1,450.0bn).
Continuing momentum for enhancing earnings power, NOP in customer segments were **up by ¥111.2bn YoY**, despite the impact of the sale of MUB.
- Profits attributable to owners of parent were **¥558.3bn and 43% progress**, which is off to a good start toward the FY23 target (¥1,300.0bn), driven by an increase in NOP, a change in the closing date of Morgan Stanley's financial results when applying the equity method of accounting^{*1}, and an impact of JPY's depreciation.

^{*1} For FY23, the closing date of MS's financial results when applying the equity method of accounting will be changed from as of Dec 31, 2023 to as of Mar 31, 2024. As a result of this change, for FY23 1Q, MS's financial results for the 6-months period, including results for the quarter ended Mar 31, 2023, have been reflected in equity in earnings of equity method investees. For FY23, MS's financial results for the 15-months period from January 1, 2023 to March 31, 2024 will be reflected in MUFG's consolidated financial statements. The financial impact associated with this change is subject to change in line with FX rate, etc.

Income Statement Summary

【Consolidated】

Income Statement

(¥bn)	FY22 1Q	FY23 1Q	YoY	After adjustment of MUB ^{*1}
1 Gross profits (before credit costs for trust accounts)	1,124.8	① 1,241.3	116.4	—
2 Net interest income	986.8	584.1	(402.6)	—
3 Trust fees	369.1	401.4	32.2	—
4 + Net fees and commissions				
Net trading profits (losses)	(231.2)	255.6	486.9	—
5 + Net other operating profits (losses)				
Net gains (losses) on debt securities	(406.1)	49.8	455.9	—
6 G&A expenses	699.6	② 684.6	(14.9)	—
7 Net operating profits	425.1	556.6	131.4	—
8 Total credit costs	(73.9)	(41.6)	32.3	(11.9)
9 Net gains (losses) on equity securities	19.0	43.7	24.7	—
10 Net gains (losses) on sales of equity securities	65.4	45.1	(20.3)	—
11 Losses on write-down of equity securities	(46.4)	(1.4)	45.0	—
12 Equity in earnings of equity method investees	123.0	③ 199.9	76.8	—
13 Other non-recurring gains (losses)	(230.3)	④ (33.0)	197.2	83.6
14 Ordinary profits(losses)	262.9	725.5	462.6	304.7
15 Net extraordinary gains (losses)	(21.9)	(22.5)	(0.6)	—
16 Total of income taxes-current and income taxes-deferred	(107.1)	(127.5)	(20.3)	—
17 Profits attributable to owners of parent	113.6	⑤ 558.3	444.7	286.8
18 EPS (¥)	9.03	46.44	37.41	—
<Reference>				
19 ROE^{*2}	2.93%	13.15%	10.22%	—
20 Expense ratio	62.1%	② 55.1%	(7.0%)	—

① Gross profits

- Net interest income was down due to the absence of gains on investment trusts cancellation of ¥444.2bn included in FY22 1Q, although foreign interest income of loans and deposits increased.
- Net fees and commissions were up, driven by an increase in foreign loan-related fees.
- Net trading profits + Net other operating profits were up driven by increases in sales & trading and treasury business by benefitting from volatility in market, as well as the absence of net losses on debt securities of ¥(406.1)bn included in FY22 1Q through portfolio rebalance.
- Gross profits were up by ¥116.4bn YoY.

② G&A expenses / Expense Ratio

- G&A expenses was down by ¥(14.9)bn YoY, due to the impact of the sale of MUB.
- Expense ratio was 55.1%, down by 7.0% point YoY along with an increase in Gross profits.

③ Equity in earnings of equity method investees

- Up by ¥76.8bn YoY, due to the closing date change of MS's financial results in the equity method of accounting^{*3}.

④ Other non-recurring gains (losses)

- Up by ¥197.2bn YoY, due to the absence of the impact of valuation losses on bonds held by MUB, etc.

⑤ Profits attributable to owners of parent

- Up by ¥444.7bn to ¥558.3bn YoY.

*1 Adjusted the reversal of valuation losses included in net extraordinary gains in FY22, out of valuation losses on assets held by MUB, etc. of ¥259.6bn (after tax) included in FY22 1Q. Total credit costs : ¥44.2bn, Other non-recurring gains (losses) : ¥113.6bn, Ordinary profits : ¥157.9bn, Profits attributable to owners of parent : ¥157.9bn

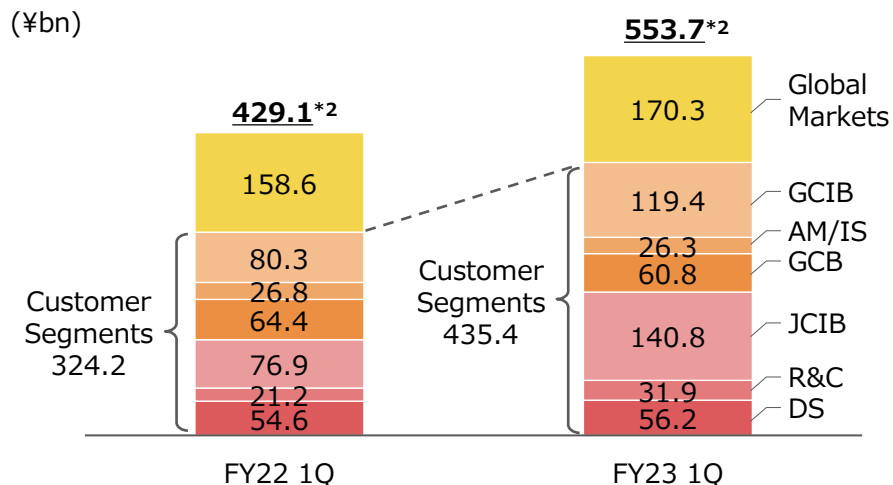
*2 Approx. 11.3% excluding the impact of the change in the equity method of accounting for MS

3 *3 For FY23, the closing date of MS's financial results when applying the equity method of accounting will be changed from as of Dec 31, 2023 to as of Mar 31, 2024. As a result of this change, for FY23 1Q, MS's financial results for the 6-months period, including results for the quarter ended Mar 31, 2023, have been reflected in equity in earnings of equity method investees. The financial impact associated with this change is subject to change in line with FX rate, etc.

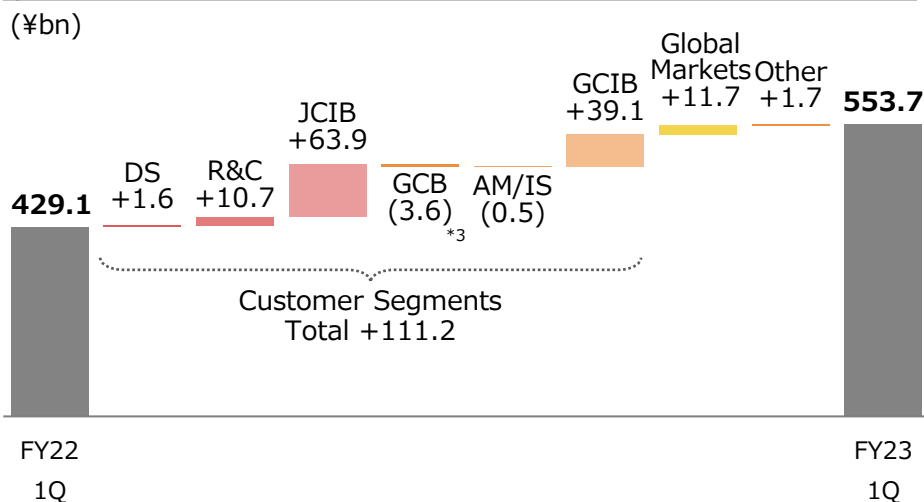
Outline of Results by Business Segment①

【Consolidated】

Net Operating Profits by Business Segment*1



Breakdown of Changes in Net Operating Profits



Overview

DS	NOP increased reflecting growth in CF*4 and higher transaction volume in Card settlement with the economic recovery from COVID-19, as well as an increased non-JPY deposit interest income reflecting higher interest rate.
R&C	NOP increased driven by an increase in non-JPY deposits interest income due to improving deposit spread, by higher volume and lending spread in corporate loans, and by growth in solution business largely led by LBO*5 deals.
JCIB	NOP increased driven by growth in deposits and loans income reflecting higher interest rates outside Japan and improved lending spreads, recovery of primary market business, and growth in solution business by strengthening deal origination.
GCB	While NOP decreased impacted by the sale of MUB, profits in KS and Bank Danamon were up driven by an increase in net interest income reflecting higher interest rates and loan spreads, as well as loan balance growth.
AM/IS	While revenue increased driven by higher transaction volume both domestic and global, largely led by Global IS*6, NOP decreased due to the impact of expenses related to the acquisition of AlbaCore Capital Group.
GCB	NOP increased driven by growth in non-interest income in project finance, etc. in each region, as well as growth in deposits and loans income reflecting higher interest rates and improved loan spreads.
Global Markets	NOP increased driven by steady growth in flow transactions by benefitting from volatility in market in customer business, as well as gains on the sale of securities through flexible position management in treasury business.

*1 On a managerial accounting basis *2 Include net operating profits for "Other" segment (FY22 1Q:¥(53.8)bn, FY23 1Q:¥(52.1)bn)

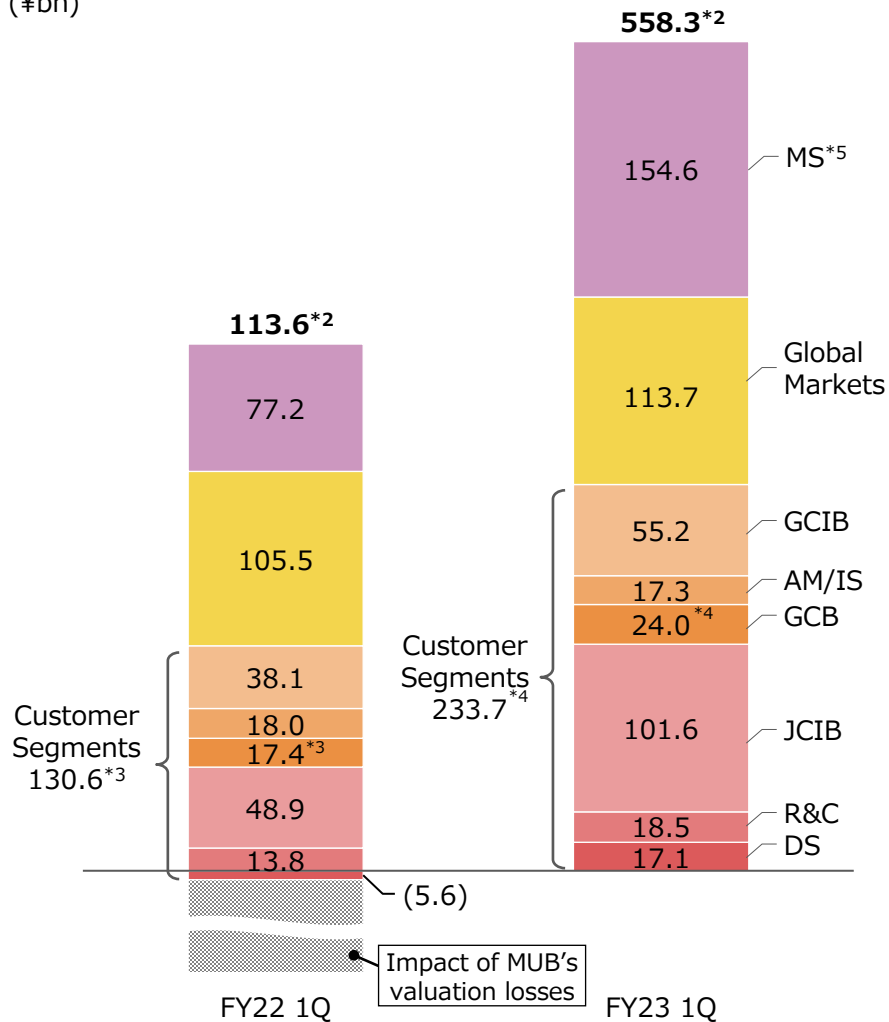
*3 Include the impact of the sale of MUB: ¥(11.1)bn *4 Consumer Finance *5 Leveraged Buyout *6 Investor Services

Outline of Results by Business Segment②

【Consolidated】

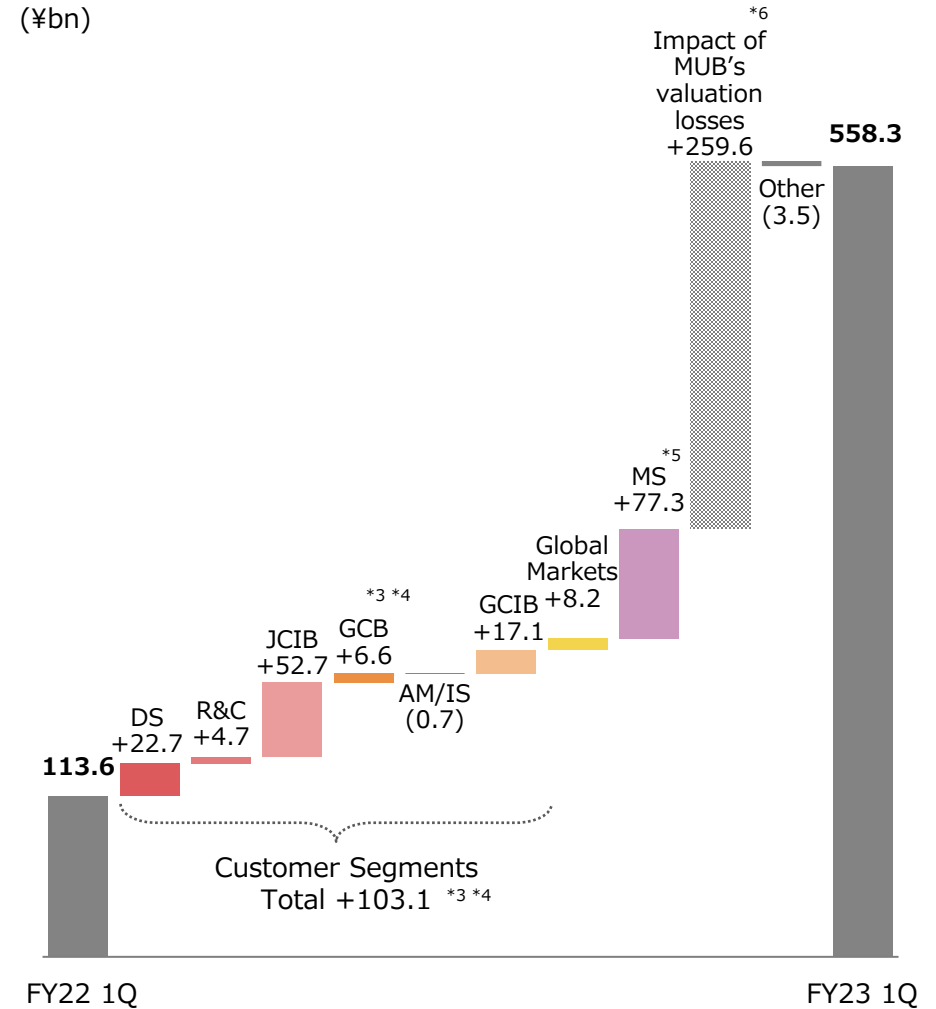
Net Income by Business Segment*1

(¥bn)



Breakdown of Changes in Net Income

(¥bn)



*1 On a managerial accounting basis (preliminary results). Local currency basis *2 Include other net income (FY22 1Q:¥59.9bn, FY23 1Q:¥56.3bn)

*3 Exclude the impact of MUB's valuation losses *4 Include the impact of the sale of MUB: approx. ¥2.3bn

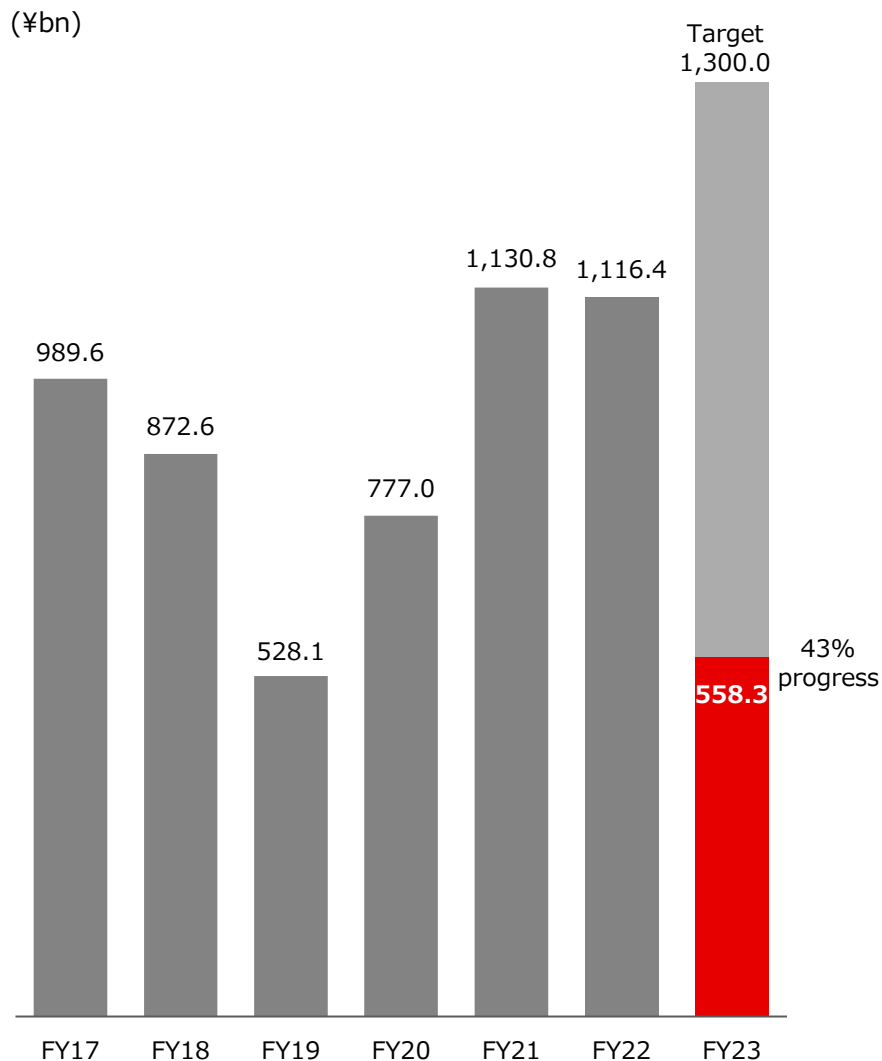
5 *5 Include the estimated financial impact of ¥79.5bn (based on MS's financial results for the quarter ended Mar 31, 2023) associated with the change of the closing date in the equity method of accounting

*6 Valuation losses on bonds held by MUB, etc. included in FY22 1Q (after tax)

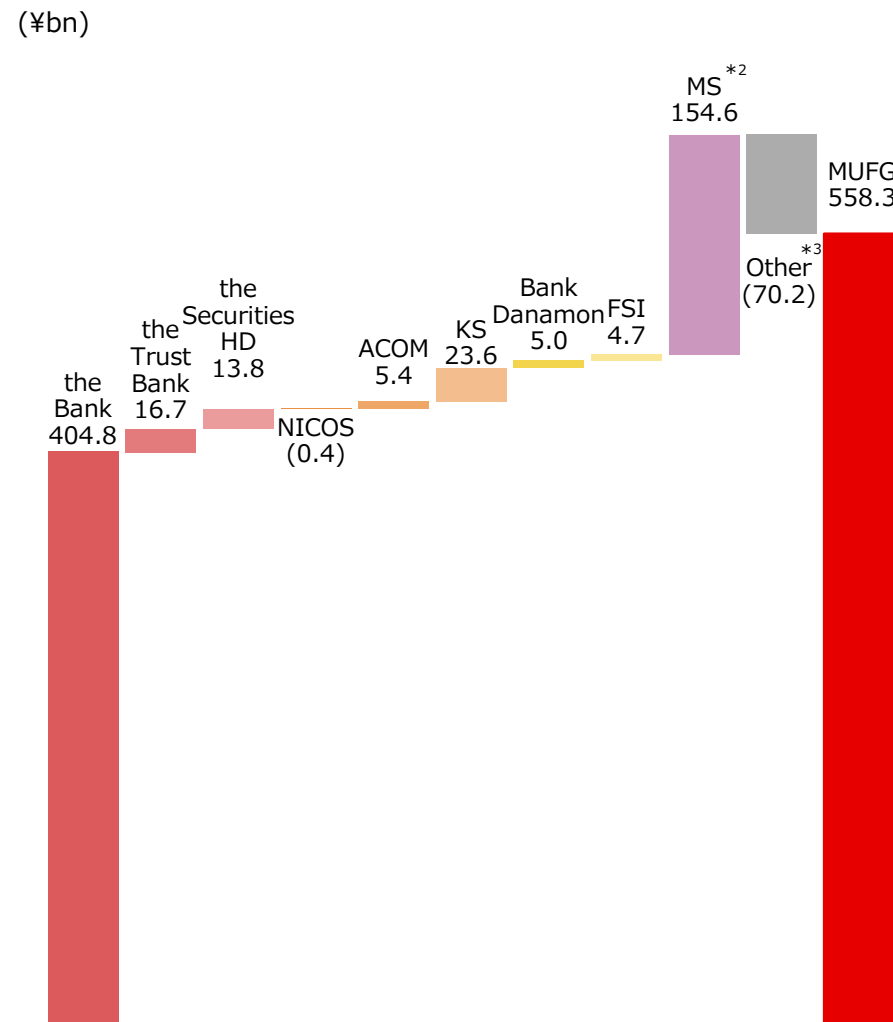
Progress toward Target and Breakdown by Entity

【Consolidated】

History of Profits Attributable to Owners of Parent



Breakdown of Profits Attributable to Owners of Parent*1



*1 The figures reflect the percentage holding in each subsidiary and equity method investee

6 *2 Include the estimated figure of ¥79.5bn (based on MS's financial results for the quarter ended Mar 31, 2023) associated with the change of the closing date in the equity method of accounting

*3 Include consolidation adjustments for special dividend paid by domestic subsidiaries of the Bank of approx. ¥(80.0)bn

Balance Sheet Summary

【Consolidated】

Balance Sheet

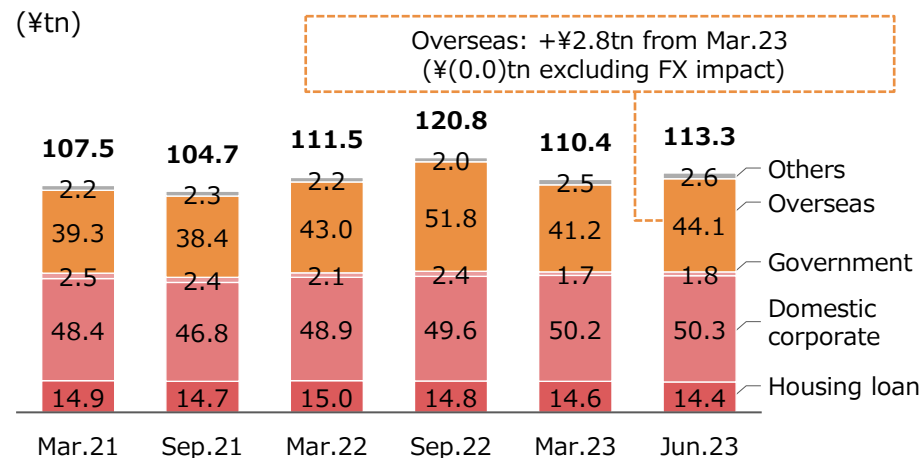
(¥bn)	End Jun.23	Changes from End Mar.23
1 Total assets	387,452.2	652.7
2 Loans (Banking + Trust accounts)	113,334.0	2,909.9
3 Loans (Banking accounts)	112,152.6	3,006.3
4 Housing loans* ¹	14,468.6	(163.6)
5 Domestic corporate loans* ^{1*2}	50,304.3	53.7
6 Overseas loans* ³	44,113.6	2,885.7
7 Investment securities (Banking accounts)	82,089.5	(4,657.3)
8 Domestic equity securities	5,625.1	476.7
9 Japanese government bonds	34,526.6	(2,506.1)
10 Foreign bonds	23,322.6	(2,300.8)
11 Total liabilities	368,273.9	(252.6)
12 Deposits	216,587.8	2,978.3
13 Domestic individuals* ⁴	92,008.5	1,153.9
14 Domestic corporates etc.* ⁴	80,779.3	(1,362.6)
15 Overseas and others	43,799.8	3,187.0
16 Total net assets	19,178.2	905.4
17 Non-performing loans	1,578.5	15.1
18 NPL ratio	1.24%	(0.02%)
19 Net unrealized gains (losses) on available-for-sale securities	1,594.8	174.6

*1 Non-consolidated + trust accounts

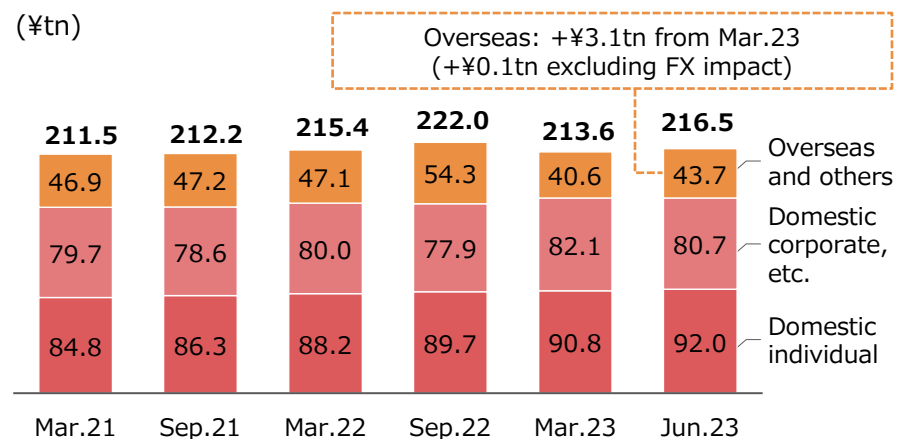
*2 Excluding loans to government and governmental institutions and including foreign currency-denominated loans (Excluding FX impact: ¥(0.4)tn from the end of Mar.23)

*3 Loans booked in overseas branches, MUAH, KS, Bank Danamon, the Bank (China), the Bank (Malaysia) and the Bank (Europe) *4 Non-consolidated

Loans (Period End Balance)



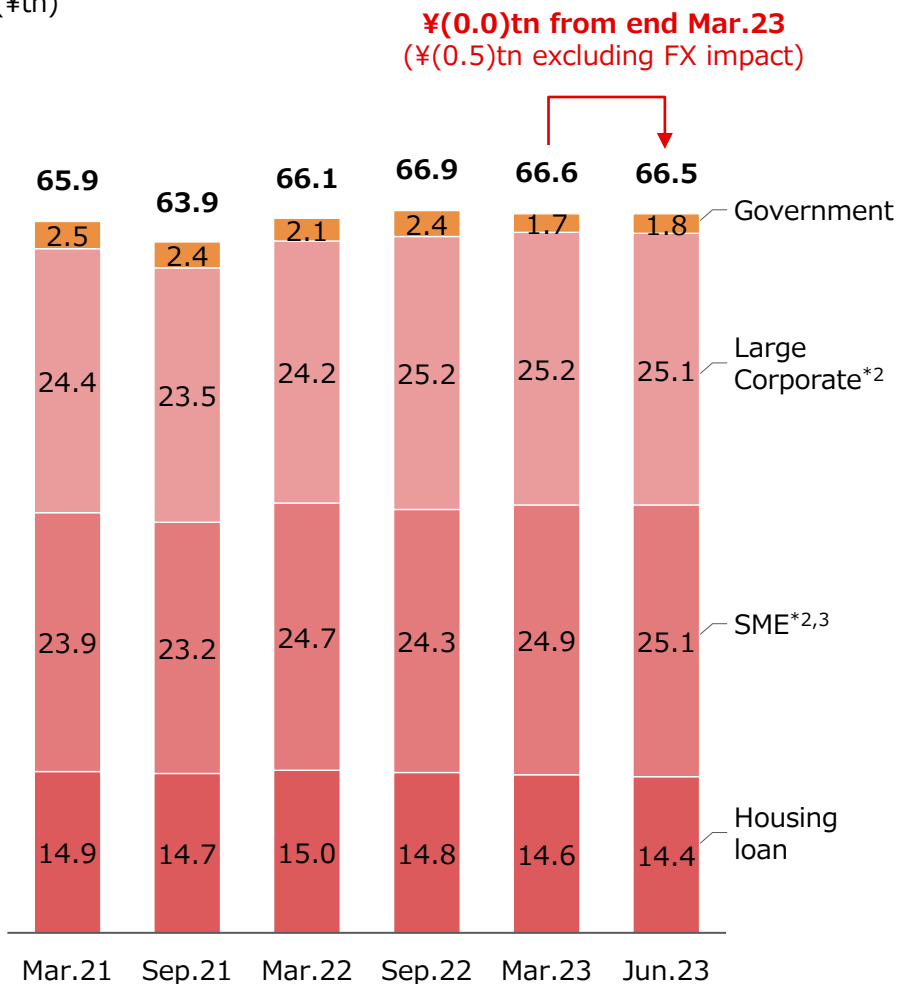
Deposits (Period End Balance)



Domestic Loans

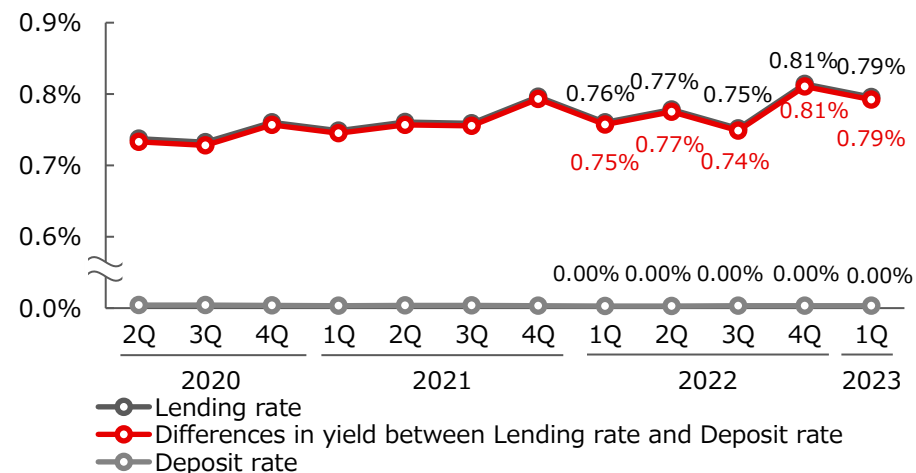
Loan Balance (Period End Balance)*1

(¥tn)

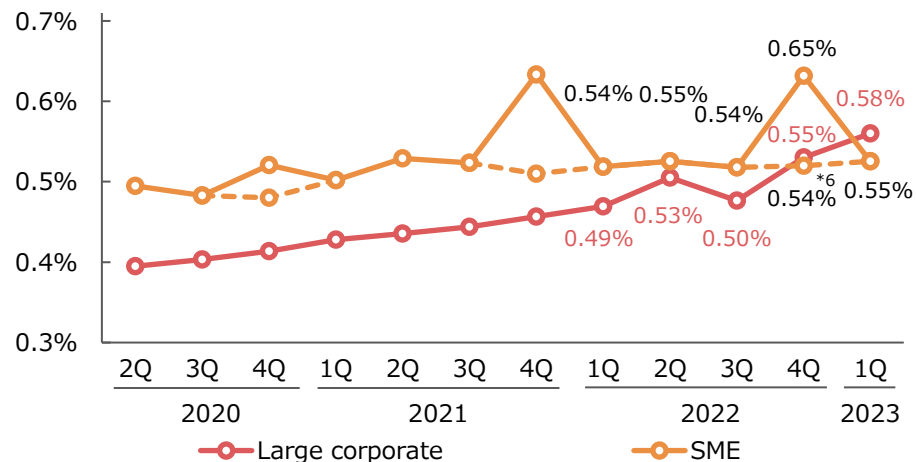


【Consolidated / Non-Consolidated】

Changes in Domestic Deposit / Lending Rates*4



Domestic Corporate Lending Spreads*2,4,5

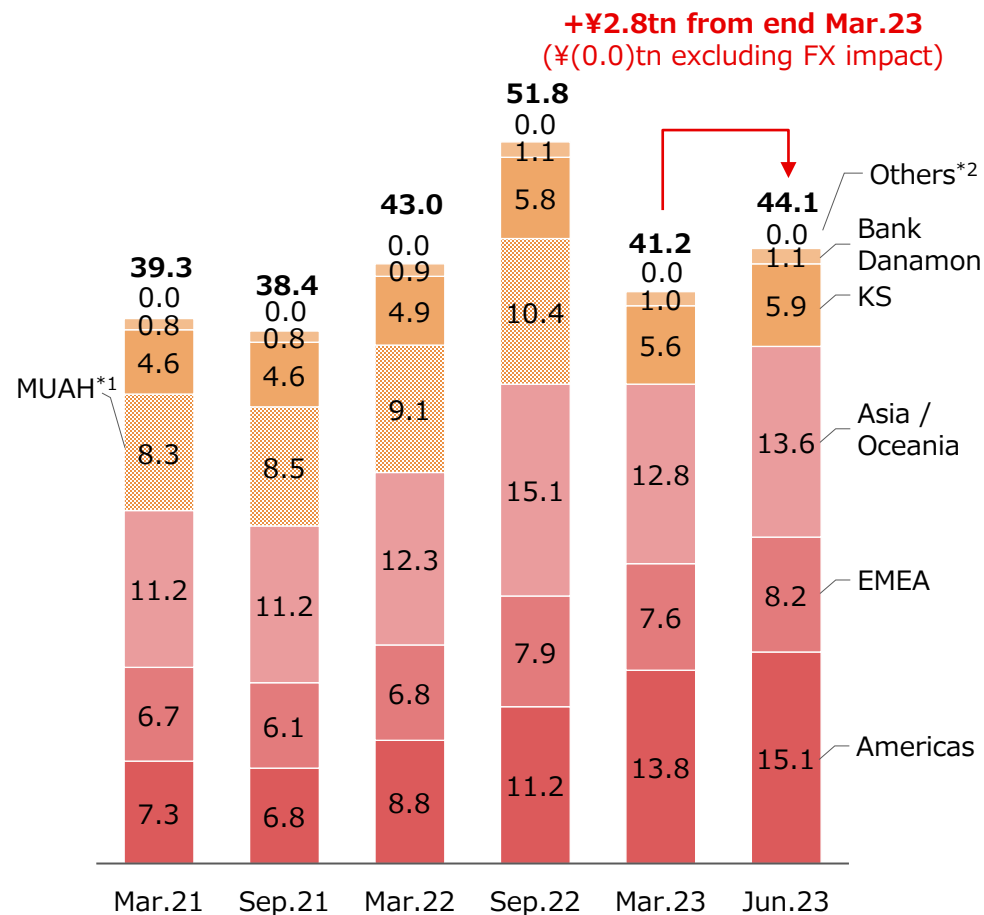


*1 Bank + trust accounts *2 Including foreign currency-denominated loans
 *3 Domestic loans to small / medium-sized companies and proprietors (excluding domestic consumer loans)
 *4 Excluding loans to government *5 On a managerial accounting basis. Non-consolidated
 *6 Excluding the impact of collective recording of interest received at fiscal year-end via subsidized interest payment programs

Overseas Loans

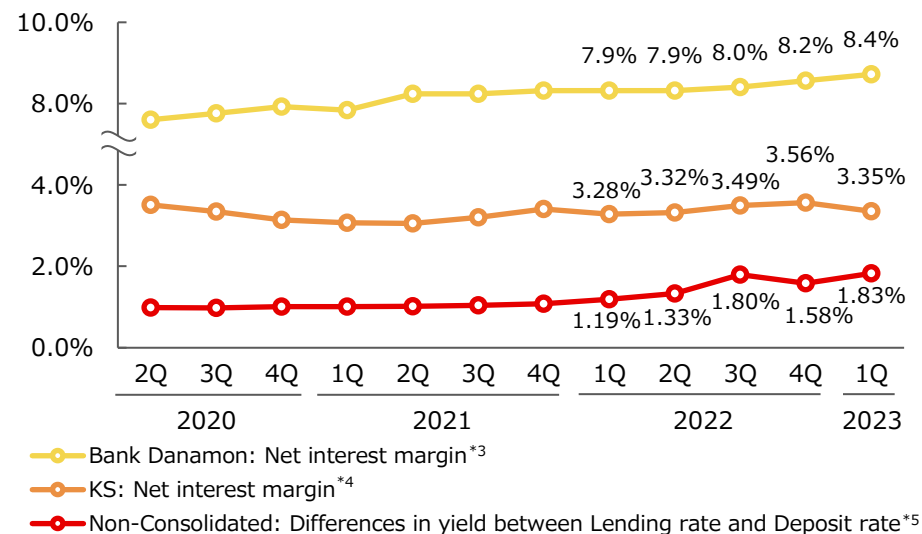
Loan Balance (Period End Balance)

(¥tn)

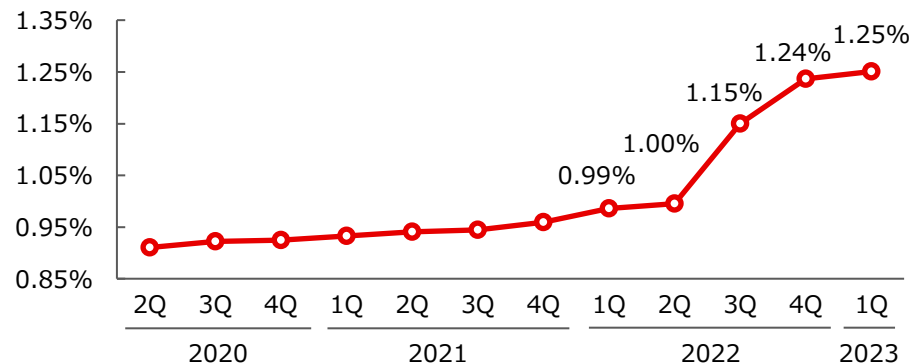


【Consolidated / Non-Consolidated】

Changes in Overseas Deposit / Lending Rates



Overseas Lending Spreads*5



*1 "MUAH" is included in "Americas" from Mar.23. Approx. ¥2.7tn loans were transferred from MUAH to overseas branch of the Bank upon MUB's share transfer

*2 Loans booked at offshore markets etc. *3 Financial results as disclosed in Bank Danamon's financial reports based on Indonesia GAAP. Calculation method modified from FY21 and retroactively applied in this document

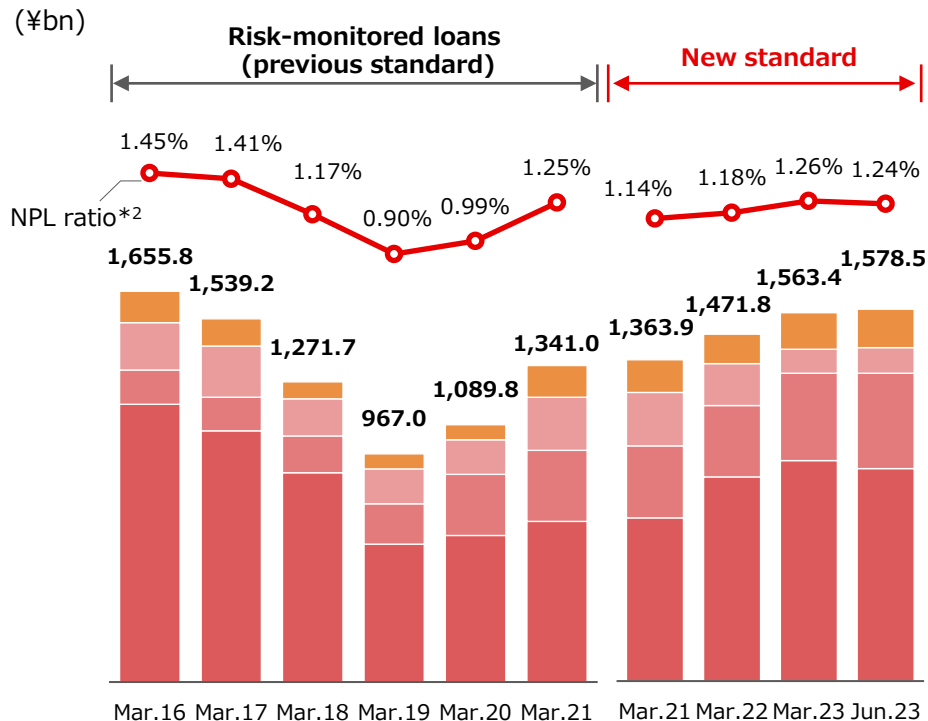
*4 Financial results as disclosed in KS's financial reports based on Thai GAAP, and starting from January 1, 2020, Thailand adopted TFRS 9

*5 On a managerial accounting basis. Non-consolidated

Loan Assets

【Consolidated】

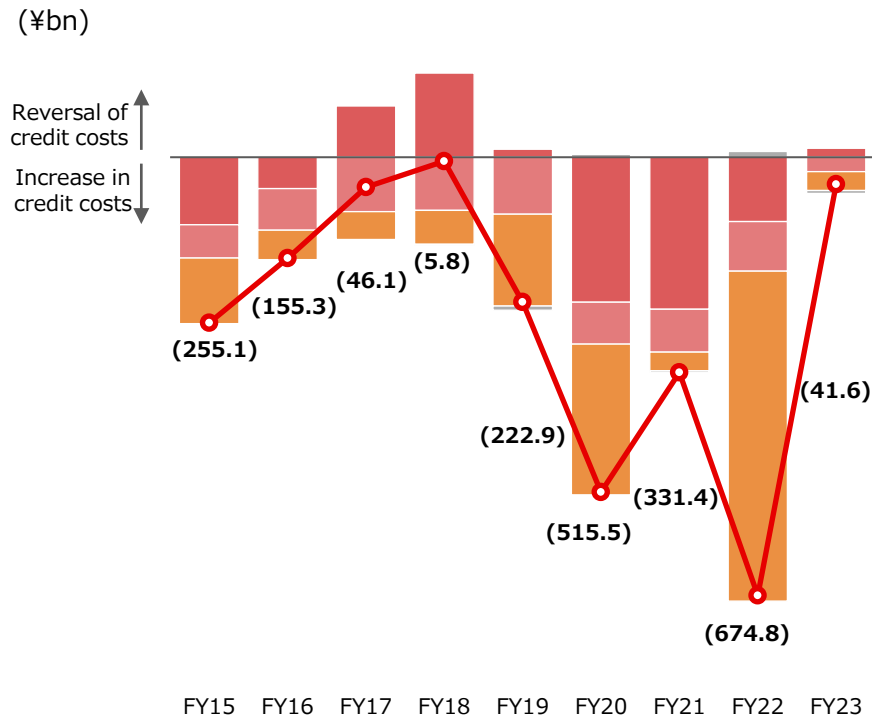
Non-performing Loans*1



Breakdown

	Mar.16	Mar.17	Mar.18	Mar.19	Mar.20	Mar.21	Mar.21	Mar.22	Mar.23	Jun.23
EMEA	133.9	116.0	71.3	64.0	63.7	134.7	138.7	124.0	155.2	163.5
Americas	199.4	216.0	157.5	148.2	145.5	224.7	226.7	178.1	102.1	108.2
Asia	145.3	142.3	155.8	170.3	259.1	300.5	305.8	302.9	370.2	404.1
Domestic	1,177.1	1,064.7	887.0	584.3	621.3	680.9	692.5	866.6	935.8	902.5

Total Credit Costs



Breakdown

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23 1Q
Non-consolidated	(103.7)	(47.9)	79.5	129.8	12.6	(223.2)	(233.8)	(98.8)	14.1
CF*3	(51.6)	(64.5)	(83.6)	(81.7)	(87.6)	(64.4)	(66.0)	(76.5)	(21.9)
Overseas*4	(100.8)	(45.0)	(42.7)	(52.3)	(141.6)	(232.3)	(28.9)	(508.3)	(29.3)
Others*5	1.0	2.1	0.8	(1.5)	(6.2)	4.5	(2.6)	8.9	(4.4)

*1 Because the definition of risk-monitored loans became the same as the definition of FRA, it is disclosed as loans under the Japanese Banking Act and the FRA. Regions are based on the borrowers' location

*2 Total non-performing loans ÷ Total loans (Previous standard: Total risk-monitored loans ÷ Total loans and bills discounted (banking accounts as of period end))

*3 Sum of NICOS and ACOM on a consolidated basis

*4 Sum of overseas subsidiaries of the Bank and the Trust Bank. It is currently estimated that the total credit costs of the major overseas subsidiaries (which were consolidated based on their financial statements for the fiscal year ended March 31, 2023) for the quarter ended June 30, 2023 will be approx. ¥40bn. The subsidiaries' total credit costs will be reflected in consolidated financial statements for the quarter ending September 30, 2023

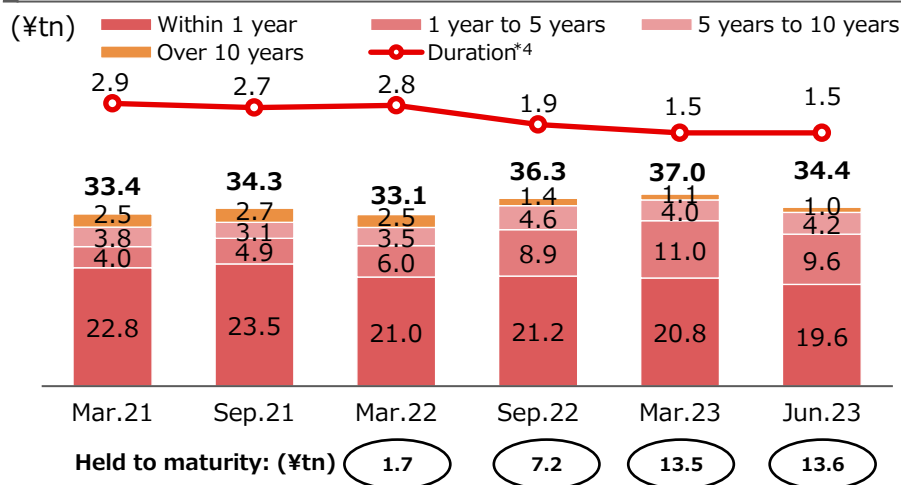
*5 Sum of other subsidiaries and consolidation adjustment

Investment Securities

Securities with Fair Value

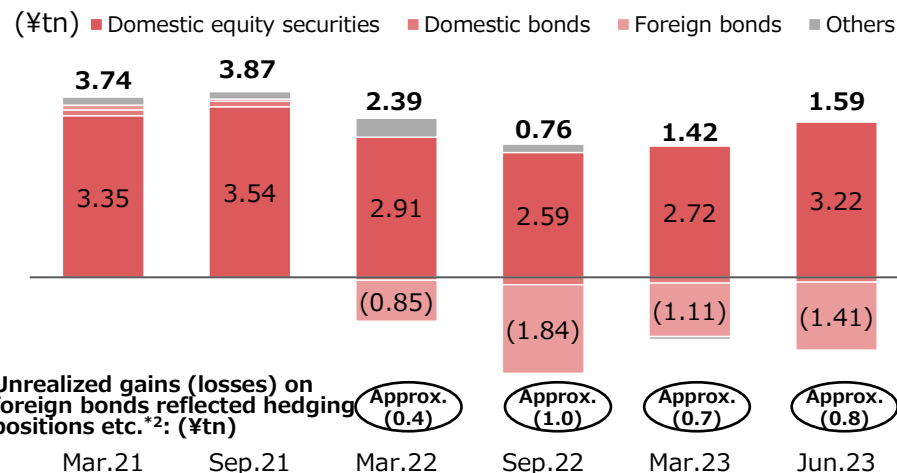
1	Held to maturity	Balance End Jun.23		Unrealized gains (losses)	
		(¥bn)	Changes from Mar.23	Changes from Mar.23	Changes from Mar.23
2	Available for sale	23,037.1	1,517.0	-	-
3	Domestic equity securities	58,902.0	(6,218.9)	1,594.8	174.6
4	Domestic bonds	4,763.6	491.7	3,225.8	505.1
5	Japanese government bonds	26,309.2	(3,442.6)	(101.0)	18.9
6	Others	20,912.2	(2,606.6)	(79.7)	6.6
7	Foreign equity securities	27,829.2	(3,268.0)	(1,529.9)	(349.4)
8	Foreign bonds	466.9	58.5	(77.5)	(11.9)
9	Others	18,647.0	(3,063.1)	(1,413.4)	(297.2) ^{*1}
		8,715.2	(263.4)	(39.0)	(40.3)

Balance of JGB Portfolio by Maturity^{*3}



【Consolidated / Non-Consolidated】

Unrealized Gains (Losses) on Available-for-sale Securities



Selling Amount of Equity Holdings (Approx.)^{*5}

(¥bn)	Amount of Sale	Acquisition Cost Basis	Net Gains (Losses)	
1	FY15-20 Total	1,545.0	870.0	675.0
2	FY21	470.0	169.0	301.0
3	FY22	425.0	154.0	271.0
4	FY23 1Q	48.0	15.0	33.0
5	FY21-23 Target		500.0	
5	Agreed Amount ^{*6} (End Jun.23)	-	156.0	-

11 *1 Approx. ¥(0.2)tn excluding FX impact *2 On a managerial accounting basis
 *3 Available-for-sale securities and held-to-maturity securities. Non-consolidated *4 Available-for-sale securities. Non-consolidated. Unit: year
 *5 Sum of the Bank and the Trust Bank *6 Amount planned to be sold until FY23

Disclaimer

This document contains forward-looking statements regarding estimations, forecasts, targets and plans in relation to the results of operations, financial conditions and other overall management of the company and/or the group as a whole (the “forward-looking statements”). The forward-looking statements are made based upon, among other things, the company’s current estimations, perceptions and evaluations. In addition, in order for the company to adopt such estimations, forecasts, targets and plans regarding future events, certain assumptions have been made. Accordingly, due to various risks and uncertainties, the statements and assumptions are inherently not guarantees of future performance, may be considered differently from alternative perspectives and may result in material differences from the actual result. For the main factors that may affect the current forecasts, please see Consolidated Summary Report, Annual Securities Report, Disclosure Book, Annual Report, and other current disclosures that the company has announced.

The financial information included in this financial highlights is prepared and presented in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”). Differences exist between Japanese GAAP and the accounting principles generally accepted in the United States (“U.S. GAAP”) in certain material respects. Such differences have resulted in the past, and are expected to continue to result for this period and future periods, in amounts for certain financial statement line items under U.S. GAAP to differ significantly from the amounts under Japanese GAAP. For example, differences in consolidation basis or accounting for business combinations, including but not limited to amortization and impairment of goodwill, could result in significant differences in our reported financial results between Japanese GAAP and U.S. GAAP. Readers should consult their own professional advisors for an understanding of the differences between Japanese GAAP and U.S. GAAP and how those differences might affect our reported financial results. We will publish U.S. GAAP financial results in a separate disclosure document when such information becomes available.

Definitions of Figures and Abbreviations Used in This Document

• Gross profits:	Gross profits before credit costs for trust accounts	
• Net operating profits:	Net operating profits before credit costs for trust accounts and provision for general allowance for credit losses	
• ROE (MUFG definition) :	$\frac{\text{Profits attributable to owners of parent for 1Q of respective fiscal year} \times 4}{\{(Total\ shareholders' \ equity \ at \ the \ beginning \ of \ the \ period \ + \ Foreign \ currency \ translation \ adjustments \ at \ the \ beginning \ of \ the \ period) \ + \ (Total \ shareholders' \ equity \ at \ the \ end \ of \ the \ period \ + \ Foreign \ currency \ translation \ adjustments \ at \ the \ end \ of \ the \ period)\} \div 2}$	
• Total credit costs:	Credit costs for trust accounts+Provision for general allowance for credit losses+Credit costs+Reversal of allowance for credit losses+Reversal of reserve for contingent losses included in credit costs+Gains on loans written-off	
• Consolidated:	Mitsubishi UFJ Financial Group (consolidated)	
• Non-consolidated:	MUFG Bank (non-consolidated) + Mitsubishi UFJ Trust and Banking (non-consolidated) (without any adjustments)	
• DS:	Digital Service Business Group	
• R&C:	Retail & Commercial Banking Business Group	
• JCIB:	Japanese Corporate & Investment Banking Business Group	
• GCB:	Global Commercial Banking Business Group	
• AM/IS:	Asset Management & Investor Services Business Group	
• GCIB:	Global Corporate & Investment Banking Business Group	
• Global Markets:	Global Markets Business Group	
	• the Bank:	MUFG Bank
	• the Trust Bank:	Mitsubishi UFJ Trust and Banking
	• the Securities HD:	Mitsubishi UFJ Securities Holdings
	• MUMSS:	Mitsubishi UFJ Morgan Stanley Securities
	• NICOS:	Mitsubishi UFJ NICOS
	• MUAH:	MUFG Americas Holdings
	• MUB:	MUFG Union Bank
	• KS:	Bank of Ayudhya (Krungsri)
	• FSI:	First Sentier Investors
	• MS	Morgan Stanley